



29 January 2021

Australian Government – The Treasury  
PO Box 6021  
Parliament House  
CANBERRA ACT 2600

**Re: 2021-22 Pre Budget Submission**

Thank you for the opportunity to provide a pre-budget submission for the 2021-22 Federal Government Budget.

Theatre Network Australia (TNA) is a leading industry development organisation for the performing arts, prioritising independent artists and small to medium companies. A national organisation with a dedicated Victorian program, TNA strengthens artists and arts organisations, influences cultural policy, facilitates critical debate and networking, and advocates for a robust, interconnected and innovative sector. We serve over 500 members, and reach and represent over 5000 more performing arts workers through our communications and research.

We want to highlight the \$100m (or \$25m per annum for four years) for the Australia Council for the Arts, still needed to secure the future of the arts industry, specifically to support strategic priorities that drive economic and social recovery post COVID-19. The arts has been one of the last industries to begin to reopen, along with tourism which relies on arts activity as a key drawcard.

Further, Theatre Network Australia works alongside nine other national peak bodies for the performing arts, and we have jointly committed to calling for investment in the following key areas. More detail is attached.

1. An investment in the establishment of the National Indigenous Arts and Cultural Authority (NIACA): \$4.5m over 4 years. In addition, a \$20m p/a investment in First Nations arts and cultural companies and artists, through the Australia Council for the Arts.
2. Provide an additional \$100 million over four years (or \$25 million per annum for four years) to the Australia Council, specifically to support strategic priorities that drive economic and social recovery post COVID-19.
3. A targeted wage subsidy for workers in the performing arts who continue to be impacted by COVID-19, recognising that the performing arts was one of the hardest hit sectors as many are casuals and independent contractors not eligible for support programs.
4. In partnership with industry, establish a \$100-\$500m Live Entertainment Business Interruption Fund (BIF) to increase industry confidence to re-activate live events at reduced capacity and the challenges of short notice lock downs .
5. An increase of a minimum 40% (\$2.8m) to the Playing Australia Fund to reach \$10.8m annually to address increasing demand for regional touring and to exponentially increase the program's impact.
6. Strengthen regional access to the arts and opportunities for regional companies and artists, by continuing the \$10m investment made in 2020 over the next 4 years, administered through Regional Arts Australia.

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## Detail of Recommendations

Theatre Network Australia works alongside nine other national peak bodies for the performing arts: APRA AMCOS, Ausdance National, BlakDance, Diversity Arts Australia, Live Performance Australia, Symphony Services Australia, Performing Arts Connections Australia, Regional Arts Australia and the First Peoples Performing Arts sector. We have jointly committed to calling for investment in six key areas.

### 1. Our Nation begins with our First Nations.

We recognise the need for bipartisan commitment to closing the gap, incorporating feedback from First Nations people who are calling for greater recognition of the importance of culture and cultural practice in building community and health. We support the development of a National Indigenous Arts and Cultural Authority (NIACA), estimated at \$4.5m over four years to establish the entity.

In addition, a program of targeted funding for new and developing Indigenous Arts and Cultural organisations is urgently needed. In 2015, the Australia Council for the arts (Closing the Gap Refresh submission, April 2015) argued that there is a significant unmet funding need for First Nations organisations. For small to medium organisations alone, the Council had an unmet funding demand of \$9m p/a. It is anticipated that the new National Partnerships Framework (formerly the Major Performing Arts Framework) will invite in one or more significant theatre companies to the cohort, but there has been no additional investment in the Framework. By way of comparison, the average investment for Partnership Framework companies is currently \$3.8m p/a<sup>1</sup>. An investment of just two new First Nations led theatre companies to join the successful Bangarra Dance Company would be around \$7.6m per annum. In addition, there is growing sector of First Nations independent artists working in dance, theatre, circus, music and hybrid arts. A program of \$3.4m p/a for independent First Nations artists would create new opportunities for local capacity building, domestic tourism, creative entrepreneurship, and cultural maintenance. This total investment is \$20m p/a.

We continue to recommend investment in the development of a **National Indigenous Arts and Cultural Authority (NIACA) of \$4.5 million over four years.**

We call for an additional **\$20m per annum to be directed to First Nations arts organisations and independent artists** through a dedicated investment through the Australia Council for the Arts.

### 2. Provide additional funding to the Australia Council for the Arts to stabilise the arts industry post COVID-19.

TNA calls for an increase in the Australia Council's capacity to support strategic priorities that drive economic and social recovery post COVID-19, directed towards multi-year funded performing arts organisations, individual artists and arts workers, along with an increased capacity to project fund the high level of 'unfunded excellence' and new ambitious works.

Such an investment would:

- Create a stronger national arts framework that stimulates growth in diverse vibrant artistic works from small to medium and large, with greater capacity to serve audiences regionally, nationally and internationally.
- Secure jobs and career pathways for practising artists and arts workers across regional, remote and metropolitan centres.
- Maximise investment leverage - base funding stability enables new partnerships and collaborations, touring and philanthropic support.

<sup>1</sup> Australia Council for the Arts Annual Report 2019-2020 <https://www.transparency.gov.au/annual-reports/australia-council/reporting-year/2019-20-31>

- Increase capacity to support R&D.
- Create major innovative works to generate new opportunities in international markets (export) as well as advance our image internationally.
- Attract increased private and foreign investment in the sector
- Realise flow-on economic benefits to related industries, i.e. hospitality, tourism, university sector.

**\$25m p/a for the Australia Council for the Arts:**

- \$12 million p.a. over 4 years for companies: within the Four-Year Funding Program and for new entrants and further investment in the new National Partnership Framework
- \$4 million p.a. over 4 years for project grants
- \$5 million p.a. over 4 years as seed funding for new major Australian works
- \$4 million p.a. over 4 years for enterprise initiatives and programs

**3. A targeted wage subsidy for workers in the performing arts who continue to be impacted by COVID-19, recognising that the performing arts was one of the hardest hit sectors.**

TNA supports the call for a continuation of a targeted wage subsidy for performing arts, including theatre, circus, dance and the music industry - through JobKeeper or a new initiative. Ongoing outbreaks and subsequent restrictions to live events and performances will continue to impact the performing arts in particular. A wage subsidy will give confidence to companies and venues to re-open amidst the continuing uncertainty.

TNA emphasises the importance of JobKeeper for sole-traders – many performers, writers, directors, and crew are sole-traders and many of them are still out of work. A targeted wage subsidy program will allow a gradual return to full employment.

Investment in a **targeted wage scheme** for those companies and sole-traders which continue to be impacted by COVID shutdowns.

**4. In partnership with industry, establish a Live Entertainment Business Interruption Fund (BIF) to increase industry confidence to re-activate live events.**

TNA supports Live Performance Australia's proposal for a new fund to help shield Australia's live performance industry from future COVID-19 lockdowns to prevent further financial damage to the sector and provide confidence as theatres and events reopen across the country.

LPA has developed the plan for a Business Interruption Fund to provide greater assurance against the risk of disruption to live performance productions or events due to the reimposition of public health restrictions to manage COVID-19 outbreaks or clusters. The BIF would provide indemnification for costs if, due to COVID-19 related issues, a live event in Australia is cancelled, postponed or negatively affected by the re-introduction of government restrictions. Industry would contribute a percentage of cost exposure to the BIF and the government would provide underwriting.

The pandemic has taken a devastating toll on the live performance industry during 2020, causing an estimated \$24 billion of lost economic output and almost \$11 billion in lost industry value. It has also seen 79,000 jobs cut - or around two thirds of the workforce. While Australia has made great progress in fighting the spread of the virus, there will continue to be outbreaks and associated shutdowns and border closures, forcing productions to close at short notice and refund tickets. A fund to recoup these losses would provide greater confidence for the sector to reopen.

Depending on the scope of the fund, the investment would be between \$100m and \$500m.

In partnership with industry, establish a **\$100-\$500m Live Entertainment Business Interruption Fund (BIF)** to increase industry confidence to re-activate live events.

## 5. Enhance the national performing arts touring program, Playing Australia.

An increase of a minimum 40% (\$2.8M) to Playing Australia Fund reach \$10.8m annually is required to address the structural and operational issues associated with the program and exponentially increase its impact.

Playing Australia is the primary mechanism by which regional, remote and outer metropolitan communities access the best of Australia's creative performance.

The program also has huge potential as an essential means of audience development, building the sustainability of arts organisations, providing employment opportunities and strengthening connections between artists and audiences in regional Australia. Investment in Playing Australia further contributes to the liveability of regional communities and the strengthening of regional industries.

Recognising the cultural and economic importance of touring, the Government previously allocated \$7.2M p.a. to the Australia Council for Playing Australia, however stagnant funding since 2004, combined with inflation, means that the Playing Australia fund has actually decreased in real terms by 37% since 2004.

An increase of a minimum 40% (\$2.8M) to \$10.8m annually is required to address the structural and operational issues associated with the **Playing Australia touring program** and exponentially increase its impact.

## 6. Strengthen regional access to the arts and opportunities for regional companies and artists.

Strengthen regional access, develop regional audiences' engagement strategies and develop regionally based performing arts practice through increasing the scope and funding directed into regional arts initiatives. Diversification of regional industries increase regional communities' liveability and build attractive tourist opportunities with:

- Increased creation of arts and cultural activity and hence employment in regional Australia.
- Regional artists developing and then presenting work both within and beyond their own community, thereby sustaining careers.
- Regional community connections, resilience and tourism increased.
- Increased liveability of regional centres.
- Social connections between regional and metropolitan Australia strengthened.
- Cost barriers to regional touring addressed thereby enabling a deeper local engagement with touring works.
- Increased access, diversity and affordability of work touring to and from regional Australia.
- Touring organisations able to develop multiyear strategies to build regional audiences.

Strengthen regional access to the arts and opportunities for regional companies and artists, by continuing the **\$10m investment into regional arts** made in 2020 over the next 4 years, administered through Regional Arts Australia.

## Rationale for supporting arts and culture

The Rationale for supporting arts organisations is multifaceted: there are demonstrated benefits in economic, social, and cultural areas. Evidence of these benefits includes the following.

*The Australia Council for the Arts Connecting Australians Report* showed us that Australians deeply value the arts. Annually:

- 98% of Australians engage with the arts.
- Half creatively participate in the arts.
- More than 14 million Australians attend arts events in person.
- 17 million Australians acknowledge the significant positive impacts of the arts (86% of the population aged 15 years and over) including:
  - 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%).<sup>2</sup>

The report *Transformative: Impacts of Culture and Creativity*, produced by independent think tank *A New Approach (ANA)*, offers further insight. The report outlines 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.<sup>3</sup>

We also know that the arts contribute to Australia's economic strength:

- Household expenditure reached AUD\$25.5 billion in 2015-16 on cultural goods and services.
- Australia's creative and cultural activity is a significant component of our national economy, contributing more than \$111.7 billion, or a 6.4 per cent share of Australia's Gross Domestic Product (GDP) in 2016-17.<sup>4</sup>
- More than half a million Australians work in the creative economy, which employed 593,830 people in 2016, representing about 5.5 per cent of the national workforce.

Equally importantly, the arts afford tangible opportunities to all individuals and communities to participate in and benefit from a creative society. As a multicultural nation, cultural participation is fundamental to our democracy. There is increasing evidence to demonstrate how crucial arts is to a well-balanced education and in shaping our leaders.<sup>5,6</sup>

With a growing population, and an urgent need for social cohesion, there is a great opportunity to utilise this potential to create enhanced social, cultural and economic benefits to Australia.

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<sup>2</sup> <https://www.australiacouncil.gov.au/workspace/uploads/files/connecting-australians-natio-595de0ec78d4d.pdf>

<sup>3</sup> <https://www.humanities.org.au/wp-content/uploads/2019/11/ANA-InsightReportTwo-FullReport.pdf>

<sup>4</sup> <https://www.humanities.org.au/wp-content/uploads/2019/09/ANA-InsightReportOne-ExecutiveSummary.pdf>

<sup>5</sup> <https://research.acer.edu.au/cgi/viewcontent.cgi?article=1020&context=aer>

<sup>6</sup> <https://nitro.edu.au/articles/2019/3/1/issues-challenges-and-needs-for-government-arts-culture-and-education-policy-an-art-education-australia-aea-perspective>