Review of NSW Regional Arts Board Governance

Final Report and Recommendations

Prepared for Arts NSW by Lois Randall Creative Consulting
Arts Northern Rivers, Northern Rivers Creative pop-up shop in the Rocks, Sydney

Orana Arts, Left Field Project, Paris Norton and r e a, photo: Alex Wisser
Objectives of Review

Arts and cultural development in regional NSW is supported through a network of 14 Regional Arts Boards which are independent associations, funded by Arts NSW and local government, and networked and supported by Sydney based service organisation Regional Arts NSW.

In July 2014 Arts NSW commissioned a Review of Regional Arts Boards (RAB) Governance in NSW. The objectives are to propose:

1. best practice governance models;
2. partnership agreements with local government;
3. capacity building programs;
4. relationships of RABs to Regional Arts NSW (RANSW) and vice versa;
5. effective service model and possibilities for extending the network; and
6. opportunities for development, improvement and revitalization.

Summary

The RAB model is unique to NSW. Its strength lies in the combination of a network of regionally based arts development organisations that have an ability to respond to unique community needs, and a city based service organisation that enables collective capacity, partnership development and advocacy.

The review found that the majority of RABs are operating effectively and valued by stakeholders. To meet the needs of their diverse communities, RABs have shown innovation in brokering funding partnerships and delivering significant regional projects. However there are a range of issues around governance and core business practices that need attention across the network.

RABs need support to transition to skills based boards and to bring council financial contributions in line with RANSW guidelines. The funding partnership between state and local government, which is critical to the reach of the network, needs particular attention and leadership at a state level, from RANSW and Arts NSW.

This review presents an opportunity to strengthen the foundations of the NSW RAB model at a regional and state level. Having successfully rolled out RABs across NSW, RANSW now needs to respond to the issues raised by this review and to plan for the future of a network of mature independent organisations.
The NSW Regional Arts Board Network

14 RABs service a region of 756,006 km² and a total population of 1,725,127

101 regional NSW councils contribute to RABs (out of 108 covered by the network)

$1.9 million Arts NSW core annual investment in RABs

$836,000 Local Government annual investment in RABs

$1.5 million additional project funding sourced by RABs in 2013

40+ EFT arts workers employed by RABs in 2013

146 Volunteer board members

RAB Network Key Statistics

Acronyms used in this report

RA Regional Arts
RAB Regional Arts Board
RANSW Regional Arts New South Wales
RADO Regional Arts Development Officer
LG Local Government
LGA Local Government Area
Summary of findings and recommendations

1. RAB Governance

All RABs are not for profit associations yet each one has a unique constitution. The majority have local government representative boards, and can co-opt additional members for skills or to represent a partner or sector. The number of board members ranges from seven to fifteen, and eight RABs have ten or more board members.

Common governance issues include: boards that are inefficient as a result of having too many members; confusion around organisation models, board and association membership; lack of processes and criteria for local government appointments and for co-opting board members; poor attendance at meetings; and lack of succession planning and board renewal.

As independent organisations managing increasingly complex funding partnerships and projects, RABs need a skilled and efficient board of management to provide independent scrutiny. Directors should be recruited according to selection criteria, to bring identified skills such as financial management, arts management, community development and knowledge of local government to the board.

RABs also need to maintain the partnership with the councils who are both funding partners and key regional stakeholders. While this has historically been through board representation, other mechanisms such as a LG Advisory Committee could provide a more effective forum for LG input to RAB planning and programs.

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<tr>
<td>Professionally supported transition to skills based board</td>
<td>1.1 All RABs to have a skills based board, as a requirement for State Government funding. The transition should be assisted by RANSW and Arts NSW.</td>
<td>Arts NSW RANSW</td>
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<td>1.2 RABs with a large number of LG partners to transition to a two-tiered model with a smaller skills based board of management, as well as a LG advisory committee.</td>
<td>Arts NSW RANSW</td>
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<td>Improved governance practices for some RABs</td>
<td>1.3 Standards for RAB governance as a condition of Arts NSW funding (eg skilled treasurer, limited terms, selection criteria for all board members</td>
<td>Arts NSW RANSW RABs</td>
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<td>1.4 RANSW to support governance and constitutional reform across the sector and provide individual assistance to RABs where needed.</td>
<td>RANSW</td>
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<td>Differentiate between the “board” and the organisation</td>
<td>1.5 Change name of organisations so the “RAB” acronym refers to the board of management.</td>
<td>RABs RANSW</td>
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Executive summary

2. Partnership with Local Government

With 101 regional NSW councils contributing financially to a RAB, the network is a significant example of regional collaboration. The number of LGAs in each RAB region varies from three to fifteen councils. In some RABs the partnership with councils is formalised at a regional level either through a MOU or annual service agreements. However there are six RABs with no agreements in place with contributing councils.

There is a need for triennial funding agreements between RABs and contributing councils and for better integration between RAB and LG planning. The partnership with local government also needs to be acknowledged and formalised at a state level, and councils should commit to supporting RABs at an agreed rate, to provide security for the future of the network.

RANSW provides Guidelines for Minimum Local Government Contributions with a sliding scale based on population. However maintaining the financial contributions from the councils has been identified as a significant challenge for the RABs. Councils are contributing less than the recommended rates to six of the RABs – in one case significantly less – and there are currently seven councils in regions covered by the network that are not contributing at all.

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<tr>
<td>Formalise partnership between Arts NSW, RABs and LG</td>
<td>2.1 Arts NSW to work with RABs to negotiate 3 year MOU/tripartite agreements with local governments in each RAB region. These MOU will include the changes to board composition and LG expectations of RABs.</td>
<td>Arts NSW</td>
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<td>Local government to contribute to RABs at RANSW rates</td>
<td>2.2 All contributing LGs should pay annual financial contributions to their RAB at the RANSW rate.</td>
<td>Arts NSW</td>
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<td>2.3 Arts NSW to consider processes to encourage councils to support RABs at specified level eg by withholding access to other funding for under or non-contributing councils.</td>
<td>Arts NSW</td>
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<td>Strengthen partnership with LG at program and delivery level</td>
<td>2.4 Triennial RAB planning forums with LG partners to ensure integration of RAB business planning and LG planning.</td>
<td>RABs LG</td>
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<td>2.5 RADOs participate in LG community planning.</td>
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RABs develop and deliver a diverse range of arts and cultural programs

1. Orana Arts Firestation Arts Centre, Minimal Effort Performance, with Joseph Simons and Lingua Franca

2 & 3. Murray Arts ‘we are all made of’ STARDUST’ project bringing animation, Aboriginal storytelling, film making and astronomy together. Also pictured Holbrook YELLOW Submarine after being ‘yarn bombed’ by the community

4. Outback Arts and Orana Arts Aboriginal Arts Officers

5. The Wildmartins chilling out in the South East Arts region at Thredbo, 2012

6. Western Riverina’s Re-imaging the Murrumbidgee exhibition, 6 local artists responding to the river. Artist: Trent Light
Executive summary

3. Capacity building

Annual budgets for individual RABs range from $184,000 to $609,600, with most RADOs brokering significant partnerships and funding to support their regional arts and cultural development programs. The role of RADO/CEO has evolved and is increasingly focused on financial, HR and project management. RABs employ between 1.7 FTE to 6.8 FTE staff. A small number of these RABs need training in financial and HR management practices.

RABs are also playing a leading role in Indigenous arts development however the growing network of Indigenous arts workers across the state needs support.

As small organisations with regional mandates RABs need to involve stakeholders in establishing regional priorities for their programs. Most RAB staff would benefit from professional development in strategic planning, as well as in measuring and reporting on impacts. While qualitative reporting indicates that program participation is strong, reporting on outputs, participation and impacts is poor across the sector. RANSW needs to be proactive in responding to these issues across the network.

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<tr>
<td>Improved HR and financial management for some RABs</td>
<td>3.1 RANSW to provide management support for individual RABs where needed.</td>
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<td>Improved strategic planning, reporting, and business skills for some RABs</td>
<td>3.2 RANSW to continue professional development programs focused on current needs of network.</td>
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<td>3.3 Arts NSW to support professional development initiatives for individual or groups of RAB staff.</td>
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<td>Improved measuring and reporting on outputs and impacts</td>
<td>3.4 Arts NSW to require RABs to report on core RAB KPIs in acquittal forms (participants, audiences, reach) and to work with RABs to develop definitions and templates for reporting.</td>
<td>Arts NSW</td>
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<td>Support for Indigenous arts officers, particularly in Western NSW</td>
<td>3.5 RANSW to work with Arts NSW, ICC Dubbo and Far West NSW RABs to support management and program development.</td>
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4. Relationships with and role of RANSW

RANSW is valued by the RABs for its networking and professional development programs, and as a Sydney based advocate for regional communities and arts development across regional NSW. RANSW manages Federal Regional Arts Fund (RAF) grants for NSW, and brokers other funding and partnerships for the network. The RABs are the Body Corporate members of RANSW, which is a company limited by guarantee.

However since the roll out of the devolved RAB model over the last fifteen years, no comprehensive audit has been undertaken of RAB outputs and impacts, or of sector needs. While RANSW has little capacity to expand services without additional resources, it could shift the focus of its business plan so that it can be more responsive to the contemporary needs of its members.

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<tr>
<td>Strategic approach to sector development, partnerships and reporting</td>
<td>4.1 RANSW to continue networking, professional development and advocacy for sector.</td>
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<td>4.2 RANSW to focus programs and services more on business development and health of sector.</td>
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<td>4.3 RANSW to develop Strategic Plan for the RAB network in consultation with RABs and stakeholders.</td>
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<td>4.4 Annual survey of data on RAB outputs and outcomes, and annual network report (including data for each RAB).</td>
<td>RANSW RABs</td>
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<td>4.5 RANSW Advisory Committee needs a formal mechanism to input into RANSW planning, to ensure RANSW is responsive to members’ needs.</td>
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<td>4.6 Annual Regional Arts Round Table engaging service organisations, partners and stakeholders at state level.</td>
<td>RANSW</td>
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<td>Clarify relationship between RABs and Arts NSW</td>
<td>4.7 Clarify the roles, responsibilities and obligations of the RABs as direct clients of Arts NSW, and the role of RANSW as peak body.</td>
<td>Arts NSW RANSW</td>
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Executive summary

5. Effective service model and possibilities for extending the network

The RAB model is effectively servicing regional communities across NSW that are included in the network. However there is a lack of equity in size, population and number of LGAs in RAB regions and the regional boundaries of at least five RABs need to be reviewed. The number of LGAs in each RAB region vary from three to fifteen councils.

There is an opportunity to extend the benefits of the network to areas not currently serviced through a more flexible and inclusive approach, forging linkages with existing arts organisations in those areas. LG contributions to any new regional arts organisations brought into the network must be at RANSW rates.

The review also found that closer collaboration and openness between RABs, RANSW and other service organisations at a state level would enhance arts development in NSW.

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<td>Strategic approach to sector development, partnerships and reporting</td>
<td>5.1 RADOs to design network meetings to be more open eg. open some RADO network meetings to service organisations, partners and other arts organisations (as participants not speakers) with a focus on opportunities for partnerships and exchange.</td>
<td>RADOs</td>
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<td>Review RAB regional footprints to ensure more equitable (in terms of numbers of councils) and sustainable</td>
<td>5.2 Formalise ongoing communication between RANSW and other service organisations.</td>
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<td>Extend network to Lower Hunter (Newcastle, Lake Macquarie, Port Stephens, Maitland and Cessnock LGAs)</td>
<td>5.3 Review RAB regions after implementation of LG Reform. Regions to review include AOW (12 LGAs), ERA (15 LGAs), ANW (15 LGAs), WRA (3 LGAs) and WDA (3 LGAs + unincorporated area).</td>
<td>RANSW Arts NSW LG</td>
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<td>Extend network to Central Coast (Gosford and Wyong LGAs)</td>
<td>5.4 Work with Newcastle and other Hunter region councils and arts organisations, to broker ongoing contributions for a regional arts organisation or partnership.</td>
<td>Arts NSW RANSW LG</td>
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<td>Extend network to Illawarra (Wollongong, Shoalhaven, Kiama and Shellharbour LGAs)</td>
<td>5.5 Work with Gosford and Wyong councils and arts partnerships, to broker ongoing contributions for a regional arts partnership.</td>
<td>Arts NSW RANSW LG</td>
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<td>5.6 Lead discussions with Wollongong and Illawarra Councils regarding contributing to a possible new regional arts organisation or program.</td>
<td>Arts NSW RANSW LG</td>
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6. Other opportunities for development, improvement and revitalisation

RABs make an important contribution to a creative and vibrant NSW arts and cultural sector. RAB staff benefit from engagement with arts workers outside the sector to inspire innovation in program development. However some RADOs mentioned examples of metro organisations wanting to partner on funded regional projects that do not respond to regional needs. Such partnerships and touring programs need to be developed in consultation with RABs from concept stage, to ensure they are relevant to regional communities and foster two-way creative exchange.

The review found that collaboration between the RAB network and other service and arts organisations at a state level could be improved, to benefit both metropolitan and regional organisations and communities.

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<tr>
<td>Opportunities to refresh RADO/ RAB staff skills in creative program design</td>
<td>6.1 RANSW and RADOs develop and seek project funding for innovative professional development initiatives in creative programming eg Metro/ regional and cross regional arts worker exchanges, attachments, mentorships.</td>
<td>RANSW RADOs</td>
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<td>6.2 Cross sector partnership development at state level by engagement with other government departments eg Health, Education, Environment.</td>
<td>Arts NSW RANSW</td>
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<td>Better partnerships and exchanges</td>
<td>6.3 Arts NS to require metropolitan organisations delivering regional programs to work with RABs during project development, to ensure these projects are relevant to the target communities. Demonstrated regional engagement in project design should be a condition of regional project funding for metro organisations.</td>
<td>Arts NSW</td>
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<td>6.4 Stronger creative engagement with other arts organisations outside the network eg Western Sydney.</td>
<td>RANSW/ RABs</td>
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REVIEW OF NSW REGIONAL ARTS BOARDS GOVERNANCE
FINAL REPORT and RECOMMENDATIONS

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4. Relationship between RABS, RANSW and Arts NSW
5. Service model and possibilities for extending the network
6. Opportunities for improvement and revitalisation

Prepared for Arts NSW by Lois Randall Creative Consulting
Written by Lois Randall and Melitta Firth
Design by Melitta Firth
3 December 2014
Introduction

Regional Arts Boards in NSW

Arts and cultural development in regional NSW is supported through a network of 14 Regional Arts Boards (RABs), which are serviced through Sydney based peak body Regional Arts NSW (RANSW). The devolved network has been developed by RANSW over 15 years of transition and consolidation from the former centralised Arts Council of NSW model.¹

Each RAB is a not for profit association, funded by Arts NSW and local government. Their value to regional communities is evident from the extensive local government support across the state. 101 of the 108 local councils covered by the network are contributing financially to the RAB in their region. Due to different histories the governance models and board composition of the RABs vary. Most have a local government representative board model.

RABs differ in size and population, servicing between 3 and 13 local government areas (LGAs), with populations ranging from 30,500 to 272,000 and geographic areas from 14,417km² to 177,249 km².

Each RAB employs a Regional Arts Development Officer (RADO) and other staff (for example Communications Officers, Indigenous Arts Officers, administration staff). Staff levels range from 1.7 FTE to 6.8 FTE workers. Annual budgets for individual RABs in 2013 ranged from $184,000 to $609,600.

The majority of RABs are operating effectively and brokering funding partnerships to deliver significant regional arts and cultural development programs. However there are a range of issues around governance and core business practices that need attention across the network. This review presents an opportunity to consider a strategic approach to supporting the RABs to evolve as a network of robust independent organisations.

It’s a model that is working well...the connection to community is real, ongoing and apparent.
Madeleine Scully, Manager Community Services, City of Wagga Wagga

The evolution of the NSW Regional Arts Boards is ongoing and there is a lot of hard work behind the success story... It’s vitally important to continue support for all the RABs, and at the same time consider how to step up to the next level of regional arts development and focus on excellence.

Peter White, Chair of Regional Arts NSW
Approach to review and policy context

In July 2014 Arts NSW commissioned a Review of Regional Arts Boards (RAB) Governance in NSW, with the aim that the outcomes be considered in the development of RAB strategic plans for 2016 – 18. The assumption is that levels of funding for RABs will remain the same.

In accordance with the Terms of Reference, the research for this review has included consultation with RAB Chairs, RADOs and other key stakeholders, a workshop with the RADOs, a literature review on sector trends and issues, and examination of regional service delivery, support and evaluation models. The research findings have been presented to Arts NSW as a background report.

For the purposes of this review the definition of ‘governance’ includes the way RABs are organised structurally and administratively, and how they go about their business, including financial and HR management, programs and service delivery.

The review process has included evaluation of the network structure, and the governance models, constitutions, financial performance, resources and outputs of each RAB, with reference to the priorities of the Arts and Cultural Development Program (ACDP).

The three major objectives of the ACDP have guided the recommendations from the review:

- Quality – A creative and vibrant NSW arts and cultural sector renowned for excellence and innovation
- Reach – State wide engagement with diverse audiences and communities
- Health – A resilient NSW arts and cultural sector

The recommendations from this review include options for consolidating the health and reach of the sector, with a particular focus on resilience, in terms of the business, governance and capacity of the RAB network.

Findings and Recommendations

1. Best practice governance models for RABS

The independence of the RABs under the devolved model has increased the need for strong governance and accountability, particularly when RABs are managing large grants and programs. The objective oversight of a board of directors who have a combination of skills, as well as knowledge of their sector and their communities, is important to provide independent scrutiny.
The RAB sector is generally “healthy” in terms of its governance and business practices, which are overseen by the board members and the RADOs, who are also the managers and executive officers of each RAB.

However while all RABs are not for profit associations, every constitution is different and there is some confusion around board composition, organisation models and membership. There is a need and a desire for professionally supported constitutional reform across the sector.

RABs need a model constitution that provides a skilled board of management, while also maintaining the partnership with local government members.

Currently most RABs have local government representative boards, and most can also coopt additional board members for skills or to represent organisations or sectors.

![Describe who makes up your board?](chart)

The current trend in the not for profit sector is for boards to move towards skills based models. There are challenges around representative board models and several stakeholders highlighted an inherent conflict of interest between representing a local council and providing an independent management role for a regional association.

Concerns around maintaining the local government financial contributions mean that most RABs have been reluctant to move away from a model where all contributing councils are represented on the board.

However there are several examples of RABs with skills based boards drawn from both local government appointed and coopted board members.
**Example: South East Arts** reformed its constitution in 2011. The members of the association are the ten members of the board. Five are appointed by each of the five local councils in the region, according to criteria, and five are coopted to bring particular skills or expertise to the board. Terms are limited to six years.

**Example: Arts Northern Rivers** is a fully representational model where the seven councils in the region each appoint a representative based on criteria (can be councillors, staff or community representatives). These representatives are both the members of the association and the board. The Arts Northern Rivers board has high level LG representatives including three Mayors, and a coopted treasurer.

The representative model becomes particularly challenging in the five RAB regions that span more than eight LGAs. Many of the larger RABs have very large boards that are difficult to manage.

**Example: Eastern Riverina Arts** reformed its constitution in 2011. It services a region of 15 LGAs (of which 13 are contributing). The council organisations are the members of the association. The board consists of one representative from the Riverina Eastern Regional Organisation of Councils (REROC), one delegate from each of the member councils (based on selection criteria, and can be councillors, staff or community representatives) and additional coopted board members (treasurer and secretary). Terms are limited to 3 years (except for REROC). This model ensures diverse skills but results in a very large board.

It is particularly in the larger regions that RADOs and boards struggle to balance LG representation, skills and the number of board members. The results are convoluted constitutions, large boards, and often frustration and a desire for reform.

Organisation models in the larger regions include:

- The association members are individuals, and councils appoint representative members who can nominate to be elected to the board, but the constitution doesn’t require LG representation on the board (Southern Tablelands Arts, South West Arts)
- The association members are organisations including councils, who elect the board (Arts North West)
- The association members are organisations and individuals (eg Arts Out West which has a 16 member board comprised of 12 LG representatives, one Charles Sturt University representatives and three elected from individual membership.)
RADOs in some larger regions would like to move towards a model similar to the RANSW model, where the local government members of the association form an advisory committee, which then elects members to a smaller board of management that can coopt additional members for skills or expertise.

In the large RAB regions some board members have to travel for more than two hours to attend meetings, which can result in difficulties achieving a quorum for board meetings. In such cases several RABs have recently started to enable board members to attend “virtually”, by speaker-phone or internet.

While most of the RABs are operating with good governance practices, and RANSW has provided centralised professional development both for RAB Chairs and RADOs, there are a handful of RABs that need sustained support with governance and business practices on a one-on-one basis.

**Best practice indicators include:**
- skills based selection criteria for board members
- appropriate management skills and arts industry expertise
- limited terms
- maximum 10 members on boards
- regular board reviews
- appropriate financial and HR management frameworks

**Governance issues include:**
- lack of familiarity with constitution
- lack of understanding of governance processes
- lack of criteria for local government appointments
- need for transparent process for coopting board members
- poor board attendance
- need for succession planning and renewal
- confusion between association members and board members
- difficulties of servicing individual members for RABs with individual membership category.

There is also confusion caused by the name “Regional Arts Board”, and whether it refers to the management committee or to the whole organisation.
RECOMMENDATIONS:

Best practice governance models for RABS

It is recommended that:

1.1 all RABs to move to a skills based board, as a requirement for State Government funding, with the transition assisted by RANSW and Arts NSW;

1.2 RABS with a large number of LG partners to transition to a two-tiered model with a smaller skills based board of management, as well as a LG advisory committee that meets annually;

1.3 Arts NSW set standards for RAB governance that are a condition for RAB funding, for example a skilled treasurer, limited terms, selection criteria for all board members including LG representatives;

1.4 RANSW support governance and constitutional reform across the sector (see recommended models page 8) and provide individual assistance to RABs where needed; and

1.5 the name of the organisations is changed so that RAB refers to the board of directors rather than the organisation.
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<td><strong>Recommended for regions</strong></td>
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<td>with less than 8 LG members</td>
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- The members of the association are organisations (councils and other regional stakeholders)
- Each member appoints a representative to the Board (can be LG staff or Councillors)
- Selection criteria for all board members
- Board can also coopt members for skills and expertise
- Maximum of 10 board members
- Board meets 4 – 6 times per year
- Limited and staggered terms (max 2 x 3 year terms)
- Provision for attendance of board meetings via telecommunications

- The members of the association are organisations (councils and other regional stakeholders)
- Each members appoints a representative to a LG Advisory Committee
- Advisory Committee meets annually (eg strategic planning and AGM)
- Advisory Committee elects five representatives to the Board of Management
- Selection criteria for board and advisory committee members
- Board meets 4 – 6 times per year
- Board can also coopt members for skills and expertise
- Maximum of 8 board members
- Limited and staggered terms for board and committee (max 2 x 3 year terms)
- Provision for attendance of board meetings via telecommunications
2. Partnership agreements with local government

The partnership with local government is essential to the strength, reach and success of the RAB model. However RAB Chairs and RADOs have identified that maintaining LG financial contributions and servicing this partnership is a challenge across the network.

The core funding partners for all RABs are Arts NSW and the contributing local councils in each region.

All of the RABs receive $140,000 annually from Arts NSW, through a three year multiyear agreement, under its Strategic Program, based on a three year strategic plan and annual reporting.

All RABs also receive annual financial contributions from local government. There are 101 councils across regional NSW that contribute to RABs. In 2013 total annual LG contributions to each RAB ranged from $31,216 to $130,955.

However the arrangements with contributing councils have not been formalised across the sector, and both RADOs and RAB Chairs describe the lack of security of local government financial contributions as the most significant governance issue that needs to be addressed in the RAB model.

Despite the Guidelines for Minimum Local Government Contributions provided by RANSW (annually indexed with a scale based on LGA populations), there are currently six RABs where council contributions are lower than the RANSW recommended minimums – and one where they are significantly lower. There are also seven councils within the network that are not contributing to the RAB in their region at all.

All councils should be contributing financially to RABs in accordance with RANSW guidelines, and RABs want more leadership “from above” to address this issue.

Some RABs formalise the partnership with local government through a broad MOU style agreement signed off by all contributing councils. Other RABs have individual service agreements which define RAB outputs to each LGA. There are six RABs with no agreements in place at all with contributing councils.

A number of RAB Chairs and RADOs expressed concern that service agreements with individual councils can undermine the regional focus of a RAB, entrenching a competitive relationship between councils and a perception that RADOs are defacto LG staff, putting extra pressure on the RADOs to service many bosses.

There is a need for partnership agreements between RABs and all contributing councils, and for RAB reporting back to council partners. These agreements
should be triennial in line with the Arts NSW agreements, and reference the RAB regional strategic plan.

Formalising the partnership between Arts NSW and local councils at a state level would also assist the RABs to consolidate the LG partnerships at a regional level.

Some LG stakeholders noted a lack of clarity around the role of RAB staff compared to LG staff, and a need for improved communication and shared planning between RABs and councils at an officer/program level.

The partnership with local government can also be strengthened at a planning and program level, through shared planning between the RABs and councils. RAB plans should identify program and service linkages to the priorities in LG plans, and councils should include contributions to and regional services provided by RABs as a community service KPI in their integrated Community Service, Delivery and Operational Plans.

RECOMMENDATIONS:  
**Partnership agreements with Local Government**

It is recommended that:

2.1 Arts NSW should work with RABs to negotiate 3 year MOU/tripartite agreements with local governments in each RAB region, which include the changes to board composition and LG expectations of RABs;

2.2 all contributing LGs should pay annual financial contributions to their RAB at the agreed rate. Where there is a large discrepancy between current and recommended contribution levels, a transitional program of annual increase over a set period to be negotiated and approved by Arts NSW;

2.3 Arts NSW consider processes to encourage councils to support RABs at recommended level, such as by withholding access to other Arts NSW funding for under or non-contributing councils;

2.4 RABs hold triennial planning forums with staff from contributing councils, to ensure integration with LG planning; and

2.5 RADOs participate as a stakeholder in LG community planning.
3. Programs, impacts and capacity building for RABS and RADOS

Most RABs are operating with good governance and business practices, brokering significant partnerships and funding, and delivering quality locally relevant arts and cultural development programs.

In 2013 project funding secured by individual RABs ranged from $2,000 to over $300,000 (over $100,000 for five of the RABs) and the total additional project funding and other income brought into the RAB network in 2013 was $1.5 million.

![RAB - Income Sources](image)

RABs have been successful in leveraging this additional funding from a range of sources including NSW and Federal arts and cultural grants and non-arts grants (such as health, tourism, education, employment and industry development) as well as small amounts of self generated income from donations, fees for service and ticket sales.

Individual RAB staff levels in 2013 ranged from 1.7 FTE to 6.8 FTE staff. Twelve RABs have sourced federal government funding through the Ministry for the Arts (some with RANSW support) to employ Indigenous Arts Development Officers and deliver associated programs.

The role of the RADO in larger RABs is increasingly becoming one of a finance and human resources manager. Increasing budgets and complex grant partnerships require high-level skills in financial planning, management and reporting.

Several RADOs feel they are expected to be a ‘Jack of all arts’, and under pressure to support all art forms and service the needs of all stakeholders. There is a need for RABs to be more strategic and to engage with stakeholders in establishing agreed regional priorities for their programs and services.

Arts NSW and stakeholder feedback, and a review of RAB acquittals, have revealed that the majority of the RABs need to improve their strategic planning.
Almost all RAB income is from public sector funding. In a context of increasing competition for public funding for arts and community programs, RABs would be more sustainable if they were able to diversify their income streams (for example through increased self generated income and private sector partnerships).

Qualitative reporting indicates that most RABs are delivering effective core programs, building community capacity and initiating diverse regionally significant strategic projects. Some are also emerging as creative producers and others are leading best practice in forging partnerships with non-arts sectors to benefit their communities.

However poor reporting on outputs and impacts (such as participant and audience data) and a lack of standard metrics for performance measurement across the sector make quantitative impact assessment impossible.

The review has highlighted training and professional development needs:

- A small number of RAB boards need training in governance and staff management.

- Most RADOs need professional development in:
  - strategic planning informed by stakeholder consultation;
  - financial planning; and
  - measuring and reporting on impacts.

- There are two RABs that need individual support with management of finances, grant acquittals and employment practices.

There are opportunities for clusters of RABs to share staff resources and training, and for more multi-region programs. Some RADOs have identified a need for more management support and program development opportunities for Indigenous Arts Officers employed by RABs, particularly in the Western regions. This could be provided through a multi-region program.

RADOs and RAB staff also need access to professional development to inspire their creative program development. This could also be addressed through collaborative programs, and the advantage of the network is that each RADO that develops new skills will increase the capacity of the whole sector.

RANSW provides important centralised professional development for RAB staff, through network meetings, and for RAB board members through the annual meetings of the RANSW Advisory Council. The on the ground support provided by the CEO of RANSW for recruiting new RADOs and resolving individual RAB crises and governance issues is also valued. However RANSW could be more effective if
it planned to address the needs of the network proactively, through capacity building programs informed by research into sector needs.

RECOMMENDATIONS:

Capacity Building

It is recommended that:

3.1 RANSW provide individual support for the few RABs that require assistance with human resources and financial management;

3.2 RANSW to continue to provide professional development programs for RABs and RAB staff, focused on the current needs of the network;

3.3 Arts NSW support professional development initiatives for RADOs/groups of RADOs, for example to improve skills in strategic planning and reporting;

3.4 Arts NSW require RABs to report on three core KPIs in acquittal forms: participants, audiences, reach (see Logic Model page 14) and to work with RABs to develop definitions and templates for reporting; and

3.5 RANSW work with Arts NSW, RABs and ICC Dubbo (Ministry for the Arts), to develop model and resources for on the ground management support and program development for Indigenous Arts Officers, particularly in Western NSW RAB regions.
Recommendation 3.4: Arts NSW require RABs to report on three core KPIs in RAB acquittal forms:

**Recommended Core KPIs**
to be required (and defined) by Arts NSW

- # participants
- # audiences
- # social media reach

**Impact assessment model (“logic model”)**

The following simple matrix is proposed for RANSW/RAB impact assessment:

- **Inputs:**
  Data on resources required for
  (a) core programs, and
  (b) separately funded projects: $ funding, # arts workers, # arts worker hours, $ value in kind support (eg venues)

- **Activities:**
  List/very short description of
  (a) core activities and
  (b) each separately funded strategic project

- **Outputs:**
  The direct product of
  (a) core activity and
  (b) strategic projects, in numerical terms: # activities, # active participants, # audiences, # social media reach

- **Outcomes:**
  Where possible use participant surveys to collect information and stories about longer term effects of a key program (eg 80% of participants developed new skills)
4. Relationship between RABS and RANSW (and Arts NSW)

Regional Arts NSW is the peak body and service organisation for the network of 14 RABs. It is a company limited by guarantee. The RABs are the Body Corporate members of the company, represented by the RANSW Advisory Council, which brings together the Chairs from each RAB once each year prior to the AGM, to elect five RAB members to the RANSW board.

RANSW has a nine member skills based board including the five RAB members and four coopted directors, of which three comprise the RANSW Executive.

RANSW employs 4.6 FTE staff members:
- CEO
- Finance Manager
- Funding Manager (devolved NSW CASP and Federal Regional Arts Fund (RAF) grants)
- Communications Coordinator
- Aboriginal Arts Development Officer
- Administration Officer

The core program areas provided by RANSW are:
- Advocacy
- Capacity Building
- Communication
- Support

RANSW provides support services, networking and advocacy for the network, and support for individual RABs and staff employed across the state, many of whom are working in remote communities.

RANSW services to the network include:
- Support for RAB recruitment and HR management when needed
- Capacity building programs – funding workshops in each region (3 each year), training at RADO network meetings (such as Accessibility Action Planning or Understanding Integrated LG planning), training for RAB Chairs in HR management and governance)
- Aboriginal Arts Development Officer and program
- Grant management, grants calendar and advice
- Resources such as policy and procedures templates

RANSW also undertakes an annual survey of RAB funding, human resources and governance changes.

However since the roll out of the devolved RAB model over the last fifteen years, no comprehensive audit of RAB outputs and impacts, or survey of sector needs, have been undertaken.
There is a need for research and a strategic plan for the sector to address governance, capacity, planning and reporting issues, and to inform and consolidate partnerships with stakeholders across the state.

While there is little capacity for RANSW to expand services without additional resources, it needs to change the focus of its business plan to find a way to respond strategically to the contemporary needs of its members.

**RECOMMENDATIONS:**

**Relationships with and role of Regional Arts NSW**

It is recommended that:

4.1 RANSW continue its networking, professional development and advocacy roles;

4.2 RANSW focus its programs and services more strongly on the business development and health of the sector;

4.3 RANSW develop a Strategic Plan for the RAB network in consultation with RABs and stakeholders including other service organisations;

4.4 RANSW conduct an annual survey about RAB outputs and outcomes, using a template with standard KPIs, and produce an annual report for the network including individual data for each RAB and sector data on inputs, activities, outputs and outcomes;

4.5 RANSW provide a mechanism for the RANSW Advisory Committee to input into RANSW Strategic Planning, to inform a stronger sector focus responsive to members’ needs;

4.6 RANSW convene an annual Regional Arts Round Table engaging service organisations, partners and stakeholders at state level, with a strategic focus on future planning and opportunities for cooperation and partnerships; and

4.7 Arts NSW clarify the roles, responsibilities and obligations of the RABs as direct clients of Arts NSW, and the role of RANSW as peak body.
5. Service model and possibilities for extending the network

The combination of the RAB network and its service organization RANSW has proved to be an effective service model for extending the reach of quality, locally relevant cultural programs to regional communities. The centralised networking and professional development programs provided by RANSW are valued and have supported the development of the network to date.

The review has highlighted some areas for potential improvement including:

- the need for sector planning by RANSW (discussed above at 4.3); and
- the need for stronger engagement and cooperation with other service organisations and other arts organisations at a state level.

There are also equity issues around the historic RAB regions that need to be examined, particularly given that all RABs receive the same level of core funding from Arts NSW (and the same level of devolved CASP grants). At least three of the RAB regions are very large (in terms of the number of LGAs they service) which makes effective service and management a challenge for the RADOs. One is too small to be sustainable, and another is geographically vast but only supported by three councils. There are opportunities for councils in the largest regions to join smaller adjoining RABs. However local government amalgamations and reforms may be imminent and any rationalisation of the RAB regions should take place after this reform.

A review of the regional boundaries and LG clusters for RABs should consider sustainability, regional identity, and the directions of local government reform.

It is recommended that the following RAB regions be reviewed:

- Arts Out West (12 LGAs)
- Eastern Riverina Arts (15 LGAs)
- Arts North West (15 LGAs)
- Western Riverina Arts (3 LGAs)
- West Darling Arts (3 LGAs + Unincorporated Area)

There are currently seven councils in regions serviced by a RAB program that are not contributing financially to their local RAB:

- Arts North West: Inverell
- Outback Arts: Bogan and Brewarrina
- Southern Tablelands Arts: Palerang
- South West Arts: Jerilderie
- Eastern Riverina Arts: Gundagai and Junee
RABs need leadership from Arts NSW to support their efforts to retain council contributions. For example Arts NSW could consider withholding access to other funding to councils that are not contributing to the RAB in their region (see 2.3).

The Terms of Reference for the Review also included consideration of options for servicing the following 11 LGAs that are not currently serviced by a RAB:

- Newcastle, Lake Macquarie, Port Stephens, Maitland, Cessnock
- Wollongong, Shoalhaven, Kiama, Shellharbour
- Gosford, Wyong

Each of these local councils would need to contribute financially to a regional arts organisation (or partnership) at the RANSW minimum levels to be included in the network (Port Stephens Council has approached Arts NSW on this matter).

While unrepresented councils could join and contribute to adjoining RABs (for example Illawarra councils could join STA; Lower Hunter councils could join AUH or AMNC), these RAB regions are already too large for this to be sustainable.

Where councils agree to contribute financially, a more flexible and inclusive approach is proposed, to service these regions by building the capacity of existing arts organisations and local government partnerships, rather than establishing new RABs.

For example:

- Art Central has been established in the Central Coast region, supported by Arts NSW, as a partnership between Gosford and Wyong Councils and RDA Central Coast.

- The Octapod Association/Culture Hunter, a not for profit arts development organisation based in Newcastle, services the lower Hunter LGAs through arts and cultural development programs.

- Southern Councils Groupvii (ROC based in Wollongong) has previously contacted RANSW to discuss establishing a new RAB or Cultural Partnership for the Illawarra.

Wollongong, Newcastle and Gosford include much larger population centres than existing RAB regions. There is a need for Arts NSW and RANSW to work together to consider a flexible model that will enable communities in these regions to benefit from regional arts development programs – if the councils are willing to contribute – while at the same ensuring equitable services across the network, and considering the impact on RANSW.
RECOMMENDATIONS:
Service model and possibilities for extending the network

It is recommended that:

5.1 RADOs open network meetings to service organisations, partners and other arts organisations (as participants not speakers), with a focus on opportunities for partnerships and exchange;

5.2 RANSW establish formal ongoing communication mechanisms with other service organisations and key stakeholders (including M&GNSW, Accessible Arts, Music NSW, Ausdance NSW, LG and other organisations);

5.3 Arts NSW and RANSW review RAB regions after implementation of LG Reform;

5.4 Arts NSW and RANSW work with Newcastle and other Hunter region councils, local arts organisations, and other partners to broker on-going contributions for a regional arts organisation;

5.5 Arts NSW and RANSW work with Gosford and Wyong councils and arts partners, to broker on-going contributions for a regional arts partnership; and

5.6 Arts NSW, RANSW, LG and other organisations lead discussions with Wollongong and Illawarra Councils re contributing to a possible new regional arts organisation or program.
6. Other opportunities for improvement and revitalisation

The RAB network is playing a vital role in extending engagement in arts experiences to regional communities across NSW. While the project outcomes are strong, research for the review suggests that the services provided by the RAB network can be enhanced by building capacity in the two key areas of organisational health and arts programming.

Capacity building of small organisations was identified as a high priority in consultations for the NSW Arts Funding Program Review, particularly in management and developing new income streams. The 2011 museum sector report “Future Frameworks” also highlighted the need for sector planning that prioritises sustainability and professional development, as “the backbone of a healthy sector”.

The capacity of the RAB network can be enhanced through professional development for RAB staff and by opening up the network to more collaboration with other service providers, arts organisations and non-arts partners at a state level.

Many RABs have focused their energy and resources on creating new projects as a way to secure additional funding to meet the needs of their many stakeholders. They have kept administrative costs low, rather than building organisational capacity to meet their objectives effectively over time. This was partly addressed in 2013 by Arts NSW increasing funding to RABs to improve employment conditions.

However some RABs continue to over-deliver relative to their human and financial resources. They need leadership around how to develop sustainable business practices, how to work with stakeholders to establish regional priorities, and how to take care of the organisations and staff behind their project outcomes.

Two way creative exchanges between Sydney and regional arts organisations, and between arts organisations in different regions, also present opportunities to foster innovation and excellence in RAB programs and to develop leadership within the network.

Stakeholders consulted for the review highlighted the potential for more collaboration and engagement between the RAB network and other service and arts organisations at a state level.

As is recommended above at 5.1, RADO network meetings could be used to facilitate more effective collaboration. Several service and arts organisation stakeholders consulted would like to attend RADO network meetings as participants, to listen, learn, network and discuss potential partnerships, rather
than attend occasionally as guest speakers. Stronger engagement with other arts organisations such as Western Sydney agencies and facilities could also be fostered through network meetings, to open up more dialogue around program ideas and creative exchange.

Cross sector partnership development at state level needs to be lead by Arts NSW and RANSW through discussions with other government departments (Health, Education, Environment), such as through Round Tables as proposed above.

Partnerships between RABs and Sydney based arts organisations also present opportunities for revitalisation. Such partnerships need to be developed with the regional community from concept stage, to ensure that projects are appropriate and mutually beneficial. RABs present ideal partners for Sydney organisations to engage in the development of programs to tour or present in regional communities, and also to promote two way creative exchanges such as touring or exhibiting regional programs in urban contexts.

RECOMMENDATIONS:

Opportunities for improvement and revitalisation

It is recommended that:

6.1 RADOs and RANSW should develop and seek project funding (such as RAF, Arts NSW, Australia Council) for innovative approaches to bringing diverse creative programming skills and partners into the network (eg Metro/regional and cross regional residencies for arts workers/creative producers, attachments, creative exchange programs);

6.2 Arts NSW and RANSW lead cross sector partnership development at state level by engaging with other government departments such as Health, Education and Environment;

6.3 Arts NSW require metropolitan organisations delivering regional programs to work with RABs (or other regional arts organisations) from development, as a condition of funding for those regional programs; and

6.4 RADO network meetings to be more inclusive and used to foster more diverse programs, partnerships and exchange through stronger engagement with other service and arts organisations, such as Western Sydney agencies.
i 5 RABs were established during the Arts Council era, the first being Arts Out West, founded in 1974.

ii RADO survey 2014

iii Position titles vary and include Regional Indigenous Cultural Development Officer, Indigenous Arts Development Officer, Aboriginal Arts Development Officer

iv Adapted from “Logic Model” proposed in briefing note for Arts Victoria: Branding the Arts – Best Practice Models of Economic and Social Impact in Public Art Museums (November 2013) By Jody Evans, Kerrie Dridson and Joanna Minkiewicz, 2013, Asia Pacific Social Impact Leadership

v Review of Regional Arts Boards Governance - Background Report to Arts NSW


vii Southern Councils Group is a Regional Organisation of Councils (ROC). Its constituent councils are Bega Valley, Eurobodalla, Kiama, Shellharbour, Shoalhaven, Wingecarribee, Wollongong

viii Report prepared by Lyla Rogan, Consultant to Arts NSW, 31 July 2013