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BUSINESSNEWS

ARTS
SPECIAL REPORT



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Money can't buy peace of mind for the arts



West Australian Ballet
demi-soloist Alexa Tuzil,
preparing for her role in *Dracula*.



13

WEEKS
WITHOUT ARTS
PERFORMANCES
IN 2020

WA Ballet artistic director Aurélien Scannella and demi-soloist Alexa Tuzil.
Photos: David Henry

The 2020 balance sheets of WA arts companies appear strong, but performance anxiety lingers.



Madeleine Stephens

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WESTERN Australian arts companies have defied COVID-19 shutdowns to post healthy financial results for 2020.

Despite COVID-19 restrictions causing performances to be cancelled, exhibitions to close, and artists to be put out of work, the bottom line of most arts companies was not adversely affected by WA's 13-week shutdown at the start of the pandemic last year and subsequent capacity restrictions.

Total revenue for the top 10 arts companies dropped marginally, from \$181 million in 2019 to \$174 million in 2020.

JobKeeper helped most organisations, especially those with large workforces.

The four major arts companies – WA Symphony Orchestra, West Australian Ballet, WA Opera and Black Swan State Theatre Company of WA – received a combined \$6.7 million in JobKeeper payments.

WA Symphony Orchestra, now ranked as the fifth largest arts and cultural organisation on Data & Insights, posted similar revenue in the 2019 and 2020 calendar years.

The state orchestra's 2019 revenue was \$19.7 million, only slightly higher than its 2020 revenue of \$19.5 million.

"But when you look at the component parts of that revenue

and turnover, it's fundamentally different," WA Symphony Orchestra chief executive Paul Shannon told *Business News*.

"What is fundamentally different is that we lost 70 per cent of our box office.

"Straight away, all that revenue that you are totally reliant on to keep paying your employees ... 70 per cent of it has disappeared."

COVID-19 affected WASO most dramatically in terms of ticket sales, which fell from \$5.1 million in 2019 to \$1.6 million in 2020.

The pandemic followed an already challenging period for WASO.

"We had quite a difficult year ... we made quite a sizeable loss in 2019 ... it couldn't really be a worse time," Mr Shannon said.

"There was an element of financial weakness going in and then you hit a pandemic that you never saw coming, so you don't have the financial strength that you particularly want."

However, WASO made a profit of \$4.6 million in 2020, compared to a \$664,745 loss in 2019.

"It is perverse that our bottom line looked a lot better on the same turnover but some of the costs that you incur in performing are variable and you don't have those," Mr Shannon said.

WASO received \$3.5 million in JobKeeper payments, which Mr Shannon credits for keeping the organisation afloat.

"JobKeeper was that piece of the puzzle that made up for the fact that our turnover had just gone through the floor," he said.

Without the buffer JobKeeper provided, the orchestra would not be in a financially sound position.

"Really, that positive result on the bottom line last year is really like our vaccination for the uncertainty of COVID impacts going forward," Mr Shannon said.

WA Ballet's 2020 financial report described the COVID-19 pandemic as 'financially positive'.

The company, ranked as the eighth largest arts organisation on Data & Insights, posted a profit of \$5.9 million in 2020, a significant increase from its \$1.9 million profit in 2019.

The biggest boost to WA Ballet's balance sheet was the \$1.9 million it received from JobKeeper.

It also received a grant of \$1 million from Lotterywest, one of the largest grants given under the COVID-19 Relief Fund, to cover the lost ticket income from *The Sleeping*

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Paul Shannon became WASO's permanent chief executive in July.

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Beauty, STATE and the organisation's workshops.

The costs of performing were lower, decreasing from \$3.1 million in 2019 to \$1.9 million in 2020 after the season was disrupted during WA's initial shutdown.

Donations rose from \$2.5 million in 2019 to \$3.7 million in 2020, which included \$2.3 million to WA Ballet's endowment fund.

It was a record year for private donations, which were up 12 per cent to \$1.4 million.

According to WA Ballet's annual report, the increase could be attributed to people donating their tickets back to the company when shows could not be performed.

WA Ballet executive director Olivier David said the company received a strong increase in support from donors.

"I think last year with COVID we could see that lots of people were very supportive, not necessarily about the arts but there were also the bushfires in January last year and then COVID in March, so I really believe people were more engaged with philanthropy in 2020," Mr David told *Business News*.

"Normally our philanthropic income would represent about 20 per cent but I think it increased up to 30 per cent last year."

WA Opera, the ninth largest arts company, also increased its revenue and profit in the 2020 calendar year.

It realised a profit of \$1.6 million in 2020, compared to \$221,396 in 2019.

“There was an element of financial weakness going in and then you are hit a pandemic that you never saw coming - Paul Shannon

Revenue at WA Opera increased from \$5.9 million in 2019 to \$7.1 million in 2020, helped by \$731,529 worth of COVID-19 relief funding, including \$557,550 from JobKeeper.

Despite cancelling *Star Navigator*, *Cavalleria rusticana & Paglicacci*, *Elijah*, *Opera in the Pinnacles* and Wesfarmers singing classes, revenue only decreased from \$1.2 in 2020 to \$1.1 million in 2019.

WA Opera executive director Carolyn Chard said the company had redirected funds to the 2021 season to reschedule cancelled shows.

A revaluation of Fortescue Metals Group shares to \$1.9 million, gifted by FMG founder Andrew Forrest, boosted the company's 'total comprehensive income'.

Black Swan State Theatre Company of WA also revaluated its FMG shares, which doubled in value from 2019 to \$1.7 million.

The theatre company's revenue remained steady between 2019 and 2020, receiving \$5.1 million and \$5.3 million, respectively.

Its box office sales were only slightly impacted, reduced from \$1.2 million in 2019 to \$1.1 million in

2020, and the company also received \$730,000 in JobKeeper payments.

FORM executive director Tabitha McMullan said while organisations had survived financially, it had come at a cost.

FORM, ranked as the 11th largest arts and cultural company on Data & Insights, had similar revenue in 2019 and 2020 (\$1.4 million and \$1.2 million, respectively).

"While a lot of organisations, particularly in WA, have come through relatively okay financially, there is definitely a lot of burnout from having to sustain that and come up with multiple contingency plans ... applying for extra government funding and worrying about staff, their ability to remain solvent and keep staff employed," Ms McMullan told *Business News*.

"I think the team is pretty burnt out from getting that result and I think it's not an accident that the year after COVID is when there has been a major turnover of senior management."

Ms McMullan joined FORM as executive director at the end of June 2021, replacing Lynda Dorrington, who had been at the helm for the past two decades.

FORM's board has undergone a leadership change, too.

After eight years, Paul Chamberlain resigned as chair and has been replaced by experienced director Tim Shanahan.

Staff moves

Ms McMullan said similar changes had occurred across the sector in WA.

"I think you can see that across the industry, there is a lot of turnover across the senior level and I think a lot of it has to do with burnout," she said.

Nearly all four of the state's major arts companies have undergone changes to senior staffing recently, with WA Opera the only one of the four to keep its key leaders.

Rick Heath was appointed executive director of Black Swan State Theatre Company of WA in early 2020, just before the pandemic hit.

Black Swan chair Nicola Forrest announced she would resign from her position in May 2021 and was replaced by Francois Witbooi.

Last month, artistic director Clare Watson announced her intention to leave the company at the end of the year.

WASO has also undergone leadership changes after former chief executive Mark Coughlan resigned in May 2020.

Mr Coughlan was replaced by Mr Shannon on a temporary basis, before

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Sneakers & Jeans

functions, events & everything in between



Photos: Peggy Saas

ANDY FREEMAN ON CREATING UNFORGETTABLE HOSPITALITY EXPERIENCES

Delivering great hospitality is an imperfect science, but four venues later and a brewery in the pipeline, Perth hospitality legend Andy Freeman seems to have figured out a trusted formula – and Perth’s hospitality scene is immeasurably richer because of it.

Freeman is CEO of Perth-based hospitality group, Sneakers & Jeans (S&J) and a well-respected figure in the Australian hospitality industry. Originally established as Two Bit Group in 2015, the company soon grew into a multi-venue portfolio that was later rebranded S&J with business partner and S&J Group GM, Lachlan Howarth.

The multi-venue S&J portfolio continues to amass an array of accolades – including ‘Employer of the Year’ at the 2020 Business News Rise Awards and the highly coveted ‘Group Operator of the Year’ at the AHA Awards for Excellence in both 2019 and 2020.

When Varnish on King opened back in 2013, it was all about the whiskey, bacon and pumping music. Similarly, when The Flour Factory opened a year later – the focus was on the Gin and modern Australian cuisine within a beautiful restored Heritage space. The 2017 opening of Caballitos was doused in tequila, tacos and a “well-loved” dancing pole – and the 2018 opening of Hadiqa’s beautiful rooftop fused together colourful Middle-Eastern cuisine with incredible experiences and aesthetic appeal.

The highly anticipated Pirate Life Perth is set to increase the S&J venue portfolio to five later this year, boasting a reserved private dining room overlooking the main brewery, a casual fine dining restaurant and showcasing a multitude of venues and experiences under one roof – including a tasting room. The mega-brewery is already a highly sought after destination for functions and events – which S&J HQ are currently maintaining a waitlist for.

Indeed, it’s easy to see why people may think that aside from flavoursome food, classic beverages, great

atmosphere, music, and the occasional ticketed event – there’s little else a successful hospitality venue can offer... Cue S&J. Self-proclaimed ‘Architects of Revelry’, the team thrive on offering more than just a venue – rather curating and inspiring unforgettable experiences, moments and memories.

It’s fair to say the thousands of functions and events hosted by S&J over the last eight years have been nothing short of... varied. Long-table luncheons, corporate sundowners and black-tie ceremonies aside, they’ve had llamas as special wedding guests at The Flour Factory, live tattoo artists inking custom flash tattoos at Caballitos, booked comedian Arj Barker for a corporate event gig, seen snake charmers and belly dancers shimmying around Hadiqa’s rooftop terraces, had aerial artists swinging from the beams of The Flour Factory, hosted fashion showcases and product launches for iconic Australian and International brands, hosted multiple Supanova events... it’s all happened at S&J.

“It’s not unusual for us to host a few hundred functions and events across the group each year. It’s a huge part of our business” says Freeman. “Our secret sauce? We endeavour to offer something different. Like our eclectic portfolio, no two S&J venues are the same – no two functions or events are the same either” smiles Freeman. “We create unique experiences, we love what we do – and we have fun doing it. If we love what we do, our clients will too.”

A dedicated events team oversees the S&J functions and events offering, which is segmented into four key pillars: Group Bookings, B2B Corporates, Weddings and Social events. The team are tasked with delivering on a client’s specific brief – whether it’s a special birthday, engagement, sundowner – and everything in-between.

“Retention is incredibly important – trusting us with your events is paramount. We listen to what our clients want and we deliver. We strive to constantly

offer inspired interactivity – tailoring our offering to suit demand, as creatively and uniquely as possible.”

Indeed, it’s not unusual for the S&J events team to take a regular event offering from a venue in the S&J portfolio – such as a Whiskey Masterclass tasting at Varnish or the Shake, Taco & Twirl experience at Caballitos – and modify it to suit a corporate client. It’s quite common to see corporates stepping behind the S&J bars to shake up custom-created cocktails or learning to belly/pole dance with the resident Hadiqa and Caballitos dancers.

“We thrive on innovation, creativity and interactivity – injecting some revelry into our corporate offering comes naturally to us” says Freeman. “Engineering experiences is our jam and we’re excited for what’s to come!”

If the current S&J portfolio is anything to go by, we can be sure of one thing – the addition of Pirate Life Perth is not only going to be an impressive offering, it’s going to be a unique one too. Perth’s hospitality scene is set for a shake up!

Chasing a function or event as unique as your team?

S&J are offering Business News readers **up to \$500 off** bookings made before 30 November 2021.

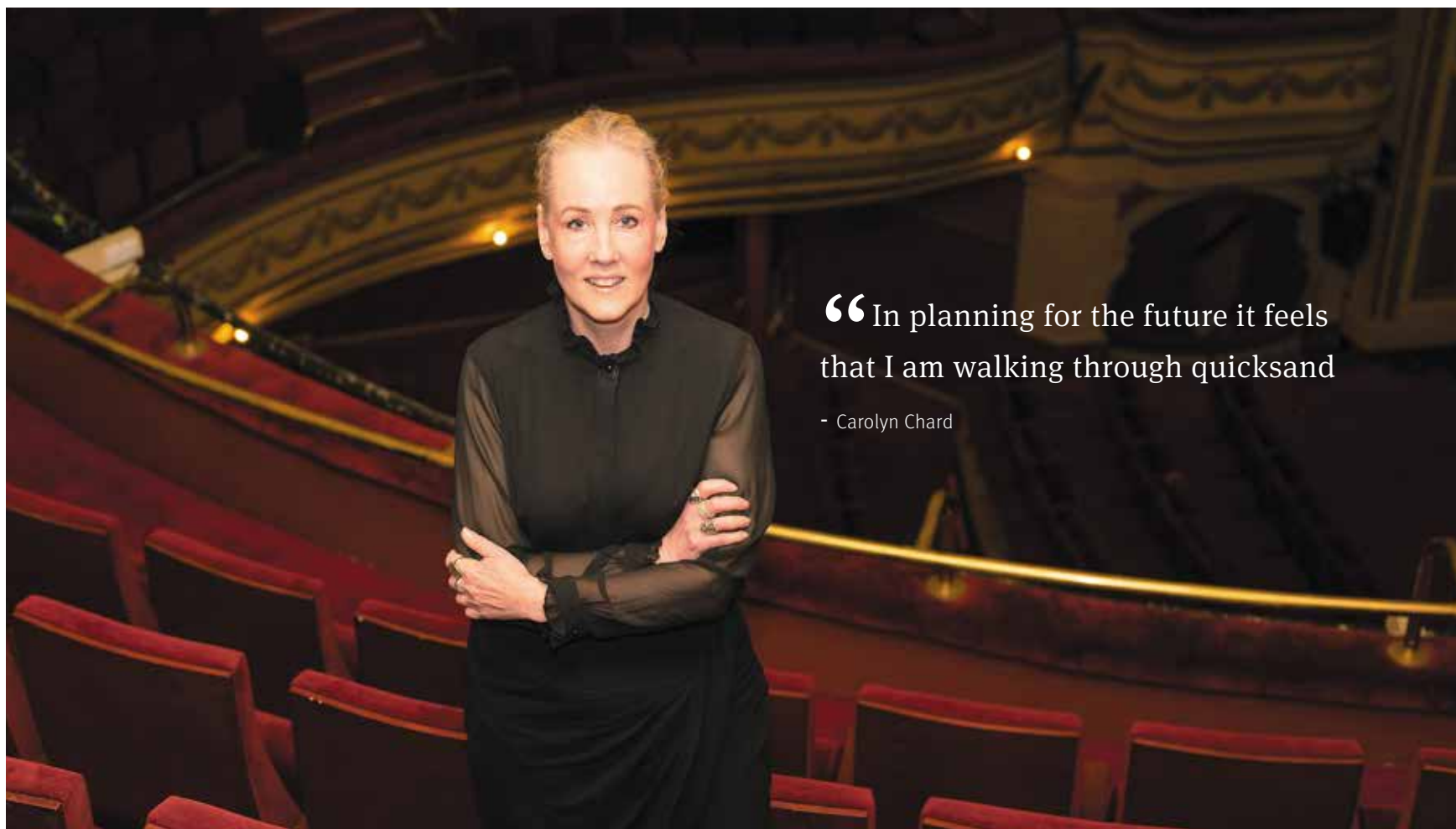
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“In planning for the future it feels that I am walking through quicksand

- Carolyn Chard

Carolyn Chard says uncertainty is taking a toll. Photo: David Henry

From page 24

Mr Shannon was made the permanent leader of the orchestra in July.

Similarly, Jessica Machin departed from WA Ballet in November 2020 and was replaced by Mr David in May.

Medium and smaller arts companies have also gone through changes.

Katt Osborne is now the executive director of The Blue Room Theatre after Julian Hobba left in April 2020 to assume the role of executive director at the State Theatre Company of South Australia.

Barking Gecko Theatre chief executive Helen Hristofski has recently left her position and the company is yet to announce a permanent replacement.

Unknowns

Perth Symphony Orchestra founder and chief executive Bourby Webster said although the initial unknowns surrounding the pandemic had subsided, uncertainty about lockdowns and cancelled performances continued.

“Our greatest risk is ahead because the threat is no different to what it was before,” Ms Webster told *Business News*.

“Even though we aren’t in lockdown, the chance of it happening is still very, very high and most of us think it’s when not if, most of WA think it’s when not if.”

The orchestra is performing *Amadeus* at the end of August as part of its 10-

year celebrations, in a show Ms Webster said would be its biggest risk yet.

She said the orchestra decided not to create scenario plans for lockdowns, as it would take up the company’s limited resources.

“We just have to go ahead ... if we cancel, we’ve not scheduled any concerts that are currently on sale that, if they fail, would wipe us out,” Ms Webster said.

“That would kill us and put a massive hole in our reserves, but it wouldn’t wipe us out.”

\$6.7m

JOBKEEPER PAYMENTS TO MAJOR ARTS ORGANISATIONS

This year was the first that Perth Symphony Orchestra accepted government funding, which included \$100,000 in Arts Organisations Investment Program funding from the Department of Local Government, Sports and Cultural Industries.

From the inception of the orchestra, Ms Webster outlined her intentions to create an organisation that was not reliant on government funding to survive.

“I never wanted to apply for funding when I would be dependent on it, meaning if it suddenly ended or got taken away, we would still exist,” she said.

“I wanted to make sure that we built the orchestra a model ... to exist without funding knowing any funding that we received could facilitate extra projects and extra things we wanted to do and help us grow, but I never wanted it to be the crutch on which we lent.

“Those funds have enabled us to take risks, keep going, put on shows despite the horrible uncertainty.”

WA Opera’s Ms Chard said it was a privilege to connect with an audience when others around the world couldn’t, but the pressure of not knowing whether a show would be able to go ahead was taking a toll.

“We do not take for granted the privilege of returning to normal capacity; we have reframed ‘normal’ to the point of really appreciating the ability to present to 100 per cent capacities,” Ms Chard told *Business News*.

“We are, however, under constant pressure of ‘what if’ around possible lockdowns and we have a plan A, plan B and plan C.

“In planning for the future, it feels that I am walking through quicksand.”

While WASO’s Mr Shannon said the orchestra was lucky it was able to perform, the hard border was precluding some musicians from travelling into the state, making it difficult to stick to the program.

“I think a lot of people feel everything is back to normal, but the interconnected nature of arts and moving artists around the country means that what’s happening in the eastern states is still having quite a profound effect,” he said.

Although WASO’s 2021 season prioritised local musicians in the first half, the second relies on people from other states being approved to enter WA.

WASO’s chief conductor, Asher Fisch, is based in Germany.

“I think that’s the thing people don’t appreciate as much,” Mr Fisch said.

“They see the shows going ahead but the inherent work to keep the shows going is at another level than pre-COVID because just getting people in and out [is difficult].”

Interestingly, he said audience buying patterns had changed since the pandemic began.

People were less likely to buy tickets after a snap lockdown and tended to buy tickets at the last minute, instead of planning ahead.

Mr Shannon said there was concern for people in the arts who weren’t employed by a major company eligible for JobKeeper and who were now at the mercy of snap lockdowns.

“In a world where we got JobKeeper, all of our musicians know musicians who didn’t get JobKeeper and don’t work for the state’s orchestra, they gig and they work from job to job and when the jobs went, their income dried up,” he said.

Data & Insights

WA'S LARGEST ARTS & CULTURAL ORGANISATIONS

Ranked by total revenue most recent financial year and then by operating revenue



Ranks	Change since previous year	Organisation	Senior executive and title	Total staff in WA	Balance date	Total revenue (\$,000s) a) most recent financial year b) previous financial year	Operating revenue (\$,000s) a) most recent financial year b) previous financial year	State, federal and local government funding (\$,000s)*	Private sector grants, sponsorship and donations (\$,000s)
1	—	State Library of Western Australia	Ms Margaret Allen Chief executive, state librarian	166	30-Jun-20	a) 32,154 b) 31,921	a) 585 b) 670	30,745	12
2	—	WA Museum Boola Bardip	Mr Alec Coles Chief executive	226	30-Jun-20	a) 30,347 b) 30,101	a) 2,361 b) 2,943	26,669	766
3	—	Artrage	Ms Sharon Burgess Chief executive	21	30-Jun-20	a) 24,191 b) 25,158	a) 17,967 b) 19,422	2,204	4,010
4	—	Perth Theatre Trust	Mr Duncan Ord General manager	368	30-Jun-20	a) 22,217 b) 20,707	a) 6,382 b) 7,096	14,761	826
5	↑	West Australian Symphony Orchestra	Mr Paul Shannon Chief executive	186	31-Dec-20	a) 19,564 b) 19,832	a) 2,357 b) 5,689	13,341	3,811
6	↑	Perth Festival	Mr Nathan Bennett Executive director	34	30-Jun-20	a) NFP b) NFP	a) NFP b) NFP	8,782	2,700
7	↓	Screenwest	Ms Rikki Lea Bestall Chief executive	20	30-Jun-20	a) 15,591 b) 20,354	a) 482 b) 683	14,672	
8	↑	West Australian Ballet	Mr Olivier David Executive director	90	31-Dec-20	a) 15,202 b) 13,134	a) 2,311 b) 4,092	7,177	5,114
9	↓	Art Gallery of WA	Dr Colin Walker Director	48	30-Jun-20	a) 14,744 b) 14,349	a) 644 b) 1,048	8,697	1,594
10	↑	West Australian Opera	Ms Carolyn Chard Executive director	15	31-Dec-20	a) 7,131 b) 5,878	a) 1,303 b) 1,080	3,770	1,518
11	↓	FORM	Ms Tabitha McMullan Executive director	32	31-Dec-20	a) 7,003 b) 6,526	a) 1,360 b) 2,059	2,282	2,898
12	—	Black Swan State Theatre Company of WA	Mr Rick Heath Executive director	150	31-Dec-20	a) 6,095 b) 5,533	a) 11,339 b) 1,452	3,393	898
13	↑	DADAA	Mr David Doyle Executive director	72	30-Jun-20	a) 4,113 b) 3,409	a) 1,576 b) 1,180	1,366	208
14	↑	Regional Arts WA	Mr Paul MacPhail Executive director	15	31-Dec-20	a) 3,922 b) 3,023	a) 0 b) 169	3,801	107
15	↓	Broome Aboriginal Media Association	Mr Kevin Puertollano Chair	17	30-Jun-20	a) 3,777 b) 3,692	a) 1,271 b) 1,532	1,567	201
16	↑	Magabala Books	Ms Anna Moulton Chief executive	9	31-Dec-19	a) 3,690 b) 1,954	a) 2,958 b) 1,274	592	104
17	↑	Waringarri Arts Aboriginal Corporation	Ms Dora Griffiths Chair	WND	30-Jun-20	a) 2,525 b) 1,720	a) 1,211 b) 694	1,025	7
18	↑	Kimberley Aboriginal Law and Culture Centre	Ms Annette Kogolo Director	WND	30-Jun-20	a) 2,275 b) 1,822	a) 0 b) 0	1,806	159
19	↓	Barking Gecko Theatre	Ms Jeanette Roberts Interim chair	70	31-Dec-19	a) 2,095 b) 1,963	a) 731 b) 406	909	410
20	↓	Fremantle Press	Ms Jane Fraser Chief executive	11	31-Dec-20	a) 2,093 b) 1,977	a) 1,322 b) 1,188	638	120

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* Where a full breakdown of grants and funding sources couldn't be found, unidentified grants have been added to government funding. Jobkeeper has been included as Federal funding.

All information compiled using surveys, publicly available data and contact with industry sources. Other companies may be eligible for inclusion. If you believe your company is eligible, please email: claire.byl@businessnews.com.au WND: Would Not Disclose, NFP: Not For Publication, N/A: Not Applicable or Not Available.



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Biennale to bridge cultural gap
the port city's renowned art exhibition. Intended only ... for the industry. "Any arts city, town, precinct, country, is not famous for its arts because of what it imports ... initial vision was to take art out of galleries and institutions ...

Former MP to chair Boola Bardip
trustee. Culture and the Arts Minister David Templeman ... vibrant and active culture and arts sector in Western Australia." ...

Scientists-in-Residence Inspire Students at Wesley College
Technology, Engineering, Arts and Mathematics) learning ...

Art, family guide giving
Art and a tight-knit country ... Art, family guide giving ...

Show-stopping start for clever creatives
involved in the Australian arts scene after working and studying ... terms of performing and the arts , we thought there was absolutely ... worldclass productions into the arts industry; we are committed ...

Arts sector to receive \$35m in new support
technical crew across the wider arts sector. Federal Arts Minister Paul Fletcher on ... sustainability measures for arts organisations to stay afloat ... challenges faced by those in the arts and entertainment sector ...

