

VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2007–08

Melbourne — 9 May 2007

Members

Mr G. Barber	Mr G. Rich-Phillips
Mr R. Dalla-Riva	Mr R. Scott
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Ms J. Munt	Dr W. Sykes
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Witnesses

Ms L. Kosky, Minister for the Arts;
Ms P. Hutchinson, director;
Mr G. Andrews, deputy director, policy and programs; and
Mr D. Carmody, deputy director, agencies and infrastructure, Arts Victoria, Department of Premier and Cabinet.

The CHAIR — I welcome Ms Penny Hutchinson, director, Arts Victoria; Mr Greg Andrews, deputy director, policy and programs; and Mr Dennis Carmody, deputy director, agencies and infrastructure, Arts Victoria. We will have a presentation from the minister of around 5 minutes on the more complex financial and performance information relating to the budget estimates for the arts portfolio.

Overheads shown.

Ms KOSKY — I will run through the presentation. I thought it would be useful as we start off to provide some facts and figures about the arts. More than 80 per cent of all Victorians attend a cultural venue or an arts events at least once a year — that is, more than 80 per cent of all Victorians. Half of that 80 per cent attend a live performance at least once a year, and of that half, popular music concerts are attended by 24 per cent; musicals and operas are second, with 18.4 per cent; and theatre performances, 17.9 per cent.

In regional Victoria we have 23 performing arts venues, so we have a really strong network across the state. In 2004–05, 12 of Victoria's major regional performing arts centres attracted audiences of nearly 600 000, that is, our regional performing arts centres. In 2005–06 attendance at the arts centre in Melbourne exceeded 2.5 million people.

Victorian arts and cultural industries supplied an estimated \$7.8 billion worth of goods and services in 2001–02, and in 2004 — and I think this is a very interesting figure — 260 000 people in Victoria had some paid involvement in the arts and almost half a million Victorians had some unpaid involvement in culture and leisure activities. I think it points to the fact that Victoria, of all the states, is very much focused on the arts and creativity as part of our normal lives.

Arts Victoria is a division of the Department of Premier and Cabinet, and I know that the Premier presented last week to you. Arts Victoria is responsible for advising on and implementing government arts policy, developing the arts and cultural industries across the state, ensuring access to the arts for all Victorians, and it supports around 100 arts organisations on a recurrent basis, through either annual or multi-year funding agreements.

It oversees the state-owned major cultural agencies. So we have got ACMI; we have got GPAC, the Geelong Performing Arts Centre; we have got the museum; the National Gallery of Victoria; the state library; the Public Records Office; and the Arts Centre. Arts Victoria also assists artists and arts organisations through, obviously, funding programs but also supports and works to increase community access, engagement and participation in the arts. The total annual output costs are \$393.7 million in 06–07, and in 07–08 they are \$404 million — so that is an increase. The output costs include the capital asset charge, depreciation, CSF funding and also arts agency other earned income — so income they get through the box office, through food and beverage, and through parking and entrance charges et cetera.

I refer to some of the key achievements in 06–07. There have been almost 1.5 million visitors to Museum Victoria's venues — they are, of course, Scienceworks, the Immigration Museum, the Melbourne Museum and Imax. Its Discovery program, which is the museum's travelling education and outreach program, reached a record 60 000 people across Victoria. We also had the third Melbourne Winter Masterpieces exhibition, Picasso: Love & War at the NGV. If you did not go, it is too late now. There were 224 000 visitors over 101 days to that, so it was quite extraordinary. The economic impact of that for the Victorian economy was \$15.5 million.

ACMI also had its tv50 exhibition, marking the first half century of television in Australia. That attracted a record 92 000 visitors, 61 per cent of whom were first-timers. The Arts Centre launched a range of new programs to support local artists and to cater for a diverse range of audiences. We have also had the construction of the Melbourne Recital Centre and the MTC theatre. I will whip through the next.

This budget is \$63.6 million over four years. That is additional. It includes the City of Literature, which includes the creation of Australia's first Centre of Books and Ideas at the State Library and also the development of the UNESCO bid to designate Melbourne as a City of Literature; Victoria Rocks, which is a comprehensive package to support growth and viability of the local music industry — that is in conjunction with the Office for Youth and Tourism Victoria; the Southbank Arts Precinct Integration Project, at \$5 million — that is to do the business case and urban design for the Southbank arts precinct; Creative Communities at \$7 million — I am happy to answer questions around that; and Imagination Unlimited, which has outreach activities, artists residencies and excursions focused on young people. We have Arts in the Suburbs at \$6.6 million; the Museum of 100 years of the Moving Image at ACMI, which is \$5.9 million; and the Melbourne Recital Centre, \$14.7 million, which is for its initial

programming and ongoing operations and the one-off purchase of equipment. We also have extra funding for the Premier's Literary Awards, the community history grants, and major performing arts.

Mr PAKULA — It is a pleasure to finally get to ask a question. Page 25 of budget paper 3 refers to the provision of \$15 million over four years for the Melbourne Recital Centre. I am just wondering if you can give us an update on its progress and clarify the funding arrangements for that centre.

Ms KOSKY — The Melbourne Recital Centre, for those of you who do not know, is down at the Southbank arts precinct. It is actually worth going to have a look. I am happy to organise for anyone who wants to have a look through.

There are two new facilities that will be down there. The MTC, the Melbourne Theatre Company, is actually relocating to that site. It is next door to what will be the new recital hall. It is world class. It is a 1001-seat recital hall which is named in honour of Dame Elisabeth Murdoch. We also have the 500-seat theatre for the MTC next door. They will fill two very important gaps. As I said, the MTC for 25 years has been searching for a new permanent home. It has not had one since the Russell Street theatre closed, so this gives it a new permanent home.

The Melbourne recital hall basically provides an uncompromised acoustic facility for a whole lot of different performances. It is for the smaller performances that would not be say, at the Arts Centre. It is about the acoustics being perfect for the performers. As well as the recital hall, the centre will have recording and broadcasting studios, rehearsal and function rooms, and a cafe and bar. The theatre will also include rehearsal space and offices.

The centre will also contain a salon which is an 150-seat flexible space with state-of-the-art facilities for musicians. But this actually means, and it was an important part of the project, that different groups who want to come and perform — from different parts of regional and rural Victoria or multicultural groups — can actually use that smaller area with the fantastic acoustics for smaller type performances. We do not really have a proper place for that at the moment, where the musicians can actually perform in fantastic surroundings. They can go into halls or different theatres, but it is certainly not the same. The recital centre is being developed — and they have acoustic engineers — to really have perfect acoustics.

Melbourne has traditionally had the strongest audiences for chamber and jazz music in Australia. This means that this recital hall will really cater for those groups. The recital hall itself is completely isolated from the ground and surrounding building structure. So it is actually a 250-millimetre thick concrete box which is mounted on a 38 large steel spring bearing. It is actually worth going in to have a look at it whilst it is being made, because once it is complete you actually will not see what is behind all of it. So when you are inside it when it is complete, you will not hear any of the traffic noise outside or traffic vibrations, because it is all built so that it keeps all of those vibrations and sounds out.

The total government capital contribution to the project is \$76.2 million. The total project budget is \$121.5 million. There is \$45.3 million from non-government sources, including funding from the University of Melbourne, towards the MTC theatre. Also there is a fundraising program that is just about to commence to support the Melbourne Recital Centre.

The funding in the 07–08 budget is for its programming, so it is actually its operating funding, not the capital so that it can work out its pace for the yearly operating costs. But obviously for the opening programming it is important that it sets a scene about being world class, not too highbrow, but that it actually caters will make an important statement. But it is important that it caters for a whole lot of people around Victoria to both perform in, be spectators or be part of the audience.

Mr DALLA-RIVA — BP3, page 182, arts portfolio agencies, and one of those particular agencies specified is the National Gallery of Victoria. Minister, can I ask you: what are the estimated savings to the budget resulting from the closure of the NGV International on Tuesday and the NGV Australia on Monday? What would be the additional costs, if you have undertaken that, of returning the NGV to seven-days-a-week opening?

Ms KOSKY — Those figures are not in the budget, because it was a decision that was taken prior to October 2005, which is when that was implemented. It was done as part of the National Gallery of Victoria realising it was actually operating over its budget. And of course it has two sites, so it was operating across two sites and it was operating over its budget.

The trustees at the time, in order to operate within their budget, took the decision — and I cannot give you the exact figures, but we can get them to you, and it would have to be in 2005 terms, I think, as to really how much they were over budget, but there were other measures that they put in place as well to remain in budget. They took the decision not only in terms of meeting the budget but also because they do have two sites, so they are one of the few large art galleries that operate two sites. The NGV itself is open seven days a week. It is just between the two sites that they have coordinated that they are shut one day each per week on different days. That is actually reflective of what happens at major galleries around the world where they do have a day of closing. Schools, if they book in, can continue to access the NGV on any of those days.

But what it does mean, and I have spoken with the national gallery about this, is that it is actually able, on those days when it is closed to the public, to make a whole lot of changes. If it has got to shift exhibitions it can do all of that work; it can do maintenance works. Rather than having to do it in the evening it can actually do it on that day when it is closed to the public. When they have the Melbourne winter masterpieces, or indeed with the Australian impressionist exhibition, they are opening all days for seven days for those major exhibitions, but their view is that this is the best way of operating at this stage.

I have also looked into the budgets of the National Gallery of Victoria in comparison with other states. In fact our budget for the National Gallery of Victoria is \$37 million per year, remembering that is across two sites. New South Wales is 21 million — so we are 37, they are 21; Queensland is 24 million; the commonwealth is 45 million per year. We, compared with all other states, are much higher in terms of the expenditure that we provide for the national gallery, and I believe that this is the right decision.

They have opened on a number of evenings, and they have proved to be very popular. We are having discussions about that at the moment. Certainly the view of the NGV is that opening seven days a week would not necessarily increase the audience; it would spread the audience. If we were to make any changes it would actually be about increasing the audience and providing opportunities for some of those who cannot necessarily get there during the day at the moment.

Mr SCOTT — I will be pre-empting Dr Sykes. My question is regarding the funding of regionally-based organisations in arts, which is referred to in budget paper 3, output no. 1, arts development and access, page 180. The Bracks government has had a strong regional focus throughout its term in office. In what way does the budget have the arts contributing to the growth of regional Victoria?

Ms KOSKY — As I mentioned before, Arts Victoria supports 23 arts venues across regional Victoria. Bill is happy to share regional Victoria with many other people, aren't you Bill? There are 23 venues across Victoria, and some of those figures that I mentioned before about how popular a lot of those venues are is a demonstration of how both popular but important they are to the community, both the arts community but the broader community as well and how they contribute to the economy of the community.

In 2004–05, 12 of Victoria's major regional performing arts centres attracted audiences of nearly 600 000, which I mentioned before. In 05-06 attendance at 16 of Victoria's regional galleries was 620 000, so significant numbers of people are attending the regional galleries for a whole variety of different events at the galleries.

It is an important part of our policy to ensure that regional galleries and regional artists are well supported. We have doubled the funding that is available to deliver quality arts programs in regional Victoria and have also supported major investments in new arts infrastructure around Victoria. Indeed in Benalla there is a wonderful art gallery with fantastic art works in it which we have provided funding and support to. It is a fantastic gallery.

Arts Victoria Local Partnership Program, which is a \$3 million project each year, is a program where we work in conjunction with councils to support the arts and cultural programs that operate out of their art galleries and their performing arts centres. I will just give you a quick sense — as part of those local partnership programs we have entered into MOUs with the councils to try and reduce some of the red tape that has existed before. It means that the councils in entering into an MOU outline their intended arts and cultural program, including any proposed capital infrastructure, and then they can actually manage at that local level once they have entered the MOU with us rather than having to do a submission on every single aspect for their art works. We have nine that have been signed to date and six that are forthcoming. The nine that have been signed to date are Ararat Rural City Council, Baw Baw Shire Council, Greater Bendigo City Council, Latrobe City Council, Macedon Ranges, Greater Shepparton City Council — that is \$1 million for the operation of the art gallery and the Eastbank Centre —

Wellington Shire Council, the Warrnambool City Council and Wangaratta Rural City Council. The forthcoming ones are with Ballarat, Benalla, Glenelg, Mildura, Swan Hill and Southern Grampians.

The MOUs are a great way of working in with local government, and, of course, local government also contributes funding in addition. In the first two terms of this government, over \$23 million was also provided for infrastructure and, under the Moving Forward initiative, a further \$20 million is now available to continue that program for the next four years. A large amount of this goes to capital infrastructure, which is very important. We have also given \$2 million, or are funding \$2 million, to a whole range of flagship companies, such as the Melbourne Theatre Company, Circus Oz, Heide museum, the Melbourne Symphony Orchestra and the Australian Ballet, to increase the range and quality of the arts touring to the regions to ensure they are actually going out and providing support and funding for that.

To give you a bit of a sense of the economic value of this, in Bendigo, under the research that was done, it is estimated that \$17 million has been contributed to Bendigo's economy through the Bendigo Art Gallery's works and their major commitment there. So it does make a huge difference to the regions, and it means that wherever you go around Victoria you can either participate or go and visit fantastic art works, and it means we do have a very vibrant artist community right around Victoria.

Dr SYKES — Minister, you have answered most of my questions. Thank you very much.

Ms KOSKY — I am sure you have more you want to ask.

Dr SYKES — I understood the answer, and it was quite broad, but in terms of major industries you have \$63 million going basically to Melbourne and suburban locations, with the new initiatives listed here on page 25. You said there is money going to the Wangaratta Performing Arts Centre, is that correct?

Ms KOSKY — Yes.

Dr SYKES — What other major capital investments are there into country Victoria?

Ms KOSKY — Let me run through them. The \$63 million is not just for metropolitan Melbourne. What happened was I was getting the look from the Chair as I was doing the introduction. I think really the Chair was making sure you would have some questions to ask.

But Victoria Rocks, which is a package to support young musicians and which is in conjunction with the Office for Youth, is right across Victoria, and so that is providing grants to build their careers and also to support recording, touring and distribution. Creative Communities is funding \$7 million to support small-to-medium arts companies right across Victoria, for those companies which are really the experimenters and the innovators in terms of new art works, many of which are then produced in Victoria and then tour not only in Victoria but indeed around Australia and some internationally. So it is providing funding for those small-to-medium organisations, many of which do operate in regional and rural Victoria. So that is a support for them. There is particularly focusing on a range of different areas of need — linguistically diverse communities, youth indigenous, and disability groups. So that is funding across Victoria. As part of that as well there are 28 eisteddfods that will be funded in suburban and regional Victoria. You might get a chance to go and perform.

Dr SYKES — I do on a daily basis, Minister.

Ms KOSKY — And have a broader audience, maybe!

Imagination Unlimited is a \$7 million program announced in the election and funded in the budget which provides outreach activities, artists' residencies, cultural excursions and online programs that are focused on young people. That is across Victoria.

There is also funding for the Premier's literary awards, which is broad; community history grants, which is \$1.6 million which will be provided again, of course, to organisations across Victoria; and there is funding for major performing arts which is in conjunction we are hoping with the commonwealth in terms of them matching it, and again that will be right across Victoria. So much of what is in the budget is actually for artists and artists' communities and different communities right across Victoria.

Just to give you a little sense of those MOUs that have been entered into, Benalla, which is a forthcoming MOU, there is \$375 000 there, and that is in conjunction with the Benalla Art Gallery and its development of cooperative arrangements with Wangaratta rural city to share arts and cultural staffing and programming resources; at Warrnambool, \$640 000, and that is for the operations and expanded programs of Warrnambool Art Gallery and the Warrnambool Performing Arts Centre, and so there is a range. For Macedon Ranges it is 240 000 for the operation of the Kyneton town hall performing arts programs. So it is really about their programs and program delivery in a whole range of different regional and rural communities. That funding, as I said, is from the Moving Forward initiatives, so that is the \$20 million over four years. No, it is not, sorry. That is \$3 million of the Victorian local partnership program. The Moving Forward initiative for 20 million which is infrastructure, of course, also applies across Victoria. So there is lots to look forward to.

Dr SYKES — If there is an increase in the Benalla market, I suggest it is because currently both Benalla Art Gallery and the performing arts centre do live on the smell of an oily rag.

Ms KOSKY — Do not worry; they have lobbied me.

The CHAIR — Ms Graley, this might be the last question. We will probably take a couple on notice because it is a very popular topic.

Ms GRALEY — You mentioned before blockbuster exhibitions in Melbourne, and I am just wondering if you can advise the committee of the economic impact such exhibitions have — especially the high attendances that have been reported — and expect to have in the future for Victoria.

Ms KOSKY — The Melbourne Winter Masterpieces program has just been incredibly valuable, and it was part of a lot of work that the government did to look at really how we make sure that we have a balanced calendar of events right across the year, but also how we make sure that the creative arts is very much part of the vibrancy of Victoria. We have been able to secure some major international arts exhibitions that really have had a major economic impact.

I mentioned before the economic impact from Picasso, which was 15.5 million. The Dutch Masters exhibition was 23.7 million, and the economic impact of the Impressionists was 25.7 million. It is just interesting; the attendances have been extraordinary. But with the Impressionists 20.8 per cent were from interstate or international; for the Dutch Masters, 21.4 per cent, and for Picasso it was 27.9 per cent. So they have been incredibly successful, and have also reached people who are not regular attendees of different exhibitions.

I know it was not one of the Melbourne Winter Masterpieces programs, but it is worth mentioning that the Australian Impressionism exhibition at the moment has had record attendances, and I think it is 1 in 11 people who are actually purchasing the catalogue that has been produced, which is an extraordinary catalogue. But there are over 1000 per day who are attending that, and we have had 37 000 people already attend.

So they have been incredibly successful, and they really provide, over a three-month period, a fantastic program. People often go back several times and take different groups back. But this year for the first time we have two arts agencies involved in the Melbourne Winter Masterpieces. The NGV will present the Guggenheim Collection, 1940s to Now, and ACMI will present Pixar, which is 20 years of animation — and I think this will be fantastic — with original artwork from some of the animated features such as *Toy Story*, *A Bug's Life*, *Finding Nemo* and *The Incredibles*. So you will actually see the artwork behind the production of those. They have been incredibly successful.

I have to mention this because it was in the *Sydney Morning Herald*. It is just an indication of how Victoria is being seen in terms of the creative arts. Anne Summers says she spent a few days down south to experience the very different way the two states approach arts and culture:

The New South Wales government seems to see this sector as an irritating, even embarrassing, adjunct to the main game.

By contrast, Steve Bracks and his team have placed arts and culture at the centre of their economic thinking, want to develop Melbourne as a cultural hub, and are pursuing private and public enterprises or joint ventures that will create a cultural infrastructure they are confident will attract people to the city.

And she goes on — and I could go on. But it is actually really interesting that a lot of the work that is being done, partly through the Melbourne Winter Masterpieces, partly through the investment right across regional and rural Victoria — that the creative and the innovative arts are seen as a really critical part of what Victoria stands for.

The CHAIR — Minister, thank you very much. We have a number of questions on notice to you; I will not read them out.

Ms KOSKY — Yes.

The CHAIR — I will get the secretariat to make sure that you are provided with them. I would also like the department to provide updated and fuller answers to question 9 with respect to the Public Accounts and Estimates Committee's questionnaire.

That concludes consideration of budget estimates for the portfolios of public transport and arts. I thank the minister, witnesses and departmental officers for their attendance today. It has been a very useful session. Where questions were taken on notice the committee will follow up with you in writing at a later date. The committee requests written responses to these matters to be provided within 30 days, and they will form the basis of a report to Parliament. Thank you very much to everyone for their patience and attendance today.

Ms KOSKY — I hope to see you all at the MPs viewing of Australian Impressionism.

Committee adjourned.