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Refereed Paper

'Genuine Mutual Benefits': A Public Value Account of Arts Community Engagement Programs as Core Business

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Keywords

public value, capacity-building, trust-building, cultural leadership, strategic management, Adelaide Festival Centre, Indigenous art

Abstract

This article draws on Mark Moore's theorising of strategic management in terms of 'public value' and a detailed case study to examine some of the key themes and issues raised by recent changes in the cultural leadership role of a public and non-profit organisation in the arts and culture sector. Beginning with an historical account of 'public value' as a variant of strategic management, the article considers it in relation to Australia's performing arts centres and the Adelaide Festival Centre (AFC) in particular, before examining the specific case of the AFC's *Our Mob* Indigenous visual arts project. This case study discussion illustrates the article's main points about the socio-political contexts within which evidence gains its value and leverage, cultural leadership's potential to lift the burden of proof carried by public arts organisations, and the prospects for arts community engagement programs to reconfigure what is meant by 'core business'.

Biography

David Adair teaches in the Postgraduate Communications program in the School of Humanities at Griffith University in Brisbane. His research interests include public arts and culture policy, cultural citizenship, strategic management, and cultural history and sociology. He co-authored *Who Profits From the Arts? Taking the Measure of Culture* (2007) with Kay Ferres and 'Cultural Indicators: Assessing the State of the Arts in Australia' (2010) with Kay Ferres and Ronda Jones. For the Cultural Ministers Council he co-authored *Vital Signs: Cultural indicators for Australia* (2010), the draft indicator framework discussion document for *Creative Australia* (2013). He has also worked as a researcher and project manager in ARC-funded research partnerships with the OZPAC forum of Australasian performing arts centres.

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Introduction

The term 'public value' has gained currency in the public and non-profit arts and culture sector, where it is both welcomed for its potential to ground provision of goods and services in a new consultative paradigm of governance (Stoker, 2006), and criticised for lacking coherence (Gray, 2008; Grant & Fisher, 2010; Lee, Oakley & Naylor, 2011). It is true that 'public value' does not refer to a single phenomenon – it can designate a theoretical concept, the variant of strategic management discourse within which the concept was developed and is continually refined, a particular ethos or configuration of professional ethics, a normative governmental strategy to make positive contributions to the lives of individuals and communities, and the varied impacts and outcomes created by that strategy – so in order to assess 'public value' as a feature of public management theory and practice, one must take account of the occasions on which it is invoked and the uses to which it is put. This article undertakes this task, first by historicising 'public value' as a development within strategic management studies and practice, then by considering the circumstances under which the Adelaide Festival Centre was able to adopt aspects of public value management, and finally by examining the specific case of the *Our Mob* project and drawing conclusions from that example.

Public Value

Systems of cultural provision are subject to historical revision. Until the late 20th century, there was a consensus in much of the developed world that public sector organisations were legitimate providers of certain goods and services. This system was administered by public servants, whose professionalism and distance from the political process guaranteed efficiency and impartiality. However, as a centrally planned and supply-led system, it could be unresponsive and inefficient, with a lack of accountability and performance measurement (Keaney, 2006, p. 4). Thus, from the late 1970s especially, some government services and agencies were either opened to market forces or privatised outright. The guiding principle of this New Public Management (NPM) system, drawn from neoclassical economic theory, was that the market was a superior method of delivering services, and would act as a proxy for the citizenry and compel service providers to respond to their preferences (Gallop, 2006).

Some cultural goods and services are not profitable or easy to measure in market value terms, yet citizens and their political representatives are still prepared to support them for their non-market and cultural values (Throsby & Withers, 1983; Bunting, 2007; Bakhshi, Freeman & Hitchen, 2009, p. 8). The principle that the market alone should decide culture's fate did not resolve the problem of market failure, nor meet the citizenry's social aspirations. Thus, by the 1990s, academics, governments and the arts and culture sector showed a renewed interest in developing alternatives to both NPM and the traditional supply-led model: alternatives that would acknowledge the needs for efficiency and accountability, while placing a new emphasis on public engagement in the design and delivery of services. This shift in public policy development included work undertaken in the United Kingdom (Matarasso, 1999; Kelly, Mulgan & Muers, 2002; Keaney, 2006), Australia (Williams, 1995) and the United States, where it was

articulated in the public value model developed by Mark H. Moore (1995) and his colleagues in strategic management studies.

Moore aimed to create a transparent, participatory and pragmatic model of public sector management that rejected NPM's economic fundamentalism, as well as the 'black box' hidden workings of the traditional supply-led system. Where the former looked to the hidden hand of the market for authority, the latter drew on appeals to charismatic expertise for its legitimacy (Benington & Moore, 2011, pp. 16–17). By contrast, Moore's reimagining of public sector authority in terms of strategic management emphasised the quality of communication between the organisation and its stakeholders. Under a public value model an organisation derives its legitimacy from its stakeholder relationships and any consensus it can establish around its policies and programs (Benington & Moore, 2011, p. 6).

Moore represented his model as a 'strategic triangle' drawn between three areas demanding ongoing attention: operational capacity (internal resources and external partnerships needed to achieve policy goals); political management (to ensure a flow of resources, legitimacy and support from the 'authorising environment' – those individuals, groups and organisations that assist a public organisation in its mission); and public value-creation (the delivery of a range of benefits to the 'task environment' – the phenomena an organisation aims to transform) (Moore & Moore, 2005, p. 15; Moore, 2012).

This is how Moore and Moore (2005) described the case of public value-creation by state arts agencies (SAAs):

The public value an SAA seeks to produce, though it may involve economic returns or useful products and services, is different in kind from the value created in and by the private sector. The SAA creates value by fulfilling its politically mandated mission – roughly stated, to make a positive difference in the individual and collective lives of citizens of the state through the arts. The degree to which that mission is fulfilled should be measured both quantitatively (how many citizens receive grants and/or services from the SAA?) and qualitatively (what kinds of impact do those grants and services have on the state's citizens?). Creating the highest level value ... means the SAA's key task will be to reach as many citizens as possible in as many places as possible and to affect them as positively and profoundly as possible. (p. 15)

The 'key task' of a state arts agency is thereby reconceived, from producing outputs to creating impacts and outcomes – which may or may not be measurable in quantitative terms. The 'core business' of a public arts organisation is thus to use internal and external resources to positively transform the lives of as many citizens as possible. It is only in reference to this mandated mission to improve conditions in the task environment that performance can be meaningfully assessed.

Cultural Leadership

Moore's model of strategic management is unapologetically normative, even as it emphasises working through consensus-building (Benington & Moore, 2011, pp 3–4). Values are attributed by individuals, groups and organisations: they are both individual/personal and collective/social phenomena. Consequently, when organisations seek to produce public value they must be receptive to their client-citizens' preferences, while also aware of the collective and objective dimension of values expressed in government and organisational goals and policies. Strategic managers cannot impose their will on those they serve, but neither are they cyphers for their client-citizens or the citizenry's political representatives; instead, the public value ethos involves playing an active but responsive and responsible role as co-creators of benefits for client-citizens and the citizenry overall (Moore & Moore, 2005, p. 15; Stoker, 2006, pp. 48–49; Alford & O'Flynn, 2008, p. 7–8). This is how public value-creation accords with 'networked governance', a characteristic mode of contemporary governance: governing through

relationships, including those with individuals and collective entities (Stoker, 2006, pp. 41–42).

Strategic management of collectively held cultural assets can be understood as the publicly mandated fostering of what T. H. Marshall (2009, p. 149) called the social element of citizenship. For Marshall,

... societies in which citizenship is a developing institution create an image of an ideal citizenship against which achievement can be measured and towards which aspiration can be directed. The urge forward along the path thus plotted is an urge towards a fuller measure of equality, an enrichment of the stuff of which the status [of citizen] is made and an increase in the number of those on whom the status is bestowed. (p. 150)

The public value variant of strategic management acts to realise this governmental aspiration by building capacities and creating opportunities for all citizens to engage in the shared life of their societies. As Moore (2012) put it, for government, 'the most important reason to want a strong arts community is that it creates citizens who participate in a strong civic culture'. Colin Mercer (2006) made a similar point in relation to urban cultural planning's role in capacity-building:

Cities produce citizens. Our fundamental emphasis in planning should not be on the production and development of goods and commodities but of people, of citizens. We need to relearn some of the civic arts of citizen-formation if we are to aim not just for 'urban' but for *civic* renewal. The cultural life – institutions, streets, programs, activities – of a city has a crucial role to play in this but not if we limit this to the spectrum of 'culture as art'. (p. 6)

As Mercer's final qualification indicates, strategic value-creation entails adjudicating between different value claims asserted within the public sphere (Benington & Moore, 2011, p. 22). Thus the relative merits of supporting 'the arts' and 'culture' continue to be debated between advocates for 'flagship' arts and other forms of cultural activity (Hawkins, 1993; Bennett, 2000, p. 4; Hawkes, 2001; Holden, 2007). In the first decade of this century, questions of resource-allocation were also played out in the debates over how much weight public policy should assign to the 'instrumental' and 'intrinsic' values of the arts (McCarthy, Ondaatje & Zakaras, 2004; Merli, 2002; West & Smith, 2005).

Public managers' mandated mission involves leveraging resources from a diverse and often disputatious authorising environment, which Benington and Moore (2011) describe as:

... a place of contestation where many different views and values struggle for acceptance and hegemony ... Public managers may therefore have to try to bring several parts of the authorizing environment together in a coalition in order to strengthen the overall legitimacy and support for the policies and programmes they are proposing or administering. (p. 6)

A manager's professional judgement is thereby exercised within a compact: a relationship of reciprocity or mutually recognised benefit between the public organisation on whose behalf the manager acts, individual client-citizens, and the citizenry or its political representatives (Holden, 2006, pp. 52–55).

Public value principles provide the parties to the compact with means and opportunities to negotiate its terms. For example, public value discourse replaces unambiguous and mutually exclusive distinctions between 'private' and 'public' goods – and the kinds of organisations that can create them – with a more subtle and relational understanding of values (Moore, Stone & Ondaatje, 2004). It consequently prompts decision-makers to ask, 'What value is being added to the public sphere, by whom and how?', thereby

encouraging pragmatic attempts to initiate and assess value-production along a public value chain (Benington, 2011, p. 47). Alan Brown and Jennifer L. Novak (2007, p. 2) give the example of performing arts performances, which can connect 'captivation' (having one's attention monopolised) with 'intellectual stimulation' (thinking through an issue or problem). In the process, these performances create a chain of personal, spillover and public benefits: those that accrue to the individual person, that motivate the individual as citizen, or that have a collective significance (McCarthy et al., 2004, p. xii). Effective stewardship of collectively held cultural resources needs to be conducted with a keen sense of where and how to forge the most productive links between the different kinds of impacts and outcomes that together constitute public value.

Insights from research on public value-creation can reconceive a public arts organisation's 'core business'. No longer is it thought of as the delivering of outputs such as performances or exhibitions, but as the creation – and co-creation – of impacts and outcomes: what Moore and Moore (2005, p. 15), as noted previously, called making a 'positive difference in the individual and collective lives of citizens of the state through the arts'. This mission requires the organisation and those making up its authorising environment to be pragmatic about how value is created and measured, while placing communication, trust and capacity-building at the forefront of their priorities and activities. The following two sections focus this discussion on the case of Australia's performing arts centres in general and the Adelaide Festival Centre in particular.

Australian Performing Arts Centres

State governments are the primary government authorisers of Australia's performing arts centres. As representatives of a diverse public and as definers and guardians of the public good, these governments have mixed expectations of the organisations they oversee. They expect the arts centres to live up to their founding charters to deliver comprehensive and high-quality goods and services to the citizens of their states. They also require them to contribute to sector development and to make a demonstrable commitment to public engagement a condition of continued public support. The publics served by the centres have their own expectations, as do other sector organisations of varying kinds and sizes, as well as the individuals who work in the sector. Communication and trust-building are therefore key functions of a performing arts centre's complex public role.

Large performing arts venues are typically burdened by common perceptions of elitism, which create barriers to public participation (Morton, Jennings, Bayne & Smyth, 2004). Australia's performing arts centres face certain historical constraints on their capacities to remove these barriers. Founded as public trusts under acts of their respective state parliaments, they have a brief to host subsidised state flagship companies – symphony orchestras, opera, ballet and theatre companies – while also raising revenue by hiring their venues to local and touring performers, who attract an audience that can pay enough at the door to subsidise the less commercially viable activities.

Working in the performing arts centres' favour is an attribute they share with other 'theatrical' organisations: they help audiences create civic relationships. When we participate in a performance we share stories and emotions with strangers, often processing issues and working out 'practical solutions that increase our sense of society and mutuality' (Lownsborough & Beunderman, 2007, p. 3). Afterwards, we may not know one another personally, yet we have shared an experience of being engaged by the performance. Mark Granovetter (1973) called these kinds of civic relationships 'weak ties'. They are the 'fragile' ties we have with people we pass on the street or sit next to on the bus or in a theatre: relationships with people who may or may not be known to us by name and yet with whom we share public spaces and routines. It is these kinds of relationships that make public life in large, diverse and complex societies not only possible but productive and mutually beneficial (Ferres & Adair, 2007, pp. 21–22). By prioritising trust and consensus-building, a public value model of strategic

management helps performing arts centres identify their reserves of public trust and build on them by making their own resources more accessible, thus 'creating the capacity of a diverse society to understand, develop, and exploit its own diversity' (Moore & Moore, 2005, p. 87).

Adelaide Festival Centre

The Adelaide Festival Centre (AFC) opened in 1973, shortly before the Sydney Opera House, making it Australia's oldest performing arts centre. It is located adjacent to the city's North Terrace cultural precinct, which it shares with other peak public and non-profit organisations such as the State Library, South Australian Museum, Art Gallery of South Australia, the Constitutional Museum and two university campuses. The AFC has long proclaimed itself 'the home of the arts in South Australia'. It is the principal host – although not the managing agency – for the Adelaide Festival of the Arts, Australia's oldest continuing arts festival.

By the end of the 1990s, Australia's performing arts centres were operating in authorising environments dominated by an NPM market-driven approach that, to the extent it linked funding to outputs, made it difficult for them to fulfil their broader mandated mission (personal communication with Greg Randall, Arts Centre Creative Programs Executive, 19 May 2008). The narrow logic of NPM had caused the centres to become 'halls for hire', rather than entrepreneurial producers of programming, thus limiting their scope for exercising cultural leadership and causing their audiences to identify with the organisations that initiated and creatively moulded the performances, rather than with the centres themselves (Linehan, Gautier, Healy, Rasmussen & Sefton, 2008).

Kate Brennan, who served as CEO of the AFC from 1998 to 2005, has described its position at the end of the century as an existential crisis:

In the early days there were scarcely enough funds to go on operating ... The Centre had not kept pace physically, organisationally and in the evolution of its programming. My focus was on cost controls and on resolving some matters legally. We had to find ways of managing debt without closing the place down. (Brennan in Campbell, 2013, pp. 23–24)

Other innovations initiated to reverse the decline included the Adelaide Festival Centre Trust, new in-house festivals, and upgrades to the Plaza, as well as other infrastructure improvements (Campbell, 2013, p. 24). Then, in late 2005 and early 2006, significant changes occurred in aspects of the AFC's authorising environment. At that time, a recently re-elected South Australian government led by Mike Rann – who was both Premier and Minister for the Arts – appointed a new CEO, Douglas Gautier, a former director of the Hong Kong Arts Festival. Gautier had extensive professional networks in East Asia, and as he later described it, his brief was to use the cultural and social capital from these networks to reinvigorate the AFC's programming and community engagement efforts (Gautier, 2007).

Gautier's appointment is best understood not as a return to the older charismatic model of cultural authority, but in the context of key actors in the authorising environment placing a new value on social networks and seeking to maximise their benefits by revising the terms of the AFC's compact, to make it less reliant on NPM principles. Thus, after a year of successful trials of the programming initiatives that had begun under Brennan and continued to evolve under Gautier, the state government was persuaded to retire the debt that the AFC had been struggling to service since it opened in 1973 (ABC News, 2007; Campbell, 2013, p. 25). Key government actors in the authorising environment had changed the conditions under which the AFC was authorised to alter its task environment.

For its part, strategic management stresses the importance of effective but reciprocal communication with the authorising environment: what Moore and Moore (2005, p. 15)

call 'political management' of the authorising environment. Benington and Moore (2011) write of

... creating the 'authorizing environment' necessary to achieve the required public value outcomes – building and sustaining a coalition of stakeholders from the public, private and third sectors (including but not restricted to elected politicians and appointed overseers) whose support is required to sustain the necessary strategic action. (p. 4)

As noted previously, this cultural leadership is exercised within the terms of a public compact that values but places limits on the authority of experts (Holden, 2006, pp. 52–55). Thus a performing arts centre's programming must involve striking a balance between leading public taste and catering to the taste cultures of existing – and potential – audiences. This balance is not struck in every instance, for every performance or program; it must be calibrated in strategic terms, across a suite of offerings. This is evident in the new programs initiated by the AFC in 2007, the centrepiece of which was a season of mostly international performances grouped under three programs: *CentreStage* (theatre); *Pivot(al)* (dance); and *trans:mission* (music) (see Fig. 1).



Fig. 1: Promotional billboard for Adelaide Festival Centre (Photo: David Adair)

The AFC's decision to focus on international performances allowed it to maximise the public value of the state's performing arts sector by not competing unfairly with smaller companies. It also set an international standard for local companies and audiences and addressed a gap in the state's cultural life that no other organisation was at that time in a position to fill. While these programming initiatives were critically well received, ticket sales were uneven across the offerings. Nevertheless, according to its then Associate Manager and Manager of Creative Programs, Karen Bryant, the AFC's newly renegotiated compact with the state government gave it the time it needed to concentrate on building audience capacities and relationships with communities and the sector, rather than being led by the short-term commercial imperatives to service its debt (personal communication, 29 February 2008).

New programming initiatives reached out to non-traditional audiences and built bridges between them, the AFC, and its more challenging productions. An *Australian Stories* theatre season, for example, targeted people who were not regular attendees but who would respond to local stories. It was geared towards promoting public discussions of issues important to the citizenry, such as the long-term water crisis that seriously affects urban and regional South Australians alike. *Australian Stories* formed a value chain, from captivation with the storytelling to stimulation of civic debates on social and environmental issues (Brown & Novak, 2007, p. 9). This was a deliberate strategy, as is clear from how Bryant (personal communication, 29 February 2008) explained the pitch: 'These stories relate to you; they resonate with a theme you're going to understand and be entertained by and will want to talk about'.

In the period after 2005, the AFC had new opportunities to build its cultural leadership role by prioritising trust-building with its authorising environment, including the state government, other arts sector organisations, and its current and potential audiences. This period saw some significant shifts from what John Holden calls the 'evidence-based funding model' (2004, pp. 13–14), and which Christy Farnbauch and her colleagues (2004) call the 'transactional model' of the arts: the traditional way in which 'we motivate, advocate and operate the arts'. In this model, funds are provided for:

... arts organizations [to] produce and present arts events, projects and seasons. In exchange, they are asked (at ever increasing levels of detail) to report, for both documentation and advocacy purposes, on activities, the art itself, the artists involved, the numbers of people who participated and financial operations. (Farnbauch, Lakin-Hayes & Yoshitomi, 2004, p. 2)

Farnbauch and her colleagues are not naïve about the need for performance measurement. Instead, they question what they see as the transactional model's emphasis on evidence-based funding, which calls into question its adequacy for coming to grips with the full range of values associated with arts participation. They argue that more meaningful grounds for public accountability can be established in what they call a 'transformational' model, which recognises that evidence gains its value and leverage within the relationships that a public organisation maintains with its authorising environment. Thus, rather than treat social actors in their authorising environment as if they are 'buying' outputs, cultural leaders need to ask them for 'information on what they value for themselves, their families, their communities, the state, etc.', and participants in the task environment should be asked 'how they've changed, whether they're different as a result of engagement ...' (Farnbauch et al., 2004, p. 9; cf. personal communication with Greg Randall, 19 May 2008). This is akin to Holden's call for a renewal of the sector's public compact (2006, pp. 52–55). By conceiving and conducting its 'core business' in terms of trust and capacity-building, a public or non-profit organisation not only contributes goods and services to the public domain but activates citizen advocacy for its mandated mission. Such public support is both a precondition and a characteristic feature of a 'transformational' model. It is an important focus of Moore's 'political management' of the authorising environment (Moore & Moore, 2005, p. 15; Moore, 2012).

South Australia is geographically isolated from Australia's mass tourism circuits. As a consequence, it has pioneered niche cultural tourism models, which take advantage of its strengths in the lifestyle industries of food, wine and the arts. One of Adelaide's key tourism selling points is its proximity to central Australia. Thus, as part of a strategy to differentiate itself within the Australian performing arts sector, the AFC has nurtured relationships with Indigenous communities throughout the state's remote and inland regions. To build these relationships it has entered into strategic partnerships with regional South Australian arts centres, Country Arts SA, and the Ananguku Arts and Culture Aboriginal Corporation or Ku Arts, an overseeing body for the arts centres of the state's remote Indigenous communities (F. Wright, Project Manager for Ananguku Arts and Culture Aboriginal Corporation, letter of support, 25 March 2008).

The AFC's motivations are explained in the following statement by its Manager of Creative Programs:

The best social inclusion projects are when it's a true partnership. People shouldn't go into it because there's money to access, or because it's the latest catch-cry, or because they can be seen to be ticking a box in their performance review. There has to be an understanding of genuine mutual benefit. Our point in going into it wasn't that there happened to be an Indigenous committee or a social inclusion unit [in state government]. We were asking: 'What is it that we can do that provides us with a unique creative identity?' (Personal communication, 29 February 2008)

The AFC managers' motivations do not, of course, preclude commitment to altruism or social inclusion. Instead, as professionals responsible for maximising the value of a considerable public asset, they acted on the principle that their community engagement programs should foreground reciprocity or mutual benefit, not compliance or evidence. As Moore and Moore (2005:15) noted, it is a state arts organisation's capacity to maintain mutually beneficial relationships with its authorising environment that legitimises its mandate to be an agent of positive change for citizens. To the extent that the AFC promotes trust and understanding between South Australians, it affirms its own cultural leadership role, while creating the prerequisites for a diverse society to derive benefits from its own diversity (Moore & Moore, 2005, p. 87). To consider these matters in more detail, the following section discusses a case study in the co-creation of genuine mutual benefits: the AFC's *Our Mob* project.

Our Mob

Our Mob is a notable example of community-engagement activities by an Australian performing arts centre. This showcase of works by artists from South Australia's remote Indigenous communities began in 2006 and it culminates in an annual visual art exhibition. *Our Mob* has characteristics of what Ann Markusen and Anne Gadwa (2010, pp. 18–21) call successful 'creative placemaking': strategic partnerships, the celebration of distinctiveness, and inspiring cultural leadership by 'creative initiators'. It enables the AFC to derive benefits from its unique identity, while maximising their value for as many citizens as possible.

A visual arts project like *Our Mob* might not at first appear to be part of a performing arts centre's core business. Like other performing arts centres, the AFC uses its permanent visual arts collection to add to the ambience of its buildings, thereby producing intrinsic values of pleasure and aesthetic stimulation for its audiences and visitors. Because they are displayed in the lobby and other public spaces, these works are physically accessible regardless of whether a ticket to a performance has been bought, but some potential visitors can still be reluctant to enter what they perceive to be a venue that is 'not for the likes of me' (M. Fletcher, *Our Mob* manager, personal communication, 27 February 2009; Morton et al., 2004). Even the presence of a relatively large proportion of works by Indigenous artists in the permanent collection does not in itself encourage visitors from Indigenous communities. One of the ways in which *Our Mob* addresses this problem is by hosting participating artists themselves. As Maggie Fletcher, the project's manager has noted:

When there are Aboriginal artists here there are people who come who would never come here. They come as family visitors ... They come especially when the artists are here: 'If it's OK for you to be there, then we can come too'. (M. Fletcher, personal communication, 27 February 2009)

The exhibition is held in the AFC's Artspace Gallery, a dedicated visual arts pavilion, which also makes the show more welcoming and gives it a distinct identity. *Our Mob* is therefore understandable as 'core business', to the extent that it helps the AFC build trust and dismantle barriers to participation, celebrate its unique geographical location,

and extend the public value chain of its visual arts program by creating additional forms of participation that act as entry points for diverse publics.

In addition to providing funding, marketing and administrative support, the AFC hosts a selection panel of representatives from its *Our Mob* partners, as well as the neighbouring Art Gallery of South Australia and the Adelaide-based Tandanya Aboriginal Cultural Institute (M. Fletcher, personal communication, 27 February 2009). This panel augments the AFC's own visual arts expertise and has a sector development function, creating a community of ownership for *Our Mob* among the state's visual arts organisations and communities. Drawing upon expertise from across the sector helps the AFC build consensus around joint efforts to coordinate value production, thus influencing other organisations 'toward more public purposes in addition to their own, more particular purposes' (Moore & Moore, 2005, p. 83). One example is the Tandanya-hosted *Our Metro Mob* exhibition for Indigenous contemporary artists in Adelaide, which began in 2007 to complement *Our Mob*'s focus on regional artists (Tandanya, 2008).

Strategic partnerships are external components of an organisation's operational capacity (Moore & Moore, 2005, p. 15). By partnering with smaller organisations that have extensive and resilient relationships with South Australia's often geographically remote and socially marginalised Indigenous communities, the AFC extends its reach and improves its capacity to act on its mandate to make positive transformations in the lives of as many of the state's citizens as possible. For their part, the partnering arts centres gain access to the AFC's spaces and resources for their artists; they also gain professional development opportunities for their staff and additional capacity to fulfil their own missions (F. Wright, letter of support, 25 March 2008). In 2013, the federal government was funding approximately 80 of these arts centres (Crean, 2013). They are often the financial, social and cultural hubs of their communities. Involvement in *Our Mob* has enabled them to conduct artist workshops, create websites through which artists can build and expand markets for their works, maintain their communities' living cultures, and foster social relationships (Bryant, personal communication, 27 February 2009; M. Fletcher, personal communication, 27 February 2009).

By hosting visits during the exhibition, the AFC creates opportunities for artists to interact with their peers, members of the public, journalists, and representatives of arts and other organisations. Participating artists are eligible to join South Australian Living Artists (SALA), an organisation established by the Commercial Galleries Association. SALA membership gives the artists access to its annual festival, artist development programs, and social networks in the commercial visual arts sector. In turn, SALA, its partners and the publics they engage benefit from exposure to the art and artists of the state's Indigenous communities (M. Fletcher, personal communication, 27 February 2009). Visual arts journalists and critics, together with their publics, can likewise benefit from the aesthetic growth and civic dialogue that come from getting to know the artists and their work (Brown & Novak, 2007, p. 9). These activities generate outputs and impacts – news stories and reviews, artwork sales, awards, testimonials and professional appointments – that are used to measure the project's performance and adjust its activities (M. Fletcher, personal communication, 27 February 2009). Importantly, however, these quantitative and qualitative data are gathered, deployed and communicated within the context of the AFC's public compact, which is shaped by engagement with the authorising environment.

The public value produced by visits to the *Our Mob* exhibition includes potential private, spillover and public good benefits, ranging from intellectual stimulation, through improvements in educational attainment, to wider social outcomes for the state (McCarthy et al., 2004, p. xii; Morrissey, teVelde & Hewitt, 2002, p. 5). This is shown in the following description by the *Our Mob* manager of visits by children from Adelaide's Indigenous communities:

We get a lot of schools, lots of Aboriginal schools too. So when students come in it's like meeting their family, just to see the paintings. They barely look at the works; they go around and look at the names. It's like 'that's my aunty; that's my grandmother'. And these school kids are all here in Adelaide, so it's a really good link for them. (M. Fletcher, personal communication, 27 February 2009)

Exhibition attendance thus has a potential to deliver the benefits of affirmed social relationships, ties to Country, and cultural identity for these young citizens, as well as for their families, schools and communities.

The challenges cultural organisations face when measuring points along a value chain have been dealt with extensively elsewhere (Brown & Novak, 2007; Moore et al., 2004). They include: 'the relationship of evidence to claims; the application of a broader range of methodologies to measure intrinsic benefits; the articulation of values and norms that guide the collection of data; the use of qualitative methods' (Ferres, Adair & Jones, 2010, p. 263). In the case of *Our Mob*, some benefits are outputs and impacts that are immediate and quantifiable. They include sales figures, whether at the AFC or as the works – including those substituted for sold works – are then sent on an extended tour of South Australian regional arts centres (Country Arts SA, 2012). Other benefits are longer term outcomes, or they exist in a series of interlinked benefits, such as examples of participants who have won awards or been employed elsewhere in the sector, due in part to the professional development opportunities afforded by their involvement (M. Fletcher, personal communication, 27 February 2009). Some of the evidence gathering for these benefits requires qualitative methods, such as testimonials from participants and strategic partners (Wright, letter of support, 2008).

Bringing the works to regional communities generates further income streams for the artists and their communities. It also enhances the artists' public profiles and social status and contributes to personal and community wellbeing; enables artists and communities to share their culture with their fellow citizens and experience it being validated and valued by others, including other Indigenous communities and artists; gives citizens in all parts of South Australia greater access to their state's diverse cultures; and provides regional arts centres with an annual event and local councils with opportunities to promote socially inclusive community engagement activities (Port Augusta City Council, 2008, p. 1). Some private, spillover and public benefits from *Our Mob* may not be easily measurable – either because they appear at a distant point on the value chain from the exhibition at the AFC, or because the costs to the AFC outweigh the returns on the resources expended in gathering the evidence – but thanks to *Our Mob*'s transformational brief and the trust it has engendered in its authorising environment, the burden of proof has been lightened, freeing up operational capacity for 'core business'.

Conclusion

This article used insights from public value theory and practice to reconsider the 'core business' of public and non-profit arts and culture sector organisations, in terms of a publicly mandated mission to positively transform the lives of citizens. In this account, cultural leadership consists in acting upon a task environment – changing social conditions, solving problems, satisfying needs, producing benefits – while maximising legitimacy and support from those social actors who together comprise the authorising environment (Moore, 2012). Those who are affected by the changes these organisations make in their task environments are active client-citizens, not passive recipients of their attentions. Similarly, the social actors making up the authorising environments are co-creators of value. To exercise cultural leadership within these environments is thus to prioritise trust and consensus-building with stakeholders, while pragmatically attending to the processes that create and extend value chains (Benington & Moore, 2011, p. 6). Here the definition of 'core business' widens, from the production of outputs, to the creation and co-creation of impacts and outcomes.

This article also drew on findings from Markusen and Gadwa's research (2010, pp. 18–21) on successful creative placemaking – insights about the importance of cultural leadership, distinctiveness, and strategic partnerships – as well as Farnbauch et al.'s (2004) work on the transformational model, to augment its public value account of how the Adelaide Festival Centre has been able to exercise effective cultural leadership through a partnership project. As noted, changes in the AFC's authorising environment enabled it to successfully trial strategies for co-creating public value outcomes for the people of South Australia. These opportunities arose because a new government with significant political capital was willing to renegotiate aspects of its compact with the AFC in ways that embraced a broader vision of the organisation's mission and core business. The system of outputs funding characterising the transactional model was manifestly unable to realise citizens' aspirations for 'the home of the arts in South Australia'. The resulting revision of the compact enabled the AFC to emphasise trust and consensus-building, thus renewing and strengthening its relationships with arts and culture sector organisations of varying sizes and kinds across the state, as well as with media professionals, artists, schools, community groups and individual citizens.

The *Our Mob* project is an exemplary case study in public value-creation. However, it does not appear here as evidence that the AFC has been entirely freed from transactional logic and short-term impact assessment across all of its activities and offerings. Rather, it stands as an example of what can be achieved when a public arts organisation is in the position of being able to accommodate the medium and long-term perspective afforded by strategic management and thus finds uses for the transformational principles of trust and consensus-building.

Three related conclusions can be derived from the preceding discussions: evidence gains its value and leverage within social relationships; proactive cultural leadership makes the differences between outputs, impacts and outcomes less problematic for authorising agencies and those they entrust with a mandate to transform citizens' lives; and community engagement initiatives based on pragmatic assessments of potential mutual benefits can reconfigure how 'core business' is conceived and conducted, with benefits for all concerned.

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