

JOBKEEPER AND THE CULTURAL AND CREATIVE INDUSTRIES

KEY POINTS

- This paper outlines the immediate and longer term needs of the cultural and creative industries pertaining to the JobKeeper program.
- While JobKeeper will have a significant benefit, in its current form it will not support a large proportion of the creative workforce. This is due to the specific nature of the cultural and creative industries which are characterised by extremely high levels of casualisation and freelancing. JobSeeker also has limitations, including that ‘a loss of income’ can be hard to demonstrate.
- Australia’s cultural and creative industries have been amongst the hardest hit by the COVID-19 pandemic. More than half of all arts and recreation businesses have ceased trading¹ with job losses of 55–75%.² Prior to the pandemic, creative employment was over three times that of the mining industry and more than 14 times aviation.³
- Because of the ongoing restrictions to public gatherings and travel, decreased consumer confidence and significant disruption to operations, resumption of business as usual for our creative workforce will be a matter of years, not months. As well as being hardest hit and first to fall, they will be the last to return.
- The Australia Council recognises that billions of dollars have already been committed to helping Australians survive this pandemic. However, there remains urgent and specific need to provide an economic lifeline to our creative workforce.
- Three in five Australians support a proposed \$750 million federal relief package (58%), including 25% who strongly support the package.⁴
- An investment in the creative sector is a direct investment in our economic and social recovery. The cultural and creative industries drive productivity, engagement and consumption, as well as our collective wellbeing, cultural identity and social cohesion.
- Support for these small businesses, sole traders and our creative economy is vital. Our sector will be essential in helping to rebuild communities and navigate Australia’s path out of the crisis.

¹ ABS 2020, [Business Indicators, Business Impacts of COVID-19, Week Commencing 30 March 2020](#).

² Grattan Institute 2020, [Shutdown: Estimating the COVID-19 Employment Shock](#).

³ ABS 2019, [Australian Industry, 2017-18](#), (cat. no. 8155.0)

⁴ The Australia Institute, [Art vs Dismal Science: The Economics of Australia’s Creative Arts Sector](#), April 2020. The Australia Institute surveyed a nationally representative sample of 1,008 Australians about the proposed federal relief package for live performance.

INTRODUCTION

- The cultural and creative industries are substantial and in turn drive many other significant industries including tourism and hospitality.
- Creative employment was calculated at almost 600,000 people in 2016, or 5.6% of the workforce.⁵ That is over three times the mining industry and more than 14 times that of aviation.⁶
- Creatives contribute their skills and capabilities to businesses and industries across the economy: half of all Australian artists apply their creative skills outside the arts (51%), up from around a third in 2009 (36%).⁷
- JobKeeper will have a material and positive impact for many creative workers. Australia Council modelling estimates that the beneficial impact of JobKeeper for the organisations that the Australian Council funds stands as at least \$70 million.
- However, due to the specific nature of our industry which is characterised by extremely high levels of casualisation and freelancing, JobKeeper in its current form does not support a large proportion of the creative workforce. There is a need to ensure professional expertise is retained and the industry can resume once the COVID-19 crisis is over.

JOBKEEPER WON'T WORK FOR EVERYONE

- There are many artists who have worked long term for an organisation who may be able to benefit from JobKeeper. But as the original 'gig' workers, the vast majority of artists (81%) work as freelancers or are self-employed, relying on contracts (43%) and royalties and advances (35%).⁸
- For musicians, almost half of the current paid roles are a total rate for a body of work, with less than a fifth of all current work being paid on a continuing salaried basis.⁹
- In industries such as film, TV and the performing arts, it is common for cast and crew to be treated as short term employees by production companies. Because they are treated as employees for the short amount of time they work on a production they often don't have or need ABNs. While they may work full time hours, they would rarely be employed for longer than 12 months or by the same company.¹⁰

⁵ Cunningham & McCutcheon 2018, *The Creative Economy in Australia: Cultural production, creative services and income*.

⁶ ABS 2019, [Australian Industry, 2017-18](#), (cat. no. 8155.0)

⁷ Throsby D and Petetskaya K 2017, [Making Art Work: An Economic Study of Professional Artists in Australia](#), Australia Council for the Arts.

⁸ Australia Council 2017, [Making Art Work: A summary and response by the Australia Council for the Arts](#).

⁹ ARC linkage: *Making Music Work: Sustainable portfolio careers for Australian musicians*. Administering organisation: Griffith University.

¹⁰ Sharpe Advisory, *COVID-19: Creative industries freelancers, non-permanent residents and JobKeeper*.

- A survey of event producers, presenters, supporters and venue managers working within the broader cultural sector shows that of the 45% of respondents who have decreased personnel or cut staff, 68% have dismissed casual staff while 53% reported reducing part-time or full-time working hours. 57% of respondents reported that they are ineligible for the Australian Government's JobKeeper package.¹¹
- For example, theatre company Belvoir will have no ability to support approximately 150 artists the theatre usually employs each year on a casual basis. The Museum of Contemporary Art has indicated 49 of its 120 employees will not be eligible for JobKeeper because of the criteria requiring eligible employees to show they have been employed on a regular basis for longer than 12 months.
- Theatre Network Australia estimates that due to these circumstances in the sector, less than half of the creative workforce will be able to access JobKeeper.¹²
- The Australia Council recognises that billions of dollars have already been committed to helping Australians survive this pandemic. However, there remains urgent and specific need to provide an economic lifeline to our creative workforce.
- Special consideration is needed because the cultural and creative industries have been among the hardest hit, as well as first to fall, and they will be the last to return.

JOBSEEKER ALSO HAS LIMITATIONS

- To receive the more generous JobSeeker payment, double the previous Newstart allowance, workers need to prove a loss of income caused by COVID-19 and, as with businesses seeking to access JobKeeper, a 'loss of income' can be hard to demonstrate.
- JobSeeker guidelines suggest grant income is counted by the government as income, adding uncertainty for artists in terms of eligibility. The reality is that grant income is often spent on materials or paying other artists.
- Targeted COVID-19 relief funding for the arts may not be exempt from the JobSeeker income test unlike one-off payments for flood, bushfire or drought assistance.

¹¹ Culture Counts 2020, COVID-19 Cultural Impact Survey (unpublished results)

¹² Morris L 2020, '[Something out of a satire': Thousands in arts not saved by JobKeeper](#)', *Sydney Morning Herald*, 20 April 2020.

UNIQUE IMPACT ON THE CULTURAL AND CREATIVE INDUSTRIES

- The cultural and creative industries were amongst the first industries severely impacted by the pandemic before any stimulus packages had been announced.
- Gatherings of over 500 people were banned on 13 March 2020. Gatherings were subsequently limited to 100, ten and then two people over the second half on March. Between 14 March and 18 April 2020, arts and recreation services saw a decrease in jobs by 27%, second only to accommodation and food services (33.4%).¹³
- A national cross-industry survey conducted by the ABS between 16 and 23 March showed that:
 - only 47% of arts and recreation businesses were still trading in the week commencing 30 March 2020, compared to 90% of all Australian businesses.¹⁴
 - of the arts and recreation businesses still trading:
 - more than half (54%) have changed their workforce composition as a result of COVID-19
 - a third (34%) have temporarily reduced staff hours
 - more than half (54%) have seen a reduction in turnover/cash flow
 - nearly three quarters (73%) have seen a reduction in demand for products and services.¹⁵
- As at 15 April, McKinsey & Company estimates a 49% job loss in the arts and recreation industry in Australia – the highest of 20 sectors analysed and significantly more than the next most affected sector (accommodation and food, with 34% of jobs lost).¹⁶
- Looking forward, the Grattan Institute estimates that arts and recreation services will suffer job losses of 55–75%, putting it in the group of industries that will be hardest hit by the pandemic and associated shut down (along with accommodation and food).¹⁷
- Because of the ongoing restrictions to public gatherings and travel, decreased consumer confidence and significant disruption to operations, resumption of business as usual for our creative workforce will be a matter of years, not months.

¹³ ABS 2020, [Weekly Payroll Jobs and Wages in Australia, Week ending 4 April 2020](#) (cat. no. 6160.0.55.001).

¹⁴ ABS 2020, [Business Indicators, Business Impacts of COVID-19, Week Commencing 30 March 2020](#) (cat. no. 576.0.55.003).

¹⁵ ABS 2020, [Business Indicators, Business Impacts of COVID-19, Week Commencing 30 March 2020](#) (cat. no. 576.0.55.003).

¹⁶ McKinsey & Company, [How to Rebuild and Reimagine Jobs Amid the Coronavirus Crisis](#), April 2020.

¹⁷ Grattan Institute 2020, [Shutdown: Estimating the COVID-19 Employment Shock](#).

BROADER SOCIAL AND INDUSTRY IMPACTS

- It is not just creative workers and their audiences who stand to lose. Significant impacts for all Australians, and across many industries, will be felt unless we ensure that we sustain our creative workforce through this crisis.
- The cultural and creative industries are vital to our society and our economy. They drive productivity, engagement and consumption, as well as our collective wellbeing, cultural identity and social cohesion.
- Engagement with arts and creativity is linked to improved mental health outcomes.¹⁸ Resources in the Coronavirus Mental Wellbeing Support Service supported by the Australian Government reference using art to stay connected in this time of isolation.¹⁹
- This is an industry Australia cannot afford to lose. Cultural and creative activity already contributes \$111.7 billion to Australia's GDP, and cultural and creative industries provide 80% more value to the economy than agriculture, forestry and fishing²⁰ and six times more than the aviation industry.²¹
- Creativity is key to the future of work and the success of our economy.²² Artists' skills and capabilities are among those least likely to be automated and increasingly sought after in the workforces of the future.²³
- Three in five Australians support a proposed \$750 million federal relief package (58%), including 25% who strongly support the package.²⁴
- Our recovery as a society depends on the cultural workforce. An investment in the creative sector is a direct investment in economic recovery. Our sector will be essential in helping to rebuild communities and navigate Australia's path out of the crisis.
- Arts and culture will be critical as we seek to bring life back into our cities and regions. While travel restrictions continue, our arts and culture can travel for us, maintaining connections and Australia's place in the world. We will need the creative sector to boost tourism and hospitality, and to energise the nation's international brand at a time when international travel will be the last form of social and economic engagement to be revived.

¹⁸ A New Approach, *Insight Report two: Transformative: Impacts of Culture and Creativity*.

¹⁹ Beyond Blue, *Managing My Daily Life: Coping with isolation and being at home*, viewed 23 April 2020 <https://coronavirus.beyondblue.org.au/managing-my-daily-life.html>

²⁰ BCAR 2018, *Cultural and Creative activity in Australia, 2008–09 to 2016–17*. The cross-industry comparison is based on Gross Value Added and ABS 2018, *Australian System of National Accounts, 2017–18*.

²¹ Australian Skills and Industry Committee, *Aviation*, viewed 23 April 2020 <https://nationalindustryinsights.aisc.net.au/industries/transport/aviation>

²² NESTA 2018, *Creativity and the Future of Skills*.

²³ Australia Council 2017, *Making Art Work: A Summary and Response by the Australia Council for the Arts*.

²⁴ The Australia Institute, *Art vs Dismal Science: The Economics of Australia's Creative Arts Sector*, April 2020. The Australia Institute surveyed a nationally representative sample of 1,008 Australians about the proposed federal relief package for live performance.