



**size  
& scope  
of the  
live  
entertainment  
industry**

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industry



Live  
Performance  
Australia<sup>TM</sup>

# Contents

Introduction	2
Executive Summary	3
1.1 Overview	4
1.2 Definition Of The Industry	4
1.3 Limitations	5
1.4 Disclaimer	5
2. Key Concepts	6
2.1 Economic Indicators	6
2.2 Estimation Approach	7
3. AMPAG	8
4. Non-AMPAG	9
5. National Economic Contribution	10
5.1 Industry Revenues And Expenses	10
5.2 Industry Output	11
5.3 Industry Value Add	11
5.4 Industry Employment	12
5.5 Comparison With Other Industries	12
6. Economic Contribution By State And Territory	13
7. Economic Contribution By Event Category	14
8. Disclaimer	15
Appendix A <i>Survey Participants</i>	16
Appendix B <i>Category Size Definitions</i>	17
Appendix C <i>Number Of Performances By Event Category And Size (Non-AMPAG)</i>	18
Appendix D <i>Revenue And Cost Descriptions</i>	19
Appendix E <i>Event Profiles</i>	20

## Introduction

Live Performance Australia is pleased to present the results of our first ever benchmark study of the economic size and scope of the Australian live performance industry. As is the case with the LPA Ticket Attendance and Revenue Survey, this study is broader in scope than those previously undertaken by the Australian Bureau of Statistics (ABS), and demonstrates the significant economic contribution of the industry, despite limited government investment in certain event categories.

The study, prepared by Ernst & Young, analyses the results of the most recent LPA Ticket Attendance and Revenue Survey (2008), combined with an estimation approach, to calculate the industry's economic contribution in terms of gross output, value add and full time equivalent employment. The industry's value add is in excess of \$1 billion, which compares favourably with film and video production, book publishers and horse racing.

The industry's economic contribution is also presented by state and event category. Together, New South Wales and Victoria comprise more than 65 percent of the total value add of the industry. Non-classical (contemporary) music is the most significant contributor by event category, comprising 40 percent of the industry's total value add.

The dearth of economic data reflecting the entire industry eco-system, ie commercial and government-assisted sectors, was the primary driver for initiating this research. Going forward, we hope to expand the analysis further by broadening the range of data collected via the Ticketing Survey and examining in more detail the employment aspects of our industry. This will enable us to track trends in our own industry plus allow some international comparisons.

Our thanks go to our research partners, Ernst & Young, for their efforts in compiling the study, including developing the research methodology and consulting with LPA members in the development of the event profiles. We look forward to repeating this study every 2 years, as an important component of our industry research program.

**Evelyn Richardson**  
**Chief Executive**  
Live Performance Australia  
May 2010



## Executive Summary

The Live Entertainment Industry is a unique industry comprising many diverse sectors ranging from ballet and dance to classical music and to rock festivals. Many economic activities are involved in “putting on the show”, ranging from staging, ticketing and venue hire, advertising and marketing to the actual performance by artists itself.

In terms of its economic importance, the Live Entertainment Industry generated revenues of \$1.88 billion during 2008.

A large proportion of the Live Entertainment Industry is events that do not generate a commercial return but operate on a not-for-profit capacity. While the not-for-profit sector is reliant on an income stream from government, overall in 2008, government contributions to the running of Live Entertainment Events are estimated at \$210.7 million, representing 11.2% of the industry’s income.

The bulk of the revenues generated by the industry are spent on people, including performers and non-performing artists. Overall, the industry supports employment of over 13,800 full time equivalent positions.

Total profits and wages generated by the industry (i.e., the “Industry Value Added”), amounted to \$1.01 billion. Comparing this with other industries, Live Entertainment is larger than the Film and Video Productions, Sports and Physical Recreation, Book Publishing and Horse and Dog Racing sectors in Australia.

The Live Entertainment Industry also generates a number of intangible benefits that are not captured in economic metrics such as those below. These included improved social cohesion, lifestyle improvement, diversity and increased creativity. It is the combination of the industry’s economic, social and cultural contribution that makes it so important to Australia.

### Economic contribution of the live entertainment industry

Gross output	\$1,888.1 million
Industry value add	\$1,010.5 million
Industry employment full time equivalents (FTE)	13,819

## 1.1 Overview

The importance of creative and cultural industries to economic development has been highlighted by academics such as Richard Florida and David Throsby.<sup>1</sup> Cities with a burgeoning creative environment attract innovative thinkers, and in turn, they transform ideas into tangible outcomes that support high value production and high wage jobs. The United Nations Conference on Trade and Development has also recognised that creative industries are key drivers of growth in developed countries.<sup>2</sup> An important element of creative industries is the Live Entertainment Industry, which encompasses the music and performing arts sectors.

Live Performance Australia has engaged Ernst & Young to examine the size and scope of this industry in Australia. This study provides a snapshot of the Live Entertainment Industry's economic contribution in terms of gross output, value add and employment during 2008.

## 1.2 Definition Of The Industry

For the purposes of this study, the Live Entertainment Industry is defined as businesses and workers that organise and perform work for or in connection with performances, productions, workshops, rehearsals or concerts (including the operation of venues or other facilities, whether permanent or temporary) that are performed in front of a live audience.

This study is based on the same range of live events captured in the Ticket Attendance and Revenue Survey published by Live Performance Australia<sup>3</sup>. Table 1 presents a description of the live events that were surveyed and incorporated in this study.

**Table 1: Category descriptor guide (2008)**

Category	Description
Ballet And Dance	Traditional forms, ethnic dance, folk dance, ballet, ballroom, latin dance, liturgical dance, modern dance, ballet, tap, and breakdancing.
Children's / Family	Live entertainment for children, Interactive performances for children and Workshops for children.
Classical Music	Any of the following in classical/contemporary art (i.e. current, but not 'pop') style: Orchestral music, Chamber music, Choirs and choral music, Recitals, and Singing/playing. All styles of the following: Sacred music and traditional music/ethnic music/world music.
Festivals (Multi-Category)	Festivals/events which contains a number of different types of events which fall into two or more categories.
Festivals (Single-Category)	Festivals/events which contain a number of events but which fall into one category only.
Musical Theatre	Staged productions which include music/drama/movement in popular form, primarily (but not limited to): Musicals Cabarets in cabaret mode/style.
Non-Classical Music	All forms of the following, performed by any type of ensemble or soloist (including any ensemble/chorus/solo musicians advertising a program which is exclusively one of the following categories, e.g. 'pop' or 'jazz,' as in the Australian jazz orchestra): pop, jazz, blues, country, rock, folk, soul, R&B, techno, hip hop, rap, heavy metal, and dance parties.
Opera	Theatrical presentations in which a dramatic performance is set to music in classical or contemporary art style: opera and operetta.
Theatre	Script based theatre, drama, comedy mime, physical theatre and plays.
Special Events	Unique presentations which do not fall into any other category.

<sup>1</sup> Richard L. Florida (2002) 'The Rise of the Creative Class'

<sup>2</sup> United Nations Conference on Trade and Development (2004) - Creative Industries and Development.

<sup>3</sup> Live Performance Australia (2009) Live Performance Industry in Australia: Ticket Attendance and Revenue Survey 2008 Report.

## 1.3 Limitations

This study is largely based on ticket revenue and events data sourced from Live Performance Australia's 2008 ticket revenues and events survey. As noted in that survey, its coverage was limited to the companies and organisations that participated in the survey (a table of survey participants is included in Appendix A). While national in reach, the coverage excludes smaller events such as in regional venues, free performances, and also schools' performances of the Australian Major Performing Arts Group (AMPAG) companies.

Moreover, it was noted that revenues at festivals and non-classical music events were under-reported. For instance, some festivals maintain their own ticketing systems and are not part of the survey. In addition, the non-classical music category is subject to similar limitations; as pub and club venues that self-ticket, or use ticketing companies who are not part of that survey, are not included in the results. As such, this economic size and scope study only provides a conservative estimate of the economic contribution of the Live Entertainment Industry in Australia.

This study also considers feedback from a range of industry stakeholders on the revenue and cost profiles of Live Entertainment events. Ernst & Young have not independently verified, or accept any responsibility or liability for independently verifying the accuracy of information received from the feedback process. Nor do we make any representation as to the accuracy or completeness of the information. We accept no liability for any loss or damage, which may result from your reliance on any research, analyses or information so supplied.

Any commercial decisions taken by Live Performance Australia are not within the scope of our duty of care and in making such decisions you should take into account the limitations of the scope of our work and other factors, commercial and otherwise, of which you should be aware of from the sources other than our work.

## 1.4 Disclaimer

This report, dated 17 November 2009, has been prepared by Ernst & Young for Live Performance Australia in accordance with our engagement agreement dated 4 February 2009. Any use of this report by third parties is subject to our disclaimer contained in section 8.

## 2. Key Concepts

### 2.1 Economic Indicators

Three common indicators of an industry's economic size are:

- Industry output – the market value of goods and services produced by an industry, often measured by industry turnover.
- Industry value add – the market value of goods and services produced by an industry, after deducting the cost of goods and services used.
- Industry employment – the number of workers directly employed by the industry, expressed in terms of full time equivalent employees.

All three measures are valuable in their own right. Industry output is a measure of production, value add is a measure of wealth generation, and arguably, employment is a measure of the distribution of income.

In comparing an industry's size against others, it is generally accepted to discuss this in terms of its industry value add. Industry value add measures net off the costs of production (that is, inputs sourced from other sectors) from the industry's outputs. This avoids the inclusion of revenues to other industries and any associated double counting. In practice, industry value add largely comprises wages, salaries and the operating surplus of an industry – that is, the industry's income. This study looks at all three measures, but attention will be placed on industry value add measures when making industry comparisons.

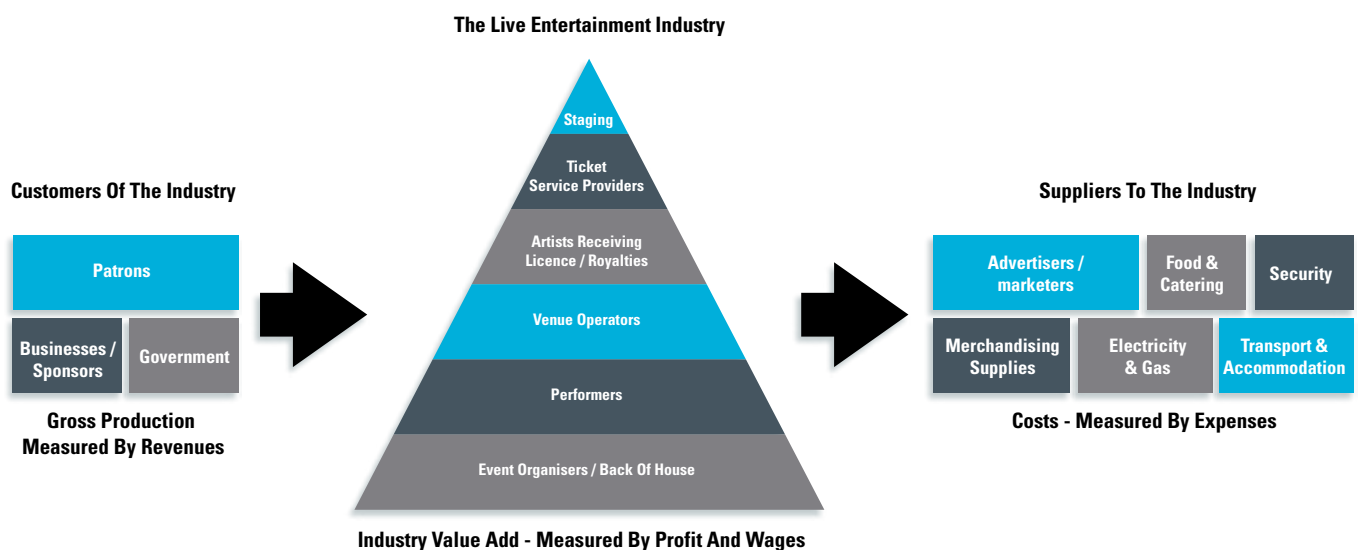
The value add measure is commonly put forward as the most appropriate measure of an industry's contribution to the national economy.

In examining the size of an industry, it is necessary to place boundaries around what the industry is, and what it isn't. For the purposes of this study, the Live Entertainment Industry is defined as comprising: <sup>4</sup>

- Performers
- Event organisers
- Venue operators
- Staging
- Ticket service providers
- Local artists that receive licence/royalty fees from productions.

Patrons, businesses, sponsors and government are effectively customers to this industry as they provide it with a source of funding. The other industries that provide goods and services to the Live Entertainment Industry, such as advertising, merchandising and food etc are treated as being outside of this industry. Revenues to these suppliers are not counted again as this would constitute double counting. Figure 1 summarises these linkages between the customers and suppliers to the Live Entertainment Industry.

**Figure 1: Live Entertainment Industry Lifecycle**



<sup>4</sup>To the extent that these individuals or businesses contribute to the live entertainment industry.

## 2.2 Estimation Approach

The estimation approach comprises two broad components.

- **First, obtaining the economic contribution of organisations within the Australian Major Performing Arts Group (AMPAG) of companies.**
- **Second, estimating the economic contribution for the remaining industry based on event performance data.**

The economic contribution of the Live Entertainment Industry (ie Non-AMPAG organisations) is the sum of the AMPAG and non-AMPAG components.

This two staged approach is adopted due to data constraints. The AMPAG data is based on their actual consolidated operating budget, and hence is more reliable. Estimates of revenues and costs for the remaining events in the industry are in part based on assumptions regarding the cost profile of performances, based on ABS data and consultation with a sample of industry stakeholders, and ticket revenue data from the ticketing survey.

### AMPAG events

A consolidated profit and loss statement for 2008 was provided by the Australia Council for the Arts, which was used as the basis for the AMPAG companies' economic contribution. Chapter 3 presents the economic contribution of the AMPAG companies.

### Non-AMPAG Events

Industry size and scope analysis typically involves an understanding of the population of businesses in the industry, and their revenues and surpluses. However, for the Live Entertainment Industry, the application of this approach is problematic:

- **The industry is rather fragmented, comprising many sole operators and small businesses. As such, it is difficult to obtain, with a relative degree of certainty, the true population of these businesses (and their associated revenues and expenditures).**
- **There are many overlaps with other industries. For instance, many venue operators obtain income from hosting Live Entertainment events, but also from other events such as sports. Likewise, some individuals (such as performers) do not work full-time in this industry and derive their livelihood from other income sources that are outside of the Live Entertainment Industry. As such, it is difficult to separate the Live Entertainment components from other components for these businesses and individuals.**

Given these limitations, the size and scope of this component of the industry is based on understanding the revenues and costs generated by the individual performances. Figure 2 summarises schematically the estimation approach for non-AMPAG events.

**Figure 2: Summary Of Estimation Approach: Non-AMPAG Events**



Details of the number of performances for non-AMPAG events (by size and event category), and average profit and loss profiles of performances in this sector by event category and size are contained in Appendix E.



### 3. AMPAG

The Australia Council for the Arts provided the consolidated financial results of the Australian Major Performing Arts Group (AMPAG) companies for the 2008 fiscal year. Based on this data, industry output, value add and employment estimates can be directly calculated for this component of the Live Entertainment Industry.

Table 2 replicates AMPAG companies' 2008 profit and loss statement. AMPAG companies contributed total revenues of \$378.7 million to the Live Entertainment Industry turnover.

The main sources of income for AMPAG companies were ticketing and membership revenues (or Box Office Income), and government funding which represent 41.7% and 36.6% of total revenue respectively.

On the expenses side, direct wages (34.6%), contract payments to performers and non-performers (12.1%) and advertising, marketing and promotions (10.8%) are the main costs.

**Table 2: Total Budgeted Income For Australia Council AMPAG Companies**

Revenue	Revenue (\$ millions)	As % of Total Revenue
Box office income	\$157.8	41.7%
Government funding	\$138.6	36.6%
Other*	\$82.3	21.7%
<b>Total revenue</b>	<b>\$378.7</b>	<b>100.0%</b>
<b>Expenses</b>		
Wages	\$130.8	34.6%
Contract payments to performers and non-performers	\$ 45.7	12.1%
Venue hire	\$32.9	8.7%
Travel, accommodation and vehicles	\$30.4	8.0%
Advertising, marketing and promotions	\$40.8	10.8%
Purchases	\$13.9	3.7%
Royalty payments	\$13.4	3.5%
Staging, equipment & repairs	\$11.0	2.9%
Other	\$53.8	14.2%
<b>Total expenses</b>	<b>\$372.7</b>	<b>98.4%</b>
<b>Net profit/loss before tax</b>	<b>\$6.0</b>	<b>1.6%</b>

\* Included within 'Other' revenues is income relating to orchestra hires, royalty receipts and merchandising income.

\*\* Description of revenue and expense items are contained in Appendix D

## 4. Non - AMPAG

As consolidated profit and loss data was not available for the rest of the Live Entertainment Industry (i.e. excluding AMPAG events), assumptions were developed to estimate the profit and loss position for the aggregated Non-AMPAG component of the industry. As described in Section 2.2, the estimation methodology is based on the development of a series of performance profiles; to which the population of total event performances were applied. Assumptions underlying the estimation approach are detailed in Appendix A.

Table 3 below shows the estimated profit and loss breakdown of the Non-AMPAG component of the Live Entertainment Industry. The analysis indicates that Non-AMPAG companies generated \$903.5 million of ticketing and membership income and contributed total revenues of \$1,509.4 million or 79.9% of the Live Entertainment Industry's total turnover.

The key revenue sources are 'box office income' (which includes ticketing and membership revenues), and 'Other' income (which includes business sponsorships, personal donations, orchestra hires and royalty payments). Together these represent 59.9% and 35.4% of total revenues respectively. Government funding to Non-AMPAG companies amounted to 4.8% of total revenues. This is in stark contrast with the AMPAG component of the industry which drew 36.6% of its total revenues from Government funding.

With respect to expenses, direct wages (26.5%), contract payments to performers and non-performers (19.7%), and rent, leasing and hiring (13.4%), were the main costs. Overall, the Non-AMPAG component of the industry was more profitable as compared to the AMPAG component, generating an operating surplus of 10.5%. This is due to the fact that the Non-AMPAG group of companies comprise predominantly of commercial operations.

**Table 3: Total Number Of Performances And Ticket Revenue In 2008 (Excluding AMPAG)**

Revenue	Revenue (\$ millions)	As % of total revenue
Box Office Income	\$903.5	59.9%
Government Funding	\$72.1	4.8%
Other*	\$533.8	35.4%
<b>Total revenue</b>	<b>\$1,509.4</b>	<b>100.0%</b>
<b>Expenses</b>		
Wages	\$400.3	26.5%
Contract payments to performers and non-performers	\$297.5	19.7%
Rent, leasing and hiring	\$202.7	13.4%
Venue hire	\$114.4	7.6%
Travel, accommodation and vehicles	\$64.9	4.3%
Advertising, marketing and promotions	\$94.5	6.3%
Purchases	\$30.6	2.0%
Royalty payments	\$45.6	3.0%
Staging, equipment & repairs	\$36.2	2.4%
Other	\$64.5	4.3%
<b>Total expenses</b>	<b>\$1,351.2</b>	<b>89.5%</b>
<b>Operating surplus</b>	<b>\$158.1</b>	<b>10.5%</b>

\* Included within 'Other' revenues is income relating to orchestra hires, royalty receipts and merchandising and catering income.

\*\* Description of revenue and expense items are contained in Appendix D

## 5. National Economic Contribution

### 5.1 Industry Revenues And Expenses

Table 4 below summarise the combined total revenues and expenses of the Live Entertainment Industry based on the analysis from the preceding chapters. This data can be used to derive the key industry output, value add and employment indicators of economic contribution.

In aggregate, AMPAG and Non-AMPAG companies generated a total turnover of \$1,888.1 million for the Live Entertainment Industry in 2008.

The main revenue drivers for the industry were Box Office income (56.2%) and Other Income (32.6%); with Government Funding contributing 11.2% to total industry turnover.

The primary drivers of costs include wages (28.1%), contract payments to performers and non-performers (18.2%) and rent leasing and hiring (10.7%), venue hire (7.8%) and advertising and marketing (7.2%).

Overall, the industry generated a net operating surplus of \$164.2 or 8.7% of total revenues for 2008.

**Table 4: Live Entertainment Industry Revenue And Expenses**

Revenue	AMPAG		Non-AMPAG		Total industry	
	Revenue (\$ millions)	As % of Total Revenue	Revenue (\$ millions)	As % of Total Revenue	Revenue (\$ millions)	As % of Total Revenue
Box office income	\$157.8	41.7%	\$903.5	59.9%	\$1,061.3	56.2%
Government funding	\$138.6	36.6%	\$72.1	4.8%	\$210.7	11.2%
Other	\$82.3	21.7%	\$533.8	35.4%	\$616.1	32.6%
<b>Total Revenue</b>	<b>\$378.7</b>	<b>100.0%</b>	<b>\$1,509.4</b>	<b>100.0%</b>	<b>\$1,888.1</b>	<b>100.0%</b>
<b>Expenses</b>						
Wages	\$130.8	34.6%	\$400.3	26.5%	\$531.2	28.1%
Contract payments to performers and non-performers	\$45.7	12.1%	\$297.5	19.7%	\$343.2	18.2%
Rent, leasing and hiring	\$0.0	0.0%	\$202.7	13.4%	\$202.7	10.7%
Venue hire	\$32.9	8.7%	\$114.4	7.6%	\$147.3	7.8%
Travel, accommodation and vehicles	\$30.4	8.0%	\$64.9	4.3%	\$95.3	5.0%
Advertising, marketing and promotions	\$40.8	10.8%	\$94.5	6.3%	\$135.4	7.2%
Purchases	\$13.9	3.7%	\$30.6	2.0%	\$44.5	2.4%
Royalty payments	\$13.4	3.5%	\$45.6	3.0%	\$59.0	3.1%
Staging, equipment & repairs	\$11.0	2.9%	\$36.2	2.4%	\$47.1	2.5%
Other*	\$53.8	14.2%	\$64.5	4.3%	\$118.3	6.3%
<b>Total expenses</b>	<b>\$372.7</b>	<b>98.4%</b>	<b>\$1,351.2</b>	<b>89.5%</b>	<b>\$1,723.9</b>	<b>91.3%</b>
<b>Operating surplus</b>	<b>\$6.0</b>	<b>1.6%</b>	<b>\$158.1</b>	<b>10.5%</b>	<b>\$164.2</b>	<b>8.7%</b>

\* Description of revenue and expense items can be found in Appendix D

## 5.2 Industry Output

The total combined size of the Live Entertainment Industry in 2008 was \$1.89 billion, based on total revenues generated. Of this amount, 20.1% was sourced from

AMPAG operations while the remaining 79.9% was generated from non-AMPAG events.

**Table 5: Industry Output**

	Total revenues
AMPAG	\$378.7 million
Non-AMPAG	\$1,509.4 million
Live entertainment industry	\$1,888.1 million

## 5.3 Industry Value Add

Industry value add is defined as the sum of all wages, income and profits generated by the industry. For the purposes of the analysis, the following expense items have been included as part of wages and salaries:

- Wages
- Contract Payments to local performers (this was based on 67.7% of total contract payments to performers and non-performers, the remaining 32.3% is treated as an import expense) <sup>5</sup>
- Royalty Payments to Australian artists (this was based on 41.5% of total royalty payments, the remaining 58.5% is treated as an import expense). <sup>6</sup>

As people employed in the venue hire, staging,

equipment and repairs sectors specifically relating to Live Entertainment Events form part of the industry, we have attributed a proportion of these expenses as a wage expense. These expenses have been included as part of the industry's wages and salaries as follows:

- Venue hire expenses – 30% <sup>7</sup> of these expenses attributed as Live Entertainment Industry wages
- Staging, Equipment and Repairs expenses – 30% <sup>8</sup> of these expenses attributed as Live Entertainment Industry wages.

On the basis of these assumptions, total industry value add to the Live Entertainment Industry is estimated at \$1,010.5 million.

**Table 6: Industry Value Add**

	Total
Wages, contract payments and royalty payments	\$788.0 million
Wages to venue hire, staging and equipment operations	\$58.3 million
Live entertainment industry operating surplus	\$164.2 million
<b>Industry value add</b>	<b>\$1,010.5 million</b>

<sup>5</sup> 'Music and Theatre Productions in Australia (P9241)' – IBISWorld Industry Report 2008

<sup>6</sup> 'Arts and Culture in Australia: A statistical Overview (4172.0)' – ABS Report 2007, p85

<sup>7</sup> Based on the Labour cost share of the venues industry. 'Performing Arts Venues in Australia (P9252)' – IBISWorld Industry Report 2008

<sup>8</sup> Based on the Labour cost share of the venues industry, 'Performing Arts Venues in Australia (P9252)' – IBISWorld Industry Report 2008

## 5.4 Industry Employment

Employment in this industry is difficult to measure given the high degree of casualisation and part-time nature of the workforce.

Industry employment is approximated by converting the industry wage amounts estimated above into full-time equivalent (FTE) workers by applying an average labour

cost per FTE staff. The average weekly earnings of a FTE staff in the ABS's 'Creative and Performing Arts Activities' industry was \$1,178,<sup>9</sup> which equates to an annual full time equivalent (FTE) salary of \$61,246.

Applying this estimate, total employment in this industry amounts to around 13,819 full-time equivalent workers.

**Table 7: Industry employment**

	Total
Industry wages	\$846.3 million
Average wages per FTE	\$61,246
Industry employment (FTE)	13,819

## 5.5 Comparison With Other Industries

This study estimates the total size of the Live Entertainment Industry at \$1.89 billion in output, supporting a total of around 13,819 full-time equivalent positions. The industry generated value add of \$1.01

billion, which is greater than the Film and Video Productions, Sports and Physical Recreation, and Book Publishing sectors in Australia.

**Table 8: Comparison With Other Industries**

Industry	Industry output (\$ millions)	Industry value add (\$ millions)	Source
Manufacturing	\$384,514	\$98,997	ABS (2008) 8221.0
Mining	\$123,032	\$71,770	ABS (2008) 8415.0
Publishing; recorded media and publishing	\$7,736	\$4,882	ABS (2008) 4172.0
Libraries, museums and the arts	\$7,606	\$3,900	ABS (2008) 4172.0
Motion picture, radio and television services	\$14,078	\$3,887	ABS (2008) 4172.0
<b>Live Entertainment Industry</b>	<b>\$1,888</b>	<b>\$1,010</b>	<b>Ernst &amp; Young</b>
Film and video productions	\$2,028	\$886.0	ABS (2007) 8679.0
Sports and physical recreation clubs, teams and sports professionals	\$1,815	\$705.2	ABS (2006) 8686.0
Book publishers	\$1,493	\$482.2	ABS (2004) 1363.0
Horse & dog racing	\$1,556	\$285.3	ABS (2006) 8686.0
Video hire industry	\$595	\$282.0	ABS (2000) 8562.0
Performing arts operations	\$733	\$281.5	ABS (2007) 8697.0
<b>Gross domestic product</b>		<b>\$1,093,070</b>	<b>ABS (2009) 5206.0</b>

Note: The ABS's 'Performing Arts' operations survey is based on businesses/organisations engaged in providing live theatrical or musical presentations, popular music productions, theatre productions, opera, ballet and drama. The scope of the ABS's 'Performing Arts Operations' survey is likely to be narrower than that adopted in this study as the ticket revenues alone (based on actual data from ticketing agencies) was \$1.06 billion in 2008, compared to \$0.7 billion of output reported for the Performing Arts operations industry. For instance, the live entertainment industry includes venue hire as part of its output, whereas this may be a cost item for the performing arts operations industry.

<sup>9</sup>Employee earnings and hours, Australia, 'Creative and Performing Arts Activities' (R 900) – ABS Report (August 2008)

## 6. Economic Contribution By State And Territory

The analysis below examines the economic contribution of the Live Entertainment Industry to the states and territories around Australia. As data relating to the number of performances in each state was not available for the AMPAG companies, the Industry Value Add has been calculated based on the assumption that the Industry's Value Add for each state represents the same proportion as each state's Industry Output to the national total.

Table 9 shows the Industry Output and Industry Value Add of the Live Entertainment Industry on a state and territory basis. The states which received the largest share of

industry value add were New South Wales and Victoria, which represent 38.7% and 28.8% respectively of the national total.

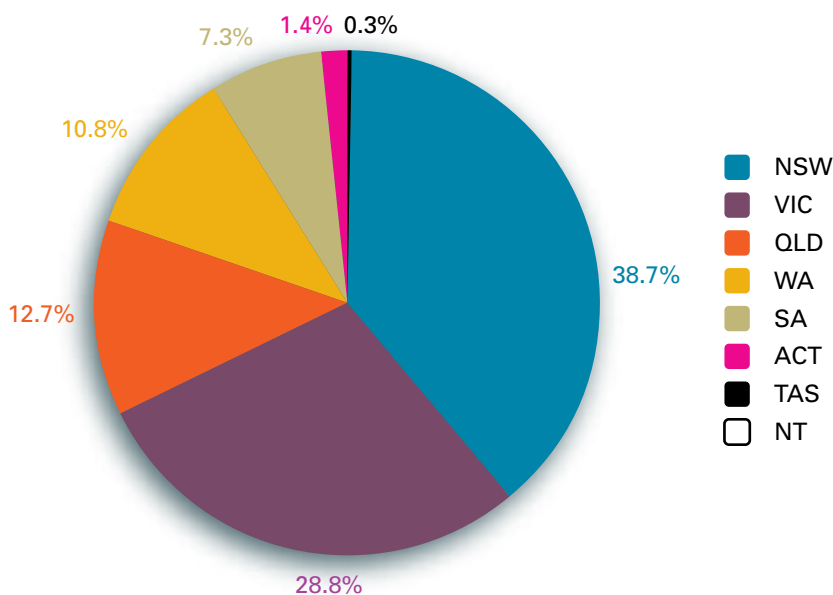
In NSW, it is estimated that the Live Entertainment Industry contributed \$390.7 million to the state economy, while in Victoria; the industry contributed \$290.9 million to the state.

Of the other states, the industry contributed \$128.5 million, \$109.6 million and \$73.4 million to the economies of Queensland, Western Australia and South Australia respectively.

**Table 9: Live Entertainment Economic Contribution By State**

	Industry output (\$ millions)	Industry value add (\$ millions)	% Value add by State
NSW	\$734.1	\$390.7	38.7%
VIC	\$542.6	\$290.9	28.8%
QLD	\$238.6	\$128.5	12.7%
WA	\$203.1	\$109.6	10.8%
SA	\$136.9	\$73.4	7.3%
ACT	\$26.0	\$13.8	1.4%
TAS	\$6.0	\$3.1	0.3%
NT	\$0.7	\$0.4	0.0%
<b>Total</b>	<b>\$1,888.1</b>	<b>\$1,010.5</b>	<b>100.0%</b>

**Figure 3: Share Of Industry Value Add By State**



\* Value Add for the purposes of this report has been attributed to the state in which the event is held. Typically, however value add is calculated based on the location of the business. For example, the methodology used in this report has assumed that a Victorian artist performing in Western Australia will be treated as Western Australian value add, as no data was available relating to where businesses and artists are based.

## 7. Economic Contribution By Event Category

This chapter looks at the individual economic contribution of the Live Entertainment Industry as broken down by event categories.

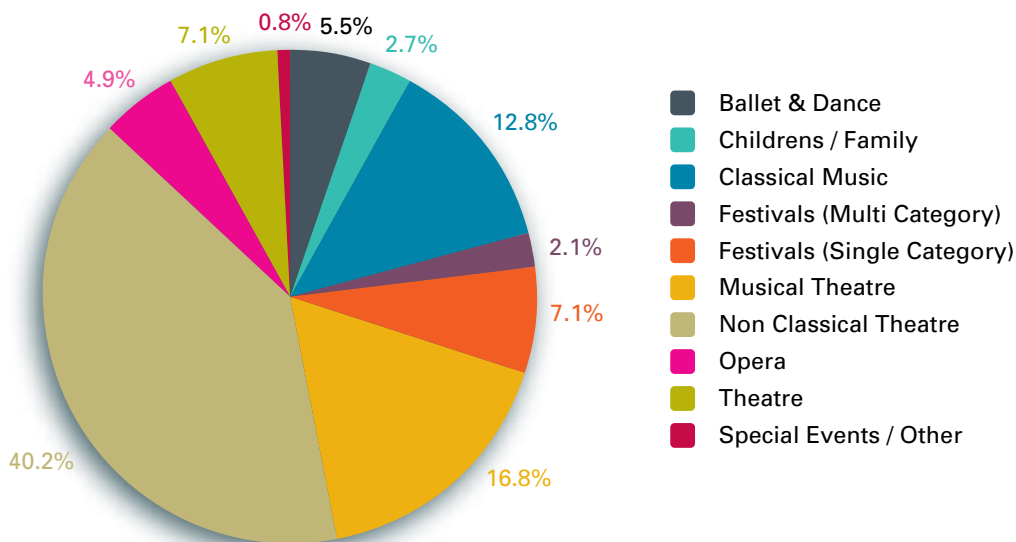
Table 10 below shows that the 3 largest event categories of the industry were Non Classical Music, Musical Theatre and Classical Music. The Non Classical Music category,

by far the largest performance category generated a value add of \$405.8 million to economy, representing 40.2% of the total value add by the industry. This is followed by the Musical Theatre and Classical Music categories which created value add of \$169.3 and \$129.5 million respectively, each representing around 16.8% and 12.8% of the total value add of the Live Entertainment Industry.

**Table 10: Live Entertainment Economic Contribution By Category**

Category	Industry output (\$ millions)	As % of total	Value add (\$ millions)	As % of total
Ballet And Dance	\$104.6	5.5%	\$55.3	5.5%
Children's / Family	\$56.3	3.0%	\$27.7	2.7%
Classical Music	\$220.8	11.7%	\$129.5	12.8%
Festivals (Multi Category)	\$50.2	2.7%	\$21.7	2.1%
Festivals (Single Category)	\$149.1	7.9%	\$71.4	7.1%
Musical Theatre	\$384.2	20.3%	\$169.3	16.8%
Non Classical Music	\$654.1	34.6%	\$405.8	40.2%
Opera	\$99.4	5.3%	\$49.9	4.9%
Theatre	\$153.9	8.2%	\$71.8	7.1%
Special Events / Other	\$15.5	0.8%	\$8.1	0.8%
<b>Total</b>	<b>\$1,888.1</b>	<b>100.0%</b>	<b>\$1,010.5</b>	<b>100.0%</b>

**Figure 4: Share Of Value Add By Event Category**



## 8. Disclaimer

Ernst & Young ("Consultant") was engaged on the instructions of Live Performance Australia ("Client") to undertake an economic size and scope study of the live performance industry in Australia ("Project"), in accordance with the engagement agreement dated 4 February 2009 including the General Terms and Conditions ("the Engagement Agreement").

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## Appendix A: Survey Participants

Participating Ticketing Companies	Australian Major Performing Arts Group (AMPAG Companies)
Araleun Centre for Arts & Entertainment (Alice Springs, NT)	Adelaide Symphony Orchestra
BASS South Australia (SA)	The Australian Ballet
BOCS Ticketing (WA)	Australian Brandenburg Orchestra
Canberra Ticketing, Canberra Theatre Centre (ACT)	Australian Chamber Orchestra
QTix, Queensland Performing Arts Centre (QLD)	Bangarra Dance Theatre
Sydney Opera House (NSW)	The Bell Shakespeare Company
Ticketek (National)	Black Swan Theatre Company
Ticketmaster (National)	Circus Oz
	Company B Ltd
	Malthouse Theatre
	Melbourne Symphony Orchestra
	Melbourne Theatre Company
	Musica Viva
	Opera Australia
	Opera Queensland
	Orchestra Victoria
	Queensland Ballet
	The Queensland Orchestra
	State Opera Company of SA
	State Theatre of South Australia
	Sydney Dance Company
	Sydney Theatre Company
	Tasmanian Symphony Orchestra
	West Australian Ballet
	The West Australian Opera
	West Australian Symphony Orchestra

## Appendix B: *Category Size Definitions*

For the purposes of this study, non-AMPAG event performances were categorised by size (revenue) to understand whether different cost structure exist for events of difference sizes. There is no formal industry definition of event size categories. As such Ernst & Young grouped events according to Large, Medium and Small categories based on box office revenues per performance.

The thresholds for each of these were based on our assessment of the entire population of performances in each category and ranking them by their revenues, and making judgements on noticeable size categories in the data. The size thresholds presented below have been determined based on a combination of feedback from stakeholder consultations and Ernst & Young’s own analysis of the data.

**Table 11: Category Size Thresholds**

	Small	Medium	Large
Ballet And Dance	\$0-14,000	\$14,000–50,000	\$50,000 and above
Children / Family	\$0–5000	\$5000–50,000	\$50,000 and above
Classical Music	\$0–35,000	\$35,000–112,000	\$112,000 and above
Festivals (Multi Category)	\$0–11,000	\$11,000–\$28,000	\$28,000 and above
Festivals (Single Category)	\$0–38,000	\$38,000–\$336,000	\$336,000 and above
Musical Theatre	\$0–43,000	\$43,000–90,000	\$90,000 and above
Non Classical Music	\$0–14,000	\$14,000–180,000	\$180,000 and above
Opera	\$0–13,000	\$13,000–30,000	\$30,000 and above
Theatre	\$0–6,000	\$6,000–20,000	\$20,000 and above
Special Events / Other	\$0–20,000	\$20,000–74,0000	\$74,000 and above

## Appendix C: *Number Of Performances By Event Category And Size (Non-AMPAG)*

The table below presents the number of Non-AMPAG events by category size. This is based on the event sizes defined in Appendix B and the data provided by ticketing companies.

**Table 12: No. Of Performances In Event Profiles**

	Small	Medium	Large
Ballet And Dance	519	248	146
Children / Family	1,637	349	253
Classical Music	488	110	49
Festivals (Multi Category)	654	189	179
Festivals (Single Category)	2,810	71	38
Musical Theatre	1,417	1,486	614
Non Classical Music	1,738	1,065	420
Opera	83	30	24
Theatre	2,087	967	619
Special Events / Other	479	92	40
<b>Total (Non-AMPAG)</b>	<b>11,912</b>	<b>4,607</b>	<b>2,382</b>

## Appendix D: Revenue And Cost Descriptions

**Table 13: Description Of Revenue And Cost Items**

Revenue	
Box office income	Ticketing sales Membership income
Government funding	State Government contributions Commonwealth Government contributions Other Government funding
Other	Business sponsorships Personal donations Orchestra hires Royalty income Merchandising Food and catering income
Expenses	
Wages	Direct wages to employees
Contract payments to performers and non-performers	Payments to performers Payments to artist agents/managers Payments to designers, non-performers
Rent, leasing and hiring	Leasing of premises not directly related to performances (ie offices of event organizers)
Venue hire	Venue costs to venue operators (does not include income foregone where event organisers own venues) Ticketing fees/booking fees
Travel, accommodation and vehicles	Accommodation Travel Vehicle hire
Advertising, marketing and promotions	Advertising and marketing expenses to external organisations
Purchases	Production related purchases
Royalty payments	Royalty payments to artists
Staging, equipment & repairs	Staging construction Set costs (eg. Props) Depreciation and maintenance of stage related assets* Manuscripts Costume purchases
Other	Insurance Security Financing costs Consulting services

\* Lump sum capital costs are incorporated in the annual depreciation allowances, which amortises the capital amount over the life of the asset.

## Appendix E: Event Profiles

This Appendix details the typical revenue and expense profiles for non-AMPAG event performances.

In developing these profiles, industry data from the Australian Bureau of Statistics (ABS) <sup>10</sup> and IBISWorld <sup>11</sup> were used as a basis. The ABS and IBISWorld data alone was however subject to a number of limitations for this purpose. Primarily, the ABS data was only available at an event category level and did not contain adequate detail to account for event size impacts. In addition, the ABS and IBISWorld data was not available for all event categories.

Table 14 below presents the high level cost/revenue items for the ABS's 'Performing Arts' industry.

**Table 14: ABS Data On Profit And Loss Of The 'Performing Arts' Industry**

<b>Income</b>	<b>As % of total revenue</b>
Box office income	48.5%
Government funding	23.7%
Other	27.7%
<b>Total</b>	<b>100.0%</b>
<b>Expenses</b>	
Labour costs	34.8%
Contract payments to performers and non-performers/artists and artistic support	7.8%
Rent, leasing and hiring	9.9%
Other	40.5%
<b>Total</b>	<b>93.1%</b>
<b>Operating profit/surplus before tax</b>	<b>6.9%</b>

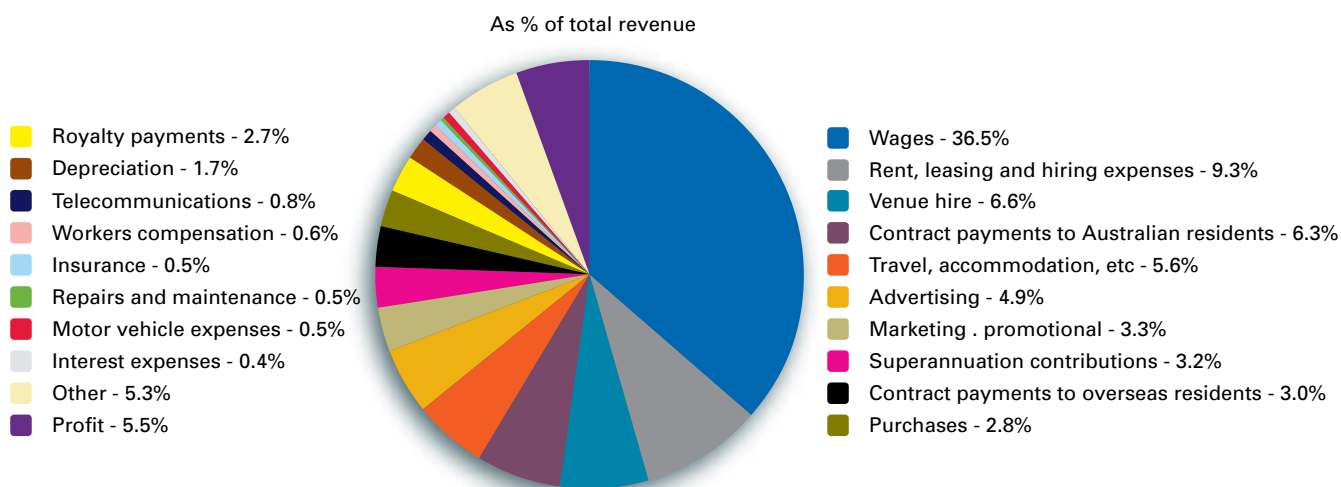
Source: Australian Bureau of Statistics (2008) 8697.0 - Performing Arts, Australia, 2006-07

This data was further disaggregated based on IBISWorld data. For instance, the ABS 'Other' expenses were separated into venue hire, travel accommodation and vehicles, advertising, marketing and promotions, purchases, royalty payments, and staging equipment and repairs (see Figure 5).

<sup>10</sup> Australian Bureau of Statistics (2008) 8697.0 - Performing Arts, Australia, 2006-07

<sup>11</sup> 'Music and Theatre Productions in Australia' (P9241) – IBISWorld Industry Report, p27

Figure 5: Ibisworld Data On Cost Structure Of Music And Theatre Productions



Source: 'Music And Theatre Productions In Australia' (P9241) – IBISWorld Industry Report, P27

Given that the ABS data includes AMPAG events, a process of 'backing out' the AMPAG data from the ABS results was also conducted. The aggregate profile for Non-AMPAG event organisers can be seen in Table 15.

Table 15: Aggregate Profile For Non-AMPAG Event Organisers (Before Stakeholder Adjustments)

Income	As % of Total revenue
Box office income	49.1%
Government funding	6.3%
Other	44.6%
<b>Total Revenue</b>	<b>100.0%</b>
Expenses	
Wages	29.1%
Contract payments to performers	7.7%
Rent, leasing and hiring	13.4%
Venue hire	6.5%
Travel, accommodation and vehicles	6.0%
Advertising, marketing and promotions	8.0%
Purchases	2.7%
Royalty payments	2.6%
Staging, equipment & repairs	2.2%
Other	9.1%
<b>Total expenses</b>	<b>87.2%</b>
<b>Net profit / loss before tax</b>	<b>12.8%</b>

To refine this data further by event type, a stakeholder consultation process was undertaken with a cross-section of small, medium and large event organisers for each of the categories. The output from this process (as presented below) was then used to make adjustments which formed the revenue and cost structures for individual performance profiles. We note that the revenue and cost structures represent an average of the performances within an event profile and do not represent specific performances.

## Ballet And Dance

Large performances within the Ballet and Dance category include events such as Edward Scissorhands and Swan Lake held at venues such as the State Theatre at Melbourne's Arts Centre. On average, performances within this event profile generate box office revenues of around \$106,500.

Medium sized performances within this category on average generate around \$26,400 of box office revenue and are represented by events such as Morning Melodies by the Australian Ballet School, and Magical Motown by the Brisbane Academy of Dance.

Generally speaking, operators within this industry found that the main costs were wages, rent leasing and hiring expenses.

**Table 16: Ballet And Dance Event Profiles**

Ballet And Dance	Large performance	Medium performance	Small performance
	\$ per performance	\$ per performance	\$ per performance
<b>Revenue</b>			
Box office income	\$106,500	\$26,400	\$4,800
Government funding	\$33,500	\$11,200	\$2,000
Other	\$57,200	\$26,300	\$4,700
<b>Total revenue</b>	<b>\$197,100</b>	<b>\$63,800</b>	<b>\$11,500</b>
<b>Expenses</b>			
Wages	\$92,700	\$31,000	\$5,600
Contract payments to performers and non-performers	\$5,900	\$700	\$100
Rent, leasing and hiring	\$29,600	\$15,700	\$2,800
Venue hire	\$15,800	\$2,100	\$400
Travel, accommodation and vehicles	\$12,800	\$1,900	\$300
Advertising, marketing and promotions	\$17,700	\$2,600	\$500
Purchases	\$2,700	\$900	\$200
Royalty payments	\$2,600	\$800	\$200
Staging, equipment and repairs	\$7,900	\$700	\$100
Other	\$3,600	\$3,400	\$600
<b>Total expenses</b>	<b>\$191,200</b>	<b>\$59,700</b>	<b>\$10,800</b>
<b>Net profit / loss before tax</b>	<b>\$5,900</b>	<b>\$4,100</b>	<b>\$700</b>

## Children's / Family

The Children's/Family event profiles appear to be less reliant on government funding than most other categories. Large performances within this category include events held by performers such as Hi-5 and the Wiggles at venues such as Hisense Arena and Acer Arena. Generally speaking these events generated box office income of around \$141,200 per performance.

Medium and small events within this category include events such as Silvers Circus and puppet shows.

The main drivers of costs in this category were wages and rent leasing and hiring related expenses, which combined account for between 43% and 63% of total costs depending upon performance size.

**Table 17: Children's / Family Event Profiles**

Children's / Family	Large performance	Medium performance	Small performance
	\$ per performance	\$ per performance	\$ per performance
<b>Revenue</b>			
Box office income	\$141,200	\$18,000	\$1,600
Government funding	\$7,800	\$1,500	\$100
Other	\$7,800	\$10,000	\$700
<b>Total revenue</b>	<b>\$156,900</b>	<b>\$29,500</b>	<b>\$2,500</b>
<b>Expenses</b>			
Wages			
Contract payments to performers and non-performers	\$2,600	\$400	\$0
Rent, leasing and hiring	\$35,500	\$3,200	\$600
Venue hire	\$15,700	\$900	\$100
Travel, accommodation and vehicles	\$6,700	\$300	\$100
Advertising, marketing and promotions	\$9,100	\$1,200	\$100
Purchases	\$3,100	\$300	\$0
Royalty payments	\$11,000	\$500	\$0
Staging, equipment and repairs	\$2,400	\$1,500	\$0
Other	\$12,800	\$2,900	\$200
<b>Total expenses</b>	<b>\$130,200</b>	<b>\$26,600</b>	<b>\$1,900</b>
<b>Net profit / loss before tax</b>	<b>\$26,700</b>	<b>\$3,000</b>	<b>\$500</b>



## Classical Music

Large events within the classical music category generate on average around \$1.1 million dollars per performance and include performers such as Andre Rieu and Andrea Bocelli at venues such as Acer Arena and AAMI Stadium. The inclusion of these large international artists within the large event profile means that these performances generate more of their income from box office revenues than the medium or small performances within this category.

Medium sized events within this category include performances by the Melbourne Youth Orchestra at locations such as Hamer and QPAC concert halls, and on average these events generate around \$67,900 in box office income per performance.

The main drivers of costs within this category are wages, and rent, leasing and hiring expenses which combined make up approximately 72% and 77% of costs.

**Table 18: Classical Music Event Profile**

Classical Music	Large performance	Medium performance	Small performance
	\$ per performance	\$ per performance	\$ per performance
<b>Revenue</b>			
Box office income	\$1,098,900	\$67,900	\$6,600
Government funding	\$54,900	\$47,800	\$4,100
Other	\$677,700	\$75,600	\$5,700
<b>Total revenue</b>	<b>\$1,831,600</b>	<b>\$191,300</b>	<b>\$16,400</b>
<b>Expenses</b>			
Wages	\$1,064,000	\$111,100	\$9,800
Contract payments to performers and non-performers	\$155,700	\$11,500	\$400
Rent, leasing and hiring	\$256,400	\$32,300	\$2,800
Venue hire	\$27,500	\$2,900	\$500
Travel, accommodation and vehicles	\$53,000	\$5,500	\$500
Advertising, marketing and promotions	\$71,300	\$10,500	\$700
Purchases	\$24,300	\$2,500	\$200
Royalty payments	\$23,500	\$2,500	\$200
Staging, equipment and repairs	\$23,500	\$2,500	\$200
Other	\$95,800	\$6,200	\$800
<b>Total expenses</b>	<b>\$1,794,900</b>	<b>\$187,500</b>	<b>\$16,200</b>
<b>Net profit / loss before tax</b>	<b>\$36,600</b>	<b>\$3,800</b>	<b>\$200</b>

## Festival (Multi-Category)

Large events within the Festival (Multi-category) include performances from the Melbourne and Sydney Festivals. For these types of events, the main cost drivers are spread across a number of items, including wages, contract payments to performers and non-performers, travel, accommodation and vehicles and advertising.

**Table 19: Festival (Multi-Category) Event Profile**

Festivals (Multi-Category)	Large performance	Medium performance	Small performance
	\$ per performance	\$ per performance	\$ per performance
<b>Revenue</b>			
Box office income	\$83,800	\$18,800	\$4,700
Government funding	\$3,900	\$700	\$200
Other	\$105,000	\$23,600	\$6,700
<b>Total revenue</b>	<b>\$192,600</b>	<b>\$43,100</b>	<b>\$11,600</b>
<b>Expenses</b>			
Wages			
Contract payments to performers and non-performers	\$28,900	\$5,200	\$1,400
Rent, leasing and hiring	\$23,100	\$1,900	\$500
Venue hire	\$17,300	\$3,500	\$700
Travel, accommodation and vehicles	\$21,200	\$3,200	\$1,200
Advertising, marketing and promotions	\$23,100	\$4,300	\$1,500
Purchases	\$1,900	\$1,500	\$600
Royalty payments	\$9,600	\$1,400	\$200
Staging, equipment and repairs	\$9,600	\$1,200	\$600
Other	\$9,600	\$5,700	\$900
<b>Total expenses</b>	<b>\$173,300</b>	<b>\$36,500</b>	<b>\$10,700</b>
<b>Net profit / loss before tax</b>	<b>\$19,300</b>	<b>\$6,600</b>	<b>\$900</b>

## Festivals (Single-Category)

Large Single-Category festival events on average generate box office revenues of over \$1 million and include events such as the Big Day Out and the Future Music Festival – which are in effect a package of performances by various artists. These events generally tend to rely less on government funding, while the majority of expenses are driven by contract payments to performers and non-performers, advertising and staging related costs.

The medium and small sized performances within this category tend to be far smaller. In particular, the medium and small events are made up of a large number of performances relating to the Melbourne International Comedy Festival. These events generally occupy much smaller venues, however as a component of Total revenue, venue hire make up a substantially larger component of overall revenues generated.

**Table 20: Festivals (Single-Category) Event Profile**

Festivals (Single-Category)	Large performance	Medium performance	Small performance
	\$ per performance	\$ per performance	\$ per performance
<b>Revenue</b>			
Box office income	\$1,392,000	\$96,700	\$2,400
Government funding	\$51,600	\$3,500	\$100
Other	\$1,747,200	\$77,100	\$3,000
<b>Total revenue</b>	<b>\$3,190,800</b>	<b>\$177,400</b>	<b>\$5,400</b>
<b>Expenses</b>			
Wages	\$647,300	\$28,400	\$1,100
Contract payments to performers and non-performers	\$383,800	\$49,700	\$700
Rent, leasing and hiring	\$143,200	\$8,000	\$200
Venue hire	\$256,200	\$7,100	\$400
Travel, accommodation and vehicles	\$236,800	\$13,200	\$400
Advertising, marketing and promotions	\$318,300	\$23,900	\$500
Purchases	\$108,700	\$6,000	\$200
Royalty payments	\$104,800	\$2,700	\$200
Staging, equipment and repairs	\$85,400	\$19,500	\$100
Other	\$419,300	\$12,700	\$700
<b>Total expenses</b>	<b>\$2,703,900</b>	<b>\$171,100</b>	<b>\$4,600</b>
<b>Net profit / loss before tax</b>	<b>\$486,900</b>	<b>\$6,200</b>	<b>\$800</b>

## Musical Theatre

Large Music Theatre events are represented in this category by shows such as Phantom of the Opera and Billy Elliot. On average, these events generated box office revenues of around \$156,600 per performance.

For this category, the main drivers of costs are wages, and rent, leasing and hiring and venue related expenses which combined make up between 65% and 72% of revenues.

**Table 21: Musical Theatre Event Profile**

Musical Theatre	Large performance	Medium performance	Small performance
	\$ per performance	\$ per performance	\$ per performance
<b>Revenue</b>			
Box office income	\$156,600	\$74,300	\$19,200
Government funding	\$23,800	\$5,000	\$2,900
Other	\$64,300	\$19,800	\$7,900
<b>Total revenue</b>	<b>\$244,700</b>	<b>\$99,100</b>	<b>\$30,000</b>
<b>Expenses</b>			
Wages	\$91,200	\$29,700	\$11,200
Contract payments to performers and non - performers	\$2,000	\$1,000	\$200
Rent, leasing and hiring	\$75,600	\$24,800	\$9,300
Venue hire	\$11,000	\$11,900	\$1,300
Travel, accommodation and vehicles	\$10,200	\$4,100	\$1,200
Advertising, marketing and promotions	\$13,700	\$8,900	\$1,700
Purchases	\$4,700	\$1,900	\$600
Royalty payments	\$4,500	\$7,900	\$600
Staging, equipment and repairs	\$3,700	\$5,000	\$400
Other	\$18,000	\$1,200	\$2,200
<b>Total expenses</b>	<b>\$234,400</b>	<b>\$96,400</b>	<b>\$28,700</b>
<b>Net profit / loss before tax</b>	<b>\$10,300</b>	<b>\$2,700</b>	<b>\$1,300</b>

## Non Classical Music

Large events within the Non Classical Music category include performances from artists such as Celine Dion, Bon Jovi and Rihanna. The majority of these events are staged at large venues such as Telstra Stadium and Rod Laver Arena. On average, these events generated box office revenues of around \$745,800.

What was particularly unique about this category was that it received very little funding from government sources and therefore generated a large component of revenues from box office income and other sources of income such as business sponsorships, merchandising and catering. In particular, some stakeholders indicated that there was no Government funding to international artists. The numbers presented below are over all non-classical music events and represent an average of these performances.

The key cost drivers for this category included Contract payments to performers and non-performers, wages, venue hire and advertising marketing and promotions.

**Table 22: Non Classical Music Event Profile**

Non Classical Music	Large performance	Medium performance	Small performance
	\$ per performance	\$ per performance	\$ per performance
<b>Revenue</b>			
Box office income	\$745,800	\$61,300	\$6,100
Government funding	\$6,300	\$500	\$100
Other	\$501,400	\$41,200	\$4,100
<b>Total revenue</b>	<b>\$1,253,400</b>	<b>\$103,100</b>	<b>\$10,300</b>
<b>Expenses</b>			
Wages	\$188,000	\$20,900	\$2,100
Contract payments to performers and non-performers	\$501,400	\$36,100	\$3,600
Rent, leasing and hiring	\$56,300	\$4,600	\$500
Venue hire	\$112,800	\$9,300	\$900
Travel, accommodation and vehicles	\$43,900	\$3,600	\$400
Advertising, marketing and promotions	\$62,700	\$5,200	\$500
Purchases	\$25,100	\$2,100	\$200
Royalty payments	\$31,300	\$2,600	\$300
Staging, equipment and repairs	\$25,100	\$2,100	\$200
Other	\$15,700	\$1,000	\$100
<b>Total expenses</b>	<b>\$1,062,100</b>	<b>\$87,400</b>	<b>\$8,700</b>
<b>Net profit / loss before tax</b>	<b>\$191,300</b>	<b>\$15,700</b>	<b>\$1,600</b>

## Opera

Large events within this category include performances by the Victorian Opera at venues such as Hamer Hall, which on average generate around \$79,800 in box office income. Unique to this category is the fact that a high proportion of expenses are directly driven by wages (between 35% and 40%).

**Table 23: Opera Event Profile**

Opera	Large performance	Medium performance	Small performance
	\$ per performance	\$ per performance	\$ per performance
<b>Revenue</b>			
Box office income	\$79,800	\$18,700	\$3,400
Government funding	\$49,000	\$11,700	\$2,100
Other	\$68,400	\$16,400	\$2,900
<b>Total revenue</b>	<b>\$197,200</b>	<b>\$46,700</b>	<b>\$8,400</b>
<b>Expenses</b>			
Wages	\$117,500	\$22,000	\$5,000
Contract payments to performers and non-performers	\$5,400	\$5,100	\$200
Rent, leasing and hiring	\$33,700	\$7,500	\$1,400
Venue hire	\$6,400	\$2,800	\$300
Travel, accommodation and vehicles	\$5,900	\$1,900	\$300
Advertising, marketing and promotions	\$8,000	\$2,600	\$300
Purchases	\$2,700	\$600	\$100
Royalty payments	\$2,600	\$600	\$100
Staging, equipment and repairs	\$2,600	\$600	\$100
Other	\$10,000	\$2,600	\$400
<b>Total expenses</b>	<b>\$2,300</b>	<b>\$500</b>	<b>\$100</b>
<b>Net profit / loss before tax</b>	<b>\$10,300</b>	<b>\$2,700</b>	<b>\$1,300</b>

## Theatre

A large proportion of events in the Theatre category comprised comedy shows starring both international performers and local talent. An average large event generates around \$51,500 in box office revenue per performance while medium and smaller performances generate less than \$10,000.

Aside from a large proportion of costs attributed to wages and rent leasing and hiring, generally speaking costs were spread fairly equally among other cost drivers.

**Table 24: Theatre Event Profile**

Theatre	Large performance	Medium performance	Small performance
	\$ per performance	\$ per performance	\$ per performance
<b>Revenue</b>			
Box office income	\$51,500	\$9,100	\$2,400
Government funding	\$7,800	\$1,400	\$300
Other	\$21,100	\$3,700	\$500
<b>Total revenue</b>	<b>\$80,500</b>	<b>\$14,200</b>	<b>\$3,200</b>
<b>Expenses</b>			
Wages	\$30,000	\$5,300	\$800
Contract payments to performers and non - performers	\$700	\$100	\$0
Rent, leasing and hiring	\$24,900	\$4,400	\$1,400
Venue hire	\$3,600	\$600	\$100
Travel, accommodation and vehicles	\$3,300	\$600	\$100
Advertising, marketing and promotions	\$4,500	\$800	\$200
Purchases	\$1,500	\$300	\$0
Royalty payments	\$1,500	\$300	\$100
Staging, equipment and repairs	\$1,200	\$200	\$0
Other	\$5,900	\$1,000	\$100
<b>Total expenses</b>	<b>\$3,400</b>	<b>\$600</b>	<b>\$100</b>
<b>Net profit / loss before tax</b>	<b>\$191,300</b>	<b>\$15,700</b>	<b>\$1,600</b>

## Special Events And Other

The Special Events and Other category contain a broad mix of events which are likely to have fairly diverse cost structures. Large events in this category include performances such as 'Sounds of Light' which are generally held at large venues such as arenas and stadiums. These events were generally found to have generated box office income of around \$126,000 per performance.

The medium to smaller performances in this category include a wide variety of events such as circus performances and other miscellaneous events.

**Table 25: Special Events And Other Event Profile**

Special Events / Other	Large performance	Medium performance	Small performance
	\$ per performance	\$ per performance	\$ per performance
<b>Revenue</b>			
Box office income	\$126,200	\$32,400	\$4,800
Government funding	\$9,900	\$2,500	\$400
Other	\$54,000	\$13,900	\$2,000
<b>Total revenue</b>	<b>\$190,100</b>	<b>\$48,800</b>	<b>\$7,200</b>
<b>Expenses</b>			
Wages	\$50,100	\$12,900	\$1,900
Contract payments to performers and non-performers	\$3,100	\$800	\$100
Rent, leasing and hiring	\$43,000	\$11,000	\$1,600
Venue hire	\$8,800	\$2,300	\$300
Travel, accommodation and vehicles	\$8,200	\$2,100	\$300
Advertising, marketing and promotions	\$11,000	\$2,800	\$400
Purchases	\$3,700	\$1,000	\$100
Royalty payments	\$3,600	\$900	\$100
Staging, equipment and repairs	\$2,900	\$800	\$100
Other	\$14,500	\$3,700	\$500
<b>Total expenses</b>	<b>\$148,900</b>	<b>\$38,200</b>	<b>\$5,600</b>
<b>Net profit / loss before tax</b>	<b>\$41,200</b>	<b>\$10,600</b>	<b>\$1,600</b>



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