

<https://www.theguardian.com/culture/2020/may/05/carriageworks-administrators-tightlipped-but-expected-to-ask-for-bailout>

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## Sydney Opera House may take over Carriageworks as calls for state bailout grow

**Sydney arts centre becomes one of the industry's highest-profile victims after going into administration on Tuesday**

**Stephanie Convery**

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The Carriageworks arts precinct in Sydney. The cultural centre based in the historic Eveleigh rail yards, has become Australia's first major arts company to call in administrators as the coronavirus pandemic wreaks havoc across the industry. Photograph: Dan Himbrechts/AAP

The Sydney Opera House has been approached to consult on the long-term viability of multi-arts precinct Carriageworks as reports emerge that the Berejiklian government is considering a proposal for the famous landmark's trust to take over Carriageworks' operations.

Carriageworks announced on Monday night that it was going into voluntary administration as a consequence of the "irreparable" effects of the coronavirus crisis and the widespread shutdown on its income stream. The move has been described as "devastating" by artistic directors, individual arts practitioners and state and federal politicians alike.

The appointed administrators, Phil Quinlan and Morgan Kelly from KPMG, have remained tight-lipped on the size of the organisation's debts and who its primary creditors are. But their public statement, which notes they will be "exploring the possibility of a deed of company arrangement to stabilise Carriageworks' financial position and allow it to continue its important role for Australian arts and culture", suggests that they will be looking for a bailout.

Reports emerged on Tuesday night that the NSW government was considering a proposal to pass management of the space to the Opera House Trust.

In a statement, an Opera House spokesperson said the trust “has been approached by the government to consult on the long-term sustainability of Carriageworks as an important cultural venue, particularly at this most difficult time”.

But there have been widespread calls for the bailout to come from the NSW government itself, as pressure grows on state and federal governments to do more to assist the arts sector in recovering from the Covid-19 pandemic.

Labor’s Walt Secord, the shadow arts minister for NSW, called for an emergency rescue package for arts organisations from the state government at a press conference on Tuesday, saying there was “a role for the state government” in assisting Carriageworks’ recovery.

Sydney Lord Mayor Clover Moore, in an opinion piece for the Sydney Morning Herald on Wednesday, also called for a state government bailout using the funds for the “incredibly unpopular and shortsighted” \$1.5bn plan to relocate the Powerhouse Museum from its current home in Ultimo to the western Sydney suburb of Parramatta.

“It’s beyond time the state and federal governments ended their abandonment of artists, performers and those administering the arts organisations. They are left with the impression their jobs are not ‘real’ jobs, not important to our country like, say, mining or professional football,” Moore said.

The piece follows similar calls on Tuesday for a bailout using the Powerhouse relocation fund from Greens MP Cate Faehrmann.

A complex of performance and gallery spaces in repurposed 1880s locomotive workshops in Sydney’s inner west, Carriageworks has been a mainstay of Sydney’s cultural life since it opened in 2007, pivoting in recent years from a venue for hire towards a more fully rounded artistic organisation with its own commissioning program.

The options for the organisation now depend to a certain extent on what it owes, and to whom.

Carriageworks’ most recent financial statements, filed to the charities regulator, show an income stream heavily reliant on a combination of events and government support. In 2018, the company made \$3.95m of its \$11.6m reported income from events and venue hire, not including its regular farmers markets, which brought in an additional \$1.1m.

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Support from grant programs totalled \$3.16m in the same year, the vast majority of which was core funding from Create NSW, to the tune of \$2.53m. The vast majority

of expenditure – \$7.05m of \$12.2m that year – went towards staff salaries and wages, and the costs of putting on an artistic program.

Many of Carriageworks' staff were stood down in early April and hours for core staff were substantially reduced as the Covid-19 lockdowns and restrictions on mass gatherings rolled out and public programs shut down.

The arts sector has been [calling on state and federal governments for weeks](#) to commit to greater support for the sector, which was one of the first to feel the effects of the ban on mass gatherings and lockdowns of non-essential businesses.

Esther Anatolitis, executive director of the National Association for Visual Arts and a staunch advocate for the arts industry, said the sector had been “united and clear” on its needs and demands.

“We need to make sure that eligibility for support measures changes immediately, so that creative practitioners and businesses can access what they need. We need the \$111.7bn creative industries to be recognised as the massive economic driver Australia cannot afford to lose, and that means targeted stimulus now,” she told Guardian Australia.

After Carriageworks' announcement on Monday, those calls have been picked up by other politicians, with federal Labor's Anthony Albanese and Tanya Plibersek calling for more federal support on Twitter.

The NSW government has provided some Covid-19 relief for small-to-medium arts organisations, mainly through the repurposing of existing funds in Create NSW into quick-response grants, accommodation and small projects.

But it is also currently without a designated arts minister – the premier, [Gladys Berejiklian](#), has been acting in the role herself since Don Harwin resigned his post in April after staying at his central coast holiday house over Easter in breach of a Covid-19 “stay home” public health order. She has, to date, made no announcements about further arts stimulus for NSW.

Given the state government already provides a large proportion of Carriageworks' core funding, any negotiations for a bailout will likely need to be accompanied by at least some private philanthropy. According to the organisation's last annual report, its philanthropy and sponsorship income totalled only 7% of its income.

The administrators are due to hold their first meeting with creditors on 14 May.