

28 January 2022

The Hon Michael Sukkar MP
Assistant Treasurer
Australian Government – The Treasury
PO Box 6021
Parliament House
CANBERRA ACT 2600

Re: 2022-23 Pre Budget Submission

Thank you for the opportunity to provide a pre-budget submission for the 2022-23 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 serves over 500 members, and reaches and represents over 5000 more performing arts workers through our communications and research.

TNA urges the government to commit to the development of a National Cultural Plan, as recommended in *Sculpting a National Cultural Plan*¹, the report from the Parliamentary Inquiry into Creative Industries and Institutions, which noted the significant short and long-term impacts of the COVID-19 public health emergency on the arts sector. The think-tank A New Approach argues that such a plan would allow Australia to “lay the foundations of a cultural inheritance that will benefit future generations for the decades to come”².

For the upcoming budget, TNA urges the Federal Government to commit an additional \$130m per annum to the Australia Council. These funds are urgently needed to secure the future of the arts and cultural industry, through strategic COVID stabilisation and recovery initiatives. This investment should be complemented by a range of initiatives, outlined below.

Further, Theatre Network Australia works alongside other national peak bodies for the arts³, and support their submissions. It is essential that we work together to support the arts and creative industries across a whole of ecology approach. In this context we are calling for:

1. An additional \$130 million per year for four years to the Australia Council, specifically to support strategic priorities that drive economic, cultural and social recovery from COVID-19.
2. An investment in a First Nations Self Determined Performing Arts fund: \$20m p/a investment through the Australia Council for the Arts (included in the Australia Council additional appropriation).
3. An investment in Australia’s youth arts and arts for young audiences sector through a Young People and Culture Plan, providing an effective, affordable opportunity to address pressing cross portfolio issues - \$15mil per year (included in the Australia Council additional appropriation).
4. A targeted wage subsidy for workers in the performing arts who continue to be impacted by COVID-19, recognising that the performing arts continues to be one of the hardest hit sectors.

¹ https://www.aph.gov.au/Parliamentary_Business/Committees/House/Communications/Arts/Report

² https://newapproach.org.au/wp-content/uploads/2021/10/ANA-Priorities-Paper_FA_Acc.pdf

³ APRA/AMCOS, Arts Access Australia, Ausdance National, Australian Museum and Galleries Assoc, Australian Music Centre, Australian Writer’s Guild, BlakDance, Diversity Arts Australia, Live Performance Australia, Moogahlin Arts Centre, National Association for the Visual Arts, Performing Arts Connections Australia, Regional Arts Australia, Screen Producers Association, Symphony Services Australia.

5. The establishment, in partnership with states and territories, of a \$130m-\$200m Live Entertainment and Events Insurance Scheme to increase industry confidence to reactivate live performances and events.
6. An arts and cultural Digital Strategy for urgently needed digital capacity in the arts and culture sector.
7. A Regional Strategic Framework that supports investment and innovation of \$20m - for new funding programs and an extension to the Regional Arts Fund.

We particularly endorse the submission of Diversity Arts Australia, which calls for funding to be Equity-tested to reflect the demographics of the Australian population.

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Detail of Recommendations

1. Additional funding to the Australia Council for the Arts to stabilise the arts industry in the new COVID-19 environment.

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

Such an investment would:

- Strengthen investment, visibility and outcomes for First Nations artists across the sector, further supporting greater recognition of the importance of culture and cultural practice in building community and health.
- Ensure the Australia Council can deliver on ambitious sector change striving toward equity and representation of artists with disability, people of colour, First Nations and LGBTQIA+ artists who are currently underrepresented in the mainstream arts sector.
- 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.
- Increase capacity to support R&D.
- Create major innovative works to generate new opportunities in international markets (export and diplomacy) as well as advance our image internationally.
- Attract increased private and overseas investment in the sector
- Realise flow-on economic benefits to related industries, i.e. hospitality, tourism, university sector.

\$130m p/a for the Australia Council for the Arts:

- \$20m p/a for the self-determined First Nations funding for organisations and artists.
- \$15m p/a for a Young People and Culture Plan.
- \$40m p/a for companies: within the Four-Year Funding Program and for new entrants and further investment in the National Partnership Framework.
- \$25m p/a for a Reserves Rebuilding program for organisations devastated by COVID-19.
- \$5m p/a for an increase to Playing Australia, including supporting enhanced pre-tour engagement.
- \$25m p/a for project grants to fund 'unfunded excellence', R & D and fellowships.

2. Our Nation begins with our First Nations - First Nations Self Determined Performing Arts fund.

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.

To this end, there is an urgent need for investment in a First Nations Self Determined Performing Arts fund: \$20m p/a investment through the Australia Council for the Arts (included in the Australia Council additional appropriation).

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. This has now grown to an unmet need of \$17m p/a. The new National Partnerships Framework (formerly the Major Performing Arts Framework) now includes Ilbjerri Theatre but there has been no additional investment in the Framework – Ilbjerri's current Four Year Funding moving with the organisation to the new program.

An investment in emerging small to medium First Nations arts organisations is needed to ensure there is a pipeline of companies supported to become the next Bangarra or Ilbjerri. In addition, there is growing sector of First Nations independent artists working in dance, theatre, circus, music and hybrid arts, and these artists should be supported through self-determined First Nations project grants.

An investment in a First Nations Self Determined Performing Arts fund: \$20m p/a investment through the Australia Council for the Arts (included in the Australia Council additional appropriation).

3. An investment in Australia's youth arts and arts for young audiences sectors.

The young people of Australia are facing devastating issues post COVID, with severe negative impacts on employment, mental health, resilience and connection and engagement as participants in their community and wider Australian society. The next few years will be dynamic and the outcomes for young people might change quickly. Maintaining mental wellbeing and social connectedness will continue to be a challenge. For instance, 74% of young people reported their mental health had been negatively impacted since the outbreak of the pandemic⁴.

⁴ Headspace(2020), *Coping with COVID: the mental health impact on young people accessing headspace services*.

A cross-portfolio investment combining Arts, Health, Regional Development, Social Services, Emergency Management and Education has the capacity to deliver outcomes across portfolios whilst supporting Australia’s professional artists, children, young people and disadvantaged communities. The youth arts and arts for young audiences’ sector employs professional artists to engage with communities. These are fiscally lean organisations with minimal overheads whose principal expenses are wages for contract and permanent staff.

Investment in a Young People and Culture Plan would:

- Directly support the mental health and resilience of young Australians,
- Deliver programs that strengthen communities and build community cohesion,
- Prioritise and increase access and inclusion for disadvantaged young people,
- Support contractors and small businesses most affected by the COVID shutdown,
- Build community projects that foster confidence and community connection,
- Provide young people an active voice in their community’s disaster recovery,
- Generate creative thinkers, arts consumers, and audiences from the grass roots, and
- Provide employment and stimulate the economy.

An investment of \$15 million per year for four years from 2022 – 2025 to engage young Australians in arts-based community projects could include the following initiatives.

Young People and Culture Plan - Initiatives	Investment
“Youth Arts Resilience Builder” - An investment in companies creating and touring work for young Australians with incentives and support to engage regional and disadvantaged communities;	\$6million p/a
An investment in companies and community organisations to engage professional artists to work with young people to respond to community needs, including undertaking deep engagement with local elders and Indigenous communities;	\$1m - \$2m p/a
A collaboration with the Department of Education to trial embedding creative programs across curriculum in public schools to increase retention and academic achievement;	\$3million p/a
An initiative to fund partnerships between youth arts companies, adult companies and major venues to create new Australian work for inter-generational audiences; and	\$3million p/a
Funding toward researching the outcomes of this investment in the civic life of participating communities.	\$1m - \$2m p/a

This investment would increase opportunities for Australian children and young people to experience arts and culture; enhance their development and overall well-being as well as help build social and personal capabilities that will aid young people throughout their lives and provide pathways for those choosing the arts as a career.

An investment in Australia’s youth arts and arts for young audiences’ sectors through a Young People and Culture Plan, providing an effective, affordable opportunity to address pressing cross portfolio issues - \$15mil per year for 4 years.

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

TNA supports the call for a reintroduction 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 also highlights the fact that women and gender diverse people are over-represented in the arts industry but have also been the demographic disproportionately impacted by COVID 19 economically. A targeted wage subsidy scheme should redress this impact.

TNA also emphasises the importance of JobKeeper for sole-traders – many performers, writers, directors, designers, 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.

5. Establish, in partnership with states and territories, a Live Entertainment and Events Insurance Scheme to increase industry confidence to reactivate live events.

TNA supports Live Performance Australia's proposal for a 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 Live Entertainment and Events Insurance Scheme 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 scheme 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 COVID shutdowns, low audience confidence, or closures due to illness in cast and crew.

The pandemic has taken a devastating toll on the live performance industry during 2020 and 2021, causing an estimated tens of billions of lost economic output and lost industry value. It has also seen job cuts to around two thirds of the workforce.

Depending on the scope of the fund, the investment would be between \$130m and \$200m.

Establish, in partnership with states and territories, a \$130m-\$200m Live Entertainment and Events Insurance Scheme to increase industry confidence to reactivate live events.

6. An arts and cultural Digital Strategy for urgently needed digital capacity in the arts and culture sector:

We urge government to invest in a significant uplift to digital capacity in the arts and culture sector, through a multi-faceted digital capacity building strategy and program.

- Based within an equity framework to ensure access for all communities/individuals.
- Local hubs across the country with exceptional facilities for creative and professional online exchange - large screens, recording and broadcast facilities, conference facilities.
- Training and development programs.
- Access strategies such as dedicated Auslan programs and First Nations specific programs.
- Funding programs for new digital content and broadcast capacity and equipment.
- A coordination office to align the digital and hybrid event calendar, maintain the hubs.

An arts and cultural Digital Strategy for urgently needed digital capacity in the arts and culture sector – cost TBC.

7. A Regional Strategic Framework

TNA supports Regional Arts Australia's proposal for a Regional Strategic Framework to support investment and innovation as part of a revitalisation of regional Australia.

- Multi Year Regional Core Funding - Operational Support
- Strategic Partner Initiatives - Connecting Industries
- Future Infrastructure Scheme - Digital Connectivity
- Place Based Investment - Enterprise & Innovation through the Regional Arts Fund
- Regional Arts Australia Core Funding

A Regional Strategic Framework that supports investment and innovation of \$20M - for new funding programs and an extension to the Regional Arts Fund.

Rationale for supporting arts and culture

The Rationale for supporting arts organisations is multifaceted with 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%).⁵

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.⁶

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

- Household expenditure on cultural goods and services reached AUD\$25.5 billion in 2015-16.
- 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 2016-17.⁷
- 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.

As a multicultural nation, cultural participation is fundamental to our democracy. There is increasing evidence to demonstrate how crucial arts and culture is to a well-balanced education and in shaping our leaders⁸. 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.

⁵ <https://www.australiacouncil.gov.au/workspace/uploads/files/connecting-australians-natio-595de0ec78d4d.pdf>

⁶ <https://www.humanities.org.au/wp-content/uploads/2019/11/ANA-InsightReportTwo-FullReport.pdf>

⁷ <https://www.humanities.org.au/wp-content/uploads/2019/09/ANA-InsightReportOne-ExecutiveSummary.pdf>

⁸ <https://research.acer.edu.au/cgi/viewcontent.cgi?article=1020&context=aer>