

VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2010–11

Melbourne — 18 May 2010

Members

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Witnesses

Mr P. Batchelor, Minister for the Arts,

Ms P. Hutchinson, Director,

Mr G. Andrews, Deputy Director,

Mr D. Carmody, Deputy Director, and

Ms J. Rowland, Senior Manager, Arts Victoria, Department of Premier and Cabinet.

The CHAIR — I now welcome Mr Peter Batchelor, Minister for the Arts, Ms Penny Hutchinson, director, Arts Victoria, Department of Premier and Cabinet; Mr Greg Andrews, deputy director, Arts Victoria, Department of Premier and Cabinet; Mr Dennis Carmody, deputy director, Arts Victoria, Department of Premier and Cabinet; and Ms Joan Rowland, senior manager, Arts Victoria, 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 financial and performance information relating to the budget estimates for the arts portfolio.

Overheads shown.

Mr BATCHELOR — Can I at the outset firstly thank my former colleague Lynne Kosky, who led this portfolio from 2006 until the beginning of this year. I have to say she has left it in great shape.

I want to give a quick overview and talk about some of the challenges and about government plans. As you can see from a quick glance, the total portfolio budget is \$449.5 million — and we make every cent of that work very hard. The budget supports every level of the arts community, from the major cultural institutions through to the independent arts scene.

We have an asset base of some \$5.7 billion, which is pretty extensive for a small department, and it actually represents 6.6 per cent of the total assets held by the Victorian government. There are seven state-owned institutions, and annually we support 121 arts organisations right across Victoria, from the major companies like the MSO through to festivals like the Melbourne International Arts Festival to smaller organisations like Chunky Move, Wodonga's Flying Fruit Fly Circus and La Mama. In addition to that, we support independent artists and organisations. Last year we invested in some 357 projects, which enabled work to be created and presented, supported artists in residence, and supported cultural exchanges, tours and so on.

This is really important, because as individuals Victorians clearly have an appetite for the arts. In the latest research from the Australia Council, titled 'More than bums on seats' the report identified that 9 out of 10 Victorians attended at least one arts event last year. The research also shows that 41 per cent of us creatively participated in the arts in some form or another — in a play, writing a poem, fronting a band or something like that. I will do a survey around the committee to see which ones of them —

Members interjecting.

The CHAIR — Minister, we only have 5 minutes. Can you move along, please.

Mr BATCHELOR — Our appetite for attending was well satisfied by the Melbourne Winter Masterpieces. We had the Salvador Dali — Liquid Desire, which attracted some 330 000. At A Day in Pompeii at the Melbourne Museum, there were 332 000 people who visited.

It is these sorts of things that have really put us on the international map. A Day in Pompeii was the fourth most attended antiquities exhibition in the world. The museum last year had a bumper year. There were a record 2 million visitors. That has been assisted and supported by two permanent exhibitions at the museum: the Dinosaur Walk and Wild, and I would encourage members to go and have a look at them, particularly if they have young members in their family.

The NGV was the 20th most popular gallery in the world, ahead of the Tate Britain, the Guggenheim and the Uffizi. It is the most visited gallery in Australia. Some 75 per cent of the visitors to the NGV are Victorians. Those above us in the top 20 — such as the Louvre in Paris or the Metropolitan Museum in New York, which heavily rely on tourists — largely benefit from tourism, but we get the support of our local people in enormous numbers, of which they would be very envious.

We also support festivals like the Wangaratta Jazz Festival and the Port Fairy Spring Music Festival. These have been going for 20 years. They bring enormous cultural and economic benefits for the local communities.

There is Test Drive the Arts, which is a development initiative to try to get non-attendees to dip their toe and give the arts a try. More than 3000 tickets were made available for that program.

Finally, we know that the annual survey from Tourism Victoria shows that we have increased our overall lead on other cities in Australia as the top destination for theatre and cultural events. This role that the arts play in

developing a very lucrative domestic tourism market is really important. That is why the government supports things like the Melbourne Winter Masterpieces, *Jersey Boys* and *Wicked* — to support and encourage that.

Important to us are the regional tours and the local partnership programs. These are all important because we want to enable Victorians to participate no matter what their age, where they live or their life's experience or background. That is why we are committed to the arts. This year there is \$20 million in new initiatives: \$7 million in output initiatives and \$13.6 million in asset initiatives. We are putting in a new children's gallery at the NGV. We are also supporting things like the comedy festival and the National Gallery of Victoria, amongst other initiatives this year.

The CHAIR — All right; think of all the painting as well.

Mr BATCHELOR — Correct.

The CHAIR — Minister, thank you for that. Could you tell the committee what your medium and long-term planning strategies are in terms of the budget for the portfolio and whether there are any changes in terms of those strategies and plans from last year?

Mr BATCHELOR — Certainly. As you heard in my previous presentation, Growing Victoria Together is an important driver. But in drilling down to the more specifics for the arts area, we have a Creative Capacity Plus policy to provide arts for all Victorians. It is the government's 10-year policy framework. It has three major goals: Arts for All Victorians — and that talks about cultural participation; the next area is On the Threshold, an economy based on innovation; and the next strategy in this is the Creative Place, which provides a dynamic arts sector for Victoria. We are also developing Action for Victoria's Future. We did that in 2008. This realigns the government's priorities about building creative industries, developing artists, ideas and knowledge, as well as engaging in creative communities.

As I said earlier on, Creative Capacity Plus is a 10-year program. We are six years into it. Over 85 per cent of it has been delivered, and that has produced not only improvement in the cultural outcome but has also increased employment and participation and, importantly, increased audiences. We are now preparing for the next four years. We would like to introduce some changes to reshape, redefine and refocus that 10-year strategy towards the end of it. We have conducted consultations; there have been about 40 of those across the industry. But we also want to take account of population and social changes, the increased importance of the environment and technological and industry changes that are affecting the arts industry just as they are affecting and interfacing with other sectors. And we want to make sure that the arts sector is keeping up with that arts policy, notwithstanding that in the midst or towards the latter part of a 10-year program it can be refreshed and targeted at things that are contemporary and modern and important to us, and complete the rest of our initiatives.

As I said, the 2010–11 budget initiatives provide access for families and children. They provide money for both the NGV and the comedy festival, both reaching significant anniversaries. We are also trying to develop the encouragement of a new creative edge of the arts through Circus Oz, Victoria Rocks and Music Victoria. They are the major strategic initiatives that we are looking forward to in this forward estimates period.

The CHAIR — Right. So you are looking to review and update your basic 10-year strategy this year, so you have already started consultation?

Mr BATCHELOR — Yes. We have a 10-year strategy. As I said, it has largely delivered a lot of the elements of it, but we do not want to remain static within that 10-year time frame or framework. We have just started a process of refreshing that.

The CHAIR — The committee would be interested in this process as it goes along.

Mr BATCHELOR — You will hear about that through public announcements. When we have made an announcement we will be happy to send a copy to you.

The CHAIR — Thank you for that.

Mr WELLS — Are you sure you do not have any more?

The CHAIR — I was just seeking clarification, as indeed many other members do.

Dr SYKES — As it relates to the forward estimates.

Mr WELLS — Minister, the Victorian College of the Arts comes under your portfolio?

Mr BATCHELOR — No.

Mr WELLS — It comes under?

Mr BATCHELOR — Julia Gillard's.

Mr WELLS — But the state component? There is no state component?

Mr BATCHELOR — There is no state component; it is funded by Julia Gillard's department.

Mr WELLS — So at this point could you clarify that the state has no intentions whatsoever of putting any funding into the Victorian College of the Arts from a state point of view?

The CHAIR — It is not the minister's portfolio.

Mr BATCHELOR — It is not my portfolio.

The CHAIR — It is not his portfolio. It needs to be directed to the appropriate minister.

Mr WELLS — Senate estimates?

Mr BATCHELOR — You need to direct that question to Senate estimates. I do not know. It is not my portfolio.

The CHAIR — We will put it on notice in the house.

Mr BATCHELOR — I have no administrative responsibility for it.

The CHAIR — Do you have another one?

Mr WELLS — That is all right.

Mr BATCHELOR — That is notwithstanding the fact that we think the faculty of the Victorian College of the Arts at Melbourne University does contribute enormously to the vibrancy and development of our creative industries here in Victoria. We do not fund it; it is funded through the commonwealth government's cluster funding. There has been a report then undertaken by Ziggy Switkowski from the Australian Opera.

Mr BATCHELOR — He is the chair of the board of the Australian Opera.

Ms PENNICUIK — An expert in nuclear physics.

Mr BATCHELOR — Yes, that is right. We all wear funny hats, don't we? I will tell him about your plebiscite vote. That will get him going.

Ms PENNICUIK — I cannot wait, Minister.

Mr BATCHELOR — Switkowski has issued a report recently and given that to the university. The university is considering that and thinks that they will respond within a month or couple of months. But the funding of the Victorian College of the Arts, notwithstanding its name, is as I have described part of commonwealth cluster funding procedures, and we have not funded in the past. If there is a need for the university to ask for more funds, they will ask the commonwealth for that funding. But it is unclear whether they need to ask for more funds or not; that will be a response that will come from the university itself and through their relationship with their funder.

Mr WELLS — Just to clarify, on the same point, in the report that you refer to it is my understanding that there is going to be an identification of a budget deficit of about \$6 million a year. Now the coalition has put —

Mr BATCHELOR — No election pledges need to be mentioned here.

Mr WELLS — No, we are talking about the forward estimates — —

The CHAIR — I do not think that is an annual funding responsibility.

Mr WELLS — I just want to make it clear that it is not your intention from the state's point of view to put any money into the Victorian College of the Arts?

Mr BATCHELOR — What I said was that the Victorian government is not the funding body. A report on the funding and other core structures and the administration has been developed by Switkowski. It has been widely supported as addressing both the cultural and financial needs of the faculties. But it does require some additional work to be undertaken, particularly in relation to curriculum and the application of the Melbourne model to undergraduate degrees. It is recommending that the curriculum structure at the music area, both at the conservatorium and at Southbank, be joined together as a separate subsection of a faculty, and the rest, the non-music elements of it, which range from visual arts through to film and television, be in a separate one, and that the Melbourne model, which has successfully worked in the music arena, be continued to be applied there, and with the rest of it, that they have a moratorium, that it be slowed down, that a curriculum review and structural review need to be undertaken, and that the Melbourne model, in terms of structure of classes and curriculum, not be imposed at this stage, and if it is going to be done, and that is agreed, that it be done over a much longer model. But essentially the funding for it is commonwealth, and if the university needs more funds to undertake the courses at the required level, that will come as a result of further reviews that Switkowski has recommended. It is up to the university whether they accept that element of the recommendation. Then it will be up to the university in approaching their funding body, the commonwealth.

Ms GRALEY — Minister, it is an amazing statistic that the National Gallery of Victoria is the 20th most visited gallery in the world, ahead of the Uffizi and the Tate. I also notice there is some new advertising going out for the Winter Masterpieces program. I note in your presentation that you mentioned the arts budget, which is in budget paper 3, page 177, is \$449.5 million. Could you explain to the committee how this compares with the expenditure in other states, and can you indicate to the committee how healthy our arts companies and artists are in the wake of the global financial crisis and maybe into the future too?

Mr BATCHELOR — Certainly. Victoria has for a long time, from both sides of Parliament, supported the arts. We have done our part during our term in government. If you look at it on a per capita basis, on some ABS figures that have been advised to me, we spend almost \$74 per person. That compares to \$59 per person in Queensland and \$51 per person in New South Wales. Under our period of administration the Labor government here has more than doubled the arts budget — from \$217 million in 1999-2000 to over \$473 million for this portfolio in 2010-11. If you include other elements of arts expenditure which are included in other states' budgets, like film and television and some other portfolio areas, the arts and cultural budget goes up to \$449.5 million in Victoria, with those other — —

Ms HUTCHINSON — You have mentioned those numbers in reverse. The base budget is \$449.5 million.

Mr BATCHELOR — Thank you. I got those numbers around the wrong way.

The CHAIR — You got them around the wrong way, yes. Just to clarify, it is 449.5. If you add all the other things in, it goes to — —

Mr BATCHELOR — Four hundred and seventy-three, yes. That demonstrates our commitment. We have more than doubled it. That was really the point I was making. Not all of the traditional areas of arts expenditure are undertaken in this portfolio. When you add it all together, it comes to quite an impressive amount.

We have done this so we maintain our position as the cultural capital of Australia. We have provided a number of initiatives in the budget to improve exhibitors, to improve the support for artists, to make institutions more accessible to children and families and to try to encourage the development of more leading-edge performances with the proposal to develop a new home for Circus Oz with a stage 1 commitment of \$3 million.

What we are trying to do is to continue a very high level of expenditure that has been committed over many years. Other states are trying to catch up. We will continue to proceed with our level of expenditure over the

years both in terms of performances and in terms of support for venues so the cultural strength of Victoria remains at the forefront.

Mr RICH-PHILLIPS — Minister, can I take you to page 190 of budget paper 3, which shows the arts portfolio agencies. At the top of the page, which is the access measure, it refers to the number of users or attendances at all agencies. You can see that in 2008–09 the actual outcome was 8 527 000 users attending. For the current year your forecast in that falls to 8 404 000, so it is a reduction of 123 000 attendances. Can you explain to the committee what is driving that reduction in overall attendances and what venues or disciplines is that occurring in? Is it related to the Melbourne Recital Centre?

Mr BATCHELOR — The targeted increases of course now include the Melbourne Recital Centre.

Mr RICH-PHILLIPS — Yes, I see that.

Mr BATCHELOR — That is right. There is the completion of a new facility.

In 2008–09 the agencies actually had an extremely successful year. They surpassed their targeted audience attendances because of their success. I have mentioned attendance figures at the NGV and the museum. There were other successes at Scienceworks in Spotswood. They have all contributed in that period to very high levels of attendances — much higher than we have ever had in the past and much higher than we had expected.

The target for 2010–11 is a prudent increase on the target for 2009–10. Of course attendances are a function of a number of things. They are a function of how widely the events are spread across the country and the state. They are also a success of how well events are regarded by the population and that new people — additional visitors — turn up to arts events. Last year we were very successful. Places like the library — I think it has increased its visitations over the last five years in excess of 95 per cent.

You can see that Victorians — I mentioned the figures before — are going to arts events in greater numbers than they ever have in the past. In the conservative way of budget estimates, the estimates for 2010–11 are an increase on the estimates for 2009–10. I am hopeful that because of the program of events that is put in place that we will exceed the target for this year, just as we exceeded the target for last year. It is a variable thing.

Mr RICH-PHILLIPS — The question related to the actual outcomes and expected outcome rather than the targets. The expected outcome suggests a decline of 123 000 attendances. I am just wondering where is that occurring, what particular venue or which particular art discipline.

Mr BATCHELOR — We will just take that on notice. I have not got that detail with me.

The CHAIR — Sorry, what page was it again?

Mr RICH-PHILLIPS — It is the top of page 190; it is the first measure shown. You see the 2008–09 outcome was 8 527 000, dropping by 123 000 to — —

The CHAIR — In terms of the expected outcome.

Mr RICH-PHILLIPS — Yes.

The CHAIR — There is a footnote.

Mr RICH-PHILLIPS — Yes, the footnote relates to the targets.

The CHAIR — But the footnote relates to the outcome too; the footnote covers both things.

Mr RICH-PHILLIPS — It relates to the recital centre.

Mr BATCHELOR — It was not my period. I was not the arts minister then but I do — —

The CHAIR — No, the footnote relates in terms of the target relates to the recital centre. But the footnote in terms of expected outcomes relates to the Melbourne Winter Masterpieces programs.

Mr RICH-PHILLIPS — Yes, but there is a decline on the previous year. That is where we are looking at.

The CHAIR — I understand what you are saying. Minister, if you can — —

Mr RICH-PHILLIPS — If you can reconcile that change.

Mr BATCHELOR — The difference year on year between the target and the result in that outcome is a function of this oversuccess. You can see because of the success of the Melbourne Winter Masterpieces — I suspect this is the case, but I will get back to you to just confirm — I suspect that you can see in 2008–09 it was 8 500 000. It went along and the expected outcome for 2009–10 is 8 400 000. That is the question you are asking.

Mr RICH-PHILLIPS — Yes.

Mr BATCHELOR — I suspect, as I said earlier on, that it is a function of the fluctuating popularity of a particular program that is not run the following year. Melbourne Winter Masterpieces have been hugely successful and they are a function of how well people flock to them or not.

The CHAIR — Mr Rich-Phillips also asked about the recital centre. Are you happy with that?

Mr RICH-PHILLIPS — Just a footnote, yes.

The CHAIR — All right. That concludes the consideration of the budget estimates for the portfolios of energy and resources, and the arts. I thank the minister and the departmental officers for their attendance today. Where questions were taken on notice the committee will follow up with you in writing at a later date. The committee requests that written responses to those matters be provided within 30 days. Thank you, Minister.

Mr BATCHELOR — Thank you. See you next year.

Witnesses withdrew.