

**Submission
No 33**

INQUIRY INTO THE CULTURAL AND CREATIVE INDUSTRIES IN VICTORIA

Organisation: PGAV

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Economy and Infrastructure Committee (EIC)
Inquiry into the cultural and creative industries in Victoria
Parliament House, Spring Street
EAST MELBOURNE VIC 3002

28 January 2025

Dear EIC Committee Members

I am pleased to make this submission to the Economy and Infrastructure Committee (EIC) *Inquiry into Victoria's cultural and creative industries* on behalf of Victoria's public gallery sector.

About PGAV

Public Galleries Association of Victoria (PGAV) is the peak body representing a network of 70 art galleries across Victoria, including 20 regional galleries. Our members include state cultural institutions, local government galleries, university art museums and independent public galleries. PGAV supports the sector through the delivery of capacity-building programs, conducts research to advocate for the sector and promotes public galleries to new and diverse audiences.

About Victoria's public gallery sector

Last year, Victoria's public galleries attracted **7.3m visitors**, invested **\$4m into the careers of over 5,400 visual artists**, contributed **723 full-time equivalent jobs to the state's economy** and cared for **nationally significant collections** valued at **\$5.2bⁱ**. Victoria's public galleries have been a part of the state's social and cultural infrastructure for over 150 years and are **vital to Victoria's reputation as the cultural capital of Australia**.

Research shows public galleries are **driving visitors to Melbourne and across the regions**, with 49% of overnight trips to Melbourne and 44% of domestic trips to regional Victoria including a visit to a gallery by a growing cohort of high-spend arts touristsⁱⁱ. Research also shows that gallery exhibitions and affiliated programs **improve the mental health and well-being of audiences** through their emphasis on self-expression, creativity, enjoyment and social inclusionⁱⁱⁱ.

Despite the significant contributions Victoria's public galleries make to the communities they serve, the sector faces chronic sustainability challenges. **Shortfalls in funding are placing its workforce, ageing buildings and nationally significant collections at risk and limiting the sector's ability to deliver free and affordable access to the arts for all Victorians**. An uplift in investment is urgently needed to safeguard Victoria's public galleries and ensure they remain the creative heart of our communities.

Sector consultation

This submission draws on PGAV's longitudinal benchmarking of the sector and recent PGAV submissions to the Australian Government's national cultural policy, *Revive* (**attached**) and the Victorian Government's forthcoming *Creative State* strategy (**attached**).

To follow are PGAV's responses to this Inquiry's terms of reference:

1) the economic and social impact of the Commonwealth Government's Australian cultural policy, *Revive*, on Victoria's arts and cultural industries including, in particular, Victoria's share of national arts and cultural spending;

PGAV welcomed the Australian Government's development of a national cultural policy. In affirming the centrality of the arts to the lives of everyday Australians and reinstating arms-length decision-making to arts funding, it ended the culture wars that had demoralised the creative sector. Furthermore, its commitment to "empower our artists and arts organisations to thrive and grow – unlocking new opportunities, reaching new audiences and telling stories in compelling new ways" hinted at a better future for Australia's cultural and creative industries.^{iv} However, the Australian Government's commitment of an additional \$200m over four years is a fraction of what is required to achieve the stated aims of *Revive*. At best, it represents a down-payment on the promise of a better future.

PGAV research shows that Victoria's public gallery sector derived less than 4% of its annual income from the Australian Government over the 2023/24 financial year^v. Creative Australia funded the operations of 13 galleries in Victoria to the value of \$3,216,000 per annum^{vi}. The amount allocated to Victoria's public galleries represents 28% of the total funding allocated nationally to visual arts organisations. With 25.6% of the national population living in Victoria, our visual arts organisations received their 'fair share' of national arts and cultural spending. However, the proportion of funding allocated to Victoria is grossly out of step with the size of the visual arts industry it seeks to revive and the systemic funding and workforce challenges our galleries face. **The level of underfunding of Victoria's public gallery sector by the Australian Government is stark and fails to address the sustainability challenges the sector faces.**

PGAV was pleased to see the Australian Government place First Nations art and culture at the heart of *Revive*, investing \$35.5m to establish a dedicated First Nations-led Board within Creative Australia to deliver a range of initiatives, including the development of a **First Nations Workforce Development Strategy^{vii}**. Victoria's public galleries have a long history of presenting and collecting First Nations art which has seen them become the 'go-to' places for teachers and students wanting to learn about First Nations history and culture as part of the national curriculum. However, **only 17% of public galleries in Victoria employ First Nations staff. PGAV has plans to fast-track First Nations workforce development** by delivering 30 internships over three years, which transition into three year roles at public galleries across Victoria. PGAV is hopeful that *Revive* can deliver the investment needed to boost First Nations workforce at Victoria's public galleries. **We invite Creative Australia to consult with us to ensure the First Nations Workforce Development Strategy is fit-for-purpose for Victoria's public galleries.**

Public galleries across Victoria have also benefitted from ***Revive's \$11.8m Sharing the National Collection program*** which sees regional and suburban galleries take long-term loans of works from the National Gallery of Australia. Central Goldfields Art Gallery currently has a display of colonial and contemporary jewellery which examines regional Victoria's goldmining history; while Horsham Regional Art Gallery will present 21 artworks featuring Wimmera landscapes by some of Australia's most revered artists later this year; and Art Gallery 275 in Ivanhoe will present eight works from the Heidelberg School. Of the 19 projects that are currently on display or are coming soon through the *Sharing the National Collection* program, Victoria is the third highest recipient (16%) behind NSW (37%) and QLD (21%)^{viii}.

2) regional Victoria's share of national arts and cultural spending;

Benalla Art Gallery was one of seven regional galleries across Australia to receive four-year funding of its operations from Creative Australia in 2024^{ix}; it was the only one of Victoria's twenty regional public galleries to receive operational funding from the Australian Government. **The federal government's lack of investment in Victoria's regional galleries is particularly stark.**

Revive increased the **Regional Arts Fund** by \$8.5m over four years. The Regional Arts Fund supports sustainable cultural development in regional and remote communities across Australia. The program is managed by Regional Arts Australia and its umbrella organisations in each state and territory. In 2024, Victoria received 15% (\$556,492) of the total funding available through the Regional Arts Fund (\$3,735,933), while Victoria's visual arts organisations (including public galleries) received 3%. When you take into consideration that the visual arts are the most popular form of creative activity and the second most attended artform in Australia^x, **Victoria's visual arts organisations are not receiving an appropriate share of support available through the Regional Arts Fund.**

The Australian Government's **Visions of Australia** program supports the development and touring of exhibitions to regional and remote venues. In 2024, two Victorian organisations out of thirteen organisations across Australia received 23% of the total funding from Visions of Australia (\$2.6m)^{xi}. It is important to note that a number of Victoria's regional public galleries will be the beneficiaries of the 2024 funding round because their exhibitions will be toured nationally (1 gallery), or they will host touring exhibitions that originate from interstate (5 galleries). **From 2025, Creative Australia will cease funding visual arts touring exhibitions, which will increase competition for Visions of Australia funding^{xii}.**

The Australian Government is a key partner in the development of Victoria's regional gallery infrastructure. Between 2017 – 2023, federal, state and local governments contributed equally to the redevelopment of 6 regional galleries in Victoria to the value of \$74.5m to boost jobs and the visitor economy across regional Victoria. Looking to the future, **more than 40% of public galleries in Victoria are planning major upgrades.** This **\$438m pipeline of job-creating projects** is driven by the need to **meet community demand** for world-class gallery experiences close to home and to **fix ageing infrastructure and urgent storage challenges** that are placing collections at risk. In 2024, the Australian Government's **Growing Regions Program** supported the first stage of the Benalla Art Gallery redevelopment (\$2.9m), while the **Regional Precincts and Partnerships Program (rPPP)** supported the planning of a new Hamilton Gallery as part of a CBD revitalisation project (a share of \$5m). Victoria received 14% of the Growing Regions Program and 29% of the rPPP, of which Victoria's regional galleries received 3% of the Growing Regions Program and 20% of the rPPP. **Given the size of Victoria's regional gallery redevelopment pipeline and the potential benefits to the state's visitor economy, PGAV calls on the Victorian Government to increase investment in public gallery infrastructure and leverage greater investment from the Australian Government.**

5) whether the Revive policy and relevant state government policies and spending provide sufficient support and impetus to rebuild and sustain Victoria's cultural and creative industries following the devastating impact of the COVID-19 pandemic on the sector.

The **COVID-19 pandemic exacerbated the sustainability challenges** already faced by Victoria's public gallery sector. The sector lost hundreds of skilled staff and volunteers, over \$22.4m in earned income and 72% of its visitation. And while visitation is returning to pre-pandemic levels, recent PGAV benchmarking reveals the sector has experienced a 16% drop in volunteers, a 42%

drop in membership revenue and a 39% reduction in spending on conservation of the collection and acquisitions – all of which are crucial to the long-term sustainability of the sector.

There is some state-level funding of public galleries, however it has not kept pace with rising costs. The Victorian Government's **Creative Enterprises Program (CEP)** provides multi-year funding of independent public galleries operations. While vitally important to the sustainability of our galleries, CEP and its former iteration the Organisations Investment Program (OIP), is **not indexed for CPI** and has **remained static over the past 10 years**. When rising costs are taken into account, this is **effectively a 30% reduction in funding to the sector**. Galleries report that this shortfall in funding has led to a 50% reduction in exhibition programs, with staff cuts the only remaining recourse.

Further, state-level funding is not accessible to the whole public gallery sector:

- **42% of Victoria's public gallery sector is not eligible for CEP – including 18 local government galleries across our fastest-growing suburbs.** Melbourne's outer metropolitan suburbs are home to 20% of Victoria's population and have higher proportions of low socio-economic conditions. Anecdotally, we know they are not travelling to the CBD to access the arts. We need our suburban and outer-suburban galleries to be adequately resourced to ensure every Victorian has equal access to the arts and the wellbeing benefits they provide.
- **3 regional local government galleries are locked out of Creative Victoria's Regional Partnerships Program (RPP) – an invitation-only program which supports regional gallery programming, including the payment of artist fees.** Funding through this program has not grown since 2016 (a 26% reduction when factoring in inflation). Without a boost in funding from the Victorian Government, to allow new galleries into this program would require Creative Victoria to "rob Peter to pay Paul", a situation no one wants.

We have an incredible network of public galleries across Victoria, but they operate on the smell of an oily rag. **If we want our public galleries to thrive – if we want them to create jobs, improve the economic livelihoods of our artists and deliver programs that improve the wellbeing of the millions of visitors they attract each year, then we need to overcome this funding shortfall.** It makes good economic sense to invest in this existing network. With decent funding we can make them more accessible for more Victorians and increase their impact.

Under the banner **Public Galleries: Our Creative Heart**, PGAV has identified the support needed from the Victorian Government to sustain the public gallery workforce, boost programming and care for collections, upgrade gallery infrastructure and ensure all Victorians free and affordable access to the arts. **PGAV's investment priorities for Victoria's public galleries are listed below. Mindful of the constrained economic environment we are in – these priorities are fully scaleable:**

- **ART FOR ALL:**
 - PGAV is calling for the Victorian Government to develop and implement a 'minimum service guarantee' funding framework for Victoria's public galleries. A basic level of funding will enable our network of suburban and regional galleries to employ the creative professionals they require; deliver ambitious, locally relevant programming; continue to provide free access to the arts close to home; and serve as a drawcard for visitors across the entirety of our creative state.
- **INVEST IN PEOPLE:** PGAV is calling for:
 - An \$11.25m **First Nations Workforce Development Fund**, managed by PGAV, which will establish 30 internships over three years, which roll into three year roles at public galleries across Victoria; and a **dedicated First Nations Industry Development role at PGAV.** This

initiative will fast-track career pathways into the sector and provide the support to sustain and retain First Nations staff.

- An annual \$1.25m **Creative Careers Scholarship** program, managed by PGAV, to support the growth of the public gallery workforce and address staff shortages across the sector. This will improve the workload of staff and enable galleries to deliver more programs for more people.
- \$6m over three-years for a **'flying squad' of conservators** to work across the public gallery sector to ensure Victoria's multi-billion dollar cultural heritage is preserved for future generations.
- **BUILD BETTER GALLERIES:** PGAV is calling for:
 - A \$4m **Growing Galleries Infrastructure Fund** to support capital works up to \$500,000. Building on the Victorian Government's highly successful Regional Collections Access Program (RCAP), this initiative will allow galleries to upgrade their facilities to attract touring exhibitions, better care for their collections and attract more visitors, while avoiding more expensive rectification works in the future.
 - A \$100m **Creative Infrastructure Transformation Fund** over 10 years. This fund will make world-class gallery experiences accessible across Victoria. Currently our suburban galleries are unable to access Victorian Government and Australian Government infrastructure funding – this program will ensuring an equitable approach to gallery redevelopment and support a state-wide visitor economy.
- **CONNECTED, HEALTHY COMMUNITIES**
 - PGAV is calling for funding of \$250,000 per gallery for 5 galleries to **pilot new approaches to health and wellbeing programming** that could be scaled and replicated across the state. Pilots would be designed in partnership with mental health and wellbeing experts and incorporate an evaluation framework to demonstrate community impact and maximise the return on investment for government.

New approach to government investment required

Investment from the three tiers of government in Victoria's public gallery sector is unequal. PGAV research reveals Local Government funds the core operations of 56% of Victoria's public gallery sector, contributing \$32.6m annually^{xiii}. The Victorian Government contributes \$136m to the sector annually, however \$128m^{xiv} goes to the state's flagship institutions and \$8.2m goes to the rest of the sector. The Australian Government provides 4% of the sector's annual income, with 13 galleries receiving funding for their core operations. PGAV believes it is unfair that local government is doing the heavy lifting when it comes to the funding of Victoria's public galleries. How does a publicly funded gallery in Victoria cease to be of benefit to the state and to the nation?

PGAV is seeking a new approach to government investment in Victoria's public gallery sector – one where all levels of government are contributing equally to the sustainability of the sector. If the three tiers of government can achieve funding parity in relation to gallery infrastructure, we believe they can and should fund Victoria's public gallery operations equally. PGAV notes that currently local government arts and culture lacks a representative voice in Victoria. **We recommend that an Arts and Culture position be established within Local Government Victoria** to liaise with Victoria's 79 municipal councils and enter into negotiations with state and federal governments **to overcome the funding shortfalls that are limiting the potential of Victoria's public galleries.**

Conclusion

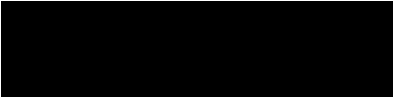
PGAV welcomed the development of the Australian Government's cultural policy *Revive* and its commitment to empowering our artists and arts organisations to thrive and grow. However,

funding for the delivery of the national cultural policy is a fraction of what is required to deliver its actions and achieve its goals.

As we have outlined in this submission, funding of Victoria's public gallery sector by the three tiers of government is unequal. The net result is that while Victoria's public gallery sector is vital to the state's reputation as the nation's cultural capital, driving the visitor economy and supporting the wellbeing of millions of Victorians, shortfalls in funding are placing Victoria's public gallery workforce, ageing buildings and nationally significant collections at risk and limiting the sector's ability to deliver free and affordable access to the arts for all Victorians.

PGAV has outlined our investment priorities to unlock the potential of Victoria's public gallery sector. We urgently want to see the three tiers of government in Australia work together to fund these priorities. With a more equitable approach to funding, the three tiers of government can make our suburban and regional galleries more accessible by more people and increase the impact they have on the social, cultural and economic wellbeing of every Victorian.

I welcome the opportunity to speak at a public hearing on behalf of Victoria's public gallery sector.



Anne Robertson
Executive Officer

ⁱ PGAV Benchmarking, 2024.

ⁱⁱ Domestic Arts Tourism: Connecting the Country, Australia Council for the Arts, 2020, pages 42 & 50.

ⁱⁱⁱ Davies, C., Knuiman, M. & Rosenberg, M. The art of being mentally healthy: a study to quantify the relationship between recreational arts engagement and mental well-being in the general population. BCM Public Health (2015). See: <https://doi.org/10.1186/s12889-015-2672-7>

^{iv} Revive: Australia's New National Cultural Policy, Prime Minister Anthony Albanese Media Release, Monday 30 January 2023. See: <https://www.pm.gov.au/media/revive-australias-new-national-cultural-policy>

^v PGAV Benchmarking, 2024. Capturing 65% of the sector, total income for the 2023/24 period was \$329.4 million.

^{vi} Sourced from Creative Australia's list of Awarded Grants (Visual arts organisations funded through FIYO, FYIO First Nations and VACDF Leadership Organisations programs): <https://creative.gov.au/investment-and-development/awarded-grants/>

^{vii} Commonwealth of Australia, 2023, *Revive: a place for every story, a story for every place* – Australia's cultural policy for the next five years. See pages 5 & 103: <https://www.arts.gov.au/sites/default/files/documents/national-culturalpolicy-8february2023.pdf>

^{viii} Sharing the National Collection, list of exhibitions on display and coming soon: <https://nga.gov.au/art-across-australia/sharing-the-national-collection/>

^{ix} Creative Australia's list of Awarded Grants, *ibid*.

^x Creative Australia 2023, *Creating Value: Results of the National Arts Participation Survey*. See Live arts attendance on page 6 and Creative participation on page 15: <https://creative.gov.au/advocacy-and-research/creating-value/>

^{xi} Visions of Australia and its funding recipients, see: <https://www.arts.gov.au/funding-and-support/visions-australia>

^{xii} Creative Australia's Contemporary Touring Initiative final round was held 5 March 2024. See: <https://creative.gov.au/investment-and-development/contemporary-touring-initiative/>

^{xiii} PGAV Benchmarking 2024.

^{xiv} Creative Victoria, Victorian Budget 2024-25. See: <https://creative.vic.gov.au/news/2025/victorian-budget-2024-25>