



Thursday, 11th June 2020

Committee Secretary
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

Senate Select Committee on COVID-19

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Dear Chair and members of the Select Committee,

Thank you for the opportunity to make this submission to the Select Committee on COVID-19 to inquire into the Australian Government's response to the COVID-19 pandemic.

Performing Arts Connections Australia (PAC Australia) is the national peak body representing and supporting performing arts centres, presenters and creators in Australia by providing leadership, building capacity and facilitating relationships that strengthen the connection between the art and the audience. Our 240+ members include arts centres, independent producers and producing companies with representation from remote and regional towns, to major capital cities across Australia.

Australian Performing Arts Centres

Regional and metropolitan performing arts centres around the country (excluding state-owned cultural institutions e.g. Sydney Opera House, Queensland Performing Arts Centre, Arts Centre Melbourne) invest over **\$44 million** per annum in programming local and touring performances. The staff who program these works are the curators of the cultural experiences of their communities, often working alongside local government community development and cultural delivery teams.

In 2018/19, metropolitan and regional performing arts centres¹ delivered over 64,000 performances with over 12 million attendances. This level of activity provides major economic contributions to local economies, including:

- \$313m in direct employment
- \$21.6m in contracts with local suppliers and providers
- \$32m in direct expenditure on food and beverage

In addition to this direct expenditure in local economies by the performing arts centre itself, audience members spend an additional **\$1.3 billion in local economies** by virtue of their attendance².

¹ Excludes commercially operated venues

² Expenditure includes transport, parking, pre-show dining etc. Data modelling based on results from the PAC Australia Economic Activity Report (2019).

Impact of COVID-19

EMPLOYMENT

The predominance of local government ownership and management of performing arts centres across the country has resulted in only **9.9% of these organisations being eligible to access the JobKeeper** scheme; consequently 74.5% of the performing arts centre casual workforce has been dismissed and 55.3% of full time/part time staff are working at significantly reduced hours.

FINANCIAL IMPACT - SNAPSHOT³

- Based on the known event and performance cancellations to May 2020, **noting that these cancellations continue to extend beyond the dates contained within Public Health orders**, the average revenue lost by individual performing arts centres is \$818,917 including venue hire income, ticketing fees and box office income, labour reimbursements etc.
- The average monthly overheads that performing arts centres are still needing to outlay throughout the ongoing shutdown is \$101,715.
- To May 2020, the combined total of programming losses that performing arts centres have absorbed is \$10,527,407⁴.
- At the time of writing, 9% of performing arts centres have indicated that the financial losses incurred and the projected cost to re-open means they are likely to permanently close, which is a devastating outcome for their community and the national touring ecology.

Performing arts centres rely on commercial and community hires of their facility to underwrite the delivery of performing arts programs each year – these revenue streams have been lost, not just during the shutdown period, but increasingly for the remainder of the year and into 2021 as hirers cannot commit to an event where the capacity of the venue, and thus their ability to sell tickets, will be compromised by social distancing measures.

FUNDING SUPPORT

A range of arts-funding packages have been made available through state and federal departments, however to date there are no packages available that support performing arts centres (with the exception of the Victorian package to support their major state-owned cultural institutions⁵).

There are limited funding mechanisms available, for which performing arts centres are eligible, to recover losses, retain staff or fund the resumption of their business. The funding programs which may provide support are competitive and sector-wide, meaning performing arts centres are forced to submit alongside unemployed and particularly vulnerable artists, and the extent to which funding is available is insufficient for the long term financial impact faced by the centre.

³ Source: PAC Australia Initial Impact Survey, March 2020 & PAC Australia member responses to the Culture Counts Industry Impact Survey April/May 2020.

⁴ Includes performance fees that won't be refunded for events that can't be rescheduled, ticketing income lost on providing refunds to audiences, honouring staff and performer fees and wages.

⁵ National Gallery of Victoria, Arts Centre Melbourne, Geelong Arts Centre, Melbourne Recital Centre and Museums Victoria

The current outlook for Performing Arts Centres

FUTURE PROGRAMMING

A poll of PAC Australia venue members has indicated their current response to programming in 2020/21:

- 60% have rescheduled the majority of performances into 2021 and are also still hoping to stage some or all of the performances that were already programmed for 2021.
- 16% have cancelled all 2020 performances and plan to move forward with the current 2021 planning that was already underway.
- 14% have rescheduled the cancelled 2020 performances into 2021 to honour those arrangements, and have therefore abandoned previous plans for 2021.
- 9% have cancelled 2020 performances and will not be actively pursuing future programming.

While these results provide some degree of optimism about what programming might look like in performing arts centres from 2021, these performance activities will still be impacted by the need to absorb programming losses from 2020. Indeed, 68% of venues indicate that they have lost funding for programming from all levels of government and their sponsors.

It should be noted that supporting the performing arts centres to program (i.e. buy performances available for touring) creates an immediate flow-on effect to the performing arts sector, enabling performance and employment opportunities locally and nationally, by purchasing touring work.

CAPACITY TO RE-OPEN

The federal government's 3-step roadmap to reactivating the economy, and the states own responses to the framework, currently do not provide any indication about when audiences can return to performances in numbers greater than 100. Coupled with this ambiguity are the restrictions and conditions upon which performing arts centres need to respond to, in order to re-open for performances.

62% of regional and metropolitan have indicated that they will not be in position to re-open until social distancing measures, including the 1.5m distancing requirement, are completely lifted⁶.

Those venues who can re-open will be doing so at reduced capacity - in some circumstances only re-opening for small functions, not for performances. Venues expect the majority of their hirers to withdraw their event if they are unable to sell the required number of tickets, or accommodate the required number of performers (e.g. local dance concerts).

Those who will re-open for performances are doing so at a significant financial cost – with social distancing requirements in place, the average capacity a venue can accommodate is 15%, far less than break even.

Not only will this affect the experience of the audience, who will be distributed throughout mostly empty theatres, it will be impossible for the venue to recoup labour costs (box office, ushers, technical crew), performance fees, building costs (e.g. electricity) and, of course, the heightened cost of cleaning. The venue will also not be able to viably operate bars and merchandise stands with such small audience numbers – revenue streams that are critical to support the operations of the venue.

⁶ Poll of performing arts centres conducted on 14th May, 2020 – results updated 18.5.2020

Venues are also currently needing to balance an imperative to reopen against the potential of future shutdowns, should there be another significant wave of COVID-19 infections.

The viability of performing arts centres and arts organisations across the country hinges on the performances spaces being permitted to open without the need for social/physical distancing. PAC Australia has, however, recently released the nationally available Guidelines for COVID-Safe Theatres outlining measures that can be implemented to maintain social/physical distancing to assist those limited number of venues who will opt to reopen under these circumstances (noting that all these organisations will do so understanding that they will be operating at significant losses).

The implementation of social distancing along with the increased measures to maintain the health and safety of people working in, or attending, performing arts centres also enforces significant additional expenditure via increased cleaning costs, new infrastructure required to control audience flow/movement throughout the building, etc.

Of course, if venues aren't in a position to viably open their performance spaces, the flow on effects to the rest of the performing arts sector will be immense, with significantly reduced opportunities for artists to perform, crew and staff to be employed, and audiences to return to performances.

Performing arts centres are central to reactivating the performing arts sector in the post COVID-19 world. Not only are they a fundamental requirement to the delivery of performance work, the investment these organisations make in arts programs will stimulate the employment of arts workers across all sizes, scales and artforms.

SUMMARY

We call on the Select Committee:

1. To schedule, at minimum, a full day of hearings dedicated to the arts, creative and entertainment sectors.
2. To recommend a culturally-safe and self-determined approach to the activation of First Nations performing arts, noting that self-determination is the key fundamental right for First Nations people and is central to addressing disadvantage. We would refer the committee to the First Nations Performing Arts Sector Response to COVID-19, submitted to the committee and support their calls for targeted investment in capacity-building pathways and performance opportunities along with the resourcing of a First Nations national cultural peak body
3. To recommend extending the term of JobKeeper by six months and the eligibility of the scheme to adequately support those organisations who have not been able to access this relief.
4. To recommend working with the Chief Medical Officer work closely with representatives to endorse the re-opening of performance venues as soon as possible, without the need for physical distancing.

Finally, PAC Australia support the entirety of measures outlined in Live Performance Australia's \$345m sector recovery package, specifically:

- **Community Engagement Fund - \$25m.** This fund will enable presenters to program work over the next 12-18 months which will reactivate touring across Australia, re-employ staff, engage

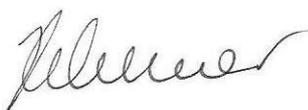
producers, artists and crews and provide economic flow on effects into local economies by virtue of the performing arts centres' reactivation.

This fund is also reflective of the presenters (performing arts centres) direct engagement with audiences across Australia and their role as the curators of the cultural experience of their communities.

- **Stabilisation and Recovery Fund to the Australia Council - \$70m** – to support individual artists and non-profit arts companies to resume business and artistic practice.

I welcome the opportunity to speak further to this submission and can be contact at anytime for further information.

Yours sincerely,



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