

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2012–13

Melbourne — 4 May 2012

Members

Mr N. Angus

Mr P. Davis

Ms J. Hennessy

Mr D. Morris

Mr D. O'Brien

Mr M. Pakula

Mr R. Scott

Chair: Mr P. Davis

Deputy Chair: Mr M. Pakula

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Witnesses

Mr T. Baillieu, Minister for the Arts,

Ms H. Silver, Secretary,

Mr D. Carmody, Deputy Director, Agencies and Infrastructure,

Mr G. Andrews, Deputy Director, Policy and Programs, and

Ms P. Hutchinson, Director, Arts Victoria, Department of Premier and Cabinet.

**Necessary corrections to be notified to
executive officer of committee**

The CHAIR — I now welcome from the Department of Premier and Cabinet Ms Penny Hutchinson, director of Arts Victoria; Mr Dennis Carmody, deputy director, agencies and infrastructure; and Mr Greg Andrews, deputy director, policy and programs. I call on the Premier to give a very brief presentation of no more than 5 minutes on the more complex matters relating to the financial performance information in the arts portfolio.

Mr BAILLIEU — We have a — —

The CHAIR — Handout?

Mr BAILLIEU — A 3-hour opera by way of presentation, Mr Chairman. I do not know whether you want to go into that.

The CHAIR — We are in your hands, Premier; I am not sure how to respond to that.

Mr BAILLIEU — I am just checking. I am drumming up a bit of drama around the arts portfolio. I will briefly refer to the slides.

Overheads shown.

Mr BAILLIEU — I think it is widely acknowledged that Victoria has a pre-eminent position in the arts across Australia. We have a fantastic reputation that has enjoyed bipartisan support. I think it is important to this state. It adds to those competitive advantages in this state. Cultural resources and commitment to the arts has not happened by accident; it has been developed over the years. If you look back at the history of this state post settlement, the state is 161 years old this year but some of our key cultural institutions are celebrating their 150th anniversary — —

Are you all right, Mr Pakula? Sorry, you were looking upset.

Mr PAKULA — No, it has nothing to do with anything you are saying, Premier. Carry on.

Mr BAILLIEU — Okay. You were upset about something else. There are some key institutions which are 150 years old. I think that is a marker in itself of what arts and cultural institutions have meant to this state — obviously the gallery, the library, the university and many other institutions.

If we go to the slides, we can see that the distribution of our arts assets and arts activity across Victoria is enormous. We have some of the best galleries in Australia in our regions. I could rattle them all off, and it is a joy to be able to visit them — Warrnambool, Hamilton, Geelong, Bairnsdale I have been to recently, and of course Bendigo and Ballarat. As we speak, the Grace Kelly — Style Icon exhibition is at the Bendigo Art Gallery. That exhibition has a short period to go. It has recorded record numbers of visits, exceeding the last two. I think we are approaching 100 000 visitors to a regional gallery exhibition. I know of your commitment to regional Victoria, Mr Chairman and Mr O'Brien. I am sure you will be taking that opportunity, and I am sure the other members of the committee will be as well.

Obviously we have such a range of activities. I take my hat off to the previous government for introducing the winter masterpieces programs. The Tutankhamun exhibition attracted nearly 800 000 visitors; it is a staggering visitation. Throughout last year the NGV was ranked one of the best in the world, and the VCA, which does a sensational job. What we have here are institutions like the VCA and NICA and Circus Oz and others which are developing such a reputation.

We will keep flicking through the slides. The Wheeler Centre — again I acknowledge the role of the previous government in this — we are seeking to support that and indeed seeking to advance the literary prize here, the Victorian Prize for Literature, which we did last year. The World Summit on Arts and Culture, which is attracting 500 delegates, and obviously the redevelopment of the Arts Centre with Hamer Hall coming up later in the year.

All in all, it has been a significant year for the arts in Victoria and there will be more to come, as there always is. But I say, as I always say, it is important to keep looking afresh at every one of these opportunities, to not take anything for granted, to make sure that there are always new faces, new approaches and, most importantly, that

there are young faces embracing the arts. That is what we see in our streets around any arts venue, and that is what makes it so enriching.

The CHAIR — Thank you, Premier. Briefly, and you can be brief in your response, I am looking for some commentary in regard to the information which the committee will be collecting across all portfolios relating to key growth and efficiency initiatives announced in the budget. Can you outline for the committee the likely impact of the budget on enhancing service delivery, promoting productivity and achieving efficiency gains within the arts portfolio? In particular, are there any matters you would like to advise the committee of in regard to monitoring the effectiveness of measures? At the same time, could you comment on any impacts in relation to the arts community outside government?

Mr BAILLIEU — Sure, and I will be brief. There are measures in this budget which seek to encourage efficiency and productivity around arts organisations and improving the storage of the state's cultural collections. That is part of it not only for the safeguarding of the treasures but also to deliver efficiencies there and make them more accessible, wherever possible to reduce double handling and improve asset management. Equipment upgrades at ACME and the Planetarium at Scienceworks will result in greater efficiencies there and replace obsolete technologies. The Planetarium upgrade will significantly reduce production time and increase opportunities for the export of shows. In addition to these initiatives, cultural organisations have been working on business reforms to achieve efficiencies and increase productivity.

Obviously with the reopening of Hamer Hall there will be new opportunities, and indeed there are improvements or upgrades at GPAC and the Arts Centre. The allocation to Museum Victoria for exhibition renewal will improve the offering for visitors, but it will be a challenge to match the sort of visitation that Tutankhamun produced. Technology is also providing opportunities for efficiencies at Arts Victoria and portfolio agencies. AV is currently implementing an online grants management system that will be a significant improvement. The time that gets spent on grant applications will hopefully be significantly reduced, and the assessment time will be reduced. Arts organisations are already closely monitored through service-level agreements, budget monitoring and business planning, and that will continue with a particular focus on service delivery and efficiencies.

Mr PAKULA — Premier, page 236 and 237 of budget paper 3 seem to have the grants outputs — the total funding, which seems to have actually dropped, but I will come back to that in a moment. Can you just take us through the process by which funding applications are dealt with, whether you or your office or your parliamentary secretary or anyone of that nature has any involvement in determining how Arts Victoria support is granted in terms of the grants that are in this funding bucket?

Mr BAILLIEU — Fundamentally grants are approved by the minister. There are different grant levels. I do not know how familiar you are with it, but there are various bands of grants, including multiyear, single year and various other grants available. They are handled in slightly different ways. Some of those grants are subject to peer review assessment and panels are established to go through the applications — and there are healthy lists of applications. Assessments are made and then they are provided to AV. AV make their recommendations, and they come to the minister. As the minister I look at those recommendations. Ms Hutchinson might like to comment as well.

Ms HUTCHINSON — As the Premier said, there are a number of ways in which programs are assessed. Some are subject to peer review. There is also an organisation's multiyear funding program, which is for important organisations. They typically have two to three-year funding agreements so they have some certainty about their government funding. Then, as the Premier said, there are a number of peer group panels which are a mix of people who work with the team at Arts Victoria to assess applications and make recommendations to the minister.

Mr PAKULA — Very briefly, you talked about how the important organisations might have two or three-year funding. What kind of organisations are we talking about? Is that, sort of, Orchestra Victoria? As an example, do they go to that peer group panel process?

Ms HUTCHINSON — Orchestra Victoria belongs to that special group of organisations known as the major performing arts organisations, and there is a set of agreements between the state government and the Australia Council in relation to those companies. That group of companies also includes the Melbourne

Symphony Orchestra, Opera Australia, the ballet company, the Melbourne Theatre Company, the Malthouse Theatre company and Circus Oz. Those are a group of major performing arts companies which are subject to agreements with the commonwealth. This group of outputs that you referred to are mainly the ones that we deal with simply at the state level.

Mr O'BRIEN — I refer you, Premier, to the same budget paper, budget paper 3, and note your comments briefly in relation to GPAC, the Geelong Performing Arts Centre, and I would ask you: what is the government doing to support the arts in Victoria's second-largest city, Victoria's largest regional city, Geelong?

Mr BAILLIEU — I thank Mr O'Brien for his question. There are significant arts facilities in Geelong, and they have long been supported. Indeed one of my predecessors was a great champion of Geelong's arts and cultural regions and precincts. I think the developments on the waterfront have contributed to that cultural activity. I had the opportunity to recently attend the opening of the new Courthouse ARTS facility down there and a great facility it is. It accommodates some extraordinary companies in its own right, companies of international significance. I think they are making a remarkable contribution to the arts effort here. There is a company called Back to Back Theatre which is touring regularly across the world and is based in Geelong at the redeveloped courthouse. There are opportunities there for visitors to participate.

The cultural precinct in Geelong is a strong one, with the library, the heritage museum facilities there and the Geelong Performing Arts Centre. We had already made contributions in that regard in the last budget, and in this budget we are extending further support to GPAC for critical works. That will fund the renewal of assets that are critical to the functioning of GPAC. GPAC opened in 1981, and it attracts more than 200 000 visitors each year. It is one of Australia's premier performing arts venues, and with the gallery and the other facilities across the road GPAC brings a fairly wide range of world-class arts and entertainment to the people of Geelong. It is an important facility, and we look to providing additional support for it. The works will create some local jobs, and they will include upgrading the climate control and ventilation system, some plant and infrastructure works, some building fabric works internally, some plumbing and some paving. We recognise that there is more work to do there.

In addition, GPAC receives 200 000 additional funding for operations as part of the major performing arts sector package of initiatives. That will support all the areas of the centre's operations and give GPAC a chance to present the best performances. The new funding follows on from more than half a billion dollars — half a million dollars; don't tell John I made that slip — half a million dollars that was in last year's budget to assist with the roofing, and it is part of a commitment to that precinct. As I mentioned before, there was \$15 million which went last year to the library and heritage centre. There is the fantastic gallery across the road, and I recommend a visit to the gallery at any time.

Mr SCOTT — I will just follow on regarding GPAC, if I can. I understand that prior to the election you had committed to support a major upgrade of GPAC, and I note your discussion of \$2 million funding in this budget. If I have understood you correctly, you have outlined that there would be further funding required, so I presume that the funding you are talking about this year does not qualify for that major upgrade. So when will the funding be provided for the upgrade that you promised at the election?

Mr BAILLIEU — What we did was commit \$15 million to the cultural precinct there. I do not know how familiar you are with it, Mr Scott, with the gallery, the library and heritage centre and GPAC in the same precinct and the courthouse and council buildings not far away. There is a need for substantial additional investment, and indeed some investment has been provided by other sources as well. We went to the various stakeholder groups and said, 'How best would you like that \$15 million to be used in the short term?'. They made the decision that the \$15 million in the first instance should go to the library and heritage centre. So we have accommodated that wish according to the local wishes, and we look forward to assisting GPAC when the opportunity presents itself.

Mr SCOTT — Is that opportunity likely to present itself within this term of office, to use your words?

Mr BAILLIEU — I am not going to speculate about that, Mr Scott. Suffice to say, we committed money, we put that money on the table and we said to the people of Geelong, 'Rather than us pick what the priority is immediately, you tell us what priority you wish to address and we'll commit that money to that', and other funding has been sourced as well. Everybody is working together to develop the precinct, and I am very

confident that over time the precinct will be even better than it currently is. Forgive me a moment of indulgence, but any architect looking at that precinct would be relishing the opportunity to get stuck into it and ensure that Geelong has a cultural precinct that is going to really lift and inspire everybody. I am confident that that will happen. It is a question of doing these things one step at a time.

Mr MORRIS — Premier, can I refer you to BP 3, page 52, and in particular the top item there, which refers to the collections management initiatives. Can you advise the committee what action the government is taking to protect our cultural legacy through its safe storage and collection?

Mr BAILLIEU — I thank Mr Morris for his question. Most Victorians probably would not appreciate the depth of the collections that we do have here. They are collections which run, obviously, across the gallery with the extraordinary works in our collection but also in other areas — —

Mr PAKULA — Even the stuff they cannot find.

Mr BAILLIEU — Stuff you lost?

Members interjecting.

Mr BAILLIEU — I think it might have involved the previous government, Mr Pakula, but let's not be too choosy.

Members interjecting.

Mr BAILLIEU — Eleven years and you want to chuck that one on. Good on you, Mr Pakula; a dramatic performance at this time of the day — not quite an Academy Award, but — —

Mr PAKULA — It is the arts portfolio, Premier.

Mr BAILLIEU — It is. Well, please sing your questions and we can sing them back.

Members interjecting.

Mr BAILLIEU — That is not to be recommended?

Ms HENNESSY — Where is your cape, Premier?

The CHAIR — We are all obviously all tired, by the level of the humour. May I draw the Premier back to the question.

Mr BAILLIEU — The collections are very special, and the budget provides \$6 million in asset funding, together with output funding of \$9 million-plus over four years to enable major cultural agencies to better protect and secure the state's diverse collections. That involves an action plan for Victoria's state collections, which was produced by the department in 03–04, and we acknowledge that. Subsequent business cases and reviews on collection storage pressures were conducted in 07, 08 and 2011, and a permanent collection store adjacent to Scienceworks in Spotswood was purchased in 05 with a view to construct a new facility to house the state's collections there. Work to clear and decontaminate this site is nearing completion. Total funding of more than \$15 million delivered by the coalition allows us to address some urgent storage pressures and develop long-term solutions.

The solutions to address immediate issues include some new space to house Museum Victoria's geology and palaeontology collections, new space and new compact and cantilever storage units to relieve overcrowded and unsafe storage of NGV paintings, movement of ACMI's collection of vulnerable film formats and Arts Centre shelving reconfiguration. It is a huge task that is probably not appreciated because it tends to be behind the scenes, but it is vital to preserving the assets and preserving the opportunity.

Anybody who has an opportunity at any of these galleries — I have been back of house and looked at the performing arts collection, which is quite extraordinary in itself. I have been back of house of many galleries. We were talking about Geelong Gallery before. They have an extraordinary collection of paintings and objets d'art that are downstairs in storage, and I am sure they are warmly looking forward to the opportunity to put

them out elsewhere, but in the meantime you have to look after them, and I am sure that is what everybody wants to happen.

The CHAIR — I have to say I regret that we do not have more time for the arts portfolio; it was just starting to become entertaining.

Ms HENNESSY — Considering an extension of time, chair?

The CHAIR — Regrettably we have already adopted the hearing schedule, so we cannot amend it. On behalf of the committee I thank the Premier and all the officers from DPC for their attendance today. I do not recall any questions on notice, so there will be no need to follow up following this hearing. I thank all those who have participated today. I would particularly like to thank Hansard and those who are in charge of the broadcast, which we cannot see but I am told has been going well enough. Thank you very much. This closes the hearing.

Mr BAILLIEU — Go placidly amidst the noise and haste, and remember what peace there may be in silence.

The CHAIR — Thank you. I close the hearing.

Committee adjourned.