



Australian Government



Touring Theatre for Young People Under 12 Years of Age

A Report to the Theatre Board of the Australia Council for the Arts

by Ian Roberts, assisted by Luke McCabe

October 2005

© **Australia Council for the Arts**

Australia Council for the Arts

372 Elizabeth Street

Surry Hills

Sydney NSW 2010 Australia

This work is copyright. Apart from any use as permitted under the Copyright Act 1968, all rights are expressly reserved. Requests for further authorisation should be directed to Strategy Unit, Australia Council, PO Box 788, Strawberry Hills, NSW 2012.

Touring Theatre for Young People Under 12 Years of Age

Report to the Theatre Board, Australia Council
by Ian Roberts, assisted by Luke McCabe October 2005

The two key groups in this study, the presenters of in-theatre theatrical productions for children under 12 (the presenters) and the companies funded by the Australia Council to create productions for in-theatre presentation for children under 12 (the companies) are both widely diverse groups. They vary significantly in terms of scale of operation, scale of production and presentation capability plus their experience and methods of touring in-theatre productions for children under 12 (TYP>12).

Nevertheless the bulk of the presenters and the companies have enough in common to be able to identify important trends, characteristics, needs and opportunities.

It should be noted that this study occurred at the same time that a major national touring study was being conducted by DCITA. As a result it was agreed with Australia Council Theatre Board staff that the companies would not be asked to provide detailed statistical data to another survey. Further, the financial scale of this consultancy does not permit detailed analysis of statistical data of all touring by sixteen companies over four years.

This study is therefore based on conversations with companies and presenters and associated industry players. It is also based on a survey of presenters only. The study is also based on the writer's experiences of the field over 30 years in various capacities- state tour organiser with the Victorian Arts Council, major regional presenter at Geelong Performing Arts Centre, Chair of both VAPAC and APACA, Chair and committee member of Playing Australia, Board member of the MPAB and the Chairman of Australia's only publicly listed company in the live theatre business which was one of the biggest commercial producers and presenters of TYP>12 in Australia and also active in Asia, Europe and North America.

The commercial TYP>12 market place is relevant here for only three reasons:

1. Demand Driven. The commercial marketplace is driven entirely by mass (hopefully) market recognition of key aspects of the theatrical products (known story, book, cast, writer, film, TV program).
2. Few Suppliers. Other than Disney and occasional other vast productions with global recognition, there is only one producer, who has any regular impact in the market place of this study. ICA no longer exists and other players come and go when they think they have a one off hit that can give a commercial return to investors..
3. The commercial TYP>12 market is a tiny percentage of the total market:-less than 3% of total box office and numbers of ticket sales

The lesson is simply that it is very rare to find a commercially viable return in this area unless the product has very high recognition in Australia and it often requires high recognition in international English speaking markets as well in order to raise investment and achieve commercial box office returns

Given that the tickets sold to the shows of the companies in this study are being sold into the same market, it should be understood that these market conditions are of relevance to all players.

Key Defining Factors

1. National and international touring of TYP>12 is driven by presenters who purchase the shows. Virtually all of the companies sell off their productions to presenters. They do not, cannot and mostly don't want to be taking the risk at the box office far from home. Most are managing enough risk with their home seasons.
2. The companies are therefore heavily dependent on presenter demand for national and international touring
3. Virtually nobody is making any significant money out of this marketplace. Subsidies or some sort of underwriting is required in most cases for touring to occur. Most often this underwriting comes from the presenters' recurrent budgets. State and Federal funding play an important part but no touring of any significance would take place, even with current Fed and State funding, if presenters weren't backing the shows with their own budgets.
4. While there are exceptions to all of these generalities, many of the companies that are most successful at touring regard their methods and contacts as "commercial in-confidence" and a number of the companies were quite guarded about the information provided to this study, particularly concerning international touring potential.
5. Many companies will tour by settling for a break-even result based on the actual costs of touring the shows (excluding management overheads, pre production cost amortisation). Many companies struggle to get remount costs covered. Some manage to get a margin on top of the weekly running costs of the shows of up to 20%.
6. All companies say that presenters are almost always trying to negotiate fees downwards. There is little or no scope for the companies to increase their fees.
7. The presenter market for TYP>12 is a small percentage of the total presenter market nationally and their motivation is always about providing access to children. The presenters are not presenting to make profits. Profits are few, far between, and small when they occur. And when they do occur they are often reinvested into more shows or used to meet previous losses.
8. The most important feature of shows from the presenters' point of view is high quality productions from their perspective. Marketable triggers such as "known story" or "known book" run a close second as does the reputation and brand of the company.
9. All presenters who returned the survey have an active data base from which they market TYP>12
10. Of the presenter market who responded to the survey (24 of 110) all were actively presenting TYP>12. But only half wish to expand the amount of TYP>12 they present and of that half, most are only seeking marginal increases in TYP>12 presentation. The maximum increased demand from the presenters who completed the survey is 30 or 40 performances across the nation in any one year.

11. The presenters say that the cost/revenue dynamic of TYP>12,(that is low ticket prices compared to adult productions but with similar costs) keeps the sector on the edge of viability. The companies report the same conditions when they are presenting their own home seasons. It is hard to argue against this view given the state of the commercial sector.
12. Many of the companies do not have the capacity to undertake a lot more touring without having to increase their overheads. Therefore, significant expansion of tour supply capacity will increase overhead costs and there is no obvious source for the revenue required for expansion.
13. Most of the business for the companies comes through invitations from presenters that arise from personal contacts and strong relationships that are built up over time, mostly through the companies' cultivation of touring networks, individual presenters and exposure at showcases.
14. A number of the companies and a couple of the presenters have raised the issue of an agent to look after this sector. I do not intend to specifically recommend the appointment and funding of such an agent, not because it is a poor idea, but because its success would depend entirely on the companies' commitment to and interest in such a position. I have therefore opted for a recommendation that simply encourages the companies to take the initiative in working together to find solutions to their own perceived opportunities and needs.

In summary:

This is a sector that is demand driven, but the demand is small and not likely to increase significantly in the future.

While there are significant exceptions, the supply side does not have significant underused capacity that can be deployed without increasing overhead costs and there is no obvious source of capital to meet the overhead expansion costs.

Both demand and supply are driven by non-commercial motivations: that is a belief in the importance of theatre for children. Funding and underwriting is essential in most cases if not all.

Given all of the above, and given that there are significant exceptions to these generalities, two points are overwhelming

- This is a marginal business that succeeds where it succeeds because of the relationships between the companies and the presenters – it is a niche business that demands a very high level of understanding between presenter and company. Therefore it is not surprising that the companies who tour most successfully and regularly are finely attuned to presenter demand and work with it rather than complain about it. Successful touring comes from close relationships built on mutual understanding.
- Significant expansion of TYP>12 in the future is dependent on increased numbers of presenters with strong belief that they must become active in this area. Some expansion will come from existing presenters of TYP>12 doing more but this will not significantly alter the market place. Funding is also important for this expansion, but as the financial results of TYP>12 are

usually marginal WITH funding, the trigger will not be funding. It will be a belief in the importance of the area.

Recommendations

1. ***Meeting Unmet Demand.*** The first steps for any expansion of national touring should be taken by presenters and companies concentrating on meeting existing unmet demand. This should be done by companies and presenters using the existing systems of presenter networking to access more Playing Australia funding that is now possible because of the 50% increase in its funds for touring that was provided in the last Federal budget.
2. ***Increasing Demand by increasing the number of presenters.*** There is no point trying to suddenly pump prime this sector. Suddenly increased demands for supply could be disruptive and risky for the companies. What is required is a gradual and measured increase in demand that does not stress the supply. This should be done by companies and presenters publicising their successes to the presenter networks. This can occur in a number of ways 1) emailing case studies of success to the presenter network and 2) cultivating TYP>12 champions in the presenter network who are already committed to TYP>12 and who will advocate TYP>12 in the presenter forums.
3. ***Self Help*** The companies should consider the best ways to exchange information amongst themselves about touring. They should also consider support services that would best enable them as a sector to realise their potential. The companies should talk to the Australia Council about assisting them in this process. They should be encouraged to develop their own ideas and processes for informing themselves of contacts and opportunities and realising market opportunities

International Touring

All of the factors above apply to international touring: financial potential, motivations for demand and supply, personal contacts, strong relationships and commitment.

There are also the following factors:

1. The best source of knowledge about the international market is the companies themselves. Many have toured overseas successfully. Many regard their contacts as commercial in-confidence. It is beyond the budget of this study to document all features and possibilities of these markets. Even if it were done, it would be inferior to the knowledge of the companies themselves and the national and international networks that they can and do participate in. To reiterate, the companies themselves are the best source of knowledge and capacity in this area (see recommendations below).
2. Many of the overseas presenters contacted by this study did not reply to requests for telephone discussions or for written responses to questions. The key Japanese contact is currently in hospital.
3. Two key players in North America, Lindy Sisson (Director of the Vancouver Children's Festival and a major player in the children's festival circuit in Canada) and Kim Peter Kovac (Kennedy Centre in Washington) mentioned that the most effective means of marketing companies' productions to presenters in North America is to attend two showcases in the United States

- which occur each January. They are the Association of Performing Arts Presenters or APAP (www.artspresenters.org) and IPAY – International Performing Arts for Youth which is geared specifically to children and young people (www.ipayweb.org). Interestingly, no company mentioned either of these showcases. Both Sisson and Kovac, thought it a waste of money for the companies to produce expensive material for “cold calling” direct marketing campaigns. Attendance at the either or both of the above showcases and other international network meetings is considered to be the only effective way
4. Most international touring opportunities require the invited company to fund their own transport and freight to get to the country issuing the invitation. Therefore, most international touring of the companies requires State or Federal funding. The potential for international touring is therefore, to a significant degree, a factor of the available Government funding.
 5. It is interesting to note that one North American presenter said that Australian companies are the only companies she deals with anywhere in the world who add to their fee 2 extra charges. One is royalties and the second is a varying charge for the amortisation of remount costs which is finally dependent on the number of engagements they receive on the tour. Sisson demands a flat fee and says that all other companies around the world can fund the remount from the annual budgets.
 6. Strong anecdotal evidence suggests that international markets are opened up by individual companies who find a way of breaking in because of their passion, commitment and cultivated contacts. Others follow the trailblazers. The important thing here is strong and communicative industry networks that enable the work of the trail blazers to benefit the others who wish to follow.

Recommendations

1. The Australia Council should continue to support international conferences/showcases that bring significant international presenters to Australia
2. The Australia Council should support companies wishing to attend the two conferences/showcases in the US that are referred to above.
3. The Australia Council should continue to assist the companies to “land” overseas when they have received an invitation they wish to accept
4. The companies should consider the best ways to exchange information amongst themselves about international touring. They should talk to the Australia Council about assisting them in this process. They should be encouraged to develop their own ideas and processes for informing themselves of contacts and opportunities.

APPENDIX

1. Summary of responses from the companies

Note - the companies were interviewed by telephone

- The majority of companies do not make any significant financial return on national or international touring and only 3 tour with the intention of trying to make some money.
- The great majority of the companies (11 of the 15 interviewed) try to sell their productions to presenters on most occasions if they are to undertake tours.
- The companies tour to “extend life of the work” (5) “get it out there” (5) “meet funding agreement”(3) “make some money” (3)
- Five companies have unmet demand
- Far and away most engagements are generated through invitations from presenters, their networks and personal relationships (8) and markets/showcases (4).
- Most companies cannot do any more touring without an increase in overheads (8) but 5 say that they have some capacity.
- The majority (9) have positive views about the presenter network and four have negative views. Of these four, two are negative because of the inability of the network to handle their scale of production and two because of no expressed demand for their work from the presenter network.
- Re international touring: companies have widely varying interest, experience and knowledge. Many regard their knowledge as commercial in confidence.
- The most often mentioned showcases and points of international networking are CINARS, the Canadian children’s festival circuit and Singapore.
- All except one said they need Government assistance to tour overseas – with the possible exception of NZ and only one company is considering that market.

Responses to the question: “what are the main issues from your point of view”:

Financial Viability	15
Insufficient return	4
Too costly without funding	6
Ticket Prices too low	4
Remount costs	1
Presenters	10
Poor marketing capacity	3
Lack of interest	2
Poor communication with presenters	1
Too much demand to handle	1
Negative impact on home seasons	1
Hard to sell to potential presenters	2
Company Capacity	3
Need an agent	1
Admin capacity to handle touring	2

2. Summary of responses from the presenters

Note: 110 surveys sent out and 24 replied

- All 24 thought TYP>12 was important to their operation
- Less than half refer to Children's theatre specifically in their business plan (10)
- The majority fund TYP from their own budgets (14) with the next most common sources of funding coming from state governments 5. Only 2 refer to Playing Australia funding being used for this area.
- All have active data bases for marketing.
- Feature of Productions that are most attractive to presenters. Presenters place greatest importance on their perception of quality of production (14 references), known company (12 references), known story (11) good story (11). Cost is the next most mentioned feature (8) and quality marketing materials (7). The rest of the references are mostly specific aspects of quality. Only 4 refer specifically to innovative or original
- Presenter interest in schools and family audiences is split equally
- Most presenters (11) present 1 or 2 seasons per year and 8 present 3 seasons per year. Two present more than 6 and one presents only one season.
- Half of the presenters replying to the question would like to present more (7)
- Of those that wish to present more, their total maximum demand in any one year is for approximately 12 more seasons giving a total number of performances of between 30 to 40
- The inhibitors to presenting more TYP>12 is financial (cost and low ticket price) (7), demand(4) and supply (3)
- The presenters mostly (7) feel that the available product is good in terms of its suitability to their needs. Of the 8 with mixed reactions there were 5 references to cost/ticket price issues, 4 references to patch quality and 2 references to the problems of getting the scale of production right for their needs.
- Half of the presenters answering the questionnaire say that they have the capacity to fund TYP>12 from their recurrent budgets to some degree.
- The great majority of the presenters think that the work of the companies is generally good to excellent (12) fair (2), missed (3) not presenting enough (2)

The presenters were given the option of making general comments on

1. State and Federal financial assistance. 12 responded and all referred to the need for the funding. Three referred specifically to the essential nature of Playing Australia, three referred to the problematic low ticket price/cost of production issue and two suggested GALS

2. Organisational and administrative capability of the TYP companies. 9 said "good to very good". 2 mixed and 1 unsure.