

Artists impression only

Frequently Asked Questions

Business case for a new Shepparton Art Museum

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What is the Feasibility Study into a new art museum and why did we do it?

The core driver of the study into a new art museum for Shepparton, was to investigate the feasibility of a game changing project which would strengthen the economic and social base for the city, by encouraging a diversification of industry in the region, and significantly growing the desirability of Shepparton as a place to live, work and invest.

In addition, the Museum has currently outgrown its current site with collection storage areas full. A \$2m plus collection of Aboriginal art has been offered to the Museum as a gift, although there is currently nowhere to store or present it.

There were also broad ranging social drivers for the study encompassing many areas of the region's core issues in the creation of a sustainable economy and thriving, resilient community. These included aspects such as:

- providing a major piece of publically accessible infrastructure (public space) for the coming together of community
- to strengthen the environmental base giving visibility to the opportunities of the river and its surrounds
- to grow educational opportunities by creating a significantly expanded resource for students, and
- to expand mainstream visibility of Aboriginal cultural heritage, strengthening the region's capability to engage in reconciliation.

Greater Shepparton City Council and the Victorian Government each contributed \$125,000 towards the feasibility study.

What did the Report say?

The Study provides an exciting picture about the ability of a new SAM to propel forward economic and social growth for the region, through the creation of a major cultural and educational tourist attraction which will drive visitation and dramatically improve perceptions of Greater Shepparton as a place to visit, live and invest.

The Business Case advises that 'the project', (as defined within the Business Case) to build a new Shepparton Art Museum is feasible, conditional upon a number of milestones being achieved.

The vision for the new Art Museum is recommended as follows.

SAM will be a museum with the artist at its centre, a meeting place for the region's people, providing captivating art experiences and connection to the Aboriginality and multi-cultural origins of the regions heritage.

Four core vision statements follow this highlighting:

1. A Museum with artists and art activity at its core
2. An architecturally inspiring community piazza for the coming together of diverse communities
3. Transparent art collections, improving access to the collection to be viewed in new and exciting ways, with the ceramic store visible to the public
4. A Museum designed for children and families

What would the building be and where would it be located?

The recommendation for new SAM is an iconic, multi-level, vertical building located within the existing, although aggregated footprint of buildings located at the site of the existing Shell service station at the southern end of Victoria Park Lake.

The recommendation for a new SAM includes a permanent home for the Visitor Information Centre (destroyed by fire in 2013), and also a home for Gallery Kaiela.

It is recommended that the building would include a large central piazza overlooking the lake, a dedicated children's gallery, a community art gallery and meeting room, function room, café overlooking an outdoor 'art' playground and also an open-air public viewing level, with accessible balcony views across the lake and surrounds.

What is it going to cost?

The development has been costed at \$34.5m however the SAM Foundation will need to raise an additional \$8m as an endowment to support operating costs. Therefore the total development cost for a new SAM is identified in the Business Case as \$42.5m and recommends the three tiers of government each contribute \$10m to the capital leaving the SAM Foundation to raise a total of \$12.6m comprising \$4.6m toward the capital project and a further \$8m toward an endowment.

Should the Council decide to commit \$10m and the project proceed, the Council will own an asset three times that value, and generate \$58.1m in economic activity over the two year construction period, equating to the creation of 72 direct jobs and a total of 181 jobs including all direct, industrial and consumption effects, across the region.

Should Council borrow \$10m to fund the project it is anticipated a total cost including repayment over 15 years at an average of current rates of \$14.7m. Council will leverage from this investment, and end up owning a \$34.5m asset.

Why do we need a new Art Museum in Shepparton?

A new SAM would be free to the local community and open for all to enjoy.

The report advises that core benefits of a new Art Museum are for the people of Greater Shepparton outlining significant social benefits flowing to residents as a result of increased educational, recreational, and cultural opportunities, specifically referring to the social spaces for the coming together of people, the supporting of Indigenous industries and celebration of diverse cultural communities. It would provide an iconic, positive image for the people of the region.

A new SAM provides an economic benefit with net current value of \$9.15m at the end of 10 years, as opposed to a negative \$10.3m impact of the 'do nothing' option. Hence a new SAM improves the Victorian community's economic welfare by \$19.45m after 10 years of operation, with this net benefit growing after the tenth year. The lion's share of the benefits to the Victorian community will accrue to residents of the Shepparton region.

Further, during construction 80 per cent of the construction costs would flow directly to the Shepparton community equating to a total output including multiplying factors, of \$58.1m over the two year construction period, and equating to the creation of 72 direct jobs and a total of 181 jobs including all direct, industrial and consumption effects, across the region.

The economic analysis of the new Art Museum goes on to identify that in year one of operation 21 per cent of visitors would be tourists to the region representing 7,000 visitor nights which would grow to

23,500 visitor nights at year 10 of operation and a tourist spend generating from the Art Museum alone of \$3.1m annually.

The new SAM is estimated at year 10 to create 23 direct new tourism jobs alone.

There are lots of other issues in Shepparton, why don't we spend the money on something else?

A new Art Museum won't fix all the problems in Shepparton however it will impact positively upon a broad scope of issues across the community, and better position Shepparton to attract support for other projects.

State, Federal and philanthropic support cannot be simply transferred from this project to another purpose. Those wanting to support a new Art Museum are not likely to redirect their support to another initiative.

This project is about supporting art in the community but it is also about improving the wellbeing, educational outcomes, cultural harmony, and the health of our community. It is about encouraging a diversification of industry so as to grow jobs and opportunities. It is about improving perceptions of Shepparton beyond the region to attract investment and skilled employees, and future support for other projects.

Why don't we leave things as they are?

The 'do nothing' option identifies a decline in annual economic activity in Greater Shepparton equalling negative \$10.73m by 2024. This decline is founded on the Museum losing current and future opportunities, a declining competitive advantage over time and consistent drop in tourist visitation effecting spending in the region. However SAM will also lose one of the most significant collections of Aboriginal art, which will not be gifted if the project does not go ahead.

An important consideration with the 'do nothing' option, is that a new Art Museum in Shepparton will not be able to be revisited for some decades, with supporting interests taking their resources elsewhere.

Other considerations are that the \$2m+ Gantner Aboriginal Art collection and the \$1.5m Copulos Family pledge will not be gifted, and the community will suffer a blow with respect to other potential partnerships and philanthropic activity in the region.

SAM has just had a refurbishment, do we really need it?

The refurbishment of the current SAM was completed in February 2012 and included taking over exhibition floor space, including a dedicated community gallery space to house the growing art collection, and did not provide SAM with any additional space. The collection storage facility at SAM is full, requiring any major artworks coming into the collection to be located off site in the future.

An instigating event which spurred momentum forward for SAM was the pledge of Carrillo and Ziyin Gantner to bequest their \$2m+ collection of Aboriginal art to the Shepparton Art Museum should a facility capable of housing and displaying the collection progress and a number of other contingent measures met. This is because the current SAM can neither store nor showcase this collection. Following on in 2014, the Copulos Family pledged \$1.5m over 10 years to the new SAM.

Did they consider a range of site options?

The Project Management Board provided the consultants with a site matrix which indicated possible requirements of the site and scope for a rating and ranking system to be applied to them. They identified five possible sites which fitted within the site requirements to be investigated. This advice and local knowledge of the region was taken on board by the consultants, and in a survey of the project objectives, and the region, agreed to as the sites requiring investigation. These sites were:

1. Immediately behind the current SAM building, over an existing parking area
2. Over the top of Monash Park
3. In the north west corner of Victoria Park
4. In the south east corner of Victoria Park
5. In the south western corner of Victoria Park

The Phase 2 Options Report identified and evaluated potential sites for a new art museum, against requirements of the site such as size, proximity to the train station and CBD, ownership/cost of land acquisition, zoning and the capacity to fundraise for a Museum located at a particular site. Three sites were raised by individuals during the consultation process, however were 'one-off' suggestions.

1. The Ardmona Factory, Mooroopna, which was discounted due to it being privately owned and not located within walking distance to the Shepparton CBD and main train service.
2. Nagambie, as part of a wider Settlement Museum concept, was discounted due to it being too far out of Shepparton to attract staff and regular local use (50km)
3. Taking over more of the existing Council building as a consequence of moving 'back of house' Council offices 6km south east to the Doyles Road site, was also discounted due to the move not being a Council priority, and an inability to fundraise for the refurbishment of an office building.

Does the Business Case align with the Victoria Park Lake Masterplan?

Yes. The proposed new Sam project aligns with the Victoria Park Lake Masterplan. The plan to create an elevated building, with a reduced footprint at the site of the existing Shell Service Station on Victoria Park Lake has also been endorsed by the Catchment Management Authority.

What will happen to the Caravan Park?

A second Feasibility Study concurrently undertaken related to the Victoria Park Lake caravan park advises the caravan park is operating at 20 per cent occupancy and is in poor condition. The study recommends the Victorian Park Lake Masterplan be reviewed and updated to include an overall precinct solution for the southern end of Victoria Park Lake which includes SAM, accommodation options, such as eco cabins, a four star caravan park and public park land.

Did the consultants consider taking-over existing Council offices and relocating Council administration?

Cornerstone issues which are incumbent to gaining support for the project are the building of an iconic purpose built, stand-alone building, and a significant, high profile public site. External funders will not support a refurbishment of an existing building nor the funding of a Council administration building.

Should the administration building be repurposed for an expanded Art Museum and the Council Administration be relocated to a new facility, the cost of this project would be borne by the Council alone.

This is an option although it is likely to cost Council more than the existing proposal, while also reducing

social and economic the impact of the new Art Museum. This is due to the lowered capacity to attract tourist visitation, and the reduced impact of this concept, in comparison to a landmark facility at the lake site.

A second feasibility study into this option could be funded by the Council although would not be supported with matched funds from the State Government.

Who oversaw the Feasibility Project and what did it deliver?

Simon McArthur and Associates commenced work in August 2014 completing their report in January 2015. A Project Board was established including representatives of the SAM Foundation, Regional Development Victoria, and Council staff who met regularly to oversee the project.

The final reports comprise three documents; the Executive Summary, the Business Case and Attachments were received on Monday 19 January 2015 signalling the completion of the Feasibility Study.

The Feasibility Study was undertaken to determine and assess the options for a future new facility for SAM and provide recommendations for the delivery of the preferred option. The purpose of the Study was to identify the available options for SAM to grow its program, collections, and impact in the region.

The Study identifies and assesses options for the growth of SAM, including the viability of a new Museum and provides recommendation to address the current constraints and opportunities.

Who was involved in the consultation process?

Three hundred people were involved in the consultation process leading to the Business Case and 150 people interviewed one on one. Two rounds of consultation were held throughout the research and a total of 11 workshops. An online platform 'Share your idea for a new SAM' generated 100 ideas for the new Museum. The consultants also tested the market with three visitor experience concepts, reaching out to a targeted demographic through phone research and solicited 300 participants who were surveyed.

When would the new Art Museum be completed?

The Business Case provides recommendations for project completion in March 2019. However it specifically notes the timeline is subject to the progression of the project. Ultimately the timeline would be set by the Project Management Team overseeing the development.

How long do I have to read the Reports and provide comment?

The documents will be available for eight weeks prior to a Council decision on the recommendations.

How do I provide feedback on the Reports?

You can provide feedback online at

<http://www.greatershepparton.com.au/feasibility-study-for-a-future-sam> or if you can't access the internet there are hard copies available from SAM, council and key locations around the municipality.

How will the new Art Museum be run?

The Business Case advises that a publicly owned company limited by guarantee is the only effective way for the Council to share the expanded operating risks of a new Art Museum, and to secure capital and operating funds required if the project is to be feasible. The Council cannot deliver the project on its own.

The report recommends SAM transition to a Company Limited by Guarantee that is governed by board on which the Council is represented. It recommends the Board comprise individuals with designated skills relevant to a significant cultural institution, able to assist the Council in its objectives.

The consultants advise that the new SAM project is feasible contingent upon this governance model, and that the project cannot be otherwise be realised, as the private funds required would be unable to be raised under an alternative model.

Who will own the art collection and the new building?

The report recommends that the existing collection remain in the ownership of the Council. The report recommends that the new Art Museum facility will also be owned by the Council, and provided to the Art Museum for a peppercorn rent. The report recommends that the Art Museum may also accept and own works of art, which will enable gifts to the Museum which would otherwise not occur, with private donors often unwilling to give art to a local government entity.

Is the Business Case in line with the 2013-17 Council Plan?

Yes. The undertaking of a feasibility study into a new SAM is listed as a key activity to be achieved in the 2013-17 Council Plan:

Active & Engaged Community (Social)

6. Value arts culture and heritage as an integral part of our dynamic community.

- *Establish the Shepparton Art Museum Foundation.*
- *Continue the feasibility investigations for a new location for the Shepparton Art Museum (SAM).*

Economic Prosperity (Economic)

1. Maximise opportunities to ensure Greater Shepparton leads Victoria, retaining and attracting education and industry.

- *Develop and implement a Strategy which identifies resources needed to attract new business and industry to Greater Shepparton as well as retaining our existing businesses and industry.*
- *Develop and implement a strategy promoting Shepparton as the regional capital.*

Is the proposal in line with the Greater Shepparton 2030 Strategy?

The proposal is in line with the GS2030 strategy to develop tourist attractions, create opportunities for diverse cultural engagement, and develop new income streams.

In particular the GS2030 Strategy, report no 3. Community Life Objective 2, 'To encourage and implement activities that will strengthen community spirit' and Economic Development Objective 2' to develop the Shepparton CBD as the regional centre for commerce and entertainment.