

**Submission  
No 14**

## **INQUIRY INTO THE CULTURAL AND CREATIVE INDUSTRIES IN VICTORIA**

**Organisation:** Parliamentary Budget Office

**Date Received:** 23 December 2024



7 March 2025

Ms Georgie Purcell  
Chair  
Legislative Council Economy and Infrastructure Committee

Via email

**RE: Submission to the inquiry into the cultural and creative industries in Victoria**

Dear Georgie

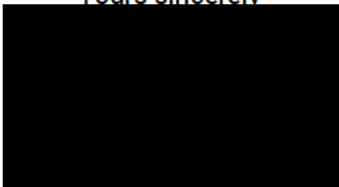
Thank you for your invitation to make a submission to the Legislative Council Economy and Infrastructure Committee's inquiry into the Victorian creative industry. This submission is an update to our original submission to better reflect the impact of the Capital Assets Charge on output funding of the creative arts industry.

Our submission covers:

- the economic value and scope of the cultural and creative arts industry in Victoria
- Victorian Government output funding and asset investment in the cultural and creative arts industry.

I would be pleased to appear before the committee to provide evidence at a public hearing.

Yours sincerely



Xavier Rimmer  
Parliamentary Budget Officer



Parliamentary Budget Office

# Victoria's cultural and creative arts industry

Submission to the inquiry into the cultural  
and creative industries in Victoria

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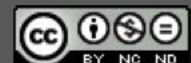
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## In brief

In this submission, we outline the economic value and scope of the cultural and creative arts industry in Victoria and the Victorian Government's output and asset funding of the industry. We refer to the cultural and creative arts industry as simply the 'creative arts industry' throughout our submission.

### Defining the creative arts industry

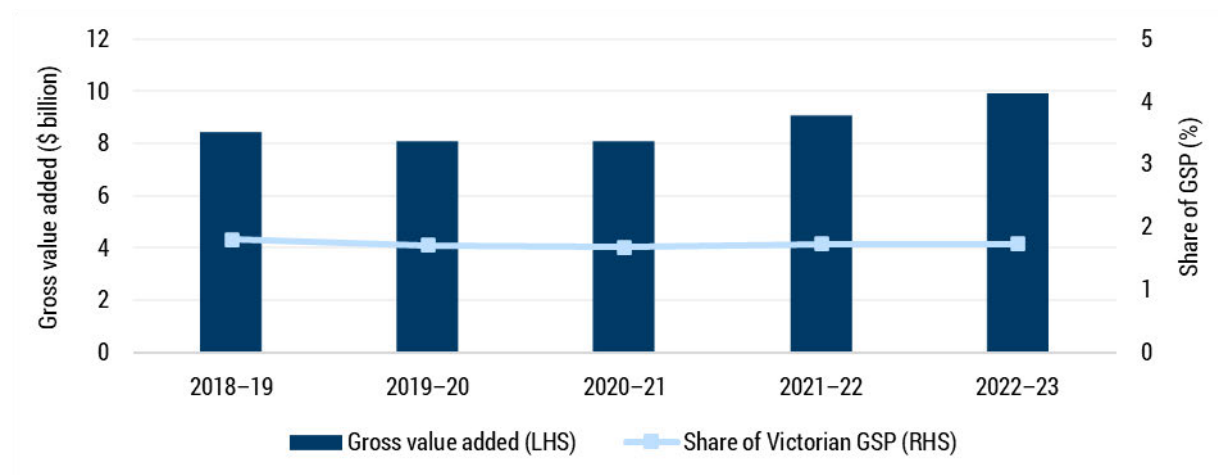
The creative arts industry is typically associated with skills and jobs involving creative thinking and the use of imagination and expression through different outputs and mediums. There is no universally agreed definition of the industry and while there are several public definitions, they differ materially. We have constructed our own definition, which is determinative of our findings, and consists of the following sub-sectors:

- Architectural services
- Art education
- Art galleries and museums
- Broadcasting
- Creative and performing arts
- Libraries and archives
- Motion picture and sound recording
- Printing
- Professional photography
- Publishing
- Specialised design

### Value and scope of Victoria's creative arts industry

We estimate the value of the creative arts industry in Victoria using 'gross value added'. Gross value added measures the contribution of an industry to the state's economy.

**Figure 1 – Gross value added of the Victorian creative arts industry**



Source: Parliamentary Budget Office.

We estimate that the gross value added of the Victorian creative arts industry in 2022-23 was \$9.9 billion (or 1.7% of GSP). We estimate that in 2022-23, there were around:

- 84,000 people employed in the industry, representing 2.3% of total employment in the state

- 25,000 businesses in the industry, representing 3.5% of all businesses in the state.

The industry experienced a contraction in output during the COVID-19 pandemic, particularly in 2020–21, where industry gross value added was 4% lower than its pre-COVID levels in 2018–19. Some sub-sectors of the industry fared worse than others during this period as government-mandated lockdowns and restrictions caused many venues to temporarily close their doors to performances and attendees. For example, from 2018–19 to 2020–21, gross value added decreased by:

- 32% in the motion picture and sound recording sub-sector
- 36% in the creative and performing arts sub-sector.

This contraction of activity impacted employment in the industry, which declined by 7% in 2019–20. Despite some recovery, employment in the industry in 2022–23 was 1% lower compared to 2018–19.

Other sub-sectors were less affected through the pandemic as they could continue their operations through remote working arrangements or benefited from government policy. For example, architectural services benefited from the Victorian Government's decision to keep the state's building and construction industry running, and the Australian Government's HomeBuilder grant scheme.

## Victorian Government funding of the creative arts industry

### Output expenditure

Our analysis of creative arts budget initiatives is, by necessity, based on public information. We identified 3 broad outputs we could confidently attach to the creative arts industry.

**Figure 2 – Victorian Government output funding of the creative arts industry**

\$ million	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25
<b>Creative Industries Access, Development and Innovation</b>							
This output supports the creative industries to deliver economic, social, and cultural benefits through talent and leadership, innovation, social impact, participation, and international engagement.							
Output funding	89.8	73.9	81.9	100.5	66.4	78.8	77.8
<b>Creative Industries Portfolio Agencies</b>							
This output promotes the creative industries through the Victorian Government's creative industries entities, such as the National Gallery of Victoria (NGV) and Geelong Arts Centre.							
Output funding	380.3	438.0	467.0	503.6	498.0	438.2	410.6
<b>Cultural Infrastructure and Facilities</b>							
This output supports Victorian cultural venues and government-owned facilities through assessment and advice on portfolio infrastructure proposals and projects. It also includes consolidation of portfolio asset management plans and management of funding programs for maintenance and minor works.							
Output funding	139.4	114.3	63.0	66.0	52.6	56.5	52.8
<b>Total</b>	<b>609.5</b>	<b>626.2</b>	<b>611.9</b>	<b>670.1</b>	<b>617.0</b>	<b>573.5</b>	<b>541.2</b>

Note: Figures for 2024–25 are budgeted. Output funding before 2021–22 included the Capital Asset Charge (CAC), which levied a charge on the written-down value of controlled non-current physical assets and contributed to an agency's output. As such, output funding before 2021–22 cannot be directly compared to the funding from 2021–22 onwards.

Source: Department of Treasury and Finance.



Across these outputs, the Victorian Government contributed \$541.2 million to the creative arts industry in 2024–25, most of which (76%) were for the government's creative industries entities.

Funding for these entities was at its highest in 2021–22 as the government provided support to keep these organisations operating throughout the COVID-19 pandemic through workforce retention measures and to ensure the immediate solvency and business recovery of these bodies. These initiatives included:

- 'Creative State: Cultural and creative organisations support and recover' (2021–22 budget)
- 'Creative industries portfolio agencies recovery' (2022–23 budget)

The 'Tourism and Major Events' output also captures some funding to the creative arts industry. However, this output is quite broad and cannot be entirely attributed to the industry.

Prior to 2021–22, output funding included funding for the now discontinued Capital Assets Charge. This means publicly available information on funding from 2021–22 to 2024–25 is not directly comparable with earlier years' funding.

#### Asset investment

We have sourced information on the Victorian Government's asset investment in the creative arts industry using the Victorian Budget – Budget Paper No. 4: State Capital Program. We have included new and existing projects that were published in the Victorian Budget 2018/19 and all subsequent budgets.

Since the 2018–19 budget, we identified 18 asset initiatives that directly relating to the creative arts industry with a total estimated investment (TEI) of \$2,155.9 million.

**Figure 3 – Victorian Government asset investment in the creative arts industry**

Location	Number of initiatives	Total estimated investment (\$ million)
Metropolitan Melbourne	9	1,867.6
Regional Victoria	2	160.3
Statewide	7	128.1
<b>Total</b>	<b>18</b>	<b>2,155.9</b>

Source: Parliamentary Budget Office.

The asset initiatives with the largest investment:

- in metropolitan Melbourne was 'Melbourne Arts Precinct transformation Phase One' (\$1,574.4 million TEI)
- in regional Victoria was 'Building a world class Geelong Performing Arts Centre' (\$140.0 million TEI)
- across statewide projects was 'Screen Industry Strategy' (\$45.9 million TEI).



# Context

## Request

On 25 September 2023, Ms Georgie Purcell MP, Chair of the Legislative Council Economy and Infrastructure Committee (the Committee), invited the Parliamentary Budget Officer to provide an independent submission to the Committee's inquiry into the cultural and creative industries in Victoria (the Inquiry).

## Inquiry terms of reference

On 23 May 2023, the Committee agreed to the following self-referral motion: that, given the economic and social significance of Victoria's cultural and creative industries, for the Committee inquire into:

1. the economic and social impact of the Commonwealth Government's Australian cultural policy, Revive, on Victoria's arts and cultural industries including, in particular, Victoria's share of national arts and cultural spending
2. regional Victoria's share of national arts and cultural spending
3. the importance of spending in the Victorian economy and the cultural dynamism and representation in Victoria of government funded national broadcasters, the ABC and SBS, and, in particular, whether these broadcasters are spending in Victoria a share of their budget that matches the size of Victoria's population, economy and unique place within national cultural life
4. the ongoing financial sustainability of the seven national performing arts training organisations including whether Victoria's share of this funding is adequate
5. whether the Revive policy and relevant state government policies and spending provide sufficient support and impetus to rebuild and sustain Victoria's cultural and creative industries following the devastating impact of the COVID-19 pandemic on the sector.

## Scope

In this submission, we respond directly to the request from Ms Georgie Purcell, Chair of the Committee, on:

- the economic value and scope of the creative arts industry in Victoria
- Victorian Government funding of the creative arts industry, split by metropolitan Melbourne and regional Victoria spend.

We refer to the cultural and creative arts industry as simply the 'creative arts industry' throughout our submission.

Attachment A provides page number references against the Committee's request and the inquiry terms of reference.

## Limitations

The Australian Bureau of Statistics (ABS) publishes data on gross value added, which measures an industry's contribution to the economy, according to the Australian and New Zealand Standard Industrial Classification (ANZSIC). ANZSIC is a hierarchical classification with 4 levels:

- Divisions (the broadest level)
- Subdivisions
- Groups
- Classes (the finest level)

At the state level, the ABS publishes the gross value added of industries at the Division level only. We estimated gross value added for Subdivision level and below using the national data.

We sought information from the Department of Jobs, Skills, Industry and Regions on funding for programs and initiatives relating to the creative arts industry, but the department marked their response as confidential. As such, we have relied on capital investment programs and broad output measures and outlined in the Victorian Budget to assess the level of government funding provided to the creative arts industry.

We prepared this submission on 6 March 2025.

# Background

<b>In this section</b>	This section provides background on Victoria's creative arts industry, including the impacts of the COVID-19 pandemic on the industry.
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## The creative arts industry in Victoria

The cultural and creative arts industry (here referred to simply as the 'creative arts industry') is typically associated with skills and jobs involving creative thinking and the use of imagination and expression through different mediums. The creative arts industry encompasses a wide range of activities and practices in creative and cultural expression, storytelling, and performance. These include music, dance, photography, theatre, cinema, painting, literature, poetry, visual arts and design, among others.

The industry includes both commercial and community-based activities for local audiences, as well as creative products for export to international markets.

New mediums and digital technologies have enabled those in the industry to change and transform their creative outputs. Technology has also improved audiences' access to the creative arts industry, allowing more people to participate in and experience creative works, performances or productions.

The United Nations Educational, Scientific and Cultural Organization (UNESCO) has designated several Victorian cities, across both metropolitan and regional areas, as part of their Creative Cities Network. The Creative Cities Network identifies cities that have recognised creativity as a strategic factor of sustainable development on an economic, social, cultural, and environmental level. UNESCO has designated:

- Melbourne as a City of Literature
- Geelong as a City of Design
- Ballarat as a City of Crafts and Folk Arts.

Victoria is home to many creative institutions including but not limited to:

- Arts Centre Melbourne
- Australian Centre for the Moving Image (ACMI)
- Bendigo Art Gallery
- Melbourne Museum
- Melbourne Recital Centre
- National Gallery of Victoria
- State Library Victoria.

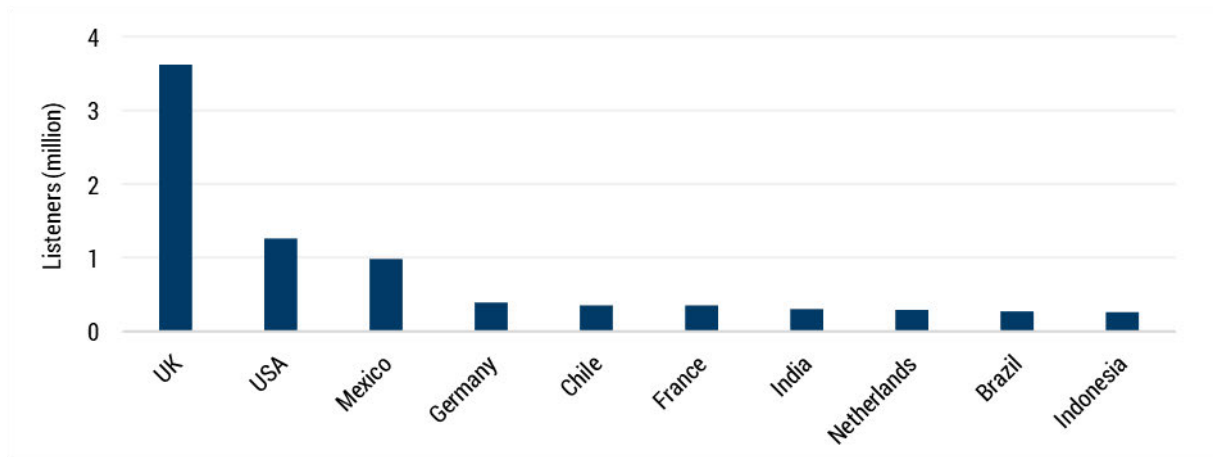
Locally, Victoria's creative arts industry made strong contributions to the Australian economy relative to other states. According to ABS data, in 2021–22:

- 28% of businesses and 27% of the workforce for film and video production were based in Victoria

- 46% of businesses and 42% of the workforce for digital game development were based in Victoria, and the state contributed 40% of the Australian total income for the sector.

Victoria also hosts many local and international acts, with music events and festivals operating in both metropolitan and regional areas. According to the Victorian Music Development Office, there were at least 14,000 Victorian artists in 2022 who were actively releasing music or getting airplay.

**Figure 4 – Top 10 countries for listeners of Victorian music (excluding Australia)**



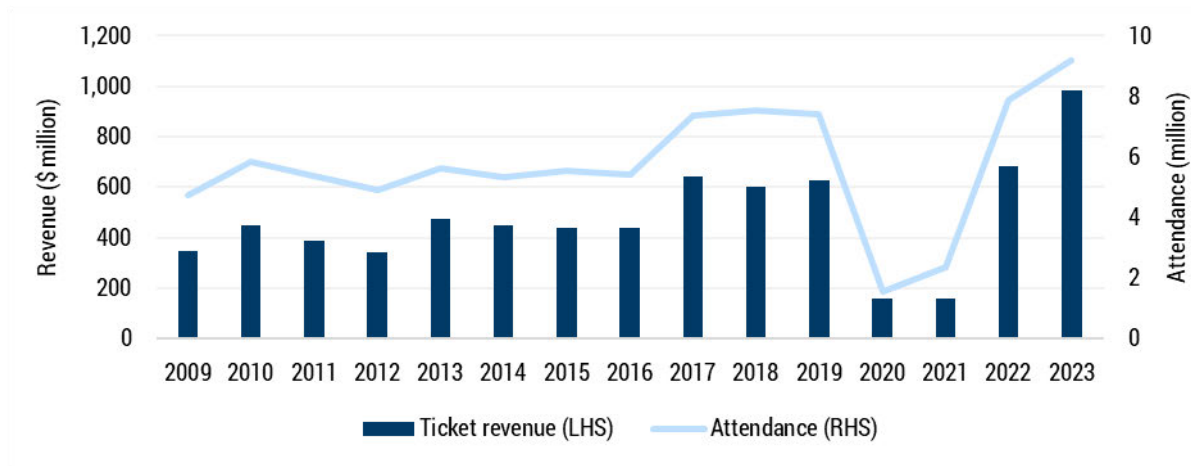
Note: Figure is based on Spotify streaming data of 7,485 Victorian artists from 8 October 2022 to 7 November 2022.  
Source: Victorian Music Development Office, Chartmetric.

Victoria's established and growing music scene, coupled with the accessibility of streaming services, has allowed local musicians to export their music and capture audiences in international markets.

## COVID-19-related impacts on the creative arts industry

In response to the COVID-19 pandemic, the Victorian Government implemented measures to contain the spread of the virus, including lockdowns, social distancing orders and curfews. These measures disproportionately impacted the creative arts industry as galleries, museums, theatres, live venues, and pubs were forced to close their doors as restrictions impacted audience numbers and forced productions and exhibitions to cease or move elsewhere.

There are high levels of casualisation and job insecurity in the sector due to the seasonal, temporary and short-term nature of exhibitions, performances, festivals and tours. While the Australia Government introduced schemes such as JobKeeper to enable workers to retain an income, many creative workers were ineligible for the scheme because they could not demonstrate 12 months of continuous employment with one employer.

**Figure 5 – Live performance industry in Victoria**

Notes: The figure is indicative only as the report only captures information provided to EY from a number of service providers. EY notes that the report excludes some regional venues as well as contract-fee performances by National Performing Arts Partnership companies. The report also underreports small-to-medium sized companies, independent theatres and festivals as these companies either self-ticket or use ticketing service providers and venues not captured by EY.

Source: EY, *Live Performance Industry in Australia – 2023 Ticket Attendance and Revenue Report* (2024)

According to EY, the live performance industry in Victoria experienced a 75% decrease in revenue and a 68% decrease in attendance in 2021 from their pre-COVID-19 levels in 2019. All categories experienced a significant decline in revenue and attendance over this period, but this was most pronounced in ballet and dance, opera, and comedy as key event providers were unable to present their shows. Both revenue and attendance levels rebounded in 2022 and 2023 with the Victorian Government easing their pandemic restrictions.

Compared to other states and territories, Victoria experienced the largest percentage point decrease in attendance rates at cultural venues and events, with ABS data indicating a decline from 84% in 2017–18 to 61% in 2021–22.

**Figure 6 – Attendance at cultural venues or events, by state and territory**

Notes: Figure is based on attendance at selected cultural venues and events in the past 12 months, including libraries and archives, art galleries, museums, cinemas, live music concerts, theatre, dance and other performing arts.

Source: Australian Bureau of Statistics.

At the height of the pandemic, a survey conducted of Victorian musicians by academics at RMIT's School of Media and Communication indicated that:

- 44% of respondents reported losing all paid music-related work because of the COVID-19 pandemic
- the proportion of respondents that earned all their income from music decreased from 38% pre-COVID-19 to 20% during the pandemic
- while more than a third (34%) of respondents were employed in full-time work before the pandemic, this number had dropped to only 7%.
- 57% of respondents reported being worried about meeting basic costs of living.

Using ABS data, research from the Australian Urban Research Infrastructure Network indicated that Victoria recorded the highest contraction of arts and recreation jobs between March 2020 (the start of the pandemic) and September 2020, with 24.1% fewer positions. Nationally, the ABS data showed:

- declines of up to 30% in the female workforce and 23% in the male workforce over the reference period, suggesting that women in the creative sector were disproportionately impacted by job losses, underemployment and job insecurity during the pandemic
- workers 15 to 29 years of age experienced the greatest job loss over the reference period.

More recently, rising inflation coupled with increased interest rates and cost-of-living pressures have impacted audience numbers and participation in creative and cultural events in Victoria. An April 2023 survey by Creative Victoria indicated that:

- nearly half (49%) of respondents reported attending fewer events over the previous 6 months due to cost-of-living pressures
- respondents reported spending less on donations (40%) and subscriptions or memberships (38%) to the creative arts industry
- 51% of respondents are waiting longer to buy tickets or make decisions to attend events for financial reasons.

Despite these ongoing challenges facing the sector, the survey indicated that Victorian audiences remain committed to supporting artists and productions they value.

# Scope of the Victorian creative arts industry

<b>In this section</b>	<p>This section provides our estimate of the value and scope of the Victorian creative arts industry, including:</p> <ul style="list-style-type: none"> <li>▪ the gross value added</li> <li>▪ employment and weekly earnings</li> <li>▪ the number of businesses.</li> </ul>
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## Defining the creative arts industry

The creative arts industry can be defined in many ways – some narrowly defined, while others broader in scope. The sub-sectors we include in the industry are based on the ANZSIC classifications that most closely align with activities we consider to be part of the creative arts industry.

**Figure 7 – Sub-sectors of the creative arts industry**

Creative arts industry			
Architectural services	Art education	Art galleries and museums	Broadcasting (incl. radio, television, and internet)
Creative and performing arts	Libraries and archives	Motion picture and sound recording	Printing
Professional photography	Publishing (incl. books, music, and internet)	Specialised design services (incl. fashion, graphic, and interior design)	

Source: Parliamentary Budget Office.

Our definition is relatively consistent with other publications and government bodies that have provided research into the creative arts industry in Australia, but is narrower than definitions of the 'creative industries' more generally. Specifically, our definition excludes certain major sub-sectors that other publications have chosen to include:

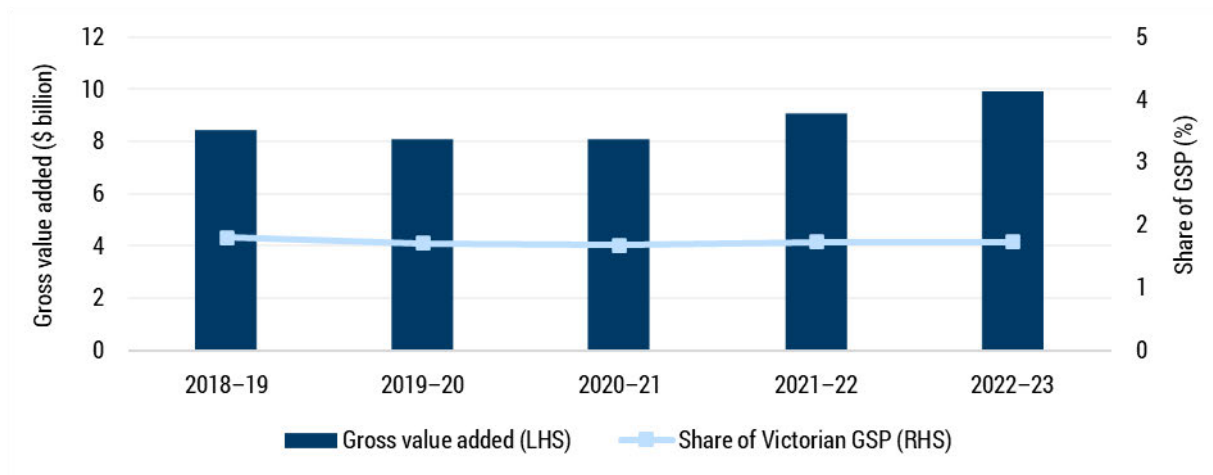
- **Advertising** – We assessed that the advertising industry was not part of the cultural or creative arts industries, and was not covered by the scope of the Inquiry.
- **Clothing, footwear and jewellery manufacturing** – We assessed that this industry was mostly not part of the creative arts. Our definition includes fashion and jewellery design under 'specialised design services'.
- **Computer system design and related services** – Although there are some 'creative' activities under this sub-sector (such as internet and web design), it is quite a broad class of activities, the majority of which relates to those which are not typically associated with the creative arts industry (such as computer facilities management service). The inclusion of these activities results in a skewed and overestimated reflection of the true scope and output of the creative arts industry.



## Gross value added

Gross value added measures the contribution of an industry to gross state product (GSP). GSP is the state-level equivalent of gross domestic product (GDP) and measures the value of goods and services produced within a state.

**Figure 8 – Gross value added of the Victorian creative arts industry**



Source: Parliamentary Budget Office.

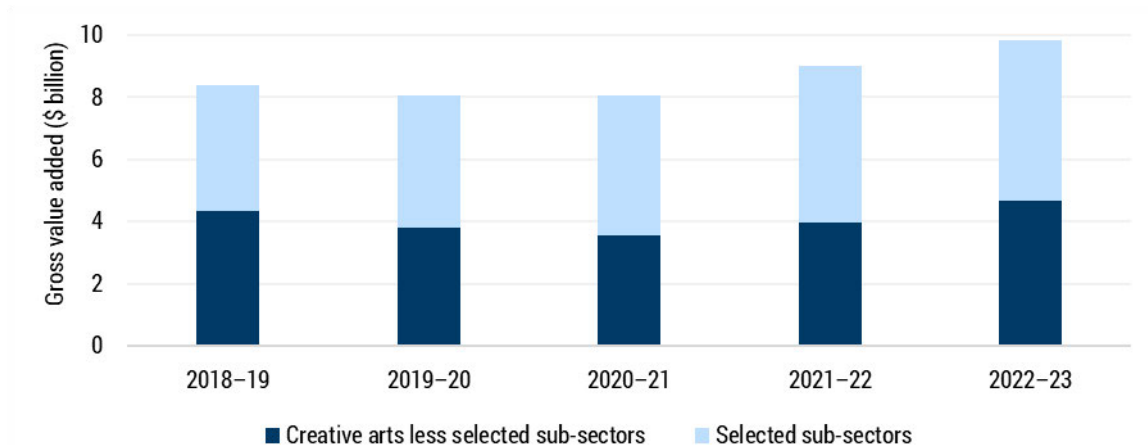
We estimate that the gross value added of the creative arts industry in 2022–23 was \$9.9 billion (or 1.7% of GSP). This industry grew by 18% since 2018–19, with most of these gains occurring after the Victorian Government eased its pandemic restrictions. At the height of the pandemic in 2020–21, we estimate that the gross value added of the industry was \$8.0 billion, a decrease of 4% from its pre-COVID level in 2018–19.

A closer examination of the sub-sectors that make up the industry shows that some fared better compared to others during the COVID-19 pandemic. The impact on the value added of the industry was lessened by strong continued activity in several subsectors, including:

- architectural services
- internet publishing and broadcasting
- publishing (newspapers, magazines, and books)
- specialised design services (fashion, graphic, and interior design)

Businesses in these sub-sectors were able to continue operating as workers could perform their duties through remote working arrangements or because consumers increased their consumption of certain goods or services. For example, people increased their consumption of internet content, published news, books, and other similar forms of entertainment to pass the time as they remained under lockdown orders.

If we exclude these sub-sectors, the negative impacts of the COVID-19 pandemic on the industry become more pronounced. We estimate that the gross value added of the creative arts industry declined by 18% between 2018–19 and 2020–21 when excluding these sub-sectors.

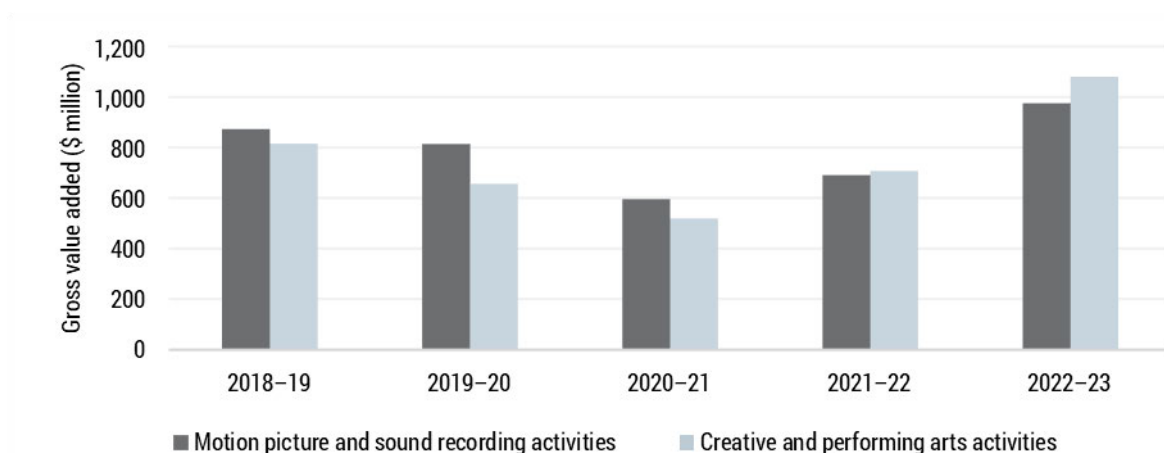
**Figure 9 – Gross value added of the Victorian creative arts industry**

Note: Figure excludes architectural services, internet publishing and broadcasting, publishing (newspapers, magazines, and books), specialised design services (fashion, graphic, and interior design).

Source: Parliamentary Budget Office.

Despite a slight contraction in activity in the first few months of the pandemic, the Victorian Government's decision to keep the state's building and construction industry running throughout the pandemic likely had flow-on effects on architectural services and interior design services. The Australian Government's HomeBuilder grant scheme also benefited these services. This scheme provided once-off grants to owner-occupiers to build new homes or to undertake substantial renovations of existing homes. In Victoria, there were nearly 40,000 applications for the scheme as of 24 February 2023.

Conversely, the COVID-19 pandemic severely impacted certain sub-sectors within the creative arts industry. The 'motion picture and sound recording' and 'creative and performing arts' sub-sectors experienced a significant contraction in their economic output. Government-mandated lockdowns and restrictions dampened business opportunities and attendance numbers as art galleries, museums, and live performance venues were forced to close their doors or significantly limit their activity.

**Figure 10 – Gross value added of selected sub-sectors within the Victorian creative arts industry**

Source: Australian Bureau of Statistics.

Compared to their pre-COVID-19 levels in 2018–19, we estimate that the gross value added of the:

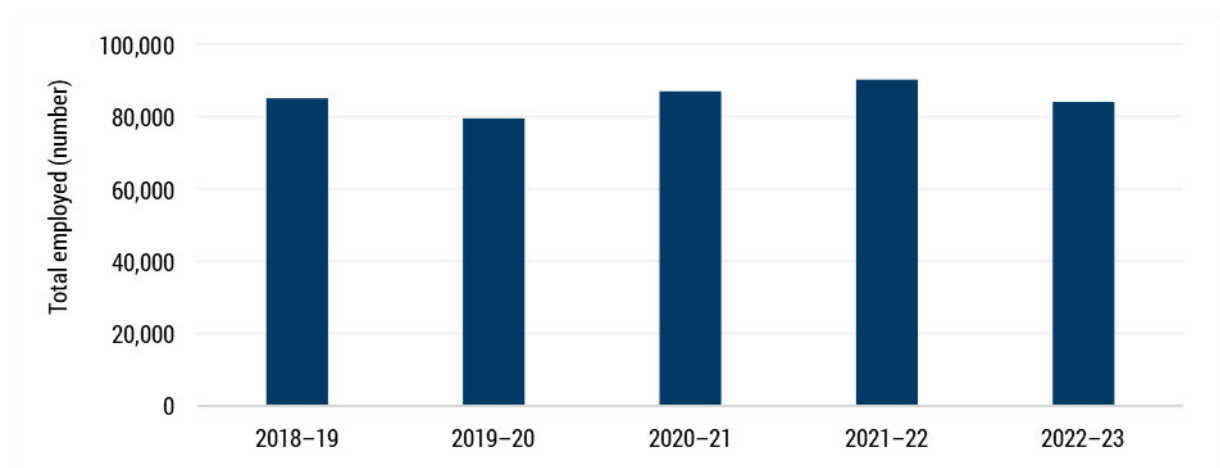
- motion picture and sound recording sub-sector decreased by 32% in 2020–21
- creative and performing arts sub-sector decreased by 36% in 2020–21.

## Employment and earnings

We estimate there were around 84,000 people employed in the Victorian creative arts industry in 2022–23, representing around 2.3% of total employed in the state.

The industry experienced a sharp decline in employment of 7% in the first year of the COVID-19 pandemic, and then recovered in the latter years of the pandemic. Despite this recovery, employment in the industry in 2022–23 was 1% lower compared to pre-COVID-19 levels in 2018–19, suggesting that the industry continues to experience some financial difficulties.

**Figure 11 – Employment in the Victorian creative arts industry**



Source: Parliamentary Budget Office.

The Australian Government's JobKeeper scheme helped to maintain employment in the industry throughout the COVID-19 pandemic. The JobKeeper scheme was a wage subsidy program for Australian employees and businesses that provided fortnightly payments to eligible employees and business participants (typically business owners). The first phase of the scheme operated from April to September 2020, with the second phase operating from October 2020 to March 2021.

At the national level, research from the Australian Department of Infrastructure, Transport, Regional Development and Communications indicated that:

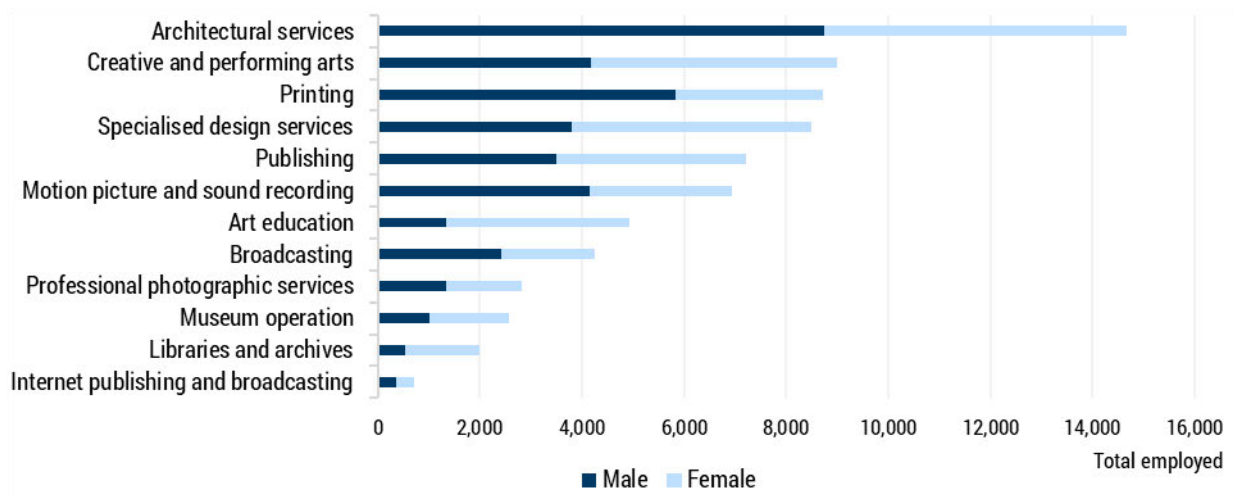
- more than half of employees and businesses in the creative arts industry received JobKeeper payments
- despite representing 6% of all employees, the creative arts industry received 9.7% of all JobKeeper payments to December 2020, indicating that the industry was harder hit by the negative effects of the COVID-19 pandemic.

We note that the former Australian Department of Infrastructure, Transport, Regional Development and Communications adopted a broader definition of the creative arts industry than ours as it included, amongst other things, clothing, footwear and jewellery retailing within their scope. As such, the statistics regarding JobKeeper payments do not entirely align with our definition of the creative arts industry, but provide a general indication as to the level of support provided to the industry, nonetheless.

While the Australian Government's JobKeeper scheme enabled workers to retain a wage during the COVID-19 pandemic, many employees in the creative arts industry could not demonstrate their eligibility for the scheme and were unable to access the fortnightly payments. This is a symptom of the high levels of casualisation and job insecurity in the industry due to the seasonal, temporary and short-term nature of exhibitions, performances, festivals, and tours. It is likely that the ineligibility for JobKeeper payments mostly impacted women workers in the Victorian creative arts industry. This is because:

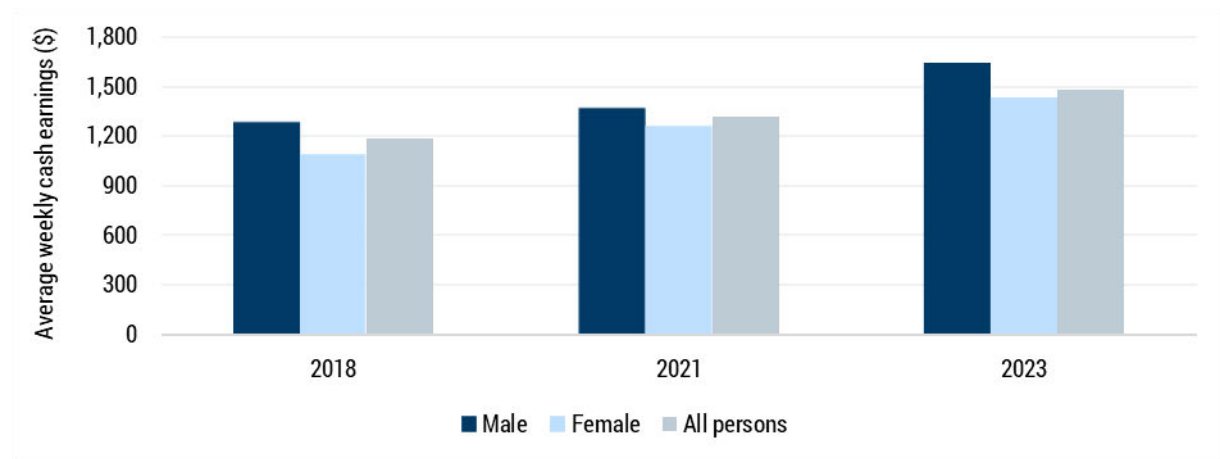
- although women represent around 49% of workers in the Victorian creative arts industry, they comprise 62% of part-time workers
- in general, the casualisation of the workforce typically impacts women more so than men – women comprise 47% of the total workforce in Australia, but represent around 56% of casual employees.

**Figure 12 – Victorian creative arts industry employment by sex (2021 census)**



Source: Australian Bureau of Statistics, Parliamentary Budget Office.

The tendency of casual workers (as well as part-time workers) to be women also impacts their average weekly earnings in the industry.

**Figure 13 – Average weekly total cash earnings of employees in the creative arts industry (Australia)**

Source: Parliamentary Budget Office.

At the national level, we estimate that the average weekly earnings of women in the creative arts industry were \$1,430 in 2023, which is 13% less than their male counterparts' weekly earnings of \$1,646. The difference in earnings was as high as 16% in 2018. Variations in the gender composition of managerial and leadership positions in the industry may also contribute to the divergence in earnings between males and females. However, we do not have sufficient information to determine and assess the compositional breakdown of senior staff in the industry.

Across all persons, we estimate that the average weekly earnings in the creative arts industry in Australia were \$1,484 in 2023.

The average weekly earnings within the creative arts industry varied considerably based on the type of profession. Interior designers had the highest average weekly earnings of \$2,268 in 2023, whereas actors, dancers and other entertainers had the lowest average weekly earnings at \$397 (the Australian Bureau of Statistics notes that this figure should be treated with caution due to its high standard of error). Library assistants had the second lowest average weekly earnings in 2023 at \$785.

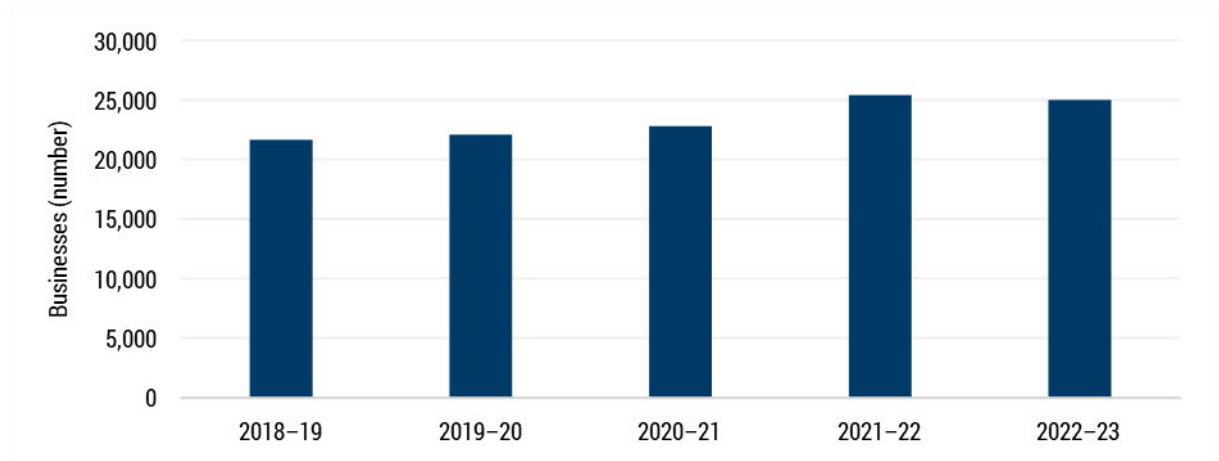
## Number of businesses

We estimate that in 2022–23, there were around 25,000 businesses in the Victorian creative arts industry, representing 3.5% of all businesses in the state. In terms of the number of businesses, the top 5 sub-sectors were:

- creative artists, musicians, writers and performers – 5,200 (21%)
- other specialised design services – 5,000 (20%)
- architectural services – 4,200 (17%)
- professional photographic services – 2,800 (11%)
- motion picture and video production – 2,400 (9%)

The above-mentioned subsectors accounted for over three quarters of all businesses in the industry.

The number of businesses in the Victorian creative arts industry increased year-on-year from 2018–19 to 2021–22, but slightly contracted in 2022–23.

**Figure 14 – Number of businesses in the Victorian creative arts industry**

Source: Parliamentary Budget Office.

Throughout the COVID-19 pandemic, businesses in the creative arts industry received assistance from the Australian Government through the JobKeeper scheme (which subsidised employee wages to enable businesses to retain their staff) and the 'Boosting Cash Flow for Employer' scheme.

The Boosting Cash Flow for Employer' scheme provided temporary cash flow to small and medium businesses and not-for-profit organisations that employed staff during the economic downturn associated with COVID-19. Eligible businesses received between \$20,000 to \$100,000 in cash flow, delivered through credits when they lodged their activity statements.

According to the Australian Department of Infrastructure, Transport, Regional Development and Communications, at the national level, businesses in the creative arts industry received \$2.75 billion through the Boosting Cash Flow for Employers scheme, representing around 8% of total contributions. As mentioned previously, the department's definition of the creative arts industry is broader than ours and these statistics should be considered within this context.

# Victorian Government funding of the creative arts industry

## In this section

The section provides the Victorian Government's output funding and asset investment in the creative arts industry since the Victorian Budget 2018/19.

## Output funding

We sought information from the Victorian Government on the funding it has provided to the creative arts industry in the state for various programs and initiatives. The Department of Jobs, Skills, Industry and Regions, which administers most programs and initiatives relating to the creative arts industry, marked their response as confidential. This restricted our ability to use the information in the department's response in our submission.

As an alternative, we used 3 broad outputs in the Victorian Budget to indicate the level of Victorian Government output funding provided to the creative arts industry:

- Creative Industries Access, Development and Innovation – This output supports the creative industries to deliver economic, social, and cultural benefits through talent and leadership, innovation, social impact, participation, and international engagement.
- Creative Industries Portfolio Agencies – This output promotes the creative industries through the Victorian Government's creative industries entities, such as the National Gallery of Victoria (NGV), Australian Centre for the Moving Image (ACMI), and Geelong Arts Centre.
- Cultural Infrastructure and Facilities – This output supports Victorian cultural venues and government-owned facilities through assessment and advice on portfolio infrastructure proposals and projects. It also includes consolidation of portfolio asset management plans and management of funding programs for maintenance and minor capital works.



Figure 15 – Budget outputs related to the creative industries

\$ million	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25
Creative Industries Access, Development and Innovation	89.8	73.9	81.9	100.5	66.4	78.8	77.8
Creative Industries Portfolio Agencies	380.3	438.0	467.0	503.6	498.0	438.2	410.6
Cultural Infrastructure and Facilities	139.4	114.3	63.0	66.0	52.6	56.5	52.8
<b>Total</b>	<b>609.5</b>	<b>626.2</b>	<b>611.9</b>	<b>670.1</b>	<b>617.0</b>	<b>573.5</b>	<b>541.2</b>

Note: Figures for 2024–25 are budgeted. Output funding before 2021–22 included the Capital Asset Charge (CAC), which levied a charge on the written-down value of controlled non-current physical assets and contributed to an agency's output. As such, output funding before 2021–22 cannot be directly compared to the funding from 2021–22 onwards.

Source: Department of Treasury and Finance.

For 2024–25, the Victorian Government allocated \$541.2 million across these 3 outputs. Prior to 2021–22, output funding included funding for the now discontinued Capital Assets Charge. This means publicly available information on funding from 2021–22 to 2024–25 is not directly comparable with earlier years' funding.

Output funding was at its highest towards the latter end of the COVID-19 pandemic in 2021–22. The Victorian Government provided support and stimulus to the state's creative industries agencies under 2 initiatives:

- 'Creative State: Cultural and creative organisations support and recover' (2021–22 budget)
- 'Creative industries portfolio agencies recovery' (2022–23 budget)

The Victorian Budget also outlines funding under the 'Tourism and Major Events' output. This output aims to maximise employment and economic benefits of tourism and major events in Victoria by developing and marketing Victoria as a competitive destination.

This output is quite broad as it encompasses sporting, arts, cultural, fashion, and retail events, as well as tourism. Although this output contains some funding for the creative arts industry, it would not be appropriate to assign the entirety of the output's funding to the creative arts industry for the reasons stated.

Figure 16 – Tourism and Major Events budget output

\$ million	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25
Tourism and Major Events	256.3	228.4	478.0	483.5	441.8	469.8	183.8

Note: Figure for 2024–25 is budgeted. Output funding before 2021–22 included the Capital Asset Charge (CAC), which levied a charge on the written-down value of controlled non-current physical assets and contributed to an agency's output. As such, output funding before 2021–22 cannot be directly compared to the funding from 2021–22 onwards.

Source: Department of Treasury and Finance.

In 2024–25, the Victorian Government provided \$183.8 million towards the Tourism and Major Events output.

## Asset investment

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We assessed Victorian Government asset investment in the creative arts industry based on the Victorian Budget – Budget Paper No. 4: State Capital Program. We have included new and existing projects that were published in the Victorian Budget 2018/19 and all subsequent budgets. This excludes capital projects that were completed (or expected to be completed) before the 2018–19 financial year.

Due to the way in which capital projects are reported in the state budget, it is not possible to identify all capital funding provided to the creative arts industry. Some funding to the industry is provided under large capital projects that also encompass funding not related to the creative arts industry. In other cases, there was insufficient information to determine whether the project included funding to the creative arts industry.

As such, we have excluded projects from our analysis where:

- an initiative lacked a clear and direct relationship to the creative arts industry
- there was insufficient information to determine:
  - whether a large project included funding that directly related to the creative arts industry.
  - the specific amount of funding provided to the creative arts industry under a broad initiative

To illustrate our exclusion criteria:

- In the Victorian Budget 2021/22, the Victorian Government provided funding for the 'Fishermans Bend Innovation Precinct' to redevelop the precinct, which is expected to become a key employment hub for various industries including aerospace, transport, defence, clean energy, and the creative arts industry. We have excluded this project because we could not determine whether it included any funding directly related to the creative arts industry.
- In the Victorian Budget 2018/19, the Victorian Government funded the 'Geelong City Deal' project. This project included funding to improve the Geelong Arts and Culture Precinct, but also encompassed a range of other funding unrelated to the creative arts industry, such as train station upgrades. We have excluded this project because we could not determine the amount of funding specific to the creative arts industry under this initiative.

As such, the list of initiatives we provide in

Figure 17 should be considered indicative of the general level of government investment, and not comprehensive.

### By initiative

Since the Victorian Budget 2018/19, we identified 18 asset initiatives relating to creative arts industry with a total estimated investment (TEI) of \$2,155.9 million.

**Figure 17 – Victorian Government asset initiatives that directly relate to the creative arts industry**

<b>Initiative</b>	<b>Location</b>	<b>Total estimated investment (\$ million)</b>	<b>Notes</b>
Arts and Cultural Facilities Maintenance Fund	Statewide	9.7	
Arts Centre Melbourne building services upgrade	Melbourne	16.4	
Australian Centre for the Moving Image redevelopment	Melbourne	39.8	TEI includes \$5.0 million from philanthropic sources.
Building a world class Geelong Performing Arts Centre	Geelong	140.0	
Collections Storage Victoria – Phase 1	Statewide	21.5	
Creative Industries Portfolio Agencies Recovery	Metropolitan	3.3	TEI includes \$1.0 million from the private sector.
Creative Victoria Cultural Facilities Maintenance Fund	Statewide	2.8	
Cultural Agencies: Recovery and Adaptation	Statewide	13.5	
Cultural Facilities Maintenance Fund (2021–22 Budget)	Statewide	18.8	
Cultural Facilities Maintenance Fund (2024–25 Budget)	Statewide	16.0	
Exhibition and experience program renewal – Museum Victoria	Metropolitan	4.5	
Melbourne Arts Precinct transformation Phase One	Melbourne	1,574.4	
Melbourne Arts Precinct transformation planning and design	Melbourne	98.8	
Museum Victoria Exhibition Renewal	Carlton	18.0	
Revitalising our Cultural Institutions	Melbourne	17.2	

Initiative	Location	Total estimated investment (\$ million)	Notes
Royal Exhibition Building Protection and Promotion Project	Carlton	20.0	
Screen Industry Strategy	Statewide	45.9	
South West TAFE Library and Learning Hub 2019-20	Warrnambool	20.3	TEI includes \$3.12 million from the City of Warrnambool and \$0.83 million from South West TAFE.
State Library of Victoria redevelopment	Melbourne	95.1	TEI includes \$27.7 million from philanthropic sources.
<b>Total</b>		<b>2,155.9</b>	

Source: Department of Treasury and Finance, Parliamentary Budget Office.

The asset initiatives with the largest investment were:

- Melbourne Arts Precinct transformation Phase One (\$1,574.4 million TEI)
- Building a world class Geelong Performing Arts Centre (\$140.0 million TEI)
- Melbourne Arts Precinct transformation planning and design (\$98.8 million TEI)
- State Library of Victoria redevelopment (\$95.1 million TEI)
- Screen Industry Strategy (\$45.9 million TEI).

### By region

Most of the Victorian Government's investment occurred in metropolitan Melbourne, which comprised 50% of initiatives and 87% of total asset funding in the creative arts industry. We identified only 2 asset initiatives in regional Victoria, which accounted for 7% of total asset funding from the government. Around 25% of the state's population lives in regional Victoria.

**Figure 18 – Asset initiatives that directly relate to the creative arts industry, by region**

Location	Number of initiatives	Total estimated investment (\$ million)
Metropolitan Melbourne	9	1,867.6
Regional Victoria	2	160.3
Statewide	7	128.1
<b>Total</b>	<b>18</b>	<b>2,155.9</b>

Note: Statewide initiatives are those which impact both metropolitan and regional areas as they provide statewide benefits that cannot be attributed to a single geographic region.

Source: Parliamentary Budget Office.

The asset initiatives with the largest investment in metropolitan Melbourne were:

- Melbourne Arts Precinct transformation Phase One (\$1,574.4 million TEI)
- Melbourne Arts Precinct transformation planning and design (\$98.8 million TEI)
- State Library of Victoria redevelopment (\$95.1 million TEI)

The only asset initiatives in regional Victoria were:

- Building a world class Geelong Performing Arts Centre (\$140.0 million TEI)
- South West TAFE Library and Learning Hub 2019-20 (\$20.3 million TEI).

The asset initiatives with the largest investment across statewide projects were:

- Screen Industry Strategy (\$45.9 million TEI)
- Collections Storage Victoria – Phase 1 (\$21.5 million TEI)
- Cultural Facilities Maintenance Fund (2021–22 Budget) (\$18.8 million TEI).

### Partially related to the creative arts industry

We also identified some asset initiatives that partially related to the creative arts industry. Although they provide some shared benefit to the industry, the purpose of these projects was not primarily creative arts related. These initiatives typically involved the upgrades of shared facilities and centres that are used by a range of industries, including the creative arts industries. We list these initiatives in Figure 19.

**Figure 19 - Asset initiatives that partially relate to the creative arts industry**

Initiative	Location
Albert Park College and the Victorian College of the Arts Secondary School (2019-20)	Albert Park
Albert Park College and the Victorian College of the Arts Secondary School (2020–21)	Albert Park
Albert Park College and the Victorian College of the Arts Secondary School (2021–22)	Albert Park
Federation Square asset maintenance	Melbourne
Melbourne Exhibition Centre Stage 2 Development	Southbank
Melbourne Park redevelopment stage three	Melbourne
Melbourne Park redevelopment stage two	Melbourne
Melbourne Showgrounds Future Sustainability	Flemington
Northern College of Technology and Arts 2016-17	Preston
Northern College of the Arts and Technology 2018-19	Preston
Nyaal Banyul Geelong Convention and Event Centre	Geelong

Initiative	Location
Public Record Office Victoria asset maintenance and renewal program (2015–16)	North Melbourne
Public Record Office Victoria asset maintenance and renewal program (2021–22)	North Melbourne
Public Record Office Victoria digital archive	North Melbourne
Royal Exhibition Building Protection and Promotion Project	Carlton

Source: Department of Treasury and Finance, Parliamentary Budget Office.



# Attachment A – Reconciliation against the request

Inquiry terms of reference	Addressed in submission
Regional Victoria's share of national arts and cultural spending	Victorian Government funding of the creative arts industry (pp. 19-22)
Whether the Revive policy and relevant state government policies and spending provide sufficient support and impetus to rebuild and sustain Victoria's cultural and creative industries following the devastating impact of the COVID-19 pandemic on the sector	COVID-19-related impacts on the creative arts industry (pp. 7-9) Victorian Government funding of the creative arts industry (pp. 19-22)

Note: The table above only includes the terms of reference items that the Chair requested a submission on. The Chair's requested submission and reconciliation are included in the table below.

Requested submission	Addressed in submission
The economic value and scope of the creative arts industry in Victoria	Scope of the Victorian creative arts industry (pp. 10-16)
Victorian Government funding of the creative arts industry, split by metropolitan Melbourne and regional Victoria spend.	Victorian Government funding of the creative arts industry (pp. 19-22)

## Attachment B – Data sources

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