

CORRECTED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2005–06

Melbourne — 1 June 2005

Members

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Witnesses

Ms M. Delahunty, Minister for the Arts;

Ms P. Hutchinson; director, Arts Victoria,

Mr D. Carmody, deputy director, Arts Victoria; and

Mr G. Andrews, deputy director, policy and programs, Arts Victoria, Department of Premier and Cabinet.

The CHAIR — I declare open the Public Accounts and Estimates Committee hearings on the 2005–06 budget estimates for arts and women’s affairs portfolios. I welcome the Honourable Mary Delahunty, Minister for the Arts; Ms Penny Hutchinson, director of Arts Victoria; Mr Dennis Carmody, deputy director of Arts Victoria; and Mr Greg Andrews, deputy director of Arts Victoria, departmental officers, members of the public and media.

In accordance with guidelines for public hearings I remind members of the public they cannot participate in the committee proceedings. Members of the media are advised to observe guidelines.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act and is protected from judicial review. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. All evidence being given today is being recorded, witnesses will be provided with proof versions of the transcript early next week. Before I ask the minister to give a brief 5 minute presentation on the more complex financial performance information that relates to the arts portfolio, could all mobile phones be turned off and pagers turned to silent.

Overheads shown.

Ms DELAHUNTY — I am happy to report again for, I think, the fifth or sixth time to the Public Accounts and Estimates Committee on the arts budget. To put it into context, Arts Victoria is part of the Department of Premier and Cabinet. It advises on and implements the government’s arts policy, Creative Capacity +. It develops the arts and cultural industries right across the state, and it ensures access to the arts for all Victorians.

Arts Victoria also oversees the state-owned major cultural agencies, which are all listed. They are the major cultural venues which I am sure you are all familiar with. It assists artists and arts’ organisations and works to increase community access, engagement and participation. Our annual budget is \$175 million in 2004–05 and \$186 million in 2005–06.

Some of the achievements to just whet the appetite, I hope, are access and excellence, Eureka 150th celebration focusing on artists — we commissioned songs, sculptures, appointed youth ambassadors and we ran a three-day world music festival among many other things. We have now got the Melbourne International Arts Festival onto a secure financial base with more opportunities for regional access and also for artists.

We have seen terrific success in our access policy. A couple of examples are on the presentation: at the National Gallery of Victoria, an absolute blockbuster was the Melbourne Winter Masterpieces which was one of the most visited exhibitions in the world, it certainly set an Australian and Victorian record. Museum Victoria, since we abolished the admission fees for children and for seniors, has seen a 42 per cent increase in visitations, which was a fantastic result; and visitations to the Immigration Museum are up 97 per cent from 2003. I would like to draw your attention to the fact that 30 per cent more students are participating in the education programs at these major venues.

Regional matters — again we have a very vast program of regional performances and exhibitions — 65 destinations, and annual funding to 17 regional and outer metro galleries. I have just come back from the Hamilton gallery. Support for artists working on various projects, in 27 different communities right across the state and some of them are listed. We have appointed new community liaison officers who are people who can connect the arts groups and organisations within their own community and act as the glue between small groups and organisations, they are working very well, and Artists in Residence right across the state, again listed there. Regional Arts Australia had its conference in Horsham. It attracted 600 delegates and we have opened, for example, among many, a very new performing arts and convention centre in Benalla, which is quite spectacular.

International — again just a highlight here — we have the three-year cultural memorandum of understanding with Singapore which has delivered vast benefits for Victorian artists; a three-year cultural agreement with China and international recognition for Victorian artists and in particular Ricky Swallow going to the Venice Biennale, Anna Funder who won an outstanding book award and Adam Elliott who won the Oscar. They are all Victorians.

The arts budget 2005–06: the slide has a quick list. It has under ‘themes’, opportunities for Victorian artists and audiences with the new opera venture and the Melbourne Recital Centre. Important funds for the custodianship of cultural heritage — we manage \$4 billion worth of cultural assets in this state and have therefore the responsibility

for that custodianship and money this year went to the Heide Gallery and the State Library of Victoria. Schools access is very important, as I mentioned earlier, with further access for school students to cultural venues.

Landmark public art — this is an important one — we are erecting sculptures on the Sandridge Bridge to tell the story of the waves of migration, which is a beautiful use, I think, of a very challenging site, which use has defeated successive governments.

We have further support for our iconic buildings in ACMI and a wonderful new arts and cultural facilities maintenance pot which will be very helpful to assist in the management of these cultural venues without having to wait for the budget each year.

The CHAIR — Thank you, Minister. I take you to budget paper 3 at page 183, and to the National Gallery of Victoria, to the item 'visitors satisfied with gallery visits'. You have the actual for 2003–04 at 98 per cent and the target for 2005–06 is 95 per cent. Could you tell me how that is assessed and also look at Melbourne Winter Masterpieces and what visitor satisfaction level there was for visitors to those?

Ms DELAHUNTY — I think it is an important question because if you are pursuing an arts policy around access, you want to attract people to the cultural venues and you want to ensure that they have a good experience — a cultural experience, a social experience and an educational experience, and certainly you mentioned the Winter Masterpieces which was immensely successful. As I said, it was one of the most visited exhibitions in the world. Over 380 000 people experienced the first in our Melbourne Winter Masterpieces series which was a decision by government to, if you like, plug a gap through the winter on our major events calendar. We have been adding arts and cultural events, and this was certainly seen as a possibility. It has been a huge success.

The exhibition attracted visitors from across Australia and internationally with 55 per cent or just over half from the wider Melbourne area; one quarter were from regional Victoria and we are really pleased about that. People lined up outside the national gallery and I would often be queuing and discussing with them what made them come and whether they had been to the gallery before. Many were from regional Victoria and had never been to the National Gallery of Victoria before. That was very successful. Seventeen per cent were from interstate and 4 per cent were from overseas.

Regarding the economic impact of this very successful masterpiece series exhibition, it was estimated by Ernst & Young to have generated \$25.7 million to the Victorian economy. It was not just the ticket revenue, though it was very important; the gallery also reported there was increased corporate hospitality organised during the exhibition, and I should point out the terrific profit made at the bookshop. As you understand, our cultural venues have to make money from their commercial sales as well. There was a very expensive, thick, beautifully produced catalogue. We had to have another print run. It was the most successful catalogue ever produced in Australia with a print run of 42 100, which is a pick-up rate of one in every seven people who visited the exhibition.

Ms ROMANES — Some of us were not able to get a copy.

The CHAIR — Minister, you mentioned there was a profit. Have you brought the figures on what the profit was to the bookshop, on corporate sponsorship or tickets?

Ms DELAHUNTY — No, I do not have that.

The CHAIR — Could you take that on notice?

Ms DELAHUNTY — Yes, we could have a look at that.

Mr FORWOOD — My supplementary question goes to that as well. I guess what we are interested in is the total cost of putting it on, the total revenue that came in and the profit that was made. Could you break that up into the various components? It was fantastic and I really enjoyed it.

Ms DELAHUNTY — Good. Thank you.

Mr FORWOOD — Minister, you say Arts Victoria's annual budget is \$175 million this year and \$186 million next year. If you look at budget paper 3 on page 172 under arts and cultural development in the output

summary, it shows that the budget for this year was \$341.1 million; the revised or what you are going to achieve is \$335.4 million, and the budget for the forthcoming year is \$350 million, so you have me really confused.

Ms DELAHUNTY — Penny, you might like to tackle that because I look at the money we spend and where we spend it.

Ms HUTCHINSON — This total amount that you refer to includes the appropriation for capital assets and depreciation, which is a book entry. The budget the minister referred to is the actual amount we have to spend. Treasury includes in these additional revenue that the agencies earn when they put these aggregations into the budget papers. I would have to answer your second question on notice.

Mr FORWOOD — If you could. The budget papers show the arts portfolio agencies in this forthcoming year at spending \$228.7 million. That in no way ties in with the figures you have. What we need is a reconciliation that enables us to understand how it works.

Ms DELAHUNTY — We will get that for you. I think it is a fair question.

Ms GREEN — Minister, I want to cover the topic of the Melbourne recital centre. In budget paper 3, page 302, there is a total figure of \$8.2 million over the next four years for interim management and operational support. Could you provide further detail to the committee on how that is going to be spent?

Ms DELAHUNTY — This is an important project by the government. It has responded to lobbying, cajoling and advocacy over 25 years for an international-quality recital hall. The government has decided to proceed with this. It will provide a new cultural venue which will complete the arts precinct. If members are aware of where the Victorian College of the Arts is, it is right on Southbank Boulevard. There is a car park and old warehouse there at the moment. It will be opposite the ABC and at the back of the NGV — and you can talk in acronyms all day.

The budget has provided further funds to ensure that we can complete the design work. We have spent more than 12 months gathering together acousticians of world-class quality to help us with the design. This is not just a hall for hire — it is a finely tuned instrument. We have these experts in the music industry who have provided uncompromising advice on the acoustics, the architecture and then the calibre of the artistic programming. That will be funds spent over the next four years. We have broken that down into \$1.4 million in 2005–06 building to \$2.4 million for the out years. This will be spent on completing the management of the building and programming and attracting world-class performances that we have been unable to attract because Hamer Hall is too big. It will also go towards managing the substantial non-government funds that will flow into this building. We will have a very large fundraising program and philanthropic support program which will be managed by the recital centre.

Mr FORWOOD — Minister, I turn to the museum. In our outcomes report we reported on the current accumulated losses of the museum at \$42.3 million. I note that you are anticipating a \$14 million loss this year. It is in our outcomes report on pages 271 and 272. As part of the previous question we will be getting a break-up of the \$228.7 million, so that will deal with how much money the museum actually gets. If the museum is making losses of \$14 million this year and has accumulated losses of \$42 million already, what strategies are you going to put in place to stop the losses? When do you anticipate that you will be in surplus?

Ms DELAHUNTY — You have to understand that the museum has been an enormous building project which we inherited. We inherited a building that was not finished but we had to finish it. There was nothing in the forward estimates for the actual operations of that cultural venue. That is what we inherited and we had to set about determining what we estimated would be the cost of operations of a museum the size of this and in the location where it is. Most people would agree — certainly it was our view — that that is probably not the best location. However, it is built and it is doing extremely well. As you say, it reported a net deficit in 2002–03, but I must point out this does not represent a cash loss.

Mr FORWOOD — Did it make a cash profit?

Ms DELAHUNTY — It had a healthy cash balance at the end of the financial year of \$11.64 million. The deficit you refer to, of course, is recognising depreciation expense for the museum's assets. If you take the depreciation out, if you exclude the depreciation, the Melbourne Museum would have reported a considerable operating surplus of the order of about \$6.67 million. The context is that the museum is now open. The first year it

had to attract an audience and visitors. When the government decided to remove the cost to children and seniors visiting the museum, we saw a terrific turnaround in number of visitors. There is strength within the Melbourne Museum.

There are always challenges around running these vast cultural organisations but we have a lot of faith in Patrick Greene, and I was pretty proud to see him gently describing to the readers of the *Herald Sun* this morning that the museum has the most visited museum web site in Australia, that it operates the IMAX cinema and it has a discovery program that takes the museum into regional Victoria. That is certainly what we have asked it to do and under Patrick Greene and Harold Mitchell, the chair of the Melbourne Museum, I certainly think they are heading in the right direction.

The CHAIR — Mr Forwood has got a follow-up in relation to the balancing of the books.

Mr FORWOOD — What is the total grant in the 2005–06 year to the museum?

Ms DELAHUNTY — In which year?

Mr FORWOOD — The forthcoming year.

Ms DELAHUNTY — For 2005–06 we have got \$40.553 million.

Mr FORWOOD — And that compares with last year's figure?

The CHAIR — This current financial year, are you talking about?

Mr FORWOOD — Yes.

Ms DELAHUNTY — Just a moment and we will see if we can find that figure. I do not think we have got it here.

Mr FORWOOD — Can you take it on notice and let us know?

Ms DELAHUNTY — Yes.

Ms ROMANES — Minister, in budget paper 3 on page 180 under the arts development and access output there is a range of performance measures related to products, producers and cultural venues. Could you tell the committee what programs are in place and what evidence there is that these programs are being utilised by Victorian schools and teachers, and how is this being monitored and measured?

Ms DELAHUNTY — This is an important part of our arts policy, as you know, Glenyys, that we have the highest possible access for school students. We spend a lot of time and money making sure that students have access to the best there is in the arts, firstly, because it is good for them, but secondly, because we have got a lot of empirical evidence that shows that access to and participation in the arts improves educational outcomes. It is a serious policy intent. We can demonstrate how effective these programs are, I guess, in two ways. One is the sheer number of them and the numbers of children therefore who access them, and what we see is improvements in those coming back.

Through the Department of Education and Training we have got a Strategic Partnerships Program which delivers, if you like, education programs to 35 cultural organisations, which is quite a lot — \$1.78 million. It covers things like 12 regional based organisations including everything from the Warrnambool Art Gallery through to the Geelong Performing Arts Centre, Bendigo Art Gallery; 19 Melbourne-based organisations including, obviously, the NGV, the arts centre and Museum Victoria. The Melbourne Theatre Company is also involved in one of these projects, as is ACMI, and there are four arts organisations that are funded to tour into schools, including Musica Viva and regional arts 2 go program. The other one is VRap9 at the arts centre, which is for year 9 students — they are often pretty challenging sorts of students — who come in from regional Victoria to the Melbourne arts centre. In 2003–04, which are the last figures we have, 11 000 students came from Portland, Echuca, Murrayville and Lakes Entrance, so big and small regional centres.

I should also mention that the numbers have increased. We have had now educational programs in our cultural venues enjoyed by 400 000 students, and that is a 30 per cent increase on the previous year. So that is going in a

fantastic direction. Non-government arts organisations are also doing the same thing, which is very pleasing. We have now had 265 000 or more students moving into the non-government arts organisations education program, and also we offer professional development for arts teachers right across the state.

The CHAIR — Before we move to Mr Forwood, this is probably something you would have to take on notice: have you got any figures on the percentage of those from metropolitan Melbourne who come from the north-west to those venues? I would not expect you to have it on hand but it would be of interest.

Ms DELAHUNTY — Through the education programs?

The CHAIR — Yes.

Ms DELAHUNTY — We have got some maps that we — —

The CHAIR — No, it is all right. I would be interested in a percentage from the metro break-up. Thank you.

Ms HUTCHINSON — Metro north-west?

Ms DELAHUNTY — Just north-west?

The CHAIR — That is my particular interest.

Mr FORWOOD — Minister, on page 302 under Premier and Cabinet new initiatives it shows that increasing opera activity and diversity in Victoria is a \$7.7 million program over four years, of which \$1.3 million is to be spent this year. If you turn the page to 304, it shows that this is the new venture to present additional performances in both metropolitan and provincial Victoria. I guess the issues about it are where is it going to be housed, and where is it going to perform, both here and in the country? What will we get for \$1.3 million this year? When do you anticipate that this will start performing? I note that there are no asset initiatives to house the opera company, so I presume it is going to rent or hire somewhere, and I suspect these people will be paid. I guess I would just like a general briefing on what you are going to do with Opera Victoria and when you anticipate it will start singing.

Ms DELAHUNTY — If you pop down to BMW Edge at Federation Square you can actually hear the beginnings of this new opera venture. That was a special winter opera celebration which was, if you like, a precursor to what we are trying to do in a more sustainable way, which is to fill the gaps left by the two seasons of Opera Australia. The gaps really relate to the opportunities for both employment and professional development of opera performers, singers, composers and designers here in Victoria. The LEK study, which the department commissioned to look at what were the gaps in opera offerings, identified that we are quite well serviced in Australia with opera, but we have some outstanding performers in this state who are not necessarily employed at full pace by Opera Australia, and that was an opportunity to provide those artists with more employment and professional development opportunities.

Secondly, the study showed that we are a bit of a niche market for innovation in music theatre here in Victoria, and that could be a niche that could be exploited by a specific, if you like, boutique opera venture here in Victoria. Therefore, with the \$7.6 million over four years we are looking to provide the answers to those gaps that I have just identified.

Of course the third thing I should have mentioned is that there will be some touring. We will be announcing the composition of the venture very shortly. An expert group has been examining statements of capability which have been submitted to government by various opera organisations and individuals, and those statements of capabilities will form our decision on whom and how this money will be spent to achieve those particular outcomes that I have just described. We believe that the first performance will be on stage next winter, so I am not being facetious when I say that we have a special opera celebration happening at the moment. We will have this new venture up and running and performing, we believe, by winter next year. It, or they, will tour, and the most important point about this, I guess, is that it is small to medium. The main stage, professional opera will still be presented in Victoria by Opera Australia. This is to fill the small-to-medium innovative market and also to provide the employment and professional development opportunities.

It will be using the facilities that already exist — for example, it could perform in Her Majesty's Theatre. We have had a lot of interest from that organisation. They could perform in a regional town hall or a major regional arts space that we have funded and expanded. We will not be building further buildings. We have substantial cultural assets here and around Victoria where a small-to-medium, innovative style of opera can be performed, and through this it will be performed.

Mr FORWOOD — Just as a supplementary question, you say 'small and innovative'. Does that mean they will not be doing any of the traditional operas that we go and see at the arts centre? We will not expect to see Mozart or Puccini.

Ms DELAHUNTY — You could do, you could see a version. Take *La Boheme* for example. That is a good example of a very popular opera which has been performed for hundreds of years but has been adapted by Australians to a much smaller stage and a smaller style of performance. So there could be an adaptation of the classic repertoire, but we are also looking at — for example, through the Melbourne festival we have had a couple of wonderful operas commissioned. I can think of Lindy Hume's brilliant *Batavia*, which is the classic story of Australian death, destruction and mayhem — a magnificent night at the theatre too. That was a huge production, but we are looking at more small-to-medium productions I think.

The CHAIR — We will now go to the women's portfolio, Minister. Thank you very much to the people who are here from Arts Victoria as potential witnesses and to those who have provided the folders.

Witnesses withdrew.