

The Same Pie; from Hope to Confidence

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The premise of this submission is that audiences represent one of the greatest untapped resources to support sustainability of the industry in terms of participation, activation, access, diversity and revenue.

Similarly, this is about shifting from a historically entrenched deficit mindset to a growth mindset – learning from previous and current challenges and in doing so, increasing our abilities and achievement.

This is also about moving away from a long held view of ‘hope’ in the industry, that is, that at some point in the future, a government (Local, State, Federal, Labor or Coalition) will be the saviour of the industry by providing a significant uplift of investment. In over 30 years of advocating for increased investment in the industry this has rarely happened and never to the extent to which it provided enough impact to address the issues of structural reform that are required to ensure the sector’s sustainability, let alone its ability to genuinely thrive.

As an industry, if we accept we are working with more or less the same pie, not expecting more pie, our strategies concerning sustainability, growth and collaboration fundamentally shift.

This allows us to move from hope to confidence.

CONTEXT: FOUR VECTORS AFFECTING OUR INDUSTRY

1. A state of audience decline:

An ongoing Covid-imposed generalised attrition of audiences of 10-15%. The Australia Council's Audience Outlook monitor notes that 7 in 10 past attendees are back at cultural events, but half remain concerned about risks. Similarly the Audience Outlook March 2022 report noted that 4 in 10 (38%) have some level of risk-aversion to attending in person events.

2. Technology / Digital impact:

Accelerated by the Pandemic, digital output and hybrid forms are increasing, yet at the same time digital fatigue of consumers is increasing and globally our attention span (as impacted by digital influences) has decreased.

A recently published study from researchers at the Technical University of Denmark suggests the collective global attention span is narrowing due to the amount of information that is presented to the public. The world has become increasingly well connected in the past decades. This means that content is increasing in volume, which exhausts our attention and our urge for 'newness' causes us to collectively switch between topics more rapidly." Philipp Lorenz-Spreen, Max Planck Institute for Human Development.

3. Democracy and Tyranny:

Unfolding events in Australia, in regard to the former Prime Minister, diminish our confidence in democracy. This is consistent with January 6 events in the USA, and the resignation of the Prime Minister in the UK. The autocratic nature of events in the Ukraine and Africa further reinforce this disillusionment.

4. Inclusion and Polarisation:

Current global trends tend towards the centring of one community at the exclusion of another. Indeed, authentic connection between diverse people seems increasingly rare in spite of significant efforts to raise marginalised voices, equalise a traditionally male-dominated culture and address issues of colonisation.

In terms of the Arts and Culture industry in Australia we tend not to organise ourselves in a way that recognises the value of what we do; e.g. creating sympathy and empathy, celebrating the human quality and contributing to a national identity. Indeed, rarely over the last 30 years in my experience of advocacy have I observed missioned aligned arts leaders in practice (albeit sometimes in theory).

As an industry, if we are to move from hope to confidence, from subsistence to peak performance, then recognising critical and increasingly fast-moving shifts in our context, locally, nationally and globally, is central to the effectiveness of a new National Cultural Policy. In the words of cultural activist John Knell, 'it's the whole ecology stupid!'.

NOTE: The views expressed here have been developed from experience across presenting, producing, touring and advocacy in the performing arts industry and as such focus predominantly on that artform.

NOTE: The following submission is presented with the five pillars in reverse order for two reasons:

1. It goes without saying, and should need no debate, that Aboriginal and Torres Strait Islander culture is Australian culture. Only by prioritising it will we build a national identity that is authentic and relevant, and that speaks to those within and beyond our shores.
2. If art is about communication, then the people with whom we communicate (where they are, who they are and how many of them there are) is central to art's success. With this in mind, Audiences form the primacy of this submission.

REACHING THE AUDIENCE

Audience development is often misunderstood term, or at least a term that is interpreted to mean different things. In most definitions, it is about:

- More; more people engaging, attending, participating;
- Deeper; a deeper understanding of the art form, the content/subject matter, the ideas surrounding the work; and
- Different; the idea that we might find audiences for work that is different/new, and the idea that we might find different/new audiences.

Accepted marketing strategies exist to achieve audience development.

- Maximise Current Audiences: More of the existing kind of people going to the same stuff;
- Increasing similar audiences: New people going to the same stuff;
- Product Development: The existing kind of people going to new stuff; and
- Diversify Offer: New people going to new stuff.

Different/new content, shows and contexts require different strategies to reach existing and new audiences. Any effective audience development program determined within the national cultural policy needs to recognise the nuance of the markets, the contexts in which work is presented, and the broad variety shows/products on offer. A generic, one-size-fits-all solution is highly unlikely to be effective.

Consistent with this thinking, it is critical that the National Cultural Policy recognises the need to reach multiple audiences not a singular audience.

This thinking is consistent with the way that *inclusion* does not mean 'everybody doing the same thing together' but rather, creating opportunities for all, that enables everyone to be included in different ways.

In this one pillar of the National Cultural Policy, the focus shifts from the *Supply* side of creating work/shows (and investment in the arts/artists), to the *Demand* side of creating a market/audiences. This is to build both sides of the market not either at the exclusion of the other.

In practice this involves:

- Providing experiences on the audiences' terms
- Speaking the audiences' language
- Articulating why we matter
- Understanding the audiences' behaviour/what drives them

It is important to note how this differs from a purely commercial model - this focus does not aim to create work for a market but to find the market for the work that's being made.

The challenges involved for artists and companies to find their audiences, regardless of their particular circumstances, are not small. Competition for leisure time and disposable income is at an all-time high.

As we build audiences, we can also build revenue, and *potentially* redirect *government* investment into those performing arts practices for which it is inherently difficult to earn significant box office income and philanthropic and corporate support (e.g. new, avant guard, non-mainstream work). This is particularly so as we see increasing competition in philanthropic and corporate markets.

Other Revenue Sources: The competition for Philanthropy

Giving trends: In the USA, Arts and Culture ranks equal 8th (with Public Affairs) in the priority of investments made by foundations, after Education, Health,

Economic and Community Development, Human Services, International Relations, Human Rights, Environment and Animals, and at less than 24% of the value of the leading investment (Education).

Creative Partnerships Australia's Private Sector Support Survey 2020 reports there was an 11% decline in the value of total private sector support.

The Opportunity

The Australia Council's Arts Participation survey notes that four in ten Australians would like to attend more arts events (42%).

Similarly the Australia Council's Audience Atlas survey researched and provided evidence of latent/unfulfilled demand for live performance across all genres. See figure below).

An effective National Cultural Policy could:

Invest in the long-term sustainability of the arts by supporting the development of an agency that gathers, distils and makes available information for artists and companies to maximise and build their own audiences and the associated revenue.

The Audience Agency UK is one example of such an organisation. It is based on the premise that evidence and insights are compiled around the belief that audiences should be at the heart of any solution. The more we know, the better we serve them.

By way of an example, in an examination of ticket sales over the past 5 years by the Audience Agency it is identifiable that whilst audience attendance has remained almost static, that is with a 1% increase in audience attendance, the number of performances has increased by 20%, noting that capacities have reduced by 16%. In another report they found that 1/3 of people expect to attend performances closer to home than pre-pandemic.

Knowing this can affect how we program to be more successful, how to invest in marketing and how to increase revenue (and hence sustainability) for the arts industry. This is simply one example of the way an effective, shared data strategy could provide industry-wide support.

Culture Track is another similar organisation. It is a USA-based research entity dedicated to addressing the most pressing challenges facing the worlds of culture and creativity through research, education, dialogue, and action. Culture Track is a national survey of cultural consumers' attitudes, motivators, and barriers to participation, with reports shared for free.

Resources such as these, shared with the whole of the sector could transform attendance, access, participation and revenue.

A focus on audiences in the National Cultural Policy creates a great opportunity to determine a new strategy that shifts the traditional government funding paradigm to a focus on social entrepreneurialism.

This is not to abandon the value of arts for art's sake – far from it. It is simply to accept that the relatively static state of government funding over the past 30 years is unlikely to change. As such, **the earning capacity of the sector needs to be invested in**. This strategy also recognises that many art forms will never venture into the territory of commercial viability. Indeed these are often the critically important R&D arms of our ecology.

Recognising that some art forms have earning capacity and others do not, is a sensible strategy to consider where and how government funds are invested. It also raises the corollary issue of corporate and private giving. In these instances, for the most part, impact, reach and exposure are often critical factors that encourage investment. Burdening small and independent under-resourced organisations with an expectation of raising private money serves only to diminish their capacity for their primary function as creative engines. In turn it diminishes our ability as a nation to be innovative and explore new ideas and practices.

Investment in ongoing operational and administrative expenses for the sector (as opposed to new programs, projects and facilities) is generally unappealing to both corporate and private sectors. This tends to suggest that sustainability, particularly for the small to medium and independent sector, is dependent on government funding, yet sustainability for institutions and major organisations may be better focused on generating private and *earned* revenue.

Over time, and with an investment in the development of audiences, increased earned revenue by larger organisations is a key opportunity to sustain the industry. Funds currently directed to major organisations, once those organisations are sustained by significant audiences and the associated revenue, could be redirected to small to medium and independent organisations that do not have the same opportunities for generating earned (box office) revenue.

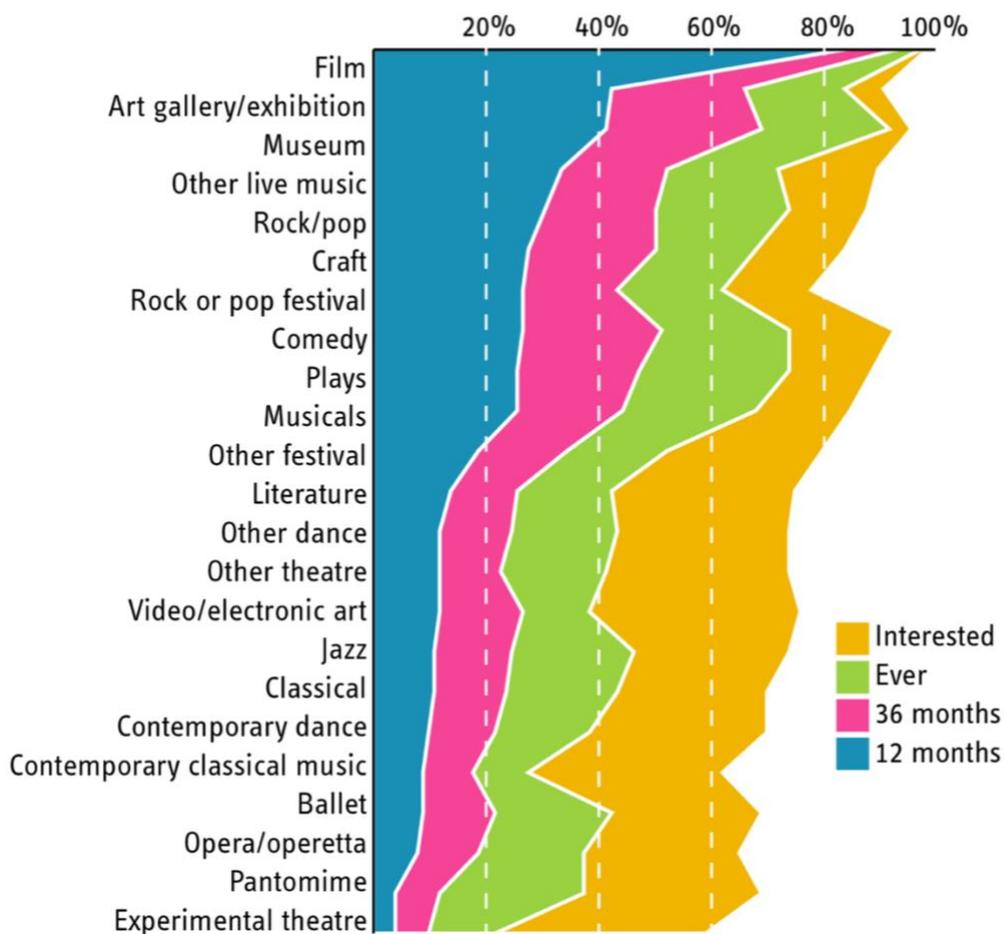
This would require an initial short-term (3-5 year) investment by government, supported by private investment, that would see the performing arts industry better able to stand on it's on two feet within existing (indexed) government investment.

In summary, an investment in audiences is an investment in:

- Activation
- Revenue
- Access
- Participation
- Inclusion
- Diversity
- Sustainability

REFERENCE:

The chart below shows the level of current and potential engagement for a number of different artforms.



[Source: Audience Atlas Survey 2013 Morris Hargreaves McIntyre]

STRONG INSTITUTIONS

- Capacity building strategies (often delivered through institutions) are critical to any future success.
- Strong performance is delivered by a combination of capability, resources and will. Increased capability and resources must be supported by drive, resolve and motivation. The need for a cultural champion in government is critical to the success of an ongoing National Cultural Policy.
- Hard cultural infrastructure is being wasted as a result of poor operational investment and cross government coordination. E.g. Facilities investment in by State and/or Federal Governments, left to be managed solely by Local government are often doomed to failure.

An effective National Cultural Policy could:

De-centralise the Australia Council, recognising its national remit and providing access more equitably throughout the nation.

A Percent for Program policy; this would see a percentage of any capital budget assigned to cultural infrastructure put to one side in a trust or equivalent for the purpose of programming within that cultural infrastructure. E.g. \$100 million build, requires 5% or \$5 million be placed in trust or invested with an annual return being used for a programming fund.

Provide a compelling argument for the three tiers of government to align policies and program objectives to:

- Reduce wasted resources (time, energy, attitude and money) in the industry in their efforts to seek financial and political support
- Reduce wasted resources in government by reducing duplication
- Increase productivity (outputs and outcomes) through increased efficiency and effectiveness
- Build industry capacity
- Create a shared *purpose* for all three tiers of government for the benefit of communities across Australia

CENTRALITY OF THE ARTIST

NOTE: My understanding from the briefing by Minister Bourke in regard to this pillar is that the term artist is to include Arts workers as well.

I believe:

A starting salary of \$54K for a professional dancer who has more than likely honed their craft since a very early age and endured highly competitive processes to achieve even an entry level position as a dancer, is simply unacceptable.

I recognise:

The arts industry, like other non-government organisations, is a complex industries within which to achieve success. Multiple outcomes are required (instrumental and intrinsic) and many and varied stakeholders are involved for both inputs and outputs. Productivity or financial success (i.e. profit) cannot be the sole goal of an entity nor can it be the driver for an arts manager. This complexity requires highly talented people in management and business. Attracting and retaining those people in highly competitive markets means that management remuneration needs to be competitive. Similarly, demands are increasing in terms of accountability for companies and company leaders. Altruistic benefits of leading arts organisations appear to be diminishing as risks increase, therefore making such positions less attractive.

Competing for funding simply serves to reduce productivity and often lowers the tide for all.

An effective National Cultural Policy could:

Create a function that enabled retiring arts managers to provide services for poorly resourced independent and small to medium entities (an arts manager volunteer/skills bank) and/or providing mentoring support for senior arts managers.

Invest in talent. Attracting exceptional talent requires an increase to base level salaries, and this means greater expenses for companies, which intern creates the need for additional revenue. Without this additional revenue it is likely that employment opportunities will reduce as artist numbers are rationalised, noting that accountability (associated with good management) is unlikely to abate.

A PLACE FOR EVERY STORY

I believe:

Putting the right story in the right place at the right time is fundamental to realising success in this pillar.

I recognise:

Not all stories are for all people or are appropriate in all contexts.

It is important to understand that more art in the marketplace is a good thing. The notion that the arts are competing for the same audience needs to be critically assessed. There is evidence to suggest that not only do different art forms not compete with each other but different genres within the same art form do not compete with each other e.g. i.e. more ballet doesn't mean less contemporary dance. More classics doesn't necessarily mean less original Australian work.

An effective National Cultural Policy could:

If we were to effectively segment our audiences psychographically as well as demographically (and share that information freely) then the ability for those stories to reach an audience and for the work to be successful is greatly enhanced. Effective segmentation and targeting reduces competition; it increases the variety in the offer made to the market, it increases the attractiveness of the offer (being more meaningful to the target audience), it raises the tide for all as opposed to increasing competition.

FIRST NATIONS

A National Cultural Policy that fails to promote and centralise Aboriginal and Torres Strait Island culture, fails to recognise who we are as Australians.

People wiser and less white than me should drive this agenda, walking together with policymakers who can enact the change that is needed.