

# TRANSCRIPT

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into the Victorian Government's Response to the COVID-19 Pandemic

Melbourne—Thursday, 13 August 2020

*(via videoconference)*

#### MEMBERS

Ms Lizzie Blandthorn—Chair

Mr Richard Riordan—Deputy Chair

Mr Sam Hibbins

Mr David Limbrick

Mr Gary Maas

Mr Danny O'Brien

Ms Pauline Richards

Mr Tim Richardson

Ms Ingrid Stitt

Ms Bridget Vallence



**WITNESS**

Mr Joe Toohey, Co-convenor, Arts Industry Council (Victoria).

**The CHAIR:** We welcome you to the second series of public hearings for the Public Accounts and Estimates Committee Inquiry into the Victorian Government's Response to the COVID-19 Pandemic. The committee will be reviewing and reporting to the Parliament on the responses taken by the Victorian government, including as part of the national cabinet, to manage the COVID-19 pandemic and any other matter related to the COVID-19 pandemic.

We ask that you note that members are attending these hearings remotely from their homes and from their electorate offices, and we ask that people note that members are not required to wear a face covering if they are working by themselves in an office under the stay-at-home directions of 6 August, part 2, section 7(i). We advise you that all evidence taken by this committee is protected by parliamentary privilege. Therefore you are protected against any action for what you say here today, but if you repeat the same things outside this forum, including on social media, those comments may not be protected by this privilege.

You will be provided with a proof version of the transcript for you to check. Verified transcripts, presentations and handouts will be placed on the committee's website as soon as possible. We invite you to make a brief opening statement of no more than 5 minutes. We ask that you state your name, position and the organisation you represent for broadcasting purposes, and this will be followed by questions from the committee. Thanks, Mr Toohey.

**Mr TOOHEY:** Thank you, Chair, and thank you to the committee for this invitation to speak again today. I am on the land of the Kulin nation, and I extend my respects to their elders, past and present. My name is Joe Toohey. I am here today as a member of the Arts Industry Council of Victoria. When we last spoke I summarised some of the immediate impacts of COVID-19 on our sector and shared some of the characteristics of the industry that made this so. Today I will provide some updates on new data that has been published, summarise some ongoing challenges and some examples of what the government has already done or can do further to help, all under three general themes, and those are: sector uncertainty, audience feedback and sentiment, and inequity.

Firstly, on the uncertainty facing the sector, the total number of payroll jobs fell by 15.1 per cent between 14 March and 25 July in the arts and recreation sector, second only to accommodation and food services. We know that 75 per cent of cultural industry participants were uncertain about future demand in mid-June, and I note that that was before the second lockdown really took effect in Victoria. Seventy-nine per cent say they will require additional funds and 65 per cent want resources to help gauge if audiences will return. Fifty-eight per cent will need that support for at least a further 12 months.

Secondly, to audiences, nationally between May and July 2020 the proportion of past attendees ready to attend a cultural event as soon as they were permitted increased from 22 per cent to 28 per cent. That is an increase of 6 per cent nationally. In Victoria, however, that number remains at 20 per cent, 8 per cent below the national average. This is more than a commercial challenge. The heavily volunteer-driven museum sector, for example, recently found that 75 per cent of their members were concerned about the lack of engagement that they have been able to maintain with the community. Nationally, 42 per cent of past attendees had made plans to attend an event of some kind, but that figure was lowest in Victoria, at 34 per cent. Encouragingly, 36 per cent of people are now paying for online experiences at July.

Thirdly, on inequity, the same inequities we observe in society generally are evident in the arts. To pick one out of many examples, 76 per cent of young people aged 15 to 19 years are employed on a casual basis, compared to 25 per cent of the overall workforce. Young people are almost twice as likely to be unemployed as the general population. It means that our young and emerging artists are particularly vulnerable. They often find the going tougher than most when trying to access competitive funding programs. Similar examples could be presented about issues facing First Peoples, disability, culturally diverse and regional creatives and the communities that they work with.

Challenges like this contribute to a situation where we are dealing with artists and organisations that are facing substantial mental health challenges influenced by the precariousness of the current situation. A number of

state, federal and local government initiatives have been launched for the creative industries in response to these and other challenges since we last spoke. These are in addition to extending general programs like JobKeeper and the Business Support Fund of Victoria, which also play a part. Importantly a number of regular grant programs have also been relaunched at both a state and a federal level, and funding bodies have, as a general rule, been flexible [Zoom dropout]

As I mentioned last time, this mix of flexibility and rolling responsive programs will continue to be needed because it is clear now that the recovery will not be linear or even; it will be cyclical. We need to be prepared to repeat or extend current initiatives to reflect circumstances that repeat or extend. Future programs will also need to address these challenges of sector uncertainty, managing audiences and dealing with inequity. When dealing with uncertainty, support programs may need to focus less on outcomes that are hard to guarantee at the moment. When we do look to reopen, programs that can help underwrite event cancellation risks, such as that recently introduced by the Western Australian government, could be considered. For audiences, support that helps hybrid performance models—so a combination of online and offline—or guarantees against loss programs would be welcome. Additionally anything that helps local artists connect to their local audience and community during movement restrictions will be easier to deliver earlier.

For managing inequity, targeted initiatives for First Peoples, deaf and disability groups and regional artists, as we have seen in earlier Victoria programs, should continue, and initiatives that support young people and those from culturally and linguistically diverse backgrounds could also be added to this mix.

As I noted last time, we welcome the opportunity to work through the coming phases of recovery with all levels of government. Once again, to the artists and arts organisations who might be listening, for the role that you are playing in our community to get through the recovery effort, thank you.

**The CHAIR:** Thank you, Mr Toohey. I will hand the call to Mr Maas, MP, for the first questions.

**Mr MAAS:** Thank you, Chair. Thank you, Mr Toohey, for your presentation and for your appearance before the committee this afternoon. Look, the creative industries have obviously been one of the hardest hit sectors during COVID. The Lord Mayor, Sally Capp, earlier today noted it had been disproportionately hit in the City of Melbourne, and of course the impacts have been well publicised. Could you inform the committee: what have been some of the ways organisations and creatives have been able to innovate and to adapt to new ways of doing things and do you think this will also lead to some sort of post-COVID change as well?

**Mr TOOHEY:** Well, the answer to the second one is ‘I hope so’, and there are some really great live examples at the moment about how particularly a couple of festivals have managed to adapt to changing circumstances. The Melbourne film festival has moved its entire program online, which is running right now. The Melbourne Writers Festival is also running all of its sessions online and even with stage 4 restrictions in place managing to have author interviews running from people’s homes. Regionally the Art Is ... festival in Horsham ran an exhibition in shop windows that you could take in as part of your daily walk when you were able to get your daily exercise. So we have seen examples like that, and a number of other festivals and galleries have done some great behind-the-scenes tours or artist talks in lieu of being able to present those in person.

I think for a lot of those we are used to, as audience members, watching films at home and online and paying for it, and we are used to reading books at home and paying for those as well. I think it will be a transition and adapting process, and in terms of how it carries forward, it is still I think in early development stages in some of the other art forms. I think in particular for live performances, when you are experiencing a live music performance or a live theatre show in a live venue it is with professional lighting and sound treatment and a range of other benefits that maximise that experience as well as obviously being there with other people. So it is not something that you can necessarily recreate in every household. But I think what we are starting to see from a number of organisations is adapting. Rather than just trying to recreate what they have previously done online, they are trying to create experiences from scratch that can be delivered in that way. So I am really hopeful that that kind of work continues, and as I might talk about a little bit later if the question comes up, there are advantages for audiences I think in having those different options available.

**Mr MAAS:** Look, I am happy to let you go on there. In terms of those audience advantages, what do you think those are?

**Mr TOOHEY:** Writers Victoria has talked about the fact that they feel like with their writing workshops and events that they have been able to reach people that they have not been able to before, because those people, for whatever reason, have not been able to get to events. It might be a single parent at home with kids, for example, or those who have not been able to travel long distances to those events, or perhaps they have been held in buildings that were not accessible for everybody. So that audience and that group, Writers Victoria, has reflected that the online focus and seeing things delivered remotely has opened up new audiences for some of their programs. A number of the public galleries have also noted that they have been able to extend their reach beyond their immediate geographic footprint with online audiences as well. I think we have seen programs like Delivered Live delivering music into our homes as well, which is not an experience that, I guess, was widespread before.

Just in terms of that access to audiences, I think some of us have been able to do it well quite quickly and for others it has been a slightly longer road. Ausdance Victoria have reported that about 65 per cent of their members, a lot of whom are dance schools, have moved their programs online, often at some cost, but that their workshop attendance rates have dropped by about 50 per cent across that group. When you are talking about an art form like dance, you do not necessarily have the equipment or the space at home, and sometimes potentially at the moment you have lost income to be able to pay for those workshops. I think different parts of the sector are adapting in different ways. In terms of online programs, a lot of the things that have been developed were considered short-term solutions, so they have been offered for free, which is obviously a bit of a challenge that we will need to address if it is going to become a more permanent part of the program. But certainly there are a couple of different groups that have said that they have been able to access audiences that they might not have been able to reach before.

**Mr MAAS:** Excellent. Thank you very much for that. In terms of tailored support for the creative industries, the Victorian government provided a \$90 million survival package, and that includes \$13 million for the independent sector and \$4.7 million for individual practitioners. How has that been received by the sector?

**Mr TOOHEY:** It has been really well received. Just as a comparison, I guess, you have the \$90 million that has been offered by the Victorian government, and in some of the other jurisdictions, Western Australia has just recently announced about \$76 million that included some infrastructure upgrades to cultural infrastructure as well; New South Wales is \$50 million plus a little bit extra; and quite recently we have seen at a federal government level some new initiatives announced—about \$250 million, including \$90 million of loan programs at a federal level. When you consider it in the mix of where it stands across the country at the moment, it is really great to have seen and to have that level of support. More important or just as important as the dollar figures, I guess—those targeted programs within those packages have gone to places where the support has been quite desperately needed. The live music venues program that closes today that has been offered in Victoria really responds to what has been quite an urgent call from a number of those live music venues for support.

**Mr MAAS:** Yes, the live music venues in particular have been hit. Of course Melbourne in particular, and Victoria more broadly, has a terrific reputation for its live music. I was wondering if you could expand a bit more—you said that recovery would be cyclical. How do you see that unfolding and the various sectors interplaying within that?

**Mr TOOHEY:** Yes. Look, I guess it is a realisation that I came to with a bit of a thud when the restrictions were announced again. I think in a lot of my planning and thinking for what was needed in the organisations that I work with, but also the sector more generally, I kind of presumed that we would go through this lockdown phase of just needing to provide some quite immediate relief but then we would start to gradually reopen and that would involve programs that would help us run events at a smaller scale in a COVID-safe way and then we would slowly start to expand upon that. It is clear that it is not going to be quite as linear as that, so into our planning now there are considerations that we need to have that are: what happens if we need to go into lockdown again?

If I could give an example of a performing arts touring environment, if you have got a band that is on tour or a theatre group that is on tour through regional Victoria and a lockdown or a breakout is reported in one of the places that you have either just been to or that you are just going to, there are some complexities that we would need to work through there for that particular touring party about whether we bring them home, about whether they need to stay where they are, about whether they need to self-isolate, about whether they need get tested

that have made that already quite tricky logistical exercise of putting a show on the road trickier again. That has been one of the more sudden realisations, I guess, that I have had in moving back into a lockdown phase.

Where we have seen programs that have been announced from federal and state government, even now, particularly in some of the other states and that national package that I mentioned earlier, a lot of them are still largely about helping us to prepare to be open again and to reopen, and I think we just have to be aware that it might be more complicated than that. It might be that the first round of programs that were announced might need to be repeated or extended, or we might need to ensure that the way that those programs are offered allows us to be, as I said in the opening statement, flexible about what kind of outcomes you can guarantee to provide, because that uncertainty means that guarantees are in short supply.

**Mr MAAS:** Thank you. Could you see cultural tourism being a part of this recovery effort, particularly, say, throughout regional Victoria?

**Mr TOOHEY:** Absolutely. Just before the lockdown the Australia Council for the Arts released a domestic arts tourism research report, and a couple of things that it found were that domestic arts tourism is growing, that domestic arts tourists tend to travel further, stay longer and spend more. Their reflection is that all of our regions offer something different culturally, which is increasingly part of the conversation in tourism strategies—that having that unique offering is really important, and arts and culture can play a big role in helping destinations be culturally unique, but also that the destinations where tourists are especially likely to engage with the arts are in regional Australia.

The tourists who were going to regional areas already were looking for these cultural experiences, so I think the opportunity that we have with our borders being indefinitely closed means that we can build on what is happening at a local level, showcase our local artists and institutions, like our galleries and performing arts centres, and invest in those local outcomes, because the tourism demand for it, as evidenced in that Australia Council report, is there.

There is also an opportunity that across our artforms we might be able to present things in non-traditional spaces. So music in galleries where there is a trusted audience—an audience has a trust in some of those spaces because they have got local government or other institutional backing. I think there is a really strong role that the arts and culture can play in contributing to that, particularly in regional areas, contributing to the rebuild.

**Mr MAAS:** Thank you. And still with your regional arts hat on, would you be able to relay to the committee what your experience has been in assessing regional applications through the Victorian government's Sustaining Creative Workers initiative?

**Mr TOOHEY:** Yes, so Regional Arts Victoria managed the regional stream of that program. For those who do not know, it was quite a simple application program and it did not need to have confirmed outcomes. We had through the regional stream about 400 applications in five weeks, and just to give a sense of how many that is, for a similar program that we run on an ongoing basis, that is more than we would normally get in five years. It was an extraordinarily high demand for the program.

It reached across the entire state, and some of the things that we saw coming through that people were proposing were quite exciting. We saw a research project, so people researching a new theatre work; professional development opportunities, so a couple of people wanting to advance their film and animation skills whilst they were working in lockdown. People were adapting the way that they would deliver performances. A really great one was a drive-in performance, where you would drive in to a space and be able to hear a radio play over a short-wave transmission within that space but still stay in your car. A lot of people were looking to update in terms of marketing, so updating their sales capability through their websites or providing more appealing, I guess, and professional offers in terms of how they presented themselves online.

It was a great diversity of outcomes that we saw through the regional stream, and I understand it was very similar in the other streams as well. I think that was an excellent program and one that is a great example of when I was talking about cyclical changes. Programs like that that were designed for the immediate phase are ones that might be successfully delivered again if we are going through these cyclical changes.

**Mr MAAS:** Thank you, Mr Toohey. I have no further questions. Thanks for your time.

**The CHAIR:** I will hand the call to Ms Bridget Vallence, MP.

**Ms VALLENCE:** Thank you, Chair, and thank you, Mr Toohey, for again appearing before our inquiry. You presented to the inquiry at the previous hearings and you mentioned then that 81 per cent of artists—I think that was the figure you provided—are freelance and self-employed. These are sole traders, and I know that there has been some support outside for people involved in the arts sector, but as sole traders are you hearing at all any concerns around the lack of support from the government for sole traders in that space?

**Mr TOOHEY:** Yes. Just in terms of giving a bit of an indication of access to some existing programs, we have got two recent surveys that were completed by Music Victoria and Theatre Network Australia, so a theatre and a music-targeted survey, and in those two surveys 38 per cent and 37 per cent respectively said they were not able to access JobKeeper or JobSeeker, and there is a range of reasons for that. I will not go into all of those now. I think they have been documented.

The point that I would emphasise I guess is that we are talking about those creative industry programs and those targeted packages as complementary to some of those broader economy-wide initiatives, and that is important and that will play a role but we do need to be conscious of the fact that a lot of people that are seeking creative-industry-specific support might not have been able to get any support from anywhere at all. So we are seeing some of our other peak bodies like Theatre Network Australia and the philanthropic organisations come together around some crisis cash for artists, where they have been offered \$1000 just to pay the rent and the electricity.

**Ms VALLENCE:** So some of the support that has been provided by government has been on the more macro level for organisations, but getting down to those individuals who are self-employed are you hearing that some of those still do not have any support from state government business support?

**Mr TOOHEY:** Yes, it was a general question. So the support that they have been able to access from either state or federal government in a number of cases they have not been able to access—so yes—from either of those sources at the moment. It is particularly challenging for them, and if they are then looking at creative industry programs or targeted programs about projects and professional development and some of those great examples I gave before, they might not even be in a position to think about that because they still have not quite figured out how they are going to pay the rent or the electricity bills.

**Ms VALLENCE:** They are some of the most basic things, paying the rent and the electricity. Have you provided any advocacy at all, raised that at all with the government around the fact that their Business Support Fund did not extend to sole traders, which would capture a lot of individuals in your sector? And if so, did you have any response?

**Mr TOOHEY:** No, we have not provided that. We have not provided that feedback.

**Ms VALLENCE:** Okay. The particular COVID landscape that we had at the last hearings was quite different. We were sort of coming out of the first wave, and you mentioned modelling, indicating that at that stage the modelling was showing that your sector would not be returning to normal levels of activity until around quarter 4, 2021. Now that we are well and truly into the second wave outbreak and the second lockdown stage 4 restrictions, what is your modelling indicating now?

**Mr TOOHEY:** Yes, so that modelling was published by KPMG in a newspaper report. I would suspect—and I gave in my introduction a couple of comments—that there are a number of organisations saying they will need at least 12 months of support from June or July this year. I know that a lot of our local government partners, who are quite critical in the ecosystem for the creative industries, have made a lot of their budget decisions through till the middle of next year already because that is the budget cycle that they work on. And so that will mean that a lot of the performing arts centres and galleries working in those spaces are probably expecting that they are going to be in a holding pattern for at least a chunk of that time. So I would expect that if it has not confirmed that it is going to be locked down to the end of the final quarter of 2021 that is certainly the time line that we are looking at at the moment. And even those programs that were still looking at a being able to deliver later in this year—you know, some of the summer festivals and music festivals, for example—it is getting pretty close to crunch time for those, and we would expect that some of those that were a little more optimistic are probably less so now as well.

**Ms VALLENCE:** You mentioned in your answers earlier that from the tourist perspective they are most likely to consume arts in a regional setting. And, you know, we have supported the performing arts and local regional galleries very much from a coalition perspective. We know that many of the local regional galleries and performing arts centres are actually owned by local councils, but we understand there is a bit of conflict there between the state government and the local government from a funding perspective. To what extent do you see that the state government should be stepping in now, given the circumstances of the pandemic, to provide support and negotiate a package for some of these regional arts centres?

**Mr TOOHEY:** Yes, look, the performing arts centres and the galleries are critical to our ecosystem, and they need support. Where that support comes from—whether it is state, federal or the different local governments that can provide it—is a question that I can only answer by saying that it needs to come from somewhere. I am not across all of the intricacies of who is responsible for what. What I do know is that, as far as those performing arts centres and galleries are concerned, we need them, and we need them in our programming. I would also say that a lot of universities who own galleries and a couple of performing arts centres have been excluded from some support programs as well. It is a sector that has traditionally relied pretty heavily on being able to run workshops and do fundraisers, neither of which they can do right now. So if we are going to have them involved in the recovery, any recovery packages that are designed and delivered by state or federal government need to consider that those performing arts centres and galleries that the local governments own need to be part of those considerations.

**Ms VALLENCE:** Okay. Obviously we know—you have said in your opening presentation—the challenges that your sector is experiencing, and uncertainty is a significant factor this time as well. Would you say that there have been concerns from businesses in your sector around contracts where there have been cancellations of events—and whether there have been any issues surrounding the application of force majeure in terms of contract cancellations? For example, has the lack of clarity from government orders or the delays and changes to restrictions had any impact around those cancellations of contracts?

**Mr TOOHEY:** Yes, so the very short version of how cancellation clauses work is that whoever decides to make the cancellation will tend to wear the financial fallout of that. The exception is where there is a force majeure clause in effect, which includes an act of government. So if the government says you absolutely cannot open or this absolutely cannot go ahead, the idea is that both parties will walk away from that arrangement. And you can argue about how fair that is to the different parties, but that is the contractual setting for it. So when you might hear people from within our sector or some others talking about whether they are still able to do certain things, it is not necessarily because they are looking for loopholes or trying not to do the right thing; it is to get some kind of contractual clarity on where they stand on those cancellation clauses.

**Ms VALLENCE:** Are they getting that clarity from the government side?

**Mr TOOHEY:** Well, some of them will give a different answer to that at different times. So when we have received—

**Ms VALLENCE:** We need more clarity then?

**Mr TOOHEY:** Clarity is key

**The CHAIR:** Sorry, Ms Vallence, your time has expired. I will hand the call to Mr Sam Hibbins, MP.

**Mr HIBBINS:** Thank you, Chair. And thank you, Mr Toohey, for appearing today before the committee. You gave some figures in your opening presentation in regard to job losses and losses of artists off payroll. I think you gave percentage figures. Are you able to provide those figures in total numbers to the committee?

**Mr TOOHEY:** I could take that question on notice.

**Mr HIBBINS:** Great, thanks. And do you also have figures in terms of lost hours and underemployment as well?

**Mr TOOHEY:** I would have to take that question on notice as well, and I would be reliant on the ABS to be able to provide those. I am quoting secondary sources.

**Mr HIBBINS:** Okay. In terms of job losses, in this pandemic young people have been the worst hit, and I suspect that—as I think you indicated—that might be the case in the arts industry as well. Are you able to elaborate on the particular challenges they face? You mentioned in regard to competitive funding grants they might be at a disadvantage in terms of accessing those sorts of grants.

**Mr TOOHEY:** Yes. For a lot of the creative industries and for the arts, art programs have been open application programs. We have seen a couple of streams, as I mentioned in the introduction and as people have seen as well. There was a regional stream, there was a First Peoples stream and there was a Deaf and disability stream through the Sustaining Creative Workers program. What is great about that kind of approach is that it means that you get those guaranteed outcomes for those groups who typically do not have the same level of application or success rate in other funding programs. So if you are looking to get and guarantee outcomes for those groups that historically have missed out in those over-competitive rounds, the most sure-fire way to do that is to have some kind of guaranteed stream.

**Mr HIBBINS:** Okay. So is there one particularly for young people at the moment?

**Mr TOOHEY:** Not that I am aware of. Not within the creative industries.

**Mr HIBBINS:** Yes, but that could be something that supports young artists.

**Mr TOOHEY:** Yes.

**Mr HIBBINS:** You mentioned the need for certainty of some of the grants and the funding streams, given the cyclical nature of the pandemic. Are you concerned that without that certainty—and we talked about this at your prior hearing—some artists are just opting out and we are just actually losing some artists to the field altogether?

**Mr TOOHEY:** Yes, and for two reasons. One is that I think there is not a lot of movement within the sector just at the moment. So for people who do have jobs within the sector, there is not too many other places for them to go. There is not a lot of mobility within the sector that might open up those opportunities for employment. I think some of the advice that we have received from the Push, which is a music industry advocacy agency working directly with young people, is that a lot of those opportunities, particularly for young and emerging artists that might [Zoom dropout] in the field are not able to—might miss out on those opportunities as a result as well and as a result might just [Zoom dropout]. It is particularly unfortunate timing, I think, for some of those people that just are looking to break into [Zoom dropout].

**Mr HIBBINS:** All right. Terrific. Thank you. No further questions.

**The CHAIR:** Thank you, Mr Hibbins. On that note, if there are no further questions, Mr Toohey, we thank you very much for taking the time to appear again before our committee today. The committee will follow up on any questions which were taken on notice in writing, and responses will be required within five working days of the committee's request. The committee will now take a short break before the consideration of its next witness, and we will adjourn this hearing. Thank you.

**Mr TOOHEY:** Thank you, everybody.

**The CHAIR:** Thanks.

**Witness withdrew.**