

Maximizing the Economic Investment in Physical Campus Spaces – A New Reality for Performing Arts Higher Education Providers

Issac Chung Lee

Ian Bofinger

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Prior to the COVID -19 pandemic, Australian universities relied heavily on the economic value of international cohorts. Stack (2023) states that with new post-pandemic revenue challenges, Higher Education Providers will have to revolutionise academic spaces to foster sustainable recovery. This includes both a push towards hybrid learning and making more efficient use of the physical campus space available.

This paper provides a case study of two projects that the Australian Academy of Music and Performing Arts (AMPA) has utilized to effectively maximize the investment in campus spaces. By sharing AMPA's performance and rehearsal spaces with non-tertiary Performing Arts organisations there are several associated economic and operational benefits. These include the off-setting of the rising leasing and infrastructure operation costs, further developing staff employment opportunities as in addition to providing potential direct access to AMPA's facilities and on-campus insight into the tertiary programs.

The revenue from tertiary international student enrolments increased from \$3.4bn to \$8.8bn during the period 2010 - 2018. The Covid-19 shutdown of the borders had a significant, and in some cases catastrophic effect on budgets built upon the assumption of those revenues. It has been financially modelled that the sector's total loss of revenue at \$16bn through to 2023. Bouncken (2020) proposes that to meet this change in income, Higher Education providers will need to repurpose their physical infrastructure to accommodate what is likely to be a closer relationship with business as they seek to replace international student revenues.

As reported by Head (2021), Australian universities are planning for a future that could be very different. "We don't expect to ever return to business-as-usual pre-Covid," ANU's vice-chancellor, Brian Schmidt, told staff and students, "We will continue to adapt, and we must be willing to be both innovative and measured in this uncertain time."

University business models are shifting to engage diversified income streams and the Wells Advisory (2021) highlights the need for even further revenue innovation. Higher Education providers can be both financially and environmentally more sustainable if they evaluate their occupancy efficiency and assess issues such as wasted energy consumed in empty spaces and underutilized buildings not meeting leasing costs. Davies (2020) notes that universities need to identify opportunities to capitalise on their assets and there could be commercial opportunities in hiring out spaces outside of term time.

Universities are also becoming recognised as central hubs in the arts using existing spaces and facilities (Wilson, 2016) and playing roles such as “knowledge center, landowner and real estate developer, major employer and facilitator, and as a social developer” (Ashley & Durham, 2021). As outreach is typically limited to university programs, the benefits of scope expansion to wider markets would appear relevant to providers today.

The notion of sharing space is becoming more of a norm in the modern workplace. It is expected that till the year 2024, there will be around 5 million people working in around 42,000 coworking spaces world-wide (Kraus, et al. 2023). Independent coworking spaces provide institutional users a work-space combined with a social space fostering interaction and communication. Recently, coworking spaces have extended their offerings by lab space, performance and Audio-visual theatres and collaborative group workspaces.

The following *case studies* provide some insight into shared space initiatives at the Academy of Music and Performing Arts.

Case Study 1: Tom Mann Theatre

Since occupation of the Tom Mann Theatre in 2017, AMPA has made extensive improvements to the space including raked audience seating, stage flooring, accessibility upgrades, LED stage lighting, audio equipment and recording facilities, enabling performance applications such as live music, theatre and dance. The refurbishment also included the conversion of a poorly utilised space within the theatre to be repurposed as a lecture room, transforming it into a hive of academic learning. Despite these improvements and newfound efficiencies significant underutilisation was observed due to the structure of AMPA’s academic calendar and timetable, resulting in an empty theatre during evenings, weekends, term breaks and non-teaching days.

Hirer Profile

AMPA embarked upon the concept of facility sharing with activities such as performances, shows and festivals in mind. The number of hirers has been increasing each year, and in 2022 included pro-am theatre companies, festival organisers, dance and performing arts studios, independent artists, opera companies, orchestras, production companies, music studios and teachers. As for duration, events would range from single day shows to ten weeks of rehearsal and performance for festival seasons.

Economic Benefits

Revenue from the Tom Mann Theatre has risen at an incredibly fast rate since the initiative was launched in 2017 (excluding the COVID-19 restriction period in 2021)

with an increase of 93% from 2018-2022. This high rate of growth suggests high industry demand for additional performance and cultural venues in Sydney.

The scale of theatre hire income in 2022 was relatively low at 4.5% of revenue from higher education tuition fees, and in future significant change is unlikely with AMPA's teaching calendar held as priority for the space. The low price position of booking rates and subsidies for partners and non-profit organisations have also played a factor. Similarly, direct expenses for AMPA have been minimal with existing, full-time staff managing the bookings and the campus already open for the hours of some events. Moving forward revenue is expected to increase incrementally over time with rates brought closer in line with industry standards.

Benefits have also been seen in the local hospitality industry, with increased activity in the many cafes, pubs, entertainment venues and restaurants in Surry Hills and surrounds.

Case Study 2: AMPA Performing Arts Centre

The AMPA Performing Arts Centre in Alexandria houses seven, purpose-built dance studios and is used as an ancillary facility by AMPA for rehearsal and training. Continuous improvements in the premises have resulted in state-of-the-art Tarkett floors, mirrors, ballet barres, sound systems and change facilities.

As a performing arts centre the facility was always intended to act as a shared facility, and now operates on a highly efficient schedule accommodating multiple dance studios and production companies.

Hirer Profile

The AMPA Performing Arts Centre attracts dance and performing arts studios, private dance teachers, theatre and TV production companies, dance companies, university dance societies and educational arts bodies. Event durations range from bookings of two hours in a single studio to ten weeks of rehearsal in multiple studios for larger productions. AMPA also holds an ongoing licence arrangement with two separate dance studios to provide regular studio bookings per term and exclusive access to secondary reception and storage areas.

Economic Benefits

Revenue from the AMPA Performing Arts Centre increased by 37% from 2018-2022 indicating a stable growth over a long-term timeframe. While this facility was also impacted by COVID-19 restrictions, the growth rate suggests that industry demand exists for rehearsal and production facilities.

The overall proportion of studio hire income in 2022 was significantly higher than the Tom Mann Theatre at 11.4% of total higher education tuition fees. Unlike the Surry Hills campus, the AMPA student timetable is not critical and individual studios can be hired concurrently with other activities. As with the Tom Mann Theatre, AMPA student activities will take priority and future hire growth will be dependent on the facility needs of students.

Hire rates are close to industry standard although subsidies are provided for some partners and non-profit organisations. Direct expenses are slightly higher with wear and tear on the facilities and extra cleaning costs, however full-time staff also manage bookings and efficiencies are realised with the campus already open. Overall the studio hire operation is a valuable asset for AMPA and is estimated to offset total leasing and electricity charges by 52% each year.

Benefits have also been seen in local industries, with increased activity in the many cafes, pubs, entertainment venues and restaurants in Alexandria and surrounds.

As both cases are interrelated within the same organisational context the following benefits apply across AMPA.

Brand Development

Hosting arts related activities exposes AMPA to the creative community, creates a positive affiliation with the industry and improves public perception. Patrons and performers learn more about AMPA as they walk through the front doors and rehearse in the many dressing rooms and studios, while online the AMPA logo will appear on social media posts during and after events. It is also a symbiotic relationship with AMPA students learning about the various artists and often bringing friends along to watch shows or participate in classes.

Social and Cultural Benefits

Indirect and long-term sociocultural benefits of the initiative are difficult to measure but have a positive impact on the sector.

Work Opportunities:

A number of AMPA graduates, students and faculty have been provided with contract opportunities to work at events in roles such as stage hand, usher, duty manager, performer, audio technician and lighting operator. This provides students an opportunity to earn additional income while gaining experience in the field relevant to their study. Networking around the facilities has also led to further employment and artistic opportunities with various companies.

Supporting Smaller Arts Companies:

By facilitating hire at lower and subsidised rates, AMPA has been able to provide a number of amateur companies, emerging artists and smaller teaching studios with the opportunity to rehearse in studios and showcase their work in a live theatre with professional production facilities.

Bringing Arts to the Community:

There have been many recent efforts to revitalise Sydney's struggling live music industry such as the City of Sydney's 'Live Music and Performance Action Plan' (LMO, 2017) and the 'Live and Local' (LMO, n.d.) program. Without special funding or government assistance AMPA has been acting as a central hub between artists, professionals, educators and audience for years. While many universities restrict the use of facilities to their students and faculty, AMPA may provide a greater impact on the community by opening its facilities for more people to connect with the arts.

These case studies provide a snapshot of how AMPA is using supplementary business models to diversify revenue streams while supporting the broader arts sector. In a rapidly changing world and rising levels of uncertainty it appears the time is now for Higher Education Providers to adapt.

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Issac Chung Lee is the Chief Operating Officer of the Australian Academy of Music and Performing Arts in Sydney and a Director at Australian Performing Arts Grammar School Limited.

Professor Ian Bofinger is the Executive Dean and CEO of the Australian Academy of Music and Performing Arts in Sydney. He is a Fellow of the Centre for Scholarship and Research.