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Industry Service Fee

Information Kit

Producers/Promoters

Effective: 01 July 2018 to 30 June 2019

Finance Manager

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Contents

Part A: Industry Service Fee

Fact Sheet for Members

Part B: Instruction Sheet for Collection and Remittance

Monthly Remittance Forms

PART A: INDUSTRY SERVICE FEE

Fact Sheet for Members

Overview

The following Fact Sheet for Members provides a summary of Live Performance Australia's (LPA) Industry Service Fee (ISF). In October 2007, LPA's Executive Council approved a revised Membership and ISF structure. This revised model was based on refinements to the existing model that had been in place since 1988.

1. What is the Industry Service Fee?

The Industry Service Fee (ISF) is collected by venues, paid by the hirer, and submitted to LPA. For productions where a cap may apply (refer section 12 below for more detail) or where the production is presented in a non-Member venue, hirers, producers and promoters can pay fees directly to LPA.

The ISF is levied on a user-pays basis to reflect the varying levels of hiring activity and venue size. The ISF is paid to cover any potential industrial or other activity associated with a performance or production.

The ISF is collected to ensure LPA is able to provide responsive and professional service across all areas of the live performance industry. These services not only include industrial, contract, and resource matters, but also issues covering policy, self-regulation, and industry development.

Producers/Promoters pay a minimal annual fee to LPA, with the ISF paid on an activity basis only. This also amortises their costs across productions.

The ISF applies to all performances, even if the venue produces/promotes or co-produces/promotes a performance.

All LPA Venue Members are required to pay the Industry Service Fee on self-produced events.

2. Why do we have an Industry Service Fee?

All industry sectors of any significance require a peak body to promote and represent their interests. Every business and individual in the live performance industry in Australia benefits from the presence of a harmonious and productive industrial relations and policy environment. The survival and future growth of our industry depends on a healthy and effective representative body that can deliver effective outcomes. In order to achieve this, the industry established and supports LPA to deliver a range of services focused on:

- **Workplace Relations**
Union negotiations (collective agreements for commercial and not-for-profit sectors), immigration and entertainment visa processing, termination and redundancy issues, industrial legislation and award compliance, Workplace Health and Safety WH&S, and representation before both Federal and State Industrial Relations Commissions on all industrial matters on behalf of Members.
- **Policy and Strategy**
Providing advice on copyright, child employment, immigration, superannuation, taxation and

investment, licensing, censorship, privacy, insurance, lobbying for investment incentives, developing new programs e.g. Independent Producer initiatives, and undertaking research, including the annual [Ticket Attendance and Revenue Survey](#). LPA also delivers the flagship [Greener Live Performances](#) Sustainability and Energy Efficiency initiative.

- **Industry Codes and Guidelines**

LPA develops and implements Codes of Practice in areas including the Ticketing Code, auditions, safety, privacy, and child employment.

- **Membership Support and Events**

LPA provides a range of seminars, Member events and meetings in each state which provide information on key issues affecting the industry as well as providing important networking opportunities for Members.

LPA also provides industry information and updates through regular newsletters, circulars and its [website](#) and social media platforms.

LPA also presents the prestigious [Helpmann Awards](#) that recognise the very best in Australian live performances. Each year 41 awards are presented across all major live performance genres. LPA also presents two Industry Awards as part of the Helpmann Awards:

- [JC Williamson Award](#)
- [Sue Nattrass Award](#)

To celebrate its 90th anniversary in 2007, LPA also established the live performance industry's [Hall of Fame](#) with new members inducted annually.

Further details of the above detailed services are available on the [LPA website](#).

Payment of the ISF ensures the cost of servicing the industry is shared and LPA's full suite of services are available during productions.

The complexities of mounting a production/performance often place additional demand on LPA's resources, and has the potential to affect industrial activity. Often, both the venue and hirer require LPA's assistance.

3. What benefits does the hirer receive from the Industry Service Fee structure?

Payment of the ISF provides venues and the producers/promoters/hirers with industrial relations coverage, and assistance in the event of industrial disputation at minimal cost. This extends to all producers/promoters/hirers using an LPA Member venue. It also assists LPA to work on behalf of the live performance industry across a range of industry development and strategic issues.

The hirer benefits from the work of LPA regardless of whether they are a Member. By paying per production or performance, the hirer is able to spread financial costs over a longer period, as part of the production budget, and only pays when they are active.

The ISF is tax deductible. It is payable monthly per performance or production and a cap may be negotiated, particularly for longer-running shows (refer to section 12 on 'Caps').

The ISF is structured to reflect the different levels of activity throughout the year by producers/promoters/hirers.

This is achieved by having different levels of fee per performance based on venue size, to ensure a promoter with no activity in the year only pays the applicable Membership Fee.

4. What benefits do venues receive from collecting the Industry Service Fee on behalf of LPA?

In addition to receiving industrial protection and advice, venues contribute to LPA's viability by collecting the ISF. The continued growth and servicing of the industry ensures productions are mounted to keep venues operating.

5. How do venues levy the Industry Service Fee?

Venues levy the fee in accordance with a sliding scale based on venue size (see section 9 on 'Fee structure').

For example, a venue with a capacity of 1,700 charges the producer/promoter/hirer a figure of **\$218.00 inclusive of GST per performance**, and remits the fee to LPA monthly on the remittance forms supplied with this kit.

Venues with **multiple seating capacity configurations**, charge on the basis of the seating configuration applying to the particular hiring contract.

6. Do venues have to charge all hirers the Industry Service Fee?

It is expected that producers/promoters/hirers who are staging entertainment events for profit will be charged the ISF, regardless of their LPA Membership status.

Local charities, clubs and some (non-professional) sporting groups, amateur theatrical, and singing groups, do not fall into this category (refer to Section 13 on 'Exemptions').

The ISF applies to all performances, even if the venue produces/promotes or co-produces/promotes a performance.

All LPA Venue Members are required to pay the Industry Service Fee on self-produced events.

7. How does LPA keep track of the Industry Service Fee that venues collect?

LPA provides remittance forms for venues to fill out when remitting the Industry Service Fees they have collected.

Each venue has a Membership number which appears on the remittance forms.

Venues fill out the forms monthly and remit these to LPA with payment by the **15th of the following month**.

The information on the remittance form is allocated to each venue's individual member file.

8. How does LPA keep track of the Industry Service Fees that hirer's remit?

LPA maintains records of payment by producer/promoter/hirer as well as by the venue.

Producers are required to provide touring schedules for productions to LPA so fees can be collected for shows in non-LPA Member venues.

At any point, LPA can provide a breakdown of the ISF paid by any producer/promoter/hirer or submitted by the venue for the year to date.

LPA, and its auditors undertake regular reconciliations.

9. What rate do venues charge?

The ISF is calculated on a per performance basis at rates determined by the total seating capacity of the venue in accordance with the following scale:

Note: All amounts quoted include GST.

Please note additional category of – 16,000 +

VENUE SIZE	2018-19 FEE PER PERFORMANCE (INCL GST)
0 – 250	\$35.00
251 – 500	\$71.00
501 – 1000	\$106.00
1001 – 1500	\$174.00
1501 – 2000	\$218.00
2001 – 3000	\$307.00
3001 – 6000	\$698.00
6001 – 16000	\$1,136.00
16000 +	\$1,850.00

Should you have any queries regarding the fee structure, please do not hesitate to contact the LPA Finance Manager on 03 8614 2000.

10. Who is responsible for the collection of the Industry Service Fee?

All LPA Member venues are required to have a **positive** ISF collection policy.

It is the venue's responsibility to collect the ISF at the scheduled rate applicable at the time of the performance. Contracts with any producer/promoter/hirer should reflect the applicable rate.

11. Do I need to modify hirer's contracts?

It is important that the ISF is implemented into all future hiring contracts.

The draft clause below has been produced in consultation with LPA's solicitors to assist its Venue Members meet this requirement. The clause may, of course, be modified where required to suit the style of your hiring agreement, however, the general format should be maintained wherever possible.

Suggested Venue Hirer's Contract Clause

Industry Service Fee

"The Hirer, in addition to other venue hiring charges as specified in this Agreement [insert schedule number], shall pay to the [insert name of venue] an Industry Service Fee, on a per performance basis on the scale of rates as apply on the date of the performance or performances, such rates being established from time to time by Live Performance Australia (LPA) or as negotiated by the producer/promoter/hirer direct with LPA.

LPA is a not-for-profit organisation registered with the Australian Industrial Relations Commission since 1917. The Industry Service Fee is an important component of LPA's revenue base which ensures its ability to service, protect and promote the interests of the live performance industry in Australia."

12. Caps

Subscription-based arts organisations (e.g. Melbourne Theatre Company (MTC), Sydney Theatre Company (STC), Opera Australia, The Australian Ballet, Sydney Symphony Orchestra, etc.) will be granted a cap on its mainstream subsidised program.

The capped rate will be \$27,587 plus GST per member per Financial Year 01 July to 30 June.

However, these Members will be required to pay an **additional ISF on touring commercial productions**, both its own and those touring under the auspices of another producer.

A cap for long running commercial productions of \$49,637 plus GST per production that runs up to 12 months is also in effect. For a production running longer than 12 months a reduced fee may be negotiated. These arrangements will be negotiated directly with LPA's Chief Executive.

Where a Cap has been agreed, LPA will provide a letter for producer/promoters to provide to venues confirming any Cap arrangement. **Unless this letter (on LPA letterhead) is provided to the venue, standard ISF will apply and must be collected by the venue.**

13. Exemptions

The following exemptions will apply:

- **Education programs**
For example, non-commercial, low priced, arts centre based children's festivals
- **Development programs**
For example, internal workshops, play development
- **Discounted Community Arts programs**
For example, morning melodies
- **Competitions**
- **Art Centre Subscription Programs**
Capped at \$AU 27,587 plus GST per program (the same cap as for subscription based arts organisations). These Members will also be required to pay an additional ISF on touring commercial productions, both its own and those touring under the auspices of another producer
- **Key organisations** (as defined by the Australia Council)
Exceptions for a touring production which has already had its premiere season
- **Project funded organisations:** Companies in receipt of project based funding from: Federal Government Departments or agencies, including the Australia Council for the Arts, state based arts departments or agencies and/or local Government organizations. Cultural, non-commercial projects.
- **Cultural, non-commercial projects**
- **Sporting Events**
- **Festival LPA Member**
For example, Arts festival, Comedy festival, Music festival
- **Festival LPA Member using a venue**
- **Awards shows**
For example, ARIAs, Helpmann Awards

The LPA Chief Executive retains discretion for case by case exemptions.

Where an Exemption has been agreed upon, LPA will provide a letter to the producer/promoter confirming the Exemption. **Unless this letter (on LPA letterhead) is provided to the venue, standard ISFs will apply and must be collected by the venue.**

14. Where can I receive assistance for any queries I have regarding the Industry Service Fee?

Should you have any further enquiries on the ISF please contact the LPA office on 03 8614 2000.

General enquiries:

Finance Manager

Finance and Membership

finance@liveperformance.com.au

T: +61 3 8614 2000

Negotiation regarding caps or exemptions:

Evelyn Richardson

Chief Executive

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PART B: INSTRUCTIONS FOR COLLECTION AND REMITTANCE OF INDUSTRY SERVICE FEE

Promoters/Producers

The Industry Service Fee (ISF) is collected by venues, paid by hirers and submitted to LPA. For productions where a cap may apply (refer section 12 below for more detail) or where the production is presented in a non-Member venue, hirers, producers and promoters can pay fees directly to LPA.

1. The Industry Service Fee Clause should be included in promoter/hirer contracts, as per page 5 of the ISF kit.
2. If you are not remitting the ISF via a Venue or Cap Agreement you **must complete the ISF remittance form**.
3. Use the ISF remittance (excel) forms provided at the start of the financial year.
4. In the performance/promoter information section, fill in the details for each promoter/hirer as required.
5. It is important that all information is complete and sent to LPA, including:
 - Show Name
 - Name of Remitter (as per Hirer's Contract)
 - Venue (which determines venue size)
 - Number of performances held
 - Fee per performance charged
 - Total fee payable including GST
6. Reconcile the total number of performances held and total fees collected in the performance/promoter information within the Operational Reconciliation section.
7. Email the form to LPA to finance@liveperformance.com.au to raise a tax invoice and payment maybe made by EFT payment.
8. If no performances were held during the period, please remit your monthly form with a line crossed through it and the words "**NIL PERFORMANCES HELD**" and email to finance@liveperformance.com.au.
9. If a promoter/producer has negotiated an ISF arrangement directly with LPA, notice in writing must be forwarded to the relevant venues by yourself prior to the commencement of the performance/s. Without an authorised letter from LPA, the venue will deduct the ISF.

Please contact the LPA Finance Manager at any time should you have any queries relating to the collection and remittance of the ISF on 03 8614 2000 or finance@liveperformance.com.au

Thank you for your continuing support of our industry.