

# TRANSCRIPT

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into Budget Estimates 2018–19

Melbourne — 12 June 2019

#### Members

Mr Danny Pearson — Chair

Ms Sue Pennicuik

Mr David Morris — Deputy Chair

Ms Harriet Shing

Mr Steve Dimopoulos

Mr Tim Smith

Mr Danny O'Brien

Ms Vicki Ward

Ms Fiona Patten

#### Witnesses

Mr Martin Foley, Minister for Creative Industries,

Mr Richard Bolt, Secretary,

Mr Andrew Abbott, Deputy Secretary, Creative and Visitor Economies, and Chief Executive, Creative Victoria,  
and

Ms Jane Crawley, Director of Arts and Investment, Department of Economic Development, Jobs, Transport and  
Resources,

**The CHAIR** — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2018–19 budget estimates. All mobile telephones should now be turned to silent.

I would like to welcome the Minister for Creative Industries, the Honourable Mr Martin Foley, MP; Mr Richard Bolt, Secretary, Department of Economic Development, Jobs, Transport and Resources; Mr Andrew Abbott, Deputy Secretary, Creative and Visitor Economies, and Chief Executive, Creative Victoria; and Ms Jane Crawley, Director of Arts and Investment, Creative Victoria. We also have in the gallery Mr Michael Hudson, Director of Screen, Strategy and Design, Creative Victoria; Ms Debbie Kiper, Senior Manager, Collections and Major Events, Creative Victoria; and Ms Joan Rowland, Senior Manager, Corporate Development, Creative Victoria. Any witness who is called from the gallery during this hearing must clearly state their name, position and relevant department for the record.

All evidence is taken by this committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Any comments made outside the hearing, including on social media, are not afforded such privilege.

The committee does not require witnesses to be sworn, but questions must be answered fully, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

All evidence given today is being recorded by Hansard. You will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, any PowerPoint presentations and handouts will be placed on the committee's website as soon as possible.

Witness advisers may approach the table during the hearing to provide information to the witnesses if requested, by leave of myself. However, written communication to witnesses can only be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way.

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

I invite the witness to make a very brief opening statement of no more than 5 minutes. This will be followed by questions from the committee.

**Mr FOLEY** — Thank you, Chair. Could I particularly begin by acknowledging my department secretary and his recent Queen's Birthday honours achievement. Let the record show how grateful we are to be joined by him.

### **Visual presentation.**

**Mr FOLEY** — Victoria's creative industries are a significant contributor to our state culturally, socially and economically. There are currently some 242 000 Victorians employed in our creative sector, and that is an increase of 20 000 over the past four years. It is not just critical to our economy, it is critical to our livability and to our strength as a visitor destination right across the state. Cultural tourism, for instance, is a key drawcard for Victoria, and it is one of the key reasons Victoria's tourism, both intra-Australia and internationally, is growing. International cultural tourism, part of that, contributes some \$2 billion to our economy, up from just over \$1 billion five years ago.

The number of international cultural visitors to Victoria has increased by 65 per cent over that same five-year period. In this portfolio the major cultural institutions play a key role in this and are the best of their kind in Australia. We have the best visited museum, the best visited library, the best visited gallery and the best visited arts performance precinct. They all continue to raise the bar with innovative programs designed to attract and engage both existing and new audiences and visitors as they build both the cultural education and community opportunities. Our focus has very much been on ensuring a cross-sector collaboration not just amongst those institutions but increasingly with small, medium and independent organisations.

Moving on through the presentation, over the last year our highlight has been the ongoing delivery of our Creative State strategy. All 40 of the strategy's actions have been delivered or are now well underway. I am particularly proud that the focus on the production of creative content has been at the forefront of that both through our Creators Fund and our Creative State Commissions. This is all about backing Victorian talent and

enabling new ideas and an ambitious cultural program of the earliest parts of creative production across different platforms, increasingly through collaborative processes of different traditional platforms coming together.

We have also seen in the past 12 months the first ever Regional Centre for Culture program delivered, which has been based in the central region of Victoria, involving the shires of Bendigo, Mount Alexander, Central Goldfields and Hepburn, bringing a particular regional focus, with a very strong Indigenous component to that. In the centre of Melbourne we have seen our cultural institutions, as I have indicated, continue to raise the bar, with record numbers visiting all of our key cultural institution, particularly things like the NGV's blockbusters of Van Gogh, Dior and the Triennial setting new benchmarks. ACMI has also grown the Winter Masterpieces processes, with this year's Wonderland demonstrating both creativity and cross-digital capability at work. There is also the important work of Scienceworks, as one of Museum Victoria's areas of delivery, which we have also seen used as a focus for further education and outreach in important areas like science, technology, engineering and maths being incorporated within the artistic component, so STEAM and STEM becoming increasing partners.

In our screen industry, we have seen Film Victoria have its busiest year ever in the last 12 months. That manages across both big and small screens with the boom and bust cycle of the major Sydney studios and Gold Coast Studios being one end. The production and consistent approach that Film Victoria has in stretching its work in partnership with both Docklands Studios and other independent and international film producers has been particularly strong.

Continuing on, we have seen our Music Works strategy roll out across the past 12 months. A highlight has been the Live Music Census results, which has well and truly established Melbourne as the live music capital of the world, particularly made disproportionately easier when Sydney and its horrendous lockout laws managed to claim on average about a venue a week at the current arrangements. Interestingly enough, some of those venues as soon as they pack up come down and look for partnership operations here in Victoria, making true the adage that a vibrant street life and a vibrant night life is the safest environment in which to have a record number of police allocated as well. With our Music Works strategy, we have seen that recognition, with the most recent form being the Music Cities Convention, which was a global gathering held for the first time in the southern hemisphere. I have been particularly pleasantly surprised by the popularity of the Australian Music Vault, which has seen 330 000 visitors since December and has smashed the expectations that we brought to that. With the small screens and games and the cross-digital creative field that that now has, we have continued to see Melbourne make up more than 50 per cent and growing of the games development market. This year's Melbourne International Games Week was the most pre-eminent digital games event in this part of the world, creating lots of commercial opportunities for our gaming industry.

Moving on, when you add all that together over the comparative, given that Creative Victoria is not directly comparable with what was Arts Victoria, when you do compare them we have seen a 220 per cent increase over the comparative four-year projects of this Parliament and the last Parliament.

Moving on, in terms of the asset and output initiatives, you will see that the focus of this year's budget has been the delivery of \$47.1 million output funding across four main output initiatives: the sustainability of our state-owned cultural institutions; our First Peoples creative plan; APAM, the Australian Performing Arts Market, which will turn into a 52 weeks of the year performance opportunity rather than a national gathering; together with local screen production. We have also seen two asset funding deliveries, being the Australian Centre for the Moving Image redevelopment as well as, as was announced two weeks ago, the Melbourne arts precinct redevelopment, both of which, as \$31.6 million and \$208 million investments, will continue to make sure our cultural institutions are at the forefront of our nation if not our region.

Finally, in terms of the Melbourne arts precinct, the \$208 million announcement made by the Premier recently will be a once-in-a-generation transformation of this critical part of our city and of our state and indeed of this part of the world. Whilst it will have many aspects to it, the key opportunity was the purchase of the former CUB head office to now give us an opportunity to open up the links into Sturt Street — the NGV Contemporary home — and from that both cultural and civic spaces together with the revitalised theatres, opportunities on the 1 City Road Y-site for both the Performing Arts Museum, a creative hub for smaller and independent producers, as well as a range of other things in that exciting proposal which will see 18 000 square metres of vibrant community public space linking that area of the river to the wider Sturt Street precinct.

We will be able to take advantage of the newly established City of Melbourne planning scheme variation that will require future development in the Sturt Street precinct to take account of the first four floors to be largely, if not exclusively, delivered to creative spaces and enlivening the streetscape, which has been the plan in partnership with the City of Melbourne. We look forward, having recommitted to those with the new Lord Mayor, Ms Capp, to that project beginning with Southbank Boulevard being greened up and reduced, given the other traffic changes that have seen traffic numbers drop hugely along Southbank Boulevard, to allow that opportunity to link the arts precinct redevelopment that the state will now commence into the wider Sturt Street and VCA creative space. I might leave my introductory comments there.

**Ms WARD** — Thank you, Minister. Just going back to your slide about the Melbourne arts precinct. You referred in your presentation to the plans for the former CUB site. Minister, I also note your surprise at how many people are going to the new Australian Music Vault. I would have thought with the amount of AC/DC fans we have got in this Parliament you would not be surprised at that at all! Minister, could you please talk us through the CUB site and how it will transform the area? You spoke about connectivity. How will that work? How will it create more jobs? What are going to be the benefits for our state?

**Mr FOLEY** — The CUB site occupies a key site on the corner of Southbank Boulevard and Sturt Street and is surrounded on one side by the Australian Ballet building, on another by the ABC, diagonally the MRC and the MTC, and on another the NGV International campus. That, if you like, when it came onto the market presented an opportunity for us to link back in that key site and to build on the work of successive governments to make sure that that cultural precinct, which has the richest collection of arts and cultural practitioners, performance, consumer opportunities, education with the Victorian College of the Arts and the national broadcaster all in this quite densely populated creative sector, is turned from a nationally significant area which already is, to quote the president of the NGV trustees, ‘Australia’s, if not the world’s, most impressive collection of cultural venues’ — if we can link it up in the way that the plan foreshadowed by the Premier two weekends ago delivers.

We think that this will deliver an extra 3 million visitors, from the work done by both the Arts Centre Melbourne and the NGV, to that cultural precinct, and whilst that will be huge in terms of the consumer opportunities and therefore employment opportunities in those two cultural institutions, we think the wider precinct development gives us an opportunity to create more cultural product, particularly in the buildings that will be developed both at the 1 City Road Y-site and what will go on within that, together with the obligation that we are increasingly expecting all of our cultural institutional partners to deliver — that is, a greater sense of collaboration and production of Australian cultural content not just for Australian audiences but, given the shrinking international connections, the difficulties and the opportunities for increasing international connections, we can imagine that this will be the home of creative content that will be consumed both here and globally. To have areas like ACMI X — the hubs that will be produced there — we think that there is every opportunity that this will be the world’s leading concentration of cultural facilities as well as a creative area that will export creative product not just to Australia but the world.

**Ms WARD** — In your answer you talked about cultural partners and partnerships. I can understand bigger players being involved in this precinct. How are you going to make sure that smaller and medium organisations are also included?

**Mr FOLEY** — In a number of ways. They are already there in large part, whether it is the Fringe Festival and the spaces that are being created there that allow a range of organisations to partner. You do not have to go very far into Sturt Street to run into the Victorian College of the Arts. You have got the Malthouse. You have got Chunky Move. You have got the Australian Ballet, and it is Australia’s leading global player in dance. You have also got in the Australian Ballet building a fantastic initiative of ACMI X, which I refer the member to.

**Mr MORRIS** — Minister, if I can go to your presentation, you have got under the heading ‘2018–2019 budget — asset and output initiatives’ a number of items listed, including \$208 million for the Melbourne arts precinct. I am just crosschecking that list against the actual output and asset initiatives. The only asset initiative is \$34.8 million over two years for ACMI. There are some millions of dollars but not huge amounts. Certainly the sustainability amount is there as far as I can see, the performing arts market is there, local screen production is there. I cannot see the \$208 million anywhere in the budget papers. Can you tell us where it is?

**Mr FOLEY** — The biggest amount is contained within the contingencies provisions of the budget papers, and the \$208 million figure — the largest proportion of that is reflected in the purchase of the CUB site, which was held in contingencies.

**Mr MORRIS** — So is the whole \$208 million provided in contingency?

**Mr FOLEY** — No.

**Mr MORRIS** — How much is provided in contingency — the amount for the CUB purchase?

**Mr FOLEY** — The CUB purchase, whilst there has been media speculation as to what that figure was, I am not in a position to reveal what was a commercial-in-confidence figure.

**Mr MORRIS** — That is fine. I am just trying to get a handle on how much of the 208 million is actually in this budget.

**Mr FOLEY** — Every dollar of the \$208 million.

**Mr MORRIS** — Every dollar. So you are saying the whole 208 million is provided in contingency?

**Mr FOLEY** — No, there are figures in last year's budget that go to, for instance — because it is not just the NGV — the Arts Centre Melbourne. There is, for instance, at least \$24 million in that allocation that you will find there itemised in the budget papers last year that goes to critical maintenance and other performance measures there.

**Mr MORRIS** — Okay. As you would appreciate, I am very tight for time, so can I just ask you to give us a figure on how much of the 208 million is in contingency and how much is in other locations in the budget?

**Mr FOLEY** — The allocation for contingency particularly goes to the purchase, the design and the other arrangements of the wider precinct but particularly the NGV contemporary. In terms of the rest of it, it would run at about — I am happy to provide in so far as I can —

**Mr MORRIS** — On notice is fine.

**Mr FOLEY** — the figures — but that will be a little challenging, given the figure for the settlement of the site. The CUB, even though it has been speculated on in the media, is the subject of commercial confidentiality, but I will certainly undertake to provide those non-CUB site-specific items back through to the committee.

**Mr MORRIS** — Okay. Minister, in 2007 the then government announced an almost identical plan to the one that was announced a couple of weeks ago for redevelopment of the arts precinct. It did not have NGV contemporary in it, but it was in other ways almost identical. Again, not a lot of money — I mean, there is money attached, but in the context of the total cost, given that one did not actually go anywhere and never, ever eventuated, how is this one actually going to occur?

**Mr FOLEY** — Well, there is a real \$208 million allocated to the key site that was missing —

**Mr MORRIS** — Apparently.

**Mr FOLEY** — in terms of not just the CUB site but real programs that will roll out in the new financial year that will be the first stage of the kickstart of what will be up to a decade-long redevelopment of this arts precinct. It is an unrivalled opportunity that builds on what has been a bipartisan and cross-Parliament contribution to making sure that the arts precinct, Melbourne, is Australia's leading cultural precinct but equally and increasingly one of the world's, if not the world's, greatest precinct. So the difference is this is a real \$208 million.

**Mr MORRIS** — I guess my concern is that there is actually, as far as I can see, no money in the budget to build anything. You are purchasing a block of land.

**Mr FOLEY** — As we indicated, the \$208 million is the first stage to kickstart the design, the delivery and, when it comes to the Arts Centre Melbourne in particular, some real, breaking-of-ground, necessary work.

**Mr MORRIS** — Are you suggesting there will be more funding to come at some point in future?

**Mr FOLEY** — I think the Premier made that crystal-clear in his contribution a couple of weekends ago.

**Mr MORRIS** — It is a bit like the north-east link — ‘It might happen, but where the money is for it to happen we’re not sure’. Do you have any idea?

**Mr FOLEY** — If you are indicating that the opposition do not support this opportunity, that sort of whips up —

**Mr MORRIS** — I am trying to establish whether this is actually a funded project or whether it is a pipedream.

**Mr FOLEY** — what has been the former government’s contribution to this space as well. The former government, under then Minister Baillieu as arts minister and Premier, released the blueprint for this precinct built on the work of the previous government before that. This piece of work delivers on that blueprint by identifying the key site that is now a state asset and will, through real money, kickstart the first stage of delivering this important project. We have always made it clear that this is the first stage. The Premier made it very clear that we looked to philanthropic supporters. We were asked on the day whether the commonwealth would be asked to participate. That is up to the commonwealth. We are not relying on them. We will deliver this project —

**Mr MORRIS** — Exactly. Minister, can you give me a little bit of information — and I am happy to take this on notice — about the current running costs of the government-owned entities in the precinct, what their recurrent annual running costs are likely to become, how those will be funded and the impact of this development on ticket prices for agencies like the NGV and the Arts Centre Melbourne? You mentioned the commonwealth and how much federal funding you will be requesting for the project.

**Mr FOLEY** — We will not be funding — well, if the commonwealth will not come and talk to us, we are happy to, but of course we will look to a national asset. But if you have got specific questions in regard to that, they are all the items that we will clearly need to deliver on as we get about the first stage of the planning and delivery of a \$208 million kickstart of the first stage of what is that once-in-a generation reimagining of the precinct.

**Mr MORRIS** — That work has not yet been done; is that what you are saying?

**Mr FOLEY** — Lots of work has been done over successive governments and by the cultural organisations in the precincts —

**Mr MORRIS** — So you will be able to provide that information on notice?

**Mr FOLEY** — whether it is the work with philanthropic partners, whether it is the work on design, whether it is the work on content or whether it is the work, for instance, in the Arts Centre with the Performing Arts Museum and the partnerships that it can bring.

**Mr MORRIS** — Given I have got a minute, can I move on, and can I ask you to confirm that the budget for local screen production for 2019–20 and the couple of years following is in fact 50 000 a year, as reported in the Creative Victoria website release?

**Mr FOLEY** — I missed what it was for, David.

**Mr MORRIS** — Local screen production. Budget paper 3, pages 10 and 13, actually indicate that it is 100 000, but the press release indicates it is in fact 50 000 a year. I am just wondering what you are seeking to achieve with that \$50 000 if that figure is in fact accurate.

**Mr FOLEY** — I will get some advice specifically and perhaps ask the —

**Mr MORRIS** — And there are 20 seconds to go.

**The CHAIR** — Maybe take it on notice.

**Mr MORRIS** — I might ask you to take that on notice, please.

**Mr FOLEY** — No, I do not need to take that on notice. It is one particular line item in a research project that Film Victoria undertake amongst a raft activities.

**Mr MORRIS** — So otherwise there is no funding? There is funding for this year but not for the out years?

**Mr FOLEY** — It is a year-by-year funded project, and when it is finalised, it is finalised.

**Ms PATTEN** — Minister, possibly more as a comment but, looking at the figures for visitors to our cultural hubs and international visitors, I think what is sorely missing is the number of people who come to Melbourne to shop for our fashion, and I will continue to call for a fashion ministry. However, I also noticed with interest that we now have APAM, the Australian Performing Arts Market. It has been running for a number of years and so, besides the bragging rights of having APAM in Victoria now, are you expecting an increase in the number of small to medium Victorian arts companies that will be presenting at that market, particularly relative to previous years when it has been held in other cities?

**Mr FOLEY** — Yes, is the short answer. In terms of how that will play out, it is part of how APAM is being reimaged; hence the successful bid that Victoria put in for APAM. So the 2.9 million is really about how we deliver a set of year-round programs for APAM, including increased touring and market development of Victorian companies. So APAM will come to Melbourne for the first time after previously being interstate, most recently in Brisbane, and the model is what we would like to think is what was successful in getting it here. It will move from that biennial event to a year-round program, designed to strengthen both content and international touring opportunities. Whether it is a consortium of major performing arts events, whether it is with support from the Victorian government or Creative Victoria, we will establish an APAM office, and that will broker local and international partnerships and touring opportunities for individual artists and companies both new and emerging, and we would hope to be in a position shortly to add some further exciting announcements about additional support as to what that might mean for performance companies. Whether it is the Asia TOPA festival, Fringe, Yirramboi with a strong First Nations focus, or Dance Classic, we are well positioned.

**Ms PATTEN** — Do you know how many Victorian companies took part in the previous APAM — I guess to give me a base measure, a benchmark, of where we will measure our successes for our locally grown businesses?

**Mr FOLEY** — I might ask Jane perhaps to assist us there as to if such a figure exists or not?

**Ms CRAWLEY** — Minister, yes, such a figure does exist. I understand that in the most recent APAM, which was this year, there were 20 Victorian companies. That is quite a radical increase on the rest of the jurisdictions. It varies quite radically, anywhere from one through to 10 or so, but 20 at last count.

**Ms PATTEN** — So we will be looking at 20 and then obviously —

**Ms CRAWLEY** — And seeking to increase significantly, yes.

**Ms PATTEN** — And a fashion ministry?

**Mr FOLEY** — Well, I am probably the least qualified person to claim —

**Ms PATTEN** — No, you undersell yourself, Minister.

**Mr FOLEY** — The member for Gippsland South is questioning my sartorial choices for the day. I would have to give in to, particularly, the member for Northern Metro's leadership in this space.

**Ms PATTEN** — I will keep pushing because I —

**Mr FOLEY** — But fashion does form an increasingly important part of, not just our retail sector but our design and our cross-platform opportunities at festivals; and encouragement of, particularly, young creative designers who are able to look to the digital world and other cross-platform ways to spread the learnings of what one might previously have thought of design and fashion to be.

**The CHAIR** — I would like to thank the witnesses for their attendance. The committee will follow up on any questions taken on notice in writing and a written response will be provided within 10 business days.

**Committee adjourned.**