



Independent Cinemas  
Australia

31 May 2022

The Hon Justice Iain Ross AO President  
Fair Work Commission  
PO Box 1994  
MELBOURNE VIC 3001  
[awr@fwc.gov.au](mailto:awr@fwc.gov.au).

By email

Dear Justice Ross

### **Independent Cinemas Australia – National Wage Review 2021-22**

I am writing on behalf of Independent Cinemas Australia (ICA) to seek leave to make a brief submission as part of the National Wage Review 2021-22.

#### **About ICA**

ICA is a not-for-profit industry association that develops, supports, and represents the interests of independent cinemas and their affiliates across Australia and New Zealand. We represent 178 independent cinemas across 661 screens in Australia.

Independent cinemas are a significant employer, especially in regional Australia. According to the 2016 Census, there was a 5% increase in employment in the film exhibition sector in that period (Screen Australia, *Employment Trends Summary*, Census 1971-2016 (<https://www.screenaustralia.gov.au/fact-finders/people-and-businesses/employment-trends/summary>)). The majority of the workforce are young, casual workers.

#### **Executive Summary**

- In principle, ICA supports the notion that wages should keep pace with inflation.
- However, over the last 2 ½ years, independent cinema exhibitors have experienced exceptional circumstances caused by the COVID-19 Pandemic and a series of natural disasters which have seen a sharp decline in revenue.
- While independent cinemas are beginning to recover, box office in the March 22 Quarter is still down 33% when compared with March 2019 (Source: Numero).
- At the same time, input costs such as rent and electricity have increased.
- Unlike other employers in customer facing arts industries, independent cinema exhibitors have not been the beneficiary of deferred wage increases over the last two years.
- ICA respectfully requests that the exceptional circumstances of the last 2 ½ years be taken into consideration and that any wage increase for cinema workers be treated consistently with other customer facing arts workers such as those covered under the Live Performance Award.
- In ICA's respectful submission, any further increase to the Award should be delayed until 2023.



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Australia

## **The Broadcasting, Recorded Entertainment and Cinemas Award and Exceptional Circumstances**

Cinema workers are covered under the *Broadcasting, Recorded Entertainment and Cinemas Award (Broadcasting Award)*. However, the operating conditions for cinemas are very different from other industries covered under the Award as they are customer facing and contingent on a live audience.

These differences have been reinforced during the COVID-19 pandemic. Whereas the production sector has experienced a boom over the last two years, box office revenue for independent cinemas in Australia declined 50-70% (based on *Numero* box office data) and is still recovering.

Since the beginning of 2020, Australian independent cinema exhibitors have faced a series of exceptional circumstances:

- Natural disasters such as bushfire and flood. These have had a significant impact as 75% of the sector is based in regional Australia.
- COVID-19 lockdowns preventing operation.
- Capacity restrictions restricting audience numbers.
- Significant delays in the release of new films.
- Ongoing disruptions caused by new COVID-19 variants and high levels of community infection.

In recognition of this situation, independent cinema exhibitors received some support from federal and state governments in 2020 and 2021. This included SCREEN Fund grants for independent cinemas who had suffered a 30% reduction in box office during the relevant period. That support has now ended, and exhibitors are facing increasing cost pressures on top of losses accumulated over the last 2 ½ years which have yet to be recouped.

According to box office data collated by *Numero*, revenue for ICA members is still down 33% for the March Quarter of 2022 compared with the same period in 2019. This is consistent with overall box office which is down 31% for the Quarter compared with 2019. The 21/22 financial year to date sees the box office revenue for cinemas **down 42%** compared to the period from July 2019 to March 2020.

### **The situation of cinema workers compared with workers in the live performance sector**

In our submission, the situation of independent cinemas described above is analogous to the live performance sector and other customer facing arts industries. However, unlike the Broadcasting Award, wage determinations for the *Live Performance Award* have been subject to a deferral since 2020.

ICA respectfully submits that independent cinemas should now be brought into line with the live performance sector **insofar as any further wage increase should be delayed until 2023 to enable the cinema sector to recover from the exceptional circumstances experienced over the last two and a half years.**



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We support the submission of the Australian Chamber of Commerce and Industry which states that:

*This sector, like the accommodation and food services sector, is largely customer facing and therefore has been significantly impacted by the recent spread of the Omicron variant. Its workforce is also heavily award-reliant, with 26.6% of its employees under the relevant awards.<sup>21</sup> Increasing those award wages on July 1 risks compromising the viability and recovery of some businesses.* (2021-22 Annual Wage Review – ACCI - Reply Submission – 10 May 2022, p.8  
<https://www.australianchamber.com.au/wp-content/uploads/2022/05/ACCI-Annual-Wage-Review-2022-Reply-Submission.pdf>)

Please do not hesitate to contact us should the Panel have any questions or require any further information.

Yours sincerely

PP *Pauline Neghin*

Adrienne Pecotic  
CEO

Independent Cinema Australia