

TRANSCRIPT

LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into the Cultural and Creative Industries in Victoria

Melbourne – Wednesday 12 March 2025

MEMBERS

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Richard Welch – Deputy Chair

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Michael Galea

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WITNESSES

Claire Febey, Chief Executive, and

Max Coffman, Deputy Chief Executive, Creative Victoria; and

Caroline Pitcher, Chief Executive Officer, VicScreen.

The DEPUTY CHAIR: I declare open the Legislative Council Economy and Infrastructure Committee's public hearing into the Inquiry into the Cultural and Creative Industries in Victoria. Please ensure that all mobile phones have been switched to silent and that background noise is minimised. We welcome any members of the public watching via the broadcast.

I will now get the committee members to introduce themselves. I will start with those on the screen.

Gaëlle BROAD: Hi, I am Gaëlle Broad, Member for Northern Victoria Region.

Sonja TERPSTRA: Hi, I am Sonja Terpstra, Member for North-Eastern Metropolitan Region.

John BERGER: John Berger, Southern Metro.

Katherine COPSEY: Katherine Copsy, Southern Metro.

The DEPUTY CHAIR: I am Richard Welch, North-Eastern Metro Region, and I am the vice-chair. We are just waiting on the Chair, Georgie, who will arrive shortly.

Welcome to you. Thank you to Creative Victoria for coming in. I am not sure how much time that we have each, but we will go around the table. If you would like to commence with some opening comments, please keep them brief so we have got time for questions afterwards.

Visual presentation.

Claire FEBEY: Sure. Thank you. I will start by just acknowledging that we are on Wurundjeri Woi Wurrung country today, and we pay respects to their elders past and present of this land and acknowledge all First Peoples across the state.

Thank you for the opportunity to appear today. We really appreciate the conversation. We do call Victoria the Creative State, and it is not just a tagline; it is recognition of the creative strengths and reputation that have been built in this state over many decades. It is also the ambition that guides the department's work with the creative sector, with communities across the state and with all levels of government. Today I will provide a quick overview of the creative industries in Victoria, the Victorian government's policy framework, the way that we work with the federal government and invest in the creative industries and also opportunities and challenges that are informing our work on future strategy.

When we talk about the creative industries, we refer to an evolving mix of sectors that span arts, culture, screen, music, design and architecture, games development and also fashion, publishing and more. The most recent data shows that Victoria's creative industries contribute \$40.5 billion to the Victorian economy and represent 7.6 per cent of the total state economy. Of course they are also a major employer. More than 320,000 Victorians work in the creative economy. That is almost 9 per cent of total employment in the state. These figures are based on ABS data and are consistent with the definitions that are used in other jurisdictions. As well as the traditional creative roles, it also captures in this data creative roles that are in non-creative industries. So it could include, for example, an industrial designer that works in the automotive industry. As well as taking up creative jobs, Victorians are enthusiastic consumers of and participants in the arts and cultural and creative activity and product. The latest Audience Atlas Victoria research that was undertaken by Creative Victoria tells us that almost without exception every adult Victorian is in the market for culture. This means they have engaged with at least one cultural activity in the last three years. Victoria rated higher for cultural participation than all other jurisdictions where this research has been undertaken. This includes New York City, Sweden and the UK. Further evidence of this is that more than 11 million Victorians and visitors came through the doors of our state-owned arts and cultural institutions in the last financial year alone.

Creative Victoria is the government body that is dedicated to championing, growing and supporting Victoria's creative industries. It is the primary interface for the Victorian government with the sector. Established in 2015, Creative Victoria builds on the foundations of its predecessor Arts Victoria. It was the first in the nation to take a broad creative industries definition and approach, which others have since followed. Our work is guided by the *Creative Victoria Act 2017*, which expresses the Victorian government's vision of supporting a whole-of-sector approach to the state's creative industries. The Act recognises that arts and creative industries contribute to the diversity and quality of life in this state, as well as to the economy. It recognises that all Victorians are entitled to participate in and be part of the creative sector and also explicitly acknowledges the contribution and importance of First Peoples arts and cultural practice and includes a specific objective to promote and support it.

The Victorian government, via Creative Victoria, supports the creative industries at different levels in a range of ways. It includes funding and oversight of the nine state-owned creative institutions – that is, the NGV, the Arts Centre Melbourne, Museums Victoria and of course our two screen agencies VicScreen and Docklands Studios Melbourne. I am very pleased to have Caroline Pitcher, the CEO of VicScreen, here with me today. We make a multiyear investment into a range of small, medium and large non-government organisations across the state. We support regional galleries and performing arts centres in partnership with local governments. Creative Victoria delivers open and competitive funding programs. This can be anything from an artist residency in a school through to grants directly to music venues. We develop and maintain cultural infrastructure and assets, we commission and share research, we broker connections between Victorian creative organisations and we deliver industry development and capacity-building initiatives.

The *Creative Victoria Act* requires government to prepare a strategy for the industry every four years. The first strategy was released in 2016 and the second in 2021 – delayed to respond to the impacts of COVID. We are now working on the third *Creative State* strategy. Like its predecessors, it will be grounded in consultation and will seek to respond to current and emerging opportunities and issues that face the sector now but also to plant the seeds for success in years to come. The impact of the first two strategies has been significant and continues. It includes the establishment of the First Peoples Directions Circle, which now guides and embeds self-determination in Creative Victoria's work, the delivery of the new Shepparton Art Museum, SAM, and the introduction of a two-year investment program to foster the growth of innovative creative microbusinesses.

I would like to briefly share one example that demonstrates the long tail impact of the strategy and what can be achieved when different portfolios and levels of government work together. The first *Creative State* strategy included a commissioning program to support landmark creative projects that could generate widespread audience and community engagement and increased tourism. One of the projects the Victorian government invested in was the Wimmera Mallee silo art trail. It started in Brim and continued with painted silos in a number of towns, like Sheep Hills, Rosebery and others. Since then the silo art trail has delivered for the region on all accounts. A study showed that by 2019 there were already more than 570 extra visitors coming to the Wimmera Southern Mallee region each month. This is particularly impressive when we think that the trail is taking people through towns that have populations of 200 or less. Through the Pick My Project initiative the government supported a further three silos, and through the support of Visit Victoria, Yarriambiack Shire Council engaged a new staff member focused on silo art tourism. Since then the trail has expanded to 23 extraordinary works of art across four regions of the state, spanning more than 600 kilometres.

Given the terms of reference of this inquiry, I will just talk briefly now, if I may, about how we partner and work with the federal government. A strong creative sector in Victoria obviously needs the support of all tiers of government as well as other partners. Launched in 2023, the federal government's *Revive* creative strategy is very closely aligned with Victoria's *Creative State* strategy. For example, it commits to putting First Peoples first, it backs strong infrastructure and it supports artists and arts workers to build sustainable careers. Beyond the strategic alignment that we have with *Revive*, we partner with Creative Australia on the National Performing Arts Partnership Framework – for example, co-investing in nine major performing arts companies in Victoria, such as Ilbjerri, Back to Back, MSO, MTC and others.

In terms of other areas of collaboration, it is fantastic to see new investment and opportunities for the music industry through the creation of Music Australia, which complements Victoria's many contemporary music programs. We look forward to the establishment of Writing Australia and the potential for that collaboration to advance our UNESCO City of Literature designation.

We welcome the national leadership of Creative Australia in promoting and enabling safe, fair and respectful workplaces through Creative Workplaces and also acknowledge that the federal government plays a vital role in arts education and training through the arts, international performing arts and screen training initiatives. Another key area of collaboration, which we could touch on today, with the federal government is of course the screen industry. VicScreen works closely with our federal counterparts to attract and stimulate screen activity in Victoria. The screen industry here benefits significantly from the federal government's location, producer, PDV and digital games offsets, and then we top up those incentives with investment and rebates through VicScreen.

We are proud of the collaboration that we have with the federal government and our partners, but given the focus of the inquiry I think I will just touch briefly on some areas where we could see the opportunity to collaborate more; for example, addressing business sustainability issues in the creative industries, looking at further ways to boost domestic screen production, looking at policy settings that address issues around intellectual property and the adoption of new technology, including generative AI, and more opportunities to support creative workers and businesses to build their audiences and increase their commercial opportunities.

In closing, I would like to thank the committee for leading this inquiry and for their interest in Victoria's creative and cultural industries. We are preparing for the next *Creative State* strategy, and we have undertaken significant consultation as well across the state. We have heard from more than 1500 people. This includes artists and audience members from all walks of life. It has given us really great insights into the issues facing the sector as well as the opportunities. Across the engagement that we have had, Victorians have let us know that they want access to the arts to be equitable. Artists and organisations want to make their practice sustainable and find ways to reach new audiences. Of course we have been told that the state government has a crucial role to play in facilitating connections and partnerships across the industry and in sharing data and insights. We do not underestimate that there are challenges ahead, but overall the process reaffirmed that creativity, arts and culture are an integral part of who we are as Victorians and that Victorian creatives are producing extraordinary work. There is much to be optimistic about.

The final strategy is subject to a government approval process, and we look forward to sharing more at the appropriate time and working with the sector and with partners, including the federal government, to continue to rebuild and strengthen our creative industries. To that end, we look forward also to the outcomes of this inquiry to further informing that work. Thank you.

The CHAIR: Wonderful. Thank you so much. I am very sorry for being late this morning. Thanks to the Deputy Chair for taking over. Just before we kick off questions – thank you, Deputy Chair, for kicking off for me – I should just say that all evidence taken is protected by parliamentary privilege as provided by the *Constitution Act* and further subject to the 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. I just had to incorporate that part.

We will kick off with questions now. Since we have six members here I think I will allow for around 6 to 7 minutes each and then time for another round if we do not use it all up. I will kick off with members on the screen. Ms Terpstra.

Sonja TERPSTRA: Thanks, Chair. I want to thank you for your very comprehensive opening remarks. On that basis, I really do not have very many questions to ask, but I will ask one. Just in regard to funding of groups in your sector, can you unpack a little bit more about the sorts of groups and the diversity of groups – big, small – and where they are based. If you can unpack that a little bit for me and then talk about the levels of funding that have been allocated.

Claire FEBEY: Absolutely. Thank you for the question. I might just talk about the programs that we have in 2024–25 as well as the creative enterprises program, which is our four-year, multiyear funding investment. I will start there. The creative enterprises program provides four-year investment to 78 creative organisations across the state. These are located here in the city and in outer-metropolitan and regional places, so there is a very good spread of organisations across different communities. They are doing work across all art forms and really important community building in place in terms of the arts and cultural communities that they are serving in their particular practice. There is a huge diversity of organisations that we could talk about funded through that program. We have a Creative Projects Fund, which again is a program that has a very broad reach. The

Creative Projects Fund is an opportunity to fund artists directly to create new works. It supports professional artists, creative practitioners, groups, collectives, creative micro to small organisations with short-term funding that helps them to develop or launch work that defines and represents Victoria's cultural identity and breaks new ground.

Another program that we have at the moment, again with a very broad reach, has as part of the commitment that 25 per cent of it will be allocated to regional Victoria – so 10,000 Gigs, or the Victorian Gig Fund. That is grants directly to music venues to contribute towards Victorian artists' fees for gigs. This is making sure that we have music happening everywhere all the time across the state. Music Works is complementary to that. It is a program that we have run for quite some time now, one of our important music offerings. It supports projects that contribute to Victoria's contemporary music sector's growth, stability and diversity. Really importantly at the moment given the pressures and challenges that we see facing our important festivals across the state, we have open at the moment, I believe, the Live Music Festivals Fund. This is a program that is delivered via Music Victoria, and it provides grants of up to \$50,000 to established Victorian festival organisers to support them to stage new or existing events.

A program that I could talk about for days and which I think is particularly important to our work and rolling out at the moment is the creative learning partnerships. This is investment directly to schools of up to \$35,000 to embark on a creative project in partnership with a creative professional or organisation. These are schools working with local artists or arts organisations to identify something that really makes sense for them in their school community and with the children or young people in that place. We have seen incredible case studies come out of that work and there is a round that is taking place this year again.

Touring Victoria is another that I would highlight. These are grants of \$10,000 to \$150,000 to support Victorian arts and cultural organisations or professional creative practitioners to tour a professional production, a performance or an exhibition, either to or from regional and outer-metropolitan Victoria, making sure that work is reaching people in the community where they are so they are not having to travel to different places to participate in that work. Similarly, Small Regional Presenters. This provides up to \$15,000 to assist regional Victorian community groups and not-for-profit organisations with programming and presenting shows in their local communities.

That is, I guess, a series of examples that would sit across different parts of the creative economy and different communities and places in the state and of a different size and scale – everything from four-year funding to an organisation to ensure that it can operate and be successful down to a grant to an independent artist or musician to help them to create and share work.

Sonja TERPSTRA: Great. Thanks very much for that.

The CHAIR: Thanks, Ms Terpstra. I will go to Ms Broad.

Gaelle BROAD: Thank you very much, and thank you for coming today. I must admit I love the silo art. I have seen plenty of it around our region and it is very popular and brings a lot of tourism, so that is excellent. You have talked to some of the regional projects. I am interested in what proportion of projects from both agencies are created in Melbourne and regional Victoria. I think with VicScreen, I saw in your annual report there were three productions based in regional Victoria, which was great. I guess you can take it on notice as far as further information about regional breakdowns goes, but I just thought if you could talk to that and some of the benefits for regional Victoria.

Claire FEBEY: Thank you. I might make a start and then I will invite Ms Pitcher to add from the screen perspective. In the budget papers there are two measures that are our key indicators of regional funding that I would share with the committee. One is the percentage of project grants to recipients and organisations based in regional Victoria. That was at 24 per cent for 2023–24. The second is the number of regionally based organisations that are currently funded through the portfolio, which was 55 in 2023–24. Ensuring that that grows and continues to grow is a conversation that we are always having in the department to ensure that we have got that equitable distribution of funding and proper access for regional communities and places.

Another important program that I would mention is the regional partnerships program. This is where we directly fund 32 regional galleries and performing arts centres in partnership with local government, and that assists them to program locally in their venues. These are two measures that we use to report and track our

presence in regional places and are also key programs for us. I can also talk in a moment about some of the individual organisations and projects that we support, but I might first pass to Ms Pitcher to talk about the screen space.

Caroline PITCHER: Thank you. I probably cannot answer specifically on proportionality today, but I can talk to the last four years of the VicScreen strategy and what is being delivered to regional Victoria as a result of that. This is really just a snapshot, because we have still got this year to go. So we are looking really at three years – 75 productions shooting in regional Victoria over the 3½ year period and over 2500 days of regional shooting, and from all of those projects, 2300 regional employment opportunities, \$27.3 million in regional production expenditure, over 1100 regional businesses engaged on those 75 projects and around \$20.4 million of fees paid to regional businesses as well. Often those projects will be based in metropolitan Melbourne; they will utilise the Docklands studios and then spread out to various locations. One of Victoria’s greatest strengths is its diversity of beautiful geographic locations, period towns and settings. That is really one of our positioning points, both with local production and with international investors in production here. You will know that *The Mongoose* has been shooting in Castlemaine and other regional towns, including Bacchus Marsh. Of course Liam Neeson has been here three times over the last four years. You will see him popping up in various regional townships, including Walhalla. It is a great moment of celebration for local communities as well when they can get involved and participate and be part of the energy and success of the screen industry here in Victoria.

Gaëlle BROAD: Do you have any figures on how many jobs exist in regional areas compared to Melbourne?

Caroline PITCHER: Do you mean figures from a screen perspective?

Gaëlle BROAD: Well, probably more from Creative Victoria, speaking to employment. I know it is a hard space because a lot of people contribute on a small scale, but you mentioned 320,000 jobs across the state in your presentation earlier, and I was just wondering if you had a breakdown for what that contributes to regional Victoria.

Claire FEBEY: Thank you so much for the question. I think we might take it on notice to see what we can provide, because I do not have that data sitting in front of me today. I think when we look at the creative economy as a whole we can see that we are over-represented in creative workers, creative businesses and creative businesses at scale – that is true overall and then in particular parts of the sector. But what I did not bring today was the specific number that you are asking about, so perhaps I will see what I can provide as a follow-up to the committee.

Gaëlle BROAD: Yes, that is fine. Our terms of reference talk to regional Victoria’s share of national arts and cultural spending. I guess I am interested in what your view is generally, how much funding we receive compared to other states and whether it is sufficient.

Claire FEBEY: Thank you. I will talk a bit about what we understand in terms of Creative Australia’s funding or of federal funding into the state, and I will talk broadly here, not specific to screen. Creative Australia’s 2023–24 annual report shows that Victoria received \$28.7 million, or 27 per cent, of the investment that it made, which is a significant uplift from the previous year of \$18.9 million. That is sitting against 26 per cent of the national population in Victoria at that particular time, so on a per capita basis it is relatively close. We can compare it to New South Wales, which received \$30.9 million, or 30 per cent, of the total funding in the same period, but when we looked at it on a per capita share basis, Victoria received \$4.34 per capita against New South Wales at \$3.79 per capita. So there are some numbers that we have looked at to understand where we sit in the federal funding landscape.

A really big part of this investment into Victoria is through the National Performing Arts Partnership Framework. This is a multilateral agreement between the Commonwealth and all states and territories to fund major arts organisations. In 2023–24 it accounted for \$132.6 million, or 56 per cent, of Creative Australia’s investment; nine out of the 37, or approximately 24 per cent, arts organisations funded under this program are based in Victoria, so there are some figures that we have looked at to try and understand the share. What we cannot talk to is how much of that sits regionally, and the Commonwealth is best placed to answer that question. It has got its own direct funding arrangements with creative organisations and artists. They do not

come through the state, so we do not have all of the data or information that would help us to answer that question for the purpose of this inquiry.

Gaelle BROAD: Thanks.

The CHAIR: Thanks, Ms Broad. We might have to leave it there if that is okay. Great. Thank you. I will go next very quickly. We heard from some witnesses the other day about the importance of incorporating the perspectives of First Nations people into creative spaces and industries and how that perspective can sometimes be left behind. You mentioned in your opening remarks that you have embedded First Nations' input into all of your work. Can you tell us a little bit more about that and why you have chosen to take that approach, and the importance of that decision from your perspective?

Claire FEBEY: Thank you. The Act that governs the work of Creative Victoria is the *Creative Victoria Act 2017*. An objective of that Act is to focus on, support and grow and foster First Peoples' arts and cultural practice, so it is part of the legislative framework that we work within. Coming from that then in the *Creative State* strategy, the first and the second strategies, there has been a growing focus on the idea of First Peoples first – that is to say we start first with that conversation around how we are supporting First Peoples' artists and cultural practice. We start with that conversation first, and then we go from there. It is a fundamental way that we think about the work of the department.

To ensure that First Peoples' voices are guiding that work, there was the establishment some years ago now of the First Peoples Directions Circle. That is a group of eminent First Peoples' leaders from across the state, so from different metropolitan or regional communities, representing different country and different art forms chaired by Dr Viki Couzens, a really eminent arts leader and leader in many spaces. They provide advice and direction to Creative Victoria in its work working to government about how we should shape those priorities. I think having that self-determination in the way that we work has been a really fundamental change for the department. We are guided by those voices rather than assuming, and never 'something about us without us' is the way that that work happens. So First Peoples are directing the priorities for investment, the way that we structure our funding programs and the streams that we have for First Peoples to ensure that there is self-determination in the assessment of applications that come from First Peoples. It really is part of our legislative structure, it is fundamental to our strategy and then we operationalise it in Creative Victoria in the way that I have just described. Does that answer your question?

The CHAIR: Yes. Beautiful. Thank you. I am just a little bit conscious of time, so I might go to Ms Copsey now.

Katherine COPSEY: Thank you. Thanks very much for your opening remarks, which touched on my first question, and I would love for you both to answer from the perspective of your organisations. You are both coming to the end of the strategic plan documents that you work towards. I just wonder if you could reflect on perhaps one of the biggest successes that you have seen from the current strategic plan and some that you would like to take forward in the next round of strategic planning, but then also whether there have been one or two key challenges in executing the current strategies and lessons learned and, crucially, how state and federal governments can assist in overcoming that challenge.

Caroline PITCHER: Thanks very much for your question. The VicScreen strategy set out to have a really bold ambition of transformation for the industry, and the aim was to generate \$1.23 billion in economic activity as a major performance indicator. We believe that by 30 June we will hit \$1.8 billion, so surpass that performance measure, which is really exciting for us. We will have generated 45,000 project jobs. We have attracted five international businesses as well as joint ventures and various other forms of international investment into the screen industry. It is a globalised screen industry. Our local production companies have thrived. Take Werner productions, Joanna Werner – she has injected close to \$90 million through her own independent production company into this state over many and varied children to adult drama series. I think you might be familiar with the three series of *The Newsreader*. It is a great success story because it was acquired by BBC Studios, as I just said. Another example of great success is 2D animation. Bento Box invested in Princess Pictures, a local production company, in a joint venture, and they are producing numerous animated series that are being seen all over the world. So there are great stories of Victorian businesses doing really, really well internationally and locally as well with various awards. One of the biggest proud moments of the strategy was also winning 16 AACTA Awards in the last AACTA Awards period. We started at the start of the

strategy with four, so that is a great acknowledgement of the creativity and the sheer quality of what our Victorian companies can produce.

Also, digital games – Victoria was and is the leader in digital games in this country. A lot of other states are trying to catch us and catch up with us. We have attracted two large international games studios in partnership with Creative Victoria and Invest Victoria. They are employing hundreds of people in highly skilled jobs that are really well paid, that are more FTE jobs than they are project jobs. We have grown the digital games industry in the last 3½ years by 1000 per cent, acknowledging that it is a different base from film and television, which is traditionally more set up. The visual effects sector has also grown by 800 per cent. These are huge achievements. It tells you what opportunities there are out there globally for screen storytelling and that Victoria is a global leader and we are realising that vision.

Katherine COPSEY: Great. Thank you.

Claire FEBEY: Perhaps one or two that I would touch on – these are examples of things that have been possible under the *Creative State* strategy or over successive strategies. The Find Your Voice Collective might be known to some in the room. It is a creative organisation that makes work with people of all abilities and all ages. They are based in Warrnambool and have a history of receiving grants that are on a project-by-project basis. In 2021 the organisation received a two-year grant through the creative ventures program, which was a new initiative under *Creative State 2025*, and that backed them to diversify and dream big about what they could do. They established a career development program to legitimise arts career pathways and practices for deaf and disabled artists that live in the south-west of Victoria. They branched out from their renowned choir performances, delving deeper into short films, exhibitions and theatre. In 2024 the collective received funding for an infrastructure project through Making Spaces, another project through Creative Victoria by the Victorian government. That helped them upgrade their headquarters, including upgrading their office space to improve sensory access for the participants in their programs. It has been really wonderful to see the success of this collective as they have gone from strength to strength. That is one example I would call out.

In terms of another success that is just very recently in our minds and touches on the work that we are doing with First Peoples artists and communities, it has been a priority for the First Peoples Directions Circle throughout their work with us to see this place have a First Peoples art and design fair, which has been a gap in the creative landscape for Victoria and for Melbourne, or Naarm. Driven by the First Peoples Directions Circle, we set that action to create a First Peoples art and design fair for Victoria. The goal was to raise the profile of the diversity and the distinctiveness and ingenuity of First Peoples creative practice in Victoria while also increasing economic and career development for First Peoples artists and designers. Just a few weeks ago we delivered the first showcase in partnership with the Melbourne Art Fair. It was led and curated by some really extraordinary First Peoples staff that work at Creative Victoria in our First Peoples team. It was the first exhibition of its kind. It brought together work from 37 First Peoples artists alongside four arts centres and represented 20 language groups across Victoria. Everything was for sale, and it was amazing to see so many purchased and so quickly. All up, more than \$138,000 in sales were achieved over the three-day event, going directly to First Peoples artists as well as a number of commissions that we will see economic opportunities for them as an ongoing outcome of that festival.

They are two achievements. In terms of challenges, definitely we would acknowledge that financial sustainability is a big challenge for creative practitioners and organisations. Like all of the economy, many of the costs and revenue models that they have had for their organisations or businesses are really challenged and disrupted at this time, so that is something that we are in conversation about. We have heard in our consultations about the opportunity to work more with children and young people, both as artists and audiences in their own right. There are definitely needs around skills development in the sector, so particular skills gaps and shortages, and like this inquiry is interested in, ensuring that there is equity of access in regional and outer-metropolitan places. So they are some of the challenges that we are continuing to work on and look to address.

Katherine COPSEY: Thank you. I saw Find Your Voice Collective at the Port Fairy Folk Festival over the weekend, so it is definitely realising in the real world. It is great.

Claire FEBEY: Fantastic.

The CHAIR: Thanks, Ms Copsey. I will go to Mr Welch.

Richard WELCH: Thank you, Chair. Thank you all for coming in. In terms of international productions, Woody Woodpecker 2 – a very important establishing scene was filmed outside my house. They blocked the road. It was all very exciting.

Caroline PITCHER: Up Heidelberg way? It was filmed in a lot of places.

Richard WELCH: They filmed a segment. We were meant to look like a North American forest or something like that. It was very exciting. Could I ask you, Caroline, first of all, I want to get my head around the degree to which you are the industry in Victoria. What proportion of production in Victoria comes through you and what proportions exist outside you?

Caroline PITCHER: Sure. We do not cover news, sport or variety. The market carries those sorts of productions, so you will see those coming out of the mainstream free-to-air networks. We cover off on drama content for film and television. We cover digital games; XR, which sort of encapsulates all the various new forms of technology which is in narrative form; and we also cover off on digital games that are in the majority narrative form digital games.

Richard WELCH: Of those things that you cover, what economy exists outside you in those areas? To what degree are you the economy inside that area?

Caroline PITCHER: Yes, sure. Over the last four years we will generate about \$1.8 billion. We undertook an economic impact study a few months ago, just at the end of 2024, utilising ABS data. In one year the screen economy is worth \$3.18 billion. That is 2021–22 data. It has grown by 43 per cent from \$2.23 billion in 2018–19.

Richard WELCH: So there is a healthy, viable ecosystem marketplace outside the work that you do?

Caroline PITCHER: Yes, but exclusive of drama, which has a natural market failure in terms of film and television, and the same with digital games as well.

Richard WELCH: In a sense, it is partly a measure of your success, isn't it, that in growing what you do you are also growing independent production and things like that?

Caroline PITCHER: That is correct.

Richard WELCH: There is a symbiotic relationship in that.

Caroline PITCHER: Thin edge of the wedge, we call it.

Richard WELCH: I was interested in what you said about digital games and that we are strong in it. Is it a comfortable bed-fellow with the rest of your work? I know there are very complementary skills, especially in the –

Caroline PITCHER: There are, particularly when you look at the screen holistically. You have physical film and television production, you have writers developing content, and that content can spread to digital games – you are still developing character and stories. Then you have a physical production aspect, but digitisation and technology is also playing a very big part in the physical production aspect of what we do with film and television. So if you look at the attraction of NantStudios at Docklands Studios where the government co-invested with that business to develop the biggest virtual production screens in the world, that is where you will see it being fired by games technology. Games software drives that technology for film and television.

Richard WELCH: So the line is really blurred now?

Caroline PITCHER: Yes. It has very much converged.

Richard WELCH: And you do not see a time when that would have a specialist agency of its own – it should always live within –

Caroline PITCHER: I do not think so. There is a lot of growing opportunity for digital games. It is one of my greatest passions within my day-to-day work. There is incredible talent in Victoria, and we want to make

sure that that talent is nurtured. Yes, there are bigger business and investment opportunities, but there are also really small businesses that need to have that chance to grow and thrive within the global economy.

Richard WELCH: Do you think you have got the local domestic skills coming through to supply that?

Caroline PITCHER: Yes, absolutely we have. I could name at least three award-winning games – one being *Untitled Goose Game* a few years ago, which was an extraordinary success. It is a great generator of profit as well for those individual companies – they can get their return faster than traditional film and TV. You have got *Cult of the Lamb*, another incredible success from a small Victorian-based company, and then also there is a musical game that was nominated for a BAFTA. They are all small Victorian companies that are doing very, very well.

Richard WELCH: In terms of making sure we are attracting the investment and the business coming in, I am keen to understand what your obstacles are. I mean, obstacles could be the way visas are processed or obstacles could be the way the funding is delivered. As you have the duty to grow the industry, what are the obstacles that we should be looking at removing for you?

Caroline PITCHER: I think it is about having a strategy that is backed by a holistic government and that has as a north star within that the right policy settings that are globally competitive. We have a program called the Victorian screen rebate. That Victorian screen rebate is a really important lever for us to both attract projects and to work with Invest Victoria to attract businesses.

Richard WELCH: It is like a tax structure, in effect.

Caroline PITCHER: It is not a tax structure, it is cash grant, but going out to market with consistency and with a competitive offer. It is competitive all round the world in the space of screen, particularly if you look at the UK and Canada and particularly if you look at our sister states and territories here. The benefit that we have is that the federal government has incredibly competitive tax-based structures that make us one of the best in the world to do screen business. They open the gateway to trade for us, and we as the Victorian state have the capability and the capacity to be able to deliver on those investment opportunities.

Richard WELCH: Do we competitive advantage over, say, New South Wales? Where would we fit in the hierarchy of schemes if you were benchmarking us?

Caroline PITCHER: New South Wales has advantages in the fact that they have a stronger base of volume in terms of screen-related businesses. They have and employ more people. They generated, I think from memory, about \$1.2 billion last year. They have announced a new studio complex on the outskirts of western Sydney, which is a private–government relationship. Disney Studios has acquired Fox. That enables them to then have a throughput of production from Disney. That comes with strengths and weaknesses. We have a really balanced ecosystem here in Victoria, which is what we want to protect. We have a vibrant, strong local industry full of good, unique ideas in which we can keep and own that IP and then choose how we want to relate to the world in terms of a trade point of view, and we can also attract productions here. From a film and television point of view, our scale is not the size where we are able to attract necessarily that \$250 million tentpole project – *The Fall Guy*, as an example – but certainly projects that are sitting with expenditure of up to \$150 million have a home in this state.

Richard WELCH: Is there an aspiration to get to that point? What would be the next step for us?

Caroline PITCHER: We have capacity to grow.

Richard WELCH: Have I run out of time?

The CHAIR: Yes.

Richard WELCH: Sorry. I did not get to the end of the questions.

The CHAIR: Thank you, Mr Welch. We will go to Mr Berger.

John BERGER: Thank you, Chair. Thank you all for your appearances this morning. Claire, I wonder if you might tell me a bit about your advisory panels and how they work.

Claire FEBEY: Certainly. We engage technical experts when we assess different grant programs. I guess what I would say is that the way we use a panel for a grant assessment process depends on the program itself. But in general, engaging external experts will be a source of advice to the department. We will ask people to come together with specific expertise in an art form, so a part of the creative industry. We will ensure that they are representative by place and representative of the Victorian community. Their advice will come to the department and inform then how we advise government on particular funding outcomes. That is a general overview.

John BERGER: Is there a lot of renewal on those panels?

Claire FEBEY: There is a lot of renewal. At a point in time – I cannot remember at which point – there was an open selection process for the panels, so people were able to express their interest in the community. That forms a database when we are bringing together a panel. If we have got gaps in terms of how we reflect the Victorian community or gaps around particular art forms or availability, then we might reach out to additional people through the networks that the department holds and complete a panel in that way. Then we would add those people to the register. But the department plans in the coming year to have another open expression-of-interest process to ensure that we continue to have open, transparent access to how grant programs are assessed and how the department is informed in putting together its advice.

John BERGER: In your opening remarks you spoke about employment opportunities in regional Victoria. I am interested to know other types. I could probably think of a couple. Catering and transport would be the two logical ones for me. What else do you get in the regional areas where there are typically sometimes skill shortages that cannot deal with specific things but you might be able to bring other things to the table that people might possess in terms of skills?

Claire FEBEY: How programs that we offer might be able to bring other types of skills into a regional community or how we engage regional communities?

John BERGER: How you engage them.

Claire FEBEY: I am just thinking of an organisation that comes to mind. Arena Theatre Company, based in Bendigo, an amazing theatre company that is focused on making theatre for and with children, will be engaging lots of different technical experts in their front and back of house. There will be management experience; there will be sound production. They are really interested in working with technology, so they will be finding people across other industries to assist them in thinking about how to engage with emerging technology as they share and deliver their work. They will be putting on shows that require, as you are suggesting, food and beverage, unlocking opportunities in that town around transport and other things. When they do a piece of work, they create a sort of ecology of economic activity around them. Also having companies like Arena based in a place like Bendigo brings people from all around that place that want to live and work there because you have got this exciting hub of cutting-edge theatre for and with children. Is that the sort of example that you mean?

John BERGER: Yes, there is that part of it. Then, once you leave, what happens?

Claire FEBEY: What we are trying to do in the way that we design different funding programs is to create an impact that is sustainable. Government might provide some shorter term support to help an organisation to create new work and IP or to set themselves up to be more sustainable to draw in other revenue sources – for example, to have a period where they have got a subsidy but then that means that they can grow and access commercial revenues. What we would ordinarily be thinking about is: how do you create an impact that is sustainable in that place and not short term and only limited to the time that particular funding can be provided?

John BERGER: Thank you.

The CHAIR: Thanks, Mr Berger. We will go to Mr Mulholland for a couple minutes.

Evan MULHOLLAND: No worries. Thanks for having me. Just continuing on the conversation that Richard was having, what do you think is stopping us from doing as well as New South Wales? We have seen it in a whole bunch of areas and other witnesses we have had before this inquiry, and the discussion is that New South Wales gets a much larger share of creative funding. What are the barriers stopping Victoria from doing as well, and what would be the ideal scenario for us to attract that investment?

Caroline PITCHER: It is about investment from our ourselves, from the Victorian government, but the investment has to be channelled strategically. You start to look at: what is the world doing in terms of screen and tech and digital practices, what type of role do we want to play in that and where do we want to be in five, 10 and 20 years – a vision, a strategy, and for the strategy to be funded appropriately to deliver that. We have proven we have been able to grow. I am not sure if you are aware – we aimed to generate \$1.23 billion in economic activity across the duration of the current screen strategy; we believe we will hit about \$1.8 billion. So that is \$1.23 billion to \$1.8 billion, which is good growth. We want to maintain that growth. I think sustainable growth is sensible. As soon as you go for big, large one-offs, it creates risk, so we want to keep that balanced ecosystem and grow incrementally, because there are global activities that you cannot necessarily address. Clearly two years ago we had the writers strike and the actors strike in LA, and that had a global impact on production, but our local production industry could continue on and employ people. So that balanced ecosystem is really important. Queensland is very focused on international production attraction, so you will see their results in the Screen Australia drama report peak and trough over years when they have a big production come in and then nothing. We have a consistent pipeline of work for Victorians, and it provides them with a great diversity of work across various sectors. That is our secret sauce.

Evan MULHOLLAND: Just on attracting – it is obviously fantastic, and I applaud whenever we have a big production out, a movie out filming here in Victoria. What does that do to some of the smaller players that are producing drama for a TV series and things in terms of workforce? How would you describe the state of the workforce at the moment and any shortages that we might have?

Caroline PITCHER: Sure. Globally production costs have gone up – just with anything – so we know that global costs have also impacted us here. There are a number of crews, so we have a strong crew base. Where we have crew shortages, we focus on addressing those with tertiary institutions and training institutions to fill those gaps. The way in which we focus on the pipeline is ensuring that projects are talking with each other to see that consistency, so that when a project wraps, there is a break and then that crew can go off on to another production. That works relatively well. You will also find that certain crew are focused on international and other crews are happier sticking with local production as well. We balance that out and certainly make sure that the businesses that are placing crew members are across the pipeline holistically, and we engage with them all the time on that.

Evan MULHOLLAND: No worries. The government announced a review of the Victorian public service led by Helen Silver. They have excluded a number of frontline services – not, as far as I can tell, the creative industries. I guess a question for both of you: are you concerned that that might diminish Victoria's capacity to attract that additional investment and be a key player in attracting funding?

Claire FEBEY: Look, I think it is early days. The Silver review has been announced. We are aware of the terms of reference. We are just learning about the scope of that work, and it is probably too early for us to comment. I think the focus is on the public service, as you have said, and I do not expect that that is going to extend into the creative sector in a way that is of concern, but we cannot really comment at this point in time. It is very early in that work.

Evan MULHOLLAND: No worries.

The CHAIR: Thanks, Mr Mulholland. That is about all we have time for. Thank you so much for coming along today and presenting and answering our questions. You have obviously taken some questions on notice, and committee staff will be in contact about that. That concludes the public hearing.

Witnesses withdrew.