

# CORRECTED VERSION

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into budget estimates 2011–12

Melbourne — 13 May 2011

#### Members

Mr N. Angus

Mr P. Davis

Ms J. Hennessy

Mr D. Morris

Mr D. O'Brien

Mr M. Pakula

Mr R. Scott

Chair: Mr P. Davis

Deputy Chair: Mr M. Pakula

#### Staff

Executive Officer: Ms V. Cheong

#### Witnesses

Mr E. Baillieu, Minister for the Arts,

Ms H. Silver, Secretary,

Ms P. Hutchinson, Director, Arts Victoria,

Mr D. Carmody, Deputy Director, Agencies and Infrastructure, and

Mr G. Andrews, Deputy Director, Policy and Programs, Department of Premier and Cabinet.

**The CHAIR** — I now welcome Ms Penny Hutchinson, director of Arts Victoria, Department of Premier and Cabinet; Mr Dennis Carmody, deputy director of agencies and infrastructure, Department of Premier and Cabinet; Mr Greg Andrews, deputy director of policy and programs, Department of Premier and Cabinet; as well as Ms Bree Trevena, policy officer of agencies and infrastructure, Arts Victoria, who will be operating the presentation only.

I now call on the Premier to give a brief presentation of no more than 5 minutes on the more complex financial and performance information relating to budget estimates for the arts portfolio.

**Mr BAILLIEU** — What a pleasure. The arts portfolio is receiving an increase in budget expenditure of more than \$11 million in this budget, and that will go to addressing the economic significance of the arts in Victoria. With more than 900 000 international and 2 million interstate overnight visitors to Victoria, it is obviously critical. The winter masterpieces have seen \$160 million in economic benefits since 2004, and I acknowledge, for Mr Pakula's, Mr Scott's and Ms Hennessy's sake, the role of the previous government in establishing the winter masterpieces. I think it has been a great success. It has attracted good support, and I am not wishing to do other than that in regard to winter masterpieces. And if you have not seen Tutankhamen yet, go and see it.

**Mr PAKULA** — If we ever get out of PAEC, we might.

**Ms HENNESSY** — We feel like Tutankhamen in here, Premier.

**The CHAIR** — All good things come to an end.

**Mr BAILLIEU** — I look forward to the palaeontologists finding you in that chair in a suitably gold-embossed casket.

The arts festival draws significant benefit to Victoria, including the regions, whether it is the likes of the Bendigo gallery, the Ballarat gallery or the jazz festival, and there is obviously the contribution our libraries make.

Turning to the relative employment figures, the cultural industry in Victoria is a significant employer and a significant driver of the competitive advantage in this state. It has long been such, and we have to protect it. I have had my own involvement in the arts industry in the past, and I believe that the arts and culture in this state are really critical to what makes this state special.

Participation in the arts is significant, and that is shown in this table. Commentary on cultural capital in this state is widespread and very positive. We like to think of ourselves as the sports capital of Australia and sometimes the sports capital of the world. I would argue that we are also the arts capital, and that is not to be cocky about it. We need to make sure that we nurture the arts and culture in this state and above all that we make room and make way for the young artists of tomorrow, who will continue to drive this component of our economy and that aspect of lifestyle in Victoria which makes Victoria special.

We have to maintain our strengths across the board, and in this budget we are looking to do just that in a range of initiatives. I will not go over them all right now, but there is over \$70 million worth of significant initiatives in that regard. There are a number of items, including nurturing the young talent that will be the heart of the arts in Victoria in the future, transforming our communities, regional arts transformation, small towns transformation, sculpture initiative, community arts, community grants and boosting our competitive edge.

Our festivals are very much a part of the major events strategy in this state and the tourism strategy. We do have some fantastic festivals and some extraordinary arts institutions including young institutions which press at the edges, and that is how it should be. They contest the space and, again, that is how it should be.

We have a great legacy. I spoke about that right at the start of these hearings, and how significant it is to be discussing the legacy of this state in this particular building. I will leave it there, Chair, and invite questions from the members of the committee.

**The CHAIR** — Thank you very much, Premier. I return to a question I have asked more generally about the budget in relation to the whole of government, but specifically I ask: how have predictions concerning

population growth shaped the budget for 2011–12 and out years for the discharge of the arts portfolio responsibility?

**Mr BAILLIEU** — Without wishing to repeat myself on the subject of population, and I know Mr Pakula would like me to reprise it all, but I will not — —

**Mr PAKULA** — You are wrong about that actually, Premier.

**The CHAIR** — There is an invitation!

**Mr BAILLIEU** — You want to have another burst, I suspect.

**Mr PAKULA** — No, you are wrong about the fact that I would like you to.

**Mr BAILLIEU** — Suffice it to say with population growth there are obviously more Victorians and more diverse Victorians. With the multicultural community that we have in Victoria — and we are on a bipartisan base very proud of it — the opportunity for the arts to grow is obviously there, and the opportunity for a bigger audience is there. That applies to the new arts groups and institutions but also to those that have stood us in stead for so long.

The State Library of Victoria has experienced nearly 100 per cent growth in attendance on site and more than 100 per cent in online access over the last five years. That alone puts pressure on the facility. We have seen additional attendance at Scienceworks, and we have seen additional attendance at the gallery. We have also seen the growth over recent years of other organisations including organisations like NICA, the institute of circus arts, and some of the smaller galleries, and we have seen a proliferation of galleries in terms of the visual arts. That is a good thing, and it means that there are new groups, new institutions and new businesses contesting the space and testing ideas and taking them to the world. It means, in terms of challenges, managing the services to deal with the increased demand and ensuring that the additional facilities, such as the recital centre, the MRC, are managed in a way that maximises use and access.

Delivering services in outer suburban areas and regional touring is important in order to take culture to the arts, but there are also multicultural arts. One of the great things that occurs every year is the Premier's multicultural dinner. The contest there between multicultural groups to put on show particular performance arts — whether singing, dancing or musical — is healthy, fantastic and one of the most inspiring events of the year. But there are also opportunities from an arts point of view and from the point of view of the artist. There is a capacity for increased patronage and increased funding that flows, so there is potentially additional support available and the broadening of activities as well.

As we grow as a city and as our regional centres grow, the capacity to combine the arts and culture with other aspects of daily life, be they transport, urban growth or indeed architecture itself and urban design becomes critical. As I said earlier, we welcome population growth in terms of infrastructure and services, but we also acknowledge that there are opportunities there and we need to take advantage of them.

**Mr PAKULA** — Premier, on budget paper 3, page 132, the output initiatives include an output initiative of two lots of \$300 000 for Music Victoria.

**Mr BAILLIEU** — Yes.

**Mr PAKULA** — After which funding stops. That sounds a little bit like a lapsing program.

**Mr MORRIS** — Never.

**Mr PAKULA** — We have had minister after minister after minister this week lamenting lapsing programs, describing them all as black holes.

**Mr O'BRIEN** — No, myki is a black hole.

**Mr PAKULA** — I could ask you if that represents a black hole, but I will not ask that.

**Mr O'BRIEN** — Your projects were late and over budget.

**Mr PAKULA** — Mr O'Brien, really, back in your box!

**The CHAIR** — Now, steady. There is no need for that.

**Mr PAKULA** — There was no need for the interjection.

**Mr O'BRIEN** — You have been interjecting — —

**The CHAIR** — Mr O'Brien, enough! That is probably my fault. I have been a little bit relaxed. We are late in the afternoon, it is Friday.

**Ms HENNESSY** — A woman is not a panel, Chair.

**The CHAIR** — Mr Pakula to proceed.

**Mr PAKULA** — Page 135 says:

Funding is provided to support Music Victoria's operations and assist the industry organisation to become financially self-sustaining by the end of 2012–13.

My question, Premier, is: what are the activities that will assist it to become financially self-sustaining, and if that has not occurred by the end of 2012–13, will you guarantee to renew funding?

**Mr BAILLIEU** — I thank Mr Pakula for his question. I think the item in the budget is to a large extent self-explanatory. I had the opportunity to meet with Music Victoria. I recognise that it is a relatively new organisation that is seeking to bring together the interests of the music industry, and other jurisdictions have similar bodies which have a little longer tenure. It is the view of the government that Music Victoria should be supported in its establishment phase. At this stage they have a membership profile which is growing, I think it would be fair to say, but it still has somewhere to go, and it has a fairly light fee basis to it at the moment. I think Music Victoria is still reaching out to the music industry to establish its place as to where it fits.

We want to support Music Victoria, and we believe that as membership grows — and I am taking your question in good faith — and as the activities of Music Victoria take hold in the industry we would recognise that there are components of the music industry in Victoria which have the capacity to support Music Victoria in their own right and we look to Music Victoria to transition. We had meetings with Music Victoria on that basis, and I think it is fair to say that they are prepared to embrace that ambition.

**Mr MORRIS** — Premier, in your presentation under the 'Budget initiatives' heading the very first item identified in the presentation was the Victorian College of the Arts. It also appears in budget paper 3 at page 72. The question is: has the government provided funding to secure the future of the Victorian College of the Arts?

**Mr BAILLIEU** — I would like to think the Victorian College of the Arts was secure and that we have assisted in that process. There was some doubt about that two or three years ago, and at that time we stepped up to the plate and said, 'This is a treasured institution in our state and in our city'. It does great work educating people across a broad spectrum of the arts and all aspects of it, whether it is dance, music, sculpture or, indeed, ballet and a whole range of artistic endeavours; film and television — I have had some involvement myself in the past with the VCA film and television school. I have had an opportunity to tour the facility on many occasions.

In recent years a significant funding issue was identified. Various initiatives have been taken to try to address the uncertainty associated with the VCA, including the Switkowski committee, and there have been some changes made in the relationship with the University of Melbourne, and indeed the acts of Parliament that have passed through the Parliament in recent years had our support on the basis that there would be a continuing presence of the VCA and its sense of independence and self-determination was very much preserved, so we were keen to do that. We made our pre-election commitment to \$6 million a year over the next four years to support the VCA.

I had the privilege yesterday, and I have got to say the pleasure, of being down at the VCA very early in the morning. One might expect art students to be not as evident at that time of the morning as in some other activities around central Melbourne but, I have got to say, they turned up in droves.

**The CHAIR** — On their way home?

**Mr BAILLIEU** — They turned up in droves. They were in good spirits.

**Ms HENNESSY** — Dilated pupils?

**Mr SCOTT** — A bit of coffee.

**Mr BAILLIEU** — I was just going to say, many had their hands on a cup of coffee, and there was a surfeit of black T-shirts.

**Mr SCOTT** — Skivvies?

**Mr BAILLIEU** — I am not sure if we had a skivvy, but we had lots of black T-shirts there, as is the way. We were able to have a walk around there, and I have to say the commitment to the additional \$6 million of funding has been incredibly well supported by the students themselves, the staff and indeed the families. I was talking to a family member of a VCA student just this morning who is over the moon and had been advocating for this support before the election. I had the opportunity to speak to him this morning, a dance student, and he is very grateful.

The funding will go to support a range of activities: scholarships to attract some significant talent — and 60 per cent of those preserved for Victorians; a regional training program; a masters teaching series; a new graduate opera program; a music theatre program; and looking to bring the best expertise we can to the VCA over a longer term. There will be some support for infrastructure improvements at the Southbank campus.

In the same vein we have had the opportunity in recent days to join with VCA and other arts bodies in looking at the development of the precinct which the VCA currently occupies. Anyone who knows that precinct knows there are a number of very significant arts institutions in the precinct. There are also some fairly humble facilities. I have to say that is a great mix, but there is more we can do to enhance the precinct. We have set aside some money for master planning and development of that precinct. That too has been warmly greeted by the more mature arts institutions in the precinct, including ACCA, the MRC, the gallery, the arts centre, the MSO, the ballet and many others. They are all looking to work together to ensure that the precinct is as significant to Melbourne as the arts are to the whole of Victoria.

I make the point there we have some other precincts around metropolitan Melbourne. We have a sports precinct which is pretty special, and there is more that can be done to activate that precinct. We also have a significant business precinct, obviously, in the CBD and St Kilda Road, but the overlap with the arts precinct is one that presents fantastic opportunities for the future. I am sure and confident that the VCA will be at the heart of it, and at the heart of the VCA will be kids with energy and passion and love for the arts, testing the boundaries, pushing others out of the way — and that is how it should be — and making sure that the arts remain the perpetuator of and contributor to culture in this state.

**Mr SCOTT** — Premier, there are various grants in the arts funding programs. Would you be happy for Bill Henson to receive funding from any of these portfolio grants?

**Mr BAILLIEU** — I suspect Bill Henson wouldn't need a grant.

**Ms HENNESSY** — Come on, Premier, don't squib. We have been talking about testing the boundaries. Where do you stand?

**Mr ANGUS** — I refer you to budget paper 3, page 135, in relation to literature, and I just wonder if you can advise the committee what assistance is being provided to build Victoria's reputation in literature.

**Mr BAILLIEU** — We do have a pretty extraordinary situation where Melbourne is a City of Literature, and once again I do not begrudge a tribute to the previous government which sought and secured the designation of Melbourne as a UNESCO City of Literature. That brings with it certain opportunity and certain responsibilities. Melbourne has a proud history of being associated with literature. The Premier's literary awards are a part of that. They have been in place for many years. They have attracted bipartisan support, and we can go through various Premiers and acknowledge the various contributions. But a review of the literary awards has taken place. We will be recasting the literary awards, and that is to focus them on a narrower range of prizes to elevate

the principal prize, which will now be called not the Premier's prize but the Victorian prize for literature, which will be worth \$125 000 a year. That will make it the pre-eminent literary award in the country. That in itself is significant.

There will be five streams of awards feeding into that: fiction, non-fiction, poetry, drama, and writing for young adults, with the best overall work to receive a further \$100 000 — so five by \$25 000 with \$100 000 to the overall winner. From 2012 there will be an additional program with a \$15 000 award for an unpublished manuscript as part of the Emerging Writers Festival, and a \$20 000 biennial prize for indigenous writing to coincide with Indigenous Literacy Day in September. The total prize pool for the awards increases from \$180 000 to more than \$220 000 in 2011, and 260 in 2012. This will go a long way to assisting to secure City of Literature status and to making the Melbourne Writers Festival, which will be receiving \$400 000 in funding. That will ensure that the festival, which is growing in its interest and attraction, has the support of significant public attention.

**Ms HENNESSY** — Premier, if I could refer you to budget paper 3, page 13, which outlines the commitment to deliver the government's election commitments. When we go to budget paper 4, page 41, in relation to new arts capital projects, there is no provision made for the election commitment made to the Geelong community to provide \$30 million to upgrade the Geelong Performing Arts Centre. Can you indicate whether you intend to meet that commitment and when it is expected that that funding will be provided?

**Mr BAILLIEU** — We made a commitment to the precinct. We made a \$15 million commitment to the cultural precinct in Geelong, and a further \$15 million in the second term for the cultural precinct in Geelong. The \$15 million in the initial phase will be delivered in this term. As you rightly note, on page 13 of budget paper 3 the commitments will be met and honoured. We have been working with the stakeholders as to the best way to address that or to spend that \$15 million in this term, and we are close to a resolution with the various arts bodies in Geelong and the local council. Indeed the City of Greater Geelong is contributing \$20 million to the project. There are applications before the commonwealth for some additional funding. We look forward to this funding supporting the cultural precinct in Geelong, which includes the performing arts centre, the library and the heritage centre. I know there is a keen interest in this in Geelong. I have spent some time myself there — I worked in Geelong for a while. I have had an opportunity to look at these facilities on a number of occasions, including the gallery, and it is a fantastic opportunity to develop Geelong.

**Mr O'BRIEN** — In relation to the Music Victoria grant, I would also thank you. I had representations from that body and can confirm that what has been delivered is what they wanted, which was funding for a two-year program to get themselves established so that they can then be independent. For that, I know they are very grateful.

**Mr BAILLIEU** — It is nice to know that we are singing the tune, Mr O'Brien.

**Mr O'BRIEN** — Not necessarily — you are singing the Geelong tune, and I will leave that.

**Mr BAILLIEU** — Let's hope I will be before the end of the evening.

**Mr O'BRIEN** — Hopefully you will be singing it tonight. I would like to ask you, Premier, about the Premier's reading challenge. I refer you to page 130 of budget paper 3, and ask: why did you change the name of the Premier's reading challenge?

**Mr BAILLIEU** — This is one of those quirky little things that fall to a Premier. I had an opportunity shortly after we came to office to respond to requests from public servants who came to me and said it was time to renew the Premier's reading challenge. I said I wanted to change it, and the public servants looked at me somewhat quizzically, and arguably aghast, and thought that I had intended to in some way or other diminish the Premier's reading challenge. Far from it; I pay tribute to former Premier Steve Bracks, whose initiative this was.

I confess I know lots of kids who enjoyed the reading challenge, some very close to me who enjoyed the reading challenge. Indeed one very close to me said to me last year, having completed, I think, some 60, 70, 80 books throughout the challenge and having got his certificate, 'Is there any chance that you' — meaning me — 'might be able to give me my certificate next year?'. Perhaps he was prescient, but suffice it to say I thought then that this is too important to attach to any particular Premier. When the time came to speak with the

public servants who were addressing this issue, I said ‘I want to change it; I want to move the apostrophe’. It took a little while to sink in. The purpose of moving the apostrophe was to take this from the ‘Premier’s reading challenge’, being apostrophe s, to s apostrophe. I am sure this will be a timeless contribution in the Hansard transcript into the future.

**Mr O’BRIEN** — As a member with an apostrophe in their name, I am very grateful. Apostrophes can cause a lot of trouble.

**Mr BAILLIEU** — In the process, I took the opportunity to speak to all former Premiers, starting with Steve Bracks. They all agreed that this was a positive for the reading challenge. Once we got their agreement, we rang them back and said, ‘Would you like to come along and be in a photograph?’. We did that photograph under the dome of the state library; that in itself was a special effort, and I thank the former premiers. I know they were appreciative of the photograph that was taken. We took that opportunity to do that. The Premiers’ reading challenge will now be very much a history lesson for students, given that there will be a suite of former premiers involved — hopefully as long as possible in this current configuration. It is a lesson in grammar, a lesson in history and hopefully an inspiration to students to read more. Reading is at the heart of education; it is at the heart of ideas; it is at the heart of the great contest of culture.

**The CHAIR** — In a great show of bipartisan interest in the things that we do here, the Deputy Chair would like to ask a follow-up question, which is entirely innocent, relating to the funding.

**Mr PAKULA** — With your indulgence, Chair, and thanks to the Premier. I agree with the move of the apostrophe, by the way. Is the funding for it the same, or is it indexed over the forward estimates?

**Mr BAILLIEU** — I need to take advice on the funding.

**Ms SILVER** — I will have to take it on notice.

**Mr PAKULA** — That is fine.

**Mr BAILLIEU** — I will say there is no particular change to the funding as such. There was an event held down in Federation Square which attracted the attention of schoolkids from all over the place and suitably embarrassed the Premier of the day.

**The CHAIR** — Thank you, Premier. That concludes the consideration of the budget estimates for the portfolios of the Premier and the Arts. I thank the Premier and the number of departmental staff who have been here today. I have found it particularly interesting, and I hope all committee members have as well. Where questions were taken on notice and where there are unasked questions the committee will follow up with you, Premier, in writing at a later date. The committee requests that written responses to those matters be provided within 21 days.

**Committee adjourned.**