

# VERIFIED VERSION

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into Budget Estimates 2015–16

Melbourne — 19 May 2015

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#### Witnesses

Mr Martin Foley, Minister for Creative Industries,

Mr Richard Bolt, Secretary,

Ms Sue Eddy, Lead Deputy Secretary, Financial Management and Technology Services Group,

Mr Andrew Abbott, Deputy Secretary, Creative Victoria, and

Mr Michael Hudson, Director, Design and Screen Industry Development, Creative Victoria, Department of Economic Development, Jobs, Transport and Resources.

**The CHAIR** — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2015–16 budget estimates. All mobile telephones should now be turned to silent.

I would like to welcome today the Minister for Creative Industries, the Honourable Martin Foley, MP; Mr Richard Bolt, Secretary of the Department of Economic Development, Jobs, Transport and Resources; Ms Sue Eddy, Lead Deputy Secretary, Financial Management and Technology Services Group; Mr Andrew Abbott, Deputy Secretary, Creative Victoria; and Mr Michael Hudson, Director, Design and Screen Industry Development, Creative Victoria.

All evidence is taken by this committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Any comments made outside the hearing, including on social media, are not afforded such privilege. The committee does not require witnesses to be sworn, but questions must be answered fully, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

All evidence given today is recorded by Hansard. You will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, PowerPoint presentations and handouts will be placed on the committee's website as soon as possible.

Departmental officers may approach the table during the hearing to provide information to the witnesses if requested, by leave of myself. However, written communication to witnesses can only be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way.

Members of the media are to observe the following guidelines: cameras must remain focused only on the persons speaking; operators must not pan the public gallery, the committee or witnesses; and filming and recording must cease immediately at the completion of the hearing.

I now invite the witness to make a very brief opening statement of no more than 5 minutes. This will be followed by questions from the committee.

### **Visual presentation.**

**Mr FOLEY** — Thank you, Chair. I thank the members of the committee for the opportunity to put forward our arguments as to why the Andrews Labor government is bringing a vision for the creative industries to this state as part of this budget.

This is a portfolio that brings together Victoria's strengths in a combined portfolio across former portfolios of arts, culture, screen and design industries. By creating this new portfolio we aim to build our cultural and creative base around the principles of access, building audiences and supporting practitioners. We seek to maximise the value that these industries bring to Victoria. We want to increase collaboration within, across and beyond the industries set out in this portfolio, and we want to strengthen our creative and cultural leadership across the state.

Positioning this portfolio within the department of economic development acknowledges that the creative industries are among our fastest growing sectors and they have an important role to play in our economic future, driving innovation, jobs and growth. This is in addition to their core social and cultural value. We have established Creative Victoria as a new body to support and grow these industries and to work across government and the community to maximise their many values. We have embarked on the development of Victoria's first creative industries strategy to set a bold course for our future.

The creative industries bring many values to our state. In direct economic terms, creative and cultural industries contributed some \$22.7 billion in 2013 figures, representing some 8 per cent of our total economy. This is more than construction and close to manufacturing. They also account for almost 8 per cent of the total employment in the state, employing about 220 000 people, compared to some 210 000 people in construction and 225 000 in manufacturing. The creative industries are also growing faster than the broader economy. If historical growth rates continue, the value of Victoria's creative and cultural economy is set to almost double in the next decade and provide some 90 000 additional local jobs. Victoria's creative industries generate exports, mostly in the services sector, to the tune of some \$1.4 billion; and they attract cultural tourism worth \$1 billion.

The value of creative industries in Victoria extends well beyond these dollar figures. They are really central to our identity, our sense of self and the livability of our communities across the state. They are key to our social cohesion and to our productivity.

Our vision for Creative Victoria and the creative industries in this state is ambitious. We have set some clear objectives. We want to nurture, develop, attract and retain the best of our creative talent. We want to make Victoria a leading international centre for creativity and culture. We want to ensure that all Victorians benefit from a vibrant creative sector culturally, socially and economically. We want to grow Victoria's creative and cultural economy and the jobs of the future.

Our commitment to the future growth of creative industries is reflected in this budget, which delivers significant initiatives totalling more than \$200 million over the next forward projections. This is the largest boost to Victoria's creative industries since 2009–10 and is one of the most comprehensive funding packages. It delivers for families and communities right across regional and rural Victoria, as well as our metropolitan communities. It creates employment opportunities in the arts, live music and across the screen sectors. It supports long-awaited upgrades to cultural institutions at the heart of many of our communities. It supports the programs that encourage young people and those from culturally diverse backgrounds. It provides funding certainty for our vital small-to-medium and independent arts sector. It supports signature events and programs that bolster cultural tourism and Victoria's reputation as Australia's creative and cultural capital.

The creative industries portfolio is responsible for state-owned assets valued at some \$2 billion and includes a range of iconic institutions, cultural facilities and venues right across the state. The budget provides a total of \$123.4 million for asset initiatives that will ensure that our cultural assets are not only amongst the best in the world but they deliver the most possible opportunities for as many Victorians as possible.

We have committed some \$55.4 million to the redevelopment of the State Library of Victoria, transforming it into a 21st century education and knowledge centre and as a centrepiece of our education state plans. This important project will increase the public space at the library by some 40 per cent, including the new dedicated area for children and families and the restoration and reopening of the historic Queen's Hall. There is also \$30 million for the long-awaited redevelopment of the Geelong Performing Arts Centre — a critical investment in Geelong's civic and cultural infrastructure and important to the future of that city. This will address significant disability access issues at the 34-year-old centre and create new and invigorated spaces and facilities.

There is also \$18 million to enable Museum Victoria to continue to innovate and create world-leading exhibitions at the Melbourne Museum, Scienceworks and the Immigration Museum. Between them, these three museums attracted 1.8 million visitors last year and engaged over 250 000 students in their education programs. There is also \$5 million a year for the next four years to care for and maintain our valuable portfolio of cultural assets, which include facilities such as the Heide Museum of Modern Art, the Australian Centre for Contemporary Art and the Malthouse Theatre.

The budget also includes \$78.2 million over the next four years for a range of output initiatives that will stimulate creative activity, develop local skills, capability and talent, and deliver the job opportunities right across the state. Over the next four years we have committed to \$12.2 million for Music Works, a multifaceted new package of initiatives for Victoria's live music industry, including support for local artists, live music venues, skills development and export opportunities; and \$26.5 million to strengthen our renowned and diverse independent music sector and arts sector more broadly, and this package secures funding for artists, small to medium arts and cultural organisations, for education, youth and multicultural arts programs.

There is \$20 million to expand arts opportunities across the regional parts of Victoria, including a new major touring initiative, a new regional centre for cultural programs and new funding for community engagement activities. There is also \$9 million for the National Gallery of Victoria's blockbuster summer exhibitions and programs, which are a major tourism drawcard, as well as a major destination for Victorians.

**The CHAIR** — The minister to conclude his presentation.

**Mr FOLEY** — There is \$4.9 million equally for other areas. Perhaps I will conclude there and that the other slides in the presentations are taken as read. I am happy to take any questions.

**The CHAIR** — Thank you, Minister, I will lead off. I refer the minister to pages 19 and 36, budget paper 3, where key commitments announced in *Labor's Financial Statement 2014* are delivered. Can you provide an update on implementation in relation to these commitments?

**Mr FOLEY** — Thank you, Chair, I am happy to do so. I might make some general comments and I am happy to follow them up with details should the committee wish. The Andrews Labor government was elected on the back of a strong set of commitments to our creative industries and cultural facilities right across the state. I have highlighted some of those in the material that we have presented here in the presentation, but I can just whistle stop a few of the key ones. The \$30 million to fund our commitment to the Geelong Performing Arts Centre, which will be delivered through the regional jobs and investment fund, is a critical part of our longstanding commitment to that facility and recognises that it plays a role well beyond just Geelong and draws significant interest and support from the west of the state. This will refresh and create new accessible spaces, as well as addressing disabled access issues, so that it can continue to be and take to a new level its role as the creative hub for Geelong and the surrounding region. We began that work pretty much straight away in December, and we are now in the position of procuring architectural services for that.

As I indicated, there is also funding for the State Library of Victoria redevelopment — \$55.4 million towards an overall cost of \$83.1 million, with the balance coming from a partnership of philanthropy and corporate support. That planning is already underway and last month we announced the processes whereby the refurbishment of its wonderful Queen's Hall, which in fact was the first reading room of the state library, has commenced.

We have also started to roll out the \$22 million Music Works package, which is a combination of program and capital support. Page 19 of budget paper 3 sets out the \$12.2 million of this package, to be rolled out over four years, to support local artists, live music venues, skills development and quick turnaround export opportunities for young emerging artists. That program has started to roll out, we have appointed key staff and we expect that the first round of these new music grants will be advertised in the second half of this year.

The other part of that program is the \$10 million in capital funding for the music hub location, which will be allocated once consultations and the business case to determine the best use of funds have been established. There is also, which I was particularly pleased to see and which we supported at last night's Multicultural Arts Victoria annual general meeting, \$150 000 allocated through *Labor's Financial Statement* to undertake a feasibility study through Multicultural Arts Victoria for the House of World Cultures idea, and this study will be completed over 2015–16 in consultation with our diverse multicultural communities. That gives effect, in large effect, to our election commitments last year.

**Mr MORRIS** — Minister, I refer you to budget paper 3, table 1.6, page 19. This table indicates pretty clearly that at least seven key creative industries programs will not survive beyond this current financial year. In the interests of time, I will not read them, but it is certainly part of the narrative of what appears to be a \$13.5 million cut to the arts in this state. Does the axing of those programs indicate that the government is unwilling or unable to give funding certainty to the arts in Victoria?

**Mr FOLEY** — Thank you, Deputy Chair. I am afraid your assessment is not correct.

**Mr MORRIS** — I am pleased to hear it.

**Mr FOLEY** — What the table on page 19 shows us is the fact that there is in fact record investment in this forthcoming period for our diverse cultural institutions and programs across the state. What we have done, which I pointed to briefly in my presentation, is we have rolled out a Creative Industries Strategy Taskforce and Reference Group, which has already commenced work, and which we have charged — under the chair, the CEO of Melbourne University Press, Louise Adler — with the task of putting together a creative industries strategy, which will also include within it an arts and culture policy for the state.

The former government had no policy framework identified or put out through consultation with the sector to guide what Victoria's policy activity and the reasons for investing in this area were. The task force and reference groups that we have set up are currently engaged in consultations with the sector, and we have scheduled these across the state over coming months. That will report back to government this year so as to inform a wider strategy around the new reasons for having established the portfolio in the way that we have so as to feed into the subsequent policy determinations and budget settings as we roll out that strategy in the coming years of this government.

I would say that what we have got in this budget is a record investment in the cultural and creative industries and the cultural economy of this state. We will then, once we have set that policy framework for the sector, be able to build on that rather than make cuts. So it is my expectation, with the greatest respect, that what we will be doing is building the sector's capacity, delivering on our election commitments and making sure that the creative and cultural sectors of our state drive not just our cultural identity and our local stories but our regional development, our tourism and the knowledge-based economy of the future, and that will not be done in the manner, perhaps, that you have suggested.

**Mr MORRIS** — Certainly there is record lack of certainty. There is no funding certainty at all and certainly no funding committed across the forward estimates. Minister, as your government has rebranded some cultural activities as 'creative industries', could you indicate to the committee why the participants in these industries deserve less certainty than other industries, when forward investment, as we all know, is calculated and committed over many years into the future?

**Mr FOLEY** — I am happy to throw to the other officials here for further detail, but I will make a few general comments. Just to reiterate my earlier comments, what this budget delivers is a record delivery of both recurrent funding and capital into programs and into facilities right across the state. What we are positioning to do is to make sure that once we have in place a statewide sector-supported and community-supported policy framework that sets the rationale for why we do what we do, why we partner with other levels of government, why we partner with philanthropy and the corporate sector so as to inform those judgements — whether it be the screen industry, whether it be in cultural tourism, whether it be in our key facilities or whether it be with the visual arts sectors and all the different components of the creative industries area — we can take investment and support to new levels. I would simply refer you back to my opening comments to your key question and suggest that perhaps a proper assessment of all the evidence before us runs contrary to the argument you have put forward.

**Mr MORRIS** — No funding forward commitments across the forward estimates.

**Ms SHING** — Wow. Okay; we have finished that, then.

**The CHAIR** — Order!

**Dr CARLING-JENKINS** — Thank you, Minister. As a singer in a former life, I certainly appreciate this portfolio and I appreciate your presentation. I would like to draw your attention to a couple of the points you mentioned in your presentation, and they are in budget paper 3 on pages 19 and 36, around the state library redevelopment, particularly the state library's flexible service model, which you have described on page 23, saying it will be able to 'adapt to demographic, social and technological changes'. I note that in your presentation you described access as a principal aim, and as you know I share that passion for access for people with disabilities. I would like to ask: can you describe for the committee how you will ensure genuine access for people with disabilities through this redevelopment and through this flexible service model, keeping in mind that of course accessibility is more than just physical access — not just ramps into the building — but it also relates to communication accessibility, such as hearing loops and clear signage, and even the ability to be able to get your books and laptops into different rooms?

**Mr FOLEY** — I might make some general comments and then ask my officials to go into further detail. Yes, you have identified the key parts of BP3 that talk about the development process. The state library commitment is really to take that more-than-150-year-old cultural institution, which is one of the most visited places across our state, to a new level of accessibility. It is important to have it physically accessible, as you say, and that is more than ramps and accessibility in that way, it is also the access of levels of services once the facility is up and running. Our board that is leading the development, the state library board, is very attuned to all of those requirements, and indeed if we are serious about making sure that it is accessible to a new generation of Victorians, particularly as we age and the number of disabilities in our community rises, we need to ensure that not just the physical space but the digital presence and the range of services that it delivers both in-house and across the state are accessible to all Victorians, particularly those from the regions.

Part of the process is to include a digital link, where the state library will partner with Telstra so as to ensure that all of our public libraries across the state's network have access to conferencing facilities with direct links back to the facility. We will have a dedicated children's area. It will reopen the Lonsdale Street area, which has been closed for many years now, and it will seek through that process of bringing to a 150-year-old location

21st century accessibility areas for all Victorians, young, old and people with different abilities, as well as acting as a hub for the many thousands of students of all ages who use it every day of the week. But I might ask my officials to turn their attention to any supplementary items on that, perhaps Mr Abbott?

**Mr ABBOTT** — Only to add that the redevelopment that will take place over the next four years will ensure enhanced disability access. And there is obviously a challenge for a building built in the 1850s to be disability compliant, and part of the redevelopment will ensure enhanced access.

**Dr CARLING-JENKINS** — I note that you mentioned access to services as part of the flexible service model that will be part of the budget item there for the state library. Can you describe if part of that is around staff training, because obviously staff have quite a big role to play in the library as to making the library space accessible for people with disabilities. So would part of that model take that into account?

**Mr FOLEY** — It is my expectation that that will be the case. Having spoken with the chair of the library in great detail — and with other staff members — both in the presentation of the policy and subsequent to our public announcement last month of the rollout of this, I know it is first and foremost in their minds about ensuring that this much-loved cultural icon of our state is seen as much, much more than a library as a site just for a collection of books and an infinite number of the state's resources. They want to take it to a new level of being a key learning centre, a key level for services for children, for learning around entrepreneurial skills, for access to the community wherever they be across our state and, in that regard, making sure that there is suitable training, whether it be for children, whether it be for seniors, whether it be for people with different abilities. These are all high on the list of where the library needs to and, more importantly, wants to take this opportunity.

A 150-year-old or 160-year-old cultural institution, which when it was first set up simply had one requirement — that you come with clean hands to the facility — now needs to make sure that it takes its rules of accessibility to a whole new level, and that means making sure that the professional, well-trained staff at the facility are able to be accommodating for all Victorians. And I am confident that they are.

**Dr CARLING-JENKINS** — Fantastic. Thank you.

**Ms SHING** — Good morning, Minister. Good morning, departmental officials. Minister, I would like to take you to budget paper 3, page 19, which I think we have stuck on for the duration of this discussion to date. Could I ask you to outline the initiatives contained in the government's new regional arts and culture package, which you referred to also in your presentation in terms of the initial and ongoing investment, also in terms of the program delivery set out in the line items later in your presentation.

**Mr FOLEY** — Thank you. I am happy to do so. The role that culture, creativity and the arts play in the lives of all Victorians is central to who we see ourselves as being, and I was pleased recently to package up the regional and rural parts of this budget arrangement into a contribution where we can point to the fact that across Victoria's regional creative sector the already existing \$1.8 billion in growth value and 8 per cent of our regional employment can be added to through some important processes that this budget puts in place.

When you add up the contributions in this year's budget papers there is a \$20 million boost over four years to the cultural services and facilities across rural and regional Victoria. There is the increased support for Victoria's network of over 40 regional arts galleries and performing arts centres targeting audience development, as a particularly important role, and this will include initiatives which build cultural tourism across our state. I particularly note the member who looks after the area of Sale and the important work that has been done in the port of Sale.

**Ms SHING** — Plus the other member who looks after Sale as well.

**Mr FOLEY** — Both members who look after that important facility — and the work that will be part of that area there. There is new support for projects which engage communities in the professional development of arts to achieve wider social outcomes. This will include programs to be supported that have in recent years targeted bushfire relief and, to pay credit where it is due, to reinvigorate and hopefully take to a new level the important Small Towns Transformations project. I must admit that I was particularly taken with the zombie apocalypse coming to Ouyen when I saw that last year. That has got to be one of the better programs that Regional Arts Victoria has delivered and brought communities along with it.

There is also the establishment of a regional centre for cultural programs, which will focus on investment in the arts and cultural activities in a particular designated town or region for a year's worth of programs. This will not just be key cultural players from Melbourne coming to town and then departing again. It will focus on highlighting the strengths of that local community and whatever curatorial issues they might well have there so that there is a lasting role in making sure that the cultural sectors and the creative industries of that particular community are built up and endure over time, particularly for young people. This is nothing new.

All of those communities across the state that have a focus in regional Victoria around the cultural sector already have a very strong presence in this area. This is about trying to take it to a new level, whereby not just the stories that are important for those communities about who they are themselves and their particularly unique features, including, I have got to say, the strong presence of an Indigenous cultural role in many of those communities, but also how they can take that to a new level and build it. It is not just about who they are but who they can be in the future through a stronger cultural sector, stronger links to education, stronger links to community and build what we have is part of a vision for a statewide strengthening of our cultural sector to make sure that it tells not just a cultural story but a local story and a story of economic development for the future.

Some of the programs in terms of bringing it to the regions will include well-known, Melbourne-based organisations, which increasingly will be encouraged to get to the regions, whether it is the Melbourne Theatre Company, the Melbourne Symphony Orchestra, Chunky Move or the National Gallery of Victoria; they will all be part of that program. Brought together this arrangement of different packages will really seek to take our regional and rural cultural sectors not just as an audience development but as opportunities for those communities to participate in their own cultural development as well. This is a key part of making sure that all parts of Victoria are not just vibrant culturally but are important parts and is an important contribution to making sure that all corners of our state are vibrant, livable regions.

**The CHAIR** — Thank you, Minister. I would like to thank the Minister for Creative Industries, the Honourable Martin Foley, for his attendance, as well as Mr Bolt, Ms Eddy, Mr Abbott and Mr Hudson. We will now move to the equality portfolio.

**Witnesses withdrew.**