

# VERIFIED VERSION

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into Budget Estimates 2013–14

Melbourne — 24 May 2013

#### Members

Mr N. Angus  
Ms J. Hennessy  
Mr D. Morris  
Mr D. O'Brien

Mr C. Ondarchie  
Mr M. Pakula  
Mr R. Scott

Chair: Mr D. Morris  
Deputy Chair: Mr M. Pakula

#### Staff

Executive Officer: Ms V. Cheong

#### Witnesses

Ms H. Victoria, Minister for the Arts;  
Ms P. Hutchinson, director,  
Mr G. Andrews, Deputy Director, Policy And Programs,  
Mr M. O'Leary, Deputy Director, Agencies And Infrastructure, and  
Ms L. Fleet, Deputy Director, Strategic Communications and Marketing, Arts Victoria.

**The CHAIR** — We will resume the hearing with portfolio no. 50, the arts. I now welcome from Arts Victoria Penny Hutchinson, director; Mr Greg Andrews, deputy director, policy and programs; Mr Michael O’Leary, deputy director, agencies and infrastructure; and Ms Linda Fleet, deputy director, strategic communications and marketing. 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 VICTORIA** — This is obviously a real delight for me to be able to come and talk about the arts here in Victoria because Victoria is very much the leading state of the arts in Australia. Do not tell anybody in Sydney we said that, but they know I say it all the time. The arts make a significant contribution to Victoria. They boost the economy, stimulate business and tourism, create jobs, engage young people, celebrate our cultural diversity and contribute to the livability and social fabric of our communities. Arts Victoria oversees the state’s major cultural agencies, including Arts Centre Melbourne; the National Gallery of Victoria; the State Library of Victoria; the Australian Centre for the Moving Image, or ACMI; Museum Victoria; the Melbourne Recital Centre; the Geelong Performing Arts Centre, which I will call GPAC from now on; as well as the Public Record Office Victoria, which we usually shorten to PROV.

We are responsible for cultural assets and collections worth almost \$7 billion, which I am proud to say. We fund more than 100 arts and cultural organisations across the state and deliver grants to individual artists and groups for creative projects. The arts in Victoria happen right across the state, not just in metropolitan Melbourne. Every regional centre in Victoria has a professional performing arts centre or a gallery, or sometimes both, when they are lucky. This sets us apart from other states.

Since coming to government, we have invested in extending the arts throughout regional Victoria, including our smallest towns. We know this makes a difference to the livability and the prosperity of our communities. The arts are central to life here in Victoria and are valued by Victorians. Victorians participate in large numbers: 87 per cent of Victorians attend cultural venues or events, and 95 per cent of our children have the fortune of doing this as well. More than 8 million visitors a year to our state-owned cultural institutions make them a vibrant place, and more than 600 000 people — sorry. More than 300 000 people participated in the first White Night Melbourne — 600 000 next year, hopefully.

The arts make a significant contribution to our state economy. The Melbourne Winter Masterpieces exhibitions as a series have delivered more than \$320 million to the Victorian economy since 2004. The Bendigo Gallery’s Grace Kelly exhibition, which some of you might have seen last year, injected \$16.3 million into the region. The contribution of Victoria’s live music industry has been valued at over half a billion dollars a year.

It has been a busy period for the arts in Victoria. We have rolled out new programs at the Victorian College of the Arts, commenced construction on Circus Oz’s new home in Collingwood, completed the redevelopment of Hamer Hall, addressed critical storage issues for our valuable cultural collections and also undertaken capital works to ensure that our cultural institutions remain among the world’s best. We have also reformed the way government supports arts organisations. We have invested in regional arts initiatives, including the Small Town Transformations program, and boosted funding for a range of key arts organisations.

The total arts portfolio output budget for 2013–14 is \$480.6 million. This is an increase on last year of \$1.5 million. As the slide demonstrates, the major state-owned arts agencies represent the greater share of the budget. Our investment in grants and programs for the broader arts sector is also very significant. The 2013–14 budget includes a range of arts output initiatives funded over the next two years. They include strengthening the independent arts sector — you can see the amounts on the screen — the National Gallery of Victoria’s summer program, Arts Centre Melbourne programming support, building organisational capability at the State Library of Victoria and also PROV asset plan renewal. That is in addition to asset funding there. We have also given additional support to Music Victoria of \$250 000.

There are also three asset initiatives: the Arts and Cultural Facilities Maintenance Fund renewal of \$5 million, the NGV gallery renewal of \$4 million and PROV’s asset plan renewal of \$1.7 million — again, plus that 1.2 of output funding that we saw in the last slide.

Isn’t that a great slide? That was the MSO at the bowl, by the look of it. Fantastic.

**Ms HUTCHINSON** — It is, with about 8000 people there.

**Ms VICTORIA** — Only 8000. Could we not cram a few more in?

**Ms HUTCHINSON** — We probably could, a few more.

**Ms VICTORIA** — Good. We will do that next year. I am happy to take some questions, Chair.

**The CHAIR** — Thank you, Minister. We have got just on 20 minutes left for the estimates this year.

**Mr ONDARCHIE** — Minister, can I refer you to budget paper 3, page 37 in particular. I noticed also you touched on what I am going to ask you about on slide 9 just a moment ago. I want to talk about the output initiatives for the Department of Premier and Cabinet. Could you tell us how the newly funded NGV summer program will benefit Victorians?

**Ms VICTORIA** — There is no doubt that Victorians love their galleries, and we are so very proud of the National Gallery of Victoria. It is not only Australia's most visited gallery, but it is in the top 25 of the most visited galleries in the world; so I think we punch above our weight for a small town when it comes to population in comparison to the rest of the world. But of course there are so many reasons why people want to come to our gallery, and it is not just Victorians. Things like the Melbourne Winter Masterpieces, which is on at the moment — Monet's Garden. I hope everybody has had an opportunity to go and have a look at it. It is beautiful.

Events like Melbourne Winter Masterpieces as an exhibition series, and also White Night and things like that, have shown us as a city that really does know how to put on major events. They have the capacity to draw in thousands and thousands of people to the state and inject a lot of money into the economy through tourism. I am very pleased to say that of course this benefits all Victorians, right from the people who run the hotels to the farmers who grow the food to put on the table when people are eating out at restaurants.

Just as Victorians and visitors have embraced Melbourne Winter Masterpieces exhibitions over the last decade, the new NGV summer program will create what I think will be a flagship event for Australia over summer. The summer series will commence this year in November. It is called Melbourne Now, which I am very excited about, and this is by far the most ambitious of any exhibition to date featuring contemporary — —

**Mr ONDARCHIE** — Should I be writing all this down?

**Ms VICTORIA** — I can give you notes afterwards if you like, or there is a transcript. I will make sure you get an invitation. This will feature local contemporary artists. I think it is incredibly important that we show off what we have got, because we have got some fabulous artists. It will not only extend from NGV International through to NGV Australia, into the Potter Centre at Federation Square, but it will also be the largest exhibition curated by the NGV in its history.

They are going to start off the series with a focus, as I say, on local talent. Generally the focus has been on art in its various guises, but this year we are adding in design and film and fashion and architecture and all the things that we are so famous for here in Melbourne. This is going to provide an unprecedented platform for some of our wonderful creative community. It is also going to generate a lot of employment, and I do not think we can dismiss that in the arts community. There are going to be a lot of career development opportunities, as with White Night, and obviously there was a lot of local talent there.

In addition to attracting cultural tourists — who might be here at that time of year, over the summer period, to have a look at sport like the tennis — I think what we are looking for is crosspollination of what tourists are doing while they are here. There is going to be a really strong emphasis on children's activities and family activities. There will be lots of specially commissioned interactive projects throughout, so it is not just about displaying but it is also about creating. What we see throughout the world is basically a growing interest in contemporary art and design, and the NGV has identified that as a place of great interest and also a place where they can have audience growth. The investment by the state in this is about audience growth, but also about bringing the cultural dollar into Melbourne.

This is a commitment to presenting some of the world's freshest and most exciting art during the summer months and providing a new destination for that time of year for Victoria, and making sure that people who do

come to Victoria come for not just the sport but also to experience all the other wonderful things that we have to offer. It is about showing off, and we do it so very well.

**Mr PAKULA** — Minister, budget paper 3 in the output measures for arts portfolio agencies indicates that one of the significant requirements — —

**Ms VICTORIA** — Sorry, can I have a page reference on that?

**Mr PAKULA** — It is BP3, page 211. One of your aims in the portfolio is to ‘Promote, present and preserve our heritage and the arts through Victoria’s cultural agencies’, including the Geelong Performing Arts Centre. It is a centre which is in need of redevelopment, which your party acknowledged in the pre-election period. You made an election commitment to that redevelopment. Can you just indicate whether there is any funding in this budget to acquit that promise?

**Mr O’BRIEN** — On a point of order, Chair, the Deputy Chair has not accurately put the position of the election commitment to the committee.

**Mr PAKULA** — That is not a point of order. It is not your job to ask my question again.

**The CHAIR** — Order! I will rule on the point of order without assistance from the Deputy Chair, or indeed from anyone else, and I will rule now because we have limited time. It is the opportunity for any member of the committee to ask any question they like within the parameters of the estimates and the relevant portfolio. The question fits those parameters. How the minister responds in terms of the accuracy or otherwise of the way things are described in the question is entirely up to the minister, and I am sure she is very capable of responding in an appropriate manner.

**Ms VICTORIA** — Thank you, Chair. I would have to say I agree with Mr O’Brien; the question was not quite right, but I am happy to tell you why. There was a commitment in the 2011-12 state budget that the government gave to the redevelopment of the Geelong cultural precinct. At the time, the community was given the opportunity to decide where that money was spent. They were very clear — they got together, and I think it was G21, the council, certainly the Committee for Geelong — —

**Mr O’BRIEN** — The Committee for Geelong.

**Mr PAKULA** — Would you like to sit over there and — —

**Members interjecting.**

**The CHAIR** — Order! Do we really want to have a suspension when we have got 8, 10 or 12 minutes to go?

**Mr PAKULA** — I stopped when you stood up.

**The CHAIR** — I know you did.

**Mr ONDARCHIE** — You are still going, though.

**The CHAIR** — Mr Ondarchie, you are tempting fate for the whole committee when you do that! The minister, to respond without further assistance from any quarter.

**Ms VICTORIA** — There were certainly those organisations that I talked about but also the cultural organisations down there. Obviously there is a very good gallery down there, and there is GPAC, the library and the heritage centre that was there — all that sort of thing. They got together and decided with the community what they wanted to spend that \$15 million on. We gave a commitment to Geelong that we would spend \$15 million in that area. They had the choice whether they would spend it on GPAC or whether they would spend it on the gallery, for example, and they made a decision that they wanted a new library and cultural and heritage centre, which I am pleased to say is now being developed. That is in conjunction with commonwealth funding and also council funding.

We continue to support GPAC in their operations, and we have boosted their annual funding this year. In the last couple of financial years we have also provided a lot of money — in fact over \$2.5 million — towards capital works at the performing arts centre down there. The people of Geelong spoke; they decided what it was that they wanted to do with that money, and, yes, that money is committed.

**Mr PAKULA** — This is from the *Geelong Advertiser* of November 2010, ‘The coalition promises coming our way’. This is the coalition’s promise:

Provide \$15 million for redevelopment of Geelong Performing Arts Centre.

It might be that you are suggesting that the Addy got it wrong, Minister, but that is what was in the Addy on 30 November. My simple follow-up is — and I think I know the answer, because you have said that the money has been committed — so even if the federal government makes a contribution towards the Geelong Performing Arts Centre, is there any state government matching funding in the wind in those circumstances for GPAC?

**Ms VICTORIA** — Each proposal comes to us and is assessed at the time. I do say that the *Advertiser* got it wrong on that occasion. There was no commitment, there was no media release, there was nothing said about giving \$15 million to GPAC. I think they might have had their wires crossed. The \$15 million was for the cultural precinct. I am aware of the article that you are referring to. That was not a commitment given by the then to-be Baillieu government.

**Mr O’BRIEN** — In the context of the 2013-14 budget and further to your answer, could you please outline to the committee examples of investment in the arts and cultural assets of Victoria which will either be commenced or completed in the 2013–14 year?

**Ms VICTORIA** — I thank you very much for that. We have a very proud history of being able to invest in infrastructure in the arts, and that has been across successive governments of various persuasions. Obviously the arts predominantly have bipartisan support, I am delighted to say, but our capital infrastructure program in the pipeline is very strong. We have several infrastructure projects already earmarked, and I will go through some of those. We have committed \$10.7 million in the 2013–14 budget for infrastructure projects that will commence this year.

The new home for Circus Oz in Collingwood is already well under way. If you have not been down there, it is in Johnston Street, and it is going to be very exciting. At the moment it is a hole in the ground, but it is going to be an outstanding home for what is obviously an internationally recognised circus and some amazing performers down there. We expect that to be opened at the beginning of 2014. This will not only give them training and rehearsal space, but there will also be opportunity for them to perform, because they will have room for their Spiegel tent to be on site there as well. As I say, that one is under way, it is on schedule and I am very pleased to say it is running just under budget.

Of course there has been a lot of talk and speculation about the Southbank blueprint project. It is in its planning process. It is very complex, but we have engaged all of the major art institutions in the area. Also Melbourne University has been the lead training institution in the area, and all three levels of government have been able to get together to talk about how we pave the way for future development in our world-class arts precinct. It is important that we do not just stagnate. We are one of the world’s great arts precincts, and we have got to make sure that that is refreshed and renewed on a constant basis. There will be a number of key infrastructure development projects that could emerge from this process, and I look forward to being able to show that blueprint off in the very near future.

We have also got work commencing on the National Gallery of Victoria, both campuses — both at St Kilda Road and also over at Federation Square. I have committed \$4 million in the 13–14 budget which will improve the visitor experience. We were talking before about the NGV and the summer series and things like that. There is no point in having the world’s best exhibitions and collections if we do not have the space to show them off or if we do not have the best possible exhibiting spaces, so that \$4 million will go a long way to making sure that the state collection can be displayed beautifully and in the most modern way. Obviously it is not just about those who have walked in the door; it is about getting new people through the door all the time, so we have got to keep it fresh and exciting. Also you might know the external facade; it looks like a big grey Lego brick. It can be quite daunting at night, and it is quite a dark area of that beautiful precinct, so it is now going to be illuminated as part of this investment.

There are also major capital maintenance works projects in process at Arts Centre Melbourne, at GPAC, at Melbourne Museum and also commencing shortly at the state library, which is our oldest cultural institution here in Victoria. Also the Public Record Office Victoria is undertaking some new works, as is the Royal Exhibition Building, which is also funded out of these works. Some of these works will commence — and some of them will continue through — in 13–14. There has also been a \$5 million budget allocation towards asset renewal and maintenance so we can address critical capital works across more than 20 state-owned cultural facilities. There is an awful lot of money being spent, but there are an awful lot of things we are doing in that space.

**Mr SCOTT** — On page 210 of budget paper 3 there is a performance measure, ‘Grant recipients who met or exceeded agreed outcomes’. I understand that as of 7 May the government announced a new VicArts grant program, which subsumes eight funding streams for existing programs into a single program. Can the minister advise the committee whether there will be any reduction in funding between the previous funded programs and the new VicArts grants program, and whether that grants program includes all the components of the pre-existing eight programs?

**Ms VICTORIA** — That is a very interesting question, because the details of that have not yet been released, and this is not the forum for me to release them in. It is a rejigging of our grants system, and I am really pleased that this is something we have been doing on a consistent basis since coming to government. Certainly when former Premier Baillieu was arts minister he decided that organisational funding, which again is on an ongoing basis, should be rejigged. It had not been looked at for some 30 years. The grants process had also not been looked at for a long time, and a lot of people complained to me — and I have met with I do not know how many hundreds of organisations over the last three or so years — that they were not able to get a look-in, either in what we are now calling the Organisations Investment program or its predecessor, as to whether they could get into the grants. They were complaining that sometimes the parameters of our grants programs were too narrow and that they excluded a lot of types of artists. Basically, they did not fit; that is what it came down to.

I am very pleased to say that we have been looking at ways to target our support in the arts sector since coming to government to make sure that we streamline processes and ensure that the Victorian taxpayer gets the most bang for their buck. We have got to make sure that we spend taxpayers dollars wisely, basically. Following the successful introduction of the Organisations Investment program — we call it the OIP, and if you do not mind, I will call it the OIP, because it is kind of large — which I have to say was very welcomed by the sector, we are now streamlining and revitalising the way we invest in creative projects and also in the careers of our local artists, which is exactly what you were referring to.

The new contestable VicArts grants program will replace eight separate Arts Victoria funding categories, which had 17 funding rounds per year. This will be far simpler. It will be a much more simple program that will allow greater scope for applicants. It will encourage innovation. It will reduce administrative duplication — so, again, better use of state money — and it will be very broad in scope, but we will also be able to specify priority areas for the funding to make sure that it is in line with the government’s agenda.

There will also continue to be streams for contemporary music, which is one of our state’s great creative strengths. Of course that is an area we would love to continue to nurture. Nobody is going to be missing out, is what I am saying here. The funding programs had become very complex over time; basically it was unworkable. It was very restricted in who could apply and in its requirements. The new program eliminates this. It allows for a much wider range of programs to be considered. I am very pleased that this is something we have been able to do.

The process of applying for a grant is going to be made much simpler under the new program, moving from a paper-based system — which believe it or not we have still been working with — to a much simpler online portal. That has been trialled, and I believe so far it has been successful. There will be a cutting of red tape. There will be an easier method for applicants to apply. It means they will actually be able to put their effort into their art rather than spending time applying for grants. In due course this will all be published for the arts community to celebrate alongside us. That will not be in the too distant future.

**Mr SCOTT** — I have a very brief supplementary. This is the Public Accounts and Estimates Committee where we, on behalf of the Parliament, seek to explore how money is spent. I think it is reasonable at the very

least to provide — and if it is not available now, on notice — the quantum of money which is to be spent on a particular outcome if you cannot provide the detail.

**Ms VICTORIA** — In answer to the supplementary: is there a cut to grant funding?

**Mr SCOTT** — No, what I asked for is: can we be provided the quantum of money which is to be spent on this particular program in the 2013–14 year?

**Ms VICTORIA** — Pretty well the same amount.

**Mr SCOTT** — No, the amount.

**Ms HENNESSY** — That does not cut it. The figure.

**Mr PAKULA** — The dollar figure.

**Ms VICTORIA** — Yes, I can give you the dollar figure.

**The CHAIR** — Minister, would it assist you to take that matter on notice?

**Ms VICTORIA** — No, I am happy to say \$3 million.

**The CHAIR** — Thank you. That concludes the hearings on the budget estimates for the arts portfolio. There were some questions taken on notice earlier in the day. I think there was one question for women's affairs and four questions for consumer affairs, including two on the same subject from Mr Scott. We will write to you with those details. We do request a response within 21 days, if at all possible, in order to permit timely reporting for the Parliament.

Just before I close the hearings can I thank all the participants over the last two weeks. I particularly want to thank the committee staff, parliamentary staff and Hansard for their efforts. It has been a marathon.

**Ms HENNESSY** — Wayne Swan — let us not forget him.

**The CHAIR** — Order! No, I will not be making that particular comment, but I do want to acknowledge the contribution of all members of the committee as well. It can sometimes be testing, but we survived, so thank you all very much. The budget estimates hearings for 2013–14 are concluded.

**Committee adjourned.**