

# VERIFIED VERSION

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into Budget Estimates 2017–18

Melbourne — 31 May 2017

#### Members

Mr Danny Pearson — Chair

Mr David Morris — Deputy Chair

Mr Steve Dimopoulos

Ms Fiona Patten

Ms Sue Pennicuik

Ms Harriet Shing

Mr Tim Smith

Ms Louise Staley

Ms Vicki Ward

#### Witnesses

Mr Martin Foley, Minister for Creative Industries,

Mr Richard Bolt, Secretary, and

Mr Andrew Abbott, Deputy Secretary, Creative and Visitor Economics, and Chief Executive, 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 2017–18 budget estimates. All mobile telephones should now be turned to silent.

I would like to welcome the Minister for Creative Industries, the Honourable Martin Foley, MP; Mr Richard Bolt, Secretary, Department of Economic Development, Jobs, Transport and Resources; and Mr Andrew Abbott, Deputy Secretary, Creative and Visitor Economics, and Chief Executive, Creative Victoria.

All evidence is taken by the committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Comments made outside the hearing, including on social media, are not afforded such privilege. Witnesses will not be sworn but are requested to answer all questions succinctly, 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 being recorded by Hansard, and you will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, presentations and handouts will be placed on the committee's website as soon as possible.

All written communication to witnesses must be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way and cannot photograph, audio record or videorecord any part of these proceedings.

Members of the media must remain focused only on the persons speaking. Any filming and recording must cease immediately at the completion of the hearing.

I 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. If I could just point out, there is almost a perfect summary of what I am going to talk about on the introductory page there. What you have got is the Yarriambiack shire, Victorian government and Commonwealth government-supported Silo Art Trail. That is now at least five, maybe six, comings together of investment that levers Indigenous artists, local artists and international artists coming together with particular levels of government in community-led creative outputs that are not just fantastic in their own right, for their own artistic cultural value, but have driven all sorts of other benefits, not the least of which are economy and tourism, but also lifting the morale and spirit of communities. The Yarriambiack shire does it tough, but this is one of its particularly momentous achievements, and I want to use that as perhaps a launching pad.

We approach in the next slide the overview of what the creative industries budget is around. It is around leveraging off the multiple benefits of our not just economic but also cultural \$22.7 billion creative sector. Whether it is the arts, science, fashion or screen, the contribution that they all make coming together in this portfolio should not be underestimated. Creative industries are growing and are gaining not just local and Australian but indeed across-the-globe recognition.

Beyond their economic benefit as set out there and their immeasurable social and cultural value to our state they also bring, through work that the department has done, \$23 billion worth of gross value to our state. Of course the government's contribution in that is substantially less than \$23 billion but is there at the heart of leveraging off that value. The fact that has design thinking and creativity in all of its forms, let alone art and cultural participation, and is engaged in more and more of the jobs and the thinking of the future, we would expect its contribution to grow, whether it is in our own domestic environment or increasingly contributing to the \$1.4 billion worth of creative industries export generation that we see happen. That does not count for the almost \$1 billion worth of inward-bound investment in tourism, where overwhelmingly one of the major reasons people cite for their visit to Victoria is our cultural and creative offerings. Interestingly enough, the work that is done after people visit shows that there is even more of a reason why they would return.

Moving along to the highlights that we see there, significant work has been done for the rollout and implementation of our *Creative State* strategy. Again that is based on collaboration and partnerships with all sorts of organisations right across the state. Time, in terms of the 40 particular actions that are set out there,

prohibits me from going through them all, but in terms of at least highlights there is a boost to funding through Creative Victoria's Organisational Investment Program, which is over 80 organisations, some of which had been left high and dry from changes that have happened at the Commonwealth level. We were able to support those small and medium arts and cultural organisations that are at the heart of the engine room of our creative industries. We were very pleased to have launched and delivered a new Creative Suburbs program for the first time, filling a longstanding gap in the cultural infrastructure investment. The first round of that program saw nine programs in outer metropolitan areas such as Dandenong, Frankston and Brimbank, amongst others. I have already referred to the Silo Art Trail across the Wimmera and the Mallee, but of course this program also extends to the screen and Film Victoria industries, which whilst part of this have their own particular issues that we are seeking to deal with.

We have also helped a series of local business organisations secure international investment programs and increase their export potential. Whether it has been trade missions we have supported in the design sector to Hong Kong or indeed the digital games industry to the United States, we are seeing new sales and businesses opportunities as well as new cultural opportunities grow exponentially. The Premier did make in his time in Hong Kong earlier this month the announcement that the 2018 Hong Kong Business of Design Week, a major — if not the major — international gathering of global designers, will be partnering with Melbourne in 2018, the first time that that prestigious festival and design week will appear in Australia.

We are also, through this particular budget output, establishing support in the design space, having awarded the future of design package of supports to the National Gallery of Victoria through a competitive process. We are also, as a bit of a whistlestop tour of the budget, looking to how we not just fund the already established Music Works programs that continue to make Melbourne and Victoria the live music capital of the nation, and increasingly this part of the world, but how we can expand that and strengthen our music scene, which is rightly lauded not just in this state, not just in this country, but increasingly globally.

All of this is built on the notion that the substantial part of our investment in this portfolio goes to our major cultural institutions. They continue to engage with literally millions of Victorians, let alone the increasingly fast-growing number of international and interstate visitors. Whilst it is always hard to pick favourites, I think it bears mentioning that as a result of the work that the National Gallery of Victoria has done we have seen that gallery across its two campuses now enter the top 20 galleries in the world in terms of visitation. All of that is underpinned by our increased investment, which is set out in the next slide, which at a very general level has shown since 2012 investment growth in this space in comparable measures of 42 million for this year and 107 million going forward. It is coming down in one sense, but because of the capital components and the program components it is building on the record investment over the past two budgets.

So whether it is the Australian Rock and Roll Hall of Fame, the substantial investment in maintenance, our music cities investments, our podcasting work with the Wheeler Centre or our sustaining the particularly successful NGV model, there are a range of investments, including Victoria's screen culture, securing the future of the Melbourne International Film Festival and making sure that there is a pipeline of both digital and other forms of screen-based activity, led by both ACMI and Film Victoria in the space. This is a particular set of investments that we think continue to position Victoria as a very important cultural and creative sector leader not just in Australia — I think we are beyond the Sydney-Melbourne divide and competition. We really need now to talk about how an international city like Melbourne positions itself in this part of the globe and indeed in the wider globe. I think that is where our real successes are playing out.

We are also continuing the investment, whether it is in the Arts Centre for critical capital works, the Australian Centre for the Moving Image with its investment for its next-generation technology, the Australian Rock and Roll Hall of Fame or the vault, through the Arts Centre Melbourne, an election commitment, or indeed the State Library redevelopment. They all continue to be supported in this budget package. I might leave my opening contribution there. Thank you, Chair.

**The CHAIR** — Thank you, Minister, for your comprehensive presentation. I will now pass to Ms Ward. We have got government question time until 1.21 p.m.

**Ms WARD** — I love this portfolio, Minister, and I bet you do too. As you can imagine, music is pretty important to my electorate. St Helena Secondary College even managed to make *Xanadu* entertaining.

**Ms SHING** — When was it ever not?

**Mr DIMOPOULOS** — Exactly.

**Ms WARD** — They did a very good job actually; all of my schools do very good jobs. Minister, I wanted to talk to you about the rock and roll hall of fame. I know that the member for Essendon will have some views on this, and I am sure he would like to push for Cold Chisel or The Angels.

**The CHAIR** — There is no Hall of Fame without The Angels or Cold Chisel.

**Ms WARD** — For myself, I would go for TISM or Weddings, but unlike TISM, I do not think if you are creative you can get stuffed; I think you should engage with it. Minister, on the Rock and Roll Hall of Fame, if I can get you to go to budget paper 3, page 27, can you talk to us about how this project is being delivered, where it is up to and how it acquits you with the election commitment that Labor had in 2014?

**Ms SHING** — Incorporating as many rock lyrics as you possibly can.

**Ms WARD** — Yes. I have already done it — I have already started with some Australian rock lyrics — so you need to keep up, Minister.

**Mr FOLEY** — As we know, politics is showbiz for ugly people, and I take that to a whole new level, so I will resist the temptation to interpretively dance or sing my way through this response. But the Hall of Fame was an election commitment, and it is one that we have landed in partnership with Arts Centre Melbourne. There is no more appropriate home for the Hall of Fame than Victoria.

**Ms WARD** — Hear, hear!

**Mr FOLEY** — We know from work that the department and the sector have done that contemporary music is worth some \$500 million to Victoria per annum, and that is built on a rich musical heritage but also is an opportunity to inspire and encourage that next generation of contemporary musicians and supporters. We announced \$8.3 million to establish the commitments around the hall of fame, to be known as the Australian Music Vault, and that is a subcomponent of the wider \$22.2 million Music Works package, to be delivered in partnership with Arts Centre Melbourne and the contemporary music industry with a governance arrangement that reflects that. We look forward to the work in that space commencing in the very near future.

Work is underway as a result of that partnership for the contemporary arm of that — so it is not just a fond looking backwards; it is also an active engagement in the future — for establishing the Music Market and creating Victoria's music development office, also election commitments. There is an investment of some \$6 million over four years to make sure that this is not just some quaint reflection on the past but is an opportunity where engagement can lever off, whether it is the young students at Eltham College or anywhere else around the state, around the options of developing both business skills and opportunities and new creative opportunities, be they domestic or international.

Music Works funding has been pivotal, this Vault's investment has been pivotal, in Victoria successfully landing the international Music Cities Convention, which will come to Australia for the first time in 2018. Whether it is Berlin, Memphis or London, that is the scale of music cities that this convention adopts, and the fact that it was only ever going to come to Victoria and Melbourne reflects, I think, our status in this important area.

**Ms WARD** — How did you manage to get that conference to come here, Minister?

**Mr FOLEY** — Whether it was through our engagement directly with the music industry and music industry advocates — and I particularly acknowledge the work of our promoters and indeed Music Victoria, which was critical in delivering some of the links and direct opportunities to put our case forward — fundamentally it was the visitor economy-creative industries partnership that enabled Victoria to put forward not just a competitive but a compelling case as to why that prestigious annual conference focusing on world music, live music —

**Ms WARD** — So it was a long way to the top if you wanted to rock'n'roll, but you got there.

**Mr FOLEY** — I am sure there will be opportunities there. In that regard, whilst the Vault, or this Hall of Fame, will be an important part of the overall ecology, it will be particularly important in driving those future opportunities.

**Ms WARD** — So, Minister, what is Music Victoria's 10-point plan?

**Mr FOLEY** — Music Victoria identified how other states and cities could be as successful as Victoria and Melbourne in attracting contemporary music into their realms. Whilst a large degree of it was about the music ecology side of things, a key component of that 10-point plan was around partnerships and collaboration, not just with the state but also local governments, and it was in a sense a how-to manual about how Victoria has gotten to the point of being the music capital of Australia and the work that Music Victoria — —

**The CHAIR** — Mr Smith until 1.30 p.m.

**Mr T. SMITH** — At our outcomes hearings in February, in answering a question on the *Creative State* strategy's goal of crime prevention, Mr Abbott, you replied:

... what creative industries does is engage young people positively in digital games, in visual arts, in performing arts. We have programs running in prisons ...

Could you please specifically list all programs in Creative Vic that are designed to prevent crime, who operates each program, how much each costs, how long each program has been running and how success is measured over the forward estimates period?

**Mr ABBOTT** — We would, Mr Smith, need to take that on notice to be specific about individual programs and budget allocations to initiatives that support activities in prisons, if that is the question.

**Mr T. SMITH** — Not just prisons, but your comments in February were around crime prevention.

**Mr ABBOTT** — Yes. I recall the question related to crime prevention and my answer went to the wider aspects of *Creative State* as a document that was set up in part to support positive impacts socially, including prisons, including corrections more generally and justice more generally. I went through a number of activities back then that *Creative State* was designed to support. But in terms of specific projects that go to social impact, I would need to take that on notice.

**Mr T. SMITH** — Surely you can give us a broad overview during these hearings — now — can you not?

**Mr ABBOTT** — I can. There are a number of organisations that we support that go towards social impact, things like the Koorie Heritage Trust, specifically, Arts Access — organisations like that that we support on a recurrent basis that have a social dimension to them. But the projects that we support do not necessarily specifically go to social impact. They have economic impact, they have cultural impact and they have social impact.

**Mr T. SMITH** — What about crime prevention?

**Mr ABBOTT** — Crime prevention — there are arts organisations like Torch Project, which I might have referred to back in February, that have a very particular focus on improving recidivism rates amongst Indigenous inmates, and it has been incredibly successful.

**Mr T. SMITH** — Okay. And you will take on notice the specifics around programs and costs and the like.

**Mr ABBOTT** — Sure, yes.

**Mr T. SMITH** — Thank you. Referring to budget paper 3, page 121, Creative Industries Access, Development and Innovation, you can see that they had a budget of 78.3 million for 2016–17 which blew out slightly to 78.9 million. The 2017 budget slashes that amount back to 75.1 million — a 3.2 million cut on the previous budget and a 3.8 million cut on the actual spending. That is a 4.8 per cent reduction. Why is Access, Development and Innovation 4 to 5 per cent less important for 2017–18?

**The CHAIR** — Sorry, Mr Smith, who is this question directed to?

**Mr T. SMITH** — To the Minister or to Mr Abbott; I am not fussed.

**Mr FOLEY** — Why don't we share the response? To start at the end going back, all aspects of our outputs are critical to the overall ecology of how Victoria's creative industries deliver this important community,

cultural, social and economic role that they play. In terms of the, as you quite rightly identify, 4.1 per cent variation in the creative industries access, development and innovation output measure, I should draw your attention to the differences. I might ask my friend the Deputy Secretary to perhaps go into more detail for you, Mr Smith.

**Mr ABBOTT** — Certainly. In relation to that output you will see that in 15–16 the output costs were \$61.1 million, and that went up to \$78.9 million from 15–16 actual to 16–17 expected. The figure for 17–18 is 75.1 million, and that reflects primarily the costing profile for *Creative State* and in particular the cessation of a couple of one-off allocations that occurred in 16–17, including \$3 million to the Collingwood Arts Precinct.

**Mr T. SMITH** — But that was just a one-off. So there is nothing else coming forward that will, I suppose, rebalance the funding to those levels.

**Mr FOLEY** — That is the difference between 78 million and 75 million.

**Mr T. SMITH** — There is a reduction, yes?

**Mr FOLEY** — As a result of a one-off payment to a collaborative partnership, the Collingwood Arts Precinct, which we know is leveraging significant philanthropic and sector investment, so the leverage investments that we bring in this space are sometimes more important than the direct investments that we bring in, particularly those more arms-length-from-government cultural agencies such as the Collingwood Arts Precinct.

**Mr T. SMITH** — That has not been activated yet.

**Mr FOLEY** — No, the Collingwood Arts Precinct investment is well and truly happening in a non-government-led board with partnerships from the state and partnerships from all sorts of philanthropic and creative sector supporters. The facility down at the old Collingwood TAFE has well and truly had substantial investment delivered in it.

**Mr T. SMITH** — Can you give me an example of a program that is currently activated in this precinct?

**Mr FOLEY** — In the precinct, certainly. Circus Oz are well and truly embedded in that precinct and have been for a number of years, and that has crossed three governments now, the increased investment there. In terms of the remainder of the Smith Street and must be Johnston Street corners of the building and the site, those renovations have well and truly beyond commenced, and the negotiations, as I am advised by the independent board, are well progressed as to the number of both independent and state-supported cultural agencies that will come into the facility.

**Mr T. SMITH** — So how many tenants are there?

**Mr FOLEY** — In the wider precinct, certainly Circus Oz. Beyond that, as I understand it, there are well-advanced discussions with quite a number of cultural organisations so as to allow them to participate once the facilities are up and running.

**Mr T. SMITH** — So there are no tenants aside from Circus Oz.

**Mr FOLEY** — Of course the Collingwood Arts Precinct board manage the wider site. They are in a process of finalising those outcomes with a number of cultural — —

**Mr T. SMITH** — And Circus Oz is permanent in this precinct?

**Mr FOLEY** — As permanent as any of us could be in this space, yes.

**Mr T. SMITH** — So when do you expect the first tenant to move in?

**Mr FOLEY** — Over and above the Circus Oz participation in the site, these are matters that, when you create arms-length independent boards for the processes of managing a cultural location, are rightly decisions — —

**Mr T. SMITH** — You are allowed to say, ‘I don’t know’.

**Mr FOLEY** — These are rightly decisions for them to make, and it would be wrong of me to pre-empt their discussions, but I can assure you that those discussions, as they are reported to me, are well advanced and could be expected to be fruitful in the not-too-distant future.

**Mr T. SMITH** — Ballpark?

**Mr FOLEY** — It would be wrong for me to speculate, and it would be both inappropriate as well as potentially revealing in-confidence and commercially sensitive discussions between the Collingwood Arts Precinct board and their multiplicity of tenants that they are discussing these matters with.

**Ms PATTEN** — I am just referring to some of the music festivals that we have had very successfully in Victoria and some of the safety concerns that have been raised there. Certainly there were some sexual assaults at the Rainbow festival earlier this year, and then at the recent Falls Festival we had, I think, 60 people injured and some 16 or 17 fairly seriously. Has creative industries Victoria looked at how it may assist music festivals in being safer? In crossing your portfolios it is without much surprise that I tag this on, but looking at creative industries, has pill testing also crossed your table, Minister?

**Mr FOLEY** — Yes, is the short answer. The safety of all venue participants, whether they be at festivals or whether they be at live music venues, is very, very important, and the work that the Live Music Roundtable has done — and can I give a particular shout-out to Bakehouse and others associated with that venue and those participants in that scheme from the round table — has been really important in shining the light on the unacceptable practices of sexual assault at both venues and festivals. We, through the Live Music Roundtable, have supported initiatives for a pilot program which is now underway to address sexual assault in live music venues. There is sadly a growing evidence base that points to a mounting level of assault both locally and internationally, and we need to make sure that not just our venue operators but our festival operators structure their venues both physically and in a management sense so as to minimise the practice and, where it does happen, to call it out and respond to it. It is assault, and it is unacceptable. In terms of at least the wider issues that happened at Falls this year, we were very concerned about that. WorkSafe led the response because people were injured.

**Ms PATTEN** — Have they finalised that investigation?

**Mr FOLEY** — I am not aware, but possibly. Not being the minister with responsibility for WorkSafe I cannot say, but I can certainly attempt to find out. In regard to the overlay of alcohol, drugs and particularly pills that are also disproportionately found amongst festival and music-venue goers, the view of government — and blending across portfolios, as you say — is pretty clear. The approach needs to be one of harm minimisation. Whilst occasionally there is the need for appropriate enforcement activities, our main focus has been on both the education of venue managers and the arrangements there. Through the earlier portfolio, I was very pleased that we were able to fund a peer-based worker system in one of the hotspots of such venues in Chapel Street to make sure that peer-based workers through the Inner South Community Health Service were able to take the message out to venue participants around safe practice and around engaging in a way that puts harm minimisation and safety above other responses, which might or might not have coincided shortly thereafter.

**Ms PATTEN** — Thanks, Minister. Just in the short period I have got left, we have had fantastic success with our fashion festivals and our growing fashion industry in Victoria. I was just wondering if there were any particular expansions of funding or expansions of focus on that growing creative industry?

**Mr FOLEY** — Other than your personal leadership in hosting Victorian Parliament's first fashion event, the investment through Creative Victoria focuses on a number of festivals. First and foremost, the Virgin Australia Melbourne Fashion Festival is, if you like, the peak one for consumers, but equally the partnership with the City of Melbourne for the spring fashion festival. Over and above that we are seeing the learnings from fashion roll through. For instance, our Indigenous designers platform that we have now been funding for two years has seen it grow each year, and we are very pleased that that now involves partnerships with other indigenous designers from communities right around the world and that Melbourne has been a bit of a venue in which those indigenous designers from all sorts of far-flung corners have been able to come to Melbourne. That has also seen things like the Yirramboi (Tomorrow) festival and getting partnership with the City of Melbourne to see fashion design come to its core there.

**The CHAIR** — I would like to thank the witnesses for their attendance: the Minister for Creative Industries, the Honourable Martin Foley, MP; Mr Bolt; and Mr Abbott. The committee will follow up on any questions taken on notice in writing. I think Ms Pennicuik may have some questions for the minister, which will be provided by the secretariat. The response answering the questions in full should be provided in writing within 10 working days of the committee's request.

**Witnesses withdrew.**