

Bar None: Pubs and Cinemas Left Reeling by COVID-19

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Entertainment venues have been severely affected by COVID-19, as quarantine and social distancing measures have forced businesses to cease operations.

The COVID-19 outbreak has severely affected the Australian entertainment sector

COVID-19 has had a severe impact on the Australian entertainment sector. Quarantine and social distancing measures have caused most entertainment venues to close their doors temporarily. Two industries severely affected by COVID-19 are the:

- [Pubs, Bars and Nightclubs](#) industry
- [Cinemas](#) industry

Closures have severely affected these industries' revenue figures in the current year. In the [Pubs, Bars and Nightclubs](#) industry, revenue in 2019-20 is expected to fall by 18.7%. Employment and wages are also anticipated to drop significantly by 17.0% and 27.9% respectively. Operators in the [Cinemas](#) industry are forecast to face even steeper declines of 25.8% in revenue and 35.2% for both employment and wages. Managers, bartenders, waiters and waitresses, cleaners and other support staff will not be required while venues are closed. Several big international musical acts, such as The Pixies, Tame Impala and The National have postponed or cancelled their

tours, while several block buster movies have been delayed, such as James Bond 'No Time To Die', Mulan and Wonder Woman 1984.

Some relief for the sector has come from the Australian Government's JobKeeper Payment scheme. This stimulus package aims to help employers retain their employees in the Australian entertainment sector. The package will provide eligible businesses, those that have been significantly affected by COVID-19, with support by paying each eligible employee a fortnightly payment of \$1,500.

The [Cinemas](#) industry is anticipated to suffer heavier losses than the [Pubs, Bars and Nightclubs](#) industry. Some pubs and bars have been able to operate by offering takeaway food services, diversifying their revenue stream. Cinemas operators have also faced difficult trading conditions over the past five years, as growth in online streaming services, such as Netflix, has eroded demand for industry services.

Bars, pubs, nightclubs and cinemas all rely on consumers to make a profit. The Federal Government's quarantine and social

Pubs, Bars and Nightclubs in Australia*		
	2018-19	2019-20
Revenue (\$b)	18.2	14.8
Growth rate	0.4%	-18.7%
5 year CAGR		-3.8%

*Estimate

Cinemas in Australia*		
	2018-19	2019-20
Revenue (\$b)	1.7	1.3
Growth rate	-3.8%	-25.8%
5 year CAGR		-7.0%

*Estimate

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distancing measures have significantly reduced consumers' ability to visit these businesses. These restrictions have reduced operators' ability to spread their fixed costs, such as rent and liquor licences, consequently constraining profitability and may cause some establishments to go out of business. Establishments in the [Pubs, Bars and Nightclubs](#) industry and [Cinemas](#) industry are expected to decline by 2.7 % and 1.0 % respectively in 2019-20.

However, both industries are forecast to recover strongly over the next five years. As quarantine measures ease, entertainment venues are anticipated to benefit substantially. Postponed movies and musical shows are projected to help the

Australian entertainment sector rebound. Additionally, as broader economic conditions improve over the period, discretionary income is projected to increase, providing households with more income available for recreation activities. Revenue for the [Cinemas](#) industry is forecast to grow at an annualised 5.9 % over the next five years through 2024-25, while [Pubs, Bars and Nightclubs](#) industry revenue is anticipated to increase at an annualised 5.3 % over the same period.

Related industries:

[Pubs, Bars and Nightclubs industry](#)
[Cinemas industry](#)