

# CORRECTED VERSION

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into 2002–03 budget estimates

Melbourne – 18 June 2002

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#### Witnesses

Ms M. Delahunty, Minister for the Arts;  
Mr Y. Blacher, Acting Secretary;  
Mr D. Carmody, Acting Director, Arts Victoria; and  
Ms M. Katsonis, General Manager, Policy and Industry Development, Arts Victoria, Department of Premier and Cabinet.

**The CHAIRMAN** — I welcome Mr Dennis Carmody, acting director, Arts Victoria; Ms Maria Katsonis, general manager, policy and industry development, Arts Victoria; and Mr Blacher, acting secretary, Department of Premier and Cabinet. Minister, are there any brief comments you would like to make to the committee prior to going to questions on the arts portfolio?

**Ms DELAHUNTY** — Yes, thank you very much, Mr Chairman. I would like to make some preliminary comments, if I may, in presenting to the committee the 2002–03 estimates for the glorious arts portfolio.

The objective of the arts portfolio is to deliver services and programs to enhance the contribution of the creative industries within the Victorian community. We recognise in the work we do in the arts that the arts broadly make a very, very strong economic contribution to Victoria. To give the committee a quick example of that, the latest figures from the Australian Bureau of Statistics show that the value of goods and services supplied by the Victorian arts and cultural industries is nearly \$5 billion. So the arts are not frippery, the arts are not an add-on, the arts are central to a robust civilised society and they also have strong economic benefits to this community — over 63 000 Victorians are employed in the cultural industries. Victoria has significant cultural assets at a value of around \$2 billion for which the government has the responsibility as custodian and manager.

The arts also contribute centrally to the development of a civil society. We have great participation in the arts in Victoria: 80 to 90 per cent of the Victorian population attend a cultural event or venue. Volunteering is very strong in the Victorian arts community, with 323 000 Victorians volunteering more than 65 million hours of unpaid work. So the arts are important socially and economically.

Turning to the 2002–03 output initiatives, the budget delivered new funding of \$17.2 million over four years for the Melbourne Museum; \$2.7 million for the Victorian electronic record strategy for the effective management of government electronic information resources, and this is important to ensure that vital records of government are not lost or degraded; \$2.8 million to the state-owned facilities, including the contemporary arts centre at 111 Sturt Street and the Heide Museum of Modern Art further out; \$4.18 million over four years to the State Library of Victoria for operational costs associated with the grand new redeveloped spaces that will soon be opening for the storage of maps and rare books and for the children's library collection, which is a fabulous resource; \$2 million over four years to the very successful and hotly contested Regional Arts Infrastructure Fund for the construction and refurbishment of arts facilities in regional Victoria.

The budget delivered the following new funding for asset initiatives: \$2.69 million to Scienceworks for the refurbishment and renewal of exhibitions to enhance in particular the presentation of educational activities; \$5.5 million to support the extra recurrent funding for the Victorian electronic record strategy, which again is the hardware; \$8.4 million in asset maintenance funding to the Victorian Arts Centre to sustain that very important facility's technological and commercial capability and also to improve audience access and occupational health and safety provisions for artists, particularly musicians; \$54 million over five years to consolidate and complete the Yarra arts cultural precinct through the construction of the Dame Elisabeth Murdoch International Recital Hall, which will be a huge boon to Melbourne and a new home for the Melbourne Theatre Company, as well as improved pedestrian links around that area. The completion of this cultural precinct will provide a cohesive sense of a completed arts precinct and one of the best in the world.

Turning to the output framework, the arts and culture department is an output in itself within the Department of Premier and Cabinet. Following a whole-of-government output review which the committee would be aware of, led by the Department of Treasury and Finance, the arts portfolio outputs have been consolidated from five outputs last year down to four in the 2002–03 budget. The first output is arts development and access, which is an output that covers support for the creation and presentation of arts product and development of artists and arts organisations and for the expansion of access for Victorians to a diverse range of arts experiences.

The second output is infrastructure and cultural facilities, which is again support for Victoria's cultural venues and facilities, ever conscious that we are the landlords, the custodians and the managers of the state's substantial cultural assets — as I said, \$2 billion worth. We also manage under that output the Regional Arts Infrastructure Fund.

The third output is the portfolio services and policy, which is basically Arts Victoria. The fourth output, to which the mammoth quantum of the arts budget goes, is the arts portfolio agencies. We support the agencies in their promotion, their presentation and their preservation of our heritage through support for management, operation and access. The agencies are the State Library of Victoria, the National Gallery of Victoria, the Melbourne Museum, the Victorian Arts Centre, the Geelong Performing Arts Centre, Film Victoria and the Australian Centre for the

Moving Image. The major change, as I said, has been that two of the original outputs — arts product and development and arts audiences and access — have now been combined into one output known as arts development and access. The total 2002–03 output costs represent a 3 per cent increase from last year, and this is largely due to new budget initiatives.

The key aim for the 2002–03 plan and its mission is to complete the new arts policy. This is evidence that arts and culture are making an important contribution to Victoria, as I outlined at the beginning of the presentation, and that this has been recognised by the Bracks government in terms of its support for the arts, culture and ideas right across the board and the government's commitment to developing a 10-year plan to secure a solid foundation for the arts in Victoria. That plan will be completed this year.

Other key aims are: to provide the widest possible access for all Victorians, wherever they live, to the new cultural facilities that will be opening up, including the Australian Centre for the Moving Image, the Ian Potter Centre — NGV Australia at Federation Square and the contemporary arts complex at 111 Sturt Street, which we believe will become a leading centre for contemporary Australian arts as a home for Chunky Move, contemporary dance, and the Australian Centre for Contemporary Art (ACCA) and which will provide space for the Playbox Theatre Centre.

Another aim is progressing the Yarra precinct integration plan, and we will have a little more to say about that when we refer to our planning portfolios. It is a delicious symmetry between the arts and planning that we will progress the Yarra precinct integration plan and complete the cultural precinct.

We are implementing the second stage of the Regional Arts Infrastructure Fund and delivering a package of initiatives aimed at completing the revitalisation and renaissance, really, of the Australian film and television industry, which is certainly paying dividends.

I think overall, as the committee would be aware, our third budget builds on the strengths of our previous budget and ensures that the arts are a key contributor to both the social and economic development of Victoria.

**The CHAIRMAN** — Thank you, Minister. During your presentation you commented on the fact that there has been a consolidation of the presentation in this year's budget. Could you take the committee a little further with that by giving more detail of the changes to the output structures that exist in this budget document and an explanation of the performance measures, because there are a great many new performance measures included this year? Could you take the committee through that in a little more detail?

**Ms DELAHUNTY** — Certainly, Mr Chairman, I would be happy to do that, as I certainly referred in my presentation to the changing structure of the arts outputs, as you can see in budget paper 3 beginning at page 294.

As I said, the original output framework had five output measures; we have now reduced those to four. We have combined the two outputs from 2001–02; arts product and development, and audiences and access have been combined to form one output in 2002–03 — arts development and access. These changes were recommended in the review of the arts outputs, completed as part of a rolling program of reviewing all government outputs and led by — I am sure the committee is aware of this — the Department of Treasury and Finance. That has been accepted and thus put into practice for the 2002–03 budget.

I must say, though, that the review gave a very positive outlook on the outputs both in terms of the effectiveness of Arts Victoria's assistance programs and the efficiency of their delivery. That is probably something the committee would welcome hearing.

The combination of the two outputs into one is an acknowledgment that all funding programs in the arts, we believe, support the creation and development of innovative arts work — arts product — as well as the enjoyment by as wide an audience as possible. It seemed to make good sense to combine both those particular output measures.

As to performance measures, certainly improvements have been made to the performance measures reported in the budget papers. As a result of the output review there is a new performance measure of 'quantity' under the new output arts development and access. Again, that was recommended by the output review. The new performance measures focus on the outcomes of the grants rather than the inputs, and I know that is something this committee in its recommendations to government was certainly very keen on. So there is a focus on the outcomes of the grants rather than the inputs and, in so doing, providing improved reporting.

For these measures there is no comparable data from previous years which could be included in the budget papers, but certainly the new quantity performance measures measure a diverse range of products, producers and cultural venues, and the numbers of organisations recurrently funded. Again there has been an analysis by Arts Victoria of the organisations in particular that are funded. It is not a funding by right, although I must say it is pretty tough for funding to be taken off arts organisations. But it has happened — if they are learning to fly without our support, or conversely, if they are not using government money wisely. Certainly we have information on the number of regionally based organisations which are recurrently funded. I think you will see that over our time in government there has been an increase in those organisations.

We also have measurements for the number of project companies and artists who are funded. We can also report on the number of regionally based project companies and artists funded. Under ‘access’ is the number of local festivals funded, the number of Regional Touring Victoria destinations, the number of artist residences in schools — again, we do not see the arts as an add-on but as central to a good education — the numbers attending our major performing arts organisations and the numbers attending our major festivals. We also have performance measures around the number of international markets accessed by the artists or organisations that we are supporting.

The measure of ‘quality’ at budget paper 3 at page 294 is changed to describe the measure, I think, a little more precisely.

**The CHAIRMAN** — Yes, page 295.

**Ms DELAHUNTY** — Page 295.

**The CHAIRMAN** — At the top.

**Ms DELAHUNTY** — Under ‘Major outputs/deliverables’, yes. I think this is also a result of the output review recommendations and some of the Public Accounts and Estimates Committee recommendations.

**The CHAIRMAN** — Yes. I note that throughout this there are now a number of performance measures that apply to regional areas. With my other hat on, I think that is a good thing. I note on page 296 a new performance measure which relates specifically to the performing arts centre in my local area. It is good to see the development of regional and specific performance measures in that way.

**Ms DELAHUNTY** — Yes, the Geelong Performing Arts Centre. We make a significant investment in that centre.

**The CHAIRMAN** — My word.

**Ms DELAHUNTY** — It is quite unusual because most of our state-owned agencies are concentrated in Melbourne. We support other organisations and cultural venues across regional Victoria, but Geelong is quite unique in having that particular body there. Substantial funds flow into it and it is run by a very effective general manager in young Sally.

**The CHAIRMAN** — It is; it is a very good centre.

**Mr CLARK** — I raise some questions relating to the Yarra precinct arts integration project, which you referred to in your presentation, where there is an expenditure of \$54 million. Budget paper 2 at page 209 lists a total estimated investment (TEI) for that of \$61 million. Could you clarify that apparent difference? Are you also able to tell the committee the costs and government contributions to the respective components of the redevelopment — the new home for the Melbourne Theatre Company, the recital hall and the pedestrian crossing — and whether the University of Melbourne will make a contribution to the MTC home. Also, as I understand, Crown Casino is contributing some \$18 million to this precinct. Could you explain how that fits into the funding of it?

**Ms DELAHUNTY** — Certainly. This will be a terrific development and it is the result of a range of organisations and individuals who have decided not to take no for an answer. Victoria is losing out on some important companies visiting Australia, performing in Australia, and in the area of classical music visiting Victoria. There has been lobbying, arguments, and, I suppose, advocates for an international quality recital hall in Melbourne for probably over a decade.

The question was: how do you fund such a thing and integrate it into the arts precinct, and how do you bring others on board to support it? The Yarra precinct arts integration plan involves the construction of a world-class recital

hall. It also involves the construction of a new theatre for the Melbourne Theatre Company. I know that during the time of your government, Mr Clark, the Melbourne Theatre Company lobbied strongly for its own home — a place to brand its work, to attract and attract sponsors and in which to create some of the finest theatre in the country. The Melbourne Theatre Company does not have a home of its own, even though it has the opportunity to perform in the wonderful arts centre, and that is sometimes contrasted negatively with the Sydney Theatre Company, which certainly has a brilliant home on the wharf overlooking the water of Sydney Harbour.

So the integration plan does not just solve problems; it actually creates a very positive arts precinct for Melbourne. It does that by way of a plan to develop the Dame Elisabeth Murdoch recital hall on the former Telecom site on Southbank Boulevard and to build the Melbourne Theatre Company home just back behind that. The government has allocated \$54 million to the project. You are right, Crown Casino has made a contribution of \$18 million. The University of Melbourne, the ballet and philanthropic organisations are all part of this partnership which will produce the completion of the Yarra arts integration plan.

This has been a very good process, and I certainly have to thank some of the ladies and gentlemen beside me who have been involved in the discussions. This is not just solving a problem of providing an international recital hall or providing a home for the Melbourne Theatre Company; this is a very solid product of a government that is interested in the widest possible access for the arts and completing an area of Melbourne which will provide one of the greatest arts precincts in the world.

**Mr CLARK** — I appreciate the general background. Are you able to provide some of the details I referred to in my question about the difference between the \$54 million and the \$61 million and how much is being contributed by the various parties, et cetera, and to which aspects of the project?

**Ms DELAHUNTY** — You mentioned \$61 million: \$54 million from government and \$7 million from philanthropic support.

**Mr CLARK** — Then is Crown's \$18 million on top of the \$61 million?

**Ms DELAHUNTY** — No, it is within the \$54 million.

**Mr CLARK** — So the \$18 million comes into the government and then goes out again as part of the \$54 million. Is Melbourne University counted as part of the \$7 million from the philanthropics — is it making any contribution to it?

**Ms DELAHUNTY** — Melbourne University has responsibility for a component of the Melbourne Theatre Company, and it is making a contribution. It has negotiated with government to contribute the north Telecom land, which it owns, so that is where the university's contribution comes in. It is a very good outcome which involves a problem faced by Melbourne University and by government, and it is the solution to a lot of dreams.

**Mr CLARK** — Can you put a dollar figure on the university's contribution via the land?

**Ms DELAHUNTY** — I do not believe I can. It relates to what is known as the north Telecom site. That is the land where we will build the Dame Elisabeth Murdoch recital hall. At this stage I could not give you a figure on that.

**Mr DAVIS** — I seek a further point of clarification on the \$54 million and the \$61 million. Table A15 in the budget on page 209 of budget paper 2 shows a government contribution of \$61 million. I am just trying to understand this exactly. You indicated the philanthropic groups would provide the difference between the \$54 million and the \$61 million. I thought you might be able to explain why this appears to be an allocation in the budget.

**Ms DELAHUNTY** — The Department of Treasury and Finance requires that we show the total end cost in the budget papers, and that is \$61 million. The breakdown is the \$54 million, which will come from government, and we have also included the \$18 million from Crown Casino. We are looking for \$7 million in philanthropic support, which will bring it to \$61 million, and that is a requirement by DTF.

**Mr HOLDING** — I would like to ask about government assistance for the development of contemporary arts practice. During your presentation one of the things you touched upon during the asset initiative slide was the 2002-03 investment at 111 Sturt Street — the contemporary arts centre, the Malthouse plaza project. Could you

provide the committee with some further information about the level of assistance the government is providing to the development of contemporary arts practice, not just with respect to the asset investment but more generally?

**Ms DELAHUNTY** — This will be a terrific addition to the arts precinct, which is what we are talking about. I guess it completes something that was begun under the previous Labor government — an arts precinct on both sides of the Yarra, but particularly on the south side — with an arts precinct running from the river right down past the concert hall, the arts centre, and leaping across to the Victorian College of the Arts, the recital hall, and moving down Sturt Street to the new contemporary arts building known colloquially at the moment as the Malthouse plaza development. It will provide a home and headquarters for three of Australia's finest contemporary arts organisations — that is, Chunky Moves, Victoria's contemporary dance company, which has achieved a terrific reputation in national and international performances for leading-edge work. It has not had a home up until now. The spaces are magnificent: purpose-designed for a contemporary arts company.

The Australian Centre for Contemporary Art — again, leading-edge work — has been in some ways buried in a little house in the botanic gardens. It will now really be on show with purpose-built galleries of different sizes, shapes and angles which will encourage all sorts of leading-edge installations and challenging visual arts practice. The Playbox Theatre centre will add to what already exists at the Playbox-Malthouse, and of course Playbox is dedicated to developing Australian work, telling Australian stories in Australian voices, and it is the only theatre company that exclusively does that in Australia. It needs more space. It will be a superbly integrated precinct between the Malthouse itself and the new three-parter across the road.

The state government has committed \$9.8 million towards the project, and the remaining funds, about \$11.5 million, have been sourced through sponsorship, so our arts organisations are very successful in attracting sponsorship. We make that almost a condition of funding — not in so many words but we certainly expect our arts organisations to go out and earn support from the private, philanthropic or corporate sectors, which they do very successfully. Around \$11.5 million has been sourced through the three tenant organisations.

Contributions from Monash University, the Sidney Myer foundation and the Beeson trust, for example, are some of the bigger donors. This year additional funding of \$2.8 million has been provided to the Malthouse and the Museum of Modern Art at Heide to ensure that the very best of contemporary art is both on display and is protected. Certainly through our grants programs and cultural organisations grants we are supporting these companies, and that support is solid.

**Mr DAVIS** — Page 296 of budget paper 3 contains the arts portfolio agencies output measures. Can you give a breakdown of those agencies? Could you provide the committee with a detailed breakdown of targeted, expected and actual visitor numbers to the National Gallery of Victoria, the State Library of Victoria, and each of the three campuses of the museum — the Immigration Museum, Scienceworks Museum and the main museum at Carlton?

**Ms DELAHUNTY** — The visitor numbers to the major agencies that we support make quite good reading. Certainly we found that visitor numbers to most of our cultural institutions experienced a little downturn in 2001–02. That was largely due to the collapse of Ansett and there was also a bit of shakiness around after 11 September, but certainly the attendances are generally picking up and are certainly expected to pick up in 2002–03, which is a great credit to the agencies themselves that have worked particularly hard.

Museum Victoria has some very innovative marketing practices as well as outstanding cultural artefacts that make it rather attractive. For 2002–03 the attendance target for Museum Victoria has been revised to accurately reflect visitors at the Melbourne Museum, in particular, to count only paying visitors. So those who actually pay to come into the museum will be reported.

Since October 2000, though, there have been 1.6 million visitors to the Melbourne Museum, which is staggering. What is even more interesting in terms of the government's policy of the broadest possible access for Victorians to our cultural institutions is the breakdown of those figures because 30 per cent have been tourists; 20 per cent have been families, which is a strong figure; 17 per cent are school groups, which is particularly important and consistent with the government's policy to ensure that our cultural institutions, particularly the museum and when we reopen the new spaces at the library, will be accessible and seen to be part of the school curriculum; and 14 per cent came from regional Victoria.

The two outstanding figures for Museum Victoria are 20 per cent of the 1.6 million were families and 14 per cent came from regional Victoria. We can show that Melbourne Museum is reaching a diverse cross-section of the population; that is precisely the aim of our policy.



As I said, more people are expected to attend the cultural institutions in 2002–03 compared with 2001–02. We will also open the Australian Centre for the Moving Image at Federation Square and the Ian Potter Gallery of Australian Art at Federation Square. They will be terrific drawcards for tourists and families.

I also draw attention to the notion of access online, which has been an important part of the work we have been doing in the arts portfolio over the last two years in particular. Under the arts portfolio agencies page 296 of budget paper 3 shows online access. We have introduced this for two reasons.

We have a policy of culture online which is particularly important for regional Victoria. We do not believe that just because you live and work in regional Victoria you should miss out on some of the sensational cultural experiences, particularly the visual arts or museums, because you do not want to or cannot afford to travel to Melbourne. Culture online shares the value of cultural assets and makes them more accessible for people. We have introduced the online access measure in the budget papers. More and more Victorians are now able to get the information online, to actually access the state collections, particularly the collections in the museum and the National Gallery of Victoria regardless of where they live or work. They are doing that.

Historically one looked at online access as the number of page hits, but we are now replacing that with, we think, a more applicable measure, which is user sessions. We are finding that user sessions is one visitor to a web site regardless of how long they spend or how many pages are viewed on the web site. The user session base is a pretty good measure of how many Victorians are using or accessing our culture online and what particular parts of the state's collections they are using.

The figures for the state library are particularly impressive. They certainly are finding that, and with the increased spaces next year we believe the money that we are putting into next year's budget for the state library will enhance that.

The Victorian Arts Centre Trust has set a target of nearly 2.5 million visitors for 2001–02. By the end of May it had achieved 2 190 155, suggesting that the full year target is realistic. They should be on target to achieve that by 30 June. Certainly the Victorian Arts Centre Trust is also exceeding its online visitor targets for 2001–02.

**Mr DAVIS** — Returning to the question, could you either now or later — you may not have the information with you — provide the detailed breakdown of targeted, expected and actual visitor numbers to the National Gallery of Victoria, the State Library of Victoria, and to each of the three campuses of the museum — the Immigration Museum, Scienceworks Museum, and the main Carlton site? Could you provide that breakdown now or later?

**Ms DELAHUNTY** — I do not have that information with me, but I am happy to have that provided for you.

**The CHAIRMAN** — That completes the time allocated for consideration of your responsibilities under the arts portfolio, Minister.

**Witnesses withdrew.**