

VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into 2006-07 budget estimates

Melbourne—8 June 2006

Members

Mr W. R. Baxter

Ms C. M. Campbell

Mr R. W. Clark

Mr B. Forwood

Ms D. L. Green

Mr J. Merlino

Mr G. K. Rich-Phillips

Ms G. D. Romanes

Mr A. Somyurek

Chair: Ms C. M. Campbell

Deputy Chair: Mr B. Forwood

Staff

Executive Officer: Ms M Cornwell

Witnesses

Ms M. Delahunty, Minister for the Arts;

Mr G. Andrews, deputy director, Arts Victoria; and

Mr D. Carmody, deputy director, Arts Victoria, Department of Premier and Cabinet.

The CHAIR—I declare open the Public Accounts and Estimates Committee hearings on the budget estimates for the portfolios of Arts and Women's Affairs. I welcome the Hon. Mary Delahunty, Minister for the Arts, Ms Anne-Marie Schwirtlich, Acting Director, Arts Victoria; Mr Greg Andrews, Deputy Director; and Mr Dennis Carmody, Deputy Director, Arts Victoria. Departmental officers, members of the public and the media are also welcome.

In accordance with the guidelines of a public hearing I remind members of the public that they cannot participate in the proceedings. Members of the media are requested 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 given today is being recorded and witnesses will be provided with proof versions of their transcript. We will email those to you, probably tomorrow, and you will be given 48 hours to make any corrections, and then fax them back to us.

Ms DELAHUNTY—Forty-eight hours from when?

The CHAIR—When you receive them.

The CHAIR—Minister, over to you till 3.05 p.m. for your five-minute presentation. Thank you.

Slides shown.

Ms DELAHUNTY—Thank you very much. I am very pleased to present to the Public Accounts and Estimates Committee the Arts portfolio achievements and budget. As I am sure everyone on this committee knows, Arts Victoria is a division of the wonderful Department of Premier and Cabinet. It has the responsibilities that you see up there on the screen. It also has responsibility for managing our major cultural venues, which are important for all Victorians and manage a huge amount of collections and access. Arts Victoria also assists artists and arts organisations and you can see the total output costs.

Achievements in the arts for 2005-06: we want to speak briefly about the Commonwealth Games Cultural Festival which was, by any measure, a tremendous success in terms of the access and participation by Victorians and visitors; Victorians from Melbourne and regional Victoria in particular. There were 2500 artists, 120 companies, and all of these offerings were free to the public, including nine free concerts at the Myer Music Bowl which averaged about 10,000 people per night. It was hugely successful. In fact, more people attended the cultural festival—two million attendees—than attended the Commonwealth Games itself. It was a terrific success.

Access and excellence: as you have heard me say at this committee many times, there is just a potpourri of some of the achievements. We also managed the 150th anniversary of the Eight Hour Day and the second Melbourne Winter Masterpieces last year. The NGV—the National Gallery of Victoria International on St Kilda Road—has received its two millionth visitor since reopening. The State Library, for example, is also doing very well, as is ACMI with terrific attendances for their big Stanley Kubrick exhibition. The Immigration Museum has won another tourism award. The Arts Centre is offering diverse programming. The last dot point there: we opened the moving sculpture on the Sandridge Bridge, which has been very well received.

Regional highlights: I would draw your attention to the wonderful arts education programs that we are running through Bell Shakespeare and the Australian Ballet in regional Victoria.

International achievements: I particularly draw your attention to the \$90 million worth of productions that have been the result of investment by this government and the private sector in film and television.

The arts budget: there is before you *Connecting Victorians to the Arts* with a focus on festivals, arts access and strengthening the small arts sector, right through to the very well received provincial statement. I can go through the details of those as required by the committee. It was another very strong arts budget, doing good

work around access and excellence.

The CHAIR—Thank you, Minister. Could I take you to the Commonwealth Games Cultural Festival. In Budget Paper No. 3 there is an outline of the increased support for major festivals, including the Festival Melbourne 2006 to which you have regularly referred in your highlights of the overheads. Could you please tell us whether there has been any evaluation of that festival, and what it said if there has been.

Ms DELAHUNTY—Yes. We have certainly evaluated this festival because nothing quite like it has been seen in this country before, nor indeed in any other Commonwealth country that hosted the Commonwealth Games. I think I gave you the raw figures in those introductory remarks. The assessment we made though was not just around the numbers, although that was important—the numbers attending the free concerts at the Bowl and the numbers attending the regional live sites; the number of performances, for example, down at the Docklands, Shed 14, which is the youth arts site—we also looked at the quality of the offering, which was very high, and the numbers of people who had not attended many arts events before. Overwhelmingly, there was a sense that people were on a journey of discovery about arts and cultural events through the Commonwealth Games Cultural Festival process. Many regional Victorians, in particular, in fact came down to Melbourne daily to enjoy, yes, perhaps a sporting event but often came down just to enjoy the cultural events.

The preliminary evaluation we have done has shown that there was a high percentage of that two-million attendee number that were in fact visitors and residents who had not experienced this form of cultural product before. Of course, the test will be to make sure that we continue to offer this form of access and that we encourage them to come into our cultural venues. A good example is *The Beach*, which was set up between the Concert Hall and the Arts Centre itself by the Arts Centre Trust. There were many young students, young kids and families participating there who were asking for more information about children's programming at the Arts Centre. That is what we are expecting then to see flow on.

The CHAIR—Thank you. Mr Forwood.

Mr FORWOOD—Thank you. Minister, what was the total cost of Festival Melbourne 2006 and which output group did it come from?

Ms DELAHUNTY—You know that we shared the cost of that with the Commonwealth? It was a \$12 million cultural festival which was shared six and six by the state government and the federal government. We also provided further funds for the regional live sites and regional arts programming. That was provided by the state government. As you know, Bill, our government spends both a lot of money and a lot of time ensuring that regional Victorians share the benefits of anything that is offered in this state, so there were funds set aside for the regional centres, which allowed them—particularly with the live sites—not only to view some of the great athletic feats but, of course, to be part of the arts programming that was specifically designed of and for the local community, whether it was down in Moe or across at Bendigo, Ballarat or Geelong.

Mr FORWOOD—That was over and above the \$6 million?

Ms DELAHUNTY—Yes.

Mr FORWOOD—How much was that?

Ms DELAHUNTY—I do not have that figure, because it would be in DVC as part of the Commonwealth Games total budget.

Mr FORWOOD—Could you get the output groups where the \$6 million came from?

Ms DELAHUNTY—I can do that.

Mr FORWOOD—Thank you.

The CHAIR—Ms Romanes.

Ms ROMANES—The budget allocates \$28 million for the government's provincial policy statement Moving Forward, and that is mentioned in Budget Paper No. 3 at page 43. How will this money be invested and what is the likely impact on regional communities?

Ms DELAHUNTY—That is an important question. There were lots of people who responded with surprise that there was \$28 million invested in the Moving Forward provincial statement for the arts. I do not think anyone around this table would be surprised. Two things: firstly, we have been heavily investing in the arts in regional Victoria to, I think, fill a deficit that existed when we came into government; secondly, the provincial statement came largely out of a continuing conversation between regional communities, represented by their mayors and CEOs of local councils, among others, who consistently argued for more arts dollar investment in regional Victoria, particularly investment around infrastructure.

As you know, each year I pass around maps which show the investment that we have been making in regional arts infrastructure since April 2000, and this will be an addition to that. There is \$20 million for capital funding and \$8 million for, particularly, touring. We are setting up a new process for funding regional arts, particularly through the local councils. We are establishing a memorandum of understanding between each council, which will manage in a transparent and a clear way the amount of money that the state is putting towards arts, whether it is capital or arts programming or support for local arts organisations, as well as the amount that the councils will be putting towards those projects.

The other feature of that that the committee may be interested in is that not only will this memorandum of understanding with the councils involve the immediate councils but also it will involve an expectation that the bigger councils will offer support—not necessarily financial support, although that would be helpful—for the smaller communities in the smaller LGAs. In the past, some of these smaller communities have been left behind a bit, and we want to see, through this new partnership process, a bit of a hub approach to supporting the arts right across regional Victoria.

Ms ROMANES—Thank you.

Mr FORWOOD—Which output group does that come from, Minister? Is that new work?

Ms DELAHUNTY—The \$20 million?

Mr FORWOOD—No, that is the capital funds. The recurrent funding I am talking about.

Ms DELAHUNTY—Yes, that is new funding.

Mr FORWOOD—Which output group does it come from?

Ms DELAHUNTY—Can we come back to you on that?

Mr FORWOOD—Yes.

The CHAIR—Mr Rich-Phillips.

Mr RICH-PHILLIPS—On page 201 of Budget Paper No. 3 you list as one of your quantitative measures access to a diverse range of supported projects. A number of local festivals are funded, and there is a target of 22 and there has consistently been 22 over the period of the papers. Could you please give the committee a list of what those 22 festivals are and how much funding each of them receives.

Ms DELAHUNTY—Do you want that now?

Mr RICH-PHILLIPS—No, you can take it on notice. If you have it now—

Ms DELAHUNTY—We have some of them now. Part of what this 2006-07 budget features is more

funding for festivals. You would be aware that there have been some issues around insurance. There have also been issues, quite frankly, around growth. We commissioned a festivals review in 2005, which was the empirical evidence for the budget increase support. It showed that festivals are one of the best ways for community development, an excellent way of branding regions and communities, and that there is substantial social and economic benefit of festivals right across the state. The Wangaratta Jazz Festival is a very good example of that, the Port Fairy Spring Music Festival, right through to the festivals throughout Melbourne.

The CHAIR—Mr Merlino.

Mr MERLINO—Minister, I refer you to Budget Paper No. 3, page 202, and the performance measures for the output 'Creating place and space'. Could you please advise the committee on the outcome of the refurbishment of the Sandridge Bridge and the role of the arts in achieving that outcome.

Ms DELAHUNTY—An important part of our work is what we call 'creating place and space', and that is dealing with responsibilities that we have in government for public property. You might recall that the Sandridge Bridge, under a previous government, was about to be blown up. It is a heritage bridge, and what to do with it has been an enormous challenge to successive governments. I think we have come up with a very good result, and it has been as a result of partnership with the Melbourne City Council and the arts in particular.

It now is part of the Queensbridge Square, which is the gateway to Southgate, and it is a bridge that leads across to the Flinders Street Station and its underpass. It is now fitting beautifully into that refurbished area, both on the south bank and now increasingly on the north bank. What we did was look for an arts solution to a fairly intractable urban problem. I recall, in planning, looking at this notion of the eye on the bridge, which we certainly did not support. We produced a couple of ideas around what it could be, and we recently opened the sculptures on the bridge. They are abstract steel sculptures by the international artist Nadim Karam. They are called *The Travellers*, representing successive waves of settlement in Victoria, and reflect the migrants since arrival, and expectation. The first sculpture is a stationary one, representing Indigenous Victorians. Quite appropriately, that is stationed and still.

I think this is an important enhancement of the historic, cultural and symbolic nature of the bridge, and I hope that it will be a longstanding artistic statement about the importance of multiculturalism and the different waves of migration to this state, which have been so significant in building such a strong state.

Mr BAXTER—Minister, in respect of some of the regional art facilities, I understand that some of them get recurrent funding and some do not. For example, I am informed that Orbost, although it received capital funding from both state and federal governments, does not get any ongoing assistance. Could you explain to the committee on what basis facilities are funded?

Ms DELAHUNTY—That is a good question. There are arts venues, whether they be museums, whether they be performing arts spaces, whether they be galleries, that have sprung up around the state, most of which are owned by local councils. If they are owned by a local council, of course the spirit of engagement between the state and that level of government can be quite different. You would contrast, for example, Horsham with Geelong, not just in size, but in fact the Geelong Performing Arts Centre is owned by the state government. That is something of an aberration when you look at the other performing arts spaces around the state. For example, the gallery in Horsham is owned by the council and managed by the council. So it depends what the applications are for and what the management structure is. It is a competitive bid. We do expect the council to make some contribution. If it is a bigger council, that will obviously be a financial contribution, a direct cash contribution in most cases, if it is a large building being developed. But if it is a smaller council—and you refer to Orbost—it may be another form of contribution, whether it is more land or whatever it might be; but it is an application process, in essence.

Mr SOMYUREK—Minister, I refer you to Budget Paper No. 3 at page 42 under 'Maintaining our liveability', 'The Arts', and I refer you to the first dot point where it states:

additional funding of \$25 million over four years to transform the State Library's service model to bring a greater emphasis to innovative online services.

That is an extra \$25 million to transform the State Library's service model. Can you please advise the committee on how this transformation will be achieved and the impacts on library users.

Ms DELAHUNTY—This is a serious investment. It is a good one to focus on, Adem. Thank you. This is \$25.1 million over four years to enable the State Library to transform its service model. Basically, it is moving from a paper-based library to a digital library. It will still be as welcoming and as open for people who want to visit and physically use the building but increasingly now, as you know, access to information is via the web and this allows the library to operate as a 21st century library. What will it mean for individuals? It will provide an unparalleled live, online reference support service. It will provide information resources from all over the world as well as access for unique Victorian materials in its collection and it will go to desktops.

At your own desktop you will be able to access that anywhere in Victoria, 24 hours a day, seven days a week. So for students, for scholars, for elderly citizens, for anybody interested, you will be able to access this on your desktop. We know that if you invest in front-end technology, it will give users the sort of 21st century feel and functionality that they are used to. People jump online now, they Google, they jump onto Yahoo and they do expect immediate access to information. This is a terrific opportunity. It will take us a few years to do it, but that is where it is heading. It has a dedicated website, A Place Called Victoria, where you can access this 24 hours a day, seven days a week.

Mr FORWOOD—I want to ask a question about the recital centre. The cost has blown out from a TEI of \$98 million to \$121.5 million. This current financial year, it looks like we are going to expend about \$27 million less than anticipated. The note that you have on page 15 of the response to the committee's questionnaire says that the projected cash flow has been rephrased over the next three years. Can you tell us what the anticipated projected cash flow is over the next three years: 2006-07, 2007-08 and 2008-09?

Ms DELAHUNTY—This is a dream come true for the music sector. They have been lobbying successive governments and probably the government you were part of, Bill, for a dedicated recital centre. What the government is providing with this investment—you are quite right, about \$121 million—is two buildings, co-located. One is a dedicated home for the Melbourne Theatre Company and a world-class, purpose-built recital centre that will house a 1,001-seat centre, which will honour the philanthropic contribution of Dame Elisabeth Murdoch by carrying her name, plus a smaller venue, which we are loosely calling 'the salon' at the moment. This will be, as I said, a finely calibrated musical instrument in itself. The funds have been provided because we spent some time working with acousticians and designers in the music industry to ensure that we are building not just a hall for hire, we are building a finely tuned instrument. The acoustics will be unparalleled in Australia; we hope unparalleled in the world.

The cash flow that you refer to is really the funds that we have had in the forward estimates which allow for the management of this new centre, particularly the recital centre, to manage the building of the centre. You would be aware that Bovis Lend Lease has just been appointed by major projects to build this. They will, I am told, begin the building itself this month in 2006 and looking forward to completing it towards the end of 2008. Clearly there have been funds in the forward estimates to allow for the management and oversight of this particular building. It is a serious investment and those funds have been cash flowed as you have described to allow for the management of the centre.

Mr FORWOOD—Perhaps you could get back to us with those figures. Could you also tell us how much—

The CHAIR—Do you have them here?

Mr CARMODY—No, we do not. We are programming the cash flow now as a result of just letting the contract. We can get back to you on that.

Mr FORWOOD—Thank you. How much is MTC putting in?

Ms DELAHUNTY—MTC? You mean the board?

Mr FORWOOD—No, how much Melbourne University, the Melbourne Theatre Company, are

contributing towards the \$121.5 million.

Ms DELAHUNTY—Yes, sorry; because we do have philanthropic support which is coming through the board. You would be aware of that. That is about \$11 million. Melbourne university has added an extra \$4.5 million which brings their figure to \$12 million.

The CHAIR—Thank you. We will have time for a question from Ms Green and another one from the Opposition, then we will move on.

Ms GREEN—Thank you, Chair. Minister, I refer you to Budget Paper No. 3 page 42, which refers to the support for events, including the Melbourne Winter Masterpieces. Could you advise on how this support has impacted on access to the arts?

Ms DELAHUNTY—This was an initiative, as you know, that the government came up with to provide more opportunity for visitors, during the winter, to Melbourne. Clearly, through our major events projects we are attracting outstanding visitor numbers around sporting events, and particularly when the weather is better. What we wanted to see was more visitors coming to Melbourne during the winter and more visitors coming to enjoy our expanded cultural venues, and so Melbourne Winter Masterpieces was born. We have certainly seen some fantastic numbers. *The Impressionists* was the first one, and 380,000 people attended the National Gallery for that exhibition, with over 27,000 visitors from interstate and overseas—fantastic numbers. The economic impact has been reported at about a \$25.7 million benefit to the Victorian economy. The second exhibition was *Dutch Masters from the Rijksmuseum, Amsterdam*.

Ms GREEN—Saw that one.

Ms DELAHUNTY—There was an expectation that the figures might have been down a little bit compared to *The Impressionists*, which was extraordinary. The total number was around 218,000—again, 19,000 from interstate and overseas—and in fact the yield was higher; people seemed to be staying longer. We are starting to see a pattern, and this will be tested, I think, this year with the fabulous Picasso exhibition opening at the end of this month, particularly with the new material coming out about Dora Maar, his muse, which has never been seen before anywhere else except Paris, because they only opened her flat once she died, in the last 12 months. We are expecting to see those figures come right up again. What is really important is the numbers who are coming from regional Victoria as well. I do not know about you but I queued up a few times and was talking to people, and many of them said—particularly in the first year, *The Impressionists* year—that they had never been to the National Gallery before and they were coming to this.

The CHAIR—Have you made a decision yet on Winter Masterpieces in forward years or approaches made for 2007 or 2008? I do not want you to let any secrets out, but has work begun for—

Ms DELAHUNTY—We will not, don't worry! Let us just say that the Winter Masterpieces will continue and in fact will be expanded. It is a nice release from PAEC, a number of us have found, at this time of year!

The CHAIR—One more question on arts from Mr Rich-Phillips.

Mr RICH-PHILLIPS—Thank you, Chair. Minister, on the issue of the cultural agencies that you are responsible for—the gallery, the museum et cetera—how do you assess whether they are successful or not? In the budget papers you have some metrics on visitation.

Ms DELAHUNTY—Yes.

Mr RICH-PHILLIPS—But do you have more sophisticated measures than simply the number of people through the door, as to whether those agencies are performing successfully or not? Do you benchmark against other institutions in Australia? Do you benchmark against international institutions? How do we know if 500,000 people through the National Gallery is a good outcome or not?

Ms DELAHUNTY—We do benchmark it against comparable venues overseas, but of course that is a

pretty crude comparator, given, for example, that we might compare ourselves with Musee d'Orsay in Paris, and look at the numbers in France—not only the visitors but the number of residents. So you have to be a little bit careful that you are comparing apples with apples. But, yes, it is true, certainly since I have been minister, which goes back to 1999, that access has been a big driver. We put a lot of public money into these cultural venues. We want people to feel that they are welcome. We do want them to come into the National Gallery, for example. We have more than doubled the budget for the National Gallery. We want to see some of these collections used by Victorians, and particularly regional folk.

The other constraint and benchmark for us is that for the first time we have introduced service agreements between the government and the agencies themselves. In the past and under the previous government, funds were provided to the gallery, to the State Library et cetera, but there was not much accountability for how they were spent. Over the last eight months we have been working on the details, and they are very detailed service agreements. The boards, which are appointed by me—by the government—are asked to independently manage those agencies. They, of course, now have signed and are signing service agreements which outline what the government expects to see in terms of access and use of money. Collaboration, for example, is another test—collaboration around marketing and other matters, collaboration around IT—so that we could drive some efficiencies with the government's investment in those very big agencies. So they are some of the measures against which we judge their success. But it is a very good question.

Mr RICH-PHILLIPS—Are you able to provide the committee with the comparative data you spoke about, the benchmarking data, with the international agencies? On notice, are you able to provide that to us, please.

The CHAIR—And my follow-up is: if these funding and service agreements stipulate a range of topics, it would be useful, because performance measures are something that this committee is extremely interested in.

Ms DELAHUNTY—Yes.

The CHAIR—Thank you very much to each of the witnesses and to the people in the department that have prepared the briefing notes. We appreciate the work that all of those that are not here have also done.

Witnesses withdrew.