

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2009–10

Melbourne — 13 May 2009

Members

Mr R. Dalla-Riva
Ms J. Huppert
Ms J. Munt
Mr W. Noonan
Ms S. Pennicuik

Mr G. Rich-Phillips
Mr R. Scott
Mr B. Stensholt
Dr W. Sykes
Mr K. Wells

Chair: Mr B. Stensholt
Deputy Chair: Mr K. Wells

Staff

Executive Officer: Ms V. Cheong

Witnesses

Ms L. Kosky, Minister for the Arts,
Ms P. Hutchinson, Director,
Mr G. Andrews, Deputy Director, Policy and Programs,
Mr D. Carmody, Deputy Director, Agencies and Infrastructure, and
Ms J. Rowland, Senior Manager, Corporate Development, Agencies and Infrastructure, Arts Victoria,
Department of Premier and Cabinet.

The CHAIR — I welcome Ms Kosky, Minister for the Arts; Ms Penny Hutchinson; Mr Greg Andrews; Mr Dennis Carmody; and Ms Joan Rowland — all from the Department of Premier and Cabinet.

I call on the minister to give a brief presentation of no more than 5 minutes on the more complex matters relating to the arts portfolio.

Overheads shown.

Ms KOSKY — I just want to give a snapshot of what is happening in the arts, both in terms of attendance and participation and also some of the highlights of what is happening in the arts portfolio. Just a bit of a snapshot of the contribution of the arts — 82 per cent of all Victorians attend a cultural venue or an arts event at least once a year; 31 per cent of children in Victoria aged 5 to 14 play an instrument, sing, dance or act; 45 per cent of children are involved in art and craft activities.

In relation to employment, 21 per cent of Victorians have some involvement, paid or unpaid, in culture and leisure activities, and 3.4 per cent of all employed people have a cultural occupation as their main job. With cultural tourism, cultural visits represent 62 per cent of all international visitors to Victoria, and in 2007 there were 2.6 million domestic overnight cultural visitors, and around 2.7 million day visitors have attended cultural venues and events in Victoria.

Some of the highlights for this last financial year: we saw the completion of the MRC and the MTC theatre projects — that is, the Melbourne Recital Centre and the MTC — and 21 000 people went to the public open days in February in that awful heat. It is a demonstration that when you open these venues, Victorians will travel to them.

The 2008 Melbourne Winter Masterpieces blockbuster Art Deco was the third most popular exhibition in the NGV's history and attracted 240 000 people, so it was incredibly successful.

The Dinosaur Walk opened at Melbourne Museum in April 2009. Yes, I did open it — you can make whatever jokes you want to about that! What is really interesting is that over the Easter school holidays they had 78 000 people visit it. It was just extraordinary. Game On at ACMI drew a record crowd of 130 000, plus 20 000 for related public and school programs. I went to that three times — only because of my children, not because of my interest. There is work under way on the Australian centre for books, writing and ideas. And Melbourne's La Mama Theatre secured ownership of its Carlton home, and we provided assistance for that.

Some regional highlights: Bendigo Art Gallery's Golden Age of Couture, which I mentioned in my public transport presentation and was an exclusive exhibition from London's Victoria and Albert; it attracted 75 000 people during that period. That was an estimated economic impact of \$9 million, so that was quite extraordinary for a regional centre. Construction of Wangaratta's new performing arts centre is on track to open in September this year, and there are upgrades at performing arts facilities in Shepparton, Bendigo, Hamilton, Portland, Casterton and Heywood.

Some of the international highlights: I think it was very close to PAEC hearings last year when we were actually given the designation 'The second UNESCO City of Literature'.

The CHAIR — What is the first?

Ms KOSKY — Edinburgh is the first, so we are the second in the world. Geelong's Back To Back theatre won a prestigious New York dance and performance award. Melbourne author Nam Le won the Dylan Thomas prize, which is one of the world's richest literary awards. Malthouse Theatre's *Exit the King* is wowing audiences on Broadway in New York; and who is one of the lead actors in that?

The CHAIR — John Howard?

Ms KOSKY — Geoffrey Rush.

In terms of this budget we have got \$4.2 million for the State Library of Victoria, the SLV21 initiative, which is providing a lot of materials on line. There is also \$1 million for the state library for the initial business case for Queens Hall.

The Melbourne Museum exhibition renewal, so that we can keep renewing exhibitions at the Museum, gets \$9.2 million. The Dinosaur Walk is a really good example of that. You need to keep renewing exhibitions, Scienceworks and of course the Immigration Museum.

There is money there for the Arts Centre programming: \$4 million — that is for its programming at the Arts Centre; and there is also money: \$19 million for the operational maintenance of the Arts Centre. It is an older facility. Yes, we are doing the works as part of the cultural precinct, but we need to do the maintenance works as well for the entire Arts Centre.

There is \$2 million there for the Melbourne Winter Masterpieces exhibition indemnity. That is the insurance for the masterpieces. There is \$6.2 million which is securing a future for Victorian Opera. There is money there: \$0.5 million for arts audience expansion, which is really about encouraging further, people who are not the regular arts goers, to attend different performances.

We have got \$0.5 million there for physical theatre development, which is really focused on Circus Oz, which is a fantastic national and international facility and Melbourne is its home, so it is actually looking at some work to secure a long-term home for it.

There is money there for Public Records Office Victoria for its asset management support plan — \$3.3 million. In terms of the assets, there is money there for the cultural asset maintenance fund, again maintenance across the arts institutions, of \$21.5 million.

The Geelong Performance Arts Centre refurbishment has \$3 million, and there is also funding there, \$7.1 million, to support Public Records Office Victoria in terms of its asset management support plan.

It is a budget of \$81.5 million over that four-year period. The arts have been incredibly successful right around Victoria. It is not just about metro Melbourne, it is about the suburbs and the regions, and it is making sure that we can get the best in all of those locations, but we continue to encourage home-grown artists so that they not only live here, but they work here as well.

Ms HUPPERT — Minister, I refer you to page 194 of budget paper 3, and it talks about ‘Arts development and access’ output. Could you please provide some further details of expenditure and outcomes of the grant programs that come out of this output?

Ms KOSKY — We have got a whole range of different arts programs, most of which are about encouraging artists to develop new works, providing opportunities for artists to do cross-collaborations, obviously supporting the regions and the suburbs. There is a range of different programs, and we provide \$37 million per year to fund a whole range of programs; that is ongoing in terms of the budget. Most are competitive grants programs, so organisations, individuals, institutions have to apply for those grants, but some are negotiated as well. That is managed by Arts Victoria.

I will run through a range of them; it is always worth knowing, because I know that a number of you would get artists and organisations that are seeking funding for different projects. We have annual operations funding which is for organisations to deliver a one-year arts or cultural program. That is the operations, just to provide it.

We have got the Arts Development Program, which are small project grants to Victorian artists and arts organisations for the creation and presentation of new work in all forms. We have got the Community Partnerships Program for artists and art companies to work alongside Victorian communities. The Education Partnerships program and probably many of you are familiar with these, where funding is provided for primary and secondary schools in Victoria to engage artists, so that they have artists in residence; they can also provide funding for arts organisations to work with the schools as well.

There is the Indigenous Travel and Professional Development Fund. That is really about securing professional development opportunities for indigenous arts practitioners and arts workers. Then there is the international program which supports artists and art organisations to build their international profile, to travel overseas to develop networks, employment opportunities and also, obviously, exporting a lot of the different projects that have been developed here.

I mentioned Back To Back Theatre and obviously *Exit the King* as well which are touring internationally. We have also got the Touring Victoria Program. That is ensuring that artists and arts institutions can actually travel around Victoria to present works; and Victoria Rocks, which is the contemporary musicians and groups targeted really at strengthening local contemporary music industry.

In addition to that are the negotiated ones, the local partnerships programs which are with local government. We develop a memorandum of understanding over a three-year period. They then have a definite three-year period of funding, so they can really plan for that funding and their projects, and there is an organisation program which is multiyear funding again for key Victorian arts organisation.

There are a lot of different programs. One of the benefits that quite a number of artists say to me is we do not identify disciplines in the different arts funding programs, which means that you can get a lot of cross-disciplinary works that develop, which does set us apart from what happens in other jurisdictions, which is also why we end up having, say, the MSO working with, it might be, small theatre companies; or the Victorian Opera will work with other organisations, and you also get work with, say, visual artists as well, so you get the cross-disciplinary focus which is really important for the development of new works.

Mr RICH-PHILLIPS — Minister, you mentioned visitation to certain events and institutions, but I want to ask you about the trend in visitation. I take you to pages 194–96 of the budget paper. Attendance at major performing arts organisations is halfway down page 194 and shows the actual in 2007–08 was 1.19 million declining to an expected outcome of 980 000. Also on the following page with respect to attendance at agencies, the 2007–08 actual was 8.875 million, and you are expecting it to decline to 8 million this year.

Can you explain why there is the decline and also with respect to the attendance at agencies can you give us a breakdown between the agencies for the last couple of years so we can see the trend by institution?

Ms KOSKY — I will need to come back to you on the last item. But if you actually look at the actual versus the target, the target was obviously lower so some of the actuals are to do with major exhibitions that might be on or major performances which have an increased attendance, so there are variations there, but we have taken a cautious approach in terms of the target for 2009–10, which is still above the target for 2008–09, certainly in relation to attendances at major performing arts organisations, really because at the moment we are not sure what the economic impact will be on subscriptions and on box office sales.

To date, for the Arts Centre, they are seeing some slight decline, not significant but it has dropped off a little bit because often it is discretionary income, and so that has dropped off a little bit. So we have set the target still at high levels, still matching previous targets, but not at the actual for 2007–08. It may be that it does not flow through in terms of the subscriptions and paying customers, but the arts agencies are conservative when they set their attendance figures. They do that so they ensure that they are financially viable in setting conservative targets rather than trying to be too optimistic and then not meeting them, and that obviously impacts on their bottom line.

Mr RICH-PHILLIPS — Has the recital centre met expectations since it opened?

Ms KOSKY — The recital centre is very new, so it is still getting work done on its program. They are still trying to get the programming to settle down. There are two elements to the Melbourne Recital Centre. There is both the programming that they do and they also have a strong focus — as part of their mandate in fact — to encourage multicultural organisations and other organisations to hire out the facilities. So there are two different elements: their own programming; and that hiring out.

In some areas the audiences have been greater than expected, for some of the events, and then in others it has been slightly down. So they are still getting that right. They have employed Sue Natrass who was originally involved in helping develop the program at the recital centre. Now that it has been established for a few months, she is doing a lot of research and surveying of people who have subscribed and also have attended to really find out what is working and changes that they might need to make.

It is fair to say that the Melbourne Recital Centre, being brand-new, has got to build up its own subscription base. Places like the Arts Centre, MTC, the Victorian Opera, the MSO, Music Viva, all have a subscription base and they have built those up over a really long period of time, and it takes a long time to build

that subscription base. The MRC still has to do that, and it would be fair to say that given the economic circumstances, they are probably doing that at a difficult time, but I have absolutely no doubt they will do it.

Clearly groups like Music Viva that have moved into the Melbourne Recital Centre — in fact their subscription base has increased as a result of the change. So we will see some settling down of that, but I think having Sue Nattrass involved to do the research, the surveying and make recommendations will really help focus on that, as well as the work that needs to occur with a whole lot of the multicultural organisations in terms of the space that is available, the salon that is available for them to actually use.

That is a first for them; that is a real shift for them. They need to be made aware of the facility and often they will be planning 12 months out for some of those works. So it is still settling down but from all the feedback we have had from the artists and people who have attended, it is just an amazing facility. It is one of the best. We would say it is the best in the world, but it is certainly very high standard. Artists are wanting to perform in it, and it is really just building up that subscription base.

Mr RICH-PHILLIPS — Are you happy to take the breakdown on notice?

Ms KOSKY — We will provide that information separately.

The CHAIR — Minister, I would like to ask you something which is not on your summary of initiatives because it was announced in the budget update. It is a huge project; it is the upgrade of Hamer Hall in the Southbank cultural precinct. I was wondering whether you could tell us about that, because I can see from page 348 of budget paper 3 that it is \$128.5 million, which is just wonderful in terms of the arts.

Ms KOSKY — It is a big project. The Hamer Hall redevelopment is part of the Southbank cultural precinct redevelopment. The government's view was that it was really important to do the works first at Hamer Hall. A lot of the works will be done internally, and there are issues. It has been there for some time. It is much loved, but it needs a facelift, both back of house and front of house, so a lot of the works focus on that.

Accessibility is a real issue. We need to make sure that disability access is built in obviously through the works that are being done, and also the connection with the external space and the river frontage is really important. When Hamer Hall was originally developed, like lots of arts institutions, they looked inside and they had a shell almost around them. What we want to do is open that up much more so it is much more accessible to the river frontage, which of course is really important. At the moment you cannot get down from Hamer Hall; it is a very awkward, circuitous route to get down onto the river frontage. So all of that will be sorted, which means that it will connect with a lot of the eating places and that whole experience.

That work is under way. Ashton Raggatt MacDougall have just been appointed, with Peter Elliot, as the successful architects for the project. It was very close; there were some really good proposals. They are going to be doing the work. It means that for a period of time Hamer Hall will have to close, obviously, so at the moment Arts Victoria is working with the Arts Centre to look at alternative arrangements for the major companies so that they can continue to operate, but they will not have that facility whilst major works are under way. It is a really exciting project, and it is the first part of that arts precinct development.

I did notice in one of the papers recently that there is a suggestion that the whole project is off. That is not the case at all, and we always made it quite clear that this was the first stage of that whole precinct development. It will eventually connect right into that spine.

The CHAIR — The money is put in there — \$65 million in 2010–11 and \$40 million in 2011–12. It is a lot of money.

Dr SYKES — I refer you to page 194 of budget paper 3, the line item 'regional Touring Victoria destinations'. Back in 2007–08 you had 43; your target for 2008–09 went up to 53; the expected outcome for 2008–09 is 45; and the target for 2009–10 is 45. What is the explanation for the drop-off from that 2008 higher target down to a lower target in 2009–10?

Ms KOSKY — One of the issues there is really the increasing costs of the regional touring, so a lot of projects that have gone in are actually at a higher level than previously. We actually have an independent panel, which is made up of artists; I should make that clear. They make recommendations to me. It is made up of a

range of different artists from different areas of the arts. What has happened is that the costs have gone up, so there are slightly fewer projects that are being funded as a result. That is anticipated to be so, and that is why those figures are as they are in the budget papers. It is actually not a reduction in funding, but some projects are more costly.

Dr SYKES — I guess I would make a plea on behalf of regional Victorians that if the costs are going up, rather than cutting the services to fit the cloth if we could keep in mind that, particularly in the tough times we are experiencing, a little bit of relief by going off to a cultural event does a hell of a lot for the mental wellbeing of people.

Ms KOSKY — Absolutely, and one of the things we have been doing is working, particularly with the Murrindindi shire, following the bushfires. I was very conscious that there are a lot of artists in that community but also that the arts are a really important part of their reconstruction and how they develop as communities as well as also being part of that grieving, so we put aside funding. We have changed some of the time lines for them to apply for grants; we extended them. We have also put aside — \$25 000 I think it is.

Ms HUTCHINSON — Yes, I think it is.

Ms KOSKY — We have put aside \$25 000 particularly for artists in bushfire-affected regions. We have provided an arts officer for the Murrindindi shire to work with artists. I met with them recently — I have met with them twice — and they are struggling to even get their heads in order to really focus on projects, so we are providing that support for them to do that. There are some really exciting projects that will come out as a result of that. It will help with the healing but also be part of where they want to move to next. There are quite a few projects there.

Dr SYKES — I think that is fine, particularly for the Murrindindi people, who have been absolutely devastated. But there are also, as you know, the Mudgegonga people, which impacts on the surrounding communities of Myrtleford, Bright and Mount Beauty.

Ms KOSKY — Sorry, the additional funding, the \$25 000, is available for all artists in bushfire-affected regions. You might want to let people know if they do not already know — —

Ms HUTCHINSON — It is \$50 000.

Ms KOSKY — It is \$50 000, sorry; I underquoted. So there is a turnaround of about — —

Mr ANDREWS — It is monthly.

Ms KOSKY — Every month it is put in, so there is no time line. So please do let anyone know that, and I am happy to provide the information to you. That is for all bushfire-affected areas. It was only the arts officer in Murrindindi, because financially for the council that was difficult for them to achieve, but all the other arrangements apply right across those bushfire-affected areas.

The CHAIR — Thank you for that. I want to put on notice: can your department provide the committee with a description of any federal grants, both outputs and assets, that you might receive in the budget? Can you also provide information about the accountability mechanisms in respect of these grants?

Ms KOSKY — Yes.

The CHAIR — That concludes the consideration of the budget estimates for the portfolio of the arts. I thank the minister and departmental officers for their attendance today. Where questions are taken on notice the committee will follow up with you in writing at a later date and request written responses to be provided within 30 days.

Ms KOSKY — No-one asked me this question. I would just like to let you know the dates, because you will be interested. It is important for Hansard: under Melbourne Winter Masterpieces there will be an invitation for parliamentary viewings of the Pompeii exhibition, which is at the museum, on Monday, 27 July — you will all get invitations and you are welcome to bring your families — and for the Dali exhibition, it will be Tuesday, 4 August. The invitations will go out shortly. I know we will see quite a few of you there.

The CHAIR — Thank you very much, Minister.