Paper Title

Arts and business: The impact of business models on the activities of major performing arts organisations in Australia.

Keywords

Arts, government policy, business models, performing arts organisations

Abstract

Managerial business models were first introduced to Australian subsidised performing arts organisations by the then Federal Government in 2000. Until the early 1990s, Australian arts organisations were contextualised as ‘not for profit’ entities, with an overall objective of producing good art. Over the past decade, however, Major Australian Performing Arts organisations have been viewed more frequently as part of an ‘industry’ and, within this industry construct, framed as ‘business entities’, with a need to prove positive financial outcomes as a first priority. This paper explores what is meant by business models in the context of Australian Major Performing Arts Organisations and what has been the impact of this approach.

Background

Historically government support for the arts in the West has been seen as a way of ameliorating the impact of the market place, acknowledging its intrinsic value to society, as well ensuring broad access to arts activity (Williams 1989). Berger, referencing the work of Walter Benjamin, notes however that art in Western society, is the preserve of those in power, whether it be the church, the ruling classes or, in contemporary society, the corporation and the state (Berger 1972: 32). In Australia, it has been observed that to receive government funding, there has been a shift from the ideology of public support for the arts as a ‘public good’ towards proving that the arts provide tangible economic or social benefits

(Glow & Johanson 2006). Economic justifications for cultural activity have been a major argument used both to government and by government for their involvement in cultural support in recent years (Craik 2005; Stevenson 2000; Throsby 2001). Johanson (2008) comments further though that the idea of the arts being in fact part of an 'industry' has never been far from the centre of the debate in Australia and that the arts were only located in an idealized protected place (i.e. 'art for art's sake') for the years of the Whitlam Government from 1973-75. In fact the Industries Assistance Commission (IAC), recommended to the Fraser government in 1976 that funding should not be provided on an ongoing basis to professional performing arts organisations but should be subject to a phase out after 3 years, so that they could become self-supporting (Gardiner-Garden 2009:6). The framing of the arts as an industry within the political sector in Australia became more widespread following the publication of the McLeay Review in 1986 following on from the IAC recommendation in 1976 (Gardiner-Garden 2009). Perhaps the use of the industry model to frame the arts has been dominant politically since the publication in 1994 of *Creative Nation*, by the then Australian Federal Labor Government led by Paul Keating. While presented as a cultural policy document, it also stated that it was an economic statement and it encouraged the production of art to be viewed as an industrial process evaluated by statistics set within a business model (Creative Nation 1994).

Generally ways of approaching the evaluation of arts organisations, by government funding authorities in particular, has focused on measurable quantitative outcomes, while qualitative and less tangible outcomes are not considered or alternatively (until recently) deemed too difficult to measure (Bailey 2009 b; Brokensha 1996; Gilhespy 1999; Turbide & Laurin 2009). So the 'work' (or 'output') of arts activity, which can be intangible in terms of its nature, is evaluated through quantitative methods which do not necessarily have any relationship to the nature of the work itself or its intent. It is argued also that arts organisations see themselves as primarily accountable to their largest funders, and therefore in the 'not for profit' sector, this is usually government or its agencies (Turbide & Laurin 2009). Brokensha (1996: 101) points out that the performance indicators that funders impose on arts organisations, are not measuring how the organisation is performing against its own objectives, but how it is measuring up against the funder's notions of the organisation's objectives. Turbide and Laurin (2009) also observe that the methods of accountability demanded by funders are in a sense also easier to do by the organisations, because they relate to simple measuring of numbers (e.g. audience attendances, number of performances etc).

Over the past decade the framing of major performing arts organisations as 'businesses' has been both explicit and implicit in the Australian context. In 1999 the Federal Government undertook an inquiry into the major performing arts and commissioned a banker, Helen Nugent, to head the inquiry. The inquiry, summarised as the Nugent Report, was published in 1999 (Nugent 1999). The government then separated major organisations in the performing arts area (which then represented 75% of the funding to all of the arts by the Australia Council), and placed them in their own distinct unit. The creation of the Major Performing Arts Board (MPAB) at the Australia Council in 2000 signalled a shift from the evaluation of the funding and activities of major performing arts organisations by peers (that is, using 'experts from the field' to compare 'like with like') to a model which prioritised financial concerns. The membership panel of the MPAB over the past decade has been primarily people from a business background and the focus of the Board has been to ensure the financial viability of the organisations under its mantel. It set a goal that all organisations should operate without ongoing deficits and should establish an asset base that will underpin them if times are difficult. Organisations accepted under the MPAB mantle are seen in essence as the national cultural infrastructure of the performing arts. The term 'major' refers to the size of the organisation's turnover rather than necessarily their significance in artistic terms. This research then addresses three questions:

- What has been the impact of the 'business model' on the activities of major performing arts organisations in Australia over the decade 1999-2009?
- Has the drive to be financially stable and secure assets been made at the cost of undertaking new/Australian/risky/artistically adventurous/ challenging work?
- Given the recent changes in policy and membership at the MPAB, is the business model now seen as outdated?

It addresses these questions by considering the original goals of the 1999 Nugent Inquiry and relates these to the outcomes evident in the latest report of the MPAB and other policy and statistical documents published by the Australia Council. Through the research, reference is made to media statements and reports that have been published about the Australia Council, the MPAB and major performing arts organisations. It then looks at the present situation re changes and research about the performing arts sector. There is then a final discussion which integrates all the previous work and makes some conclusions in relation to the original research questions.

The advent of the business model

While it was implicitly acknowledged that the large performing arts organisations were an essential part of the nation's cultural infrastructure, the overall aim of the Nugent inquiry was to examine and make recommendations for their future. In particular, it had a goal of ensuring their ongoing financial viability; hence, the title of its report, *Securing the Future*. The report made several recommendations, but perhaps the key recommendation was the:

> … endorsement of a new funding model that reflects the cost of the artforms; each company's strategic role; and the commitment to geographic access
>
> (Nugent 1999: x).

From the government's point of view, the maintenance of the major (usually large) performing arts organisations while minimising risk and avoiding the necessity for government to provide additional funding, were seen as primary goals. The various companies on the other hand, while securing a long-term guarantee of future funding, wanted to be free of regular government interference and allowed to get on with their 'business'. Companies such as the Australian Ballet Company or the Australian Opera Company may also have wanted the removal of conditions that demanded the inclusion of a designated amount of Australian material, including the work of Australian writers, composers or choreographers, or the development of new forms (as per the Australia Council's mandate). Many of these companies believed their existence was guaranteed, given that they were seen as an essential part of the country's cultural infrastructure. They were therefore generally happy to be treated differently from the rest of the arts sector, particularly if their funding was guaranteed and they were able to make their own choices about repertoire etc.

Recommendations for the performing arts companies examined in *Securing the Future* (Nugent 1999) included the following goals: filling all their available seats by improved marketing; seeing private sector support as their future major provider for additional income and reducing costs by establishing tender processes for productions; increasing economies of scale by merging functions of different companies (such as an opera company and an orchestra); and expecting more flexible practices from musicians and arts workers in general (Nugent 1999: xiii–xiv). A major strength of the report was the array of detailed statistics provided about every performing arts company being considered under the umbrella of the Major Organisations Board (then 31 in total). These statistics included information about subsidy per seat, average ticket prices, cumulative deficits by artform and by company, international benchmarks in relation to revenue and in relation to numbers of performances, and the profile of performance income by artform and by company. It is an impressive set of numbers and an amazing snapshot of these companies in 1999. However, these statistics did talk about about the quality of their work, their artistic highlights, the people who were employed or how their work was received. One table is included that claims to give an 'overview of the artistic development process comparing artform differences' at four different stages (Nugent 1999: 201). These stages are called: 'create work, 'create production, 'build production' and 'rehearse and perform' reminiscent in some respects of Taylor's 'scientific' management approach(1911). This table highlights whether particular artists such as composers and designers are used 'frequently' or 'occasionally' in a typical production process in dance, theatre, music and opera. While this table may provide useful information to a casual or uninformed observer of the performing arts, its use is limited or of no value to those with knowledge of, or involvement in, the performing arts. Perhaps its intent was to address the goal of 'expecting more flexible practices from musicians and arts workers in general' (Nugent 1999: xiii–xiv).

As an outcome of the Nugent enquiry the Major Performing Arts Board (MPAB) was established in 2000 as a separate entity within the Australia Council. At that time there were 31 companies included as clients of the MPAB, from the areas of dance, theatre, music and opera as well as circus. The Major Performing Arts Board's role is to monitor and evaluate the arts organisations under its control with a focus on financial matters. The Chair of the 1999 inquiry, Helen Nugent, became the first chair of this new board, and the majority of the board membership from its outset, primarily reflected a business paradigm rather than artistic. Generally members have been corporate accountants, corporate lawyers, full-time company directors and chief executives of corporate entities. This profile contrasts with the membership of the other artform boards at the Australia Council, the majority of whose members work in those artforms. While the artform boards utilise a system of 'peer assessment' for making financial and artform decisions relevant to their specific artform, the membership of the MPAB has generally not been 'peers'. Thus the MPAB has evaluated the work of the companies on the criteria they are knowledgeable about which appears to be financial issues.

Eligibility for MPAB membership in 2009 is specified on the Australia Council website as:

- be a dance, music, opera or theatre company or a hybrid thereof
- demonstrate the highest artistic standards in performances
- show an ongoing commitment to the development of the artform
- demonstrate an ongoing commitment to the development of artists within the artform
- show evidence of a sizeable and increasing audience base
- have a minimum average annual total income of $1.54 million over the previous three-year period
- demonstrate an on-going ability to be financially viable, including increasing levels of financial support from the broader community. (Australia Council website, viewed May 2009, <www.ozco.gov.au>)

In 2003, 2005 and 2007, follow-up progress reports were published by the MPAB and submitted to government. These summarised the achievements of the board and the organisations it funded over the period 1999–2007 (29 companies after 2001). The major thrust of these reports was again the presentation of statistics that were quantifiable and reflected issues such as earned income, financial health, number of performances and box office returns. In addition, statistics giving the number of new productions and productions of Australian work were also included as tables. Although not giving as much detail as the original report, the progress reports continue to use some identical tables for ongoing comparisons. These tables are organised under three categories: ‘Artistic Vibrancy’, ‘Breadth of Access’ and ‘Financial Results’. Under ‘Artistic Vibrancy’ they offer statistics for ‘New Works by Artform’, ‘Total Australian Artworks by Artform’ and ‘New Productions’. Table 1 shows the total of Australia artworks by artform for the years 2001–06.

Table 1: Total Australian Works by Artform: 2001-2006

Artform	2001	2002	2003	2004	2005	2006
Theatre	53	46	38	45	36	46
Opera	7	3	2	5	4	6
Dance	84	51	63	64	56	49
Chamber Music	31	58	40	32	47	33
Total	175	158	143	146	143	134
Symphony Orchestras				50	62	60

This table excludes Australian works included in Education Programs as these are not currently a reporting requirement. Source: Australia Council, Major Performing Arts Board (2007: 8).

From Table 1 it is possible to deduce that there has in fact been an overall decline in Australian works over the period under review. While this is most noticeable in ‘dance’, ‘theatre’ has also been a casualty. There has been a slight increase in Australian works in ‘chamber music’ and in ‘symphony orchestras’. However, the figures used here only refer to the symphony orchestras from 2004; that is, since the orchestras became completely separated from the Australian Broadcasting Corporation (ABC), which had controlled them until this time. Therefore it is not possible to know whether this is an overall increase from the previous period, when the repertoire was controlled by a central body. In the covering letter for the 2005 report to government from the board, the then Chair, Mel Ward (a former head of Telstra), noted however that:

> In meetings with companies with regard to the review, a number of representatives have expressed concern with regard to artistic compromises and to, some extent, access compromises that they have been forced to make in order to achieve positive financial outcomes. (Australia Council, Major Performing Arts Board 2005)

This would suggest that the arts organisations had expressed concern that the focus on healthy financial outcomes was negatively impacting on artistic decisions or outcomes. Certainly, an emphasis on healthy financial outcomes is likely to affect the production of new Australian work since it generally presents the most financial risk. Once again, the report provides no qualitative information. Artistic achievements in terms of critical successes, breaking new artistic ground, recognition by peers, international invitations or even audience responses are not included.

A major thrust of the 1999 recommendations of *Securing the Future* was to increase access by audiences, through increased participation. This was expressed as 'the goal of filling all their available seats by improved marketing', a goal which appears not to have been realised in most artforms, as indicated by Table 2. The figures in Table 2 demonstrate that there has been a decline in attendances in dance, theatre and symphony orchestras, a slight increase in chamber music and an increase in opera attendances.

Table 2: Paid Mainstage Capital City Attendances by Artform: 2001-2006

('000)	**Dance**	**Opera**	**Theatre**	**Chamber Music**	**TOTAL**	**Symphony Orchestras**	**TOTAL including Orchestras**
2001*	296	316	899	144	**1,655**	508	**2,163**
2002	271	308	855	119	**1,553**	443	**1,996**
2003**	350	336	932	143	**1,761**	448	**2,209**
2004	314	304	897	149	**1,664**	457	**2,121**
2005	320	365	823	166	**1,674**	443	**2,117**
2006	296	360	817	154	**1,627**	481	**2,109**

* Level of attendances are due in part to additional Centenary of Federation activities.

** Increase in Chamber Music attendances largely due to ACO entering MPAB.

Source: Australia Council, Major Performing Arts Board (2007: 11).

Another set of statistics by city (Table 3) also confirms that generally there has been a decline in attendances in all cities, with the exception of Canberra.

Table 3: Participation Rates by Capital City: 2001-2006

	2001	**2002**	**2003**	**2004**	**2005**	**2006**
Adelaide	19.4	14.3	15.1	17.2	16.5	16.0
Brisbane	14.4	14.2	13.4	15.9	14.8	12.0
Canberra	17.6	19.6	23.1	16.5	13.5	24.0
Hobart	21.4	13.6	15.6	14.9	15.5	20.0
Melbourne	25.9	23.2	24.9	23.0	24.5	24.0
Perth	13.2	10.3	13.6	12.3	12.0	13.0
Sydney	32.9	29.1	34.8	31.8	33.0	31.0
Total (across all Capital Cities)	**24.3**	**21.5**	**24.3**	**23.4**	**23.4**	**21.5**

Source: Australia Council, Major Performing Arts Board (2007: 13).

The evidence from Tables 2 and 3 would suggest that, despite the added focus (and expenditure) on marketing, there is a problem in terms of generating new audiences. At the same time there has been ongoing concern about the capacity of companies to take artistic risk through the presentation of innovative material and to promote the development of new Australian work, when their primary focus is on fiscal conservatism.

One major success of the Major Performing Arts Board has been in the increase in the levels of net assets held by the companies. The 2007 report notes that:

> The number of companies with positive net assets greater than $1m has increased from six in 1999 to 19 in 2006, with a 356% growth in total net assets of this category of companies from $18.9m to $67.4m. Conversely the number of companies with aggregate negative net assets had reduced from 10 in 1999 to two in 2006. (Australia Council, Major Performing Arts Board 2007: 30)

Perhaps therefore the central goal of the original *Securing the Future* enquiry has been achieved: a majority of the companies in 2007 under the mantle of the MPAB have assets and are not in the ‘red’. But this begs the question of whether the drive to secure assets has been made at the cost of undertaking new/Australian/risky/artistically adventurous/ challenging work?

What is the impact of the business paradigm?

In the case of reviewing the priorities and outcomes of the performing arts organisations since the Nugent Inquiry, there is evidence in the reports since that more attention has been paid by most of them to building up their financial reserves and working within set budgets. Many fewer companies, than evident ten years ago, are now struggling financially or are operating with a deficit budget. So the main thrust of the Nugent Inquiry has been realised. On the other hand this has not just occurred by an increase in earned income. The Federal Government has twice provided a significant injection of new money to the sector to maintain its financial viability. In fact it is noted that the approach adopted by the Australian Federal Government from 1996-2007 towards the major performing arts organisations, while emphasising business values and outcomes, has appeared to result in an *increase* in government financial support not a decrease (Gardiner-Garden 2009). The Federal Government in fact gave a significant injection of new funds to the major performing arts sector immediately after the 1999 enquiry (Gardiner-Garden 2009). Again in 2005/6 a review of the major performing arts sector recommended that funding for the sector again be significantly increased. This occurred in 2007 with another major injection of new funds by the Federal Government (Gardiner-Garden 2009). If the original intent of the Nugent Enquiry in the longer term was to reduce government funding by making arts organisations more financially independent, the opposite outcome seems to have occurred.

To achieve a healthy financial position, companies have also had to develop more earned income through subscription programs, box office, sponsorship and philanthropy. All of these actions can have artistic impacts. It can mean the audiences are generally getting older (as they are the ones with the money to afford subscriptions or higher ticket prices) and sponsors are unlikely to take risks in their choices, so artistic programming will be more conservative to suit this audience. An increasingly older audience is also likely to impact on income generation in the future, if it is not replaced as an audience by the next generation. In fact it noted in the follow up reports, that despite major efforts at redirecting support towards audience development, there has not been a significant increase in new audiences (Australia Council 2007:13).

Certainly in the case of theatre, it has been observed that the production of new Australian work by state theatre companies has fallen dramatically over the past decade (Neill 2006). There is also a perception that state theatre companies are taking fewer artistic risks in order to maximise their returns at the box office (Archer 2005; Latham 2004; Neill 2006). In the case of dance there are some odd contradictions. The Sydney Dance Company was rescued in 2007 by the federal government with a large financial package through the MPAB, despite the fact that it has been insolvent twice in the past ten years and struggled artistically through this period also. On the other hand the solvent Australian Dance Theatre was ejected from the MPAB because its financial turnover was not deemed large enough to be described as 'major', despites its significant international artistic successes over the past decade. So these examples in 'dance' present questions about both the definitions of 'major' being related to turnover as well as inconsistencies in the argument about financial health.

The music area presents another story. A recent doctoral study of the corporatisation of Australian orchestras noted that earned income has increased by up to 25% since the orchestras became independent of the ABC (Boyle 2007: 210). However, there are significant differences between the earning capacities of large orchestras in big cities and smaller orchestras in smaller cities. Moreover, and impacting particularly upon the orchestra musicians, the drive to increase earned income has resulted in more conservative programming aimed at increasing box office returns (Boyle 2007: 211), and in the smaller orchestras, the drive to increase activity has meant shorter rehearsal times, hence reducing quality (Boyle 2007: 212).

A further aspect of an altered arts environment is the changing ratio between government funding and earned income in the mix of the organisations' income overall. This change may in fact produce the greatest differences in approaches to performance indicators in the longer term. Certainly, the ratio of earned income to grants in some major performing arts organisations has changed considerably over the past decade, so that grants can now represent less than 40% of an organisation's income (from being around 80%) (Eccles 2004; Neill 2006). If this trend continues, then as an organisation's dependence on government funding decreases, their obligation or desire to follow the demands of government may also diminish.

The business paradigm has also influenced the membership and priorities of boards of arts organisations, the selection of chief executive officers of these organisations, their organisational structures and performance measurements of senior management(Caust 2005;

Lawson 2003; Neill 2006; Palmer 1998). To ensure ongoing subsidies, arts organisations have been forced to adopt a business-like approach, produce business plans, have a business strategy and be led by a business-focused board (Caust 2005). MacDonnell suggests there is a possible ongoing impact of the dominance of a business culture on the board of arts organisations in that a board composed of business people is likely to focus on financial outcomes (an area they feel knowledgeable about) and on ensuring that the company faces limited financial risk (encouraging little artistic experimentation), while neglecting or misunderstanding the core artistic work of the organisation (Macdonnell cited in Morgan 2008). Furthermore, a business-led board may adopt a corporate hierarchical model for the arts company itself, with an organisational structure where the Chief Executive Officer (CEO) is at the top and the most senior artistic person reports through that person to the board (this has already happened in several performing arts companies). In addition CEOs may be appointed with no background in the arts but from the corporate sector (Lawson 2003). When discussing 'artistic innovation' which they define as 'new to the field', Castañer and Campos (2002) note that arts organisations that are led by managers with purely a management background (i.e. no arts training or education) are the least likely to encourage artistic innovation in their organisations. The appointment of managers from business backgrounds to lead arts organisations (Caust 2005; Lawson 2003) may therefore reduce the possibility of artistic innovation occurring.

Finally the nature of art making itself is central to his discussion. Are major performing arts organisations makers of art or merely repositories of heritage? There is no question that major performing arts organisations would see themselves as makers of art. While their program choices may be more conservative than smaller or more contemporary driven companies, they would generally argue that they are still in the business of making art, not merely preserving it. They also recognise they are participants in a system where the larger companies are co-dependent on the smaller companies and projects for new ideas, new work and artists. So while separated from their art form within the structure of the Australia Council, they would nevertheless see themselves as very much part of it.

Signs of Change

Perhaps anticipating future problems the Major Performing Arts Board at the Australia Council commissioned a study in mid 2007 from AEA Consulting (an international cultural consultancy company based in New York) to identify possible trends and influences for their clients. Reminiscent of Baumol's 'cost disease' observation 40 years earlier (Baumol and Bowen 1968), the consultants comment that,

> Because the live performing arts are primarily about showcasing creative talent and creating unique, live experiences the MPA sector does not benefit from economies derived from mass production. (AEA 2008:11)

So the challenge here which AEA notes, is that it is not possible to reduce costs in performing arts without changing or significantly reducing the experience. It could be concluded that the very nature of the arts therefore makes framing it within a purely business model unworkable. They also observed that companies under the mantel of the MPAB believed that the achievement of a greater ratio of earned income by their companies since 1999 had been made at the cost of what is described as 'their artistic vibrancy'(AEA 2008:8).

In mid 2009 the International Federation of Arts Councils and Culture Agencies (IFACCA) published a report on Major Performing Arts Organisations (MAPOS) and made some observations:

- Major performing arts organisations usually receive the majority of their country's arts funding allocation
- While there is an expectation that the major arts organisations should be achieving the highest standards in artistic excellence this was difficult to monitor by the arts funders because of an expectation of ongoing funding by the organisations, as well as agreed mechanisms for evaluating artistic achievement. (Bailey et al 2009: 3-9).

They also defined MAPOS as "generally large, have high turnovers, are expensive to run and possess artistic, state related or historical significance" (Bailey et al 2009: 7). In both this report and the report by AEA there is an observation that the arts sector is an ecology where one part supports and feeds off another part. In the re-structuring of the Australia Council in both 1987 and in 2000 this notion of an arts ecology was absent from the discourse. If one accepts the notion of an arts ecology, separating one section of an artform from other parts of that same artform, may not necessarily be a healthy move for the artform as whole.

Archer recently noted how the arts are not focussed on making money as their prime goal (Archer 2009). She comments that the focus maybe on saying something differently, breaking new ground or providing a reflection for the way society sees itself. In Archer's view governments have chosen to support arts practice because it is *not* market driven and, as Archer notes, may not even *have a market* at the time of its conception (Archer 2009:4). Archer therefore re-affirms Williams' earlier argument (1989) that government support for the arts should 'ameliorate' the impact of the market place, not replicate it.

In late 2009 the Australia Council published two discussion papers for the major performing arts sector. One was titled *Defining Artistic Vibrancy: A discussion paper for the major performing arts sector* (Bailey 2009 a). With the publication of this paper as well as the accompanying paper *Meaningful Measurement: A review of the literature about measuring artistic vibrancy* (Bailey 2009 b), there is an indication of a change in language and priorities by the MPAB and the Australia Council. Bailey in fact notes that funders have a major influence on the way performing arts organisations assess their performance and admits this means that financial indicators have been given priority because they are easy to calculate. She goes on to comment that funders now have a responsibility to change this focus given their influence across the sector and rely more on artistic qualities and achievements as a source of evaluation (Bailey 2009 b: 5-6).

Another indicator of change is that a slightly greater proportion of people from an artistic background were appointed to the Major Performing Arts Board in 2009. From a proportion of 5 business people to one person from an arts background on the Board from 2000-2008, the ratio is now 4:2 (4 business people and 2 arts people) (Australia Council website <**www.ozco.gov.au**> viewed May 2009).

Conclusion

The focus of this discussion has been on the impact of the business model on the funding and evaluation of major performing arts organisations in Australia. From the evidence it would appear that until recently (given the impact of the economic downturn) the financial health of the organisations under the mantel of the Major Performing Arts Board is generally better than it was ten years ago. This is evidenced by the amount of reserves that many of the organisations now hold and their general increase in earned income. However, this picture is not evenly spread between either artforms or states. In addition, an increase in audiences anticipated by the implementation of a business-focused model in 2000, has not been realised. As an outcome of a business model approach there has also been a reduction in the production of new Australian work, particularly in dance and theatre. It is also evident that successful artistic outcomes have not been seen as important as healthy financial outcomes by the Major Performing Arts Board, in terms of evaluating the performance of organisations.

The discussion has shown that there are limitations created by the use of a business model as the main tool for evaluation, as it does not include the very core of the activity – the quality and impact of the artistic output. It would appear too that a focus on accountability and financial outcomes may have skewed the balance in relation to governance, expectations and activity of arts organisations. Recent critical commentary therefore about the influence of corporatisation on the subsidised arts in Australia seem to be stimulating change in the way that major performing arts organisations maybe framed and funded in the future. Certainly publications and reviews emanating from the Australia Council from 2008-9 would indicate that there is recognition that a reliance on a business models approach alone for the framing and evaluation of major performing arts organisation, is too narrow. The present focus at the Australia Council on 'artistic vibrancy' may mean changes occur in the near future in the way major performing arts organisations are viewed by the funders.

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