

## Questions taken on notice and further information agreed to be supplied at the hearings

Portfolio:	Creative Industries
Witness:	N/A
Committee member:	MR R Riordan
Page/s of transcript:	N/A

### Relevant text:

1. Budget Paper Number 3, p.247, more particularly, the output costs. The 2019-20 output cost, or budget is higher than in 2018-19 despite the budget cuts from lapsing programs that are referred to in various footnotes. The footnote for the 2019-20 total output cost states that it has been topped up by Third Party Revenue. Minister can you please state:
  - i. What is the base budget (government funding) for the Creative Industries Portfolio Agencies Output - 2019-20 Output Cost?
  - ii. How much additional funding has been sourced from Third Parties that makes up the \$399.4m output budget for 2019-20?
  - iii. Who are the Third Parties, and how much did they individually contribute to the \$399.4m total output cost for 2019-20?

### Answer:

Portfolio agency budget output costs are presented as per the Department of Treasury and Finance reporting conventions.

The 2019-20 Output Cost for the Creative Industries Portfolio Agencies comprises of \$208.3 million base funding to agencies and a forecast of third party revenue from the Creative Industries Portfolio General Government agencies (ACMI, Film Victoria, Melbourne Recital Centre, Museums Victoria, National Gallery of Victoria and State Library Victoria).

The majority of third party revenue is forecast as being contributed from ticket sales.

## Questions taken on notice and further information agreed to be supplied at the hearings

Portfolio:	Creative Industries – Attendances at Major Performing Arts Organisations
Witness:	N/A
Committee member:	Mr R Riordan
Page/s of transcript:	N/A

### Relevant text:

1. BP3 Page 244. More specifically the performance measure “Attendances at major performing arts organisations.’ Minister, Victoria successfully bid for Opera Australia’s production of Wagner’s Ring Cycle in 2013 and 2016, laying the foundations for Melbourne to be the home of this iconic event. These productions were held to critical acclaim, attracted a huge influx of overseas and interstate visitors and each generated over \$15 million in economic value for Victoria. Minister, will you confirm that Melbourne recently lost this major cultural event to Queensland and inform the committee:
  - i. as to the reasons for the failure
  - ii. the estimated loss of economic benefit to the Stat; and
  - iii. what responsibility you share for the loss of this major event?

### Answer:

The first Ring Cycle was held in Melbourne in 2013, and then again in 2016.

The decision not to host a further Ring Cycle is a matter for Opera Australia. The fact that Victorian Opera has now emerged as a Major Performing Arts organisation with national funding as one of the few opera companies with a growing audience shows the decision to back the innovative and locally based opera organisation was the correct one.

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Portfolio:	Creative Industries
Witness:	N/A
Committee member:	Mr R Riordan
Page/s of transcript:	N/A

### Relevant text:

BP3 page 395. More specifically the proposed-to-be discontinued performance measure: 'User attendances at all agencies'. Minister a precipitate fall in attendances at Victoria's major cultural institutions has been disguised in this budget under the camouflage of so-called 'transparency'. If the budget papers had actually shown the total figure it would have revealed that all attendances are projected to fall to 10.7 million in 2019-20 from almost 13.2 million just 2 years ago - a huge plunge of nearly 19 percent. Minister falling cultural attendances are developing into a crisis. Minister can you clarify to the Committee:

- i. which cultural institutions are experiencing falling attendances;
- ii. by how much over the last 2 years;
- iii. and what you are doing to reverse this catastrophic trend?

### Answer:

10.7 million is the target number of attendances in 2018-19 and 2019-20. So there is no change in the target number of attendances across these two years.

The actual number of attendances varies from year to year depending on programming and exhibitions and also as a result of redevelopment at agencies.

The cultural institutions have reported record high levels of attendances in recent years. 13.2 million was the actual number of attendances at agencies in 2017-18.

The 2018-19 expected outcome was 11.2 million. The Department will publish the actual result in its 2018-19 Annual Report.

The Government is investing in redevelopments at many cultural institutions (Geelong Performing Arts Centre, Australian Centre for the Moving Image, State Library Victoria) which have required short-term closures. This will have a short-term impact on visitor attendances.



## Questions taken on notice and further information agreed to be supplied at the hearings

Portfolio:	Creative Industries – Performance Measures that Relate to organisations, recurrently funded
Witness:	N/A
Committee member:	Mr R Riordan
Page/s of transcript:	N/A

### Relevant text:

4. BP Number 3, pages 244 and 245 – and the performance measures that relate to: organisations, recurrently funded; and project companies and artists funded. Minister these performance measures tell us that there are 142 organisations that are recurrently funded, and 54 regionally based organisations that are recurrently funded. They also tell us that there are 475 project companies and artists that are funded, and 23 regionally based organisations that are currently funded. Minister can you please tell us who all the recurrently funded organisations are and who all the project companies and artist are that being funded?

### Answer:

The 142 organisations in receipt of multi-year funding in 2018-19 comprise recipients of funding through Creative Victoria's Organisations Investment Program and Regional Partnerships, details of which are available on the Creative Victoria website.

The projected 2018-19 result is for at least 475 unique companies and artists to receive funding to deliver one-off, generally short-term projects through Creative Victoria's range of open, competitive programs and strategic initiatives. Due to the responsiveness and regularity of Creative Victoria's open funding programs the project funding recipient cohort varies from round to round and year to year.

A full list of companies and individuals receiving project funding by funding program is published annually in the 'Grants and related assistance' Appendix of the Departmental annual report; the final 2018-19 list will be published following financial year-end.

## Questions taken on notice and further information agreed to be supplied at the hearings

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Relevant text:

5. How much has each recurrently funded organisation and each project company and artist received in funding, per year starting from 2015-16, and how much will they receive in 2019-20?

Answer:

A full list of companies and individuals – both multi-year and for one-off projects – is published annually in the ‘Grants and related assistance’ Appendix of the Departmental annual report. Creative Victoria’s list of funding recipients for 2015-16 through to 2017-18 are available in the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) annual reports, and the 2018-19 list will be available in the Department of Jobs, Precincts and Regions annual report upon its publication following financial year-end.

Some strategic, multi-year initiatives continue to be negotiated for 2019-20.

The projected 2019-20 allocations for the current, contracted recipients of multi-year funding through the Organisations Investment Program, Regional Partnerships and Creative Suburbs funding programs will be as per the ‘Grants and related assistance’ Appendix of the 2018-19 Departmental annual report.

## Questions taken on notice and further information agreed to be supplied at the hearings

Portfolio:	Creative Industries - 38 Project Companies and Artists that Lost Funding
Witness:	N/A
Committee member:	Mr R Riordan
Page/s of transcript:	N/A

### Relevant text:

6. Minister, regarding the project companies and artists funded, I note that since 2017-18, 38 project companies and artists have lost their funding. We know from the footnote, that this is mostly because of cuts to funding. Can you please tell us:
- i. who the 38 project companies and artists are that lost their funding;
  - ii. how much was cut, or allowed to lapse per year starting from 2015-16 ; and
  - iii. what was the process, and decision matrix that was used - to identify the 38.

### Answer:

“Project companies and artists funded” refers to recipients of funding to deliver one-off, generally short-term projects funded through Creative Victoria’s range of open, competitive programs, and strategic initiatives.

Due to the regularity and responsiveness of Creative Victoria’s funding programs the cohort in receipt of project funding is ever-changing and varies from round-to-round and year-to-year; this funding is for time-limited, one-off projects, so there are no specific companies and artists that have received cuts to funding.

A full list of companies and individuals in receipt of project funding by funding program is published annually in the ‘Grants and related assistance’ Appendix of the Department’s Annual Report.

Accordingly, the projects and companies in this area of funding have seen increases in support and funding.

## Questions taken on notice and further information agreed to be supplied at the hearings

Portfolio:	Creative Industries - Output Costs for the Creative Industries Access, Development and Innovation
Witness:	N/A
Committee member:	Mr R Riordan
Page/s of transcript:	N/A

### Relevant text:

7. Budget Paper Number 3, p.245 in particular the output costs. The output costs for the Creative Industries Access, Development and Innovation has been cut from \$89.8 million in 2018-19 to \$72.6 million in 2019-20. Minister, this is a cut of \$17.2 million, a cut of about 20 per cent. Minister, we know that you have allowed multiple funding streams to lapse this year, including:

- i. Investing in the independent arts sector (\$26.4 million over 4 years - starting in 2015-16)
- ii. Building cultural impact in regional Victoria (\$20 million over 4 years - starting in 2015-16); and
- iii. Funding for Music Works in its own right (\$12.2 m over 4 years - starting in 2015-16).

The footnote explains the 20 per cent cut as ‘funding profile’ – yes the funding profile is a 20 per cent cut. Minister can you please reconcile the funding profile for this output cost in a way that makes sense and provides the accountability and transparency that the public purse deserves.

### Answer:

The premise of the question as to “cuts” to the Creative Victoria budget is incorrect. This output includes funding for the *Creative State* initiative which was funded in 2016-17. Funding announced in 2016-17 had a cashflow or funding profile reflecting that some programs in that initiative were fixed term or one-off programs. In some cases, programs had additional funding provided in earlier years as the programs were established. Therefore, it was projected in 2016-17 that funding would decrease across the four-year life of that initiative.

All *Creative State* programs are being evaluated and consultation with the sector and community is now occurring to inform proposals for future investment in Creative State 2.

Funding for *Investing in the Independent Arts Sector* has not lapsed. It was funded on an ongoing basis in the 2015-16 budget.

*Music Works* funding and *Building cultural impact in regional Victoria* have received new funding under the *Creative State - Driving the Growth of the Victorian Creative Industries* 2019-20 budget initiative.



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In addition, it should be noted that the funding profile of specific initiatives can change during the year and also at year end through standard government processes of rephasing and carryover of budgets across financial years.

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Relevant text:

8. What programs, grants, activities have not continued within this output from 2018-19 to 2019-20 to deliver a 20 per cent cut to the budget?

Answer:

See explanation of variance in response to question 7.

## Questions taken on notice and further information agreed to be supplied at the hearings

Portfolio:	Creative Industries - Cuts to Public Services
Witness:	N/A
Committee member:	Mr R Riordan
Page/s of transcript:	N/A

### Relevant text:

9. Minister, BP3 p.126 refers to savings initiatives – cuts to public services of \$253 million in 2019-20 – cuts of close to \$2 billion over the next four years. How these cuts will be achieved will be informed by a comprehensive review of base expenditure across all portfolios. What is your portfolio's current base budget, and when will your portfolio base review be completed?

### Answer:

The basis of the question is incorrect. There has been no advice regarding any savings requirement for the Creative Industries portfolio in 2019-20.

The base budgets for the Creative Industries portfolio are as per the figures published for output costs in Budget Paper No. 3.

The Department of Jobs Precinct and Regions will conduct a base review to be completed during 2019.

## Questions taken on notice and further information agreed to be supplied at the hearings

Portfolio:	Creative Industries - Critical Maintenance at agencies
Witness:	N/A
Committee member:	Mr R Riordan
Page/s of transcript:	N/A

### Relevant text:

10. BP3 page 79 Table 1.14, Minister this budget has only funded critical maintenance for our major cultural institutions for one year whereas previously funding had been provided on a multi-year basis. Besides which funding for this vital work has been steadily declining in real terms for years. Minister, which organisations have received funding starting from 2015-16, and how much?

### Answer:

Due to the volume of payments made across four years, the preparation of a response to this request represents an unreasonable administrative burden.

## Questions taken on notice and further information agreed to be supplied at the hearings

Portfolio:	Creative Industries - Which organisations will receive funding in 2019-20, and how much
Witness:	N/A
Committee member:	Mr R Riordan
Page/s of transcript:	N/A

Relevant text:

11. Which organisations will receive funding in 2019-20, and how much?

Answer:

Creative Victoria has developed an asset maintenance strategy and register that it uses to prioritise investment based on service need, risk and long-term efficiency of the portfolio.

The 2019-20 process has commenced; however, the ranking of projects and allocation of funds does not take place until Q1 2019-20.

## Questions taken on notice and further information agreed to be supplied at the hearings

Portfolio:	Creative Industries - Re-establishing multi-year maintenance funding in the future
Witness:	N/A
Committee member:	Mr R Riordan
Page/s of transcript:	N/A

### Relevant text:

12. Minister will you commit to re-establishing multi-year maintenance funding in the future and restore the level of real funding before our great cultural institutions suffer dangerous degradation of their irreplaceable assets?

### Answer:

The Cultural Facilities Maintenance (CFM) fund was established in 2005 to address portfolio critical maintenance and upgrades that fall outside the annual agency funding envelope. The CFM fund was created for a four-year round and has been renewed multiple times.

Creative Victoria will continue to review its strategy and processes to help inform the level of future funding, which will be the subject of future Budgets.