

Size & Scope

OF THE LIVE PERFORMANCE INDUSTRY 2012

Executive Summary



**Live
Performance
Australia**™

Prepared by **EY**

The Live Performance Industry is a unique industry comprising many diverse performances ranging from contemporary music staged at large arenas and musical theatre staged at commercial theatres to smaller theatre, opera and dance productions staged in regional and metropolitan venues. Many economic activities are involved in “putting on the show”, including staging, ticketing and venue hire, advertising / marketing and the actual performance by artists. This study, titled the “Size and Scope of the Live Performance Industry 2012”, is an update of the first industry wide study commissioned by LPA and undertaken by Ernst & Young (EY) in 2010 (using 2008 data).

Industry Revenues

In terms of its economic importance, the Live Performance Industry generated revenues of \$2.55 billion during 2012.

The majority of industry income is generated through ticket sales (49.6%), with government funding representing around 18% of the industry revenue. The ratio of government funding to ticket sales varies across the industry, with the small to medium not-for-profit sector most reliant on funding from government, followed closely by regional and metropolitan venues.

The bulk of the revenues generated by the industry are spent on people (54%), including performers and non-performing support staff such as technical crew and venue staff. Overall, the industry directly supports employment of over 18,900 full time equivalent positions (FTEs). While the measure of FTE employment is commonly used in industry wide studies, in reality due to the seasonal nature of much work in the Live Performance Industry, the industry sustains a greater number of employees on a part-time or casual basis. Based on average weekly earnings of all employees in the industry¹, the estimated number of people employed by the industry is approximately 34,100 in 2012.

Total profits and wages generated by the industry (i.e., the “Industry Value Added”), amounted to \$1.53 billion.

The Live Performance Industry also generates a number of intangible benefits that are not captured in the economic metrics below. These included improved social cohesion, lifestyle improvement, diversity and increased creativity. This adds to the importance of the Live Performance Industry to Australia.

¹ Weekly earnings for all employees are \$741.90, based on the ‘Arts and Recreation Services’ industry in ABS 2012, cat no 6306.0 Employee Earnings and Hours, Australia. The broad industry definition of ‘Arts and Recreation’ was used as data comparable to the FTE data was not available.

Table ES1

Economic Contribution of the Live Performance Industry

GROSS OUTPUT	\$2,545.7 million
INDUSTRY VALUE ADD	\$1,529.1 million
INDUSTRY EMPLOYMENT FULL TIME EQUIVALENTS (FTE)	18,964
INDUSTRY EMPLOYMENT (TOTAL PERSONS)	34,131

The economic contribution of the Live Performance Industry has been calculated from the following four components:

- ▼ **The Australian Major Performing Arts Group (AMPAG) of companies**
- ◆ **Australia Council Key Organisations**
- ◀ **Regional and Metropolitan Venues**
- ▲ **All other live performance events (referred to as 'large scale venues and events')**

This study also analysed the industry by event category (refer section 2.2 of the Full Report for a description of the event categories). **The Contemporary Music and Musical Theatre categories made the largest economic contributions to the industry (32.6% and 14.6% respectively in terms of industry revenue).** This is consistent with Live Performance Australia's (LPA) Ticket Attendance and Revenue Survey 2012 where Contemporary Music and Musical Theatre are ranked one and two respectively in terms of both attendances and ticket revenue.

Figure ES1

Industry Contribution by Category

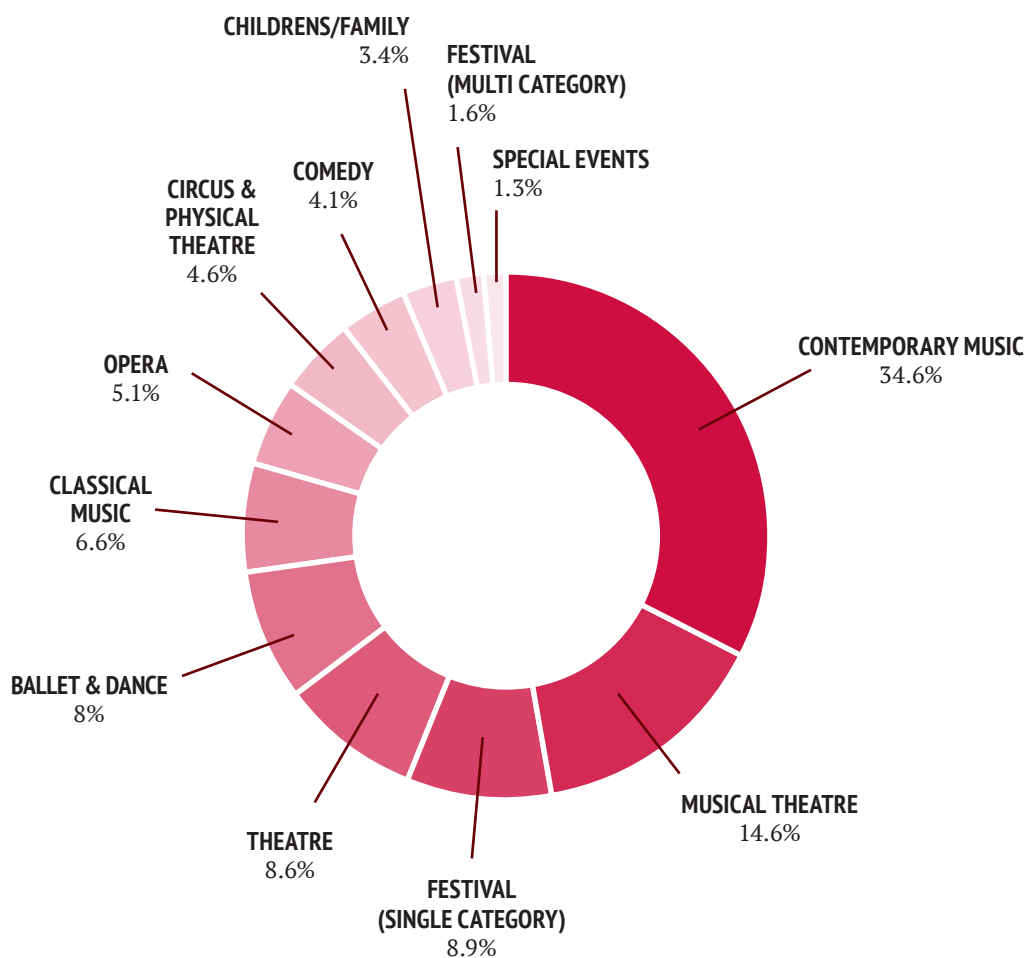


Table ES2 provides a breakdown of the economic contribution of the four components of the industry. Large scale venues and events are the largest contributor to the industry, generating 66% of the industry's revenue.

Table ES2

Live Performance Industry Revenues, Expenses and Surpluses by Industry Component

	Large scale venues and events (\$ millions)	AMPAG (\$ millions)	Regional (\$ millions)	Key Organisations (\$ millions)	Total (\$ millions)	As % of Total Revenue
REVENUE						
BOX OFFICE INCOME	\$1,027.0	\$177.9	\$51.0	\$6.2	\$1,262.1	49.6%
GOVERNMENT FUNDING	\$105.2	\$164.4	\$166.7	\$11.0	\$447.3	17.6%
CORPORATE SPONSORSHIP AND SUPPORT	\$26.2	\$64.8	\$5.9	\$3.0	\$99.9	3.9%
OTHER*	\$521.1	\$63.2	\$148.3	\$4.0	\$736.6	28.9%
TOTAL REVENUE	\$1,679.5	\$470.2	\$371.8	\$24.2	\$2,545.7	100.0%
EXPENSES						
WAGES (including direct wages to performers)	\$424.2	\$255.6	\$135.9	\$11.5	\$827.2	32.5%
CONTRACT PAYMENTS TO PERFORMERS	\$457.4	\$35.3	-	\$1.5	\$494.2	19.4%
RENT, LEASING AND HIRING	\$167.9	-	-	\$0.7	\$168.5	6.6%
VENUE HIRE	\$130.6	\$25.4	-	\$1.2	\$157.2	6.2%
TRAVEL, ACCOMMODATION AND VEHICLES	\$77.1	\$23.3	-	\$2.8	\$103.3	4.1%
ADVERTISING, MARKETING AND PROMOTIONS	\$97.4	\$46.5	\$16.6	\$1.4	\$162.0	6.4%
PURCHASES	\$30.8	\$10.8	-	\$0.2	\$41.8	1.6%
ROYALTY PAYMENTS	\$39.1	\$10.2	-	\$0.3	\$49.7	2.0%
STAGING, EQUIPMENT & REPAIRS	\$48.4	\$8.5	\$13.4	\$1.8	\$72.0	2.8%
OTHER*	\$73.4	\$41.4	\$140.3	\$2.5	\$257.6	10.1%
TOTAL EXPENSES	\$1,546.2	\$457.0	\$306.2	\$23.9	\$2,333.3	91.7%
OPERATING SURPLUS	\$133.3	\$13.2	65.6	\$0.3	212.4	8.3%

*Description of revenue and expense items can be found in Appendix D

** Total may not add due to rounding

Change in the Size of the Industry

Since 2008, the Live Performance Industry has experienced modest real growth in total output (3% when excluding new data sources²).

One of the key factors for achieving only modest growth was the significant reduction in the contribution of Musical Theatre and Classical Music (both in terms of percentage change and dollar value). The changes to the contribution of the industry by event category are highlighted in Figures ES2 and ES3.

The size of the industry in terms of value-add and employment has grown more strongly since 2008. **Excluding new data sources, value add has experienced real growth of 17%.** This growth has been driven by increased overall industry wages, and an estimated 21% increase in the number of full time equivalent employees.

The increase in the number of FTE employees is a result of higher industry wages as a percentage of revenue and modest growth in the average FTE wage.² The expense item 'wages (including direct wages to performers)' increased from 28% in 2008 to 32% in 2012. This increased wage pressure was reflected in stakeholder consultations. In addition, the wage component of contract payments to performers increased (in the previous study a larger amount was treated as an expense).

Table ES3

Industry Output, Value Add and Employment, 2008 and 2012

	2012 (full dataset)	2012 (excluding new data sources*)	2008**
INDUSTRY OUTPUT	\$2,545.7 million	\$2,149.7 million	\$2,084.3 million
INDUSTRY VALUE ADD	\$1,529.1 million	\$1,309.1 million	\$1,115.5 million
INDUSTRY EMPLOYMENT (FTE)	18,964	16,745	13,819

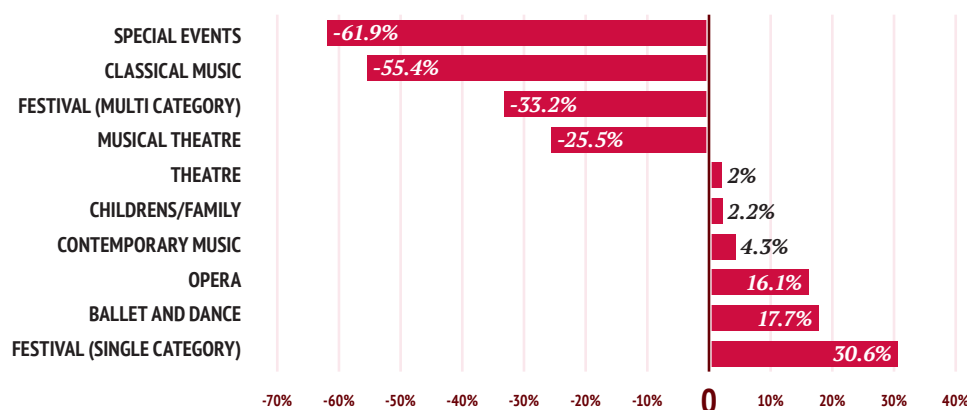
*Excludes Key Organisations, Regional and Metropolitan Venues

**2008 numbers are inflated to 2012 dollars

Figures ES2 and ES3 below illustrate the changes in industry contribution by event category (ES2 shows the percentage change and ES3 shows the dollar value change in contribution). Single Category Festivals, Ballet and Dance and Opera experienced the largest percentage growth in output since 2008. In terms of the dollar value change, Contemporary Music also experienced a large increase.

Figure ES2

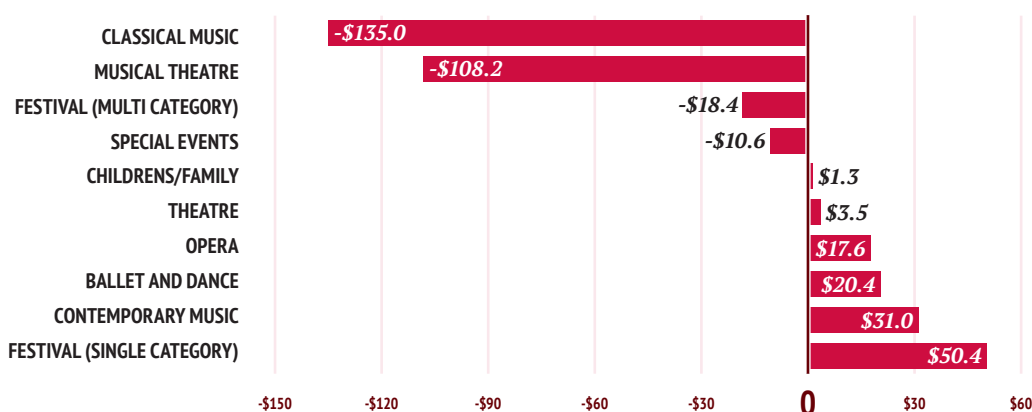
2008* to 2012 Percentage Change in Industry Contribution by Category



*2008 numbers are inflated to 2012 dollars

Figure ES3

2008* to 2012 Dollar Value Change in Industry Contribution by Category (\$ millions)



*2008 numbers are inflated to 2012 dollars

Comparison to Other Industries

This study estimates the total size of the Live Performance Industry at \$2.55 billion in output, supporting a total of around 18,964 full-time equivalent positions. The industry generated value add of \$1.53 billion, which is greater than the film, television and digital games, heritage activities and library services sectors in Australia.

Table ES4

Comparison with Other Industries

Industry	Industry Output (\$ millions)	Industry Value Add (\$ millions)	Source
MINING	\$237,416	\$132,955	ABS (2013) 8415.0
MANUFACTURING	\$397,705	\$102,146	ABS (2013) 8155.0
PUBLISHING (except Internet and music publishing)	\$13,181	\$7,091	ABS (2011) 4172.0
SPORTS AND RECREATION ACTIVITIES	\$12,773	\$4,653	ABS (2013) 8155.0
CREATIVE AND PERFORMING ARTS ACTIVITIES*	\$3,818	\$1,602	ABS (2013) 8155.0
LIVE PERFORMANCE INDUSTRY	\$2,546	\$1,529	Ernst & Young
FILM, TELEVISION AND DIGITAL GAMES	\$2,194	\$930	ABS (2013) 8679.0
VENUE-BASED LIVE MUSIC INDUSTRY	\$1,211	\$652	Ernst & Young
HERITAGE ACTIVITIES	\$758	\$353	ABS (2013) 8155.0
LIBRARY AND OTHER INFORMATION SERVICES	\$208	\$199	ABS (2013) 8155.0

*The businesses that contribute to Creative and performing arts activities are classified in accordance with the ANZSIC industry definition and include performing arts operation (e.g. circus operation, dance and ballet company operation, musical productions and opera company operation), creative artists, musicians, writers and performers (e.g. artists, choreography services, costume designing, playwriting or screenwriting, set designing service and theatre lighting design service) and performing arts venues operation. The Live Performance Industry measure includes some elements of this measure but not all.



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Design by

