

Live Performance Federal Insurance Guarantee Fund Bill 2021

Senate Environment and Communications Legislations Committee: Inquiry of the Bill

Submission

September 14th 2021

Dear Chairman, Deputy chair and Committee members.

I write in support of the establishment of the Live Performance Federal Insurance Guarantee Fund Bill. As an operator with over 20 years trading within the Australian Live Music sector our business experiences firsthand the risks and opportunities inherent in the industry. Nothing in that time prepared us for the devastating downturn as result of the Covid-19 social restrictions.

Since March 2020 Mothership Events has cancelled or postponed no less than twelve music and arts events. The loss of gross revenue is more than \$22M. Approximately 80% of that income would have been payable to Artists and 3rd party suppliers (fencing, staging, production, security, marketing etc).

Our capacity to employ directly has seen the loss of over 2000 positions while those engaged directly as crew and support staff by Artists and 3rd party suppliers have seen their livelihoods severely impacted.

This week Mothership Events announces the postponement of yet another four festival dates (three of which are in Newcastle NSW). These annual November festival dates were postponed from November 2020 to February 2021, then to November 2021 and now to February 2022. Each time an event is cancelled Mothership is exposed to forfeited Artist deposits, re scheduling fees and re marketing costs. Roughly \$100K per event. This doesn't factor the lost opportunity for suppliers, the loss of confidence Artists have in committing to a schedule, the loss of job security for staff and contractors or perhaps most importantly for the industry's sustainability, the public's loss of confidence and commitment to attendance. Each time we postpone these Newcastle events 1090 jobs are lost and an economic benefit to the local community of \$9,555,000 (as calculated by the Newcastle City Council) is forgone.

We are now witnessing an exodus from the industry of talented staff experienced in producing large scale events and significant mental health issues being experienced by out of work casual and contract workers in the Events industry is well documented. Without assurances from promoters that wages will be underwritten on contract this is sure to continue and compound.

Postponing in advance is the better scenario. Postponing or cancelling moments before the gates open – as in the case of 2020 Bluesfest – as result in shift or declaration of a PHO is a nightmare. The Live Music sector has zero insurance coverage against either scenario. Without this proposed supporting framework promoters simply will no longer take the risk and move out of the business or, run a high stakes game of profit Vs bankruptcy before even opening the gate.

About future returns to industry health, we know from domestic and international anecdotal evidence that a 'bounce back' will slow and tentative. Vaccination rates and efficacy along with PHOs governing mask usage and social distancing will dictate the rate of returning to normalcy and

profitability for the Live Music sector. Given the continued uncertainty around these elements we don't envisage a return to confidence in the sector until late 2022.

We therefore advocate strongly for increased Government mechanisms to financially support and sustain the sector until full recovery is achieved. We wholeheartedly endorse the development, tabling and passing of the Live Performance Federal Insurance Guarantee Fund Bill 2021.

Sincerely

Brent Lean

Director

Mothership Events Pty Ltd