



VENUE MANAGEMENT ASSOCIATION
(ASIA AND PACIFIC) LIMITED

PO Box 2015, Beenleigh
Queensland Australia 4207

Freecall Aust: 1300 001 862
Phone: +61 (0)7 5575 9185
Email: admin@vma.org.au

14th September 2021

Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600

RE: Live Performance Federal Insurance Guarantee Fund Bill 2021 Submission

The Venue Management Association is the peak body for venue industry professionals in Australia, New Zealand and Southeast Asia with 900+ members, representing 300+ venues from diverse venue sectors including sports stadiums, arena, performing arts, convention and exhibition centres, racetracks, showground and festivals as well as suppliers to the industry.

The VMA is dedicated to the growth and success of the venue management industry in the Asia-Pacific region through professional development, education and collective sharing through networking. As a not-for-profit public company, the VMA is run by its members for the benefit of its members and to promote the venue management industry as a whole.

The venue management industry relies on the delivery of events within their properties, from sports to artistic and performance based live entertainment content. Without content our venues, and those employed within the industry, continue to experience significant disruptions.

The live entertainment industry was among the first to be shut down in Australia under COVID-19 restrictions in early March 2019 and remains largely at a standstill and unable to generate substantial income.

In the Economic Contribution of Australia's Live Entertainment Industry — How Has COVID-19 Impacted the Industry Report conducted by Ernst & Young and released in November 2020, of the estimated 122,000 full-time-equivalent jobs that were supported by the live entertainment and sport industries pre COVID-19 an estimated 79,000 (65%) were lost in 2020.

The report also indicated that the Live Entertainment Industry contributed an estimated \$36.5bn to Australia's economy in 2019, with that contribution falling by approximately 64% to \$12.8bn in 2020 as a result of COVID 19 restrictions.

vma.org.au

Your No.1 Venue Industry Network

Association Partners



Media

More jobs are at risk in 2021 with new figures from EY suggesting that up to 86% of jobs supported by live music and shows have already gone.

For most commercial operators, revenue remains well below 1/3rd of 2019 levels. For those operating primarily in the international concert market, income is less than 10% of 2019 levels.

A primary concern for live content providers is the ongoing risk of cancellations and postponements that come with the constant movement of government restrictions dictating access to venues and allowable patron numbers, and border closures – both domestic and international.

In order for an Australian venue to host a live performance they will typically contract with an Australian promoter, who in turn will contract an artist's agent, who in turn contracts with the artist management, who ultimately contracts the artist.

At all levels the parties' involved need assurances and guarantees before they are willing to commit significant financial and operational resources to contract tours, often involving multiple performances, hundreds of support staff and long term commitments across the country.

The delivery of live entertainment content involves a significant lead time to plan and execute. International acts, shows and artists plan schedules years in advance and will only commit to shows if financial guarantees are in place that protects their livelihoods.

Since the surfacing on COVID 19 many insurance providers have not been willing to provide adequate cover to meet the needs of the industry. Many have inserted specific pandemic exclusion clauses or simply withdrawn from the market.

At present there is no COVID related cancellation insurance protection available in the Australian market with this placing a burden of risk on live performance content providers and being a significant and ongoing roadblock to the industry's recovery.

Where commercial insurance providers are unwilling to meet the needs of the industry in a way that provides the breath of cover required at an affordable level it is incumbent on governments to fill the temporary breach and provide service and support to an industry that is such a significant economic driver and employment creator for our economy.

By the Government providing a mechanism for COVID related cancellation insurance cover to be available for the live performance industry to access, this will provide confidence to the market to commit to longer term planning, thereby facilitating the industry's recovery and fast tracking its ability to contribute to the Australian economy and productivity.

Yours sincerely

Michael Brierley
Chief Executive