



# **Australian Government**

## **Response to the**

### **National Opera Review Final Report**

The National Opera Review Final Report presents a package of 118 recommendations to the Australian Government to enhance the viability, artistic vibrancy and accessibility of Australia's four major opera companies, namely Opera Australia, Opera Queensland, State Opera of South Australia, and the West Australian Opera.

The Australian Government acknowledges the importance of the operatic artform in Australia's artistic landscape and is broadly supportive of the recommendations contained in the Report.

The Australian Government has previously committed to implement a number of recommendations from the review report, as announced on 18 March 2017. These were support for a structural adjustment package for Opera Queensland and support for Victorian Opera to become a Major Performing Arts company.

A number of recommendations that have no financial implications for governments and address issues of governance and artistic vibrancy are already being explored or implemented by the Australia Council, in consultation with state funding agencies and the companies. These include recommendations that relate to:

- building audiences and subscribers for the future;
- improving collaboration between the companies;
- increasing financial viability, such as controlling overhead costs and improving private sector support; and
- strengthening governance and management.

The major opera companies have responded positively to these recommendations and are implementing changes to improve their operations. The Australian Government applauds the action taken by these companies and encourages further consideration of the recommendations that apply to them.

Recommendations that relate to joint decision making with state and territory governments – particularly around funding levels and the potential for an activity-based funding model – will be the subject of close consultation with relevant governments.

A number of recommendations would have implications for other companies funded under the *National Framework for Governments' Support of the Major Performing Arts*

*Sector.* The Australian Government will also consult with state and territory governments on these recommendations.

A full list of the recommendations, indicating the Australian Government's position on each, is provided below.

The Australian Government would once again like to take this opportunity to acknowledge the work of the independent, expert National Opera Review Panel: Dr Helen Nugent AO (Chairman), Mr Moffatt Oxenbould AM, Mr Andrew McKinnon and Ms Kathryn Fagg.

The [National Opera Review Final Report](http://www.arts.gov.au/national-opera-review) is available through the Outcomes tab at [www.arts.gov.au/national-opera-review](http://www.arts.gov.au/national-opera-review).

## Actions by Governments: Where the companies should head

Implementation timeframe*	No.	Recommendation	Australian Government position	Pathway for action
Ongoing	5.1	The guiding principles articulated in the 2011 Framework should continue to apply to the Major Opera Companies, although they should be amplified and reinforced by the 17 subsidiary guiding principles outlined in this Final Report.	Agree	For discussion with relevant cultural ministers
Medium	5.2	The criteria in the 2011 Framework should be maintained, subject to changing the artistic quality criteria from “high” to “highest”. Nonetheless, the criteria should be monitored for the next 3 years to understand their impact on the financial performance of all major performing arts companies, particularly the Major Opera Companies.	Note	For Governments' consideration in the context of the broader MPA Framework
Medium	5.3	The current approach to the distribution of funding between the Federal Government and the relevant State Government should be maintained, recognising that it lacks internal cohesion and an articulated rationale; and within the near to medium term is likely to require a more comprehensive review.	Note	For Governments' consideration in the context of the broader MPA Framework
Medium	5.4	Each Major Opera Company should be given the flexibility to define its own artistic and strategic direction within a prudent financial framework.	Agree	For discussion with relevant cultural ministers
Medium	5.5	Funded activities should be clearly defined by Governments.	Agree in principle	For discussion with relevant cultural ministers
Medium	5.6	Governments should monitor outcomes to ensure that activities that are funded are delivered.	Agree in principle	For discussion with relevant cultural ministers
Medium	5.7	If a company does not deliver on funded activities, a proportion of the funding provided for that activity should be withheld from future grant payments unless a prior renegotiation has been agreed with the relevant Government funding agencies.	Agree in principle	For discussion with relevant cultural ministers
Medium	5.8	If a company fails for three years in a row or consistently fails to deliver on a major commitment for which it is funded, it should lose its status as a major performing arts company. The company should receive one year’s advance notice (after the second year) of the funding agencies’ intention to change its status.	Agree in principle	For discussion with relevant cultural ministers
Ongoing	5.9	Overall, the companies should remain subject to Government requirements to maintain specific overall financial and balance sheet requirements.	Agree	Implemented
Medium	5.10	Core funding, on a benchmarked basis, should be provided to support selected non-commercial activities. In contrast, core funding should not be provided for activities where there are viable commercial competitors.	Agree in principle	For discussion with relevant cultural ministers
Medium	5.11	Significant commercial activities should be ring-fenced and separately accounted for by any company that derives a large part of its income from such a source.	Agree	For discussion with relevant cultural ministers

<b>Implementation timeframe*</b>	<b>No.</b>	<b>Recommendation</b>	<b>Australian Government position</b>	<b>Pathway for action</b>
Long	5.12	Opera Queensland should be given a three year period from FY 2017-2018 to meet all criteria to be a major performing arts company.	Agree	Implementation in progress
Long	5.13	Opera Queensland should take additional action to improve its financial situation and consider whether to establish a shared service model with the Queensland Symphony Orchestra (QSO) and/or other options for mutual artistic collaboration, increasing access, improving private sector income and driving overhead efficiencies.	Agree	Implementation in progress
Long	5.14	An adjustment package for a capped amount of additional funding should be provided to repair Opera Queensland's balance sheet, provided it can demonstrate a clear path to recovery.	Agree	Implementation in progress
Long	5.15	Any adjustment package should require Opera Queensland to generate additional funds to build quarantined reserves.	Agree	Implementation in progress
Short	5.16	Victorian Opera should be supported now to become a major performing arts company.	Agree	Implemented
Medium	5.17	In future, other opera companies that meet the criteria to become a major performing arts company should be supported for admission.	Agree	For discussion with relevant cultural ministers

### **Actions by Governments: How the companies should operate**

<b>Implementation timeframe*</b>	<b>No.</b>	<b>Recommendation</b>	<b>Australian Government position</b>	<b>Pathway for action</b>
Short	6.1	Opera Australia should not receive specific core Government funding to deliver mainstage performances in Brisbane (or Adelaide or Perth).	Agree	Implemented
Short	6.2	Opera Australia should be funded to continue providing mainstage opera productions in Melbourne as well as in Sydney.	Agree	Implemented
Short	6.3	Mainstage opera in Perth and Adelaide should be delivered by WAO and SOSA respectively.	Agree	Implemented
Medium	6.4	Opera Conference should be retained but its objectives and approach should be broadened.	Agree	For discussion with relevant cultural ministers
Medium	6.5	An independent non-voting Chair should be appointed to preside over Opera Conference.	Agree	For discussion with relevant cultural ministers
Medium	6.6	Opera Conference should make an annual decision on a mainstage opera production to gain economies in physical production costs.	Agree in principle	For discussion with relevant cultural ministers
Medium	6.7	To support Australian artistic vibrancy, specific rules should govern the operation of Opera Conference productions.	Agree	For discussion with relevant cultural ministers
Medium	6.8	Opera Conference funding should not include funding for regional touring, which will be separately direct line funded to Opera Australia for its annual regional tour.	Agree	For discussion with relevant cultural ministers
Short	6.9	Greater collaboration among the Major Opera Companies should be encouraged.	Agree	For companies' consideration

<b>Implementation timeframe*</b>	<b>No.</b>	<b>Recommendation</b>	<b>Australian Government position</b>	<b>Pathway for action</b>
Medium	6.10	SOSA should support the South Australian Government's announcement to redevelop Her Majesty's Theatre in Adelaide for the staging of long run musicals, enabling greater access for SOSA to the Festival Theatre. In the meantime, the co-operation of the venue in staging SOSA productions needs to be forthcoming.	Note	For the company and state government's consideration
Long	6.11	Opera Queensland should be supported to utilise more appropriate venues that meet audience expectations.	Note	For the company's consideration
Ongoing	6.12	Opera Queensland, SOSA and WAO should work proactively with the respective theatre complexes and the relevant orchestra to reduce dark nights in the theatre.	Note	For companies' consideration
Medium	6.13	Annually, Opera Australia should tour regionally, going every second year to each state and territory, including Tasmania, Northern Territory and the Australian Capital Territory.	Agree in principle	For discussion with relevant cultural ministers
Medium	6.14	Opera Queensland should maintain a regular regional biennial opera touring programme within Queensland in the year that Opera Australia does not tour there. In addition, it should continue its community and outreach programme.	Agree in principle	For discussion with relevant cultural ministers
Medium	6.15	WAO should continue its community and outreach programmes (which currently includes Opera in the Park which is simulcast to regional Western Australia). It might also want to consider greater regional activities in the year that Opera Australia does not tour there.	Agree in principle	For discussion with relevant cultural ministers
Medium	6.16	SOSA should continue its community and outreach programmes. It might also want to consider greater regional activities within South Australia in the years that Opera Australia does not tour there.	Agree in principle	For discussion with relevant cultural ministers
Medium	6.17	Funding arrangements should be changed for Opera Australia. Funds for regional touring currently directed via Opera Conference should be allocated directly to Opera Australia. Project funding currently allocated to Opera Australia through Playing Australia should be direct line funded to Opera Australia, thereby producing greater certainty of funding and reducing the administrative burden.	Agree in principle	For discussion with relevant cultural ministers
Medium	6.18	The appropriate overall level of Government funding for each of the Major Opera Companies for regional touring should be considered as part of the activity based funding approach outlined in Recommendations 5.5 to 5.9.	Agree in principle	For discussion with relevant cultural ministers

## Improving artistic vibrancy

Implementation timeframe*	No.	Recommendation	Australian Government position	Pathway for action
Medium	7.1	Governments' core funding should be targeted to increase the overall number of mainstage productions offered by the Major Opera Companies.	Agree in principle	For discussion with relevant cultural ministers
Medium	7.2	Governments should support a minimum of three mainstage productions each year for Opera Queensland, SOSA and WAO.	Agree in principle	For discussion with relevant cultural ministers
Medium	7.3	Opera Australia should be funded to support a specified annual number of mainstage productions in Sydney and Melbourne: <ul style="list-style-type: none"> <li>• Two seasons in Sydney with a minimum of 11 mainstage productions overall;</li> <li>• Two seasons in Melbourne, with a minimum number of 7 mainstage productions overall.</li> </ul>	Agree in principle	For discussion with relevant cultural ministers
Ongoing	7.4	Each Major Opera Company should proactively engage in ongoing discussions with the funding agencies about decisions in relation to the variety, balance and scale of their repertoire choice before such decisions are finalised.	Note	For companies' consideration
Long	7.5	Governments should support the development of new work, particularly through experimentation, workshops and smaller scale activities.	Agree in principle	For consideration in a future Budget context
Long	7.6	Governments should create an Innovation Fund which will include discrete competitive funding to encourage the development of new works to which the Major Opera Companies can apply either on their own or in conjunction with smaller companies.	Agree in principle	For consideration in a future Budget context
Long	7.7	Governments should create an Opera Festival Fund within the broader Innovation Fund (Recommendation 7.6).	Agree in principle	For consideration in a future Budget context
Long	7.8	To promote a vibrant and innovative future for opera, Governments should establish, within the Innovation Fund, a specific competitive initiative based on using digital technology to enhance the artform, connect with audiences, enhance production design values and/or lower production costs.	Agree in principle	For consideration in a future Budget context
Ongoing	7.9	Each Major Opera Company should report annually to the relevant funding agencies on the number of roles and performances by Australian and non-Australian artists employed in leading roles. This analysis should capture trends over time, including data on opening night versus second cast profiles by city.	Agree	For the Australia Council's implementation
Ongoing	7.10	On behalf of all funding agencies, the Australia Council should annually report on Australia's most established opera singers and the extent to which they have been employed in leading roles by each Major Opera Company over the prior five years.	Agree	For the Australia Council's implementation
Ongoing	7.11	In analysing information provided under Recommendations 7.9 and 7.10, the Government funding agencies should assess whether an appropriate balance is being struck between the	Agree	For the Australia Council's implementation

<b>Implementation timeframe*</b>	<b>No.</b>	<b>Recommendation</b>	<b>Australian Government position</b>	<b>Pathway for action</b>
		career development of Australian artists and the employment of non-Australian artists.		
Ongoing	7.12	The funding agencies should proactively engage with the Major Opera Companies in detailed fact based discussions on the engagement of leading Australian artists over time.	Agree	For the Australia Council's implementation
Medium	7.13	Government funding agencies should have the authority to impose a penalty on any Major Opera Company, who after engaging in serious discussions, does not produce an appropriate balance in the employment of Australian versus non-Australian artists. Such a penalty could range up to \$200,000 against its level of core funding.	Agree in principle	For discussion with relevant cultural ministers
Ongoing	7.14	Ongoing employment opportunities for the ensemble, chorus and orchestra should be optimised within available funding, recognising the proposed increase in the number of productions. While it is highly desirable to provide stability of employment for artists, trade-offs between the needs of artists and financial stability need also to be managed.	Agree	For companies' consideration
Long	7.15	Each of the Major Opera Companies should be encouraged to develop a remunerated Young Artist Program that is consistent with the programme of its activities and the skills of the young artist. That might include encouraging a beneficial relationship with conservatoria and academic institutions, as well as other young artist programmes.	Agree	For companies' consideration

## Improving access

<b>Implementation timeframe*</b>	<b>No.</b>	<b>Recommendation</b>	<b>Australian Government position</b>	<b>Pathway for action</b>
Medium	8.1	In the near to medium term, Opera Queensland should maximise the use of the venues within QPAC.	Note	For the company's consideration
Long	8.2	SOSA should strive to use the Festival Centre to the maximum extent possible.	Note	For the company's consideration
Long	8.3	The Western Australian Government should be encouraged to hand over control of His Majesty's Theatre to WAO to create a tighter symbiosis between the venue and the opera company.	Note	For the state government and company's consideration
Medium	8.4	The funding agencies should require the Major Opera Companies to put forward concrete proposals to strengthen their engagement with subscribers and should closely monitor the outcomes.	Agree	For the Australia Council's implementation
Medium	8.5	Each Major Opera Company should find ways to engage with and value older audiences who represent a higher proportion of subscribers.	Agree	For companies' consideration
Medium	8.6	Each Major Opera Company should find ways to engage with younger audiences.	Agree	For companies' consideration
Medium	8.7	The Major Opera Companies should utilise enhanced data analytics to target audiences, including a broader demographic.	Agree	For companies' consideration

<b>Implementation timeframe*</b>	<b>No.</b>	<b>Recommendation</b>	<b>Australian Government position</b>	<b>Pathway for action</b>
Long	8.8	The Major Opera Companies should identify diverse product offerings to attract different demographic groups.	Agree	For companies' consideration
Long	8.9	State Governments should reflect carefully on the need to strengthen and fund music education programmes in schools.	Agree	For state governments' consideration
Long	8.10	Each Major Opera Company should strengthen and develop educational resources for use by educators and students.	Agree	For companies' consideration
Ongoing	8.11	Each Major Opera Company should work to create a greater emotional connection between artists and audiences.	Agree	For companies' consideration
Medium	8.12	Community engagement programmes should be targeted to initiatives which will enhance public perceptions of each Major Opera Company.	Agree	For companies' consideration

### **Addressing financial viability**

<b>Implementation timeframe*</b>	<b>No.</b>	<b>Recommendation</b>	<b>Australian Government position</b>	<b>Pathway for action</b>
Medium	9.1	The companies should invest to lift their website and marketing capability, particularly in digital.	Agree	For companies' consideration
Medium	9.2	It should be a performance requirement that each Major Opera Company improves its mainstage cost-revenue dynamics, with data provided in a standard format and discussed regularly by management and the board with the relevant Government funding agencies.	Agree	For discussion with relevant cultural ministers
Long	9.3	Management and the board of each company should reduce physical production costs, including through sourcing initiatives, reducing scale where possible and potentially through the use of digital technology to reduce the cost of sets. New builds should be avoided where other options exist.	Agree	For companies' consideration
Long	9.4	Management and the board of each Company should responsibly seek to reduce artistic costs consistent with delivering an experience that engages audiences.	Agree	For companies' consideration
Long	9.5	Management and the board of each company should target its regional touring, schools and community projects in the most cost effective way to maximise the benefits the community receives from the significant investment being made.	Agree	For companies' consideration
Medium	9.6	Opera Australia should further reduce its overhead costs.	Agree	For the company's consideration
Medium	9.7	SOSA should be supported to strengthen its investment in infrastructure, particularly marketing, development and online engagement, with a view to being better positioned to generate additional income.	Agree in principle	For discussion with the relevant state government
Medium	9.8	Opera Queensland must reduce its overhead costs. To this end, it should explore a shared service model with QSO.	Agree	For companies' consideration

<b>Implementation timeframe*</b>	<b>No.</b>	<b>Recommendation</b>	<b>Australian Government position</b>	<b>Pathway for action</b>
Medium	9.9	Targets, linked to geography, should be set for private sector income to be generated, which should predominantly be in cash.	Agree in principle	For discussion with relevant cultural ministers
Medium	9.10	Minimum specific targets (in 2015 dollars) should be set for each of the Major Opera Companies, recognising that the achievement of these targets may take time to achieve: <ul style="list-style-type: none"> <li>• Opera Australia \$9.0 million</li> <li>• Opera Queensland \$0.9 million</li> <li>• SOSA: \$0.6 million</li> <li>• WAO: \$1.5 million</li> </ul>	Agree in principle	For discussion with relevant cultural ministers
Medium	9.11	Greater use should be made of the skills of the board of each Major Opera Company in generating private sector income. Consideration should be given to each director making a financial contribution (regardless of size) and assisting with raising funds.	Agree	For companies' consideration
Medium	9.12	A greater focus should be placed by the companies on securing bequests.	Agree	For companies' consideration
Short	9.13	Opera Australia should revalue its property assets to ensure it accurately reflects its financial situation.	Agree	For companies' consideration
Medium	9.14	A proportion of the proceeds of the sale of Opera Australia's Melbourne property should be deposited in its Capital Fund.	Note	For the company's consideration
Long	9.15	Opera Queensland should be supported over a three year period to rebuild its balance sheet, provided it is able to generate matching private sector funds.	Agree	Implementation in progress
Medium	9.16	Each Major Opera Company should within three years of the implementation of the new funding arrangements ensure it holds a minimum level of reserves of 30 percent of its costs (excluding the cost of musicals in the case of Opera Australia).	Note	For discussion with relevant cultural ministers

## **Providing strong governance and management**

<b>Implementation timeframe*</b>	<b>No.</b>	<b>Recommendation</b>	<b>Australian Government position</b>	<b>Pathway for action</b>
Medium	10.1	The board of each Major Opera Company should reconsider its skills and diversity mix relative to the current needs of the Company. The Chair should meet with each relevant funding agency to discuss the rationale and balance of skills and diversity.	Agree	For companies' consideration
Medium	10.2	Each Board of Directors of a Major Opera Company should receive data that provides insight on the key components of the company's cost-revenue dynamics over time.	Agree	For companies' consideration
Medium	10.3	Each director should be required to undertake a workshop to understand how the cost-revenue dynamics of the company operate. This should also be required as part of an induction programme for new directors.	Agree	For companies' consideration
Medium	10.4	Each Board of Directors should establish protocols for dealing with inherent artistic and financial tensions.	Agree	For companies' consideration

<b>Implementation timeframe*</b>	<b>No.</b>	<b>Recommendation</b>	<b>Australian Government position</b>	<b>Pathway for action</b>
Medium	10.5	Each board should ensure it creates a culture of openness of debate.	Agree	For companies' consideration
Medium	10.6	Each board, annually, should undertake an evaluation of the board and of individual directors, with an external facilitator being used every second year. An overview of the process and the results should be shared with the relevant funding agencies.	Agree	For companies' consideration
Medium	10.7	Each company should institute tenure limits on the terms of directors.	Agree	For companies' consideration
Long	10.8	The South Australian Government should contemplate SOSA being governed by Corporations law.	Note	For the state government's consideration
Medium	10.9	Each Major Opera Company should implement mechanisms for formal dialogue between the full board and the relevant funding agencies.	Agree	For companies' consideration
Medium	10.10	Management accounting should be strengthened.	Agree	For companies' consideration
Medium	10.11	A broader understanding should be developed within each company of their cost-revenue dynamics.	Agree	For companies' consideration
Medium	10.12	Operating results should be separated out in internal and external reporting from Capital Fund results.	Agree	For companies' consideration
Medium	10.13	Each company should ensure there is adequately balanced strength and respect in artistic and financial management.	Agree	For companies' consideration

## **Providing Government funding**

<b>Implementation timeframe*</b>	<b>No.</b>	<b>Recommendation</b>	<b>Australian Government position</b>	<b>Pathway for action</b>
Medium	11.1	The level of funding for the Major Opera Companies should be based on activities supported by Government that, as far as possible, have been benchmarked to best practice. The funding model should be reviewed every five years.	Agree in principle	For discussion with relevant cultural ministers
Medium	11.2	The parameters for the funding model should be clearly defined.	Agree in principle	For discussion with relevant cultural ministers
Long	11.3	Based on the funding model, an increase should be made to the overall level of core funding for the Major Opera Companies.	Note	For consideration in a future Budget context
Medium	11.4	Except as otherwise indicated, the companies should be discouraged from applying for project funding for defined core activities.	Agree in principle	For discussion with relevant cultural ministers
Medium	11.5	Penalties should be applied if a programme, consistent with the activities proposed, is not delivered.	Agree in principle	For discussion with relevant cultural ministers
Medium	11.6	As outlined in Recommendation 5.3, the current overall core funding ratios between the Federal and the relevant State Governments should be maintained, recognising that the overall system for all major performing arts companies is not stable and is likely to need to be reviewed over time.	Note	For discussion with relevant cultural ministers

<b>Implementation timeframe*</b>	<b>No.</b>	<b>Recommendation</b>	<b>Australian Government position</b>	<b>Pathway for action</b>
Long	11.7	The funding for Opera Conference should be \$1.5 million per year, which should be adjusted for indexation.	Note	For consideration in a future Budget context
Medium	11.8	Opera Conference funds that are not substantively utilised in any one year should revert to Government.	Note	For discussion with relevant cultural ministers
Medium	11.9	Opera Conference funding should be directed through a separate entity rather than flowing through the accounts of individual companies.	Agree in principle	For discussion with relevant cultural ministers
Long	11.10	Funding for the revised Opera Conference package should be redefined, with the Federal Government providing half of the funding, and the balance supplied equally by each of the five State Governments in which the Major Opera Companies present mainstage performances.	Note	For consideration in a future Budget context
Long	11.11	An Innovation Funding package of \$1.2 million is recommended to promote innovation and artistic vitality.	Note	For consideration in a future Budget context
Short	11.12	A one-off structural adjustment package, which would not be subject to indexation, should be put in place for Opera Queensland.	Agree	Implemented
Long	11.13	Additional funding of \$0.250 million should be provided to the MPAP of the Australia Council by the Federal Government to fund the provision of additional staff to implement and oversight the recommendations of this Final Report.	Note	For consideration in a future Budget context
Medium	11.14	In summary, it is proposed that Governments should consider an incremental funding request of \$24.136 million over four years in 2015 dollars.	Note	For discussion with relevant cultural ministers
Long	11.15	New funding, rather than existing arts grants, should be used to implement the recommendations made by this Review.	Note	For consideration in a future Budget context
Short	11.16	Federal funding responsibility should continue to reside with the Australia Council's Major Performing Arts Panel (MPAP), although changes should be made in the way it operates.	Agree	Implemented
Medium	11.17	Genuine joint decision-making should occur between the MPAP and the relevant State Government funding agencies in relation to each Major Opera Company, a process which desirably should be extended to the other major performing arts companies.	Note	For the Australia Council's consideration
Medium	11.18	The Australia Council needs to be funded to have additional, dedicated experienced staff with high level financial and analytic skills who can work on behalf of the Federal and State Governments. They also need to have the seniority and authority to engage independently with senior management in the companies and with senior officers in the relevant State Government funding agencies.	Note	For the Australia Council's consideration

<b>Implementation timeframe*</b>	<b>No.</b>	<b>Recommendation</b>	<b>Australian Government position</b>	<b>Pathway for action</b>
Ongoing	11.19	The MPAP must have an adequate balance of skills that allows it to take a proactive role in relation to the companies. This must include serious financial and corporate governance skills to allow adequate probing of the increasing complexity of the activities of the companies. Such members need to have inquiring and critical capabilities, while being supportive of the objectives of the companies.	Agree	For the Australia Council's implementation
Ongoing	11.20	The MPAP needs to develop a comprehensive and systematic workplan to address the subtle but extensive changes envisaged by this Final Report. This should include a thorough handover by the Review's Secretariat to MPAP staff.	Note	For the Australia Council's consideration
Ongoing	11.21	Because the major performing arts companies represent 55 percent of the Australia Council's arts funding, the MPAP Chair should have specific skills; sit on the Board of the Australia Council; and be appointed by the Federal Arts Minister to that role [see footnote <sup>1</sup> ] as well as to the Australia Council's governing body.	Agree in principle	Implementation in progress
Medium	11.22	A significant improvement is required in the quality of data provided by the Major Opera Companies to the funding agencies.	Agree	For companies' consideration
Medium	11.23	The companies' financial data need to provide a basis for generating greater insight and judgement than is currently the case. This needs to be done on an activity basis with, at a minimum, mainstage, regional touring, educational and community activities being separately accounted for. Any commercially oriented activities need to be reported separately from activities that receive Government funding. Capital Fund operations need to be separately identified.	Agree	For companies' consideration
Medium	11.24	Dedicated MPAP staff, on behalf of the Federal and State Governments, need to maintain an activity-based funding model that is annually reconciled to the annual audited accounts. Genuine insight over time needs to be provided about emerging trends in each activity.	Agree in principle	For discussion with relevant cultural ministers
Ongoing	11.25	The MPAP staff need to engage more rigorously and regularly with the companies in relation to the other tasks which have been identified in this Final Report, including artistic matters and governance.	Agree	For the Australia Council's consideration
Medium	11.26	The MPAP should annually undertake a quantitative and qualitative stakeholder survey of the companies and other funding agencies to provide feedback on its performance and the ongoing strength of the relationships.	Agree	For the Australia Council's implementation

<sup>1</sup> The *Australia Council Act 2013* does not provide for the Minister to make appointments to the Australia Council's advisory committees. This recommendation will be implemented within the current legislative framework.

<b>Implementation timeframe*</b>	<b>No.</b>	<b>Recommendation</b>	<b>Australian Government position</b>	<b>Pathway for action</b>
Medium	11.27	The MPAP and the relevant State Government funding agencies need to be provided with additional reserve powers in relation to the Major Opera Companies if they show signs of getting into financial difficulty. The default position should not be to provide them with a payment in advance to assist their cash flow.	Agree in principle	For discussion with relevant cultural ministers

**\*Implementation timeframes:**

**Short term:** Implemented or implementation currently in progress.

**Medium term:** Actions implemented or implementation well progressed by 31 December 2018.

**Long term:** Actions subject to consideration in a future Budget process or requiring time to incorporate into business practice.

**Ongoing:** Actions that can be incorporated into business practices on an ongoing basis.