National Performing Arts Partnership Framework
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We, the peak ministerial forum for arts and culture, share a vision of a vibrant performing arts ecology that is consistently growing and collaborating, developing audiences, producing new and diverse Australian works, creating opportunities and employment for Australian artists and arts workers, and reflecting and shaping Australian society and national identity.

We acknowledge the important contribution of performing arts companies, including in the fields of dance, theatre, circus, opera, orchestral and chamber music, to Australia’s arts and culture landscape and support their ongoing artistic achievement, autonomy and evolution.

We express our commitment to providing a mix of funding support to companies in Australia’s performing arts sector through mechanisms within our individual jurisdictions as well as coordinated, multilateral government support for a cohort of organisations under this agreement, the National Performing Arts Partnership Framework (2019) (the Framework).

We agree to a cohesive and collaborative national approach under this Framework that builds on the longstanding principles of the 1999 Major Performing Arts Inquiry and achievements of National Framework for Governments’ Support of the Major Performing Arts Sector (the 2011 Framework) by incorporating a package of important reforms. These reforms will improve the Framework’s flexibility, transparency and ability to prioritise key outcomes and reward excellence. This new Framework will also provide a clearer pathway to expand the cohort of companies funded through the Framework and stability of funding to thriving companies within it.

Overview

1. The Framework has been developed collaboratively by the Australian and state and territory governments to give effect to feedback received through extensive public consultation in late 2018. As a result, this new Framework delivers:

   i. A clear approach to prioritising outcomes that are important to the Australian performing arts sector, Australian audiences and Australian communities, such as:
      • developing and rewarding artistic excellence;
      • increasing the creation of new Australian work;
      • developing First Nations arts;
      • addressing barriers and improving performance across key diversity areas;
      • improving access to the arts for Australians in regional and remote communities; and
      • increasing collaboration with performing arts companies not funded under the Framework.

   ii. Significant stability of funding to a cohort of companies in a time-limited partnership in return for the delivery of activities consistent with these priorities, achievement of Key Performance Indicators (KPIs) and delivery on core responsibilities in the areas of art form leadership, organisational and financial management and impact in the sector and community;

   iii. A clearer pathway to expand the cohort of funded companies over time through a formal invitation and assessment process;
iv. Appropriate **flexibility of funding arrangements** to ensure governments can jointly respond to a changing ecology and national priorities, as well as support high-performing, future-oriented organisations and address company performance. **Flexibility in negotiation of the outputs required** from Partnership Organisations will allow them to take into account audience demand, changing markets and other factors;

v. Increased **transparency and accountability** through enhanced reporting processes to facilitate better public understanding of the performance, artistic achievements and contributions of Partnership Organisations to the broader performing arts ecology and Australian society; and

vi. A mechanism to **reward excellence** in artistic achievement, organisational management and governance, strategic planning and impact in the sector and community.

**Governance**

2. This Framework replaces the 2011 Framework.

3. Amendments to this Framework document are made by consensus by Arts and Culture Ministers from all Australian jurisdictions at a Meeting of Cultural Ministers (MCM) in person or out of session.

4. Administrative and funding decisions under the Framework are made on a bilateral or trilateral basis (depending on the number of governments that support a company) by the contributing government funding partners for each Partnership Organisation. Each government determines its own decision-making processes and delegations of authority. The Australia Council administers the Framework on behalf of the Australian Government.

5. Visibility of all administrative decisions made under the Framework will be facilitated by the Australia Council through the provision of advance notice of any decisions or material developments to the MCM Officials Working Group.

6. The Australia Council will provide annual reporting to MCM and will publish aggregate data on Partnership Organisations’ annual turnover, performance numbers, attendance numbers, spread of national and international activity and employment.

7. Through MCM, jurisdictions will review the operation of this Framework after eight years from the date of its commencement to assess whether it is continuing to meet the needs of the sector and community and the priorities of governments.

**Principles**

8. Governments agree that the stability, consistency and strategic direction of a national approach is an important way of securing high level outcomes from Partnership Organisations, and that:

   i. The funding partnership between Australian, state and territory governments is based on a joint approach to the design and administration of funding;
   
   ii. All Partnership Organisations will be jointly funded, at levels and in proportions agreed between contributing government funding partners on a company-by-company basis;
   
   iii. Governments will not make unilateral decisions affecting the national Framework, including decisions that may impose or shift costs onto another government funding partner in order for Partnership Organisations to be able to meet agreed performance expectations; and
iv. Flexibility is required with regard to Partnership Organisations’ company outputs, recognising that these will change over time and will be influenced by community expectations and demand, artistic leadership and the wider economic climate.

9. This Framework does not preclude individual governments providing additional support to Partnership Organisations outside of the Framework as they see fit.

Key Elements

10. The Australian Government will maintain its aggregate dollar value funding contribution within in each state at a minimum of the 2019 funding levels, plus indexation where the state’s own funding contribution has been indexed or otherwise equivalently increased. The Australian Government recognises that companies funded under the Framework may deliver activities and outcomes outside of their resident jurisdictions.

11. State governments will also maintain their aggregate dollar value funding contributions at a minimum of the 2019 funding levels, plus indexation where it is permitted through governments’ budget processes.

12. Governments acknowledge that their individual contributions through the Framework are subject to their respective Budget processes.

13. In the event that the Australian Government and a territory government commence funding a territory-based company under the Framework, both contributing government funding partners will maintain aggregate funding at the level provided in the year of entry. The Australian Government will provide indexation where the funding contribution of the territory government has been indexed or otherwise equivalently increased.

14. In the event of an increase to Australian Government funding under the Framework, the Australian Government will, in making decisions on the distribution of that new funding, consider factors such as current distribution of Australian Government funding, gaps in the national arts ecology (including as identified through sector scans), and the objective of increasing equity of access to Partnership Organisations for performing arts audiences around Australia.

15. The Framework will be administered by the Australia Council, in partnership with state and territory agencies, on a four yearly cycle, with a formal invitation, assessment and selection process being undertaken to determine the companies to be funded as Partnership Organisations.

16. Partnership Organisations can receive the stability of a commitment to funding under the Framework for a maximum of eight years at any one time in 4 + 4 year contracts, subject to ongoing monitoring against performance expectations. The program will be designed to incentivise, to encourage innovation and to reward excellence in Partnership Organisations’ applications, forward planning and organisational management. Further information is below under ‘Funding Arrangements.’

17. Partnership Organisations are required to deliver on specified priorities and meet agreed Key Performance Indicators (KPIs), as articulated in their funding agreements. Governments may refresh and re-articulate priorities every four years in line with the invitation cycle.

18. Partnership Organisations are subject to robust monitoring processes that measure achievement and ensure accountability and transparency.
Funding arrangements

19. Partnership Organisations will receive the stability of a commitment to funding under the Framework for a maximum of eight years at any one time in 4 + 4 year contracts. Subject to ongoing monitoring against performance expectations, individual funding agreements will provide:

i. funding at confirmed levels for an initial four-year period, and
ii. an in-principle commitment to support for an additional four-year period at levels that may vary only within limited parameters.

20. The level of funding provided for the second four-year period will be determined by the contributing government funding partners at the four-year assessment point on the basis of the Partnership Organisation’s application for funding.

21. In order to ensure a rigorous application assessment process and to incentivise innovation and excellence in strategic planning, the allocations may be subject to a variation below the funding provided in the current four-year period. More information on this process is below under ‘Application Outcomes.’

22. The total aggregate funding contributions through the Framework within each jurisdiction will not reduce through this process below the levels to which governments have committed above. Any variable amounts will be retained and redistributed under this Framework to companies resident within the same jurisdiction, unless mutually agreed otherwise by relevant government funding partners.

4 + 4 Funding model chart

23. The following chart shows the Partnership Framework 4 + 4 (eight year) funding model.
Selection of partnership organisations

24. The cohort of Partnership Organisations funded under the Framework will be determined every four years through both an invitation and an assessment process:

   i. The invitation process is a retrospective consideration by government funding partners of a company’s past performance in order to determine whether it will be invited to submit an application for funding (noting that any Partnership Organisation meeting performance expectations will automatically be invited).

   ii. The assessment process is an analysis of a company’s future plans, as outlined in its application for funding for the next eight years, in order to:

       • In the case of an existing Partnership Organisation that is meeting performance expectations, determine the level of funding the company will be granted;

       • In the case of other invited organisations, confirm whether the company will be funded under the Framework and the level of that funding.

Sector Scans

25. The process of selecting Partnership Organisations will draw on periodic sector scans undertaken by the Australia Council in consultation with state and territory governments. These will comprehensively consider and report on the state of play in regard to a particular performing arts subsector (e.g. theatre, contemporary dance) or issue (e.g. touring, diversity), including in relation to strengths, weaknesses and gaps.

Invitations

26. Informed by their knowledge of the arts ecology within their jurisdictions, supplemented by sector scans, contributing government funding partners will decide on the issue of invitations within their jurisdictions through a targeted selection process.

27. In conducting this targeted selection process, contributing government funding partners will consider the following as guiding factors, rather than strict eligibility criteria:

   i. The leadership displayed by the company within its artform, organisationally and in the context of the broader sector;

   ii. The stability of the company in terms of financial health and management, governance, approach to business improvement and ability to consistently generate non-government revenue;

   iii. The impact upon, and contribution to, national and state/territory arts ecologies, including reach, access, diversity, new works, community engagement and, where applicable, Australia’s international cultural engagement and reputation;

   iv. The scale of the company’s operations in the context of the market in which it operates, including the levels of revenue generated on an annual basis ($2 million indicative benchmark including government income and excluding in-kind revenue); and

   v. The company’s history of delivering outcomes in return for government funding, including whether it has consistently received funding from more than one level of government, including the Australia Council, for four or more consecutive years, and the efficiency with which it has managed costs, consistent with artform standards.
28. The contributing government funding partners will include in the invitations:
   i. Details of the application process, including the basis on which applications will be assessed;
   ii. Specific priorities that companies must respond to in their applications, and
   iii. The potential funding envelope within which each company should present its funding proposal.

29. Any Partnership Organisation funded under this Framework and meeting performance expectations will automatically be invited to apply for funding in the next funding round. Any Partnership Organisation not meeting expectations may be, but is not automatically, invited, and its potential funding envelope will be entirely at the discretion of relevant government funding partners.

30. Any Partnership Organisation not meeting expectations that is not issued an invitation may be assisted to transition out of the Framework through a staged process that tailors the organisation’s transition to alternative funding programs and sources based on its individual circumstances. More information on this process is below under ‘Performance Management.’

31. Any Major Performing Arts company being funded under the 2011 Framework at the time of the commencement of this Framework will be invited to submit an application for funding in the first funding round. Other companies may also be invited to submit an application.

Assessment of applications

32. The assessment process is an analysis of an organisation’s future plans against three criteria:
   i. Artistic merit, quality and vision, as outlined in the organisation’s strategic plan and proposed activities for the next four years;
   ii. Organisational capacity to deliver on its strategic plan and proposed activities over the next four years in a way that provides value for money in the expenditure of public funds, including with regard to the organisation’s financial health, operational efficiency, governance and capacity to increase non-government revenue;
   iii. Alignment of a company’s strategic plan and proposed activities with governments’ priorities, as specified in that company’s invitation, taking into account the companies’ expertise, reach, artistic aspirations and needs of their communities. While a small number of core priorities may be specified for all organisations, governments acknowledge the diversity, autonomy and distinctiveness of each individual Partnership Organisation and support a collective approach to the achievement of these priorities, rather than each Partnership Organisation being expected to address all priorities.

33. Priorities may include but will not necessarily be limited to:
   i. Improving access to and participation in the arts for all Australians;
   ii. Increasing the creation and presentation of new Australian works that reflect contemporary Australia in each artform;
   iii. Developing First Nations arts and increasing Aboriginal and Torres Strait Islander representation within programming, new works, organisational workforce and leadership;
   iv. Addressing barriers and improving performance across key diversity areas (including disability, gender, LGBTIQ+, age and cultural diversity) in arts practice, programming, employment, education, training, engagement and participation;
v. Developing audiences for Australian performing arts through inter-jurisdictional domestic touring, touring to regional and remote communities and international touring;

vi. Increasing and improving access to arts education and fostering a culture of long-term growth in creativity and innovation;

vii. Increasing revenue from a range of non-government and private sector sources; and

viii. Increasing collaboration with arts companies not funded under the Framework, including from the performing arts and other artforms.

34. Applications will be assessed by contributing government funding partners following advice from industry advisors.

35. The industry advisors will be required to include subject matter experts from arts and non-arts industries or disciplines. The cohort of industry advisors will be refreshed every four years, with input from contributing government funding partners. This industry advice process will provide governments with the independent expertise required to accurately assess companies that are leaders in their fields.

Application outcomes

36. The application assessment process will conclude with a negotiation and determination of the level of funding to be provided to each Partnership Organisation and the execution of a funding agreement.

37. In the case of currently-funded Partnership Organisations that are meeting performance expectations, the contributing government funding partners will determine by consensus to:

i. Maintain current annual levels of funding for the next four years at the level stipulated in the funding agreement for the previous four years, adjusted for indexation where applicable; or

ii. Increase the annual level of funding for the four-year period; or

iii. Decrease the annual level provided by up to 10 per cent of the annual level of funding of the existing four-year agreement, adjusted for indexation where applicable.

38. This variation process is an important mechanism to incentivise Partnership Organisations to submit meaningful and considered applications and enable government funding partners to reward excellence in strategic planning.

39. The Australia Council will publish the outcomes of the invitation and application assessment processes as soon as practicable after all funding agreements are executed, including reasons for the selection of the specific cohort of Partnership Organisations and annual funding levels to be provided to each Partnership Organisation. New entrants or continuing Partnership Organisations may also request feedback regarding their individual applications and the level of funding provided.
Performance management

40. Partnership Organisations will be subject to regular and robust monitoring processes that measure achievement, ensure accountability, and where absolutely necessary, form the grounds for a company being deemed as no longer qualifying for funding under the Framework.

41. KPIs are negotiated between the contributing government funding partners and the Partnership Organisation prior to the signing of a funding agreement and included as terms of the funding agreement. Funding agreements will always include KPIs related to the government priorities put forward at the invitation stage and addressed by the Partnership Organisation in its application for funding, and may also include other KPIs.

42. The monitoring of KPIs and general performance of Partnership Organisations will be undertaken consistently by the contributing government funding partners no less than once per year throughout the contract period. Action can be taken to address underperformance at any point throughout the contract period, as outlined below.

43. The monitoring of KPIs and general performance, and the determination of any action taken to address underperformance, will include reasonable consideration of any unavoidable circumstances that have adversely affected a company’s performance.

Additional reporting, fair notice and framework exit

44. At any point within the four-year contract period, contributing government partners may undertake to review company performance and intervene through provisions of Additional Reporting or Fair Notice, or by implementing a staged exit of a company from the Framework in extreme cases of underperformance.

45. ‘Additional Reporting’ requirements may be imposed for a period of 12 months on any Partnership Organisation that has been identified by contributing government funding partners as failing to deliver on expected performance or complying with terms of the funding agreement. ‘Additional Reporting’ requires more frequent and/or bespoke reporting to the funders and, potentially, delivery on requirements and/or targets to address underperformance for approval by the contributing government funding partners.

46. ‘Fair Notice’ of no longer qualifying for funding under the Framework will be provided to any Partnership Organisation identified by the government funding partners as failing to deliver on performance expectations and/or bespoke requirements within the agreed period. The ‘Fair Notice’ period will last 12 months or as otherwise agreed by funding partners, and requirements will be determined by the contributing government funding partners on a case-by-case basis. Examples of requirements may include improvements to artistic and/or service delivery, financial controls, benchmarks and/or statistical targets, organisational reviews or interventions, governance reviews or other relevant actions.

47. A Partnership Organisation that fails to deliver on the ‘Fair Notice’ provisions within 12 months of being placed on ‘Fair Notice’ will have their funding qualification under the Framework reviewed by the contributing government funding partners, potentially resulting in:

   i. A decision not to invite a company to apply for funding at the four-year invitation point, where the end of the ‘Fair Notice’ period coincides with the invitation cycle; or
   ii. A decision to exit the company at any time within the period of the funding agreement.
48. On agreement to exit a Partnership Organisation from the Framework, the contributing government funding partners may exit the company immediately or through a staged process that tailors the organisation’s transition to alternative funding programs and sources based on its individual circumstances. Any funding provided by government funding partners under that plan will be considered part of those governments’ total aggregate funding contribution under the Framework.

49. Companies which have exited from the Framework may be eligible for re-invitation into the Framework at a four-year assessment cycle, pending performance improvements and agreement by contributing governments.

**Public Reporting**

50. The aggregate performance of Partnership Organisations against agreed KPIs will be made public on an annual basis through the MCM and published on the Australia Council website.

51. This data will be accompanied by commentary that explains these outcomes, highlights the key achievements of the Partnership Organisations as a cohort and outlines any exits from the Framework or other critical developments over the past 12 months.

52. Information on the outcomes of periodic sector scans will also be published on the Australia Council website.

53. Each Partnership Organisation’s funding agreement will require it to report publicly on its individual performance in key areas identified as priorities for that organisation.