

TRANSCRIPT

LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into the Cultural and Creative Industries in Victoria

Melbourne—Thursday 27 February 2025

MEMBERS

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Richard Welch

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Gaelle Broad

Georgie Crozier

David Davis

David Ettershank

Michael Galea

Renee Heath

Sarah Mansfield

Rachel Payne

WITNESSES

Mark Tapley, Director, Strategy, and

Sacha Gregson, Head of Production, Australian Broadcasting Corporation.

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 are gathered on today, and pay 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, I will have Committee Members introduce themselves to you. We will start with Richard on the screen.

Richard WELCH: Hi. Richard Welch, Member for North-East Metro.

John BERGER: John Berger, Member for Southern Metro.

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

The CHAIR: Georgie Purcell, Member for Northern Victoria.

Evan MULHOLLAND: Evan Mulholland, Northern Metropolitan.

David DAVIS: David Davis.

Mark TAPLEY: Nice to meet you all.

The CHAIR: Thank you. Nice to meet you too. Thanks for coming along.

All evidence taken is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council standing orders. Therefore the information you provide during the 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 the hearing, and 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 organisation you are appearing on behalf of.

Mark TAPLEY: Mark Tapley, Director of Strategy at the ABC.

Sacha GREGSON: Sacha Gregson, Head of Production, ABC content division.

The CHAIR: Wonderful. Thank you. 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.

Mark TAPLEY: I can do better than that, Chair. I will see how I go.

The CHAIR: Wonderful. Everyone has today.

Mark TAPLEY: Thank you, Chair. The ABC welcomes this opportunity to address the Committee's Inquiry into the Cultural and Creative Industries in Victoria. As the national public broadcaster the ABC plays a

major part in these industries. I would like to briefly highlight some of the activities we undertake to support the health and vitality of the sector and to talk about some of the original programming that the ABC makes here in Victoria.

The ABC has 10 offices across the state and more than 900 employees. A number of key ABC teams operate or are managed from Melbourne, including Radio National, ABC News Breakfast, our Asia Pacific newsroom, ABC Education, Heywire, Double J and ABC Country. And of course we have one of our major newsrooms in Melbourne and a regional news presence across Victoria.

The ABC delivers a breadth of programming from, for and about Victoria. Doing so is fundamental to fulfilling its mandate under the ABC charter. We are required amongst other things to provide programming that contributes to a sense of national identity and reflects the cultural diversity of Australia. There are many facets to diversity, including geographical differences. We seek to reflect the breadth of life and experiences across Victoria, from the inner and outer suburbs of Melbourne to regional and rural communities across the state, from Wodonga to Warrnambool.

It is part of the ABC's role to encourage the music, dramatic and other performing arts, which we do through connections with cultural institutions like the MSO and the Australian Centre for the Moving Image here in Melbourne. Over the last four and a half years the ABC has committed \$157 million to 75 projects with the independent production sector, where the majority of production expenditure occurred here in Victoria. These projects have a total production value of over \$318 million and represent 319 hours of programming. Additionally, over the same period the ABC invested over \$80 million in 52 internal productions based in Victoria, delivering a further 507 hours.

These investments have made a significant contribution to the development of the sector, supporting employment and opportunity for talented Victorian creative workers. They have allowed us to create award-winning shows such as *The Newsreader*, *Utopia* and the internationally acclaimed *Fisk*, all of which were shot in Victoria and draw upon the state's considerable creative talent, as were shows like *Hard Quiz* with Tom Gleeson, *The Weekly with Charlie Pickering*, *Aunty Donna's Coffee Cafe*, *Gold Diggers* and *Shaun Micallef's Eve of Destruction*.

Just this week at our Southbank studio we have been filming *Q+A* with the Prime Minister, the second series of the cooking show *A Bite to Eat with Alice* and the sports program *Offsiders*, as well as a new entertainment project that you will hear more about in months to come. Other programs in production at Southbank at the moment include *Hard Quiz*, *Gardening Australia*—now in its 36th season—*Back Roads* and the arts program *Creative Types with Virginia Trioli*. We are also preparing to cover the 2025 Melbourne International Comedy Festival, and of course Anzac Day across Victoria in April.

At the same time the ABC-commissioned drama *The Family Next Door*, which is based on the Mornington Peninsula, is currently in production. We also have a number of children's programs being produced in Melbourne—namely, the animated shows *Andrew the Big BIG Unicorn* and *Do Not Watch This Show* and the live-action drama *Knee High Spies*.

Beyond television production we engage in a range of partnerships with cultural institutions. ABC Classic's Classic 100 countdown is celebrated with a concert of highlights performed by the Melbourne Symphony Orchestra, and as we have just announced, the next concerts will take place on 20 and 21 June. Last September Triple J partnered with Music Australia to bring *One Night Stand* to Warrnambool. The concert was a spectacular night of music filled with homegrown heroes and rising stars.

ABC Education has partnered with the Melbourne Museum, the Melbourne Holocaust Museum, the National Gallery of Victoria, the Hellenic Museum, Sovereign Hill museum, the Bendigo Art Gallery and the Australian Centre for the Moving Image to create content used by teachers and students across the country.

Our Victorian news teams produce more than 10,000 hours of unique programming each year, and of course the ABC provides nine local radio services that amongst other things showcase the creative and cultural life of communities across Victoria.

I hope that gives the Committee a taste of the ABC's activity and engagement in our state. Sacha can of course talk in much greater detail about our audiovisual production. Thank you, and we are happy to take your questions.

The CHAIR: Wonderful. Thank you. We will start with David.

David DAVIS: Thank you to both of you for coming in. We really appreciate it. The ABC is a very important body. You spend a lot of money—I make it this year about \$1.288 billion.

Mark TAPLEY: That is correct.

David DAVIS: I just want to explain why I am just about to talk about some figures, and I see some of your helpful figures here. I thought I might start with those: 937 paid staff—I make that, out of your annual report, 854 equivalent full-time.

Mark TAPLEY: That is probably a more recent statistic. I think that was December, we said in our submission.

David DAVIS: That is paid staff? But that is not equivalent full-time, is it?

Mark TAPLEY: No, I believe for FTE the figure—you lower the nominator and the denominator—is around 800.

David DAVIS: 800?

Mark TAPLEY: Yes. So it still works out to be in the order of 18 per cent of our staff that are Victorian based.

David DAVIS: Yes, I got around 18 to 19 per cent. I wonder if you could provide us with a comprehensive breakdown of that by state across the nation so that we can actually see the EFT, but the spending that goes with it, because I suspect that Sydney is also top-heavy on executives.

Mark TAPLEY: I can probably do some of that on notice, Mr Davis.

David DAVIS: I am not expecting you to know all that now. I am wanting to get to the bottom of that. And you mentioned that across four years you commissioned 75 projects to a value of \$157 million.

Mark TAPLEY: That was our contribution. The total value of those productions was –

David DAVIS: Okay. That is your contribution. I get that.

Mark TAPLEY: And just to clarify, they are productions where the majority of activity took place in Victoria. There will be other productions where there was still activity in Victoria, but it was not the majority.

David DAVIS: Yes. Well, what I would like are the equivalent figures for some of the other states, because certainly what everyone tells me is that New South Wales still gets a significantly greater share.

Mark TAPLEY: Happy to take that on notice and see what we can provide, but if it is helpful, we did do an analysis of this. We footnoted it, and I can certainly get you a copy of the report. We got Deloitte to do some work for us a few years ago, and they worked out –

David DAVIS: When was that?

Mark TAPLEY: I think we tabled the report in 2021, but it was a three-year sample. Over that period there were 433 productions nationwide, of which Victoria, from memory, was 102, so around 23 per cent of productions. The thing I would say—and Mr Davis, I do acknowledge your longstanding advocacy for the sector, and I know you have certainly written to the managing director and the chair on issues over the years—is we would like to grow the creative sector in Victoria, and I know that is the focus of this Committee as well. But one of the realities we are dealing with—and it was mentioned in the Deloitte report—is if you look at the film and production workforce in Australia, 56 per cent of it does reside in New South Wales.

David DAVIS: That is a chicken-and-egg problem, isn't it? If you spend the money there, that is where they live, and if you spend the money there next year, they stay there and they never move.

Mark TAPLEY: Some of it comes down to policy settings as well, and of course all the states are active with their various screen agencies trying to attract some production into other states. Sacha could talk in more detail to this, but certainly from our point of view it is great to have a choice of where we can make productions. We do look, as I indicated in my opening statement, to have that production take place on a nationwide basis. I can see what else I can give you, but in that Deloitte report you will see a breakdown over the nation. Do you want to add anything to that, Sacha?

David DAVIS: I was just going to say—and I would be very happy to hear it—that is very helpful, 2021, but it would also be helpful to have some figures perhaps to 30 June giving a full-year breakdown of these projects state by state so that we get an understanding of where that is going.

Sacha GREGSON: I would just add to Mark's comments there that one is the matter that Mark explained with regard to where practitioners are based and production companies are based. It is the policy settings in relation to the mixed funding models that we require leverage funding for from state agencies as well as federal agencies and other sources and where that funding happens to be available, and it is also the editorial choices that might be made at moments in time around the kinds of content and where the best ideas are arising from nationally. As Mark explained, from a financing perspective it is incredibly beneficial for us to be able to work with productions from around Australia so that we gain representation of content and audiences nationally and also are able to fund our productions in a very competitive environment.

David DAVIS: I accept all of that, except traditionally what has happened is the spending and funding has just happened in Sydney overwhelmingly, and that is one of the things we want to look at to make sure that that does not continue. I think only through political oversight—and that could be federal or state—is there any movement in that. So when you say stuff arises, well, yes, it arises, but this is again that chicken-and-egg thing. If you do all the spending in one area of the country, or a predominant amount of the spending, that is a self-reinforcing outcome.

I am interested in the digital area, which seems to be your area of specialty. What is the break-up of the spending across the digital?

Sacha GREGSON: My area is essentially screen production, which is the same content that is broadcast on the linear channels as well as on iview. So if you mean digital in that context, it is the same programming across both platforms.

David DAVIS: Yes. And on accessory material that you put out, are there other things beyond your major channels? I mean, you have got, I think, five tele channels and iview; I could be wrong by one or two.

Mark TAPLEY: There is other content that is primarily digital-first content. One example, in my area, would be the ABC Education team, which is based down in Southbank. They produce a lot of content that is mapped to the curriculum, so that is primarily for teachers to use in class—to go to that website and get that content. Some of that turns up in iview, but it is primarily meant to be used in that fashion. There would be other content as well that we create for third-party platforms for YouTube and TikTok and these other sorts of media as well.

Sacha GREGSON: An example of that, Mark, might be One Night Stand in Warrnambool. Triple J and the content division produced TikTok coverage of that to be a parallel way for audiences who could not be there in person to experience the event right across Australia.

David DAVIS: Thank you. That is actually helpful to understand. You run through some of your regional centres here—93 staff, which is probably less FTE, based in regional Victoria. It would be useful to have a breakdown of that because I do not think Geelong—how many in Geelong, the FTE?

Mark TAPLEY: I am not sure. I think we may have only had a couple down in Geelong, but I would have to check that for you.

David DAVIS: I always look at Geelong and I think, ‘Well, how many are in Newcastle?’ There are scores—and in Geelong, two maybe.

Mark TAPLEY: We are in 67 locations around the country, and there is always agitation for us to have a bigger footprint. That is certainly true. It is a billion dollars, as you pointed out –

David DAVIS: 1.288 I think.

Mark TAPLEY: In real terms it is 14 per cent less than what it was 10 years ago. The cost of production is going up as well, so there are tough choices to be made. But we are regularly in contact with people from Geelong. We do have a radio residency we do down there, and I think if resources were available, that would be an area of great opportunity for us down there in Geelong.

David DAVIS: A breakdown of the FTE numbers—probably across the country—would actually be helpful to understand too. With the radio networks, you have got the local radio stations as well, and with the content there, what is the share of local and—‘imported’ is the wrong word.

Mark TAPLEY: You are asking how much is networked across the state versus local?

David DAVIS: Yes, how much is networked?

Mark TAPLEY: I would have to get that on notice for you. I know most locations have a local breakfast show. Some places –

David DAVIS: That is my experience, but I am not just relying on my experience; I would be interested to see some figure work on that.

Mark TAPLEY: I think the *Mornings* program is networked across Victoria, from recollection, but I think most people have a local breakfast –

David DAVIS: That is out of Ballarat, is it?

Mark TAPLEY: I believe so, yes.

The CHAIR: Just one more.

David DAVIS: Sorry. That is fine.

The CHAIR: Great. Thank you. I will go next. We have heard from other witnesses today about, I guess, a disparity between access to the arts and culture in inner-city areas as opposed to regional areas, particularly those far out in the regions. Can you talk us through how the ABC addresses that and what you are providing to regional communities?

Mark TAPLEY: I might start with that. We do have, I think, the largest regional workforce of any media organisation. We have got around 600 staff that are located in rural and regional Australia. Through that radio network that we were talking about before, that is a really important part of how we connect with those communities. The other thing I would say is that it is not just a matter of those regional communities, also when we have specialist programs they are often on the road. *Back Roads* would be one example of where we do that, and Sacha may have some other examples we could talk through.

David DAVIS: Where is that coordinated out of?

Mark TAPLEY: *Back Roads* is coordinated out of Melbourne.

Sacha GREGSON: For *Back Roads* the base is in Melbourne, but it also has smaller offices around the country to support areas where the content might be, and that is the same for *Landline* and to a lesser degree *Gardening Australia*, which is fundamentally based in Melbourne with just a few staff in Sydney. But for all of our internal programming, it is very important to us that we ensure that those shows incorporate segments or stories that have a rural and regional focus, to be communicating the kinds of experiences that occur in rural and regional environments right across the country and to highlight issues and celebrate things that may be happening in those places. *Muster Dogs*, for instance, is a very successful brand for us. We have got two stories

this year in the current season in various parts of Victoria. So it is not only our larger external commissions—dramas essentially—but some of our documentaries that have a rural and regional focus. It is very important to us in terms of speaking to all of our audiences to have a good representation of stories covered.

Mark TAPLEY: There are two other things I will just quickly mention in relation to regional. When we had the extra resources through the deal that was done under the news media bargaining code we were able to put 60 extra journalists around the country. So that was a really significant opportunity that we had. We went into 10 locations where we actually did not have anybody before. The other program that I should mention in this context is the *Heywires* program, where we basically go into regional Australia and work with schools and have young people telling the stories of their community. We have just taken a whole group of this year's heywires to Canberra. They met their local MPs and presented stories from their area in Canberra. It is an important part of our work.

Sacha GREGSON: Those initiatives are very important as talent escalators as well, aren't they, in terms of identifying people to become more prominent presenters or hosts in ABC programming.

The CHAIR: Great. Thank you. I am just conscious of time, so I might just pass to someone else quickly, with so many members here. I will go to John.

John BERGER: Thank you, Chair, and thank you both for your appearance today. Can you talk about the success of *The Newsreader* and what kinds of partnerships across the government helped bring that all to life?

Mark TAPLEY: Sacha, that is one for you, I think.

Sacha GREGSON: We are incredibly proud of *The Newsreader*, a really successful Victorian production with Werner Film Productions, a very successful Victorian production company that makes both adult's and children's content for us. It is an excellent example of a partnership that involves federal funding and VicScreen funding. We are incredibly grateful for our partnership with VicScreen, who are fundamental to closing finance on a number of our scripted and children's content, especially. We have a lot of alignment in our strategies around supporting that kind of content. You will know that *The Newsreader* has won a swag of awards across the two series that have been broadcast so far, and we are part way through series 3 at the moment. The program is also broadcasting on the BBC and would have prominence in other territories on other streaming networks on the basis of having good distribution and contributions to the financing of that production.

John BERGER: The different tiers of government that help to bring it to life—have you got any comments on that?

Sacha GREGSON: In terms of the financing of the show?

John BERGER: Yes.

Sacha GREGSON: Well, I suppose there is quite a lot of government financing across the board, in terms of Victorian government, ABC and Screen Australia funding for those series—not all of the series, but the series that have been able to attract Screen Australia funding to them—and then of course the producer offset. All of those are mechanisms that are available and that we need as an industry in order to finance internationally competitive productions, which is really what we need to be making in Australia now in order for our content to raise the financing to make the quality that we have come to expect by comparison with streamer-supported and Netflix et cetera supported content.

John BERGER: Thank you. Thanks, Chair.

The CHAIR: Great. Thanks, John. Richard.

Richard WELCH: Thank you, Sacha, and thank you, Mark, for coming in. With the figures that you have presented in your submission, it is very hard to calibrate them because they are not against any benchmarks. For example, under economic contribution here, you mention the fact that you have made 102 projects over the last three years, so that is 30 ABC-commissioned projects per year, and in content production with the independent sector, 75 over roughly five years, so roughly 15 programs per year. That is 30 and 15 per year. How many –

Mark TAPLEY: Sorry, Mr Welch, they are different time periods. The first set of numbers you referred to –

Richard WELCH: No, but I am averaging them—both.

Mark TAPLEY: Okay.

Richard WELCH: The average is 15 per year for the five-year one, and the average is 30 per year for the three-year one. What is the equivalent number coming out of New South Wales?

Mark TAPLEY: That is a similar question that I got from Mr Davis, and I will come back to the Committee with some more data on that. The data that I do have is referred to in that Deloitte report, which is footnoted. In the first set of numbers, the three-year period you talked about, that was 102 in Victoria versus 433 nationwide, so it was around 23 per cent that were Victorian. But I have taken on notice a request to update those numbers for a more recent period time.

Richard WELCH: It is important that it is a like-for-like comparison, that we are not comparing apples and oranges, because a 5-minute segment is not the same as a four-part *Four Corners* series or something of that nature.

Mark TAPLEY: Yes. I do want to emphasise as well the data challenge here, in that, as I mentioned, what I have identified here are the productions where the majority of production is in Victoria. There are a whole lot of other productions where there will be a component of the show that was made in Victoria but it is not the majority. If anything, I think we may have undercooked the level of activity by focusing on the majority of production.

Richard WELCH: Yes, I understand. It is a bit like saying, ‘Made in Australia’. What part was made and what was assembled? That would be a complex formula.

Mark TAPLEY: Yes.

Richard WELCH: If I could take that on notice, basically the question is: are we getting our share? We would like to be able to actually look into that a little bit more deeply than just simply headline figures of it in particular.

Mark TAPLEY: Sure. Just in terms of the share, I will make some observations. It will vary over time, as I think we have alluded to. It is a very competitive market to attract production. Other states do it, and Victoria does it through VicScreen as well. Those screen agencies will from time to time have different objectives. VicScreen has been very successful in attracting international productions like *Better Man* here. So when that is in town and that is getting cast and crew, then we will often look to go somewhere else because of just the availability of crew. The other thing I would say about share is obviously we are a national institution. We are a statutory body set up by the Commonwealth Parliament. I do think the value to Victorians does extend beyond just how much of our budget is spent in Victoria, that Victorians do appreciate what is happening in other parts of the country. So there may be some expenditure in other states –

David DAVIS: That goes the other way too.

Mark TAPLEY: Of course, absolutely.

Richard WELCH: I do not think our head is in the sand around any of that. I think we are a state Parliament Committee, and we are interested in championing our state.

Mark TAPLEY: Sure.

Richard WELCH: Slightly more niche and on the minutiae in that: on your streaming services, particularly in the news areas, if we happen to stream iView, sometimes on aeroplanes, when *ABC News* is on aeroplanes, it seems to always default to the New South Wales edition of it, no matter where you are. Now, that may have changed, but can I check.

Mark TAPLEY: I hope it has, because we recently, like other streaming companies, require sign in now. The point of that sign in is we know who you are, and we can more relevantly tailor local services. I can certainly look into why that is happening, but it should not be happening there.

Richard WELCH: On airlines, places where you are not signing in as well.

Mark TAPLEY: Right. Okay.

Richard WELCH: If they are streaming something, it seems to be it can never be the Victorian version of things.

David DAVIS: You get the weather in Sydney and the traffic on the bridge.

Mark TAPLEY: I encourage sign in. That is what I would say to that.

Richard WELCH: I think most of my other questions are probably just drilling that, but I will ask one question. You talked a little bit about your role in shaping the nation's identity, and we are in a time when some of our cohesion is under a little bit of challenge. How did the ABC in Victoria celebrate Australia Day?

Mark TAPLEY: There was extensive coverage. I do not think we set the national identity. I think it is a question of contributing to the national identity. I will have to come back to you with the detail on Victoria, but I know nationwide we certainly covered the Australian of the Year ceremony from Canberra. We covered the Australia Day concert. We were asked a similar question at Senate estimates earlier this week, so I do have comprehensive data on that that I will be able to share with you in terms of run-downs of what was on the news on that particular night. The fact is with Australia Day there is a divergence of views in the community around Australia Day and whether it is on the right date. We reflect in our coverage that there is that debate, but absolutely the ABC recognises that Australia Day is 26 January, and I think that is reflected in the volume of coverage that we put out on the day.

Richard WELCH: And it is called by its correct name?

Mark TAPLEY: Well, I think some members of the community call it by another name, but in terms of what the ABC does, we certainly broadcast the Australia Day concert and the Australian of the Year ceremony from Canberra. I appreciate there is a debate on that and that other members of the community have different views, but from our point of view we mark the date.

Richard WELCH: Thank you. Thank you, Chair.

The CHAIR: Great. Thanks, Richard. Gaelle?

Gaelle BROAD: Thank you very much. I guess just for transparency I will flag that I was an employee of the ABC once upon a time, and I do want to say thank you for *Utopia*, because I think some of us would feel like we live in it from time to time.

There are ABC local radio stations across regional Victoria, but when it comes to content aside from radio, what has been produced in regional Victoria by the ABC in the last five years? Has there been anything aside from radio produced in regional Victoria?

Sacha GREGSON: I suppose it depends on what you mean by 'produced', because most of our teams are based in Melbourne, but they will travel to a number of different locations. I have got some examples here if you would like to hear them where if it is a significant piece of work that they are covering they might be based for a few days, they would be accommodated and they would be based in that community for a period of time, especially for a *Back Roads*, for instance, if that is based in Victoria.

Gaelle BROAD: Yes, they go there and do it, don't they?

Sacha GREGSON: It is a sort of immersive experience to get a sense of that community. That is the point of the show. Unfortunately, we do not have productions based together with those regional bureaus in terms of the content-making side. There are other parts of the business there.

Gaelle BROAD: What are some of the barriers to having further things produced in regional Victoria?

Mark TAPLEY: In terms of shows that we have in-house, certainly *Back Roads*, *Muster Dogs*—well, *Muster Dogs* is not in-house—and *Gardening Australia* are looking for good locations, so there is a travel cost involved in that. I think it is more around the independent production sector and them coming to us with ideas around shows that would be made in regional Victoria. That is probably the main barrier.

Sacha GREGSON: A recent example of that is *Gold Diggers*, for instance, that a couple of years ago now was broadcast. That was filmed out of Porcupine Village in Maldon—probably not a million miles away from your electorate—so that would have involved a significant cast and crew and production team being based in that area. There would have been significant spend peripherally to the actual making of the show that would have been connected with accommodation, catering, dealing with waste—all kinds of matters that go into the making of programs that benefit those communities where production is based.

Gaelle BROAD: Yes, well, we had Liam Neeson in the area recently and potholes got fixed for him, so we want more production, I guess, in regional Victoria.

Now, I note your submission says that there are 937 paid staff across Victoria, 93 in regional areas.

Mark TAPLEY: That was as at 1 December.

Gaelle BROAD: Yes.

David DAVIS: That is not effective full-time staff.

Gaelle BROAD: No, I guess I heard you sort of saying –

Mark TAPLEY: That was a payroll run that we did.

Gaelle BROAD: I mean, just based on that it looks like 10 per cent being –

Mark TAPLEY: So you would like the FTE number for that?

Gaelle BROAD: Yes. I am interested in how many people are located in regional Victoria, on FTE, but also how that has changed over the last 10 years. Is it less, is it more? I am very interested in that.

Mark TAPLEY: I think overall it has grown, as I mentioned earlier, because of the news media bargaining code being passed and Google and Facebook making a contribution, albeit the Meta Facebook contribution is no longer there, but our chair has made public that we will continue to support those positions in regional Australia. So I believe it has gone up over that period, but I understand you would be more interested in particularly the Victorian slice of that.

Gaelle BROAD: Yes, that is right. And look, you may have covered this in Senate estimates, but with the ABC charter are there any particular protections that exist for regional areas to maintain staff and content?

Mark TAPLEY: No, there is nothing in the charter. I mean, we have repeatedly stated our commitment to regional Australia. There is reporting on it, so in our annual report –

David DAVIS: There is a requirement to reflect the whole nation.

Mark TAPLEY: There is a requirement, yes. I mean, obviously there is a judgement call about what level of investment involves ‘adequately reflects’. But to enable public debate and transparency around that, we do report in our annual report every year what our regional and rural workforce is. If you like, there is that discipline. I think if we saw that number decline in any significant way, people would be very much expecting some feedback if that happened. But with the trouble that the commercial media sector is having, we feel like our regional presence is more important than ever, so certainly there are no plans to reduce that at all.

Gaelle BROAD: That is good to hear. I am just interested too—I mean, we hear about media and that clicks on stories can drive more stories from places, but with the ABC, do audience numbers guide your allocation of funding?

Mark TAPLEY: I would say no. We want to maximise the audience for content that the charter directs us to produce. I mean, we are not chasing big numbers for the sake of big numbers, but we are chasing the content that the charter would direct us to. We want to maximise the audience for that. So if you look at, say, comparing the ABC website to other media organisations, I would assert that it is far less. I do not think the label ‘clickbait’ would apply to our range of stories. I think we have a range of stories that you do not find in other media.

Gaelle BROAD: Can you just share some of the challenges, I guess, facing the arts and culture today? You have talked to a couple of them, but just in terms of production, insurance, staffing—you know, what are some of the challenges faced in trying to maintain a very vibrant arts and cultural community?

Mark TAPLEY: In terms of issues of most relevance to this Committee, we do face a rising cost of production. We do have the big streamers in market. They are making shows, but they are also I guess lifting audience expectations around quality, so then we have to lift as well to meet those expectations. As we are making content, we need the support of screen agencies, be it Screen Australia, VicScreen or other agencies around the country, and we know there are many demands for funding from VicScreen. We know they have got an interest now in the games sector, which is growing, but I guess that means that their budget is spread thin, and if it is going to games, then it is not available to film and television production. For us I would say the main issue is around the budgets of those state screen agencies. Would you like to add to that, Sacha?

Sacha GREGSON: I would. And then also expanding out internationally, there are a lot of financing challenges internationally, in the UK and in the States as well and following the strikes in the States and what have you, and that has a ripple effect on Australian productions when making high-end drama, like the sort of example we were talking about before. We require international investment to fund the sorts of budgets that have arisen for all the reasons Mark has outlined, and that is a challenge for us. Consequently, that filters through the arts community when you think of all of the different kinds of skills in production and crew and artists, actors et cetera who participate in that. It is a challenging environment; I would absolutely agree with that.

Gaelle BROAD: And why is the ABC moving to Parramatta? Can you explain that a little bit?

Mark TAPLEY: The situation in Sydney was that we owned land on the North Shore in Artarmon. That land we identified as being surplus to requirements, so we were able to sell that land and we took the opportunity to lease space in Parramatta for up to 300 people. We have moved the Sydney newsroom out there as well as ABC Sydney radio, the idea being that we decentralise out of Ultimo and we connect better with western Sydney, where I think 11 per cent of the Australian population lives. So that was the driver of that, but it was facilitated by the fact that we had this surplus property that we were able to sell and then I guess refit Ultimo, move some people out of Ultimo and lease out some space in Ultimo, and the leasing in Ultimo covers the cost of being in Parramatta. So that was able to be achieved without any additional cost to the taxpayer.

David DAVIS: You could have moved them to Melbourne. You could have moved all those people to Melbourne.

Gaelle BROAD: You could move them to Bendigo too. Look, I am just interested—we know the cost of living is having a huge impact, and the state budget looks very grim. There is a need for funding for roads and for health services, and I guess a lot of people would question a billion dollars going towards the ABC. How do you respond to that?

Mark TAPLEY: I think I would respond really in terms of the value of the service we provide. It is a billion dollars. It does represent about 0.13 per cent of the Commonwealth budget. It is much smaller than it was as a percentage of the Commonwealth budget if you go back 20 years or so. I would talk to the value of the services we provide. We are the leading digital news service in the country. People rely on us for emergency broadcasting. We are a distinctive and free-to-the-consumer source of distinctive Australian content and Australian stories. So I would emphasise that value that we deliver to the Australian public, and our audience research shows that that is recognised—that 80 per cent of Australians are saying that the ABC is a valuable service and indeed the most trusted news service in the country.

The CHAIR: Thanks Gaelle. We might go to Evan.

Evan MULHOLLAND: Thank you. Thanks, Mark, thanks Sacha, for coming in. My wife and I are currently powering through *The Newsreader*; it is a great show.

Mark TAPLEY: It brings back some memories, doesn't it?

Evan MULHOLLAND: Yes. I like *Utopia* but I am more of a *Hollowmen* person, so bring that back.

You touched on the policy settings before. It might be a reason why the numbers differentiate between states, particularly for film and other creative outlets the ABC does. Do you think Victoria's agencies are deficient in attracting more investment?

Sacha GREGSON: No, I do not think they are deficient. Do you mean in terms of the funding they –

Evan MULHOLLAND: Or suboptimal. Compared to New South Wales, for example, could Victoria be doing more to attract more of the sector?

Sacha GREGSON: I suppose we would all love to be doing more, if money was not an object. Different agencies lean on different kinds of mechanisms that help production in addition to direct funding and different kinds of funding criteria. They might have state PDVs that complement the federal PDV tax offset. Some also provide for very low cost financing loans, with the cost of money and interest rates being a pretty significant line item in large production budgets. So there are a range of things, and I suppose each agency needs to make its own choices around the creative aspects.

Mark referenced gains, and we mentioned that we have got a number of children's animation shows on our slate. Through productions like *Better Man* coming to this state there is also a downstream benefit, which is an 'all boats rise' kind of approach in that through that production and the very excellent funding within it—high budget levels—more practitioners would have been trained who are the sorts of people who will be able to produce and develop animation studios or provide animation content of the future. So there are beneficial things that are not necessarily related to our work through agencies that benefit us all.

Mark TAPLEY: I am sure you will have VicScreen before you at some stage, if you have not had them already, but I think different agencies around the country have different objectives depending upon the desires of the state government. Other states are probably not as successful as Victoria and Queensland, which can attract these international productions. Other parts of Australia may be more focused on local productions just because of their ability to get crews in to do those bigger international shows.

Evan MULHOLLAND: I had a similar question to David and Richard in terms of particularly the numbers you have pointed out—the full-time equivalent roles and the economic contribution numbers—to see if we can at least match that against New South Wales, who we are often in competition with.

I also note, while we are on the topic of numbers, there are about 151 staff at the ABC who earn over \$250,000. It would be interesting for the Committee to know how many of those people are based in Victoria. Obviously we want economic benefit flowing to the state as well, and it is always good to have people who can earn that much, but it would be nice to know if it is that top-heavy elsewhere or in Victoria.

Mark TAPLEY: I can take that on notice for you.

Evan MULHOLLAND: That would be great. And just on the point that Gaelle raised about Parramatta, were any other options considered?

Mark TAPLEY: I am not an industrial lawyer, but there is an issue that arises around redundancies if you are trying to move people. And please, I know it is going in Hansard, so I do not want to be quoted on this, but there is a hook around how far you can direct people to move beyond where they work now.

David DAVIS: So we have to live with them all in Sydney forevermore—is that the conclusion?

Mark TAPLEY: We have a head office, like most other institutions, and it is in Sydney. I think what I would say on that is we do have to balance this desire to represent the board and management have to balance the desire to represent the breadth and diversity of the country with also an imperative that is in the legislation about efficiency. So there is this tension around –

Evan MULHOLLAND: Yes, I just would have thought if you are conscious of geographical share, given that almost 50 per cent of staff are in New South Wales and about 20 per cent are in Victoria, it might have been a good way to even that out. I understand the reasons for Parramatta—very multicultural, different perspective to Ultimo—but I would have thought in somewhere like Broadmeadows you would have got the same outcome and an equal number, or you could try to at least match those numbers a bit for the people of Victoria.

Mark TAPLEY: I think there were cost and industrial implications around moving people. I understand the Committee's interest in the headcount, and I will take that on notice. I would just emphasise that the ABC's impact does go beyond that headcount. Most of the things that Sacha has been talking about, that working with the independent production sector, we do not make drama in-house, but we are able to use the money and invest it in partnership with local cultural institutions and the independent production sector. So we can have an impact around the country that is beyond just the headcount in the relevant cities.

Evan MULHOLLAND: Quentin Dempster has said the ABC needs to lift its game regarding current affairs reporting. One thing that I think all sides of politics agreed at the time was a really bad day for Victorian democracy was the ABC getting rid of the Victorian-based version of *The 7.30 Report*. I will just reiterate I think on behalf of all of my colleagues here how disappointing that was, not only for representatives but for the community as well. Any possibility of bringing that back?

Mark TAPLEY: We have brought back the Stateline brand, so there is content that is produced under that Stateline brand, and I am happy to provide the Committee with more detail on the volume of content that comes out under that brand. We are certainly looking to service more Victorian content throughout our digital news site. Again, you do not have to sign in to the digital news site, but if you do and you put your location in then it can serve up that relevant content for your state.

Evan MULHOLLAND: I guess the Victorian 7.30 would go much deeper in terms of holding politicians to account—politicians on all sides of politics, by the way. *Stateline*, yes, is good for shining a light on some issues. But with *The 7.30 Report* in Victoria, really, you got a higher level of accountability, and I think it did a lot of things that the rest of the media might struggle to do in terms of going into more detail on stories here in Victoria. Given others, third parties, are saying that the ABC needs to focus more on its current affairs, that might be something for the ABC to consider.

Mark TAPLEY: As the Director of Strategy I take that on board.

Evan MULHOLLAND: ABC spends quite a lot on advertising. I think last round it was about \$12.52 million on advertising and quite a bit on audience research, promotions and things like that. Would you be able to let me know what your spend is—because we see a lot of signs at tram stops and things like that—if you spend at all in regional newspapers?

Mark TAPLEY: I will have to take that on notice. There is a spend there—I would say it is pretty small relative to other competitors in the category. We do feel like we have an obligation, given taxpayers have paid for the content, that they need to be made aware of what is available to them. But I take on board your question about regional spend, and I will come back to you.

Evan MULHOLLAND: Yes, we are always keen to see our regional newspapers supported across Victoria, which is quite important for keeping them going. But I think it is a way the ABC could have a complementary impact on the media sector here in our state. That is all for me for now.

The CHAIR: Thanks, Evan. Do we have any other questions from members?

David DAVIS: I have got a few.

The CHAIR: Just a few more from David, if that is all right.

David DAVIS: I just want to return to the matter of Parramatta. The board chair said the increased presence of the broadcaster across Greater Western Sydney would build a greater connection to audiences, which is kind of what you said there.

Mark TAPLEY: I like to agree with the chair where I can.

David DAVIS: Yes, where you can. He said he believed it would improve the broadcaster's connection with audiences in western Sydney. I mean, to pick up the point here, could staff being put in Broadmeadows or Dandenong have achieved that, and arguably with better impacts?

Mark TAPLEY: There is also just a budget constraint, as I was saying.

David DAVIS: It is cheaper rent down here; I can quantify that for you. Wages are cheaper too in Victoria.

Mark TAPLEY: I do not know if wages are cheaper in the ABC in Victoria.

David DAVIS: Well, statewide.

Mark TAPLEY: I do not know. But there would be significant redundancy costs involved in moving people holus-bolus.

David DAVIS: Over time or something. The other point that I think would be helpful is a detailed organisational chart to understand these divisions and the classifications of the various people. I do not expect you to have that now, so that would be something to take on notice. And the board—it is only just recently that the ABC appointed a Victorian. There was a significant hiatus where there was no Victorian at all on the board.

Mark TAPLEY: Mr Davis, I would just be clear that the ABC does not appoint the board; it is a decision for government. But Katrina Sedgwick did join the board in October. She is, I am sure you are aware, the CEO of the arts precinct down here and formerly CEO of ACMI and is a very strong advocate for Victoria and the arts sector in particular.

David DAVIS: I would have thought that a minimum of two Victorians on the board would be an absolute base number, given the representation around the country.

Mark TAPLEY: There is currently a vacancy, so I am sure that is a matter before the federal government.

David DAVIS: I am hoping that is picked up. Finally, what was the cost of the move to Parramatta?

Mark TAPLEY: I will confirm that number for you, but the net cost, as I said, was borne by the ABC.

David DAVIS: It is still public money.

Mark TAPLEY: I understand that. But I want to get the number right for you, so I will take that on notice.

David DAVIS: Thank you, Chair. I could do more, but that is a good start.

The CHAIR: Thanks, David. We might leave it there because we have had you for an hour. But thank you so much for appearing today and answering some questions. Obviously you have some on notice. The Committee staff will be in contact with you about those. That concludes the public hearing.

Committee adjourned.