

Art Museum of Kangaroo Island

Revealing Kangaroo Island art to the world
+
Drawing world art to Kangaroo Island



The Art Museum of Kangaroo Island Establishment Association pays respect to all First Nations people and elders past and present. We acknowledge that the Art Museum would be built on land sacred to the Kurna, Ngarrindjeri, Raminjeri and Nurrungah people, and honour that land and its long Indigenous heritage.

AMKI in summary

- > a major art space of excellence, unique in regional South Australia
- > an added dimension to the island's tourism offerings and promise of increased tourist numbers
- > a creative catalyst for complementary new and expanded Kangaroo Island businesses
- > an enriching community gathering place
- > gross value added of \$95 million over 15 years for a \$23.24 million investment
- > construction jobs benefit of 80 FTEs for 2 years
- > direct and indirect jobs benefit to South Australia of 70 to 120 FTEs over 15 years
- > sustainable revenue/cost prospect over 20 years
- > supported by > 80% of the community
- > programming and activities for mental health and wellbeing, and for young people



AMKI values: Excellence . Creativity . Integrity . Enrichment . Of this place

Kangaroo Island

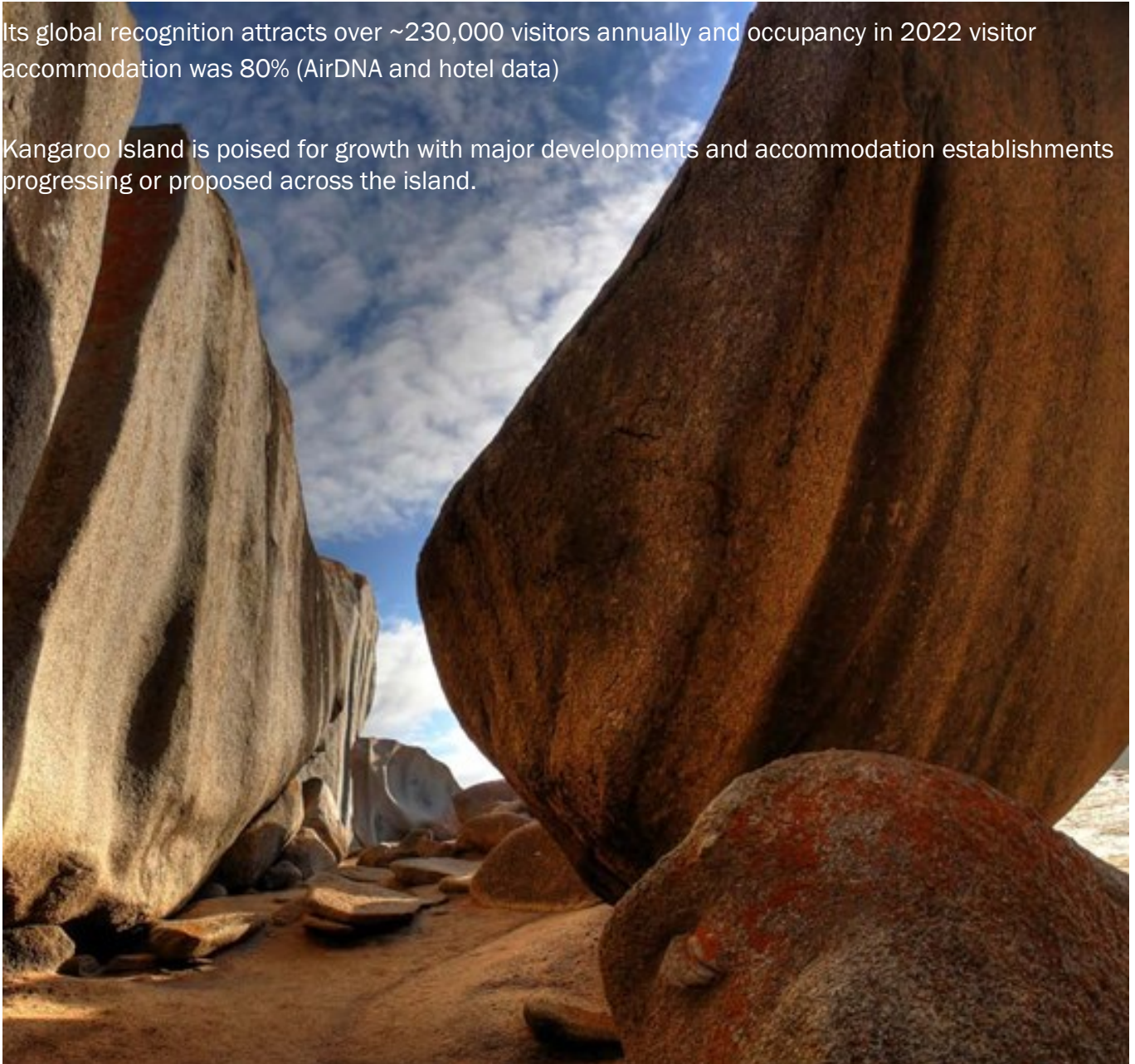
Kangaroo Island is highly regarded worldwide for its natural beauty and landscapes, and clean primary produce

It is Australia's third largest island and fourth most-recognised tourism destination

Tourism and primary production are the main industries in a population of 4,900 (ABS census 2022)

Its global recognition attracts over ~230,000 visitors annually and occupancy in 2022 visitor accommodation was 80% (AirDNA and hotel data)

Kangaroo Island is poised for growth with major developments and accommodation establishments progressing or proposed across the island.



The 2025 South Australian Regional Visitor Strategy identifies that marketing should continue to build the profile of island artists, as well as artisan producers.

**Kangaroo Island's Brand values: Authenticity . Personal relationships .
Connected to unspoilt nature . Seclusion (island) . Peaceful/Restored**

The opportunity

Kangaroo Island's undeniable beauty resides in its wildness – a quality the world is finally coming to value very highly indeed. Islands are special places. The very act of going to an island is a separation from the mainstream and the commonplace.

Where better to place a major gallery, unique in regional Australia, a work of art in itself, at one with the island's landscape? A site that rests in a breath-taking, yet convenient and accessible, location.

This project would be compelling at any time, but with the deep and lasting ravages of the 2019–20 bushfires, Kangaroo Island needs beacons of hope for a future beyond simply the struggle for recovery.

Eminent Australian architect, Kerstin Thompson, has taken the time to understand AMKI and its location, and Kangaroo Island itself. She is committed to the AMKI project.

The profound effect that a significant art institution can have on a community is well documented. Witness the transformations wrought by galleries like The Guggenheim in Bilbao and, closer to home, MONA in Hobart, and the events and festivals they can generate. In small communities, the scale may be less but the effect even more profound.

The philosophy underpinning AMKI is as self-sustaining and resilient as island people. It will operate as a social enterprise and feature a significant educational program, bringing the latest trends and innovations in the world of art to the island. The building could host small indoor cultural events and its surrounds lend themselves to larger community events.

It is the unique and engaging experiences AMKI would offer that will lure more people to KI – and compel them to stay for more than two tightly packaged days. The island is already extraordinary but with a must-see cultural attraction it will be irresistible.

AMKI is a project to support, treasure and enjoy.

Or, a lost opportunity?

Without a high-quality arts and cultural venue, with professional staff, Kangaroo Island is unable to realise its full cultural and tourist potential:

Long-running KI tourism statistics (TOMM Visitor Exit Survey) show most tourism indicators return acceptable ratings. However, satisfaction with the range, quality and availability of activities is below the acceptable level and declining, as is satisfaction with the opportunity to learn more about the island's history.

The island has few attractions/activities suitable for cold or wet weather conditions, limiting visitor experiences, especially in colder months when there is more capacity for expanding tourist numbers.

The limited avenues for Kangaroo Island's artists to market and exhibit their work on and off the island will keep the arts sector well below its deserved status.

Kangaroo Island cannot take advantage of the National Gallery of Australia's scheme for long-term loans of its collection, nor approach other institutions, such as the Art Gallery of South Australia for long-term loans of KI-relevant artworks. Such works would be of immense value to KI school children and young people who have minimal exposure to world-class art.

Kangaroo Island is not able to take full advantage of the popularity of arts-based workshop programs, which generate income for small business, support creative industries and connect people.

And what about our young people who have limited arts and cultural experience and access to arts-based education program?

The story so far

In 2017–18, the Island to Inland Exhibition, showing the work of ten of Kangaroo Island's major artists, was a feature of Country Arts South Australia's annual program. It opened to acclaim in Flinders University Museum of Art on North Terrace Adelaide and toured to 14 regional SA galleries. It could not be shown on Kangaroo Island because there was no facility with the capability and conditions to house it. That was the catalyst for four of the exhibition's participants to plan for just such a facility.

The committee has operated strategically since then: keeping the island community informed of their plans; joining relevant island, state and national peer groups; networking with, and gaining the support of, the Art Gallery of SA, Country Arts SA, SA Tourism Commission, Regional Development Australia Adelaide Hills Fleurieu and Kangaroo Island, and local members of parliament; visiting numerous regional galleries across Australia; attending national gallery conferences; learning from gallery and tourism professionals and artists; and raising funds through grants, crowdfunding, events and donations.



Lakun Yalani dreaming, Weaving mat dreaming, Cedric Varcoe and Kangaroo Islanders, 2020

AMKI's first artist-in-residence program with Cedric Varcoe, focused on recovery from the bushfire trauma of 2019–20. Cedric's workshops were an inclusive, healing, magnificent joy for all who participated and produced a mural, now resident at Parndana Campus of KI Community Education, and AMKI's first acquisition – a weaving that brings together 75 individual pieces woven by islanders in the Ngarrindjeri tradition and including many pieces of personal significance.

For more, see artmuseumkangarooisland.org/artist-in-residence/

The fires also prompted Maudie Palmer AO, inaugural director of major Victorian regional galleries Heide and Tarrawarra, to develop the working brief for the layout and elements of the art museum, and recommended the concept architect Kerstin Thompson. Arts administrator and cultural programmer Rob Brookman AM brings his networking and fundraising expertise to the committee.

Thomson Geer Lawyers are managing the transition of the incorporated association to a company limited by guarantee (not-for-profit). For further information on the transition and board make-up see page 13.

Community consultation

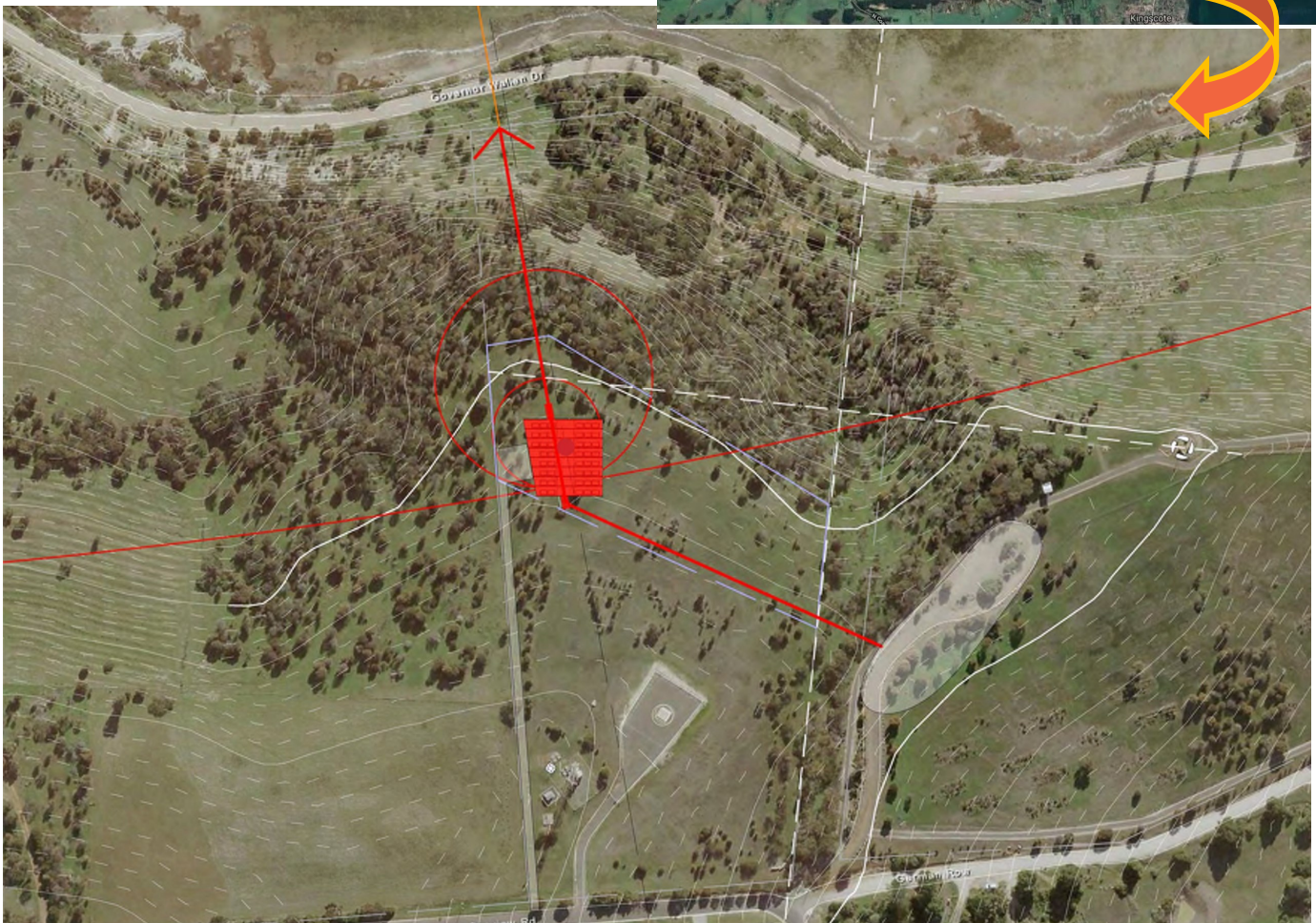
In 2020, AMKI's comprehensive community consultation attracted almost 350 responses, 85% of whom were island residents or property owners.

All respondents:

- > more than 90% – AMKI would add to the visitor experience on KI and have a positive impact on the island's art community
- > more than 80% – AMKI would be a major tourist attraction for South Australia and have a positive impact on the island community in general
- > 80% – AMKI would fit the preferred site's dedication of 'scenic value' and the preferred site is suitable for AMKI.

(Full report artmuseumkangarooisland.org/community-consultation/)

Location of site north of Kingscote township
Building footprint on the site



What can the community expect?

The programming would reflect the promise of Kangaroo Island, and offers exhibitions and experiences found nowhere else in South Australia, for example:

- > the Easter Art Exhibition and an annual SALA Festival hub for the island
- > popular exhibitions such as the Archibald Prize, and digital light and immersive experiences
- > quirky, bold and unexpected exhibitions for discerning art lovers
- > artists-in-residence who engage with the community, attract visitors to their studio, and assign their output to the collection
- > expert analysis and programming for adults and school students
- > a venue for intimate performances and larger outdoor events
- > night sky experiences
- > a unique large-scale permanent environmental artwork placed in a restored Kangaroo Island landscape and sculpture garden.

In a Covid-aware and carbon-constrained world, a focus on bringing international exhibitions to Kangaroo Island would attract people who are no longer choose to travel overseas.

Please ask AMKI for the proposed Operations Plan.

The AMKI project aligns with:

Revive: a place for every story, a story for every place – Australia’s cultural policy for the next five years. Commonwealth of Australia, 2023

Domestic Arts Tourism, Connecting the Country Report. Australia Council, 2020

International Arts Tourism Connecting Cultures Report. Australia Council, 2018

THRIVE 2030: The Re-Imagined Visitor Economy. Australian Trade and Investment Commission, 2022

Creating Our Future: Results of the National Arts Participation Survey. Australia Council, 2020

The South Australian Visitor Economy Sector Plan 2030. SA Tourism Commission, 2019

Arts and Culture Plan South Australia 2019-2024

Strategic Regional Plan 2022–2025 RDA Adelaide Hills, Fleurieu and Kangaroo Island

Kangaroo Island Council Strategic Plan 2020-2024; and Arts & Culture Policy

AMKI meets UN Sustainable Development Goals for health and wellbeing, education, infrastructure, and sustainable communities.

Social, cultural, wellbeing benefits

“All Australians should feel invited to connect and immerse themselves in exceptional arts experiences. The arts are not a luxury but rather a public good, with a role in addressing complex social issues and promoting inclusion across a range of areas of civic life.” *Creating our Future, 2020*

Health and wellbeing

Offers activities that improve social connections, increase a sense of belonging and support better physical and mental health

People with 100 or more hours per year of arts engagement had significantly better mental health and wellbeing than people with no or lower levels of engagement. *University of Western Australia, 2016*

Participation in the arts can support the social and emotional learning needs of students, including teaching emotional regulation and compassion for others. They can also provide an outlet for students to process their emotions following trauma so they can begin the healing process and build resiliency. *National Endowment for the Arts, 2021*

Creative industries

Helps artists, both practicing and emerging, reach wider audiences; encourages other cultural experiences that support visitation

The UN Conference on Trade and Development recognises creative industries as a new dynamic sector in world trade.

The creative economy is a meaningful contributor to national gross domestic product. It has spurred innovation and knowledge transfer across all sectors of the economy. The creative economy has both commercial and cultural value. *UN Conference on Trade and Development, 2019*

Museums are major tourist attractors and innovators of new products and experiences.

Regional creative precincts are significant tourist attractors and bring creative businesses together with complementary sectors. *SA Creative Industries Strategy, 2020*

Cultural tourism + the economy

Attracts visitors to the region and boosts the local economy

The arts are powerful drivers for regional, domestic and international tourism. In 2018, the average length of stay for an overnight trip to enjoy arts and cultural experiences was five nights (overall average 3.5 nights). The average spent by visitors enjoying the arts on overnight trips was \$1,068 (overall average \$685). *Australia Council, 2020*

Education

Opens educational opportunities for individuals and schools, supporting the integration of arts into learning

Eighth graders with high levels of arts engagement in primary school showed higher test scores in science and writing than those with lower levels of arts engagement over the same period. *National Endowment for the Arts, 2012*

Assigning arts educational opportunities reduces disciplinary infractions, improves writing achievement, and increases students' emotional empathy. Students in elementary schools also experience increases in school engagement, college aspirations, and cognitive empathy. *Journal of Policy Analysis and Management, 2022*

There is a reciprocal relationship between young people and the arts: a connection with the arts sets them up for success and in turn, they play a critical role in the future of the nation. *Australia Council, 2020*

Before the pandemic began, cultural tourism was one of the fastest-growing segments of the tourism industry, accounting for an estimated 40% of all tourism worldwide. High-quality cultural tourism is increasingly gaining traction in new strategies for recovery and revival, in view of contributing to the long-term health and resilience of the sector and local communities. *UNESCO, 2022*



Business case nitty gritty

The economic and financial projections on the following pages are based on:

- > the quantity surveyor's costings of the concept design + 20%
- > conservative revenue assumptions informed by average tourism returns rather than the more profitable 'arts and cultural' tourism sector
- > a conservative estimate of new visitation to Kangaroo Island attracted by AMKI.

Economy.id industry structure and industry sector profiles use a National Accounts regional econometric model developed by National Economics (NIEIR micro-simulation model). This model is based on replicating the outputs of the National Accounts framework for local areas such as LGAs, using a range of data sources to model the accounts to show local trends.

Work on the early stages of the project would begin only if significant federal and/or state government funding has been secured.

Timing and economic assumptions (indicative dates, likely to change)	
Construction start	1 June 2024
Construction period	20 months
Construction end	31 Jan 2026
Local Government price index - inflation	3%
Other expenses - inflation	3%
Revenue - inflation	2%
Project costs	
Trade costs	\$10,682,312
Design contingency	\$534,000
Locality factor	\$5,607,600
Preliminaries	\$2,018,488
Margin	\$753,600
Construction contingency	\$1,959,600
Other construction costs	\$2,096,400
Other project costs	\$225,000
Debt financing costs	\$547,582
TOTAL	\$24,424,582

The original files from which the graphs and tables were made are available on request.

Economic impact and job creation

Construction Phase (over a 2 year period)



\$ 35.19 m
Output

(\$ 24.50 m direct
+ \$ 10.69 m Indirect)



\$ 10.76 m
Value added

(\$ 6.63 m Direct
+ \$ 4.13 m Indirect)



45
Local jobs
(per year)

(26 Direct
+ 19 Indirect)

Operational Phase (per year)



\$ 1.96 m
Output

(\$ 1.20 m Direct
+ \$ 757.80 k Indirect)



\$ 939.81 k
Value added

(\$ 607.84 k Direct
+ \$ 331.97 k Indirect)



43
Local jobs

(40 Direct
+ 4 Indirect)

Shepparton Art Museum

After opening in November 2021, SAM returned

\$10.4 million

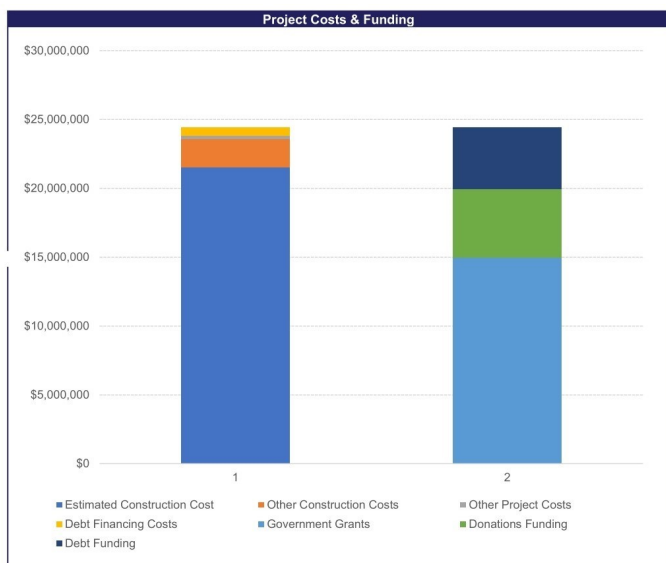
to the local economy in the

first year of operations

against a target of
\$19.5 million in the first
10 years of operation.



Project costs and funding



Fundraising of the estimated cost of organisational establishment, administration, design, construction, fit-out and landscaping is proceeding in three phases:

Feasibility	\$100,000	Completed from grants, crowd-funding and events
Design development	\$200,000	50% completed (major philanthropic foundation) 50% to be raised from foundations, individuals and events
Capital cost	\$24,450,000	Government, philanthropic organisations, individuals and community (see below)

Funding sources

Funding will be sought from as wide a range of sources as possible. This business case allows for a percentage of funding to be raised through debt funding which could be serviced through annual operating revenue. The notional support could be:

Australian Government major grants	\$12,500,000
SA Government grants	\$6,000,000
Major foundations and philanthropy	\$3,500,000
Major individual donors	\$1,000,000
Broad-based community campaigns	\$200,000
Corporate support	\$250,000
Other small grants	\$80,000
Debt financing	\$1,020,000
TOTAL (remaining design development + capital cost)	\$24,550,000

Other funding During construction, a campaign will be developed for initial acquisitions, commissions and exhibition programs, until accumulated surpluses provide sufficient cash-flow to support such programs.

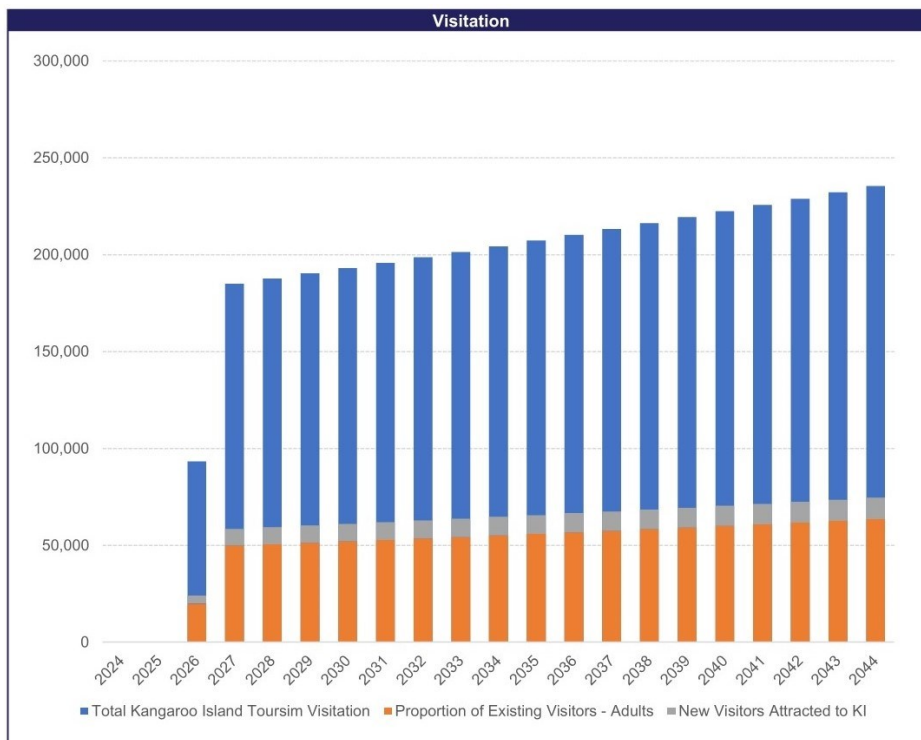
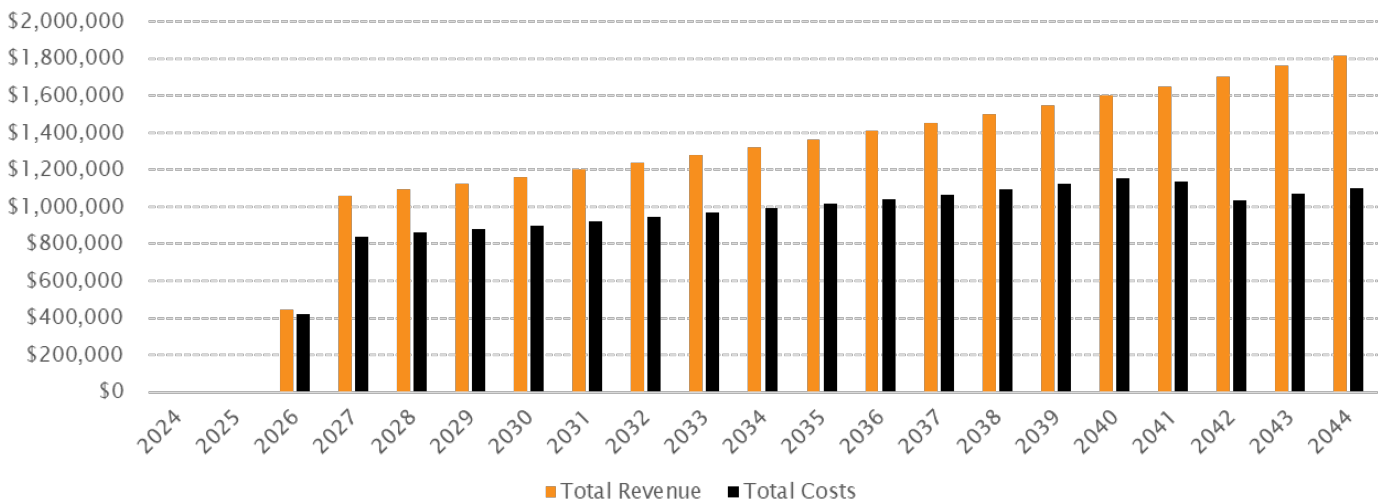
Financial sustainability

The AMKI proponents are acutely aware that AMKI needs to be financially sustainable long term. Thus these conservative assumptions:

- > only ~44% of existing Kangaroo Island tourists visit AMKI (based on tourism figures 2001–2020)
- > entry fee of \$15
- > locals and children enter free of charge
- > about \$200,000 pa in other revenue generated (e.g. café, gift shop, events)
- > ~\$750,000 pa assumed in operating costs to ensure AMKI is professionally staffed and maintained
- > ~6% in debt costs to reflect the current economic environment.

With these assumptions, AMKI would be financially self-sustaining over the long term.

No ongoing support would be required from KI Council.



Path to completion

Delivery capability

The incorporated body, Art Museum of Kangaroo Island Establishment Association, has prepared solid groundwork in finance, policy, fundraising, for transition to a company limited by guarantee (not-for-profit), which is now underway thanks to pro bono work by Thomson Geer Lawyers. Agreeing to be directors of Art Museum of Kangaroo Island Ltd are:

- > Kathie Stove, writer and editor (retired), one of the originators of the project. Her business, in writing, specialised in government and business documentation for 25 years.
- > Rob Brookman AM, arts administrator. Over almost 50 years, Rob has held leadership positions in arts organisations across Australia and New Zealand, and currently holds several NFP board positions.
- > Melinda Rankin, director Fabrik + Heritage. Melinda’s experience in managing arts and cultural facilities in South Australia is helping develop an innovative regional centre for arts and culture in Lobethal.
- > Stuart Glenn, company director. Stuart focuses on asset management, project delivery, and business improvement through better project management, data analytics, and accurate and timely reporting and controls.
- > Greg Mackie OAM, chief executive History SA
- > Rosey Batt, lawyer.

KI residents are being sought to fill remaining directorships. The board will include advisers and the company will also have a membership base.

In the building phase, the board and members will be augmented by a construction committee and independent project manager.

AMKIEA has secured support for the project from leading state and national gallery directors, SATC, KI Business and Brand Alliance, Country Arts SA, the Kangaroo Island community and key island businesses.

Delivery timeframe

Element	Year 1				Year 2				Year 3		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Art Museum of KI											
Documentation/ approvals											
Contractor procurement											
Pre-construction works											
Construction works											
Handover											

Risk management

Risk	Mitigation
Blowout in construction costs	Contract an experienced independent project manager to run the construction phase, overseen by AMKI building committee with relevant expertise
Operational cost over-run	Lease café to independent operator Rationalise staffing levels Minimise costs of internal environmental control with underground gallery Secure sponsorship for specific elements e.g. naming right to a gallery; transport sponsorship for travelling exhibitions
KI tourist and AMKI visitor numbers do not reach targets	Reach maximum audience in target markets with marketing campaign that includes use of existing proven Kangaroo Island marketing avenues
Secure sufficient donations to cover funding gap	Explore alternative funding sources e.g. sponsorship Take out an increased loan against the asset Go back to government and increase the ask Modify design or defer build elements to bring back to manageable budget
Extreme weather events such as fire, flood, hailstorm	Ensure building designed, sited and constructed to highest standards for withstanding such events Develop a disaster-preparedness plan Maintain highest insurance level against such events

The comprehensive AMKI risk analysis and matrix is available on request.



Art Museum of Kangaroo Island Establishment Association Inc

Current committee: Deb Sleeman, Kathie Stove, Jill Brooks

Proposed directors of Art Museum of Kangaroo Island Ltd:

Rob Brookman AM, Kathie Stove, Stuart Glenn, Melinda Rankin, Greg Mackie OAM, Rosey Batt

Project partner: RDA Adelaide Hills, Fleurieu and Kangaroo Island

AMKIEA Inc is a member of: Kangaroo Island Business and Brand Alliance, Regional Galleries Association of South Australia, Australian Museums and Galleries Association

Business Case consultants:

Design direction: Kerstin Thompson Architects

Economic and financial modelling: EcoAdvisory (reviewed May 2023)

Social and cultural content: Play Your Part

Costing and timeframe: WT Partnerships

The original September 2021 Business Case was funded through a Regional Arts Fund, Recovery Grant. It was reviewed and updated in May 2023.

Documents containing comprehensive research and modelling are available on request.



Email amki.committee@gmail.com

Telephone 0417 086 870

Website www.artmuseumkangarooisland.org

Instagram @artmuseumkangarooisland