

Chairman; Mr John Hyde; Mr John Day; Mr Paul Miles; Mr Peter Tinley; Mr Albert Jacob; Mr Frank Alban; Dr
Tony Buti

Division 49: Culture and the Arts, \$133 889 000 —

Mr J.M. Francis, Chairman.

Mr J.H.D. Day, Minister for Culture and the Arts.

Ms A. Lucas, Director General.

Ms J. Allen, Deputy Director General.

Mr T. Loiacono, Chief Financial Officer.

Mr A. Coles, Chief Executive Officer, WA Museum.

[Witnesses introduced.]

The CHAIRMAN: I give the call to the Member for Perth.

Mr J.N. HYDE: I have six priority questions. Firstly, I refer to the first line item on page 570 relating to the Albany Entertainment Centre. What is the exact subsidy for the Albany Entertainment Centre in 2012–13? Further to that, is the subsidy in 2013–14 of \$4.04 million, as indicated in the budget papers? If the minister has a quick answer to those two, I will go on to the substantive questions.

Mr J.H.D. DAY: My recollection is that the subsidy being provided by the state government is in the order of \$2 million per year, including depreciation, which is about half the cost. Because the transfer of ownership of the facility is not expected to occur for another two years, there has been a reduction in expense of \$66 million in 2012–13, as predicted. Does that answer the question?

Mr J.N. HYDE: No. There is \$70 million in 2014–15. Is the \$3 million difference the actual deficit in 2012–13? What is the real deficit?

Mr J.H.D. DAY: I will ask Ms Lucas to comment.

Ms A. Lucas: There is \$460 000 related to recurrent operational costs. I think there is also an adjustment in that \$4 million because, even after it opened, there were still continuing works in the first year after the completion of the building. Adjustments et cetera were made in payments in terms of the finalisation of the building itself. There will be some adjustments in there as well, plus the depreciation figure.

Mr J.N. HYDE: I am happy to take it by way of supplementary to get the exact breakdown.

Ms A. Lucas: I have it here. The Perth Theatre Trust will receive recurrent funding of \$1 764 000 in 2012–13 and \$1 785 000 in 2013–14 to assist with the operational expenditure. That is the main reason for those costs plus other adjustments to the building itself in the final year.

Mr J.N. HYDE: Within that budget, minister, the Entertainment Centre, its government funded operator, AEG Ogden and others are involved in raising funds for a brand new Steinway grand piano costing around \$135 000, according to the Albany Entertainment Centre website. A number of people and groups have also donated funds themselves. What is the exact contribution through agencies in the minister's portfolio—AEG Ogden, the Perth Theatre Trust, the Perth Theatre Trust Foundation and other government agencies such as the Great Southern Development Commission?

Mr J.H.D. DAY: From recollection, we did agree to contribute, I think, \$10 000 from the state government through the Perth Theatre Trust to assist with purchasing the grand piano for the Albany Entertainment Centre.

Mr J.N. HYDE: Can I get the exact breakdown through a supplementary question?

Mr J.H.D. DAY: Yes, we will provide that information about the government contribution for the acquisition of a grand piano for the Albany Entertainment Centre. Is the member saying it should be more or less?

Mr J.N. HYDE: Has any government-funded trust or Ogden employees been sent to Europe to look at the colour of a Steinway grand, and what was the cost of that trip?

Mr J.H.D. DAY: To look at the colour of a Steinway grand piano?

Mr J.N. HYDE: That is correct.

Mr J.H.D. DAY: Certainly not with any authorisation by me.

Mr J.N. HYDE: Has the minister authorised anybody within his department to go to Europe regarding the purchase of this Steinway?

Mr J.H.D. DAY: No, I have not.

Mr J.N. HYDE: The minister is responsible for any government travel, is he not?

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Mr J.H.D. DAY: If Ogden as a private company decided to send somebody to Europe for its own purposes, that is up to it but there has certainly not been any —

Mr J.N. HYDE: Even though the minister is putting in at least \$10 000 and the Great Southern Development Commission has put in \$50 000.

Mr J.H.D. DAY: I am not aware of what the Great Southern Development Commission has done. Perhaps the member should ask the Minister for Regional Development.

Mr J.N. HYDE: The minister is responsible for the foundation —

Mr J.H.D. DAY: I am responsible for the Albany Entertainment Centre and the Perth Theatre Trust, which is managing it through Ogden. In relation to the Great Southern Development Commission, as I said, the member should ask the Minister for Regional Development.

Mr J.N. HYDE: Ogden's expenditure comes through the minister.

The CHAIRMAN: Thank you, members. This is not going anywhere.

Mr J.H.D. DAY: Mr Chairman, I am certainly not aware of any approval of expenditure by the state government, the department or the Perth Theatre Trust to undertake any travel to acquire a grand piano. Is the member not happy with a grand piano being acquired for Albany?

The CHAIRMAN: Minister, you do not have the opportunity to ask members questions. Member for Wanneroo, you had a very important question.

[9.20 pm]

Mr P.T. MILES: I understand that in August one of the greatest guitar players, Slash, is coming to Perth. Does the minister want to comment on that?

Mr P.C. TINLEY: Where is that in the budget?

Mr J.H.D. DAY: Mr Chairman, I think I probably should refer that question to you. I know you would have a much greater level of knowledge about that.

The CHAIRMAN: I had nothing to do with that question, minister! I do not know where he got that one from.

Mr J.H.D. DAY: I am sure that the officers from the Department of Culture and the Arts would be able to provide some comment on the proposed visit by Slash to Perth. I am sure it is eagerly anticipated by some. It will certainly add to the diversity of the very rich cultural offerings in Perth.

The CHAIRMAN: That is great to hear, minister.

Mr A.P. JACOB: I refer to page 569. In the effective allocation by service agency table, the line item "Development and Strategy" has about \$31.8 million for 2012–13. I wonder whether there is any potential within this grant for an allocation to address some of the costs associated with upgrades to the Goldfields Arts Centre.

Mr J.H.D. DAY: The Goldfields Arts Centre is currently managed by Curtin University. It is pleasing that the vice-chancellor, Professor Hackett, indicated at the end of last week that Curtin would continue its management until August next year. That will give us more time to find a solution to the future operation and the related funding needs for the Goldfields Arts Centre, which is obviously important in Kalgoorlie and the goldfields region. We appreciate the contribution being made by Curtin University. In relation to any future upgrading of the centre, it is not expected that funding will be available out of the development and strategy component of the Culture and the Arts budget. As the member mentioned, about \$35 million is being expended in 2011–12. Virtually all of that has been allocated for the current financial year, and the situation is similar in 2012–13. It is used for funding a range of grants provided through the Culture and the Arts budget in a range of areas. I will ask Jacqui Allen, who has direct responsibility for this area, to provide a bit more detail because I know it is something she is very passionate about.

Ms J. Allen: The budget is largely split between our funding programs for arts organisations and grants programs for individuals, so the development and strategy line is an area of the department that administers that funding. The majority of the funding to organisations is contracted on three-year contracts. As the minister says, it is pretty much all allocated in that budget line.

Mr J.H.D. DAY: Any significant additional funding for upgrading the Goldfields Arts Centre would have to be a separate consideration by the government.

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Mr J.N. HYDE: I refer to the second line item, “Development and Strategy”, in the effective allocation by service agency table on page 569, which shows a decrease from \$35.1 million in 2010–11 to just \$31.1 million in this budget. On 12 May the minister released a media statement about the government providing \$20 000 for a delegation to attend the Audi Fashion Festival in Singapore. Apart from respected Western Australian fashion designer Aurelio Costarella, who else was funded by the WA government to attend and what was the role of the other members of this delegation?

Mr J.H.D. DAY: I will ask Ms Allen to provide further detail.

Ms J. Allen: Our designer fashion funding officer, Aly May, along with representation from a local design house, One Fell Swoop, and also a representative of the Perth Fashion Festival were part of the official government party that travelled to Singapore.

Mr J.N. HYDE: Can the minister confirm that one of the officials was promoting the L’Oréal Melbourne Fashion Festival rather than exclusively concentrating on promoting the Perth Fashion Festival and that his office or department may have received a complaint along those lines?

Mr J.H.D. DAY: No, I cannot confirm that because it is not something that I have been made aware of.

Ms J. Allen: I can confirm that we have not received a complaint. The purpose of the delegation travelling from WA was to explore the potential of the Asia Fashion Exchange as a potential market for WA designers to feature their work with a view to developing export opportunities. The purpose was not to promote the Perth Fashion Festival per se, although members of it were part of the delegation; it was to look at the benefits for designers of exporting to Asia through the Singapore festival.

Mr J.N. HYDE: With respect, if there was not technically a complaint, was there perhaps a celebration that WA government-funded people were promoting the Melbourne Fashion Festival rather than the Perth Fashion Festival?

Mr J.H.D. DAY: I was not there. I would find that pretty surprising. I do not know what information the member has, but if he wants to share it with us, please do.

Mr J.N. HYDE: I will have to make a freedom of information application then.

Mr J.H.D. DAY: I have just said that a complaint has never been received that anybody here is aware of.

Mr F.A. ALBAN: I refer to the second dot point on page 571. Can the minister outline any commitment to maintenance funding in the budget? My interest is in the 33 heritage-listed buildings in particular.

Mr J.H.D. DAY: One of the very pleasing aspects of this budget is that there has been a significant additional allocation of \$11 million in total over the next four years to deal with some of the much-needed maintenance issues across the many heritage buildings, and not always purpose-built buildings, in the culture and the arts portfolio. That means that a total of \$20 million—\$5 million a year over the next four years—will be available. The amount of increase, therefore, is proportionally substantial. There are approximately 40 buildings across the portfolio, 33 of which are heritage listed. They range from the WA Museum at all its sites in Perth, Fremantle, Geraldton, Albany and Kalgoorlie; the other Perth Cultural Centre buildings; the Dianella repository of the State Records Office of Western Australia; the Museum’s collection and research centre in Welshpool; and all the Perth Theatre Trust performing arts venues, including His Majesty’s Theatre. There are some specific high-need areas for which the funding will be used over the next 12 months. Firstly, the main lift at the Art Gallery of Western Australia, which, unfortunately, frequently breaks down, will be replaced as soon as it can be. I think it will be towards the end of this year when it can be undertaken. Secondly, the roof membrane of the State Library of Western Australia will be replaced. There have been problems with water leakage in recent years. Thirdly, the air-conditioning chillers at Perth Concert Hall will be replaced.

Mr J.N. HYDE: The minister has again stated that this is new funding. Page 569 shows that the estimated actual arts budget for 2011–12 was \$155.2 million, dropping to \$133.8 million in this budget year. Where exactly is the new funding? There has been a cut. Even if the minister is using the creative accounting in the forward estimates, which the Premier refers to as the never–never, the total annual cuts up to 2014–15 add up to \$45 million, while the miraculous \$17 million that the minister will allegedly have in 2015–16 means that this arts budget will be \$28 million short over the four years of the 2011–12 budget. There is no new money; there is actually a deficit.

[9.30 pm]

Mr J.H.D. DAY: That shows, to put it as politely as I can, a lack of understanding of the components of the budget and what has happened in recent times. There is additional funding for maintenance purposes in this budget. That was specifically allocated through all the budget preparation. As I said, it is an additional \$11 million over the four years. The reason is that there is a reduction in the total amount of expenditure expected in the portfolio because a number of one-off programs have come to an end or will come to an end. In

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particular, the Ignite package, which the member would be well aware was announced by the previous government at the end of 2007, was always funded by that government for only a finite period in a lot of cases. There is also the completion of the State Theatre Centre of Western Australia. Things are built only once, of course, and we incurred expenditure only once, so that explains a \$13 million reduction—that, is the completion of the State Theatre Centre. The forthcoming Museum of Modern Art—MoMA—exhibition at the Art Gallery of Western Australia will certainly be a very significant exhibition.

Mr J.N. HYDE: With the extra \$2 million in insurance, the minister has let Treasury slug the good arts people.

Mr J.H.D. DAY: I will come back to that. There was \$6 million provided in last year's budget for this series of exhibitions over the next three years, so that appeared in last year's budget. That explains a difference of \$6 million in this year's budget. In relation to the allocation of about \$2.4 million for the forthcoming MoMA exhibition, it is not a case of Treasury slugging the arts portfolio; it is an additional allocation to the culture and arts portfolio for providing insurance.

Mr J.N. HYDE: But the reality is that the minister is cutting arts projects—the minister can call it ceasing the Ignite project—to pay for chillers in buildings and insurance.

Mr J.H.D. DAY: No, no. That is a ridiculous suggestion. If the member wants me to go on, there was the demolition of the Francis Street building of the Western Australian Museum, which in total was about \$8 million. That explains the \$3.5 million reduction from one year to the next.

Mr J.N. HYDE: Is this total appropriation right or is it wrong? It is mathematics, minister.

The CHAIRMAN: Member for Perth, I am happy for you to spend as long on this as you want, but give the minister the right to answer the question you asked.

Mr J.H.D. DAY: Thank you, Mr Chair. The member is suggesting that there is a reduction of arts activity, events and so on because of what he perceives to be a reduction in funding. Yes, a lower amount of dollars is allocated because when something like the State Theatre Centre is built, it is paid for once. We do not have it in the budget as recurrent expenditure, clearly.

Mr J.N. HYDE: But if the government stops \$90 million of arts activity and Ignite projects, that is cutting —

Mr J.H.D. DAY: I do not know where this figure of \$90 million or whatever comes from, but I will ask the director general to provide some information about the overall level of activity, which I certainly do not expect to decrease.

Ms A. Lucas: The total Ignite budget was actually \$73.5 million, of which the bulk was one-off funding over a period of four years. There was an amount, which continues, of \$5.6 million, which was recurrent, and that still continues throughout these budget papers. So those activities continue. The other programs, many of which were capital programs in the Ignite funding, have finished because they have been completed. That is what has happened with the Ignite funding in that respect.

Mr J.N. HYDE: By way of further information on the original question from my very learned colleague, is the minister able to provide by supplementary information what exactly the 33 heritage-listed buildings are and what their current maintenance needs and challenges are, with the expected costings?

Mr J.H.D. DAY: We do not necessarily have that detailed information available. We can provide information about what the buildings are. I will provide, by way of supplementary information, a list of the 33 properties.

Mr J.N. HYDE: And the costings for the maintenance and repairs.

Mr J.H.D. DAY: A detailed analysis has not necessarily been undertaken for all those buildings, so we will provide the list of buildings.

Mr J.N. HYDE: But the minister has said that he is putting aside \$11 million to fix something. He must have an idea of what it is he is going to fix.

The CHAIRMAN: Member for Perth, can I deal with this?

Mr J.H.D. DAY: I have just given the member some examples of where probably much, if not most, of the funding will be used over the next 12 months. It might not be a very sexy sort of project from the member for Perth's point of view, but these sorts of fundamental maintenance issues such as air-conditioning units and so on need to be dealt with.

Mr J.N. HYDE: That is right; and they have a solid cost, and that is what the budget is about.

The CHAIRMAN: Member for Perth, I am going to deal with this. Obviously, the minister agrees to provide the information. I believe that is the details of the 33 heritage-listed buildings that he is referring to.

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[*Supplementary Information No A15.*]

Mr J.N. HYDE: I have a couple of quick questions before we get on to science and accounting. The total appropriations on page 569 show a 13.7 per cent cut in funding for the arts from the 2011–12 actual of \$155.2 million to this year's budget of just \$133.8 million. The last Liberal–National cabinet in 1998, of which the minister was a proud member, projected that the belltower would attract 403 000 people annually. Last year it managed to squeeze just above 60 000 people through the door and recorded a record loss of \$476 000 for 2010–11. In estimates last year the minister told us that the deficit was \$350 000, before I obtained the documents in September showing that it was \$476 000. This year in estimates, what is the estimated loss for the belltower in the current financial year and what is the estimated loss in the 2012–13 budget?

Mr J.H.D. DAY: There are a lot bigger issues in the arts portfolio than the belltower, I am pleased to say.

Mr J.N. HYDE: It chews up nearly half a billion dollars.

Mr J.H.D. DAY: We are looking at a review of the way it is operated, and possibly some changes may be made over the next 12 months. In relation to the specific question about how much is allocated, \$400 000 has been allocated for 2012–13.

Mr J.N. HYDE: Does the minister have the figure for the current year?

Mr J.H.D. DAY: The same amount of \$400 000 was allocated.

Mr A.P. JACOB: I bring the minister's attention again to the significant issues impacting the agency on page 571. The first dot point refers to the new Museum. I wonder whether the minister could please outline the benefits of this Museum and the process of it being built.

Dr A.D. BUTI: By the time it is finished, the member will be in the Museum, too.

Mr J.H.D. DAY: There is a lot to talk about on this subject, because the need for a major new Museum facility in the Perth central business district has been identified for 20 years or so, and it is a need that has not been met to this point. It is the case that the previous government started the process of developing and transferring the Museum to the East Perth power station site. The costs that would have been involved were very much an unknown quantity. It is a major heritage building, of course, and I suspect that the project would never have ended up going ahead. However, that is academic. The government, after a lot of consideration, has made the decision to allocate the funding for a major new facility in the Perth Cultural Centre precinct. It will add substantially to the facilities already available in the precinct. With the Art Gallery, the State Library of Western Australia, the State Theatre Centre, the existing Museum facilities, the Perth Institute of Contemporary Art and so on in the precinct, as we were discussing earlier this evening, it is now a very active area. Once the new Museum project is completed, it will be one of the most heavily visited parts of Perth and Western Australia not only for local residents, but also for visitors to the state. The new facility will provide about 23 000 square metres of floor space, and it will also involve a renovation or rejuvenation of the existing heritage buildings occupied by the Museum on the site. I will ask Mr Coles to provide some additional information about the steps that will be taken in relation to the Museum project and, in general terms, what is expected to be provided within the new facility.

[9.40 pm]

Mr A. Coles: On the question regarding the benefit—what will be there?—we see three key themes running through the Museum which, I think, determine its use and benefit to the community. The first thing is that it is about being Western Australian. A good state museum should be about identity, about community, about diversity and about understanding ourselves. It has an extremely important role to play in social fabric and social cohesion. In the second place, it is about discovering Western Australia. As I am sure members will be aware, the Western Australian Museum is a major scientific institution in this state. It is at the forefront of research into biodiversity, geodiversity, Aboriginal heritage issues, and, indeed, the history of the state. We believe that the stories of the state really will merit telling on a much larger stage. Western Australia has the oldest evidence of life on earth here, the oldest settled civilisation and some of the most biodiverse areas on the planet. Thirdly, it is very much about Western Australia in the world. As we become a more confident and aspirational state—a major trading entity in our own right—we have a role to play through our Museum in terms of presenting our state to the world and the world back to the state. The tourism potential in that is clearly great. The Museum itself has a major role to play in the Perth Cultural Centre. We see it as a really important element in terms of building a cohesive and mature society.

In terms of what happens next, we will be working further through the detailed design around it and will go into a project definition phase in the next year, at which point we will obviously be looking to the market to find a design team to help us to take it forward. Again, as members will see in the estimates, the real work in terms of

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developing the site will come in the fourth year of the estimates—determined here with completion of fit-out. Members should remember that this is a major element to a museum; once you have got the building, you then have to fit it out. The projected completion date is 2019–20.

Dr A.D. BUTI: Will it be called “Prince Phillip Museum”?

Mr J.H.D. DAY: It is the Western Australian Museum.

Dr A.D. BUTI: That is right—just like the quay should have a Western Australian name.

Mr J.H.D. DAY: I just want to point out that there is funding in 2012–13 for further planning of the Museum. That appears on the top line of page 577 of the *Budget Statements*. The member for Perth made the statement that there is actually nothing for the Museum in 2012–13.

Mr J.N. HYDE: Planning money!

Mr J.H.D. DAY: We do have to actually plan major facilities such as this. It is a good idea to do that. That is why the previous government got into so much trouble with the Perth Arena project; there was the desire to get it done, have a big announcement and get it underway, without really doing the necessary groundwork adequately and sufficiently. Of the \$5 million that was allocated in 2011–12, \$2.5 million is being rolled over into 2012–13. Then under new works there is \$70 million of the \$428.3 million expected total cost, after the \$2.5 million is expended in 2012–13. In other words, there will be a continuation of the planning in a very substantial way over the next 12 months about the most appropriate way to procure the new facility. A lot of work is going on behind the scenes.

Mr J.N. HYDE: I will ask one final question. I refer to the line item for the Western Australian Museum under “Effective Allocation by Service Agency” on page 569 of the *Budget Statements*. I acknowledge the tremendous work that is done at the Museum in research and with the Double Reds exhibition, which is a WA-based exhibition. I also note the incredible activation of the whole building’s areas by Mr Coles, which has been a huge breath of fresh air in the way the Museum is now being used. I do note that the 2010–11 Museum budget was \$33.7 million and that the 2012–13 budget is \$26.6 million. This is a \$7.07 million cut to the Museum—a 21 per cent cut in actual WA Museum activities, including its very important scientific and other projects. Will the minister detail for us what has been cut in that massive 21 per cent drop in funding? Coupled with that is the line item regarding screen production industry support on page 571 of the *Budget Statements*, which shows a further decrease from \$11.3 million actual in 2010–11 to just \$9.7 million in this year’s budget. The Film and Television Institute and other stakeholders wrote to all MPs urging support for ScreenWest’s submission to the government for more funding for a screen production facility and precinct. What was the total request in that submission from ScreenWest, and will the minister table it for us?

Mr J.H.D. DAY: In relation to the Museum budget, it is important to understand that another very welcome aspect of this year’s budget for Culture and the Arts is approximately an additional \$27 million over the next four years for the state’s major cultural institutions—the Museum, the Art Gallery, the State Library, the Perth Theatre Trust and the State Records Office. That is a very welcome addition and it will relieve a lot of the funding and expenditure pressures for those organisations. For the Museum itself, again, it is a matter of looking at the detail of the budget. For example, there is an expected reduction in 2012–13. Was the member asking about 2012–13?

Mr J.N. HYDE: Yes—the \$26.6 million compared with the budget for 2010–11, which was \$33.7 million.

Mr J.H.D. DAY: Compared with 2010–11, for example, \$3.5 million was expended on the demolition of the old Francis Street building. That is something that one spends only once. That was out of a total amount of \$8 million allocated to that, which was expended over two years. There were other one-off expenditures. For example, \$1.13 million was returned to Eventscorp in 2011–12 for the *A Day in Pompeii* exhibition. That was a ticketed exhibition that was very successful. Effectively, that was the amount that Eventscorp had underwritten the project. That has been returned. I will ask Mr Loiacono to provide some more detail about the explanation.

Mr T. Loiacono: Between 2010–11 and 2012–13, there were a number of one-off projects. The minister has already outlined a couple of those—the demolition project being one of the major ones—for which \$8 million was allocated over that period. That project has been completed and the funding has come to an end. That has come out of the Museum funding, but it was intended to be only one-off funding.

The CHAIRMAN: Thank you, members. The question is —

Mr J.N. HYDE: Sorry; what about the FTI information?

Mr J.H.D. DAY: The Film and Television Institute is a wonderful organisation, but I do not have any detail.

Mr J.N. HYDE: Sorry; I refer to FTI advocating for the ScreenWest submission.

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Mr J.H.D. DAY: That was for the development of a production precinct.

Mr J.N. HYDE: See; the minister was listening! Yes.

Mr J.H.D. DAY: I have seen that referred to. I have not actually seen that submission myself.

Mr J.N. HYDE: So ScreenWest did not ask for anything?

Mr J.H.D. DAY: ScreenWest is currently considering a submission, I understand. It has not come to me.

The appropriation was recommended.

[9.50 pm]