

COSTS AND FEES FOR FRINGE PROGRAMMED VENUES INFORMATION PACK

This resource has been drafted to engage in some of the more nuanced elements of conversation arising out of an open letter from *A Fair Cut* in May 2026. This letter has called for a reduction of venue hire costs from the 2026 model of a 35% door split to a lower split calculated against 30% of artist takings after per-ticket Participation Fees have been removed.

We see this open letter as an opportunity for information sharing. This conversation has occurred at a time when independent arts infrastructure across the sector is under increasing pressure.

Costs are rising across every aspect of presenting work. Expectations around accessibility, safety, compliance and artist support have rightly grown. Affordable presentation opportunities are increasingly difficult to sustain.

Melbourne Fringe is navigating these same pressures while continuing to advocate strongly for better support for artists and the organisations that exist to serve them.

None of this changes the very real pressure artists are feeling. But it does provide important context for the difficult decisions organisations across the sector are increasingly being forced to make.

Melbourne Fringe exists by and for the independent artists of Melbourne, and we make every decision with this in mind.

1. The costs of running a venue

The Festival Hub has had several iterations over the past 25 years. Its most recent major change was moving from North Melbourne Town Hall to Trades Hall in 2019, along with a shift from a pre-set venue hire model to a shared risk door split venue hire model. This information pack includes specific numbers relating to this specific venue activation.

The Hub is not a profit centre for Melbourne Fringe. It operates at a substantial loss.

This is true now, more than when we first moved to a shared risk model in 2019:

- **In 2019:** artists contributed approximately \$125,000 in venue hire and on-costs. The direct artist-related costs of operating the Hub were \$345,000. Melbourne Fringe covered the remaining \$220,000.
- **In 2025:** artists contributed approximately \$185,000 in venue hire and on-costs. The direct artist-related costs increased to approximately \$510,000. Melbourne Fringe covered the remaining \$325,000.

These are not abstract numbers. They reflect the actual cost of venue rental, technical and production staffing, equipment hire, compliance, front of house staffing, venue infrastructure and operational delivery. These are real operational costs that Melbourne Fringe cannot sustainably absorb without artist contribution.

Although artists in 2025 contributed significantly more dollars than in 2019 thanks to an increase in audiences and slight growth of average ticket prices, Melbourne Fringe was also subsidising significantly more.

To be more direct: a 30% venue contribution in 2025 is not equivalent to a 30% contribution in 2019.

The underlying costs of operating the Festival Hub have increased substantially, yet ticket prices and associated income have not grown at the same pace.

The 2026 model of an increase to a 35% door split is not about Melbourne Fringe seeking to increase profit. There is no profit, and never has been.

This model is about reducing the scale of an operating loss that can no longer continue at previous scale.

Or put more simply: without changes to the model of artist contribution, Melbourne Fringe could not continue operating the Festival Hub in its current form.

2. Why the Festival Hub costs what it does

For several years Melbourne Fringe has operated under increasing financial pressure while maintaining and expanding artist subsidy levels across the organisation. Like many arts organisations, we have absorbed rising costs to protect artist opportunities and maintain accessibility.

But there are limits to what can responsibly be sustained.

Melbourne Fringe deliberately chose to build a supported Festival Hub model because we believe independent artists deserve options.

The Hub is designed to provide a staffed, technically supported, centrally located festival environment where artists do not need to independently source and manage every component themselves.

This means we take on the upfront costs for:

- building rent and technical equipment hire
- venue infrastructure that needs to be planned and built new each year
- production and technical personnel
- front of house staffing
- accessibility and operational support
- audience development work

These costs sit within our commitment to paying staff at award rates and providing a fair and safe work environment, along with the significant compliance regulations associated with operating a temporary venue. Not all venues experience these costs.

But there are still cheaper ways to run the Festival Hub. We won't pretend otherwise.

We could reduce staffing, reduce or lower the quality of included equipment, operate fewer rooms, or move toward a more DIY venue model where artists provide more of their own infrastructure or personnel.

However, each of these decisions comes with trade-offs around quality, support and equity, and there are certain standards around accessibility and safety that we will not compromise on.

The 2026 Festival Hub delivery model has been built up over years of feedback around what our artists need. It is intended to sit between less supported lower-cost options and fully commercial venue models. We understand this balance will not be right for every artist and remain open to feedback on where we might have missed the mark.

Many artists seek a different presentation model to ours, and in all cases our Participant Services team work closely with artists to ensure they are connecting them with venues and opportunities that best suit their needs.

3. Are there any ways to adopt the proposed changes?

The open letter proposes two key changes:

1. Reverting the Fringe Programmed Venue contribution from 35% back to 30%, and
2. Calculating the percentage on net rather than gross ticket sales.

We understand why these requests are being made, as well as the argument that we should focus less on dollar values and more on the proportion of takings that artists are being asked to contribute.

The important context missing from these requests is an understanding that while percentage-based models are useful ways of distributing costs equitably across artists with different earning capacities, they do not change the underlying cost of operating the venue.

As a result, every possible venue model, whether based on various percentages, guarantees or fixed charges, and whether net or gross, must ultimately recover a real dollar contribution toward those shared costs.

The request for cheaper venue hire is reasonable. But any achievable solution needs to engage with the underlying issue: the increased costs of running venues.

Melbourne Fringe has committed to subsidising approximately \$300,000 of the artist-related Hub costs this year. Meanwhile, our income modelling estimates that the 2026 Artist Contribution portion will amount to approximately \$225,000.

If the proposed changes from the open letter were adopted, it would reduce the 2026 Artist Contribution by approximately \$50,000.

In practice this would mean:

1. Fringe would need to increase the 2026 Fringe Subsidy to \$350,000, or
2. Fringe would need to reduce the overall venue costs by \$50,000.

Regarding the first option: obviously this is what our community is asking for, but unfortunately Melbourne Fringe does not have the funds to cover this request. We won't stop trying to raise more money, but this is where we are for 2026.

Regarding the second option: this would require significant changes to the structure of the Hub itself and many of the supported provisions previously outlined. It would involve substantial reductions to planned staffing, equipment and operational support, fundamentally shifting the Hub from its current model into a more bare-bones venue hire experience. It would also impact contracts and planning that are already well underway for 2026. This is not off the table for future years if it is genuinely what artists want from the Hub, but it is not the model that 2026 artists signed up for, nor one that could responsibly be implemented at this stage of delivery planning.

4. What changes might make a 30% net model possible?

Although it remains true that reducing artist contributions by \$50,000 would ordinarily require a corresponding reduction in costs, we want to be upfront that there are other ways Melbourne Fringe could adopt a 30% net door split without directly cutting staffing or equipment provisions.

However, these approaches come with significant trade-offs that would shift the Festival away from our commitment to equity and cultural democracy by changing who benefits from the Festival Hub and how financial risk is distributed across artists.

In practice, they disproportionately favour commercially proven works and these options sit in tension with the goals and vision that Melbourne Fringe operates under.

Option 1: Increase minimum guarantees

A 30% net door split is possible if we increase the minimum guarantees. This would lower costs for the highest-selling shows while significantly increasing financial pressure on lower-selling artists.

To make a 30% net split viable, the number of shows that don't meet the minimum guarantee would almost triple and these lower-selling shows would end up paying 2-3x more than they currently do.

Option 2: Introduce 'static' upfront payments

Melbourne Fringe could split some venue costs into fixed upfront charges, separate from the door split. While this may appear simpler, it would operate similarly to having higher minimum guarantees.

It would shift a greater proportion of the Artist Contribution onto artists in smaller venues, or those in larger venues that sell poorly.

Option 3: Prioritise commercial programming

Melbourne Fringe could reduce the overall scale or configuration of the Hub and focus primarily on artists with proven high ticket sales. A model that cuts out the 'less profitable' rooms and has a more commercially conservative approach to programming could achieve the requested door split model.

This would require cutting out the smaller rooms and only programming artists with a proven track record of strong sales. It would also mean moving away from the broad and equitable programming approach that currently underpins the Festival Hub.

5. Is a door split the fairest model to use?

A door split is not designed to precisely match the itemised costs of each individual room. It is a way of asking artists to contribute toward the artist-related costs of the Festival Hub.

No Hub artist in 2025 paid the full cost of the venue, staffing, equipment and infrastructure they used, and we expect this to remain true in 2026.

A 35% door split was one of several possible models that was considered for 2026 in order to reach the required Artist Contribution.

We recognise that no model is perfect, but we reflected on many and chose this one because it attempts to balance equity, risk-sharing and operational viability. In simple terms, it recognises that shows in larger venues will generally have a greater capacity to contribute than shows in smaller rooms.

A flat hire cost would be simpler and would definitely avoid any confusion around “fees on fees” while still recovering the same overall contribution toward Hub costs. However, this would significantly advantage larger commercial works while creating greater barriers for emerging, experimental or less commercially proven artists.

Because the purpose of the model is to recover an overall contribution toward shared venue costs, there have been a very small number of exceptional cases where we have accepted a different risk profile in exchange for greater certainty of return. In some rare cases where an artist has a proven history of exceptionally strong ticket sales in the Hub and a supporting case demonstrating continued audience growth, we have agreed to an adjusted risk profile. These involved a lower percentage split paired with a significantly higher minimum guarantee, based on strong confidence that the work will ultimately return a higher overall venue contribution than other shows in the same room.

These arrangements are rare exceptions made through the programming process, not a standard or open negotiation framework. Most requests for alternative commercial arrangements are not able to substantiate a guarantee of higher return, but in the limited cases where they can, they have the potential to benefit all artists by attracting significant new audiences into the Hub while being amongst the highest overall contributors to shared venue costs.

6. How different Festival costs are shared

Another area of understandable confusion in the public conversation has been the different fees that exist within the Festival ecosystem and what each of them pays for.

One specific claim deserves a direct response: that Melbourne Fringe charges its venue hire “on top of” Participation Fees, creating a “fee on a fee”. We understand how the arithmetic can be framed that way, but these are not two charges for the same thing. They are separate cost-recovery mechanisms that cover artist expenses for very different services.

- 1. Participation Fees:** All registered Melbourne Fringe events pay a Participation Fee. This contributes toward the costs of running the Festival platform itself, including artist services, registration systems, the website, Festival marketing, publicity, printed programs, and Festival administration.

These are Festival-wide costs that support all participating artists, regardless of venue or where their ticket was sold. There is a flat event listing component and a per-ticket component. The per-ticket component is only paid when a ticket is sold, allowing contributions toward shared Festival costs to scale relative to each artist’s ability to contribute.

- 2. Booking Fees:** Booking fees are paid on a per-transaction basis by customers using the Melbourne Fringe ticketing system. These contribute towards ticketing infrastructure, merchant fees, box office systems and transaction costs.

They are only charged for transactions occurring through the Fringe system.

- 3. Fringe Programmed Venue Hire:** Fringe Programmed (Festival Managed) Venue hire only applies only to artists presenting in venues operated directly by Melbourne Fringe. This contribution supports the cost of operating those venues and the infrastructure attached to them, including staffing, venue rental, equipment and operational delivery. Venue hire uses ticket sales as a reference point to estimate an equitable contribution toward shared costs.

- 4. Venue On-Charges:** Some artists require additional non-standard equipment or services beyond what is included in the base venue package. In these cases, Melbourne Fringe sources this equipment at discounted rates and passes those direct costs on to the artist requesting them. These are optional, artist-specific costs, rather than general venue hire charges.

We understand how these separate mechanisms can become conflated. There is no crossover with what costs they recover, and each exists to support a different part of the Festival ecosystem.