

Speech by Michael Lynch, CBE, AM, to the  
Currency House/Australia Business Arts Foundation  
Arts and Public Life Breakfast  
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**ARTS, LIFE AND CREDIT CRUNCHES**  
**Reflections on the last seven years away from Australia.**



CURRENCY HOUSE

Four years ago yesterday the London Evening Standard ran an article by their arts editor and Deputy Editor of the paper, Norman Lebrecht. It was headed “Why do so many Aussies run the show?” and it finished with “Aussies go home”. It was reprinted in The Australian and then some bright person invited Lebrecht to speak at august arts gatherings in Sydney and Melbourne without any attempt to allow any of the people referred to to respond.

Today provides me with the perfect opportunity to respond, as I can, with glee, report that last week Norman lost his job on the Evening Standard, having fallen out with the new editor and the Standard’s Russian oligarch owner, Alexander Lebedev.

In my seven years away that article caused the biggest stir in Australia, but I have to tell you that it caused little stir in Britain. My wife and I are still being asked about it here – “unhealthy congruence between competitive arts centres” was his bizarre contention. But in the UK it pretty well sank without trace. It was published in the Evening Standard on 6 July 2005, which was the same day it was announced that London had won the 2012 Olympics. And the next morning the London Underground was bombed. 52 dead.

It was also in that week that I closed Royal Festival Hall for the first time in 54 years to commence the task that had taken me to Britain, to begin a two-year transformation of the Hall that would end up costing 118 million pounds (at that time 260 million Australian dollars). We closed the building with a huge party for the staff, artists and friends, including 200 people we’d made redundant that week. I only got one abusive comment that night and it was from a New Zealander who had left of her own accord.

So off we went. To those that don’t know it, the Southbank Centre is a large site – 21 acres to be precise – running along the Thames from Westminster Bridge to Waterloo Bridge. It contains one leg of the huge ferris wheel that is the London Eye, plus Royal Festival Hall, the Hayward Gallery, Queen Elizabeth Hall and the Purcell Room. It is an historic site, having been the venue for the 1951 Festival of Britain of which Royal Festival Hall is the only remaining structure. It runs a program of artistic activities across music in all its forms, dance, circus, literature, visual arts and just about everything you can imagine, indoors and out, free and ticketed, 363 days a year. It has a turnover of £43 million per year (2008/09) of which 50% comes from the Arts Council and the rest from box office income, commercial income and fundraising.

The idea of the renovation project was to turn the precinct towards the river, creating a new commercial eating, drinking, shopping precinct which now, despite these torrid

times, earns £40 million a year, returning to Southbank £6m a year as a contribution to its artistic program. And in those two years we completely restored the Hall itself, creating a new concert platform, fundamentally changing the acoustic and transforming the Hall and its large public areas from worn-out shabbiness into a thing of beauty.

This was all done in a relatively low-key way without any big dramas and the re-opening in 2007 was greeted with huge public interest and critical acclaim. I am very proud of what we achieved.

Cut forward to the second week of April this year when I prepared to leave Southbank Centre. My next big headline – “They’re a bunch of bastards” - once again screaming from the Evening Standard.

It was an error to use that word in the British environment, I can see that now, not because I resile from the sentiment but because it drew attention away from the serious point I had wanted to make and because it brought out some pretty grovelling responses from the arts industry. More about that in a minute.

The comment came when I was asked to reflect on my time at Royal Festival Hall and what I actually said was that my greatest disappointment had been corporate Britain’s failure to back worthy causes at a time of unprecedented excess, and that those who had benefited from huge salaries and bonuses must return more to society. Quote: “At a moment when Corporate Britain was making more money than they’d ever made they were prepared to leave it to the individuals, the general public and the audiences of this place.”

And I stand by that. Each year at bonus time we would all read reports of the quantities of French champagne being sprayed around London by the young Turks of the City, of the flashy cars and apartments they purchased. Meanwhile their bosses were stashing away much more serious sums. And I singled out Goldman Sachs because it had just been reported that, despite the havoc that had been wrought by the banking sector, they were about to again award themselves vast bonuses.

The point I wanted to emphasise was that I was not aware of a single contribution to our fundraising from the City finance bosses and their firms. Instead it was private individuals, including small sums from 20,000 ordinary people who feel great affection for Royal Festival Hall, plus Trusts and Foundations, who contributed generously to the cause.

Feeling somewhat liberated by my impending freedom I had revisited an issue that had bugged me through the whole of my time in Britain and was in stark contrast to my Australian experience. Namely the level of support that corporate Britain had given my project. I had let rip, perhaps in a rather Oz way, that may see calls for the return of my Arts and Business Award given to me only three months earlier by Colin Tweedy, CEO of the subsidised sponsorship agency Arts & Business.

Within days of my comments, Colin Tweedy chose the conference at which Arts

Council England announced the £40 million lottery-fuelled recession safety net for arts organisations, to declare that “attacking wealth, bashing bankers has to stop. Yes, there have been terrible mistakes, appalling bad practices, disgraceful greed, but business and individuals have no obligation to give.”

The response to my comments from others in the arts industry was interesting, and instructive I think. I am told that my successor at the Southbank Centre immediately hit the phones to apologise to City contacts and that he called each Goldman Sachs board member individually. And the Artistic Director of the National Theatre, Nick Hytner chipped in to say that “Goldman Sachs have been a staunch supporters for ten years”. Which is great news. But I would bet any money you like that they give nowhere near the amount that the National Theatre receives each year from Lloyd Dorfman and his Travelex company to support an access scheme that provides cheap tickets to every performance.

But it has to be said that in London, Travelex is a standout. In a city where the cultural industries contribute so significantly to the quality of life in the capital, and to its tourism industry, corporate support for the arts is notoriously low. I was told early in my time in England, by a senior employee in American Express, a big arts supporter in the US and Australia, that they wouldn't support the arts in the UK because (quote) “we don't need to, no-one else does”. Contrast that to my experience at Sydney Opera House where both Amex and Hewlett Packard had multi million dollar sponsorships over many years.

I also have to tell you that I spent many fruitless days chasing Australian corporates operating in the UK and although they made all the right noises they did nothing to support my organisation's activities. When Macquarie Bank lost their bid for the London Stock Exchange I asked a number of their Australian Directors why they hadn't seen fit to support philanthropic activity in London but they seemed not to see how it may have helped them in their quest.

[I also have to confess to a personal mania in those years when I was trying to raise the money to support Royal Festival Hall – I became obsessed by the regular column in The Daily Telegraph listing bequests. They were all, it seemed to me, going to animal charities and I formed a deep and bitter loathing of feeble donkeys as a result.]

Our capital project for RFH raised over £40 million in private support. The biggest donor, who also led our fundraising committee, was Dame Vivien Duffield and she gave £5.5 million as a gift from her foundation. The only major corporate contributors were non-British companies: Shell gave one million pounds and JP Morgan gave one million US dollars.

It was staggering to me to see the relatively small amounts donated by British corporates and these came mostly from those monstered at the Chair and Executive level by Vivien Duffield.

Over 20,000 of our audience members gave £2.5 million in small donations and this was a big shift in the pattern of giving in Britain. Usually, on most major capital projects in the

arts, the main funding had come in large individual gifts from £5 million to £50 million. We turned the model on its head and used this broad-based public support as a way of creating momentum with wealthy individuals and Foundations as we attempted to build towards the funding target.

It was a gruelling task and even to the very last weeks of the campaign, as we chased a big US Foundation for \$US 2 million, we were having to go back to all our major donors to ask them to give an extra 10% to get us over the 75% funding level required by the US Foundation.

What we were also fighting was a kind of capital project fatigue, being very late in the queue of English cultural building projects, of which many had completed before we started, following on from the huge injection of lottery money in the early 90s. We were also struggling, as we often do in Australia, with the notion that the public purse should fund it. This was a very real issue for us as Southbank had been a municipal and Government funded body for most of its existence, until 1988, and then the organisation did very little to change public perceptions so that many thought Government at some point would step in and cover the lot.

The major givers were the same people who had given to most of the other big arts capital projects of the previous ten years: the Foundations of the Westons (well known to Australia), the Sainsburys, the Hamlyns and a few others figure prominently in all those campaigns, but not even their good example could loosen the wallets of corporate Britain.

It was sobering to realise that in London the City generated 9.4% of GDP in 2006 and that had increased from 5.3% in 2001. In 2007 the bonus pool was £7.4 billion, up 400% on 1997.

That's a lot of money!

As disappointing as the response to the capital project was, the lack of immediate support for the re-opening of the Royal Festival Hall was bewildering to me. Our opening weekend, a huge celebration over 48 hours in all our venues, attracted over 250,000 people to a programme of free events in all our spaces. No sponsor, however, so it wasn't surprising that I felt a little jaundiced as we approached the more formal events in October, involving our resident orchestras and the re-opening by the Queen. Very little support came other than from some key individuals and this was not due to a lack of asking. The one thing you get good at in Britain, running an arts organisation, is knowing how to beg.

If we had been attempting to do this project last year or this year, I would say with certainty that it couldn't happen. If it was difficult in the good times and the times of excess that prevailed for all but my final year in Britain, then in these straitened times we would have no chance. The banks I had to borrow money from to bridge the fundraising gap are now owned by the Government, and one often wonders whether

the disproportionate efforts at fundraising might have been better spent convincing Government that they should have put up all the money.

Enough of this. What were the good bits and the highlights and what made my seven years worthwhile?

The first day I heard the new acoustics in the Royal Festival Hall, I cried. Bringing an old and venerable hall back to life, after 56 years, was a wonderful experience.

The opening weekend, although it wreaked havoc on my new carpets, was exhilarating in a magnificent way. I've never felt so good.

Republican Australian Michael standing next to Her Majesty at the official opening, with a 2,700 audience roaring God Save the Queen and Zadok the Priest, in full throat, was a spine tingling moment and one I won't forget.

But I guess the real pay-off for me, that made all the blood sweat and tears worthwhile, was that I got to see the best artists across every discipline in a way that I had never experienced before I left Australia.

### ***Examples:***

Barenboim doing the entire Beethoven Piano Sonatas.

David Bowie doing Meltdown.

Anthony Gormley mounting an exhibition, including statues dotted on buildings on both sides of the Thames, that was the most successful in the history of the Hayward.

Brian Wilson doing the first unearthing of his mythical "Smile" composition.

Having the great Berlin and Vienna Philharmonic orchestras perform in the Hall in the same week.

Susan Sontag and Toni Morrison over dinner, post their talks in our literature programme.

The great pianists, violinists and soloists appearing regularly with the four resident orchestras, and being there to see the new guard of conductors – Jurowski, Essa Pekka Salonen, Dudamel. An incredibly exciting time, seeing the baton pass, as it were.

My final night at Royal Festival Hall was absolutely amazing – the Simon Bolivar Youth Orchestra from Venezuela playing to packed and ecstatic crowds. It was completely electric and I feel there could be a lesson somewhere there for Australia.

So there you have it. It was tough but it was worthwhile. And bugger Norman Lebrecht, he's completely irrelevant now.

*This speech will be given in Sydney at Guillaume at Bennelong on 15 July.*

*For inquiries and bookings see Currency House website, [www.currencyhouse.org.au](http://www.currencyhouse.org.au)*

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