

**RESPONSE BY THE BOARD OF THE
CULTURAL FACILITIES CORPORATION**

TO THE REPORT

REVIEW OF THE ARTS IN CANBERRA

October 2010



EXECUTIVE SUMMARY

This document presents the response of the Board of the Cultural Facilities Corporation to the report *Review of the Arts in Canberra*, prepared by Peter Loxton and Associates.

The Board's vision is for Canberra to be a creative city that values the arts for their intrinsic qualities, their economic value, and their contribution to making the city a rewarding place to live and an attractive destination for business and tourism. The Board sees the Corporation as being a leader in this creative city, in its role of providing high quality cultural experiences based on the arts and heritage resources it holds in trust for the people of Canberra.

It is our strong belief that the Corporation is a successful organisation that has not only fulfilled its statutory responsibilities and achieved the objectives for which it was created, but has provided an efficient and effective structure for managing key ACT cultural facilities. We believe this structure provides an excellent basis for the Corporation to expand the portfolio of facilities it currently manages and apply the same successful management approach to new responsibilities, such as additional historic properties. In this way we believe we could provide further high quality, cost effective cultural outcomes for the Canberra community.

The Board welcomed the commissioning of the Loxton review and participated as fully as was possible in the review process. We expected that the review would provide clarity and certainty in arts policy direction, following the expiry of the previous ACT arts policy, *Arts Canberra – Action Statement for the Arts*, in 2008. We saw this as of great value in terms of our own direction-setting, especially given our statutory responsibility to consider “*any cultural policies or priorities of the Executive*” in exercising our functions.

The final Review Report contains a large amount of interesting information, resulting from what was perhaps the most extensive consultation exercise ever conducted with regard to the arts in Canberra. It includes many observations about the cultural life of the ACT that the Board believes will be recognised as valid and important by the arts and wider communities.

If this significant body of information had been properly organised, prioritised and analysed, it might have resulted in a succinct and incisive document that provided the basis for a blueprint for ACT arts policy directions into the future. It could have identified where the arts sector is currently at in the ACT, where it should be heading, and how to get there.

Unfortunately, the Review Report is a poorly written and seriously flawed document that is almost unusable in terms of providing the ACT Government with any clear way forward. This is particularly disappointing in terms of the substantial cost of the consultancy (\$151,800) and the extensive time period over which it was conducted (September 2009 to June 2010). In its failure to provide an effective review of the previous arts policy and identify clear future directions, the Review Report represents a major lost opportunity.

The Board considers the major defects of the Review Report can be summarised as follows :

- it is a cumbersome, confusing and repetitive document;
- it lacks rigour and is, for the most part, not evidence-based;
- its 118 “recommendations” are particularly poorly expressed;
- it contains major contradictions, including in its recommendations;
- it does not achieve the stated purpose of the consultancy of a proposed “way forward”;
- it contains no costings but appears to assume a substantial increase in government funding for the arts, since a number of its recommendations involve additional costs;
- it contains no definition of the arts or of the scope of the review; and
- despite having been released as a final report, it appears to be a draft that has not been edited, containing basic mistakes and factual errors or inconsistencies.

The Board presented the following position to the review, supported by sound evidence :

- the Corporation has demonstrated success in the quality and range of the cultural services it provides, its standards of corporate governance, and its budget performance;
- while the placement of the facilities for which the Corporation is responsible under a single structure might have initially been opportunistic, it has since been demonstrated as robust, efficient and as having achieved cultural benefits for the community; and
- the current collection of cultural facilities under the Corporation should be retained and could be widened, should appropriate opportunities occur.

The consultants do not respond to, or refute, the Board's position. They do not explore the option of retaining the Corporation and widening its role, thereby achieving economies of scale and scope. Instead, their recommendations involve splitting the Corporation into a number of separate entities. The Board disagrees with these recommendations since :

- the consultants provide no evidence that the new organisational structures would improve arts outcomes in the ACT or would reduce the cost of existing arts outcomes;
- the recommendations relating to the Corporation contradict recommendations elsewhere in the report that there are too many ACT arts organisations and these need to be reduced into clusters with shared corporate services – in effect, the Corporation model;
- the recommendations relating to the Corporation have not been subject to a “reality check” through testing with the Corporation (or apparently, with other interested agencies), despite specific requirements in the consultancy contract for this to happen;
- the cost of implementing these recommendations would be unsustainable for the current ACT arts budget and would either require a substantial increase in this budget or else would divert funds from front line arts activity to additional bureaucracy;
- the proposed new organisations would lack the critical mass present in the Corporation and which is needed for an organisation to succeed in an ACT public sector context;
- the proposed new organisations would lack the programming and functional synergies currently present in the Corporation; and
- the proposal to split the Canberra Museum and Gallery (CMAG) into three separate parts would disperse the integrated collection, programming and resources currently present in CMAG, and would run counter to the combined museum/gallery model used successfully in other small jurisdictions, such as Tasmania and the Northern Territory.

In the absence of any costings provided by the consultants, the Corporation undertook a detailed cost analysis under the guidance of ACIL Tasman. This analysis indicates that, at the most conservative (low cost) estimate possible, the consultants' recommendations relating to the Corporation would result in an additional cost to government of **\$2.023 million per annum**, a 27.2% increase over the Corporation's current level of funding. More realistic cost assumptions would see this figure rise to **\$3.011 million per annum**, a 40.5% increase over current funding. The analysis showed that the annual cost of creating just one additional statutory board would be likely to exceed the yearly income of a practising artist.

While the Board disagrees with the consultants' recommendations for the Corporation to be split into separate entities, we accept that improvements are desirable in any organisation – a point we emphasised in our formal submission to the review. We recognise a number of areas where we can continue to improve, such as further highlighting the individuality of the organisation's component entities, through more focused business planning, budgeting and board attention. We recognise the scope to seek further responsibilities, especially in the historic properties area, which could fit within our remit and where we could add value.

It is the Board's intention to continue to pursue these opportunities for improvement and growth, as part of our strategic planning. We will continue in our efforts to consolidate the Corporation's role as an efficient and effective organisation, providing cultural leadership and high quality cultural services both to the Canberra community and to visitors to our city.

CONTENTS

Executive Summary	(i)
1. Introduction	1
2. Background	2
3. Review scope, methodology and process	6
4. General comments on the Review Report	8
5. Response to Corporation-specific parts of the Review Report	9
6. Conclusion	14

APPENDICES

Appendix A :	The Board's formal submission to the review
Appendix B :	Detailed discussion of the content and quality of the Review Report
Appendix C :	Detailed response to those sections and recommendations of the Review Report relating to the Corporation
Appendix D :	Detailed cost analysis of the Review Report's recommendations as they relate to the Corporation

1. INTRODUCTION

- 1.1 This document presents the response of the Board of the Cultural Facilities Corporation (the Corporation) to the report *Review of the Arts in Canberra*, prepared by Peter Loxton and Timothy Loxton of Peter Loxton & Associates Pty Ltd (the Review Report). The Review Report is dated June 2010 and was released on 3 August 2010 for a three month consultation period, ending on 29 October 2010. An amended report was released on 12 August 2010 to correct certain errors contained in the original version.
- 1.2 While this response is the official position of the Board, it is informed by inputs and views provided by the staff of the Corporation. This information has been of great assistance to the Board in developing its response, and we take this opportunity to express our appreciation to Corporation staff for their valuable advice.
- 1.3 While there are many broader issues that the Board could have commented on in responding to the Review Report, we decided in the time available to keep the main focus of our response on those parts of the document that relate directly to the Corporation.
- 1.4 The sections of the response are listed below, together with a brief description of the purpose of each section. Supporting, detailed information is presented in a series of appendices in order to contain the length of the main response document.

Introduction : this section explains how the Board's response is presented.

Background : this section provides background information about the establishment of the Corporation and about its performance since its creation. This information is provided since readers of the response may be unfamiliar with when and why the Corporation was originally established, and how it has performed since that time.

Review scope, methodology and process : this section examines the scope and methodology for the review and the extent to which the consultants appear to have adhered to these. It also describes the Corporation's involvement in the review process. The Board's formal submission to the review is provided at [Appendix A](#).

General comments on the Review Report : this section provides a summary of general observations about the way the consultants have gone about their task and the content and quality of the finished Review Report. A more detailed discussion of these matters is provided at [Appendix B](#).

Response to Corporation-specific parts of the Review Report : this section responds at an overview level to what the Review Report states and recommends with regard to the Corporation, including presentation of the results of a financial analysis of the proposals.

A detailed response to each section and recommendation of the Review Report that relates to the Corporation is provided at [Appendix C](#), while the detailed financial analysis is presented at [Appendix D](#).

Conclusion : this section provides a concluding summary to the response.

2. BACKGROUND

Establishment, functions and responsibilities of the Corporation

- 2.1 The Corporation was established on 1 November 1997 by the *Cultural Facilities Corporation Act 1997* (the Act). Its functions, as specified in Section 6 of the Act, are:
- to manage, develop, present, co-ordinate and promote cultural activities at designated locations and other places in the ACT;
 - to establish and research collections;
 - to conserve and exhibit collections in the possession or under the control of the Corporation;
 - to manage and develop Civic Square precinct as a cultural focus of the ACT;
 - to undertake activities, in co-operation with other people if appropriate, to exercise its other functions; and
 - to exercise other functions given to the Corporation under this Act or another Territory Law.
- 2.2 Section 7 of the Act requires the Corporation, in exercising its functions, to consider :
- any cultural policies or priorities of the Executive known to the Corporation; and
 - other cultural activities in the ACT.
- 2.3 The Corporation is responsible for the following six facilities :
- the **Canberra Theatre Centre** – this was managed by the Canberra Theatre Trust prior to the establishment of the Corporation;
 - three Historic Places : **Lanyon, Calthorpes' House** and **Mugga Mugga** – these were managed by the Department of Business, the Arts, Sport and Tourism and then by the Chief Minister's Department before the Corporation's establishment;
 - the **Canberra Museum and Gallery (CMAG)** – this opened in 1998; and
 - the **Nolan Collection Gallery @ CMAG** – this opened in 2010 after the Commonwealth, as owner of the Nolan Collection, decided to relocate it from the Nolan Gallery at Lanyon to CMAG. The Collection is managed by the Corporation.
- 2.4 The Corporation's functions therefore encompass the performing arts, the visual arts, social history and cultural heritage management. The organisation delivers cultural services to the community, and fulfils its statutory responsibilities, as follows.
- 2.4.1 To manage, develop, present, co-ordinate and promote cultural activities at designated locations and other places in the ACT**
- The Corporation undertakes these activities as core functions, both at the designated locations (the six venues identified above, noting that the Nolan Gallery now operates as the Nolan Collection Gallery @ CMAG) and at other places in the ACT, including outreach programs at schools and preschools.
 - The Corporation manages cultural activities at these places; develops exhibitions and education programs; presents theatre productions; coordinates community programs with other groups; and promotes the full range of its activities.
- 2.4.2 To establish and research collections**
- The Corporation has established a number of collections and undertakes research into these, including the CMAG Collection and collections at each Historic Place.
 - Recent additions include the Dawn Waterhouse Collection of Canberra souvenirs and memorabilia, acquired in 2007-08 with a special ACT Government budget allocation.
 - Continuing research into these collections has led to the publication of documents such as *Reflections – Canberra Museum and Gallery Collection* in 2008.

2.4.3 To conserve and exhibit collections in the possession or under the control of the Corporation

- The Corporation conserves and exhibits its own collections and those under its control (primarily the Commonwealth-owned Nolan Collection).
- Collections at Historic Places are exhibited on a continuing or occasional basis.
- Gallery 1 of CMAG incorporates a permanent exhibition of artworks and social history objects from the CMAG Collection, together with the Nolan Collection Gallery @ CMAG, a permanent exhibition of the Nolan Foundation Collection.
- CMAG also exhibits its Collection through temporary exhibitions such as a recent series featuring different art forms including prints, ceramics and paintings.

2.4.4 To manage and develop Civic Square precinct as a cultural focus of the ACT

- The Corporation undertakes this responsibility by supporting the location of cultural agencies in the precinct; facilitating cultural activities within the Square; and leading the development of the Civic Square Conservation Management Plan.
- The Corporation constructed the new Civic Library in Civic Square and supported the relocation of Craft ACT and the National Trust into the North Building.
- The Corporation has funded temporary artworks and sponsored festival activity in the Square, including the Festival of Contemporary Art. The Corporation recently funded vinyl signage on Elections ACT, featuring items from the CMAG Collection.
- The Corporation is working with The Street to present *Metropolis*, a city-based arts event in Civic Square. It is planning to feature sculptures in the Square in conjunction with a major exhibition of Michael Le Grand's work at CMAG in 2011.

2.4.5 To undertake activities, in co-operation with other people if appropriate, to exercise its other functions

- Many if not most Corporation activities are undertaken in cooperation with other entities and individuals. These include theatre shows presented in conjunction with performing arts companies; exhibitions developed in cooperation with artists, community organisations and individuals; and programs at the Historic Places undertaken with the support of volunteers, including from the National Trust.

2.4.6 To exercise other functions given to the Corporation under this Act or another Territory Law

- The Corporation exercises a range of other functions both under the Act (for example, it has established three advisory committees under Section 8 of the Act) and other legislation (many of the Corporation's functions relating to governance and financial management derive from the *Financial Management Act 1996*).

2.4.7 To consider any cultural policies or priorities of the Executive known to the Corporation; and other cultural activities in the ACT

- The Corporation fulfils this responsibility by measures such as : taking account of current cultural policies and priorities in its annual corporate plan (the 2010-11 Plan refers to the *Theatre in the ACT - Strategic Directions Statement 2010-2013*); providing each draft Plan to the Minister for comment; including in its advisory committees senior arts practitioners and arts administrators, including the Director of the National Portrait Gallery; and meeting with artsACT every quarter to discuss the Corporation's activities and other cultural activities in the ACT.

Structure, staffing and budget of the Corporation

- 2.5 The Corporation is organised into two program delivery sections, the Canberra Theatre Centre and ACT Museums and Galleries (incorporating CMAG and the Historic

Places), together with a central finance/corporate section that services the whole organisation. The Corporation model provides a robust framework that allows its divisions to work together collaboratively while focusing on their core business of cultural activity, rather than compliance functions. These divisions each have an appropriate degree of independence within the organisation, through means such as separate directors, logos, and sections of the corporate plan and budget.

- 2.6 In 2009-10, the Corporation operated with a budget of \$13 million per annum, comprising \$5.6 million (43% of total income) of its own revenues and \$7.4 million in ACT Government funding. Of this \$7.4 million, approximately \$2.2 million or 30% was returned to government, in rental payments, charges for government IT, procurement and insurance, and government fees and taxes, such as land tax. This left the Corporation with around \$5.2 million in discretionary funding to perform its activities.
- 2.7 The Corporation operates with a lean staffing structure, having one Senior Executive Band 1 position (the CEO) that has three direct-reports, one at the Senior Officer Grade A and two at the Senior Officer Grade B level. Prior to 2007 there were five direct reports at this level. These were reduced to three following major funding reductions in the 2006-07 ACT Budget. The Corporation's total staffing in 2009-10 was 50 permanent staff, 14 temporary staff, and 75 casual staff, equating to 86 Full Time Equivalent (FTE) staff. It benefited from the contributions of many volunteers, especially at the Historic Places. Volunteers provided 1,736 hours service in 2009-10.

Purpose for creating the Corporation and benefits of doing this

- 2.8 In presenting the Corporation's enabling legislation in the ACT Legislative Assembly, the then Minister for Arts and Heritage explained the new organisation's purpose.

The Canberra Cultural Authority Bill 1997¹ is a significant step in maximising the social and economic benefits of cultural activities and collections to the Territory through an enhanced legal and administrative framework. ... The Bill before the Assembly gives a new and dynamic approach to management of the cultural facilities in the Territory and provides a structure in which the new Canberra Museum and Gallery can develop and contribute to the social wellbeing of all Territorians. I hope members will see that the authority is a means of being able to better manage Canberra's varied and important cultural assets and its growing cultural collection and will support the legislation as a way of being able to achieve a better integration of the effectiveness of those assets and the better management of those assets between different sectors.

- 2.9 The Corporation was therefore established to maximise the social and economic benefits of cultural activities and collections in the ACT, through an integrated structure with an enhanced legal and administrative framework. The objectives underlying its creation were built around a business focus, cultural goals, a rationalised approach to operating facilities and delivering programs, and efficiency of administration.
- 2.10 These objectives have been implemented and remain valid. The Corporation is now an integrated entity whose several divisions work co-operatively in a way that was unknown before the Corporation's establishment. Examples of these cooperative activities are provided at paragraph 5.4.6 and [Appendix C](#) to this response.
- 2.11 It is important to note that economies of scale and scope were achieved with the Corporation's creation. Resources previously used solely for the Canberra Theatre

¹ The name of the organisation was changed in the legislation after debate by the Legislative Assembly on 4 September 1997 to the Cultural Facilities Corporation.

Trust were used to service a much larger organisation. The responsibilities of the Senior Executive Service Band 1 position that previously managed only the Canberra Theatre Centre were extended to the whole Corporation. The Trust's nine Trustees were replaced with a Corporation Board of seven members. The responsibilities of the Centre's finance/corporate team were extended to cover the whole Corporation.

Performance of the Corporation since its creation

2.12 Since the Corporation's creation in 1997, it has consistently demonstrated success in terms of the quality and range of the cultural services it provides to the community, its budget performance, and standards of corporate governance. Examples of this are provided in [Appendix A](#). An analysis of the 12 complete financial years since the Corporation's establishment (1998-99 to 2009-10) produces the following results.

2.12.1 Performance results

- For each of these 12 years, the Corporation published targets and recorded achievements against seven key indicators (estimated number of visitors/patrons; number of exhibitions; number of education/public programs; number of days' usage at theatre venues; customer satisfaction rates; cost to government per visitor/patron; own-sourced revenue as a percentage of total revenue.)
- Over the 12 years, the Corporation achieved or exceeded 76 (or 91%) of the 84 targets. Variance explanations are provided where a target was not met; for example, numbers of exhibitions and programs were impacted in 2006-07 and 2007-08 by the closure of the Nolan Gallery at Lanyon in early 2007.

2.12.2 Financial results

- The Corporation achieved or performed better than budget for 11 of the 12 years. Surplus funds were invested in improvements to its own business (for example, new websites and equipment upgrades) or in supporting other cultural activity (for example, supporting the conference of the Australian Institute of Arts Management in Canberra in 2002, including sponsoring places for ACT arts managers).
- In 2002-03 the Corporation's operating outcome was \$25,000 (2.5%) worse than budget. Reasons for this included the costs of an EBA increase that year and the decision to fund business projects with surplus funds from previous years' trading.

2.12.3 Governance and compliance

- Throughout the 12-year period, the Corporation received unqualified audits for its Financial Statements and Statements of Performance. It implemented major improvements to its governance and compliance systems, including through strategic risk management planning, fraud control planning, internal audit planning and strengthening the role and functions of its Audit Committee.

2.13 The Corporation was one of the few statutory authorities to retain its separate status in the 2006 Strategic and Functional Review. The Board understands from feedback received at the time of the review that the Corporation was retained as a separate statutory entity due to its record of efficiency and effectiveness as an organisation.

2.14 This section demonstrates that, since its establishment, the Corporation has :

- fulfilled, and continues to fulfil, its statutory responsibilities;
- achieved, and continues to achieve, the objectives for which it was created; and
- provided, and continues to provide, an efficient structure for managing key cultural facilities in the ACT, with high standards of performance outcomes, budget results and corporate governance, thus providing value for money for the community.

3. REVIEW SCOPE, METHODOLOGY AND PROCESS

Review scope and methodology

- 3.1 The *Background* section of the Review Report contains general information about the scope of the review and the way in which it has been conducted. The Review Report does not include specific terms of reference for the project or a detailed methodology for conducting the review. This information is, however, either available in, or can be inferred from, the *Project Scope* document that was published on the artsACT website and the *Schedule 2 : The Services* section of the Services Agreement for the consultancy that was published on the ACT Procurement Solutions website. The Services Agreement contains other information about the consultancy, including its cost (\$151,800).
- 3.2 The content of the *Project Scope* and *Schedule 2 : The Services* documents is similar, with the *Schedule 2* document providing slightly more detail. The following extracts relate to the *Schedule 2* document.
- The final report from the review is to “provide a general overview of the sector, priorities, opportunities, issues, program delivery, and funding methods. It is proposed that the review be of both a practical and strategic nature and that it include consideration of the effectiveness of public sector support to the arts and a more limited circulation review of government and statutory authority functions.”
 - In terms of methodology, the consultant is to :
 - (a) implement the agreed review methodology;
 - (b) hold a workshop with the Steering Committee to work through the feedback;
 - (c) report and discuss feedback with ACT Cultural Council, CFC, and artsACT management;
 - (d) report to Government on the outcomes of consultation including a proposed way forward;
 - (e) test ideas included in report with stakeholders; and
 - (f) present final report.
- 3.3 Of these required steps, (c) and (e) were not followed, as far as they relate to the Corporation. Their omission is serious and has created a number of difficulties for the Board in developing this response, a point that is examined further below.

Review process – the Corporation’s involvement

- 3.4 The Board welcomed the commissioning of the review and actively participated in the review process. Corporation representatives met with, spoke to, or emailed the consultants on a number of occasions, including the following :
- meetings between CEO and consultants on 10 September and 28 October 2009;
 - meeting between Chairman and consultants on 1 October 2009;
 - attendance by consultants at the Board meeting of 4 November 2009;
 - tours of Corporation facilities by consultants on 1 October and 3 December 2009.
- 3.5 The Corporation supplied the consultants with a range of background information about the organisation to assist them in conducting the review, including :
- the Corporation’s submission to the 2006 ACT Strategic and Functional Review;
 - an Economic Impact Study undertaken for the Corporation in 2007; and
 - budget results and visitor numbers for 2008-09.
- 3.6 Following the attendance by the consultants at the 4 November 2009 Board meeting, the Board developed a formal submission to the review, together with other

observations about the arts sector more widely. This was sent to the consultants, with a covering letter from the Chairman, on 22 December 2009. A copy of the Board's formal submission is at [Appendix A](#). The submission presented a detailed and, we believe, well-argued position, with clear supporting evidence, that the Corporation is efficient and effective, should retain its current facilities, and could indeed add to these if it could add value both to any additional facility itself, and to the cultural life of the community, by running it. The Chairman's covering letter to this submission stated the following:

Finally, we welcome the opportunity of the review to receive any feedback it may produce about how the Corporation is performing. While the message that we hear from our key stakeholders is that we are a well-run and efficient organisation, and while we achieve very high satisfaction ratings from the users of our facilities and services, we regard continuing improvement in all our operations as an important goal. In this respect, we would be interested to hear of any comments provided to the review that relate to our functions, both so that we have the opportunity to respond to such comments (if this is appropriate), but also in order to learn from them and to make any necessary changes to the way we go about our responsibilities.

- 3.7 Following the provision of the Board's submission to the review in December 2009, the Corporation sought further involvement in, and input into, the review on a number of occasions but was advised that the consultants had all the information they needed from us. Despite the consultancy methodology, the Board had no further opportunity for input into the review process. The Corporation received a copy of the Review Report on 30 July 2010, a few days before it was released publicly.
- 3.8 While the Corporation therefore had a number of opportunities to meet with the consultants and to provide information into the review, including a formal Board submission, the following steps required of the review in the *Schedule 2* document did not occur, in terms of the Corporation.
- **“Report and discuss feedback with ..CFC..”** – at the various meetings held with the Corporation, the consultants emphasised that they were seeking input, not reporting or discussing feedback from the review (which did not occur).
 - **“Test ideas included in report with stakeholders”** – the stakeholders for this stage of the process were not specified in the *Schedule 2* document, but would be expected to include the Corporation, given the previous specific mention of the need to discuss feedback with the CFC and the radical nature of the consultants' recommendations relating to the Corporation. No such testing of ideas occurred.
 - **“More limited circulation review of government and statutory authority functions”** – the Board is not aware of any separate review document and notes that the final Review Report that was issued publicly covers these matters.
- 3.9 The omission of the above steps has created difficulties for the Board in seeking to formulate its response to the Review Report, since it does not understand why its position was either overlooked or rejected. Following the release of the final Review Report, the Board sought an opportunity to meet with the project reference group, and with the consultants, in order to complete the missing steps of the methodology and receive feedback on its submission, as the basis for preparing a constructive response. These opportunities were, unfortunately, not made available.
- 3.10 As a result, the Board has had to make a series of assumptions about the consultants' proposals for the Corporation, in order to respond to them and to develop meaningful costings, especially for the more obscure elements of the proposals. These assumptions are stated where possible in this response, especially in Section 5 and in the costing analysis at [Appendix D](#).

4. GENERAL COMMENTS ON THE REVIEW REPORT

- 4.1 The Review Report contains a large amount of interesting and useful information, resulting from what was perhaps the most extensive consultation exercise ever conducted in relation to the arts in Canberra. It contains many observations about the ACT's arts life and landscape that are welcomed by the Board and that we believe will be recognised as valid and important by the arts and wider communities; for example :
- the importance of public art in the life of our city;
 - the need to support professional practice in the arts in the ACT; and
 - the importance of community participation in the arts.
- 4.2 The Review Report also contains a number of general suggestions for improvements in arts funding processes and outcomes that appear reasonable and logical, including :
- streamlining of arts funding processes; and
 - provision of shared services to support arts organisations.
- 4.3 If the significant body of information contained in the Review Report had been properly organised, prioritised and analysed, it might have resulted in a succinct and incisive document that provided the basis for a blueprint for ACT arts policy directions into the future. It could have identified where the arts sector is currently at in the ACT, where it should be heading and how to get there.
- 4.4 Unfortunately, the Review Report is a poorly written and seriously flawed document that is almost unusable in terms of providing the ACT Government with any clear way forward. This is particularly disappointing in terms of the substantial cost of the consultancy (\$151,800) and the extensive time period over which it was conducted (September 2009 to June 2010). In its failure to provide an effective review of the previous arts policy and identify clear future directions, the Review Report represents a major lost opportunity.
- 4.5 The major defects of the document can be summarised as follows.
- it is a cumbersome, confusing and repetitive document, being poorly organised and having many duplicated passages;
 - it lacks rigour and is, for the most part, not evidence-based, even where its various assertions could easily be substantiated with factual information;
 - its 118 "recommendations" are particularly poorly expressed and in many cases are no more than vague observations or generic findings – in effect, motherhood statements;
 - it contains major contradictions, including a number of recommendations that directly contradict each other;
 - it does not achieve the stated purpose of the consultancy of a proposed "way forward" (page 5 of the Review Report), due to its lack of analysis and evidence, and the imprecise nature of its recommendations – in a number of cases it simply restates existing problems rather than advancing solutions;
 - it contains no costings but appears to assume a substantial increase in government funding for the arts, since a number of its recommendations involve additional costs;
 - it contains no definition of the arts or of the scope of the review; and
 - despite having been released as a final report, it appears to be a draft that has not been edited, containing basic mistakes and factual errors or inconsistencies.

A more detailed discussion of the Review Report's defects, and specific examples of these, is provided at [Appendix B](#).

5. RESPONSE TO CORPORATION-SPECIFIC PARTS OF THE REVIEW REPORT

5.1 This section responds to those parts of the Review Report that relate specifically to the Corporation. These parts can be found at pages 9; 49-56; 130; and 153-154.

The Corporation's position as presented to the review

- 5.2 The Board's formal submission to the review, with supporting evidence, is provided at Appendix A. This can be summarised as follows.
- The Corporation has demonstrated success in terms of the quality and range of the cultural services it provides to the community, the standard of its corporate governance, and its budget performance.
 - The placement of the particular facilities for which the Corporation is responsible under a single management structure has been demonstrated as robust, effective, and as having achieved cultural benefits for the community.
 - The current collection of cultural facilities under the Corporation should be retained and could be widened, should appropriate opportunities occur.
 - The model of the Corporation, in terms of encompassing within a single structure a number of different arts entities and achieving efficiencies through shared service provision, may be a useful one to adopt elsewhere in the ACT arts sector.

What the consultants recommend with regard to the Corporation

5.3 The consultants recommend that the Corporation as a single entity be replaced with a number of separate organisations. In doing so, they do not respond to, or refute, the contrary position put by the Board for the retention and possible expansion of the existing structure. They do not explore this option and the opportunities it would offer for economies of scale and scope. In some cases, the Review Report is clear as to the nature of the proposed new organisations. In other cases, the description of the new organisation is extremely vague. Drawing on the various references in the Review Report, the Board assumes the proposed new entities would be as follows.

1. **Canberra Theatre Centre** : to be a separate body with a separate board, including interstate membership.
2. **Historic Places Trust** : to be modelled on the Historic Houses Trust of New South Wales. This separate trust would be responsible for ACT heritage properties and assets, although the number and nature of these is not specified (a recent listing of ACT Government heritage properties identifies 125 properties).
3. **Canberra Gallery** : to come under artsACT and occupy the same footprint in North Building, Civic as CMAG currently occupies.
- 4A. **Canberra Museum – first aspect** : to come under artsACT and be a negotiated partnership with two national institutions such as the National Museum of Australia and the Museum of Australian Democracy, similar to the “*existing ACT partnership with the ANU*” (page 50) – it is assumed this reference is to the arrangement administered by artsACT that funds the ANU through a Community Outreach Program (refer to page 16 of the Review Report).
- 4B : **Canberra Museum – second aspect** : to be “*professionally curated but would not be a collecting institution or limited to being contained within one building, or around static displays, but would be a diverse, living experience involving people and places across the ACT*” (page 51). It is very difficult to understand what is

meant by this description. While the consultants state this type of living museum has been successful elsewhere, no examples are provided and no comparable model is readily available. Living museums tend to involve recreated historical or “theme park” activity at outdoor sites (such as the former Old Sydney Town), but from the details given in the Review Report, the consultants instead appear to envisage a package of community and education programs, together with a website and publications. These items are usually aspects of a museum’s wider interpretive role rather than comprising an entity in themselves.

Why the Board does not agree with these recommendations

5.4 The Board does not agree with the consultants’ recommendations for the Corporation, for the following main reasons (additional, detailed responses to the various statements and proposals are provided in [Appendix C](#)).

5.4.1 The Review Report provides no evidence that the new organisational structures would improve arts outcomes in the ACT or would reduce the cost of existing arts outcomes

- The Board would have expected these radical proposals to be supported by clear evidence that something is seriously wrong with the existing structure and drastic change is needed to improve arts outcomes. No such evidence is presented.
- Instead, vague assertions are made without supporting examples; for example:
 - *“There appears to be a variation of performance and value added by the CFC between different business units”* (page 49) - What examples are there of this varying performance and value-adding? As noted at paragraph 2.12.1, the Corporation has achieved 91% of its performance targets. The Board is not aware of variations between business units.
 - *“there are inherent structural issues which add to administrative cost”* (page 49) - What are these issues and what are the additional costs? The Corporation is strongly of the view that it has delivered its services at a cost lower than if its business units operated as separate facilities.
 - *“In some elements of its operation the Cultural Facilities Corporation (CFC) provides an example of duplication of management and administration”* (page 130) - What evidence is there of management and administrative duplication? The Corporation ensures that management and administration are kept at a minimum while still meeting its objectives. For example, in 2007 in response to budgetary pressures, the Corporation reduced the number of direct reports to the CEO from five to three.
- In the absence of any such evidence, it is not clear what problems are considered to exist with the current structure and performance of the Corporation, and why any perceived inadequacies or desired changes could not be addressed through finetuning of the current arrangements rather than the radical steps proposed.

5.4.2 The recommendations relating to the Corporation directly contradict the recommendations elsewhere in the report that there are already too many arts organisations in the ACT

- The consultants appear to accept that the Corporation is a successful model for an ACT arts organisation, since they state that retaining all 22 Key Arts Organisations as separate entities is not sustainable, and recommend clustering these into smaller groups, with shared corporate services – in effect, the Corporation model.
- This makes it especially perplexing that, in terms of the Corporation itself, the consultants recommend that this successful and efficient “cluster” be split up.

- This is a major contradiction of the report and reduces the credibility of both sets of recommendations.
- If the Corporation model is not considered to be working, it should not be proposed for other ACT arts organisations.

5.4.3 The recommendations have not been subject to any “reality check” through testing with the Corporation and do not appear to have been tested with other interested agencies

- Due to the omission of the feedback and testing steps required in the project methodology and noted in Section 3 of this response, the radical recommendations relating to the Corporation were not tested with the Board.
- There also appears to have been no testing of these recommendations with a number of other directly affected agencies or interested groups. Neither of the two institutions (the National Museum of Australia and the Museum of Australian Democracy) mentioned for possible partnership under the first aspect of the proposed Canberra Museum are included in the list of National Cultural Institutions consulted or visited at pages 21-22 of the Review Report.
- Similarly, the recommendations for the proposed Historic Places Trust do not appear to have been tested with relevant ACT agencies and groups such as Heritage ACT, the ACT Heritage Council and the National Trust of Australia, ACT Branch. These agencies and groups are also not listed in the Consultations Summary at pages 20-24 of the Review Report and might not even have been aware that an “arts review” would be likely to include matters of interest to them.
- The failure to test the various recommendations with the Corporation and, apparently, with other interested groups means there has been no opportunity for the consultants to gain insights as to the feasibility of their proposals. For example, if this had occurred, the National Museum of Australia and the Museum of Australian Democracy could have explained that the arrangements proposed for them are outside their respective charters.
- While the Historic Houses Trust is listed as a consulted group, the Trust is a “large state” model that may not be feasible in a small jurisdiction like the ACT.

5.4.4 The cost of implementing the recommendations would be unsustainable for the ACT arts budget

- The consultants’ suggestion that the recommendations relating to the Corporation could result in “administrative savings” demonstrates a failure to understand the basic cost structures inherent in public administration.
- Dividing a single, efficient organisation into a number of separate organisations can only result in additional administrative costs, due to the need to set up separate boards, executives, senior management and corporate support positions and systems.
- In contrast, the consolidation of corporate functions and the removal of duplication are regarded as standard efficiency measures in the public sector. These measures have been specifically identified by the ACT’s Expenditure Review and Evaluation Committee as ones that agencies should consider in meeting their 2011-12 Efficiency Dividend.
- Implementation of the consultants’ recommendations for the Corporation would either require the ACT arts budget to be increased substantially or else require funding to be diverted from direct support for the arts to the creation of new bureaucratic infrastructure. This likely outcome is the reverse of the Review Report’s untested and uncoded view that administrative savings from the breakup of the Corporation could be redirected to other areas of arts activities.

- This result would run counter to the Review Report's concern (at page 10) that, around Australia, and certainly in the ACT, funding for individual artists is reducing in proportion to funding for arts institutions and organisations. Costings for the new organisations are summarised at paragraph 5.5 and presented in detail at [Appendix D](#).

5.4.5 The proposed new organisations would lack the critical mass currently present in the Corporation and needed for any organisation to succeed in the ACT public administration climate

- The Board considers that the Corporation's current size (staffing of 86 FTE and budget of \$13 million per annum) is only just of a scale to allow it to survive as a viable organisation in a climate of increasing governance and compliance standards for ACT agencies. These requirements relate to such matters as financial management; audit; procurement; records management; human resource management; workplace health and safety; and annual reporting.
- The division of the Corporation into a number of separate organisations would result in a loss of critical mass and of economies of scale and scope. The resulting smaller organisations would struggle to meet contemporary compliance requirements unless substantial resources were diverted to funding new staffing and systems.
- It is appropriate, and desirable, in a small jurisdiction such as the ACT for organisations to encompass a number of functions that would be split into separate agencies in larger jurisdictions, in view of the need for critical mass and economies of scale and scope.
- ACT departments such as the Department of Territory and Municipal Services encompass functions that in a large state would be divided between several separate departments, as well as having functions that would be delivered at the local government level elsewhere.
- The need for ACT arts organisations to have sufficient critical mass to survive and to ensure the best use of scarce arts funding is one that is well-recognised by the consultants elsewhere in the report, and is supported in their recommendations that the current number of ACT arts organisations is not sustainable and must be reduced through the use of clusters.

5.4.6 The proposed new organisations would lack the programming and functional synergies currently present in the Corporation

- The Corporation is an example of the "whole being greater than the sum of its parts", in terms of the cultural benefits it provides to the community through programming linkages and cooperative activities between different parts of the organisation. Recent highlights include the following.
 - The *Wombat Stew Family Program* held on 5 June 2010, whereby children and their families attended a performance of *Wombat Stew* at the Canberra Theatre and then followed a wombat trail across Civic Square to CMAG, to participate in performance, dance and mask making workshops. This program was attended by nearly 400 participants.
 - The *Crafternoon Tea* millinery workshop held on 26 September 2010, whereby participants examined the hat collection at Calthorpes' House and then travelled to CMAG for a hands-on millinery workshop in the CMAG studio, conducted by leading milliner Christine Waring.
- The Review Report emphasises the importance of partnerships between different ACT arts organisations (for example, in Recommendation 31). These types of partnership are already in place between the component parts of the Corporation, as noted in the previous paragraph (some further examples are given in

Appendix C). While attempts could be made to re-establish them if the Corporation were split into separate entities, our experience in establishing partnerships with external bodies suggests that it is more difficult to create cooperative relationships between different entities than within a single organisation, due to competing corporate goals and directions.

5.4.7 The proposal to split CMAG into three separate parts would disperse the integrated collection, programming and resources currently present and would run counter to the model successfully used in other small jurisdictions

- CMAG's exhibition programming and its education and community programs are devised and presented in an integrated, holistic way that recognises and celebrates the links between the region's visual arts and social history. The new Canberra Stories Gallery at CMAG tells the stories of Canberra's history through references to, and the display of, both social history objects and visual artworks.
- CMAG's temporary exhibitions (as at October 2010) present a variety of social history and visual arts subjects that have a broad appeal to visitors (for example, *Altered States : Lost, Salvaged and Repurposed Buildings in Canberra* and *Sugar Town*, a visual arts installation in the gallery space on Civic Square).
- CMAG's Collection is a fully integrated visual arts and social history collection.
- Combined museums and galleries are the accepted best practice model in smaller jurisdictions, recognising the management and programming synergies inherent in such a model, and that a certain critical mass is needed for a collecting institution to be viable. Comparable institutions include the Tasmanian Museum and Art Gallery and the Museum and Art Gallery of the Northern Territory. The consultants regard Tasmania as an important and relevant model for the ACT, due to similar population sizes (page 136 of the Review Report).

Costing of the consultants' recommendations as they relate to the Corporation

5.5 In the absence of any costings provided by the consultants, the Corporation undertook a detailed cost analysis of the recommendations relating to it, using assumptions derived from the wording of the Review Report. The analysis was undertaken with the guidance of ACIL Tasman to ensure the creation of robust, credible costing models. It takes a highly conservative approach, as demonstrated in the following examples.

- It assumes a total cost to government of \$2.84 million per annum for a new Historic Places Trust running 7 properties (in 2008-09 the Historic Houses Trust of New South Wales operated 14 properties at a cost to government of \$19.23 million, which exceeds the entire 2010-11 ACT arts budget of \$19.049 million).
- It assumes a cost of \$0.7 million per annum for the Canberra Museum first aspect - *negotiated partnership with national cultural institutions* (50% of the cost of artsACT's arrangement with the ANU of \$1.4 million per annum).
- It allows just three staff for the Canberra Museum second aspect – *living museum*.
- It allows no cost for the additional functions that would be taken on by artsACT, such as administering the negotiated partnership, overseeing the Canberra Gallery, and sitting on the board of the Canberra Theatre Centre.

The analysis is presented in detail at Appendix D. It indicates that, at the most conservative estimate possible, the consultants' proposals for the Corporation would result in an additional cost to government of **\$2.023 million**, a 27.2% increase over the Corporation's current level of government funding. More realistic cost assumptions would see this figure rise to **\$3.011 million**, a 40.5% increase over current funding. The analysis showed that the annual cost of creating just one additional statutory board would be likely to exceed the yearly income of a practising artist.

CONCLUSION

- 6.1 The Board welcomed the commissioning of the review of the arts in 2009. We expected that it would provide clarity and certainty in arts policy direction, following the expiry of the previous ACT arts policy, *Arts Canberra – Action Statement for the Arts* in 2008. We saw this as of great value in terms of our own direction-setting, given our statutory responsibility to consider “any cultural policies or priorities of the Executive” in exercising our functions.
- 6.2 The Board cooperated fully with the review process and took an active and constructive role in it, providing a detailed and high-quality submission to the review together with a range of other information and suggestions - not only about the Corporation but about the ACT arts landscape more generally. Following the provision of the Board’s submission to the consultants, we sought a continuing role in the review process, although these opportunities were unfortunately not provided. In none of our contacts with the consultants were the radical recommendations relating to the Corporation proposed or discussed.
- 6.3 It therefore came as a considerable surprise and disappointment to the Board to read these recommendations in the final Review Report, a few days before the report was made public and with no opportunity to discuss, test or refute these ideas with the consultants. Our concern was compounded by the lack of any supporting evidence for the recommendations, by any refutation of the contrary position put by the Corporation, and by the generally poor quality of the Review Report itself.
- 6.4 While the Board disagrees with the consultants’ recommendations for the Corporation to be split up into a number of separate entities for the reasons advanced in this response, we accept that improvements are always possible and desirable in any organisation – a point we emphasised to the consultants in providing our submission to the review. We recognise a number of areas in which we can continue to improve – for example, by highlighting the individuality of the various component parts of the organisation through more focused business planning, budgeting and board attention, and by seeking additional responsibilities, such as in the historic properties area, which could fit within our remit and where we could add value.
- 6.5 It is the Board’s intention to continue to pursue these opportunities for improvements and growth, as part of our strategic planning. We will continue in our efforts to consolidate the Corporation’s role as an efficient and effective organisation, providing cultural leadership in the ACT and high quality cultural services based on the arts and heritage resources that it holds in trust for the people of Canberra.

APPENDIX A

THE BOARD'S FORMAL SUBMISSION TO THE REVIEW

(December 2009)

EXECUTIVE SUMMARY

Key points relating directly to the Cultural Facilities Corporation

- The ACT is rich in cultural resources, including a broad range of national collecting and exhibiting institutions and a diverse range of territorial facilities and resources. The Board believes that the key gap in the ACT's arts infrastructure is the lack of a 2000-seat lyric theatre suitable for major touring productions.
- The Board considers that the rationale for creating the Corporation as a separate statutory body remains valid, and that this status should continue. It believes the Corporation has demonstrated success in terms of the quality and range of the cultural services it provides to the community, the standard of its corporate governance, and its budget performance. The Board considers that the organisation's separate statutory status has been critical to this success e.g. in terms of achieving a substantial proportion of non-government revenue and attracting considerable philanthropic support and volunteer resources.
- The Board believes that the placement of the particular facilities for which the Corporation is responsible under a single management structure has been demonstrated as robust, effective, and as having achieved cultural benefits for the community. The Board considers the current collection of cultural facilities under the Corporation should be retained and could be widened, should appropriate opportunities occur. In particular, any expansion of the Corporation's responsibilities should be on the basis that the Corporation could add value to the additional facility itself, and to the cultural life of the community, by running it.
- The Board considers that the Corporation's strengths lie in managing standalone cultural facilities, of territorial or regional status, which are focused towards the community, and where it takes responsibility for developing, coordinating or presenting the cultural activities and experiences that are provided at these facilities. The Corporation has proved that it can manage such facilities efficiently and effectively, with an ability to add value by identifying and delivering community benefit from the links between these different facilities. The Corporation is less able to add value in areas such as those where it is simply the "landlord" of venues or facilities over which it has no programming responsibility.
- The Board believes that, in the future, the Corporation could best contribute to the ACT's cultural life and landscape by building on its areas of strength; rationalising its operations in areas where it is less able to add value; and developing a new lyric theatre for Canberra as a long-term goal.

KEY POINTS RELATING DIRECTLY TO THE CULTURAL FACILITIES CORPORATION

1. Key priority for the Corporation within the arts infrastructure and performance landscape

- 1.1 The ACT is rich in cultural resources, including a broad range of national collecting and exhibiting institutions and a diverse range of territorial facilities and resources. The Board believes that the key gap in the ACT's infrastructure needed to provide cultural experiences to the Canberra community is the lack of a major lyric theatre of around 2,000 seats with technical specifications and facilities that meet requirements for national and international touring productions. This serious omission means that the Canberra community currently misses out on arts experiences that can only be presented in a venue of this size and sophistication, such as performances by the Australian Ballet and main stage productions by Opera Australia.
- 1.2 The Canberra Theatre was constructed nearly 45 years ago for a Canberra population of just 90,000 (a quarter of its current size) and to address an entirely different set of contemporary performing arts standards which are no longer current in operational and financial management terms. There is no scope within the existing facility to re-work the Canberra Theatre to be in keeping with current touring needs and capacities, let alone the requirements of the future. This means that the nation's capital will continue to fall behind each year (as it is already doing) in its capacity to attract and present the best of contemporary Australian and overseas performing arts—not a scenario in keeping with the capital city's implicit role and symbolic importance, let alone its ability to service its highly educated and broadly activist and diverse cultural communities.
- 1.3 An appropriate site for the lyric theatre, contiguous with the Canberra Theatre Centre (which is essential), has already been identified with the National Capital Authority, but the site's reserve and final boundaries have not been made permanent, which is of concern in the current active period of the tendering of inner city sites and pressure for commercial development.
- 1.4 The Board considers that the provision of a new lyric theatre by an architectural designer of international repute should be an essential goal with an urgent timetable, not only for the Corporation but also in terms of the overall ACT arts infrastructure.

2. Rationale for the creation and retention of the Corporation as a separate statutory body

- 2.1 The Board believes that the rationale for the creation of the Corporation as a separate statutory body remains valid. The Corporation is a high achieving and well-run organisation with high standards of corporate governance and a record of success in the critical areas of performance outcomes and budget results – areas where arts organisations often fail to meet expectations. This was demonstrated by the outcomes of the whole-of-government Functional Review of 2006, when the Corporation was selected as one of the very few ACT agencies to retain separate statutory status.
- 2.2 The Board considers that the Corporation's status as a separate statutory agency remains the preferred structure for delivering the cultural services it provides to the community of the ACT, and for operating the ACT's major cultural assets. In the cultural activities domain, the Board considers that government works best as a facilitator, rather than as a direct provider through a departmental structure. Experience in other states and territories, and at the Federal level, suggests that an arm's-length approach to providing cultural activities and operating cultural facilities is the best-practice model.
- 2.3 The Board considers that an arm's-length separation from government has been critical in enabling the Corporation to operate commercially, to achieve a substantial proportion of its revenue through non-government sources (46% in 2008-09), to win major private sector sponsorships, to attract considerable philanthropic support, and to develop significant volunteer resources. It knows of no example of a departmental structure able to do what the Corporation

has been able to do since its creation in 1997. Further information about the reasons for retaining the Corporation as a separate statutory entity is provided at [Attachment A](#).

3. Rationale for the retention and expansion of the set of facilities managed by the Corporation

- 3.1 The Board considers that the Corporation has demonstrated the success of bringing the particular set of cultural facilities for which it is responsible under one management body. These facilities are the Canberra Theatre Centre; the Canberra Museum and Gallery; and three historic places : Lanyon, Calthorpes' House and Mugga Mugga. While the choice of these particular facilities for management by the Corporation may, at the time of the organisation's creation, have been opportunistic, the Board believes that their placement under a single overarching structure has since been demonstrated as being robust and effective, and as delivering cultural value to the ACT.
- 3.2 The Corporation has proved that it can manage this set of facilities efficiently and effectively, with economies of scale resulting from placing them under one management structure with shared corporate services. It has also demonstrated an ability to provide cultural benefits for the community from identifying and exploiting the links between these different facilities : for example, children's art-making programs at the Canberra Museum and Gallery linked to performances for young people at the Canberra Theatre Centre; or programs and exhibitions that link together the three historic sites and the Canberra Museum and Gallery.
- 3.3 The Board considers that the current collection of cultural facilities under the Corporation should be retained and could be widened, should appropriate opportunities occur that fit comfortably within its responsibilities and overall purpose (see Point 6 in this section below).
- 3.4 The Board considers that the model of the Corporation, in terms of encompassing within a single structure a number of different arts entities and achieving efficiencies through shared service provision, may well be a useful one to adopt elsewhere in the ACT arts sector.

4. Areas of strength and possible expansion of responsibilities for the Corporation

- 4.1 The Board believes that the Corporation's strengths lie in managing :
 - standalone, professional, cultural facilities;
 - which are of territorial or regional status;
 - which are accessible to the community or community-focused; and
 - where it takes responsibility for developing, coordinating or presenting the cultural activities and experiences that are provided at those facilities : these activities and experiences might include theatre presentations, exhibitions, education programs, community programs, or the conservation and presentation of aspects of cultural heritage.

5. Areas where the Corporation is less able to add value and possible contraction of responsibilities

- 5.1 The Board considers that the Corporation is less able to add value in the following areas.
 - Simply being the "landlord" of venues or facilities over which it has no programming or other operational responsibility but which result from accidents of history e.g. it is "landlord" for the Civic Library and for The Hermitage restaurant. This involves continuing challenges for the Corporation in terms of the difficulties inherent in providing building management services for an area that it does not operate functionally. One such challenge was experienced recently, when a skylight collapsed in the Civic Library and the resulting management of the situation (for example, in terms of media contact, decisions about the closure/reopening of the library, and even arrangements for trades access) was made more complex by this management/operation separation.
 - Managing open spaces : under Section 6 of the *Cultural Facilities Corporation Act 1997*, the Corporation has a statutory responsibility to "manage and develop Civic Square precinct as a

cultural focus of the ACT”, yet its ability to do this is impeded by the location and configuration of Civic Square; by the lack of clarity as to what Civic Square is supposed to achieve and of government expectations for this space; by the range of other agencies with a stake in Civic Square; by the lack of provision to the Corporation of any direct funding and responsibility for master planning of Civic Square; and by the apparent conflict between trying to activate an open space with free activities as opposed to trying to attract people into the buildings surrounding that space, including to attend paid performances.

- In a similar way, the Corporation’s ability to maximise the value of the Canberra Museum and Gallery is compromised by the fact that this is just one of a number of tenants within the North Building (including cultural tenants but also public service offices), which leads to continuing complexities in terms of such aspects as : the overall identity of the building; insufficient space to realise the Canberra Museum and Gallery’s full potential; conflicting external signage; and a problematic address to Civic Square (e.g. the passive frontage of Elections ACT).

6. Proposed future direction for the Corporation

6.1 The Board believes that the Corporation could best add value in terms of its contribution to the cultural life and landscape of Canberra by :

- retaining the current facilities for which the Corporation is responsible and continuing to identify ways of managing these facilities both efficiently in terms of the public funds invested in it, and creatively, in terms of maximising the cultural benefits to the community by programs that link the various facilities together (i.e. providing a “whole that is greater than the sum of its parts”);
- adding further facilities to the Corporation’s range of responsibilities, should appropriate opportunities occur, that are a logical fit within its overall purpose, as defined in accordance with the criteria at [Attachment B](#);
- exploring opportunities for strengthening the Corporation’s direct reporting relationship to the Minister and streamlining administrative processes, to avoid duplication of effort between the Corporation and the Chief Minister’s Department (e.g. the processes for dealing with replies to ministerial correspondence are complex and time-consuming);
- removing from the Corporation’s functions the Civic Square responsibility in its current form, clarifying that Civic Square needs both major capital works redevelopment designed by a highly competent urban design team, followed by determining that Civic Square should either be managed in a form similar to other urban spaces in the city (e.g. Ainslie Place, Garema Place, Hobart Place) whereby the built fabric is managed by the Department of Territory and Municipal Services (TAMS), while programming is managed by TAMS and/or Events ACT (e.g. the *Grooving’ in the City* and *round town* programs), or that if Civic Square is to be seen as different from these other urban spaces, then it needs to be resourced appropriately on an ongoing basis, to allow active programming and other special treatment to occur;
- subject to appropriate financial adjustments, removing from the Corporation’s responsibilities the management of areas of buildings for which it has no operational control – the area leased to The Hermitage restaurant in North Building and the Civic Library - and placing these with the Government’s building management function (in terms of financial adjustments there would need, for example, to be recognition that the “rent” paid by the Civic Library is in fact compensation for an equivalent reduction in the Corporation’s funding from government); and
- adopting, as long-term goals for the Corporation :
 - the development of a new lyric theatre for Canberra; and
 - for the Corporation to have responsibility for the whole of North Building as a cultural place, enabling the expansion of the Canberra Museum and Gallery over time, together with complementary cultural uses.

SUMMARY POINTS REGARDING IMPORTANCE OF MAINTAINING THE CULTURAL FACILITIES CORPORATION AS A SEPARATE STATUTORY BODY

1. The Corporation is a high achieving and well-run organisation with high standards of corporate governance and a record of success in the critical areas of performance outcomes and budget results.
2. The Corporation was established in 1997 to maximise the social and economic benefits of cultural activities and collections in the ACT, through an enhanced legal and administrative framework. The objectives underlying its creation were built around a business focus, cultural goals, a rationalised approach to operating facilities and delivering programs, and efficiency of administration. These have been implemented and remain valid. The Corporation is now an integrated entity whose several divisions work co-operatively in a way that was unknown before the Corporation's establishment.
3. Economies of scale were achieved with the creation of the Corporation. Resources previously used solely for the Canberra Theatre Trust are now used to service a much larger organisation. The Senior Executive Service position that was previously responsible for the Canberra Theatre Centre now manages the whole Corporation, while the Canberra Theatre Trust's nine Trustees were replaced with a Corporation Board of seven members.
4. The organisation achieves high levels of non-government income (e.g. 46% in 2008-09), particularly as a result of theatre-related revenues such as venue hire, ticket sales and front-of-house endeavours.
5. The Corporation has achieved high performance results and budget outcomes and has introduced many new initiatives such as early childhood programs at the Canberra Museum and Gallery, without receiving additional budget funding for these new initiatives. The Corporation was able to implement major whole-of-government savings initiatives in 2005-06 and 2006-07 in a way that minimised the impact of cultural outcomes for the community.
6. The Corporation's separate statutory status has been important in attracting non-government revenue, especially in the areas of corporate sponsorships and philanthropic donations, and in encouraging high levels of volunteer resources.
 - Major private sector sponsorship support has included approximately \$1.5m over a sixteen-year period from Optus and \$0.25m over two years from Westpac.
 - The Corporation's three expert advisory committees are all voluntary, unlike many advisory structures across government. Between them, the three committees have around twenty-five members. Without this extensive resource of advice on a voluntary basis, there would be an increased need to engage specialised consultants and contractors e.g. in relation to cultural heritage management.
 - Volunteers contribute around 2000 hours annually to the Historic Places division, which makes a major contribution to its resourcing and has, in particular, allowed the opening days at one historic site, Mugga Mugga, to increase from one day a month to every weekend.
 - A major proportion of acquisitions by the Canberra Museum and Gallery are through donations. In 2008-09, donations represented 66% of total acquisitions, with a dollar value of nearly \$0.125m.

The Corporation needs to be seen as separate from government in order to maintain and increase this level of corporate, volunteer and philanthropic support.

7. Experience elsewhere suggests that cultural organisations operate most effectively at arms length from government. In the Western Australia review of 2002 into statutory authorities in the culture and arts portfolio, for example, cultural institutions were retained as separate statutory authorities. To the best of our knowledge, most if not all the major equivalents of the Corporation's activities in theatres, galleries, museums and historic places in the other capital cities in Australia are operated through some kind of statutory authority or trust.

SUGGESTED CRITERIA FOR DETERMINING WHICH CULTURAL ENTITIES COULD COME UNDER THE CULTURAL FACILITIES CORPORATION

1. Is the cultural entity in question primarily focused on a **built facility**?
 - This would exclude, for example, arts organisations such as orchestras and theatre companies.
2. Is the facility of **Territorial or ACT- regional status** and importance?
 - This would exclude, for example, facilities that serve specific town centres or regions of Canberra.
3. Is the facility **accessible to the community or at least community-focused**?
 - This would exclude organisations that are primarily practitioner/membership focused or those focused mainly on research, education etc.
 - In the case of historic places, if managed by the Corporation these should be presented as house museums (not privately rented out etc.)
4. Is the facility one for which the managing organisation **curates/creates/programs at least a significant part of the product or experience** i.e. is the role of managing, developing, presenting, coordinating and promoting cultural activities a key aspect of its charter (as it is for the Corporation, under Section 6 of the *Cultural Facilities Corporation Act 1997*), as opposed to being simply a passive “hall for hire”?
5. Could the facility **sit within a statutory authority context** and do the benefits of this outweigh the costs?
 - There is a need to look at issues such as employment of staff as public servants; procurement requirements, and financial management and audit requirements.
6. Does the facility represent a **good functional “fit”** with the Corporation i.e. does the role of the facility fit with the Corporation’s statutory role?
7. Can the facility **be run on a professional basis in terms of core staff**, perhaps with some volunteer support?
8. Does the facility bring an appropriate **“dowry”** i.e. is the funding attached to it sufficient for the Corporation to run it effectively (accepting, however, there may be some economies of scale)?
9. Can the Corporation **add value** (1) to the facility itself and (2) to the cultural life of the community, by running it?
10. Would placing the facility under the Corporation contribute to the **Government’s broader policy objectives for the arts/culture**?

APPENDIX B

DETAILED DISCUSSION OF THE CONTENT AND QUALITY OF THE REVIEW REPORT

DETAILED DISCUSSION OF THE CONTENT AND QUALITY OF THE REVIEW REPORT

1. It is a cumbersome, confusing and repetitive document

- The main body of the Review Report runs to 169 pages; even the Executive Summary is seven pages.
- The organisation of the document is poor, making it difficult and frustrating to follow. It has a confusing and inconsistent numbering system. Sections 6 and 7 contain paragraph numbering, Sections 1 to 5 have no such numbering, and Section 8 re-introduces the numbering systems used in Sections 6 and 7.
- The Review Report has many duplicated passages, which add to its length; for example, its 118 recommendations are not only inserted into the main text of the document but also repeated in a separate Recommendations section at the end of the document, and further summarised in the Executive Summary.
- The wording in places is imprecise to the point of being almost meaningless; for example, in relation to artsACT it states : *“There is quite a heavy workload and staff have been doing their best to meet management and Government requirements and expectations”* (page 43).

2. It lacks rigour and is, for the most part, not evidence based

- The Review Report is replete with assertions, often strongly made, yet predominantly without supporting evidence or examples, even when the assertion could easily be substantiated with factual information.
- For example, it asserts at page 25 that *“In the ACT there appears to be a higher level of expectation of, and dependence on, Government funding and resources for the arts than in other jurisdictions”* yet presents no evidence to support this, such as a table setting out the relative dependence of each Australian jurisdiction on government funding for the arts.
- Research derived from Australian Bureau of Statistics data (refer to [Attachment 1](#) to this appendix) suggests that the Review Report failed to take into account the fact that the ACT does not have any Local Government funding of heritage and the arts. Once this additional funding is factored into the analysis, the ACT is by no means unusually dependent on government funding.
- In other cases, the assertions appear to reflect views presented to the consultants during the course of the consultation process. While the consultants may have received such views on the basis of confidentiality (as is noted at pages 5 and 20), these assertions should still be supported with appropriate evidence or specific examples and quotations, even if these are unattributed.
- For example, the Review Report asserts at page 47 *“Concerns were expressed by a variety of arts stakeholders that the Cultural Council does not appear to represent the arts, and in recent years, has been somewhat “invisible” and disconnected from the ACT arts community”*. No specific examples are provided of this lack of representation and “invisibility”, such as information about the attendance of Council members at meetings with arts organisations or at arts events.
- For the most part, and despite the inclusion of sections titled “Issues and Analysis” throughout the Review Report, there in fact appears to be little analysis, simply a recording of the various views put to the consultants during the course of their extensive consultation.
- This is despite the observations by the consultants, at a number of points in the Review Report, of the need to base advice and decisions on evidence; for example, *“Policy advice should be evidence-based”* (page 44).

3. Its 118 “recommendations” are particularly poorly expressed

- These would be expected to be clear, distinctive, limited in number and arising, in each case, directly from evidence and analysis presented in the text of the Review Report.

- In fact the 118 “recommendations” are in many cases no more than vague observations or generic findings – in effect, motherhood statements. For example, Recommendation 79 states “*There needs to be clarification of policy on all aspects of access and accessibility*”.
- In other cases there is substantial duplication and overlap between recommendations. For example, Recommendations 90 and 91 seem to cover similar ground to Recommendations 104 and 105, while Recommendations 16, 41, 112 and 113 all approach the same issue, that of streamlining grants applications and commissioning procedures, in slightly different ways.

4. It contains major contradictions, including in its recommendations

- Perhaps the most obvious of these is the major contradiction between the Review Report’s findings :
 - that there are too many key art organisations in the ACT and that these should be clustered into a number of smaller hubs, with shared corporate services, in order to save administrative costs (Recommendations 32 and 33); and
 - that the Corporation, which already represents such a cluster, should be fragmented into a number of separate arts organisations, which the consultants expect to result in administrative savings (Recommendations 19 to 29).
- Another example is the contradiction between :
 - the consultants’ assertion that the Corporation’s organisational structure, as an agency of government employing public servants, is not ideal (page 49);
 - while recommending either a continuation of this type of structure through the creation of additional statutory authorities, or an even closer integration of the Corporation’s current functions into departmental structures (Recommendations 19 to 29).

5. It does not achieve the stated purpose of the consultancy of a proposed “way forward”

- This failure relates directly to the Review Report’s lack of analysis and evidence, and to the imprecise nature of the recommendations.
- In many cases, the consultants simply restate existing situations or problems without advancing specific solutions. For example, Recommendation 16 states “*Streamline all processes and minimise administration, while retaining appropriate management of risk. This should include the areas of funding and grants allocation.*”
- In other cases, the consultants identify a series of further projects for the Government to do that might have been expected to be the task of the consultants themselves. For example, the Government is to undertake an audit of areas where it makes a contribution to the arts through funding (Recommendation 3) and to identify art forms that demonstrate clear potential (Recommendation 30).

6. It contains no costings but appears to assume a substantial increase in government funding for the arts

- The project scope does not specifically refer to costings or require this in the Review Report. It seems highly unusual, however, for a report of this nature to lack any form of costing analysis. The consultants would be expected to recognise, either that substantial increases in government funding are unlikely, or that they must make a compelling case for any funding increases.
- The Review Report implies at various points that the money needs to be saved : for example, in its assertions that continuing to fund 22 Key Arts Organisations is not sustainable (page 133).
- Yet many of its recommendations would involve additional cost to government. These include : funding to convert the part-time ABAF position to full-time (Recommendation 16); replacing the Cultural Council with two advisory bodies, one for policy advice, one for funding recommendations (Recommendations 17 and 18); replacing the Corporation with a number of new, separate organisations, resulting in an

increase in boards, executive and management teams and corporate services (Recommendations 19 to 29).

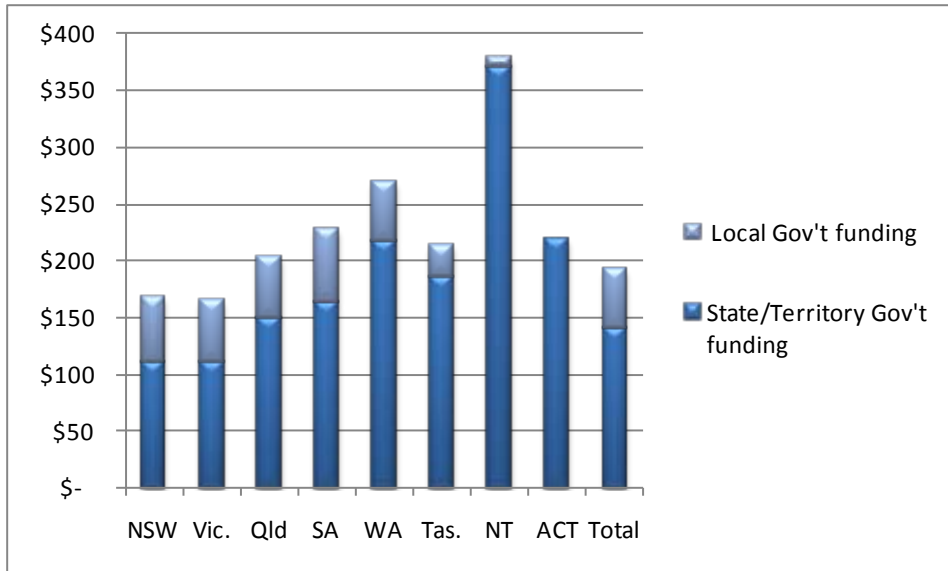
7. It contains no definition of the arts or of the scope of the review

- There are a number of references in the Review Report to the value and benefits of the arts (for example, at pages 36, 37, 120 and 125) and some discussion about the differences between arts and culture more broadly (for example, at page 37).
- Yet a clear definition of the arts, what they encompass (at least for the purposes of the review) and their importance would have been an expected starting point for the Review Report.
- The lack of such a definition leads directly to some of the problems with the Review Report. For example, the consultants clearly regard “the arts” as extending to heritage matters and the management of historic properties, since an entire section and set of recommendations deal with these matters.
- This may not have been clear to a number of organisations that would have been expected to provide valuable insights into the review’s recommendations relating to historic properties and objects. For example, neither the National Trust nor the Heritage Council appears to have been consulted in the review.

8. Despite having been released as a final report, it appears to be a draft that has not been edited, containing basic mistakes and factual errors or inconsistencies

- For example, the number of Key Arts Organisations (KAOs) – a critical issue in the context of the Review Report, is variously described as 22 (pages 21, 129, 133 and 164) and 20 (pages 14, 16 and 57).
- Pages 133 and 164 include the statement that continuing to separately fund 22 KAOs is “*not unsustainable*”. Clearly what the consultants intended to say was “unsustainable”. It is noted that the version of the Review Report released on 12 August 2010 corrected this error.

▪ Territory and Local Government spending per capita on heritage and the arts (2008-09)



▪ *Data source:* ACIL Tasman using Australian Bureau of Statistics data, 41830DO001_200809 Cultural Funding by Government, Australia, 2008-09

APPENDIX C

DETAILED RESPONSE TO THOSE SECTIONS AND RECOMMENDATIONS OF THE REVIEW REPORT RELATING TO THE CORPORATION

Excerpt from Review Report	Board response
6.4.2 Cultural Facilities Corporation (CFC)	
<p>The Cultural Facilities Corporation (CFC) was established as a separate statutory body by an Act of Parliament in 1997 with a range of specific roles and responsibilities in relation to the arts and heritage in the ACT. These have changed since its creation and its current functions appear to be somewhat inconsistent with what the legislation originally envisaged, especially in regard to broader cultural policies and activities in the ACT.</p>	<ul style="list-style-type: none"> • The Corporation's specific roles and responsibilities have not changed since its creation. The Corporation is still responsible for the cultural facilities specified in Schedule 1 to the <i>Cultural Facilities Corporation Act 1997</i> (the Act) and for the functions identified in Section 6 of the Act. • It is incorrect to state that the Corporation's "<i>current functions appear to be somewhat inconsistent with what the legislation originally envisaged</i>". The Corporation is carrying out the functions specified in Section 6 of the Act and is only permitted at law to carry out these functions. Detailed information on these is provided at paragraphs 2.1 to 2.4 of the Board's response. • It is unclear what the reference here is to the Corporation's role in regard to "<i>broader cultural policies and activities in the ACT</i>" and the assertion that its current functions are "<i>somewhat inconsistent</i>" with these policies and activities. The Corporation is required under Section 7 of the Act to take into account "<i>any cultural policies or priorities of the Executive known to the Corporation; and other cultural activities in the ACT</i>". The Corporation takes these matters into account on a continuing basis, as described at paragraph 2.4.7 of the Board's response. • The Board is unaware of any instance in which its functions are inconsistent with the original intent of its enabling legislation or with broader cultural policies and activities in the ACT. The consultants present no evidence as to any such inconsistencies.
6.4.2. Issues and Analysis	
<p>The CFC has an unusual range of responsibilities that are not necessarily complementary and that reflect historical circumstances rather than natural synergies, precinct specific requirements or current priorities.</p>	<ul style="list-style-type: none"> • The Board's formal submission to the Review stated the following, a position which the Board still holds : <i>While the choice of these particular facilities for management by the Corporation may, at the time of the organisation's creation, have been opportunistic, the Board believes that their placement under a single overarching structure has since been demonstrated as being robust and effective, and as delivering cultural value to the ACT. The Corporation has proved that it can manage this set of facilities efficiently and effectively, with economies of scale resulting from placing them under one management structure with shared corporate services. It has also demonstrated an ability to provide cultural benefits for the community from identifying and exploiting the links between these different facilities : for example, children's art-making programs at the Canberra Museum and Gallery linked to performances for young people at the Canberra Theatre Centre; or programs and exhibitions that link together the three historic sites and the Canberra Museum and Gallery. The Board considers that the current collection of cultural facilities under the Corporation should be retained and could be widened, should appropriate opportunities occur that fit comfortably within its responsibilities and overall purpose.</i>
<p>1. The CFC has had effective administration with high standards of corporate governance, and some areas of its responsibility have performed well. However, many questions were raised through the review about whether the current</p>	<ul style="list-style-type: none"> • This paragraph consists of a series of strongly made but vague assertions. The consultants present no evidence to support these assertions. • In terms of costs of administration, the Corporation sets, as a key annual performance target, how much it costs government for each visitor/patron to its facilities and programs. For example, the cost to government for the 2009-10 financial year was \$23.76 per visitor/patron, an improvement on that year's target of \$23.95.

Excerpt from Review Report	Board response
<p>structure and scope of the CFC continues to be appropriate and necessary and whether it adds significant value to each component of its responsibilities, taking account of the costs of administration. While the CFC performs well in many areas, it was quite widely considered to be overly bureaucratic and process-driven.</p>	<ul style="list-style-type: none"> • The cost to government per visitor/patron could only increase if the organisation was split into several separate entities, as recommended by the consultants. A detailed cost analysis is at Appendix D. • The comment that the Corporation is considered to be “<i>overly bureaucratic and process-driven</i>” may simply reflect the increasing governance and compliance requirements and processes imposed on all ACT Government agencies. Most if not all processes are requirements of the ACT Government or of legislation, such as the <i>Financial Management Act 1996</i>. • Since the Corporation's creation in 1997, these additional requirements relate to matters such as: financial management; audit; procurement; records management; human resource management; workplace health and safety; and human rights legislation. • One indicator of these additional requirements, most of which have to be reflected in the Corporation's annual report, is a doubling of the size of the Corporation's annual report over the past 12 years, from 113 pages for 1998-9 (the first full-year annual report produced by the Corporation) to 220 pages for the most recent, 2009-10 annual report. The ACT's 2007-10 Annual Report Directions, which simply list what must be included in agency annual reports, now run to 47 pages in length.
<p>2. Despite the name “Corporation”, and the functioning of the Board, the CFC effectively operates as an agency of Government employing public servants. These are not ideal organisational structures or employment arrangements for the arts and differ from the private sector and Key Arts Organisations (KAOs).</p>	<ul style="list-style-type: none"> • No evidence is presented as to why the consultants believe these structures and arrangements are not ideal for this purpose or what could replace them. • The Board would welcome consideration of more suitable arrangements and structures, if evidence could be presented to demonstrate why alternative structures and arrangements are preferable. • The Board notes, however, that the consultants recommend either a continuation of these structures and arrangements (e.g. they recommend that the Corporation continue as a statutory authority but change its functions to that of an Historic Places Trust and that the Canberra Theatre Centre continue as a fully ACT Government owned entity) or an even closer integration of the Corporation's current functions into the bureaucracy (e.g. they recommend that the proposed Canberra Gallery and half of the proposed Canberra Museum be placed under artsACT, an arts policy/funding branch within a central agency). • This closer integration of gallery and museum functions into the government bureaucracy appears contrary to the consultants' view that these are not ideal organisational arrangements. • Closer integration would also be likely to reduce the perceived independence of these functions from government, thereby placing at risk opportunities for donations, sponsorship and volunteer support, which are generally easier to attract when the agency is at arm's length from government.
<p>3. There appears to be a variation of performance and value added by the CFC between different business units within the CFC. Also, some areas of responsibility seem to need and benefit more from management by the CFC than others, which appear to operate quite effectively independently.</p>	<ul style="list-style-type: none"> • No evidence is presented as to why the consultants have reached this conclusion. • It is unclear how the consultants could have determined that some areas appear to operate quite effectively independently when all areas are part of an integrated management structure and operate within that structure, not independently. • The Board is not aware of any such variations in performance from the extensive reporting made available to it, on a regular basis, from different units of the organisation.

Excerpt from Review Report	Board response
<p>4. The Board and management see the need for development of the Civic precinct and for major new arts facilities. They indicated being open to the possibility of administering additional arts or heritage bodies.</p>	<ul style="list-style-type: none"> • The Board agrees with these statements, which reflect its formal submission to the review. • It notes, however, that these statements have not been responded to by the consultants, whose recommendations are in direct contradiction of them. Instead of taking the Corporation's existing structure and adding further responsibilities to it, thereby achieving economies of scale and scope, the consultants recommend fragmenting the existing structure.
<p>5. The costs of the CFC for the additional value it delivers across its portfolio of responsibilities requires consideration.</p>	<ul style="list-style-type: none"> • The Board agrees that the value/cost ratio should always be considered in determining the best structures for delivering services to the community with public money. • It notes that the Corporation achieved or bettered its agreed target for cost to government per visitor/patron for 11 of the 12 complete financial years since its creation in 1997. • The Board is strongly of the view that it has delivered its services at a cost lower than could be achieved if its facilities operated as separate facilities.
<p>6. While the CFC has generally been seen to have managed its responsibilities appropriately, there are inherent structural issues which add to administrative cost and require attention. There was a wide-spread and persuasive view that at least some element of change was necessary.</p>	<ul style="list-style-type: none"> • It is unclear what are the "<i>inherent structural issues which add to administrative cost and require attention</i>", since the consultants do not specify these. • The Corporation provides an efficient structure for delivering a wide range of cultural services to the people of Canberra, as demonstrated by its achievement or bettering of agreed efficiency targets such as own-sourced revenue as a total of total revenue (it achieved 42.9% against a target of 36.9% for this indicator in 2009-10). • The assertion "<i>There was a wide-spread and persuasive view that at least some element of change was necessary</i>" is not supported by any evidence. • Even if this assertion were accepted at face value, it is unclear why "<i>some element of change</i>" could not involve some finetuning to the existing structure or corporate direction of the Corporation rather than its replacement with a number of separate organisations, with associated new bureaucratic structures and administrative costs.
<p>7. The CFC appears to add most value in relation to historic properties. There is an opportunity for an initiative to build on that proven area of capability and performance to provide significant value to the ACT in the management of historic and heritage properties and assets.</p>	<ul style="list-style-type: none"> • No evidence is presented for the assertion that the "<i>CFC appears to add most value in relation to historic properties.</i>" • The Board considers that the Corporation does indeed add value to the historic places, as it does with its other responsibilities, within the wider context of an integrated, efficient corporate structure. • The placement of the historic places within this wider structure allows corporate efficiencies resulting from economies of scale and scope e.g. the ability to have a single senior executive position managing the whole organisation and a single finance/corporate team servicing the whole organisation. • Integration of the historic places into the wider Corporation also allows programming synergies that add value for the community through joint programs and collaborative use of physical facilities between the historic places and CMAG. • These synergies also allow the sharing and development of professional staff skills. Recent examples include a school holiday papermaking program at Mugga Mugga, which integrated visual arts expertise from CMAG with sustainability practices demonstrated by an Historic Places education officer.

Excerpt from Review Report	Board response
<p>8. It is proposed that in the future a reconstituted CFC should become the single focus of management for all ACT heritage properties and assets, as well as for some historic properties. Section 6.4.3 deals further with heritage and with this issue of a new Historic Properties Trust (HPT).</p> <p>The CFC would be relieved of other areas of its current responsibilities, and these would in future be managed under different arrangements.</p>	<ul style="list-style-type: none"> • The Board considers that there is an opportunity to add further historic places to the suite of facilities managed by the Corporation as it suggested in its formal submission to the review, together with a suggested list of criteria for assessing possible suitable additions to the Corporation, in order to ensure best value to the community. • Provided the criteria identified by the Board were met, these additional responsibilities could be added to the existing structure at a reasonable additional cost, rather than setting up a separate organisation with the associated diseconomies of scale and scope that this would involve.
<p>9. The Canberra Theatre Centre appears to perform well in its own right, and it is suggested that it would operate most effectively and efficiently in future as a separate, fully ACT Government owned entity operating under a Board reporting to the Chief Minister. The selection of Board members would be important. It would be expected that it would include one or two representatives of ACT Government, including the Director of artsACT, and may benefit from the specialist experience and perspectives of interstate members.</p>	<ul style="list-style-type: none"> • The Canberra Theatre Centre is part of the wider Corporation and performs well as part of that organisation, not "<i>in its own right</i>" – it is unclear how the consultants could have reached such a conclusion. • The Centre is the region's leading performing arts centre and is an efficient venue with potential for further revenue growth, including by maximising ticket sales through competitive advantages such as a professional marketing department. It has a high occupancy and hire rate. • Particular strengths of the Centre include its abilities to develop and present annual subscription seasons, featuring major national and international companies; to present major additional productions programmed outside the season; and to provide excellent venue hire servicing. • The Corporation structure provides the Centre with a corporate infrastructure and governance regime within which the Centre can focus on providing these high standards of cultural services as its "core business", without diverting significant resources to governance and compliance requirements. • The recommendation to establish the Canberra Theatre Centre as a separate entity would appear to recreate a body similar to the Canberra Theatre Trust, which existed prior to the Corporation coming into existence in 1997. The creation of the Corporation achieved economies of scale and scope compared with the Trust; for example, the senior executive position responsible for the Centre became responsible for the whole Corporation, while the board of nine trustees was replaced with a Corporation board of seven. • The creation of the Corporation and the absorption of the Trust into this wider organisation also provided the Canberra Theatre Centre with an enhanced governance and financial management framework. • An examination of Canberra Theatre Trust's annual reports for the years 1989-90 to 1996-7 (the last year it operated independently) indicate that the Trust experienced financial difficulties in a number of these years and had its financial statements qualified in several successive years. These issues were overcome with the Trust's integration into the Corporation, which consistently achieves good financial and audit outcomes, as noted in paragraphs 2.12.2 and 2.12.3 of the Board's response. • If the consultants' recommendation for a separate Canberra Theatre Centre were adopted, the much larger range of ACT Government compliance requirements that exists in 2010 compared with 1997, the last time the Centre operated separately, would mean that the Centre would require significant resources to meet these requirements, diverting resources and attention from directly providing theatre experiences.

Excerpt from Review Report	Board response
	<ul style="list-style-type: none"> While disagreeing with the consultants' recommendation to establish the Canberra Theatre Centre as a separate entity, the Board intends, however, to continue to explore ways of highlighting the individuality of the various component parts of the Corporation, including the Centre, and recognising their differing needs within the overall corporate framework, through means such as more focused business planning, budgeting and board attention.
<p>10. The Canberra Museum and Gallery (CMAG) is an important facility, with some very good arts and cultural resources, but it seems to struggle with its identity, role, marketing and with attracting audiences. Though its purpose is very different, and its focus is the ACT, it has a major challenge to compete for audience interest with the NCIs. It is unclear what is the main cause of 'the problem'. It may be competition, identity and structure, marketing, location, its management, or some combination of these and other issues. Change is certainly necessary, and the key questions relate to the extent and nature of change.</p>	<ul style="list-style-type: none"> No evidence is presented to support the statements that CMAG “<i>seems to struggle with its identity, role, marketing and with attracting audiences</i>”, that there is indeed a “<i>problem</i>” with CMAG, or that “<i>Change is certainly necessary</i>”, which makes it difficult to respond to these vague observations and assertions in a substantive way. In contrast, the comments in the consultation summaries in the Review Report are positive and supportive of CMAG; for example : <ul style="list-style-type: none"> “<i>public institutions like the library and the Canberra Museum and Gallery are valued</i>” (page 174); “<i>It was felt that CMAG, for instance, provided an outstanding education program and it should be supported in this area</i>” (page 187); and CMAG’s exhibitions are seen as important in attracting visitors from interstate and overseas (page 188). CMAG’s identity and role are clear and distinct, as stated in a range of public documents, such as in the current (July to December 2010) calendar of exhibitions and events : <i>Canberra Museum and Gallery explores the region’s social history and visual arts with dynamic exhibitions and unique community programs and events.</i> One indicator of the regard with which CMAG is held in the community is in the number of artworks, social history items and monetary donations made to it. As noted in the Board’s formal submission to the review, for 2008-09 the value of these donations totalled \$125,000 representing 66% of total acquisitions. A further example of CMAG’s standing is that it is studied as a model by other major regional centres seeking to establish a new cultural facility – for example, by Townsville and Griffith. In terms of marketing, while CMAG has a fraction of the marketing resources of the national cultural institutions, it achieves a sound marketing presence; for example, like the national cultural institutions it maintains a consistent presence in the <i>Panorama</i> section of Saturday’s <i>The Canberra Times</i>. Despite the competing presence of the national cultural institutions in Canberra, CMAG achieves over 40,000 visitors a year. During 2009-10 it attracted 42,541 visitors; presented 14 exhibitions; and provided 214 education and community programs. One of the key factors in the decision by the Commonwealth Government to move the Nolan Collection to CMAG was that this city centre location would provide a level of visitation appropriate to a collection of international significance (it includes a number of Nolan’s <i>Kelly</i> series). CMAG is recognised as a leader in certain fields, especially in early childhood education; for example it won awards in the 2008 ACT Children’s Week Awards. Its early childhood programs such as <i>Toddler Monday</i> are usually booked out months in advance. This evidence contradicts the notion that “change is certainly necessary”. What is, perhaps, needed, is better marketing of the role of CMAG and how this contrasts with, but complements, the role of the national

Excerpt from Review Report	Board response
	institutions in Canberra – with which CMAG has a range of well-established, productive relationships.
<p>11. It will be proposed that the CMAG would become the responsibility of the Chief Minister as Minister for the Arts and Heritage through artsACT.</p>	<ul style="list-style-type: none"> • CMAG is already the responsibility of the Minister for the Arts and Heritage. • It would, however, be highly unusual for a state/territory gallery to report to the Minister through an arts policy/funding area, which generally has no expertise or staff resources equipped to oversee a collecting and exhibiting institution directly, rather than at arm's length.
<p>12. As soon as possible, artsACT should oversee significant changes to the structure and operations of CMAG. The Museum and Gallery aspects of CMAG would separate, with the opportunity to have different management and partnership arrangements for each function.</p>	<ul style="list-style-type: none"> • The separation of the museum and gallery aspects of CMAG is undesirable and inefficient in terms of programming, financial and practical grounds : <ul style="list-style-type: none"> ○ CMAG was conceived as a combined museum and gallery as the result of extensive public consultation as to what the Canberra community wanted for this facility; ○ CMAG's exhibition programming and its education and community programs are devised and presented in an integrated, holistic way that recognises and celebrates the links between the region's visual arts and social history; ○ the separation of museum and gallery aspects could only lead to increased administrative costs; ○ CMAG has an integrated collection of visual arts and social history objects and donations have been received into this collection on the basis of its integrated nature; it is unclear how undertakings to donors could be honoured if CMAG ceased to exist.
<p>13. There are interesting and quite exciting possibilities and opportunities for the future Canberra Museum aspect, and it is proposed that there could be two aspects to its future, neither of which would be dependent on the 'bricks and mortar' of the current CMAG building, which would be dedicated to the Canberra Gallery.</p>	<ul style="list-style-type: none"> • The nature of the dual-aspect, non-collecting, non-physical Canberra Museum proposed here is extremely imprecise and does not appear to accord with any known definition or example of a museum. • While the concepts of partnerships with national institutions and historic places, together with public and education programs such as walking and driving tours, are sound ideas which to a large extent are already in place, what is critical both in terms of museological practice and community engagement is the presence of a collection of objects in a defined place or places as the basis for these partnerships and cultural experiences. • The International Council of Museums (ICOM), which maintains formal relations with UNESCO and of which Australia is a member nation, defines a museum as being a “<i>non-profit, permanent institution in the service of society and its development, open to the public, which acquires, conserves, researches, communicates and exhibits the tangible and intangible heritage of humanity and its environment for the purposes of education, study and enjoyment.</i>” This definition reflects the importance of a collection as the framework within which a museum conducts its activities, such as forming partnerships with other institutions and providing community and education programs. • It is unclear what would happen to CMAG's social history collection under this proposal, including the 1,086 item Dawn Waterhouse Collection of Canberra souvenirs and memorabilia, currently displayed in CMAG's permanent collection gallery. Another important aspect of CMAG's social history collection is its collection of objects from the 2003 Canberra bushfires. • The social history collection reflects the unique development of the Canberra region and is an important part of the Australian Distributed National Collection.
<p>14. The first aspect of a future museum role could involve a negotiated partnership with one or</p>	<ul style="list-style-type: none"> • It is unclear what the “<i>negotiated partnership with one or more National Cultural Institutions</i>” would comprise or what this would be intended to achieve.

Excerpt from Review Report	Board response
<p>more National Cultural Institutions with strong, specialist museum curatorial expertise and established audience interest to include a focus on the history and culture of Canberra. This would involve similar arrangements to the existing ACT partnership with the ANU, and it would be proposed that the two organisations to work with would be the National Museum of Australia (NMA) and the Museum of Australian Democracy. This would of course require consultation and negotiation to ensure that Museum resources and the history of the ACT continue to be appropriately represented.</p>	<ul style="list-style-type: none"> • The “<i>existing ACT partnership with the ANU</i>” is quoted as a model, although which of the many partnerships that the ACT has with the ANU is meant, is similarly unclear : for example, CMAG has a partnership with the ANU’s School of Art and School of Music under which activities such as lectures and concerts are provided at CMAG. • For the purposes of the costing model at <u>Appendix D</u>, the \$1.4 million partnership between artsACT and the ANU, under which a Community Outreach Program is provided, has been selected as being the one that best appears to match the consultants’ description since it is referred to at page 16 of the Review Report. • The two institutions specifically mentioned for possible partnership are the National Museum of Australia (NMA) and the Museum of Australian Democracy (MAD). • MAD has a specific remit to explore Australia’s policies and parliamentary history and the story of democracy and democratic values in both Australia and elsewhere. This remit does not extend to coverage of the social history of the Canberra region. • The NMA aims to represent all Australians rather than being “Canberra-centric” and this is reflected in its collecting policies. Whenever it is offered a collection item that relates only to Canberra history, and not to broader national history, the NMA refers the offer to CMAG. • The consultants may not be aware of the extensive partnerships and collaborative arrangements that already exist between CMAG and national cultural and educational institutions such as the NMA, the National Gallery and the major universities, which allow the partners to collaborate in those areas where there is mutual interest. • These partnerships have in the past covered : loans of artworks and objects; exchanges of staff; hosting of travelling exhibitions; and participation by senior staff in each other’s activities (e.g. the Director of the National Portrait Gallery and the Assistant Director, Audience, Programs and Partnerships at the NMA are both members of the Corporation’s Museum and Gallery Advisory Committee, while the Director, ACT Museums and Galleries is Adjunct Associate Professor (Museology and Cultural Heritage) at the Donald Horne Institute for Cultural Heritage at the University of Canberra. • CMAG also has extensive partnerships with local, as opposed to national cultural institutions and these may well be more relevant in terms of CMAG’s focus on the social history of the Canberra region. • The perceived need to partner with institutions “with strong, specialist museum curatorial expertise” implies that such expertise may not be present amongst CMAG staff. CMAG currently employs three dedicated social history curators, in addition to visual arts curators and the considerable curatorial expertise present at Assistant Director and Director levels. • CMAG curatorial staff are trained to professional standards at graduate or postgraduate level and have work experience across a range of international, national and regional museums and galleries. The curator positions at CMAG are highly sought after and often attract applicants from national institutions (for example, two of the three current social history curators previously worked at the NMA while the assistant director and visual arts curator worked at the National Gallery).
<p>15. In addition, the HPT would be expected to have an active, contemporary and dynamic future Canberra Museum role, featuring a focus on the</p>	<ul style="list-style-type: none"> • The nature of this second aspect of the proposed Canberra Museum is unclear and seems not to accord to professional definitions or standards of museums. This second aspect appears to consist of a package of public programs such as walking or driving tours, together with a website and publications.

Excerpt from Review Report	Board response
<p>interesting people, places and social history of Canberra, including through some of HPT's properties and places. A new Canberra Museum would need to be professionally curated but would not be a collecting institution or limited to being contained within one building, or around static displays, but would be a diverse, living experience involving people and places across the ACT. It would be likely to include: independent walking and driving tours to interesting and historic places; aspects of local Indigenous and multi-cultural history and current activity; changing programs and features with varying elements of focus in different places around the ACT built around people's lives, interests and cultural experiences rather than only around objects; as well as publications and an active, engaging website.</p> <p>This form of living Museum has been successful in other places and would be expected to be a good fit with an entrepreneurial, new HPT, and it would complement what is offered by the National Institutions. Success would require vision and energy but this would appear to be a genuine niche in the ACT with the potential to build strong interest for both participation and visitation from Canberrans, as well as for visitors to Canberra.</p>	<ul style="list-style-type: none"> • Programs and websites are important means of enhancing the experience of visitors to historic places and of museum visitors (for example, the ACT Museums and Galleries website allows visitors to take a "virtual tour" of Calthorpes' House before or after a physical visit, while the Canberra Tracks program provides driving tours to various places of historical interest). It is unclear, however, how such a package could in itself comprise a "Canberra Museum". • The statement that <i>"This form of living Museum has been successful in other places"</i> is not supported with any specific examples that would assist the reader in understanding what the consultants is proposing. • It is assumed that this proposal could involve moving social history exhibitions currently displayed at CMAG to the historic places, and dispersing CMAG's social history collection to the historic sites. If this were the case, it would present major challenges in terms of the lack of appropriate, climate-controlled exhibition and storage space at these facilities. The lack of such facilities at the former Nolan Gallery building at Lanyon was a key factor in the decision to relocate the collection to the Canberra Museum and Gallery. • The relocation of exhibitions, collections and other opportunities for cultural experiences from the city centre to suburban or remote locations could reduce accessibility to cultural experiences for the community, especially those from lower income groups, since visits to historic places generally require private transport. This would undermine the focus on accessibility elsewhere in the Review Report (for example, at pages 12, 86, 88, 113, 114 and 125). • Generally, the proposals for the two aspects of the Canberra Museum raise serious concerns for the Board about the future of collections and exhibitions relating to Canberra's social history, since no organisation other than CMAG currently focuses on these matters or has the resources to carry out these collecting and exhibiting functions. • The two aspects proposed by the consultants for the Canberra Museum provide the Board with no confidence that the consultants fully understand CMAG's social history functions or that the two aspects proposed for the Canberra Museum could appropriately address these functions.
<p>16. The new Canberra Gallery would be the ACT Government's visual arts gallery. It would be expected to focus on all aspects of visual arts in the ACT. This would include traditional and contemporary visual arts with a particular focus on high quality work from ACT visual artists. It would be expected to include paintings, sculpture, ceramics, wood, glass, film, photography and digital arts. It could also include a space for local Indigenous art, some of</p>	<ul style="list-style-type: none"> • The inference could be drawn from paragraph 16 that these aspects are not currently present in CMAG, which the Board does not accept. With the exception of selling artwork, CMAG already fulfils all these roles; for example, its collection and exhibition program feature all art forms including paintings, prints, sculpture, ceramics, wood, glass, digital media, mixed media, found objects and other media, while its exhibition program has in recent years featured major ACT visual artists such as Jude Rae, Ruth Waller, Jörg Schmeisser, Marie Hagerty, Danie Mellor, Helen Geier, Wendy Teakel and David Jenz. • The Board does not support the proposal that the Canberra Gallery should sell artwork. Publicly funded collecting institutions generally do not sell artwork since this could be seen as creating a conflict of interest with their collecting role. The sale of artwork in Canberra is already well-served by commercial galleries, regional arts centres, Craft ACT, Canberra Glassworks, the Burrunju Aboriginal Art Gallery and other such

Excerpt from Review Report	Board response
<p>which would be available for sale.</p>	<p>organisations.</p>
<p>17. The new Canberra Gallery would aim to have an energy and purpose that attracted substantial audiences. It would be expected that consideration would be given to the placement and nature of the entry and of a cafe which would link to the Gallery's purpose and audience. The performing arts would also be active in the space and the precinct.</p>	<ul style="list-style-type: none"> • The Board agrees that a Canberra Gallery should have energy and purpose, and believes CMAG is already achieving this, especially after the opening of the Nolan Collection Gallery @ CMAG, recent upgrades to foyer and entrance areas, new vinyl signage at street level, a new cafe operation, and a continuing program of high-quality exhibitions such as the recent <i>Something in the Air : collage and assemblage in Canberra region art</i>, which attracted both critical acclaim and extensive public interest. • "Substantial audiences" is not defined, but it is noted that CMAG already attracts annual visitation of over 40,000. • Placement and nature of the entry to CMAG in North Building remains a continuing challenge, due to the building being heritage-listed and due to the fact that CMAG is one of a number of tenants within the building. The Corporation's longer-term plans are to enclose the outer courtyard off Civic Square into a new, larger foyer space for CMAG that allows direct entry off Civic Square, and to consider options for a new space directly fronting onto London Circuit. • The reference here to the performing arts is unclear. While CMAG already hosts certain performing arts (for example, lunchtime concerts by students from the School of Music, under CMAG's partnership with the ANU), the facility is not specifically designed for this and does not seek to compete with the primary performing arts role of the adjacent Canberra Theatre Centre.
<p>18. It is proposed that local Indigenous artists should have an important place in the Gallery. It is very good to see that the ACT Government supports the recently opened Burrunj Aboriginal Art Gallery, which is aimed to provide local Indigenous artists with an opportunity to show and actively promote their culture and heritage through art. However, the Indigenous artist workshop strongly pressed the need, which is acknowledged, for access to an accessible, central location, and it is believed that a new Canberra Gallery and local Indigenous artists would both benefit from their inclusion.</p>	<ul style="list-style-type: none"> • CMAG already features local Indigenous artists in both its exhibition program and its collection. • For example, Danie Mellor, an Indigenous artist with close links to the region who won the Telstra National Aboriginal and Torres Strait Islander Award, has been featured in solo and group exhibitions at CMAG, while CMAG's collection includes a range of artworks by Indigenous artists living in, or with connections to the Canberra region, including Matilda Williams House, Dennis Nona and Avril Quail. • The Board would welcome the opportunity for CMAG to work with Burrunj Aboriginal Art Gallery to explore further opportunities to feature local Indigenous artists.
<p>19. An innovative option for the future of the Canberra Gallery could be to consider relocating it to Kingston as part of a new visual arts precinct. This could be considered as part of the recently announced Kingston Arts Precinct Strategy deliberations, probably as a longer-term</p>	<ul style="list-style-type: none"> • A standalone, purpose-built new facility at Kingston is an attractive proposition in view of the compromises involved for CMAG at present in terms of its location within an existing, heritage-listed building shared with other tenants. • However, the Board considers that CMAG (or a new Canberra Gallery) should stay in its current location for the following reasons : <ul style="list-style-type: none"> ◦ the ACT community has already made a significant financial investment in establishing CMAG within

Excerpt from Review Report	Board response
<p>option. Such a consideration should not inhibit purposeful action to ensure that a new Canberra Gallery in Civic receives full and focused support. If this initiative is as successful as expected, and taking account of the accessibility of Civic, it may not be desirable to move.</p>	<p>the North Building and in creating gallery, studio, workshop and storage areas to professional standards within this building, including the recent creation of the Nolan Collection Gallery @ CMAG;</p> <ul style="list-style-type: none"> ○ the city centre location is easily accessible for office workers and shoppers and for the community more generally by public transport; and ○ the location on Civic Square achieves synergies and allows partnerships with other cultural neighbours : for example, art-making workshops associated with children’s theatre programs at the Canberra Theatre Centre such as <i>Wombat Stew</i>; Children’s Book Week activities with the Civic Library; and the <i>Exhibition in a Suitcase</i> travelling exhibition developed in partnership with Craft ACT.
<p>20. Civic Square is an important central location for Canberra. In moving responsibility from the CFC it is important to consider that it needs focused, strategic attention, collaborative planning, and probably some funding to achieve its potential. It is suggested that the Square would become the policy and strategic responsibility of CMD, with TAMS having day-to-day management responsibility. It will be essential for CMD to work with all key stakeholders in the precinct and the city to enliven the Square and the area and to make it an attractive place for all Canberrans.</p>	<ul style="list-style-type: none"> • The Board agrees that there would be value in aligning responsibilities for Civic Square with those agencies that already play a role in programming or maintaining similar open spaces in the city, so that Civic Square can be programmed in a similar way. This view was put forward in its formal submission to the review. • The Department of Territory and Municipal Services already maintains the physical fabric of Civic Square (e.g. the fountain, plantings and pavers) and it would seem appropriate for this to continue. • The Chief Minister’s Department already administers programs such as <i>Groovin’ in the City</i>, which could be extended to Civic Square, thus activating the space. • The Board has provided the Minister with a comprehensive package of proposals for enlivening Civic Square and better connecting it to the city centre e.g. by extending a pedestrian zone across the Civic Square frontage to London Circuit and by introducing a new kinetic water feature and a Centenary Clock, highlighting sustainability themes. • The alignment of responsibilities in this way would not prevent the Corporation from continuing to take a role in activating Civic Square – for example, it intends to do this through programs such as <i>Metropolis</i>, a city-based arts event being developed in association with The Street Theatre and by featuring sculptures in Civic Square in conjunction with a major exhibition of Michael Le Grand’s work at CMAG in 2011.
<p>21. If accepted, these actions would be expected to require legislative change at an appropriate time. It would also be suggested that the existing very capable CFC Board and senior management would continue to operate for some time to ensure a smooth transition to the new arrangements.</p>	<ul style="list-style-type: none"> • Amendment or repeal of the <i>Cultural Facilities Corporation Act 1997</i> would be required if the proposals put forward in this report were adopted.

6.4.2 Recommendations	Board response
1. The CFC has provided effective administration and has added particular value in relation to historic properties. In future the CFC would be relieved of other areas of its current responsibilities.	<ul style="list-style-type: none"> Disagree that the Corporation be relieved of responsibilities other than in relation to historic properties.
2. A reconstituted CFC would in future be called the Historic Places Trust (HPT) and would become the single focus of management for all ACT heritage properties and assets, as well as for appropriate properties and places.	<ul style="list-style-type: none"> Disagree.
3. The Canberra Theatre Centre should operate in future as a separate, fully ACT Government owned entity, directed by a Board and reporting to the Chief Minister, with a clear statement of purpose and performance expectations.	<ul style="list-style-type: none"> Disagree.
4. There would be significant changes, to be overseen by artsACT, to the structure and operations of CMAG. The Museum and Gallery aspects of CMAG would separate, with each function having different management and partnership arrangements. On behalf of the Chief Minister, artsACT would continue to oversee the operations of a new Canberra Gallery, and those museum arrangements that would in future be managed by other Institutions. The HPT would take over responsibility for an exciting and unusual new Canberra Museum.	<ul style="list-style-type: none"> Disagree.
5. The Museum aspect of CMAG would in future have two components of operation. The first component would involve a negotiated partnership, similar to that with the ANU, preferably with two National Institutions with strong museum curatorial expertise to feature objects and documents reflecting Canberra's history. The second component would be a dynamic, non-collecting, curated, living, non-static Canberra Museum which would not be located in any one place and would reflect the social history, people and culture of Canberra. The new Canberra Museum would be the responsibility of the HPT and would make use of its properties, places and assets.	<ul style="list-style-type: none"> Disagree.
6. The new Canberra Gallery would be the ACT Government's visual arts gallery, would be located in the current CMAG building, and would focus on all aspects of visual arts in the ACT including an Indigenous component.	<ul style="list-style-type: none"> Disagree that a separate Canberra Gallery be established. Agree that CMAG continue to include a focus on all aspects of visual art in the ACT, including an Indigenous component.
7. Civic Square would become the policy and strategic responsibility of CMD, with TAMS having day-to-day management responsibility. It will be essential for CMD to work with all key stakeholders in the precinct and the city to enliven the Square and the area and to make it an attractive place for all Canberrans.	<ul style="list-style-type: none"> Agree.
8. Any savings resulting from reduced administration costs associated with the reduced scope of responsibilities for the CFC should be redirected to the ACT Arts Fund to fund new arts priorities, such as emerging and Indigenous artists and additional quick response grants.	<ul style="list-style-type: none"> Disagree – no such savings would be possible.

Excerpt from Review Report	Board response
<p>6.4.3 Heritage and Proposed Historic Places Trust (HPT)</p>	
<p>1. The ACT Government plays an important role in relation to heritage. As in the case of the Arts, it was to be suggested that the Heritage Unit should move to Chief Minister’s Department (CMD). It is pleasing to see that this has recently been decided and implemented. If decisions have not yet been made, it is suggested that arts and heritage should have separate managers in CMD under a single Division and Senior Executive.</p> <p>2. All heritage places, as well as appropriate heritage assets, historic properties and other places in the ACT should come together to be managed by a single organisation emerging out of the Cultural Facilities Corporation (CFC). It is proposed that in the future these functions should become the single responsibility of a refocused CFC. It would be the goal of a new ACT Historic Places Trust (HPT), which would replace the CFC, to ensure protection of historic places, as well as being entrepreneurial to maximise public access, information and tourism potential and to allow heritage and historic properties and places to come alive in a similar way to the NSW Historic Houses Trust (HHT). The NSW HHT is proposed as a model for an ACT Historic Places Trust (HPT).</p>	<ul style="list-style-type: none"> • This section proposes radical reforms to the way in which ACT Government-owned historic properties and heritage assets are managed. Heritage matters appear, however, to have been a peripheral part of the arts review, with little or no opportunity for interested agencies and groups to be consulted or to provide a “reality check” on the proposals. • While heritage organisations could have attended the various consultation workshops, the title “arts review” would not necessarily suggest that the management of heritage properties and assets was under consideration. The Board itself was unaware that heritage matters would be such a key part of the report’s recommendations, as this did not appear to be an area of focus in its discussions with the consultants. • The Board would have expected the following to be consulted, at a minimum, to seek their input into, and views on, this section of the report : <ul style="list-style-type: none"> • Heritage ACT • ACT Heritage Council • National Trust of Australia, ACT Branch • Canberra and District Historical Society <p>(None of the above is listed in the Consultations Summary section at pages 20-24 of the report)</p> • The number of properties and other assets encompassed by “<i>All heritage places, as well as appropriate heritage assets, historic properties and other places in the ACT</i>” is potentially vast. A recent listing of ACT historic properties runs to 28 pages. • Even if the scope were reduced to ACT Government owned heritage places, there are still 125 of these, according to a list recently compiled by Heritage ACT. • While it is not clear what “<i>appropriate heritage assets</i>” might additionally involve, objects currently listed on the ACT Heritage Register include a bus, a train, an organ and a fire engine – some of these moveable assets are mentioned in paragraph 8 of this section of the Review Report. • A more appropriate approach by the consultants would have been to identify the most suitable inclusions in the proposed Historic Places Trust and provide an indication of the scale of operation of such an agency – and the associated costs.
<p>3. The following description of the NSW HHT reflects closely the proposed vision for an ACT HPT.</p> <p>The NSW HHT is a statutory authority with of a Board of nine Trustees, at least one of whom has knowledge or experience in history, and at</p>	<ul style="list-style-type: none"> • The Board is certainly keen to expand the Corporation’s ability to tell Canberra’s story by adding to the three historic places it currently manages (Lanyon, Calthorpes’ House and Mugga Mugga). • As an organisation, the Corporation’s expertise with regard to heritage properties lies in presenting them as house museums that are open to the community, with a full range of interpretive programs that are developed and provided by specialist staff. • The Corporation has staff skilled in interpreting historic sites, including education staff who specialise in providing programs at these sites for school students, working closely with the Department of Education and

Excerpt from Review Report	Board response
<p>least one in architecture. The HHT is entrusted with the care of key historic buildings and sites. It was established in 1980 by Premier Wran to run Vaucluse House and Elizabeth Bay House and has grown to manage 14 diverse sites and properties including houses, public buildings, a farm, gardens, parklands, a beach and urban spaces. The HHT holds extensive collections in each of its properties and conducts a dynamic range of programs and activities attracting over two million visitors to its houses and museums each year. It produces exhibitions, events, publications and education programs, manages an extensive collection, library, resource centre, shops and cafes, and has an active Foundation, as well as Members and Volunteers Programs.</p> <p>The NSW HHT’s mission is to inspire appreciation of Australia’s diverse histories and cultural heritage for present and future generations by conserving, interpreting and managing, with integrity, places of cultural significance, in the care of the HHT. It is a leader in the conservation and management of historic places in Australia and has won many awards. It is guided by the desire to be part of current community debates and open to new ideas as much as to be the repositories of important collections and the community memories.</p>	<p>Training to ensure these programs fit with the school curriculum.</p> <ul style="list-style-type: none"> • While managing the actual fabric of the historic places for which the Corporation is responsible is an important part of this function, it serves the wider purposes of conserving and interpreting the site rather than being an end in itself. • This means that if heritage properties are suitable for being presented as house museums or having a substantial degree of community access, then this is a role that the Board believes the Corporation can fulfil well, provided sufficient funds are available. • Another relevant consideration is that the Board would like to extend the range of properties the Corporation manages to include, for example, properties built after 1927 (the construction date of Calthorpes' House, the Corporation’s “youngest” property) – perhaps by adding a 1950s house or 1960s apartment. • This would give greater scope to tell the broad sweep of Canberra’s story through its historic places rather than simply adding to the stock of 19th century houses – although there are, of course, possibilities there as well, especially if a property has a particularly interesting or important story to tell. • However, running a heritage property as a house museum is at the high end of the cost scale in terms of the available options, so to achieve best value the Board suggests any new house museum should be substantially different from the ACT’s current house museums, as regards the period of history, location in Canberra and other such factors. • Since the house museum option is an expensive solution, it should expand the scope and variety of what can be provided to the community. • If heritage properties simply need to be managed in the sense of having the “bricks and mortar” looked after, or in terms of managing a lease with a private individual or group, then these roles are more suited to a property management agency such as the Department of Land and Property Services. • This is because the Corporation – or a future Historic Places Trust - is far less able to add value in situations where it is simply the “landlord” of a property with no programming or operational responsibility. • This distinction is made clearer in a list of suggested criteria for determining which cultural entities could come under the Corporation, which was included in the Board’s formal submission to the review at Attachment B to Appendix A.
<p>4. Some of the features of a new HPT would be likely to include the need for strong specialist skills, capability and judgement, combined with curatorial knowledge, care and attention to all HPT places and assets. There would need to be clear policies and criteria to ensure focus is maintained and to guide the HPT’s decisions about what it accepts, owns or manages, and it would have no heritage or other role beyond those responsibilities. This would be combined</p>	<ul style="list-style-type: none"> • The Board agrees that these skills, policies and commitment would all be needed in a future Historic Places Trust.

Excerpt from Review Report	Board response
<p>with a genuine commitment to sharing access to historic places and experiences with the ACT and Australian public.</p>	
<p>5. The establishment of a new Historic Places Trust would be an historic, exciting and vitally important development for the ACT. Leadership at Trustee and management levels of such an exciting initiative would demand a shared, clear vision and a range of demonstrated skills and experience including being responsible, entrepreneurial, connected to community and collaborative, combined with having absolute enthusiasm and commitment, to ensure success.</p>	<ul style="list-style-type: none"> • The model of the Historic Houses Trust (HHT) of NSW is a "big state solution" that the Board believes is beyond the resources of a small jurisdiction such as the ACT. The HHT receives substantial government funding (a recurrent grant of \$19.23 million in 2008-09) to manage just 14 properties. This funding exceeds the entire ACT arts budget (stated at page 19 of the Review Report to be \$19.049 million in 2010-11). • To fund an even larger portfolio of historic properties under this type of model would not be financially feasible for the ACT. • The Board believes a more appropriate solution would be to carefully identify a limited number of historic properties that could be run as house museums. These could be added to the Corporation's existing responsibilities with a reasonable amount of additional funding, rather than creating a separate organisation. • In doing so, the criteria used at Attachment B to Appendix A would be a good starting point, together with the observations identified above regarding the need to expand the range of house museums in the ACT, in order to achieve best value for the community from the limited ACT Budget.
<p>6. A Trust is suggested as the appropriate nature of a statutory authority for these responsibilities, but this may require further consideration by the ACT Government. There also be consideration of what is an appropriate size of a Board of Trustees, but inclusion of historical and architectural capability, including the Chair of the Heritage Council to ensure appropriate connection, coordination and availability of expertise, is seen as very important.</p>	<ul style="list-style-type: none"> • The creation of a new statutory authority, with its own board, would involve additional costs to the ACT Budget. A detailed costing of this proposal is included in the costing analysis at Appendix D. • The Chair of the Heritage Council is proposed for membership of the new organisation's board of trustees but does not appear to have been consulted about the desirability or feasibility of setting up the new organisation.
<p>7. There are a number of areas of a relatively small ACT Government with aspects of responsibility for heritage properties. This appears to create some confusion and to hinder a clear strategic focus. While there will be circumstances where it would not be sensible to disturb agency arrangements that work well, most of these responsibilities could all come together under the HPT. It is suggested that heritage properties, including artsACT properties, would become the direct responsibility of HPT other</p>	<ul style="list-style-type: none"> • Although the various proposals are imprecise, the range of properties and assets to be managed or oversighted by the HPT is, as already noted, potentially vast. In paragraph 9 of this section of the Review Report this further extends to properties "<i>nominated for heritage status, as well those properties and places of strong local interest or significance</i>" and a range of moveable heritage assets. • The proposed transfer of all or most ACT Government owned heritage properties to the proposed Historic Places Trust fails to recognise that many ACT agencies are using these properties as core working assets, such as schools, a library, arts centres, public housing apartment complexes, a health centre, cemeteries, swimming pools and sports ovals.

Excerpt from Review Report	Board response
<p>than by exception, in which case the HPT would still have overview of how the properties are managed.</p> <p>8. The same would apply with heritage assets, which are the responsibility of different agencies, some of which lack heritage knowledge. Examples include the carousel or merry-go-round designed and constructed in 1914 by Herbert Thomson, and the 1911 Gebruder Bruder organ from the Black Forest in Germany. These and other appropriate assets could become the responsibility of the HPT.</p>	
<p>9. It would be proposed that there may need to be an audit of heritage assets and of historic properties and places to assist in determining which should become the responsibility of the HPT. It is certainly not proposed that heritage assets would need to be disconnected from appropriate and historic locations. In the case of historic properties, it is suggested that those nominated for heritage status, as well as those properties and places of strong local interest or significance, would come under the overview or direct responsibility of the HPT.</p>	<ul style="list-style-type: none"> • This audit is a task that might have been expected to be one for the consultants to undertake themselves, especially before making recommendations that all these properties, assets and places could feasibly be oversighted or managed by one organisation.
<p>10. With the recent move of the Heritage Unit to CMD, there are no suggested changes to the role or functions of the Heritage Unit.</p>	<ul style="list-style-type: none"> • The Heritage Unit's responsibilities would change if all its existing responsibilities for historic properties were to transfer to the proposed Historic Places Trust.

6.4.3 Recommendations	Board response
<p>1. A new ACT Historic Places Trust (HPT) would take responsibility for, and bring together, all ACT Government heritage assets and buildings (other than by exception) as well as appropriate historic and significant properties and places. There would be clear policies and protocols to guide priorities and acquisitions. The HPT would ensure protection of all assets, manage the new Canberra Museum, be entrepreneurial to maximise public access and tourism potential, and provide information and interaction through publications and a website. The NSW Historic Houses Trust (HHT) would be the model.</p>	<ul style="list-style-type: none"> Disagree.
<p>2. The HPT would have a Board of Trustees including: the Chair of the ACT Heritage Council to ensure effective linkages, at least one person with knowledge of history, and at least one with experience in architecture. It would be expected that some current members of the CFC Board may be offered trusteeships on the HPT, and there would be at least some level of senior management continuity. While there would be significant changes to administer requiring genuine commitment, these arrangements would provide useful continuity.</p>	<ul style="list-style-type: none"> Disagree.
<p>3. An early audit of ACT heritage properties and assets and of historic and significant properties and places is likely to be required to assist in determining which should become the responsibility of the HPT. Policies and protocols would need to be developed as soon as possible to guide the HPT in making decisions about what should be included in either their direct or overview responsibility.</p>	<ul style="list-style-type: none"> Partially agree. An audit of this nature could be useful in identifying a limited number of historic properties that could be run as house museums and that could be transferred to the Corporation with a reasonable amount of additional funding.

Excerpt from Review Report	Board response
7.1 Arts Budget Reflecting Policy Priorities	
Reduce Government Funding of Duplication and Administration	
<p>20. In some elements of its operations, the Cultural Facilities Corporation (CFC) provides an example of duplication of management and administration. While the CFC adds significant value in some areas, it appears to add little value in others.</p>	<ul style="list-style-type: none"> The consultants present no evidence to support these assertions. The Board is unaware of any such variations in value-adding. It believes the Corporation is an example, not of duplication of management and administration, but rather of corporate consolidation and efficiency.

APPENDIX D

DETAILED COST ANALYSIS OF THE REVIEW REPORT'S RECOMMENDATIONS AS THEY RELATE TO THE CORPORATION

DETAILED COST ANALYSIS OF THE REVIEW REPORT'S RECOMMENDATIONS AS THEY RELATE TO THE CORPORATION

BACKGROUND

1. In the absence of any costings provided by the consultants, the Corporation undertook a detailed cost analysis of the recommendations relating to it, using assumptions derived from the wording of the Review Report. The analysis was undertaken with the guidance of ACIL Tasman to ensure the creation of robust, credible costing models, using actual expenditure and revenue outcomes for the Corporation for the 2009-10 financial year as a basis.
2. Costings were developed for each of the following five entities identified in the Review Report to undertake roles relating to those functions for which the Corporation is currently responsible :
 1. Canberra Theatre Centre
 2. Historic Places Trust
 3. Canberra Gallery
 - 4A : Canberra Museum – first aspect – “negotiated partnership”
 - 4B : Canberra Museum – second aspect – “living museum”
3. The sum of the costings for these five entities, less associated revenue, allowed a comparison to be made with the current cost to government to run the Corporation as a single entity (\$7.435m in 2009-10). This comparison demonstrated the expected additional cost to government involved in implementing the Review Report recommendations, as they relate to the Corporation.
4. The assumptions used in the analysis were the most conservative (low cost) possible, as demonstrated in the information provided below about the assumptions used in costing each of the five entities. The cost analysis showed that, using this conservative model, the recommendations would result in an additional cost to government of **\$2.023 million**, an increase of **27.2%** over the Corporation's current level of government funding. More realistic cost assumptions would see this figure rise to **\$3.011 million**, a **40.5%** increase over the current funding level. These more realistic costing assumptions are separately identified in the following descriptions.
5. In some cases the Review Report is clear as to the nature and responsibilities of the proposed new organisations, and this makes it relatively straightforward to identify costs for these, based on existing divisions of the Corporation, together with an extrapolation of existing corporate costs. The Canberra Theatre Centre (entity 1) and the Canberra Gallery (entity 3) fall into this category. In other cases, the description of the new organisation is extremely vague and a larger number of assumptions have had to be made in order to develop a clear costing basis. The Historic Places Trust (entity 2) and both aspects of the Canberra Museum (entities 4A and 4B) fall into this category. Further information about each of these entities is provided in the separate descriptions and assumptions below.
6. The attached spreadsheets present summary costings only, which are supported with detailed calculations. Further details can be provided if required.

DESCRIPTIONS AND ASSUMPTIONS FOR EACH PROPOSED ENTITY

1. CANBERRA THEATRE CENTRE

Description in Review Report (page 50)

- *“..a separate, fully ACT Government owned entity operating under a Board reporting to the Chief Minister.”*
- *“The selection of Board members would be important. It would be expected that it would include one or two representatives of ACT Government, including the Director of artsACT, and may benefit from the specialist experience and perspectives of interstate members.”*

Assumptions derived from description in Review Report

- A board of 7, including 3 public servants not paid as board members (the Director, Canberra Theatre Centre; Director artsACT; and one other ACT Government representative) and 4 paid members, 2 from interstate.

Other key assumptions for costing purposes

- Director position at SES Band 1.1 level, with some minor upgrading of other positions to reflect need for Director to spend more time on governance and compliance roles, less time on theatre operational tasks than at present.
- Most of the Corporation's current Finance/HR positions are needed, as these focus primarily on Canberra Theatre Centre. One of these would have its duties changed to focus on assisting Director with corporate tasks.
- The Centre continues to pay no rent to the ACT Government for Centre premises.
- Additional staff to the current Centre staff (i.e. Finance/HR/Corporate staff) can be accommodated within Centre premises i.e. no extra space needs to be rented.

2. HISTORIC PLACES TRUST (HPT)

Description in Review Report (page 54-6)

- *"A new ACT Historic Places Trust (HPT) would take responsibility for, and bring together, all ACT Government heritage assets and buildings (other than by exception) as well as appropriate historic and significant properties and places."*
- *"The NSW Historic Houses Trust (HHT) would be the model."*
- *"The NSW HHT is a statutory authority with a Board of nine Trustees, at least one of whom has knowledge or experience in history, and at least one in architecture. The HHT is entrusted with the care of key historic buildings and sites. It was established in 1980 by Premier Wran to run Vaucluse House and Elizabeth Bay House and has grown to manage 14 diverse sites and properties including houses, public buildings, a farm, gardens, parklands, a beach and urban spaces."*

Assumptions derived from description in Review Report

- Only a small proportion of the 125 ACT Government heritage assets and buildings would be appropriate for presentation according to the HHT of NSW model.
- The HPT would manage seven properties in total (50% of the 14 properties stated in the Review Report as managed by HHT of NSW). This could be Stage 1, with the HPT taking on further properties over time, as the HHT has done.
- The three historic places currently managed by the Corporation (Lanyon, Calthorpes' House and Mugga Mugga) would come into the HPT, together with another four properties yet to be determined.
- These additional four properties would have a base level of expenditure for repairs and maintenance, which transfers to the HPT, but are now to be presented as house museums with similar levels of opening hours and interpretation to Calthorpes' House and Mugga Mugga i.e. each weekend.
- The HPT is to be "entrepreneurial" so some revenue is allowed, together with a position to raise funds, hire out venues etc.
- Entity 4B (Canberra Museum – second aspect - "living museum") would come under the HPT as a section of the organisation. Staffing and direct costs for 4B are costed in that entity's section but corporate costs such as rent of space are costed under the HPT.

Other key assumptions for costing purposes

- Director position at SES Band 1.1 level.
- The HPT has a board of seven members (the HHT has a board of nine) : six external, paid members, including the Chair of the Heritage Council; a person with knowledge of history; a person with experience in architecture; and another three external members; and the Director of the HPT (not paid as a board member). No interstate members are allowed for.
- Central office premises are rented at the square metre rate currently paid by the Corporation in North Building.
- One extra vehicle is required for staff and equipment transport between the additional four sites.
- *A more realistic costing assumes slightly higher staffing costs for the finance/corporate area, recognising the workload involved in supporting four new properties as house museums.*

3. CANBERRA GALLERY

Description in Review Report (page 50-1)

- *“The new Canberra Gallery would be the ACT Government’s visual arts gallery. It would be expected to focus on all aspects of visual arts in the ACT. This would include traditional and contemporary visual arts with a particular focus on high quality work from ACT visual artists. It would be expected to include paintings, sculpture, ceramics, wood, glass, film, photography and digital arts. It could also include a space for local Indigenous art, some of which would be available for sale.”*
- *“...the current CMAG building...would be dedicated to the Canberra Gallery”.*
- *“The new Canberra Gallery would aim to have an energy and purpose that attracted substantial audiences.”*

Assumptions derived from description in Review Report

- The area occupied is identical to that currently used by CMAG so although staffing has been reduced to reflect the change in scope from CMAG to the Canberra Gallery, sufficient visual arts staff are still needed to curate the space, and associated administrative costs would remain the same.
- An increased marketing focus.
- Sales of Indigenous artwork.

Other key assumptions for costing purposes

- Director at SOGA level.
- Central office premises at per square metre rate currently paid by the Corporation in North Building.
- As the Canberra Gallery would come under artsACT, corporate services would be purchased from Shared Services, but the costing still allows for cleaning, IT, utilities etc. of Canberra Gallery space and central office space.
- The Nolan Collection Gallery @ CMAG continues, with revenue from Commonwealth.
- An unpaid advisory committee of seven members rather than a paid board.
- Commissions from artwork sales cover costs of employing an Indigenous sales assistant.
- *A more realistic costing assumes a board with five paid members, paid at a basic per diem rate, together with a slightly higher payment to Shared Services for corporate services.*

4A. CANBERRA MUSEUM – FIRST ASPECT - NEGOTIATED PARTNERSHIP

Description in Review Report (page 50-2)

- *“a negotiated partnership with one or more National Cultural Institutions with strong, specialist museum curatorial expertise and established audience interest to include a focus on the history and culture of Canberra. This would involve similar arrangements to the existing ACT partnership with the ANU, and it would be proposed that the two organisations to work with would be the National Museum of Australia (NMA) and the Museum of Australian Democracy.”*
- *“artsACT would .. oversee .. those museum arrangements that would in future be managed by other Institutions.”*

Assumptions derived from description in Review Report

- The reference to the arrangement with the ANU is to the arrangement administered by artsACT whereby the ANU receives \$1.4 million directly through the Community Outreach Program (page 16 of the Review Report). For costing purposes, \$0.7 million (50% of this figure) is used for the negotiated partnership.
- *A more realistic costing assumes the full \$1.4 million payment is required.*

Other key assumptions for costing purposes

- Curatorial, exhibition, storage and conservation costs for ACT social history items would all be covered in the partnership payment.
- No staffing costs are allowed for. artsACT staff would manage the new partnership, although no costs have been allowed for this additional function.

4B : CANBERRA MUSEUM – SECOND ASPECT - LIVING MUSEUM

Description in Review Report (page 51-2)

- *“would need to be professionally curated but would not be a collecting institution or limited to being contained within one building, or around static displays, but would be a diverse, living experience involving people and places across the ACT. It would be likely to include: independent walking and driving tours to interesting and historic places; aspects of local Indigenous and multi-cultural history and current activity; changing programs and features with varying elements of focus in different places around the ACT built around people’s lives, interests and cultural experiences rather than only around objects; as well as publications and an active, engaging website.”*
- *“The new Canberra Museum would be the responsibility of the HPT and would make use of its properties, places and assets.”*

Assumptions derived from description in Review Report

- The “living museum” is a package of community and education programs (walking and driving tours etc.), together with a website and publications.
- It includes a focus on Indigenous and multicultural history.

Other key assumptions for costing purposes

- The “living museum” is a small section of three staff within the HPT : a director at SPOC level, an Indigenous/Multicultural Liaison Officer and a Community Engagement Officer.
- It uses HPT corporate resources. Marketing services are provided by the Marketing Manager and Marketing Assistant in the HPT.
- One extra vehicle is needed for “living museum” staff for conducting programs.
- It has a small budget for programs and publications.
- *A more realistic costing assumes some additional expenses for programs and publications.*

Cost analysis of Cultural Facilities Corporation and Loxton Review recommendations (conservative assumptions)							Loxton recommended structure Total	CTC	HPT	Canberra Gallery	Canberra Museum	Living Museum
	Corporate	CTC	CMAG	HP	2009-10 Total		1	2	3	4A	4B	
Permanent Salary incl EBA, LSL accrual & AL Loading & superannuation	993,373	1,845,081	892,081	977,619			2,436,283	1,839,616	1,023,713	-	233,968	
Board Fees	56,423	-	-	-			53,250	64,370	-	-	-	
Casuals, Penalty rates, Super on casuals, Payroll Tax, Workers Comp	70,154	1,498,648	290,948	171,046			1,498,648	363,046	290,948	-	-	
Total Salaries	1,119,951	3,343,729	1,183,029	1,148,665	6,795,374		7,803,841	3,988,180	2,267,032	1,314,661	-	233,968
Depreciation Apportioned	5,187	1,463,053	43,507	328,940	1,840,687		1,845,500	1,468,053	333,940	43,507	-	-
Allocation of Corporate Costs	Rent	168,922	-	1,087,271	84,461		-	168,922	1,171,732	-	-	
	Cleaning	11,052	-	71,137	5,526		-	11,052	76,663	-	-	
	Audit Fees	39,467	-	-	-		30,000	20,000	5,000	-	-	
	Consultants	82,338	41,750	-	66,412		82,919	147,581	5,000	-	-	
	Shared Services charge for Corporate Services	-	-	-	-		-	-	56,000	-	-	
	Finance Systems	-	-	-	-		5,000	50,000	-	-	-	
	Insurance	2,331	89,350	13,278	29,219		89,350	68,178	13,278	-	-	
	Energy, Water, Waste	19,581	-	126,030	9,790		5,000	19,581	135,821	-	-	
	Phones, IT & Photocopier	78,785	138,269	139,143	19,449		185,540	66,720	170,657	-	-	
	Publications, programs, website	-	-	-	-		-	-	-	-	80,000	
Other Administration costs	137,921	40,859	9,530	1,704		149,667	76,918	25,837	-	12,000		
Non- Depreciation, Non-Salary Corporate costs allocated	540,397	310,228	1,446,389	216,561	2,513,575		2,928,415	547,476	628,951	1,659,988	-	92,000
2009/10 Budget expenses non-salary	-	3,155,273	443,144	289,064	3,887,481		4,587,481	3,155,273	289,064	443,144	700,000	-
Total Expenses	1,665,535	8,272,283	3,116,069	1,983,230	15,037,117		17,165,237	9,158,982	3,518,987	3,461,299	700,000	325,968
Total Expenses net of depreciation	1,660,348	6,809,230	3,072,562	1,654,290	13,196,430		15,319,737	7,690,929	3,185,047	3,417,792	700,000	325,968
Total Own sourced Income	569,758	4,605,386	376,524	209,762	5,761,430		5,861,430	5,062,845	341,327	457,259	-	-
Deficit before appropriation & depreciation	-1,090,590	-2,203,844	-2,696,038	-1,444,528	- 7,435,000		- 9,458,307	-2,628,085	-2,843,720	-2,960,534	- 700,000	- 325,968
Appropriation apportioned for break even result before depreciation	1,090,590	2,203,844	2,696,038	1,444,528	7,435,000		9,458,307					
Additional funding required to implement recommendations of the Loxton Review into the Arts							2,023,307					
Represents an increase funding change							27.2%					

Cost analysis of Cultural Facilities Corporation and Loxton Review recommendations (more realistic assumptions)												
	Corporate	CTC	CMAG	HP	2009-10 Total	Loxton recommended structure Total	CTC	HPT	Canberra Gallery	Canberra Museum 4A	Living Museum 4B	
							1	2	3		4B	
Permanent Salary incl EBA, LSL accrual & AL Loading & superannuation	993,373	1,845,081	892,081	977,619			2,436,283	1,957,381	1,023,713	-	233,968	
Board Fees	56,423	-	-	-			53,250	64,370	10,890	-	-	
Casuals, Penalty rates, Super on casuals, Payroll Tax, Workers Comp	70,154	1,498,648	290,948	171,046			1,498,648	363,046	290,948	-	-	
Total Salaries	1,119,951	3,343,729	1,183,029	1,148,665	6,795,374		7,932,496	3,988,180	2,384,797	1,325,551	-	233,968
Depreciation Apportioned	5,187	1,463,053	43,507	328,940	1,840,687		1,845,500	1,468,053	333,940	43,507	-	-
Allocation of Corporate Costs	Rent	168,922	-	1,087,271	84,461		-	168,922	1,171,732	-	-	
	Cleaning	11,052	-	71,137	5,526		-	11,052	76,663	-	-	
	Audit Fees	39,467	-	-	-		30,000	20,000	5,000	-	-	
	Consultants	82,338	41,750	-	66,412		82,919	147,581	5,000	-	-	
	Shared Services charge for Corporate Services	-	-	-	-		-	-	95,000	-	-	
	Finance Systems	-	-	-	-		5,000	50,000	-	-	-	
	Insurance	2,331	89,350	13,278	29,219		89,350	68,178	13,278	-	-	
	Energy, Water, Waste	19,581	-	126,030	9,790		5,000	19,581	135,821	-	-	
	Phones, IT & Photocopier	78,785	138,269	139,143	19,449		185,540	66,720	170,657	-	-	
	Publications, programs, website	-	-	-	-		-	-	-	-	200,000	
Other Administration costs	137,921	40,859	9,530	1,704		149,667	76,918	25,837	-	12,000		
Non- Depreciation, Non-Salary Corporate costs allocated	540,397	310,228	1,446,389	216,561	2,513,575		3,087,415	547,476	628,951	1,698,988	-	212,000
2009/10 Budget expenses non-salary	-	3,155,273	443,144	289,064	3,887,481		5,287,481	3,155,273	289,064	443,144	1,400,000	-
Total Expenses	1,665,535	8,272,283	3,116,069	1,983,230	15,037,117		18,152,892	9,158,982	3,636,752	3,511,189	1,400,000	445,968
Total Expenses net of depreciation	1,660,348	6,809,230	3,072,562	1,654,290	13,196,430		16,307,392	7,690,929	3,302,812	3,467,682	1,400,000	445,968
Total Own sourced Income	569,758	4,605,386	376,524	209,762	5,761,430		5,861,430	5,062,845	341,327	457,259	-	-
Deficit before appropriation & depreciation	-1,090,590	-2,203,844	-2,696,038	-1,444,528	- 7,435,000		- 10,445,962	-2,628,085	-2,961,486	-3,010,424	-1,400,000	- 445,968
Appropriation apportioned for break even result before depreciation	1,090,590	2,203,844	2,696,038	1,444,528	7,435,000		10,445,962					
Additional funding required to implement recommendations of the Loxton Review into the Arts							3,010,963					
Represents an increase funding change							40.5%					