

T R A N S C R I P T

LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into the Cultural and Creative Industries in Victoria

Melbourne – Thursday 13 March 2025

MEMBERS

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Gaelle Broad

Georgie Crozier

David Davis

David Ettershank

Michael Galea

Renee Heath

Sarah Mansfield

Rachel Payne

WITNESSES

Nadja Kostich, Artistic Director and Chief Executive Officer, St Martins Youth Arts Centre;

Dianne Toulson, Executive Director, Theatre Works.

The CHAIR: I declare open the Legislative Council Economy and Infrastructure Committee's public hearing for the Inquiry into the Cultural and Creative Industries in Victoria. Please ensure that mobile phones have been switched to silent and that background noise is minimised.

I would like to begin this hearing by respectfully acknowledging the Aboriginal peoples, the traditional custodians of the various lands we gathered on today and paying my respects to their ancestors, elders and families. I particularly welcome any elders or community members who are here today to impart their knowledge of this issue to the committee or who are watching the broadcast of these proceedings. I also welcome any other members of the public watching via the live broadcast.

To kick off, we will have committee members introduce themselves. We do not have any on the screen at the moment, so we will start with Mrs Broad.

Gaelle BROAD: Gaelle Broad, Member for Northern Victoria.

Evan MULHOLLAND: Evan Mulholland, Northern Metro.

Richard WELCH: Richard Welch, North-East Metro.

The CHAIR: Georgie Purcell, Northern Victoria. Thank you very much for appearing before us today.

All evidence taken is protected by parliamentary privilege as provided by the *Constitution Act* and further subject to provisions of the Legislative Council standing orders. Therefore the information you provide during this hearing is protected by law. You are protected against any action for what you say during this hearing, but if you go elsewhere and repeat the same things, those comments may not be protected by this privilege. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded. You will be provided with a proof version of the transcript following this hearing, and then transcripts will ultimately be made public and posted on the committee's website.

For the Hansard record can you both please state your full names and the organisations you are appearing on behalf of.

Nadja KOSTICH: Nadja Kostich, the CEO and Artistic Director of St Martins Youth Arts Centre.

Dianne TOULSON: Dianne Toulson, Executive Director of Theatre Works in St Kilda.

The CHAIR: Wonderful. We now welcome your opening comments but ask that they are kept to around 10 to 15 minutes to ensure plenty of time for discussion and questions.

Nadja KOSTICH: Absolutely it will be under that. We have just prepared some points, and we will read from those and maybe comment as we go. I would love to read Cameron Lukey's short point as well. The points are in general, because as you know, we have submitted on behalf of six organisations, and the next lot is in the slot after us. If you want to know more things about each of our organisations, we can detail that later in the dialogue. I too would love to gratefully acknowledge that we are on Wurundjeri and Woi Wurrung lands, which have been kept by their elders and cared for since time immemorial.

I will begin. While the federal government cultural policy *Revive* was welcome and needed, ultimately its benefits in the form of ongoing core funding – the most necessary and hard-won budget line of any small arts organisation's income – have barely trickled down to the six Victorian organisations that co-signed our submission to this inquiry. Yet we are iconic Victorian arts organisations. St Martins, La Mama, Theatre Works, fortyfivedownstairs, Arena and Rawcus have over 250 years of successful operation between us, significantly contributing to and serving our state's independent arts sector. We are incubators of cultural production and training grounds for emerging artists and arts leaders. Despite that, only three out of the six of

us received a small amount of core federal funding just recently, and that was after around five years of advocacy. St Martins, La Mama and Arena are receiving \$150,000 to \$175,000 per year for the next two years as part of a Creative Australia pilot program and as a result of that persistent campaigning and advocacy efforts. While we are very grateful we were heard at federal level, we cannot afford the time away from our core business to achieve a sustainable income in this way ongoingly, given the levels of advocacy required. This pilot program has not secured funding beyond the two years, so in essence some of our six organisations have not been federally funded since 2020, some not since 2016. Others have never received federal support at all – nor, astoundingly, Victorian government support.

Between us we arguably represent a far larger array of similarly stretched and underfunded Victorian small arts organisations who work in theatre specifically. Sadly, TNA's statistics in addition show that the Victorian state government has fallen behind other states now in the funding of the arts, and we are urging our Victorian government to address that by generously funding Creative Australia. You might have heard from TNA and Creative Victoria itself that we have only had about three arts rounds open for independent artists, and they were funded to around \$20,000, so we are concerned as organisations that the four-year grants that are coming up are not indexed. Some of us have received the same amount for two rounds, so around eight years, and we are very concerned that either we might not be funded at all or we will not be able to meet our expenses due to costs.

Despite our value to the artistic sector, both state and federal, as creative community hubs and as spaces for innovative and experimental work and despite our highly awarded productions and curated programs, we find ourselves now, through sheer necessity, ostensibly becoming centres for fundraising and advocacy who do art on the side, such is the struggle to make ends meet. The cycle of funding applications, reporting and acquitting to multiple local, state, federal and philanthropic agencies is out of proportion to the return and is consuming the valuable time in which we do our jobs as arts leaders and makers serving young people and emerging and independent artists. We are not complaining about having to apply for funds, but it is very much out of proportion. We are talking about applying for multiple small grants under \$5000, \$10,000 or \$20,000 over and over again; that is what consumes us. Rarely do we get opportunities for \$50,000 or \$100,000 for projects. None of these are ongoing core funding, and each of them has different protocols, measures, templates and reporting systems.

St Martins is luckier than some of the organisations. We have 5.8 FTE core staff, but our colleagues here have even less, and they will tell us how much. In our case, however, only 1.4 of that 5.8 are artistic staff, and I am one of the 1.4. Often we might say that we clean the floor or scrub the floor for at least four days of the week to work on the floor and make the art for hopefully one of the days of the week. That is how it is distributed. But for some it is even more than 80 per cent administration. We submitted to this inquiry out of deep concern not just for the sustainability of our own organisations and the risk of burnout for artists and arts workers but for the welfare of Victorian arts and culture as a whole.

Dianne TOULSON: I will continue on from there. The neglect of the independent arts and the avoidance of accountability and financial commitment by governments and oppositions, federal and state, comes at the peril of the state's, and this country's, future cultural standing. We call on our governments to work together to acknowledge, prioritise and generously nourish grassroots arts organisations, such as ours, who provide training on the ground, experience and career pathways for artists and arts workers; who promote creative thinking beyond the arts; and who build future audiences, arts lovers and arts consumers. This is not about handouts, saving the arts or any of those belittling concepts; it is about a collective paradigm shift in the intrinsic valuing of the arts that translates to budget allocations, federal and state. We are calling for you to work together. If, for whatever reason, you cannot – and we are not here talking to a federal inquiry; we are talking to our state representatives – we seek your urgent action to increase arts funding at a state level as well.

We are small theatres, yet when our numbers are combined, we creatively stimulate and entertain hundreds of thousands of Victorians and visitors to our state. We employ hundreds of artists, activate our local businesses, are key contributors to social cohesion, are active platforms for intercommunity connection and are effective combatants against social isolation particularly entrenched in our state as an ongoing ramification of Victorian lockdowns. An investment by state government in independent theatre is an investment in a healthy contemporary society. But most importantly, as a cornerstone of civil society, art and culture for its own sake is alone worthy of funding. We seek generous core funding for the purpose of creating art. Victorian small to medium arts organisations cannot continue to be left out of federal and state funding allocations and still be

expected to act as the well of talent, alumni, artists and audiences that directly feeds our major arts institutions, as we currently are. Without us, that well is at risk of drying up and with it the life force of our internationally renowned organisations, state theatre companies, arts centres and festivals over the coming years and decades, seriously compromising our international reputation and the health of our sector. Victoria's status as the country's arts and cultural leader is definitely in question. In order to avoid contraction, we urge state and federal governments to work together to establish an ongoing fund that recognises the necessity and value of the recurrent funding for core activities of small to medium organisations such as ours who contribute to building and sustaining the sector and capacity building.

My perspective of who we are: Theatre Works have been a pillar of Australian independent theatres for 44 years, supporting thousands of artists and productions. We are one of the longest running independent theatre companies in Australia, responsible for developing and premiering hundreds of new works that have gone on to major festivals, national tours and international stages. We provide a critical stepping stone for emerging and mid-career artists, offering a pathway to main stage and commercial theatre while fostering experimentation and innovation. Our impact: annually Theatre Works produces, commissions or presents 30-plus productions across two venues, supports over 500 artists and hosts over 30,000 audience members. We generate \$2.5 million in economic activity just in the City of Port Phillip and around Melbourne. We provide subsidised theatre space, technical support and marketing to the value of over \$500,000 a year to independent artists that have nowhere else to go.

Theatre Works operates on an annual budget of \$1 million, with 80 per cent of that being earned income. That is a mighty effort for a small organisation. Since the federal funding has bypassed us, despite our proven ability to support artists and produce new Australian works, there is a critical gap in funding. Major performing arts organisations receive 70 per cent of federal arts funding, leaving small- to mid-sized companies like ours competing for the crumbs.

I think that is it for me. Did you want to talk about Cameron?

Nadja KOSTICH: Yes. I will just read out Cameron's statement. It is very brief. Cameron Lukey is the artistic director of fortyfivedownstairs:

I represent an arts organisation that has survived for 23 years without state or federal organisational support. We have relied solely on donations, box office, hire charges and bar sales. I am sending my support to my colleagues today because we are now facing a reality where our costs are increasing and our diminished staff of 3.6 FTE, from 4.6 pre 2020, are spread too thin trying to increase revenue to compensate. As a result our board is questioning the sustainability of an organisation that plays a vital role in the sector. I am backing my colleagues in expressing that the viability of the sector is fading fast if the status quo continues.

The CHAIR: Thanks so much. We will go to questions from members. We will start with Mr Davis.

David DAVIS: Can I thank you for your submission and your material. I think it is very instructive, and can I compliment your organisations as very – I am looking for a word here – very focused on actually your artistic mission. I think this is incredibly important. As I understand it, what you are saying is that state funding has fallen. In effect, real state funding has fallen. Some of it has been not indexed, so it is just flatlining at best. There is a huge amount of work that you need to do to apply for grants, so what you would need in many respects is some better certainty and predictability where you are not consumed with the busywork of writing grant applications. I think what you also have said to us is that at a federal level there has not been any federal funding into many of these organisations. Is that a fair summary?

Nadja KOSTICH: Yes, it is a fair summary. But I make a distinction myself between core funding and project funding. Some of our organisations apply for federal project funding and receive that – and gratefully receive it; always we are grateful. It is the core funding and the predictability that is the gold to our organisations, that will avoid that burnout.

David DAVIS: Does the federal government fund other similar organisations in other states?

Nadja KOSTICH: I think TNA might have some of those statistics. In the latest round, so prior to us receiving this pilot funding, which is for us a kind of bridging funding, for two years we have at St Martins \$150,000 to add towards our core – this is very important – but our ask was \$250,000. That is what would allow our organisation to sing, along with our Creative Victoria funding. We too are around a \$1 million

turnover company, which is on the small end. In answer to your question, in the 2023 round, when we did not receive the federal funding, in theatre only one Victorian company was funded.

David DAVIS: Who was that?

Nadja KOSTICH: That was Polyglot, and wonderfully and deservedly so. But four or five New South Wales and Western Australian companies were funded. I know that Creative Australia's rationale is that other disciplines were funded, whether that be hybrid or dance or all those. Fair enough in many ways, but we are representing theatre. I have been a practitioner in theatre for more than three decades professionally; I do not know how long Dianne has been around. We have invested our lives and careers in Victorian theatre, and that is what we are standing up for.

David DAVIS: Good on you for that. You have our strong support, I think right across the whole committee, across all party backgrounds, for what you do. What worries me – and tell me if I am wrong to be concerned about this – is it appears that that federal funding does not always reach our organisations here in Victoria. In truth Victoria contributes 25 per cent of tax revenue, and frankly I do not think we receive that share in return when it comes to the many different programs. I think there are very few areas where we receive our commensurate share, and that makes it harder for our organisations, like yours, to deliver on their mission, in your case theatre, to do what is required. La Mama is one that is on the list here. I think they got no money from anywhere, that is my understanding.

Nadja KOSTICH: Yes. You will be speaking to them in one second, but again, missing out a couple of times means that you are in dire straits as a company.

Dianne TOULSON: Yes. For Theatre Works we received RISE funding, and it made all the difference to how we survived COVID. What we did with that funding at that time is we thought, 'We'll work really hard, and if we build it, it will come. We'll be able to go and apply for Creative Australia, show them what we can do with that amount of money, how successful that was and how that translated to work for artists and opportunities for audience.' And then when we go to apply for Creative Australia, we do not get it. We have been without Creative Australia funding since 2016, and we are the highest producing theatre company in Melbourne. The RISE funding does not look at how you operate, it says, 'It's a good business, we'll fund it,' whereas the Creative Australia model looks at us and goes, 'It's a confusing model; we don't fund it.'

David DAVIS: You do not fit into the box or the slot that is needed.

Dianne TOULSON: We do not fit into the box, yes. We cannot tick specific boxes because we are a theatre for everyone, and we focus on that – to be inclusive for everyone. It is really challenging, that.

David DAVIS: And the philanthropic side of it too, you both get some philanthropic funding I think as well.

Nadja KOSTICH: Yes, for us at the moment – in 2024, 17 per cent of our income came from philanthropy and donations, which was a massive rise since before COVID times. We have really had to put this philanthropic fundraising and advocacy hat on, so that is a rise. We have our own income, which is about 39 per cent, and we have 43 per cent of different government grants. Twenty per cent of our funding does come from Creative Victoria, and small amounts are from project grants.

David DAVIS: And from tickets and so forth?

Nadja KOSTICH: Tickets, yes. Our income – yes, tickets. We have enrolments. We work with around 200 young people every week, but we also provide many scholarships and free programs. Tickets I think in the independent arts are very low on the percentage. We are trying to be accessible. We are building audiences. The large theatre companies are costing \$150 or \$100 for a ticket. We are trying to have tickets that people can either pay as they can or be \$10 or \$25 or \$30. We are not filling massive theatres. We are filling smaller theatres, so ticket sales are not at the top of our income producing.

David DAVIS: Finally, with the philanthropic money it seems to me that there should be some guarantee that if you raise significant philanthropic money that there is not a commensurate de-escalation in other sources of funding. It should be synergistic. It should add to –

Nadja KOSTICH: Yes.

Dianne TOULSON: It does work like that, yes. With our philanthropic we are having to work really hard, and that has come about with getting board members that can do that for us, because on the ground we cannot. But because we are an organisation that takes risks, a lot of the work that we do for emerging artists may not be what the mainstream want to see, so your ticket sales are low for that. Then philanthropically they might come to that show and say, 'Geez, why am I funding that?' So there are challenges for that, but we are working on it because we have to. It is the only way we are going to survive, but our ticket sales are good. We will produce 50 shows this year, and we have 650 artists coming through, so our ticket sales are quite good. They are about 50 per cent – our audience capacity is at 50 per cent throughout the year, which is very good. Our box office turnover last year was the biggest one we have ever had, but 65 per cent of that goes to pay artists. Sixty-five per cent of everything we earn goes directly to artists, and the rest is what we have to survive off.

David DAVIS: Overheads, yes.

Dianne TOULSON: Yes.

David DAVIS: Thank you.

The CHAIR: Thanks, Mr Davis. We will go to Mr Welch.

Richard WELCH: Thank you. I think I lived opposite you for a few years in St Kilda. Are you still in the church?

Dianne TOULSON: Yes. We have just done a redevelopment. Creative Victoria were very generous and we have just built a green room and rehearsal room out the back. Now we have just got to work out how to keep it active, because the only way to do that is to have money for running an organisation. It is a great new building.

Richard WELCH: It is a great spot, though.

Dianne TOULSON: It is a great spot, and we have got all the neighbours on board. It is fantastic.

Richard WELCH: I was one of them.

Dianne TOULSON: Well, you can come back if you like.

Richard WELCH: Mr Davis has covered some of the questions that I had, but I will drill down a little bit on the grant process. It was interesting you said that grants all have different criteria, therefore there is a duplication of work and you cannot do like for like.

Dianne TOULSON: No.

Richard WELCH: Could you just expand on that and what the overheads are. Yesterday we had witnesses that were very adamant that the grant process does not warp the artistic goals. Because the grants have these criteria, I suspect there is a tendency to warp the artistic intent to lean into where the grant wants you to be rather than pursue your own artistic pure intent.

Nadja KOSTICH: Really, you have to follow your strategic plan and have a well-developed strategic plan in order not to stray, in order to keep to your vision and mission. But we are on the lookout for different kinds of grants all the time. We are hunting for grants. We have roles in our company, such that now we have a general manager development role, and development is the seeking of funding. It is putting a significant amount of our resources into working out how to be sustainable.

Dianne TOULSON: To that point, I hear what you are saying. The history was that you looked for a grant and then tried to build your work around it to get that grant, because that money might bring more resources into your organisation. What we have found, both on a federal and state level – and rightly so – is there are lots of extra pools now that were never there before for artists to apply for grants, like from a Creative Australia level there is a pool of independent artists that can apply. It is quite substantial, and that money has come out of the general pool, which it should. What we are finding is that our artists are getting funded for that work, but if we are not there to have the stage for them – we are a specific stage, and we are specific to that work – they cannot take it anywhere else. If we are not there, we cannot sustain the support we give them – which is about

\$21,000 per show, with venue and technical support, electricity, everything – and then you are funding artists that have nowhere to take their work.

Richard WELCH: Yes. I am just echoing back what you are saying as well. Given the catchment and the ecosystem you generate from the funding of \$175,000, actually or better, it goes a lot further than that in terms of what you do for the creative life in Victoria economically but also socially.

Dianne TOULSON: It does.

Richard WELCH: That is all I have got, Chair. Thank you.

The CHAIR: Wonderful. Thanks, Mr Welch. Ms Broad.

Gaelle BROAD: Thank you very much for appearing today. I must admit I do love theatre. I used to do community theatre many years ago; sometimes Parliament feels a little bit the same. And congratulations, because I think you said 30,000 for your audience, so that is really impressive. The terms of reference mention:

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.

What are your thoughts as far as the impact of COVID goes? I am interested because yesterday we were also discussing the cost of living and the impact that that has had. We have gone from COVID to having a huge rise in costs. Can you speak to your experience?

Dianne TOULSON: I think the funding that we received over that period of time was really appreciated, and I think everyone worked really hard to utilise it in the best possible way. From a Theatre Works perspective, we retained a lot of it in our reserves because we foresaw that there were going to be tough times. You cannot have a pandemic like that and shut the economy down and there not be an ongoing impact. We did quarantine enough to go, 'We need five years worth of reserves if our box office drops.' But the biggest impact we had was the retention of artists and people making work. It is too expensive. The artists do not have the personal resources to make work because they have got to work. Then if you are looking at a reduced box office, they are probably going to earn less money. The mental health impact afterwards on artists was quite profound. In that first year afterwards, we cancelled 20 shows. They were shows that had been programmed a year in advance. They are what we build our budget on. There is no fallback on that. It was just like 'They're gone.' We had already expended money, and the artists did not have the capacity to do that work.

There is that ongoing effect of people being nervous about staying in an industry that is so volatile, and parts of the arts sector were not supported through COVID, so they have disappeared. The lack of technical people that can do technical work – they have left the industry because they were not supported. All of those impacts put financial pressure on us. Then add to that the cost of electricity; it has gone up by 20 per cent. All those costs have gone up. But it is also the audience: people just are very picky about what they are going to spend money on now with the high cost of living. The RISE funding – we all thought that if we did a lot with it and proved that we were responsible and had great outcomes, that that would set a precedent for saying, 'Let's continue this in some form or another.' We are not asking for much – 200 grand a year for six organisations or maybe 10 organisations is not all that much. Over a five-year period it would save all of those organisations and give them time to recoup after COVID and to think about their future without this everyday pressure that is happening.

Gaelle BROAD: Nadja, did you want to add –

Nadja KOSTICH: We did not receive RISE funding and we were not able to add to our reserve or contingency; rather, we dug down into it. A lot of staff mental health issues came through and we were then not able to afford to replace certain key members of the staff that we are able to do only now with this small bridging funding. Our executive director we lost during COVID; an inclusion coordinator we lost and we have not been able to regain. The cost of living and the cost of everything has made it very difficult to rebuild the team. We work with young people and we are still seeing the ramifications on the development of young people. We are dealing with a huge increase in anxiety and depression. We are an inclusive organisation. We have two artists in every workshop and one of them focuses on inclusion, and we have noticed that from about 20 per cent of inclusion requirements, there are some workshops that have gone up to 50 per cent or 70 per

cent, such is the volume of need that we are serving in terms of a safe place for young people to develop creativity.

We are also finding that families have slowly returned. It was a strange thing to run workshops on performing arts via Zoom, but we did it to keep our community going and to keep our artists employed. Upon return it has slowly trickled up in terms of attendance, but the edge has been taken off. We have had families that are not able to afford the enrolment fees. Some of our young people come in by enrolment. We then have a series of scholarships and we need to provide more scholarships than we ever have. Then we also have programs where we are using philanthropic funds to work with young people who would normally have barriers to accessing the arts. They are offsite and there are waiting lists. So there is a great need, because young people's confidence has been shaken. We are here to support young people, future artists but also future creative thinkers, audiences and arts lovers. In terms of developing the sector and our role in the sector, COVID still continues to impact us – and the lockdowns. It was not just COVID, it was the methodology of the lockdown that other states did not experience that we particularly are still feeling.

Gaelle BROAD: You mention a huge increase in anxiety and depression in young people. Do you put that down to the lockdowns during COVID?

Nadja KOSTICH: Yes – being untethered from community, untethered from school, untethered from in-person social development and social practice. I think we have all experienced that in our own families.

Dianne TOULSON: I can add to that the education bodies that trained artists and technicians and designers online over COVID. They are coming into our theatre because we are a training ground for those people, and their physical skill knowledge is so below what it would have been had they been able to do practical work. That then leaves them with anxiety because they do not know or, you know, then they are leaving the industry. So they have done all that study and they are leaving. There are a lot of challenges post COVID from that disconnection from reality.

Nadja KOSTICH: Just extrapolating on that point, with the loss of our industry people and the coming up of young, emerging artists, those that are remaining are really stretched. We are really stretched. We need more support to support that grassroots support. So as you can see, we have got our hat on for the advocacy and the fundraising, but we have also got our hat on because we have lost our people. So we as kind of the leaders, we leaders and our teams, small core teams, are doing so much work in terms of –

Gaelle BROAD: The heavy lifting.

Nadja KOSTICH: yes, heavy lifting, in terms of supporting those young artists to be confident, to be inspired about being in the arts and to want to be in the arts, to want to feed the arts.

Dianne TOULSON: And we need to regenerate, because so many artists left. And the only way we are going to regenerate is if the emerging artists, the new artists, the young artists, are encouraged to come back, and the only way you can do that is through education and support. That is what we do, and that is where the funding would go.

The CHAIR: Thanks, Ms Broad. I will go next. It is probably a good point to pick up. Obviously we have heard from a lot of witnesses through these hearings about, I guess, the way that the arts are sort of very much a social fabric and bring communities together. We are having a lot of conversations as politicians right now about social cohesion. Could you talk to us a little bit more? You obviously experience that very much more on the ground and in reality than some of the other people we have had before us. Could you talk to us a little bit about the importance of that, and I guess with the threat facing the arts, what the impact could be if that is taken away from communities?

Nadja KOSTICH: Well, I can keep going in terms of young people and social cohesion, because I think we have so much evidence. I mean, that is one of the things that we are doing: we are constantly demonstrating our value. There is so much evidence. There is a very well known Australian professor, Professor Robyn Ewing. There are studies that she has done which show that – I might even have a little quote:

It is now widely documented ... that those young people whose learning is embedded in the Arts achieve better grades and overall test scores, are less likely to leave school early, rarely report boredom and have a more positive self-concept than those that are deprived of arts experiences. In addition ... they are more likely to become involved in community service.

That is just a small quote from the amazing body of work that she has done. But that is what we are finding on the ground: that through the act of theatre, through collaboration, through learning in situ, young people are thinking through a humanitarian lens. They are thinking of community, they are thinking of each other and they are working out how to listen to each other. This is one of the most important qualities, it feels like, for our society to learn to listen and work together and work creatively, because there are many problems to solve, right, and they are originating ideas. So I think for us, we are seeing our utter importance in that social cohesion fabric. And you might see that through your work as well.

Dianne TOULSON: I think something I do want to highlight is that over COVID Victoria has a whole new educational level that has come in. We have got new education bodies that have come in specifically in theatre. We have got Collarts and JMC Academy, then you have got VCA and all the regular – Monash and all that. There is been a massive increase in the intake of students to theatre studies. I know at the moment Collarts has 160 new students this year in their classes, and in JMC you are looking at double that, so there are 320 new students that are paying for education in theatre. And where do they go when they come out of these academies? Malthouse is not going to open the door, and neither is MTC, because they are not ready. The opportunities they have are through these independent organisations. This education stimulates the economy so much. They are big education bodies now, and they are doing a great job. We are working with them, but our resources are so limited. To have those students come in and do internships and all that is great, but we have not got that capacity. We do not want to be an RTO, but we want to be the next step for them to come out. If 360 students leave those two colleges next year – they are not just young people, they are people of different ages and orientation – then they need somewhere to continue that practice that they have invested their own money in.

It is \$8000 a semester to go to these colleges. That is another thing that needs to be considered. We want these young people and these students to go in and get an education, but the education can stop if there is nowhere for them to go. A really valid point that needs to come into the conversation around the future in Victoria around the arts is that there is so much education happening that we need to think about the future of those students. Those bodies can only be so much. They are going to look to us, and we know they are already banging on our door. For Theatre Works, with La Mama not operating this year, we have to double our programming to take on all the work that was sitting there ready to hit the stage that this year did not have a stage. That demand is really high.

The CHAIR: Great. Thank you. In your submission you talk about the need for a specific fund for small to medium theatre organisations, and you are not the first group to say this, obviously. There is funding that is being allocated – it might not be enough – and then even when it is allocated it is sometimes still not reaching the people who need it. Could you tell us a little bit more about why it is so important that there is this specific fund for work like yours, as opposed to the important work from other witnesses we have heard from. It is also very different.

Nadja KOSTICH: Yes. It is just when it is an open platform. I can give an example in terms of Creative Australia, or it used to be the Australia Council. They used to have a youth fund. When they closed down that youth fund, many youth arts companies around Australia had to close their doors. It is because the criteria are different. If we are not valued for the work that we do with a specific fund, it is kind of like an open competition. It can reveal cracks in the system. It can reveal unconscious biases where, say in our case, youth arts can be just unconsciously, ‘Oh, that’s not very important. It’s not for adults.’ Adult-centred minds can diminish that. It just gives us an additional security that this grassroots work that we do is protected. And so it is with these entire small to medium independents, we can be discounted.

Di, you said some of the work that you are making might not be what mainstream audiences want. This is not the point of the work. This experimental work, this taking risks work is important for our arts as a whole. It is not what the MTC or Malthouse necessarily want to do, because they are so dependent on their tickets and they have got to fulfill a certain need, but we can do that and make an exciting Australian arts scene. We should be respected, and that is what we say in there. We have a standing and Victoria has a standing – or used to have a standing – in Australia.

Dianne TOULSON: I think so, and that is the challenge I think Victoria has, because Victoria is the epicentre of where these organisations are. If you look around Australian and you look comparatively at what is out there, there is very little other than the major six Victorian theatre companies. You have got the majors

fund, and they are guaranteed that. If there was the independents fund and then the Creative Australia fund, it would look very biased towards Victoria because that is where the organisations are. But the reality is that is where the history is and that is the state that has invested in and nurtured those companies. But if you were to look around Australia, there are probably eight organisations that would fit into that category. It is not a heap; it is only about eight.

The CHAIR: Wonderful. Thank you so much. I will go to Mr Mulholland to finish up.

Evan MULHOLLAND: Thank you. Thanks for coming in today. I really appreciate the discussion on all things theatre; I used to be very involved in community theatre and run a community theatre company, on and off stage – ARC Theatre Company in Heidelberg back in the day, who unfortunately do not do stage shows anymore basically since COVID, and another theatre company that was quite prominent in the north, Catchment, went under about the same time. COVID really has smashed a lot of community theatre, unfortunately, that grassroots involvement. Back when I was very involved, I saw a number of Theatre Works shows. It used to really be a pathway. Government spend so much time falling over themselves to fund local footy clubs in marginal seats but almost pay no attention at all to what is happening in culturally in the arts. This is just a bit off topic, but I want to ask what you guys are doing to support people that might not live so close to St Kilda or South Yarra. We obviously have a lot of sprawl in Melbourne, and you have got places like Hume, Broadmeadows, Kalkallo, Melton and other places that are very much deserts for culture and the arts.

Dianne TOULSON: It is a twofold response there. The first one is that from a Theatre Works perspective, and I know from a couple of the other organisations, we try really hard to make work that can tour. We have just applied to Showcase Victoria, and we have had two of our productions accepted. They will tour next year, and they will tour Whitehorse, Geelong and wherever else we can get them in. We need money to do that. Touring is expensive, so how we do it is we rely on those venues to fund the making of the work. We are in deep conversation with VAPAC, Victorian Association of Performing Arts Centres, around what can be done to get work out to those other suburbs and out regionally. Regional Arts Victoria are very supportive, but they are limited as well. There are a lot of conversations going on around how can we do that. We took work to Whitehorse last year and the year before that to Wyndham and a couple of other venues. But it comes to future planning. We need to have work. Anyone needs to have work to pitch to those venues two years in advance to getting in on the touring circuit.

The other part of that conversation is that there are so many regional and metropolitan venues that have had venue upgrades and quite substantial building upgrades or new buildings. Yes, they have to service their local community and they need to activate and stimulate the artists in that area through programs and that, but where is the work coming from to take to them or that they can program if we do not exist? Malthouse are not taking shows out. MTC are not taking shows out. Theatre Works is trying to. We will get two or three shows out next year, and we have had one out this year. But where is the Australian work from Australian artists going to be on their stages if we are not making that work?

Nadja KOSTICH: Could I respond to that for a sec? We have a program called the Young Changemakers Program, which is for primary school aged children who are on the cusp of transitioning to high school, and we go out to Dandenong and we go out to Brimbank. We also work in housing estates, and it is not so much that it is 'out' – it is just a housing estate in Prahran. We apply to philanthropic organisations for that funding. Some local councils fund that as well. What we found with touring – we actually have a tour in place taking one of our award-winning shows. It is called a concept tour, because with young people you do not tour the cast – you tour the concept and make the work from the ground up again in a new community. So we are lucky enough to have got a federal grant – that is one of those project grants from Creative Australia – to go to Darwin and work with First Nations kids there on *Gene Tree*, one of our pieces. What is missing is working out how to do that in regional Victoria. How do we get a project grant so that we can work with a regional group of young people and create that work and they can get the benefits of that work in that region? That is what we have found is missing in the bigger picture.

Dianne TOULSON: And core funding would address that. If we had core funding, we would have a tour coordinator in house that would be already reaching out to every venue in Victoria for 2026 selling our shows.

Nadja KOSTICH: Doing the producing work; that is what is missing.

Evan MULHOLLAND: Just following on from that discussion, there are a lot of in-kind ways government as a whole can assist groups like yours, which is something that I have always thought. There are a lot of public schools, for example, that have quite suitable theatre spaces but are almost closed off from the general public. Do you think it would be, and I am just musing here, a reasonable idea for the Victorian government at a state level to open some of those up for community use and other uses, perhaps at a subsidised cost? I just note that there are a lot of theatres that basically only the big dance schools can get into and there is no possible way any grassroots organisations would be able to get in there.

Dianne TOULSON: Yes. I think that would add a whole layer of extra work that we do not have the capacity to do or to research or to strategically plan around. And we find mostly the private schools have the money to work with a company to make work, so then that makes that challenging as well. Regional Arts Victoria tour shows to regional schools, so there is a schools touring thing, but it is a gap in the market for sure. And the biggest issue around independent theatre is the lack of rehearsal space that does not cost too much. For anywhere you are paying top dollar for rehearsal space. We are lucky enough to have our new little rehearsal space, but it is still not enough. The demand is much higher than what we can service.

Nadja KOSTICH: We have rehearsal spaces too, but maybe that opening of schools, if that is possible. It is just something that, who would do the administering of that? Us using that does not make sense, because ironically we have one theatre that is a 100-seater but we also have a 300-seater that is in the too-hard basket with the state government. We are owned by the state government, but the theatre is not able to be used. It needs funding. So it would be a bit of an irony if we then go to a local school with a bigger theatre.

Evan MULHOLLAND: You were saying that Victoria is falling behind in terms of the ongoing funding not being indexed. Have representations been made to Creative Victoria about that situation, or the Victorian government or minister about that?

Dianne TOULSON: They have, and we have all submitted collectively a letter to the minister and subsequently to Creative Victoria. Our concerns are the priority shift that will happen – the reality is you shift with the priorities, but I think it is the stagnation and then the fact is that they have said that the budget, there is just nothing to give, so there will not be an increase. So that leaves you to work on \$147,000 a year, which it has been for the last 20 years. We get \$26,000 from the City of Port Phillip, so that is all the funding that we get. So I think the concern for everyone is that Creative Victoria does not have capacity to do anything more, and our concern is that they might have capacity to do less, and where then does that leave us?

Evan MULHOLLAND: That is the concern as well. I know that the government has announced this public sector review by Helen Silver, and Creative Victoria have said they were having discussions but could not rule out themselves a deterioration in staff and funding for Creative Victoria as well, which was quite concerning, but we will certainly follow up on that as a committee.

David DAVIS: A copy of that letter would be helpful to the committee, if that is possible.

Nadja KOSTICH: The letter to the ministers?

David DAVIS: Yes.

Nadja KOSTICH: The letter was pretty much what we submitted to you. To be fair, Minister Brooks's person reached out to us, but we do not have time with him as yet out of that. But yes, I think it was –

David DAVIS: Was it attached?

Nadja KOSTICH: The letter is pretty much exactly what you got. It was our submission, and we reached out with that submission saying, 'Can we have a chat?'

Evan MULHOLLAND: Thank you.

The CHAIR: Thank you. Thanks, Mr Mulholland. We are slightly over time, so we are going to have to leave it there. Thank you so much for submitting and appearing before us and also for your incredibly important work. That concludes the public hearing.

Witnesses withdrew.