



11 Newcastle Road
Bayswater Vic 3153
1800 806 253

www.actionevents.com

16th April, 2021

Dear Committee Members,

RE: SUBMISSION FOR INQUIRY TO INVESTIGATE THE IMPACTS OF COVID19 ON THE EVENTS INDUSTRY, THE EFFECTS ON COMMUNITY EVENTS AND THE URGENCY OF GOVERNMENT ASSISTANCE NEEDED WITH OUR INDUSTRY.

I submit the following in relation to the above,

ABOUT US

Our company, Action Events was founded in 1991, we have been in the amusements industry for over 30years and have managed over 30,000 events. These include large scale community events such as the Good Friday Appeal, Lonsdale Greek Festival, Maroondah Festival, just to name a few. Action Events Group has grown since it started into one of Melbourne's premier supplier of amusements with a comprehensive range of rides, games and activities for hire. Our company is diverse with the other side our business being event management, theming and prop hire

Damian De Jong – Owner: is a founding member of the Australian Amusements Association formed in 1997. and former past Vic President of the Association until 2006. From 2002 – 2009 sat on the committee for the Australian Standards AS3533 Amusement Industry. Also is a representative of National Regulators Device Forum at AALARA. Damian has also been on the Melbourne Executive of ISES, the International Special Events Society from 2010 until 2015.

INTRODUCTION

Our Industry need urgent Government Support.

Melbourne is the events capital of Australia.

Events are not just about the Tennis, Grand Prix or Sport – those will ultimately still proceed and are getting financial support from the State Government.

Our concerns are for the businesses that supply to the smaller community events. Our industry supports over 100,000 events each year; partnering with community festivals, charity events, agricultural shows supporting rural communities, school fetes & fairs that generate an estimated \$10,000,000 per year which directly support our children's education and provide much needed funds not funded by the State Government. It's these types of events that keep our industry alive, and employ more than 80,000 people.

This industry is made up of a vast array of providers including Amusement Rides, Marquee Hire, Furniture, Staging & Production, Traffic Management, Safety Officers, Toilets, Event Managers, Cleaners, Audio Visual Companies, Food Trucks, Market Stalls, Performers & Entertainers; all of which are family owned and operated businesses.

Our industry is diverse and due to the lack of work and funding some businesses will disappear. The latest industry survey by Save Victorian Events showed that 40% of the industry will be closing their doors at the end of Jobkeeper.

WE ARE VERY QUICK TO BOAST ABOUT HOW GREAT VICTORIAN EVENTS ARE- BUT WE WILL NOT HAVE AN INDUSTRY TO SUPPORT THEM.

The events industry contributes 23% to the economy of Victoria.

It is a crucial industry in terms of employment, tourism, and community.

It involves so many brilliant, innovative, highly qualified, creative people who will be lost if our industry does not survive.

Income from April 2020 – December 2020 – Down 95%

Income from Jan 2021 – June 2021 – Down 85%

Income from June 2021 to December 2021 – Down 80%

5 POINTS THAT NEED TO BE ADDRESSED

1. Job keeper or some form funding still desperately needed for our industry until September.

Job keeper has been a lifeline to our industry and many others. Our industry has been affected the longest.

Covid hit during Event peak season, with minimal business at all last year.

Just when there was a glimpse of hope to get businesses through the quiet winter season, **the February 5-day lock down occurred. \$80,000 worth of jobs alone for our business lost. The flow on effect of this was again loss of public confidence and now another summer season gone! It actually equated to a loss of work for 4 weeks for staff. Business has now been pushed until the end of the year and with no support.**

We are the first industry to get started and the last to get back to work. Lead time for many jobs are at least 6 months so when Government opens up after lockdowns we still have to wait for work.

WHEN JOBKEEPER ENDS

43% of Event Suppliers will have to let staff go

An additional 40% of business will potentially need to close

THAT 83% OF EVENT INDUSTRY SEVERELY EFFECTED AT THE END JOBKEEPER UNLESS THERE IS SOME FORM OF DIRECT FINANCIAL SUPPORT.

With JobKeeper gone, financial support from the Victorian Government is the only chance of survival for many businesses. We need him and his government to finally act.

2. Establish a supplier grant fund at least until the end of September 2021

Based on the Tasmanian Model Grants, funds are needed to keep event business alive for the next six months.

This is essential and desperately urgent!

Tasmanian suppliers were directly funded by the government to keep their businesses afloat. Funding of \$2.5 million provided for small business targeting direct support those local small businesses which provide critical event support infrastructure and other services that are essential to the running of events as part of the recovery.

The model we recommended is based on direct grants to event industry businesses - including suppliers, Freelancers and contractors - who are the professional service providers of the Event Industry and play a critically important role in the industry. Yet the vast majority have not been eligible for any kind of state government support so far.

The grants would be tiered based on turnover in a normal year.

Suggested amounts - subject to further industry discussion are - are:

- Turnover of more than \$1.5 million per annum eligible for a grant of \$100,000.
- Turnover of less than \$1.5 million but more than \$1 million eligible for a grant of \$70,000.
- Turnover of less than \$1 million but more than \$250,000 eligible for a grant of \$40,000.
- Turnover of less than \$250,000 but more than \$50,000 eligible for a grant of \$15,000.

3. Streamlined and Common-sense Department of Health approvals for events

The process for approval of events is taking way too long. Event managers are waiting on approvals, receiving no communication and have been unable to contact anyone.

Event suppliers need to be able to talk to the Department of Health to track progress of applications. You have only been able to email, no phone number has been provided, and wait time has been up to 10 weeks.

Events take time to manage and arrange as well as require financing. Money is being spend in trying to arrange events with the uncertainty that they will get approved. Lack of confidence within the industry. Events that can be held are being cancelled due to lack of time and delayed response time.

4. State Government Insurance Fund

If the effects of Covid19 were not enough. The availability of Public Liability insurance and coverage for our industry is a main concern for our events industry, especially within the amusement ride industry.

Numerous insurance companies are unable to assist, with many underwriters pulling out of our industry - our public liability insurance options are extremely limited. There is one insurance underwriter in Australia covering the Amusement industry. With sole power to close you at any time.

OUR INDUSTRY IS NOW IN A STATE OF EMERGENCY REGARDING INSURANCE – AS OF LAST WEEK PEN UNDERWRITING HAVE PULLED OUT AND ARE ISSUEING NO NEW POLICIES OR RENEWALS FOR THE LEISURE INDUSTRY.

**EFFECTIVELY OUR BUSINESSES WILL NOT BE ABLE TO RUN PAST NEXT YEAR.
THE WHOLE INDUSTRY WILL BE SHUT DOWN.**

the impact of coverage denial;

- With the limited number of insurers, they basically are able to dictate policies, prices, and the threat of coverage denial.
- policy exclusions are getting stricter and we have no choice but to except these or coverage is denied.
- Those with only one minor claims within the last 5 years are being denied coverage.

- We had previously been told that Class 4 and 5 amusements would no longer be able to get insurance – now it is across all amusement rides and businesses. Many of which are family businesses and have been operating for generations.
- **Insurance is an important part of our business in order to survive. We cannot work without insurance and the whole events industry crumbles - all events in this country will be affected.**
- **There is no government support or control in Australia and internationally that facilitate affordable access to appropriate insurance for small businesses in our industry.**

Just as the State of Victoria has stepped in to provide insurance for Building Surveyors through VMIA when commercial insurers left the market, it is recommended that the Victorian government through VMIA provides Public Liability Insurance for the Amusement and Leisure Industry.

5. Explore Potential Voucher System

Possible voucher system to put on events for community and schools- up until the end of September, to give us time for the industry to prepare, restart, and ramp up our business's and to train staff for the months of October, November and December.

More funding to be provided to community events, school fetes etc to actually have the funds to put on event. Many received no extra money from fund raising or other means due to Covid19.

If schools for example were offered and incentive of \$5000.00 to spend on fundraising activities/events/school fete up until the end of September this would kick start our industry.

Get our industry back working again! Many Event suppliers will be hit with the quiet winter season and will not survive. We need assistance to ramp up events and keep us going until September. Incentives and Grants are a way to getting business working, will allow many staff to keep going, business to train up more staff, and kick start our businesses back up again.

Without the staff - we may have the equipment but not the qualified staff or capacity to do the jobs at the end of the year. We will only be able to work at 50% capacity, as we won't have the financial or staff capabilities. **We need the work now!**

We feel that the industry needs a boost of \$100 million to keep the Events Industry alive.

Thank you for your consideration, and please do not hesitate to contact me should you like any further information.

Kind Regards,

*Damian DeJong
Action Events
Vice President - Australian Amusement Association (AAA)*

