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RE: LIVE PERFORMANCE FEDERAL INSURANCE GUARANTEE FUND BILL 2021

The Association of Artist Managers (AAM) welcomes this opportunity to make a submission to the **2021 Live Performance Federal Insurance Guarantee Fund Bill**.

BACKGROUND

ABOUT THE AAM:

The Association of Artist Managers (AAM) is the peak industry body representing Australia's leading music managers and their artists. With over 300 managers as members, the AAM community represents over 1000 Australian artists and songwriters, including some of the biggest names in Australian music - Paul Kelly, Tones And I, Tash Sultana, Midnight Oil, Tame Impala and more.

Founded and led by artist managers, for artist managers, the AAM alone understands best practices for artist managers and how to support, develop and nurture sustainable careers in artist management. We exist to develop, protect and promote the reputation and interests of managers and their artists through workshops and sector and skills development opportunities. Skilled artist managers create immediate, positive impacts on their artists' careers. Ensuring skilled artist managers increases the overall standard of professionalism and business practices for all of the Australian music industry. We support music managers to build the foundations they need to succeed.

Fundamental to the growth and sustainability of the Australian Music Industry is recognition that artist managers, with their artists, are the 21st Century CEOs of the Music Industry. The role of the manager intersects the creative development, marketing and promotion, business affairs, touring activities and human resources management required for creative, successful and economically sustainable artists.

Therefore we are at the coal face of the artist's career and are constantly striving to protect their interests. After all, we only succeed if they succeed.

ABOUT THE ARTISTS' BUSINESS STRUCTURE:

Artists are businesses, of which there are more small-medium sized, than major/corporate sized. They are an even mix between sole traders, partnerships and PTY LTDs. For most, live music makes up the healthy majority of their income. This performance revenue (outside of live performance royalties collected by APRA AMCOS) is generated by either Non-Artist Promoters (NAP) paying them a set fee to perform at special events and festivals - or - the artists themselves putting on ticketed events, taking on the financial risk and paying every cost associated with the event (including venue hire), which makes them Artists As Promoters (AAP).

It is important to understand this as it will create two contexts through which our submission on this Insurance Bill will be considered. In one instance they are a supplier, and in another instance they are the employer.

CONSIDERATIONS

The Restart Investment to Sustain and Expand (RISE) Fund was created to help protect an industry that has been decimated by Covid-19. The thinking behind the structure of the fund was to stimulate the ecosystem from the top down. No-one envisioned the extent to which the Delta strain has paralysed the industry yet again. As a result, yet another round of live events have been cancelled, and the program structure means there were no provisions to ensure that the money that was paid to the promoters (either NAP or AAP) would trickle down to those suppliers in the meantime. This is a current and ongoing situation which has meant that suppliers who are looking to survive this pandemic are not getting the funds they need to sustain, let alone expand.

The lessons learnt from this situation are critical going into the building of an Insurance Guarantee Fund.

RECOMMENDATIONS

- + Clear and specific, tiered payouts, depending on the time of the cancellation to all suppliers, distributed either by the Insurance company or by the Fund directly. This measure relies on a third party to ensure accountability of the promoter and timely payments.
- + Our specific recommendation on timing is, the suppliers (in this case, artists) need to be paid out by the promoter/employer their full fee if the event is cancelled within 14 days of the event. If more than 14 days out, 50% of their fee is payable.
- + Fund to cover loss of predicted APRA earnings from larger scale events - aiding writers as well as the performing artists.
- + Fund to cover costs of merchandise printing specific to the event being cancelled.
- + Fund to cover extra legal bills in promoters/employers developing new pandemic-focused cancellation contracts for every supplier. This is to further ensure water-tight agreements between parties, especially where suppliers are small-medium businesses with little resources in this area.
- + Fund will take into consideration the impact of not just cancellations, but also rescheduling costs; capacity changes; multi-stage events being reduced; quarantining costs; additional infrastructure costs to meet obligations.

Thank you for your time to read our submission.

Regards,

Maggie Collins
Executive Director