



Thursday 26 March 2020

The Hon Scott Morrison MP
Prime Minister

The Hon Josh Frydenberg MP
Treasurer

Parliament House
CANBERA ACT 2600

Dear Prime Minister and Treasurer

EMERGENCY SUPPORT PACKAGE FOR LIVE PERFORMANCE INDUSTRY

We welcome and thank both you and your Cabinet for the essential measures put in place to support individuals and businesses through this unprecedented economic crisis related to the COVID-19 outbreak. However, more needs to be done as a matter of urgency to ensure the short to medium term viability of Australia's live performance industry.

We are an industry that attracts 26 million people to live events annually, a number greater than all the major sporting codes combined (AFL, NRL, basketball and cricket). Without active ticket sales and operational venues, there is no live performance industry.

The government's first announcement of restrictions on public gatherings on 13 March had a profound and immediate impact on our \$4 billion industry, which has now collapsed. The bridge the Government is building towards recovery needs to ensure the live performance industry is also supported on that journey. The Attorney-General and Minister for Industrial relations, Christian Porter, said this week, "The more businesses we can help keep open and the more workers we can keep in jobs, the better."

Our industry has 35,000 direct employees and tens of thousands of casual jobs at stake.

Hundreds of arts and entertainment companies and venues have been forced to immediately close their operations which represents a billion dollars in lost income. The immediate sustainability of most companies is now in serious jeopardy. These lean and efficient businesses of all sizes are without big reserves. They fundamentally rely on box office for survival, and their entire revenue fell off a cliff thirteen days ago. Tens of thousands of performers, artists, creatives, technical and production crew are already out of work, with an entire workforce at risk of losing their jobs in the coming months.

After the current crisis has passed, the flow on impact of a decimated live arts and entertainment industry will be acutely felt across many other industries that depend on our content to generate business activity, most obviously the hospitality, tourism and transport sectors.

Without a targeted, immediate and substantial support package, there is not an adequate bridge to recovery for these companies to avoid them having to wind up. These significant employers and providers of cultural and community entertainment will be long gone before they are once again called upon to support the important rebuilding phase for our economy, our regional and metropolitan communities, and our nation.

We are thankful and do expect that people and businesses who operate in our industry, including our large casual workforce and sole traders, will be able to access some of the assistance that was announced last Sunday. However, the current small business package measures will not make a material difference to 80 percent of our lean and box office dependent industry.

This 80 percent is comprised of Australia's 'major' arts and entertainment companies who have been significantly and equally impacted. These companies have a critical role in ensuring public and privately owned venues around the nation are filled with both local and global content for our 26 million in audiences to come together and enjoy. Australian state and federal governments have spent billions on venue infrastructure which will stand empty if our major promoters, producers and service providers wind up.

Many downstream small to medium businesses depend on the larger companies to support their business. Supporting these companies during this closure period will ensure that these businesses can return to normal operations after the crisis subsides and the critical interdependent supply chain ecologies within the entertainment industry are maintained.

Following the second stimulus package announced on Sunday, our industry needs a further \$650 million in targeted support measures to be announced within the next ten days.

Working in close consultation with our colleagues across the Australian live performance industry, we have developed a modest proposed package of support measures to help sustain the live performance industry through this period. These have been provided to the Department and Treasury and are attached for your ease of reference.

These key measures include:

\$300m via a cash injection via \$100,000 to \$2m cash injections to companies to alleviate immediate losses and retain staff through direct wage subsidies;

\$150m via a rebate of transaction fees (caused by the crisis) though ticketing companies, to be immediately passed back to promoters, venues and festivals;

\$180m in additional support to the Australia Council to provide cash injections, extend existing funding arrangements and provide additional support for four-year funded organisations;

\$20m to Support Act to provide mental health crisis and hardship support for artists, performers, musicians, crew and technicians.

These measures will provide the lifeline that our industry needs to come out the other side of this crisis alive and able to present performances and cultural experiences for all Australians.

If the industry goes unassisted the entertainment industry will not be around to support our country's economic and emotional recovery, tens of thousands of jobs will be permanently lost as a result of the loss of performing arts companies and associated downstream businesses when restrictions on public gatherings abate.

This country has a long history of live performance-led recovery in the face of natural and economic disasters. Australians will expect to be able to get out and see a show, hear some music and enjoy our arts and entertainment offerings. This time, without the outlined strategic financial interventions, we won't be there.

We appreciate the opportunity we have had to present the Minister for Communications, Cyber Safety and the Arts with the consequences of the COVID-19 public health response for our industry and the importance of targeted support from the Commonwealth, State and Territory governments.

Urgent action now needs to be taken to support our industry with a targeted package of support measures. We have been the first casualties in the battle against COVID-19 and our industry - or what remains of it - will be the last to recover when this war is finally over.

An immediate targeted package can save and preserve these jobs which, like sport, are key to the Australian way of life.

We urge your Government to take action to save Australia's live performance industry in this incredibly challenging period and we stand ready to work with you and your colleagues on a plan of action.

Yours sincerely,



Richard Evans

President



Evelyn Richardson

Chief Executive

ABOUT LPA

LPA is the peak body for Australia's live performance industry. Established over 100 years ago in 1917 and registered as an employers' organisation under the *Fair Work (Registered Organisations) Act 2009*, LPA has over 400 Members nationally. We represent commercial producers, music promoters, major performing arts companies, small to medium companies, independent producers, major performing arts centres, metropolitan and regional venues, commercial theatres, stadiums and arenas, arts festivals, music festivals, and service providers such as ticketing companies and technical suppliers. Our membership spans from small-medium and not-for-profit organisations to large commercial entities.

LPA has a clear mandate to advocate for and support policy decisions that benefit the sustainability and growth of the live performance industry in Australia.

COVID-19: Live Performance Industry Package

Total package
\$650m

Macro-level support for broader economy (second stimulus package)

- ✓ **Wage subsidy/Income support** for permanent employees who have been stood down or lost their jobs, casuals, sole traders, self-employed and contractors who meet the income test: Doubled Jobseeker allowance to \$1,100 per fortnight (Jobseeker \$550 + supplement \$550); expanded eligibility; waiving asset test and waiting periods; accelerated claims process. For 6 months
- ✓ **Early release of superannuation** (up to \$10,000 tax-free per year for 2 years) wages reduced by 20% or more
- ✓ **SME business loan guarantee** (Government guarantee of short-term unsecured loans up to \$250,000)
- ✓ **Boosting cash flow for employers** (up to \$100,000 for eligible small and medium sized businesses and not-for-profits)

What industry needs immediately

\$450m

Commercial sector

- Cash injection of \$100,000 to \$2m per company to alleviate immediate and prospective losses and retain staff, via wage subsidy - \$300m
- Commercial businesses include: producers, promoters, venues (e.g. theatres, live music venues, etc), festivals, service providers (e.g. staging, lighting, sound, ticketing, agents and managers, etc)
- Rebate transaction fees through ticketing companies, which can be passed back to promoters, venues, festivals - \$150m

\$180m

Australia Council

- Cash injection to performing arts companies and suburban/ regional venues to enable them to meet reserves and cash shortfalls
- Extending all current government funding arrangements
- Additional funding for Four Year Funded Organisations Program to maintain capacity during closure

\$20m

Support Act

- Mental health crisis and hardship support for artists, performers, musicians, crew, technicians

What industry needs during recovery/reactivation

TBC

Recovery/reactivation phase

- Marketing campaign
- Consumer stimulus
- Tax incentives for live productions and live music venues
- Support Act
- Australia Council

TOTAL REQUIRED Min: \$714,896,000
 Max: \$2,023,840,000

Full-time adult average weekly wage \$1,722.80

Commercial Producers (Musical Theatre/Theatre)

	FTE (core staff)		Est # companies	Full wages		80% wages	
	Min	Max		Min wages (6 months)	Max wages (6 months)	Min wages (6 months)	Max wages (6 months)
Micro	1	5	170	\$44,793	\$223,964	\$35,834	\$179,171
Small	6	10	20	\$268,757	\$447,928	\$215,005	\$358,342
Medium	11	20	8	\$492,721	\$895,856	\$394,177	\$716,685
Large	21	50	2	\$940,649	\$2,239,640	\$752,519	\$1,791,712

Commercial Theatres

	FTE (core staff)		Est # Theatres	Full wages		80% wages	
	Min	Max		Min wages (6 months)	Max wages (6 months)	Min wages (6 months)	Max wages (6 months)
Micro	1	5	30	\$44,793	\$223,964	\$35,834	\$179,171
Small	6	10	10	\$268,757	\$447,928	\$215,005	\$358,342
Medium	11	20	7	\$492,721	\$895,856	\$394,177	\$716,685
Large	21	50	3	\$940,649	\$2,239,640	\$752,519	\$1,791,712

Music Promoter

	FTE (core staff)		Est # promoters	Full wages		80% wages	
	Min	Max		Min wages (6 months)	Max wages (6 months)	Min wages (6 months)	Max wages (6 months)
Micro	1	5	455	\$44,793	\$223,964	\$35,834	\$179,171
Small	6	10	30	\$268,757	\$447,928	\$215,005	\$358,342
Medium	11	25	12	\$492,721	\$1,119,820	\$394,177	\$895,856
Large	26	100	3	\$1,164,613	\$4,479,280	\$931,690	\$3,583,424

Music Festival Promoter

	FTE (core staff)		Est # promoters	Full wages		80% wages	
	Min	Max		Min wages (6 months)	Max wages (6 months)	Min wages (6 months)	Max wages (6 months)
Micro	1	5	170	\$44,793	\$223,964	\$35,834	\$179,171
Small	6	10	20	\$268,757	\$447,928	\$215,005	\$358,342
Medium	11	25	8	\$492,721	\$1,119,820	\$394,177	\$895,856
Large	26	100	2	\$1,164,613	\$4,479,280	\$931,690	\$3,583,424

Venues (Live music, arenas/stadiums)

	FTE (core staff)		Est # venues	Full wages		80% wages	
	Min	Max		Min wages (6 months)	Max wages (6 months)	Min wages (6 months)	Max wages (6 months)
Small	1	5	3000	\$44,793	\$223,964	\$35,834	\$179,171
Medium	6	10	700	\$268,757	\$447,928	\$215,005	\$358,342
Large	11	20	300	\$492,721	\$895,856	\$394,177	\$716,685
Arenas	21	50	7	\$940,649	\$2,239,640	\$752,519	\$1,791,712
Stadiums	21	50	11	\$940,649	\$2,239,640	\$752,519	\$1,791,712

Suppliers / Service Providers

	FTE (core staff)		Est # suppliers	Full wages		80% wages	
	Min	Max		Min wages (6 months)	Max wages (6 months)	Min wages (6 months)	Max wages (6 months)
Micro	1	5	249	\$44,793	\$223,964	\$35,834	\$179,171
Small	6	10	30	\$268,757	\$447,928	\$215,005	\$358,342
Medium	11	25	12	\$492,721	\$1,119,820	\$394,177	\$895,856
Large	26	100	7	\$1,164,613	\$4,479,280	\$931,690	\$3,583,424
Major	101	500	2	\$4,524,073	\$22,396,400	\$3,619,258	\$17,917,120

Service providers include: lighting, audio, staging, video, special effects, catering, loaders, freight, agents and managers, rehearsal studios, travel agents, marketing, ticketing, publicity, security, costu

TOTAL REQUIRED Min: \$714,896,000
Max: \$2,023,840,000

Full-time adult average wage \$2,500.00

Commercial Producers (Musical Theatre/Theatre)

	FTE (core staff)		Est # companies	Based on industry-wide estimated weekly wage				Total funding required	
	Min	Max		Full wages		80% wages		Min wages (6 months)	Max wages (6 months)
				Min wages (6 months)	Max wages (6 months)	Min wages (6 months)	Max wages (6 months)		
Micro	1	5	170	\$65,000	\$325,000	\$52,000	\$260,000	\$8,840,000	\$44,200,000
Small	6	10	20	\$390,000	\$650,000	\$312,000	\$520,000	\$6,240,000	\$10,400,000
Medium	11	20	8	\$715,000	\$1,300,000	\$572,000	\$1,040,000	\$4,576,000	\$8,320,000
Large	21	50	2	\$1,365,000	\$3,250,000	\$1,092,000	\$2,600,000	\$2,184,000	\$5,200,000

Commercial Theatres

	FTE (core staff)		Est # Theatres	Based on industry-wide estimated weekly wage				Total funding required	
	Min	Max		Full wages		80% wages		Min wages (6 months)	Max wages (6 months)
				Min wages (6 months)	Max wages (6 months)	Min wages (6 months)	Max wages (6 months)		
Micro	1	5	30	\$65,000	\$325,000	\$52,000	\$260,000	\$1,560,000	\$7,800,000
Small	6	10	10	\$390,000	\$650,000	\$312,000	\$520,000	\$3,120,000	\$5,200,000
Medium	11	20	7	\$715,000	\$1,300,000	\$572,000	\$1,040,000	\$4,004,000	\$7,280,000
Large	21	50	3	\$1,365,000	\$3,250,000	\$1,092,000	\$2,600,000	\$3,276,000	\$7,800,000

Music Promoter

	FTE (core staff)		Est # promoters	Based on industry-wide estimated weekly wage				Total funding required	
	Min	Max		Full wages		80% wages		Min wages (6 months)	Max wages (6 months)
				Min wages (6 months)	Max wages (6 months)	Min wages (6 months)	Max wages (6 months)		
Micro	1	5	455	\$65,000	\$325,000	\$52,000	\$260,000	\$23,660,000	\$118,300,000
Small	6	10	30	\$390,000	\$650,000	\$312,000	\$520,000	\$9,360,000	\$15,600,000
Medium	11	25	12	\$715,000	\$1,625,000	\$572,000	\$1,300,000	\$6,864,000	\$15,600,000
Large	26	100	3	\$1,690,000	\$6,500,000	\$1,352,000	\$5,200,000	\$4,056,000	\$15,600,000

Music Festival Promoter

	FTE (core staff)		Est # promoters	Based on industry-wide estimated weekly wage				Total funding required	
	Min	Max		Full wages		80% wages		Min wages (6 months)	Max wages (6 months)
				Min wages (6 months)	Max wages (6 months)	Min wages (6 months)	Max wages (6 months)		
Micro	1	5	170	\$65,000	\$325,000	\$52,000	\$260,000	\$8,840,000	\$44,200,000
Small	6	10	20	\$390,000	\$650,000	\$312,000	\$520,000	\$6,240,000	\$10,400,000
Medium	11	25	8	\$715,000	\$1,625,000	\$572,000	\$1,300,000	\$4,576,000	\$10,400,000
Large	26	100	2	\$1,690,000	\$6,500,000	\$1,352,000	\$5,200,000	\$2,704,000	\$10,400,000

Venues (Live music, arenas/stadiums)

	FTE (core staff)		Est # venues	Based on industry-wide estimated weekly wage				Total funding required	
	Min	Max		Full wages		80% wages		Min wages (6 months)	Max wages (6 months)
				Min wages (6 months)	Max wages (6 months)	Min wages (6 months)	Max wages (6 months)		
Small	1	5	3000	\$65,000	\$325,000	\$52,000	\$260,000	\$156,000,000	\$780,000,000
Medium	6	10	700	\$390,000	\$650,000	\$312,000	\$520,000	\$218,400,000	\$364,000,000
Large	11	20	300	\$715,000	\$1,300,000	\$572,000	\$1,040,000	\$171,600,000	\$312,000,000
Arenas	21	50	7	\$1,365,000	\$3,250,000	\$1,092,000	\$2,600,000	\$7,644,000	\$18,200,000
Stadiums	21	50	11	\$1,365,000	\$3,250,000	\$1,092,000	\$2,600,000	\$12,012,000	\$28,600,000

Suppliers / Service Providers

	FTE (core staff)		Est # suppliers	Based on industry-wide estimated weekly wage				Total funding required	
	Min	Max		Full wages		80% wages		Min wages (6 months)	Max wages (6 months)
				Min wages (6 months)	Max wages (6 months)	Min wages (6 months)	Max wages (6 months)		
Micro	1	5	249	\$65,000	\$325,000	\$52,000	\$260,000	\$12,948,000	\$64,740,000
Small	6	10	30	\$390,000	\$650,000	\$312,000	\$520,000	\$9,360,000	\$15,600,000
Medium	11	25	12	\$715,000	\$1,625,000	\$572,000	\$1,300,000	\$6,864,000	\$15,600,000
Large	26	100	7	\$1,690,000	\$6,500,000	\$1,352,000	\$5,200,000	\$9,464,000	\$36,400,000
Major	101	500	2	\$6,565,000	\$32,500,000	\$5,252,000	\$26,000,000	\$10,504,000	\$52,000,000

Service providers include: lighting, audio, staging, video, special effects, catering, loadenmes, props