



Arts Industry Council (Victoria)

26 May 2020

Senator Katy Gallagher, Committee Chair
C/O Committee Secretary
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

Re: Arts Industry Council of Victoria (AICV) Submission to Select Committee on COVID-19 to inquire into the Australian Government's response to the COVID-19 pandemic.

Dear Senator Gallagher,

Thank you for the opportunity to provide a submission for the inquiry into the Australian Government's response to the COVID-19 pandemic. This document is a collaborative effort by members of the Arts Industry Council of Victoria.

WHO WE ARE

The Arts Industry Council of Victoria (AICV) is the State's independent voice for the arts. Convened by various arts industry peak bodies in Victoria from across different art forms and focus areas, AICV represents individual practitioners and arts organisations ranging from small independent companies to large state cultural institutions. This correlates to approximately 7,000 Victorian creative organisations, artists and arts workers who support and engage with hundreds of thousands of audiences and participants each year. AICV advocates on behalf of our constituency and contributes to public debate by providing leadership and forums for discussion within the sector.

We often work together on challenges that are too big for any of us on our own, and COVID-19 has certainly been a big challenge for the creative industries.

We write to you to summarise some of our observations of these challenges, noting gaps in government responses to date, so that this might inform what next steps can be taken.

CURRENT IMPACT OF COVID-19

When the important social distancing measures were enacted to protect the community, these included restrictions on gatherings. As a result, months of work evaporated for artists and organisations, as events were postponed or cancelled, and galleries and venues closed. The full scale of this now becoming evident:

- Between 14 March and 18 April, employee jobs in the arts and recreation services decreased by 27.0%, second only to accommodation and food services in this period.¹
- Only 47% of arts and recreation businesses said they were currently trading according to the ABS.²
- Over \$340m of lost income had been recorded by the end of April,³ and industry bodies predicted a 3 month shutdown would lead to \$540m in lost ticket revenue nationally.⁴

At the risk of stating the obvious, one of the reasons this impact is so significant for our sector is because we rely on providing live experiences to audiences for our income:

- Even government funded organisation in Victoria rely on earned income sources like ticket sales for half their revenue⁵.

Without audiences, we lose income. Without income, we lose jobs. And this challenge will remain beyond the time when restrictions are lifted:

- 58% of audience members will wait at least a month until after restrictions are lifted before returning to events⁶.

And ours is already a financially precarious sector:

- Income for most arts and cultural organisations sits only 2% above expenditure.^{7 8}

When you operate on a margin of 2%, it is difficult to build a buffer, and that makes our sector vulnerable to even small economic shocks. Additionally, different parts of our sector are highly co-dependent on one another.⁹ Our artists and organisations on each other as well as venues, technicians, designers, caterers – we are all interdependent:

¹<https://www.abs.gov.au/AUSSTATS/abs@.nsf/Previousproducts/5676.0.55.003Main%20Features2Week%20Commencing%2030%20March%202020?opendocument&tabname=Summary&prodno=5676.0.55.003&issue=Week%20Commencing%2030%20March%202020&num=&view=>

² <https://www.ausleisure.com.au/news/abs-survey-shows-arts-and-recreation-businesses-as-being-hardest-hit-by-coronavirus-pandemic/>

³ <https://ilostmygig.net.au/>

⁴ <https://liveperformance.com.au/wp-content/uploads/2020/03/Industry-Impacts-due-to-COVID-19-FINAL.pdf>

⁵ <https://creative.vic.gov.au/research/data/funded-investments-data/key-arts-organisations/all-organisations>

⁶ https://www.artshub.com.au/news-article/news/covid-19/andrea-simpson/when-will-you-return-to-the-arts-after-covid-19-260347?fbclid=IwAR39EWFv-XIQQVLPYPpka1h1bU9lBn9kcUq0GZ_XlOIz0E5u7l3cnlf50

⁷ <https://creative.vic.gov.au/research/data/funded-investments-data/key-arts-organisations/all-organisations>

⁸ Based on data on Arts & Culture organisations in Victoria sourced from the ACNC:

<https://data.gov.au/dataset/ds-dga-a1f8626c-feb-4c4d-86ea-deaa04fb1f6e/distribution/dist-dga-8d020b50-700f-4bc4-8c78-79f83d99be7a/details?q=>

⁹ <https://www.tai.org.au/sites/default/files/P901%20Art%20vs%20Dismal%20Science%20%5BWEB%5D.pdf>

- 81% of artists work as freelance or self-employed,¹⁰ and upwards of 60%¹¹ of employment amongst our arts and cultural organisations comes from casual workers.
- A “full-time” independent artist might work on 14 different projects per year to earn a living wage with multiple organisations; which is equivalent to commencing a project every 3.5 weeks¹². (One individual artist maybe a casual employee as a teaching artist in schools or a clown doctor in hospitals, a sole trader with an ABN for festival performances, as well a full-time employee on a short-term contract for a theatre production in a venue.)
- The Arts Wellbeing Collective, which is run by the Arts Centre Melbourne, to support workers in the performing arts sector has noted that they had a 60%¹³ increase in calls to their mental health wellbeing line in the last month.

Our connections are not just between employer and employee, but also between individuals, audiences, and other institutions. This is an important characteristic of our sector to emphasise when designing responses.

CASE STUDY:

This first case highlights the co-dependent and flow-on impacts there in terms of what is happening with some of the artists and members that we work with.

One of our members, an artist who was born in India and currently lives in Melbourne, who has, what one would have thought was a pretty resilient business model (before the shutdowns and the COVID-19 impacts started taking effect). They had a couple of different streams of income. They were a performer, and they made income from performing at gigs. They ran classes - so they worked with students and schools to run workshops. They also sold and repaired Indian musical instruments, which was their specialty. And from time to time they organised bigger events with big headline artists. Now, all four streams of what was previously a fairly resilient financial model are either completely gone or will be severely impacted in the coming months. They are not going to be able to perform. They are really restricted on what kinds of workshops and education activities they can run. In terms of the musical instrument repair and sales, that has been impacted because people are not coming to the classes. But also this particular artist has a specialty in Indian musical instruments and has noted a couple of challenges in accessing spare parts from India, which has also got its own lockdown restrictions in place. And then in terms of organising big events, it is highly unlikely that they are going to be able to secure a large Indian headliner any time soon in Australia, with international travel restrictions in place.

¹⁰ <https://www.australiacouncil.gov.au/workspace/uploads/files/8042020-summary-of-covid-19-ar-5e8d010193a6c.pdf>

¹¹ <https://data.gov.au/dataset/ds-dga-a1f8626c-fefb-4c4d-86ea-deaa04fb1f6e/distribution/dist-dga-8d020b50-700f-4bc4-8c78-79f83d99be7a/details?q=>

¹² https://www.tna.org.au/wp-content/uploads/2018/04/THIS-IS-HOW-WE-DO-IT_Independent-Survey-Report_FINAL.pdf

¹³ <https://www.theage.com.au/culture/art-and-design/arts-mental-health-helpline-records-exponential-growth-in-calls-20200513-p54sjx.html>

We also want to acknowledge that there are some communities, as there were before the shutdown, that are more vulnerable than others. There are some, for example, that quick response funding programs might come and pass them by before they realise that the opportunity was there, because they are not quite as connected to different paths of information as they might need to be.

Artists and creatives of colour are already among some of the most vulnerable members of our industry, and now many have faced increased experiences of COVID-19 related racism. There has also been a steep decline in artists' confidence about their financial future, with those who felt weak or very weak about their financial situation rising from 24.8% to 86.2%.¹⁴

This pandemic is being experienced by everyone differently. Like any crisis we see a mix of responses – some artists have disappeared, others are running on adrenaline. There is devastation but also a bit of optimism about what might be possible next coming through from our members. It provides us not just a chance to recover, but a chance to rebuild in ways more equitable than before. For example, authors who have had festival appearances that they rely on to sell their books at cancelled looking at how they might be a bit more active in the online distribution space as far as their books are concerned, musicians who were about to do album launches that have lost those as well thinking about how they can be a bit more active in the online space (note: online is not going to be the solution for everything as access is not equal for all), and then others who are using the downtime to further their professional development and extend their practice a little bit more so that when they come out of this period they have a wider set of skills to apply to the sector.

We have some road ahead of us as a sector, with some modelling suggests our sector will not return to normal levels of activity until the final quarter of 2021.¹⁵ One of the reasons that the recovery will be so long for our sector, is that the break-even point for many of our venues re-opening is not going to be 10 people or 25; they are going to need to get significant patrons through the door to make it a break-even, or even worth opening the doors in the first place.

GOVERNMENT RESPONSES TO DATE

We appreciate that focus to date has very much been on immediate and emergency support, and that is understood and has been accepted by our members. Many of the programs announced by the Federal Government, such as JobKeeper, JobSeeker, and the Cash Flow for Business initiatives, will provide significant support to the arts and creative industries.

In addition, targeted support for regional arts, indigenous arts centres, and mental health will be of substantial benefit to these critical parts of the creative ecology.

As with any economy-wide program, however, there have been gaps that have been identified and that there are others that will continue to reveal themselves over time, because we are all working in a new space.

¹⁴ <http://diversityarts.org.au/lost-work-creative-colour-results-survey/>

¹⁵ The Australian May 2020

National organisations including the National Association of the Visual Arts, Theatre Network Australia, and Live Performance Australia have previously highlighted these. They include:

- the exclusion of local government or university-owned cultural centres, performing arts centres, and galleries from stimulus or recovery funds;
- challenges for casual workers without a consistent 12 month period of employment with a single organisation (tending instead to work between many companies for shorter periods); and,
- difficulty in volunteer-run organisations such as festivals or small museums in accessing resources.

We also note that, for our arts and culture industries, employment correlates to about 43 per cent of total expenditure¹⁶. Programs such as JobKeeper, directed towards subsidising employment costs, have been critical in supporting this expenditure for many arts organisations. There remains, however, a challenge in covering the remaining 57% of expenditure. For our sector, this expenditure is often directed to other organisations, artists and sole traders. When an organisation is forced to cut these costs, there are flow on-effects to other parts of the ecology in which we work, and it is this which has been one of the more alarming challenges that we have faced as impacts begin to spread.

This 'addressing the gaps' approach is important throughout the next stage.

FURTHER CONTEXT

It is also important to remember the roles that artists and organisations play in supporting the wider community. The arts can help us forget and will also be critical to helping us remember. So in the times that we have needed to have a bit of recovery and mental health space all on our own, retreating to a book or watching TV or listening to music has been really important.

- During the lockdown, 97% of Australians are doing an activity to stay connected and support their wellbeing¹⁷. Three of the five most popular activities rely on the cultural and creative industries:
 - 'watching films/television programs or listening to the radio/podcasts (72%)
 - 'listening to music' (55%)
 - reading for pleasure or relaxation (54%).
- 17 million Australians acknowledge the significant positive impacts of the arts (86% of the population aged 15 years and over) including:

¹⁶ Based on data on Arts & Culture organisations in Victoria sourced from the ACNC:

<https://data.gov.au/dataset/ds-dga-a1f8626c-fefb-4c4d-86ea-deaa04fb1f6e/distribution/dist-dga-8d020b50-700f-4bc4-8c78-79f83d99be7a/details?q=>

¹⁷ <https://www.australiacouncil.gov.au/workspace/uploads/files/omnibus-survey-results-arts-5eb50b49e163c.pdf>

- their sense of wellbeing and happiness (60%)
- their ability to express themselves (69%)
- their ability to think creatively and develop new ideas (67%).
- Three in four Australians believe the arts are an important way to get a different perspective on a topic or issue (73%).¹⁸

CASE STUDY:

The Potato Shed in Drysdale, a small venue not too far out of Geelong, Victoria that typically runs performing arts and music events. They have a birdbath out the back, and immediately after the shut down they set up a live video feed of the birdbath in the backyard of the Potato Shed. And it was a bit of a lottery as to when birds would actually appear to spot in the live video feed, but it has been found having that, even the sounds of Drysdale in the background, is incredibly soothing whilst working at different points. And occasionally musicians and artists would pop their heads in as well.

On the flip side, it will be artists that are documenting what is happening right now and when we look back on it in multiple years it will be the photos, the stories, the pieces of theatre and the music that were written about this period that help us remember what it was like to live through that period.

CASE STUDY:

The Ballarat International Foto Biennale is curating a project called Mass Isolation Australia, where people are sharing photos of their experiences of living in isolation, and they are curating the best of those and sharing them as part of an international project.

The recently released *Transformative: Impacts of Culture and Creativity*, produced by independent think tank A New Approach (ANA), offers further insight outlining in detail the deep impact of the arts across society and place; the economy; innovation; health and wellbeing; education and learning; international engagement; and, of course, culture.¹⁹

Cultural and creative industries are also increasingly acknowledged as important components and drivers of growth in the modern, knowledge-based economy²⁰ and in bringing us closer together as a confident and outward-looking society²¹. We acknowledge that the arts reach across portfolios and spheres of government and that there is a need for strategies that recognise the multidimensional investment and impacts.

¹⁸ <https://www.australiacouncil.gov.au/workspace/uploads/files/connecting-australians-natio-595de0ec78d4d.pdf>

¹⁹ <https://www.humanities.org.au/wp-content/uploads/2019/11/ANA-InsightReportTwo-FullReport.pdf>

²⁰ <file:///Users/simoneschinkel/Downloads/measuring-the-economic-value-of-cultural-and-creative-industries-statistics-working-group-of-the-meeting-of-cultural-ministers.pdf>

²¹ <https://www.australiacouncil.gov.au/news/media-centre/media-releases/connecting-australians-the-national-arts-participation-survey/>

RECOMMENDATION

All of these factors reinforce the need for a creative industry sector-specific response package to complement economy-wide measures.

Important elements of this have been submitted by our national organisation peers, and would include:

1. Ensuring that there is at least a full day of hearings scheduled to hear from various parts of the arts and entertainment sectors.
2. To recommend a First Nations central approach to re-opening the arts, ensuring that re-opening actions should be locally-led, holistic and culturally safe to First Nations communities.
3. To recommend extending JobKeeper (or similar initiatives supporting organisations) by six months for arts workers in sub-sectors where re-opening is not possible in September.
4. To support Live Performance Australia's call for a dedicated Industry Rebuild and Recovery package for the live performance industry which is the hardest hit artform.
5. To recommend that the Chief Medical Officer works as closely as possible with arts representatives to endorse guidelines for reopening arts and cultural venues as soon as possible without the need for social distancing, organised, ticketed gatherings.
6. To recommend that the government supports individual artists and non-profit arts companies to get back on their feet by providing a Stabilisation and Recovery Fund of \$70m to the Australia Council, and an ongoing annual uplift in funding of at least \$50m to stimulate a creativity led recovery for Australia. Based on early learnings from emergency relief measures for the creative industries in Victoria, we recommend that all programs include targeted initiatives that 'ringfence' financial support for vulnerable communities, including First Nations, CALD, Disability, Regional & Low SES groups that typically do not receive necessary support through untargeted or open funding programs; and which results in under representation and low participation rates of these groups.

We welcome the opportunity to work through the next phases of recovery together with all levels of government. With your support, the creative industries have the potential to lead the wider social, economic and community recovery required.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Simone'.

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A handwritten signature in black ink, appearing to read 'Joe'.

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Convening Organisations: **Arts Access Victoria, Ausdance Victoria, Australian Museums and Galleries Association Victoria, Multicultural Arts Victoria, Music Victoria, Public Galleries Association Victoria, Regional Arts Victoria, Songlines, Theatre Network Australia, Victorian Association of Performing Arts Centres (VAPAC), Writers Victoria.**