

CONSERVATION OF AUSTRALIA'S HISTORIC HERITAGE PLACES

Marriner Theatres Submission

8th of August, 2005

Marriner Theatres is the owner and/or operator of 4 heritage theatres in Melbourne's central business district; the Princess, Regent, Forum and Comedy Theatres. The other heritage listed theatres in the CBD include Her Majesty's and the Athenaeum Theatre.

In the 21st century, Melbourne is in a unique position having preserved a significant number of its heritage theatres within the central business district that it can claim a distinct theatre district, this is unique in Australia and really comparable only to London's *West End*, New York's *Broadway* and Toronto.

And there can be no doubt that the preservation of these historic theatres has contributed significantly to Melbourne's imprimatur as a Cultural Capital.

Heritage theatres unlike many other heritage properties can remain as relevant today as they were 100 years ago, because with improvement to the stage house they can remain capable of staging the very best theatrical events. This is clearly evidenced by the Princess Theatres' history of successful productions including *Les Miserable*, *Phantom of the Opera* and currently *Dirty Dancing* and Disney's "*The Lion King*" currently playing at the Regent Theatre. Each of these productions is considered to be world class and will attract many 100,000's of people to the theatre. The reason the theatres are as relevant today as they were 100 years ago is threefold:

1. There is a definite value attached to the experience of attending a performance in a heritage theatre, **providing the amenity of the theatre is presented in a first class condition**, the history, tradition and stories of the past contribute to the value of the patrons experience in a way that can not be replicated in a modern venue.
2. Given the preeminence of the West End and Broadway in the creation and development of live entertainment product, the productions are designed to fit into the reasonably confined space of their theatres which are comparable to our heritage theatres.
3. Over many centuries the art of performance has changed very little, its essence remains the same as it ever was; story telling on an intimate, personal level. Therefore the theatre building itself has not needed to evolve greatly to remain relevant. It remains a small group of people performing to a relatively small audience of people.

Therefore, heritage theatres are perhaps unique in comparison to other heritage properties in that there is a discernable value attached to the history of the buildings and most importantly they can continue to operate as effective and efficient venues within the modern marketplace.

However, there is a direct and potentially lethal threat to the continued viability of Melbourne's heritage theatres: The distortion of the marketplace by the provision of unchecked subsidies to competing State government operated venues and the loss leading operation of casino controlled theatres.

These competing theatre venues include:

The Victorian Arts Centre

- State Theatre
- Hamer Hall
- Playhouse
- Fairfax Studio

Federation Square -

- BMW Edge

Crown Casino

- Showroom

The impending \$100 million + development of two new theatres in the Southbank area.

- MTC Theatre
- Recital Hall

None of these venues have to operate within the usual parameters of a commercial environment; operating profitably. Whereas somewhat perversely, the heritage theatres which are acknowledged as being of cultural importance must operate profitably to remain viable and must do so in a grossly inequitable marketplace.

For example the Victorian Arts Centre, which competes in the main for very similar productions to the heritage theatres in the 10 years between 1992 - 2001, received assisted revenues in excess of \$200 million.

Some years ago Marriner Theatres recognized the impending threat to the continued viability of its heritage theatres if the State government did not recognize that its provision of subsidy was having a profound effect on the market in which the heritage theatres operate.

The issue was first raised with the State government informally, but without reaching a solution. Marriner Theatres, together with the other heritage theatre operators over the course of the next few years then perused the other options available to us in seeking redress to the issues.

1. A Rates and Land Tax Remission proposal was made pursuant to Section 144 (2) (a) of the Heritage Act. Lodged 28 May 2002
2. A Competitive Neutrality Complaint was filed against the Victorian Arts Centre Trust. Lodged 28 July 2003.

In both cases the submissions were unsuccessful in achieving a favorable outcome for the heritage theatres. I have supplied of both our submissions and the outcome of each of these submissions.

With the Rates and Land Tax Remission Application, the Treasurer decided his preferred approach is "for these proposals to be considered in the ERC (Expenditure Review Committee) process as part of the departmental output funding. If additional funding for the Heritage Council, for Marriner Theatres or other projects, is considered a priority then it should be ranked with other proposals from your department and evaluated by Ministers against alternative uses of taxpayer funds. This is preferable to the provision of land tax exemption."

In case of the Competitive Neutrality complaint against the Arts Centre the Competitive Neutrality Unit found the Arts Centre were not in breach of Competitive Neutrality Policy, because as it was considered to be excluded from CN Policy because it was not considered a Significant Business Enterprise, despite the Arts Centres own admission in its Annual Report that it was just that.

And that the Arts Centre was fulfilling a Public Policy Objective, despite the fact that the operations of the heritage theatres are to all intents and purposes the same.

It would now seem that there are few avenues available for the heritage theatres to pursue a level playing field.

In summary, heritage theatres are in the unique position that they can be valued contributors to society and can continue to operate viably providing consideration is given to ensure that the marketplace is not detrimentally affected by government's subsidization of the industry. Heritage Theatres should not be subject to market conditions less favourable than otherwise provided to State and or casino operated theatres.