



**MEDIA, ENTERTAINMENT & ARTS ALLIANCE**

# **CO-OP KIT FOR PROFIT SHARE PRODUCTIONS**

An information booklet for Alliance members.

## **Free Promotion Offer for Your Co-op Production!**

**Please take advantage of the free promotion available from the Alliance e bulletin to thousands of industry members when all the cast and crew of a co-op are financial. Your friendly Alliance office will be happy to assist with a dues reduction on request as we appreciate income can be tight during co-op seasons.**

# **THE ALLIANCE AROUND AUSTRALIA**

## **MEAA FEDERAL OFFICE AND NSW BRANCH**

MEAA, 245 Chalmers Street, Redfern, NSW, 2016

Phone: (02) 9333 0999 Fax: (02) 9333 0933

Mail: PO Box 723 Strawberry Hills, NSW, 2012

## **Alliance Inquiry Desk 1300 656 512**

For any queries regarding employment and professional issues call the Alliance Inquiry Desk.

Website: [www.alliance.org.au](http://www.alliance.org.au)

email: [aid@alliance.org.au](mailto:aid@alliance.org.au)

## **Alliance Membership Centre**

phone: (toll free) 1300 656 513

Locked Bag 526, Spring Hill QLD 4004

## **OTHER ALLIANCE OFFICES**

### **VICTORIA**

Level 4, 221 Queen Street, Melbourne, 3000

phone: (03) 9691 7100 Fax: (03) 9691 7155

### **SOUTH AUSTRALIA**

241 Pirie Street, Adelaide SA 5000

phone: (08) 8223 6055 fax: (08) 8223 7176

### **QUEENSLAND**

Level 4, 16 Peel St, South Brisbane 4101 QLD

phone: (07) 3846 0044 fax: (07) 3846 0055

### **WESTERN AUSTRALIA**

123 Claisebrook Rd, East Perth, 6004

phone: (09) 9227 7924 fax: (09) 9227 9016

### **CANBERRA**

Ground floor, 40 Brisbane Avenue

Barton ACT 2600

phone: (02) 6273 2528 fax:(02) 6273 2512

### **TASMANIA**

379 Elizabeth St, North Hobart, TAS 7000

phone:(03) 6234 1622 fax: (03) 6234 1720

# **Profit Share Productions**

Dear Member,

This kit will help you organise a successful profit share production and warn you about some of the traps that await the unwary.

Three major points you should always keep in mind when organising or participating in a Profit Share Production are:

1. A profit share is a co-operative effort. Because there is no employment relationship, nobody has the right to hire or fire or lay down the rules on how the company will operate. This is something for the group to decide. Generally speaking everyone should have approval of budget, make a group decision on how the group will operate and be presented with updates on finances / box office returns for the duration of the production.
2. Everyone needs to be aware that they are not covered under WorkCover and therefore the group will need to discuss taking out accident and injury insurance. Public liability insurance should also be considered in case any audience member is injured. You should seek advice about insurance.
3. Because it is most likely that you will operate as a partnership, all members of the co-op will be individually, personally and jointly liable for any debts of the partnership.

You should also create a written Agreement that all participants agree to and sign.

**The Standard Co-Op Agreement** in this kit is a guide and adapt it to meet your operational requirements, we recommend after receiving independent advice.

The Union is happy to do a first check over the Agreement that the group draws up, if the group are all Alliance members.

Good Luck!

## **Useful numbers**

<u>Australian Bureau of Statistics:</u>		(03) 9615 7755
<u>Australian Taxation Office:</u>	general enquiries	132861
	GST/ABN enquiries	132478
website	<a href="http://www.ato.gov.au">www.ato.gov.au</a>	
<u>Business Information Service:</u>		(03) 9669 9845
Arts Law		(03) 9696 5085
Arts Law Centre		1800 221 457
<u>Law Institute of Victoria:</u>		(03) 9607 9311
<u>Media, Entertainment &amp; Arts Alliance:</u>		1300 656 512
website	<a href="http://www.alliance.org.au">www.alliance.org.au</a>	
<u>Small Business Victoria:</u>	general enquiries	(03) 9651 9888
	hotline	132214
website	<a href="http://www.sbv.vic.gov.au">www.sbv.vic.gov.au</a>	
<u>Victorian Workcover Authority:</u>		(03) 9641 1444
website	<a href="http://www.workcover.vic.gov.au">www.workcover.vic.gov.au</a>	
Insurance	<a href="http://www.duckforcover.com.au">www.duckforcover.com.au</a>	

## **Legal issues**

We recommend you obtain independent advice about:

- Legal structure and documentation.  
Eg.Partnership requirements.
- Business name registration
- GST -check exemptions for small business
- Insurance (see next list)
- Health Safety and Welfare
- Explosive or dangerous goods
- Taxation
- Licensing for alcohol

## **Insurance**

Please don't be underinsured for the following:

- Public liability
- Fire
- Burglary
- Personal accident , death and sickness
- Cash in transit
- Professional indemnity
- Motor
- Equipment

## Handy hints for putting on a profit share production.

Before you start you should consider the following points;

- Why do you want to put on a show?
- Do you have the right personal qualities and characteristics?
- Do you understand the business?
- What are your chances of success?
- Can you afford it?

## Co-Op check list

1. Do not say yes until the entire structure and arrangements are explained to you or unless you participate in setting up the structure.
2. Talk to the Alliance Inquiry Desk, your Alliance officer and your agent about the deal, the performers, the venue and the play.
3. Ask about the budget - is it realistic?
4. Demand a written Agreement or adapt the **Standard MEAA Co-Op Agreement** to meet your operational requirements. Verbal Agreements are problematic. It is harder to argue that you were assured of certain terms if it is your word against theirs.
5. A Co-Op Agreement should ideally cover the following issues;
  - Names and addresses of all parties concerned
  - Production, venue and dates for rehearsal and performances
  - Investments in the production
  - All persons and companies to share in the profits
  - What percentage of the profit is yours
  - At what point you start to share in the profits
  - At what intervals you will receive your share of the profits
  - Provisions for the maintenance of proper and complete records of tickets sold and distributed and an account of all incomings and outgoings
  - Provision for your representative to have access to all records and accounts on request
  - Provision for injury insurance when workers compensation is not applicable, and public liability insurance
  - Under what structure the co-op is set up eg company, partnership etc
  - What everyone's responsibilities are under the agreement
  - Appropriate grievance resolution mechanism
  - What should happen if someone wants to leave
  - Under what legal jurisdiction the contract will be renewed

## **Business planning**

It is a good idea to form a business plan to identify your personal and/or the group's strengths and weaknesses and assist you to identify if it is a viable proposition.

You will need to do homework about:

- **Details of the industry**-theatre venues costs, availability, seating capacity and formation, lighting provisions, when is a good time to stage a production of your type
- **Details of your show**- cast requirements, obtaining production rights
- **Marketing**-where to advertise to get the most for your dollar, who your audience is and how to best reach them, to be part of a festival or not, which media representatives you most want / need to target to attend for reviews and how to reach them, costs of posters / fliers / postcards / newspaper listings / ads (newspaper / radio / TV)  
Please note the special deal for Alliance member co-ops on the cover page!
- **Production**-length of rehearsals/season, props, costumes, sets, scripts
- **People**-cast and crew and production- where and how to find good support
- **Financial / Management strategies**- where the money is going to come from to set up the production, sponsorships / donations, who will do the banking, accounts, tax and the divvying up at the end
- **Location**- of the show / auditions / rehearsals / tours / wrap party

These are just intended as a beginning guideline- there are plenty more details you will need to find out about as you go

Much of this information can be found in the **Australian Performing Arts Directory** available at the MEAA or the State Library.



**The Media Entertainment and Arts Alliance.**

**Co-Op Checklist**

**Before entering into a co-op please ring  
The National Inquiry Desk on 1300 65 65 12  
or Independent Performers VIC Organiser Jeremy Breen on  
03 9691 7100**

1. Do not say yes until the entire structure and arrangements are explained to you or unless you participate in setting up the structure.
2. Talk to the National Inquiry Desk, your Alliance Officer and your agent about the deal, the performers, the venue and the play.
3. Demand a written Contract and have your Alliance Industrial Officer and your agent check and approve the contract.
4. Don't be put off about the contract. If there is no contract you can make an appointment with your Alliance Officer who will assist provided all the performers and crew in the show are financial members.
5. Make sure the co-op arrangement is set out in writing. Remember it is hard to argue down the track that you were verbally assured of certain terms.
6. Ask about the budget, is it realistic?
7. A co-op contract ideally should cover the following issues:
  - \* names and addresses of all parties concerned
  - \* production, venue and dates for rehearsals and performances
  - \* investment in the production
  - \* all persons and companies to share in the profits
  - \* what percentage of profit is yours
  - \* at what point you start to share in the profits
  - \* at what intervals you will receive your share of the profits
  - \* provisions for the maintenance of proper and complete records of tickets sold and distributed and an account of all incomings and outgoings
  - \* provision for you or a representative to have access to all records and accounts on request
  - \* provision for workers compensation and public liability insurance
  - \* under what structure the co-op is set up eg. company, a partnership etc
  - \* what everyone's responsibilities are under the agreement
  - \* appropriate grievance resolution mechanism
  - \* what should happen if someone wants to leave
  - \* under what legal jurisdiction the contract will be reviewed

**Standard Contract**

**Co-operative Agreement**

THIS AGREEMENT is dated the..... day of.....  
20.....

Between the parties set out in Schedule A of this Agreement.

**1: RECITALS**

**A.**.....wishes to produce the play  
being.....written by  
.....hereafter called the production.

**B.**.....warrants that he/she has acquired all rights necessary  
by law in order to stage this production.

**C.** The production will be staged at.....

**D.** The capacity of this venue  
is.....

**E.** The ticket prices are.....and.....concession.

**F.** Rehearsals for the production will commence on.....

**G.** The production will preview on .....

**H.** The production will open on  
.....

**I.** The production will close on.....

**J.** The production will be performed.....times a  
week.

**K.** These times are.....

**L.** The parties to this Agreement have agreed to work on the production on the basis of a co-operative  
venture. The terms of conditions of the venture are set out in this Agreement.

**2. AGREEMENT**

2.1 The parties to this Agreement shall provide their services to the co-operative without the benefit of a salary or fee as defined in any Award or other industrial agreement whether or not they are members of the Media Entertainment and Arts Alliance or any other entertainment union.

2.2 The parties to the Agreement acknowledge and agree to the budgeted production costs as set out in "Schedule B" & "Schedule C" of this Agreement.

2.3 The parties to this Agreement shall be entitled to and shall receive a percentage of the profits accruing from the box office from the production. Such payments shall be made to the parties in accordance with the formulae set out in "Schedule D" to this Agreement.

2.4 No disbursements beyond those approved in the budgeted production costs schedule shall be made until each and every party to this Agreement has agreed to payment of such disbursements.

2.5 Should paid work be offered to each or any party to this Agreement, he/she will not be discouraged from accepting such work. A party who leaves the Co-operative to accept such work agrees to give as much notice as possible and will be entitled to his/her share of the profits up to the date he/she ceased to provide service to the Co-operative.

2.6 Notwithstanding the collective nature of the Co-operative, all artistic responsibility and authority shall rest

in.....

2.7 Notwithstanding the collective nature of the Co-operative, all legal requirements and financial obligations and responsibilities shall rest

in.....

2.8 ..... warrants to acquire work injury insurance at least equivalent to the Workers Compensation Legislation ( if this legislation is not accessible ) in the state in which the production commences for each of the parties to the Agreement for the duration of the production.

2.9 ..... warrants that the Venue for the production carries adequate Public Liability Insurance.

2.10 Each and every party to this Agreement shall be responsible for his/her own relevant taxation payments.

2.11 Each and every party to this Agreement will make him/herself available for interviews, photograph calls and other forms of publicity to promote the production provided that the party is given reasonable notice and is able to attend.

2.12 ..... shall keep adequate financial statements and books in respect of incomings and outgoings in relation to the production. These records shall be produced to any party to this Agreement on request and a report will be made to all parties on a weekly basis.

**3. CONSTRUCTION**

3.1 This Agreement, its interpretations, performance and any breach thereof, shall be construed in accordance with, and all questions with respect hereto shall be determined by the Laws of Victoria.

3.2 It is agreed by all parties to this Agreement that any disputes arising from this Agreement shall be taken to a mutually agreed independent mediator-arbitrator and that the decision by the mediator-arbitrator shall be fully and finally binding on the parties. Any costs of such service shall be shared equally by the parties in dispute.

**4. AGREEMENT COMPLETE**

4.1 This Agreement contains the entire understanding of the parties. None of the parties has made any representations, warranty, covenant or undertaking of any nature whatsoever, express or implied in connection with or relating to this Agreement, other than expressly set forth herein.

**5. SIGNED AS AN AGREEMENT**

Signed for and by:

Witnessed by:

.....  
Signed by:

.....  
Witnessed by:

.....  
Signed by:

.....  
Witnessed by:

.....  
Signed by:

.....  
Witnessed by:

.....  
Signed by:

.....  
Witnessed by:

.....  
Signed by:

.....  
Witnessed by:

.....  
Signed by:

.....  
Witnessed by:

.....  
Signed by:

.....  
Witnessed by:

.....  
Signed by:

.....  
Witnessed by:

.....  
Signed by:

.....  
Witnessed by:

.....  
Signed by:

.....  
Witnessed by:

.....  
Signed by:

.....  
Witnessed by:

.....  
Signed by:

.....  
Witnessed by:

.....

**SCHEDULE A**

.....

**Parties to the Agreement**

**1. ACTORS**

Name: .....

of: .....

Name: .....

of: .....

Name: .....

of: .....

Name: .....

of: .....

Name: .....

of: .....

Name: .....

of: .....

Name: .....

of: .....

Name: .....

of: .....

Name: .....

of: .....

Name: .....

of: .....

Name: .....

of: .....



**2. CREATIVE / TECHNICAL PERSONNEL**

Director:

.....

of: .....

Production Manager: .....

of: .....

Designer: .....

of: .....

Stage Manager: .....

of: .....

Lighting Operator: .....

of: .....

Publicist:

.....

of: .....

.....

of: .....

.....

of: .....

.....

of: .....

.....

of: .....

.....

of: .....

.....

of: .....

## SCHEDULE B

### Approved Production Costs:

Insurance	\$ _____
Salary and wages	\$ _____
Premises	\$ _____
Marketing / Publicity	\$ _____
Intellectual property rights	\$ _____
Plant and equipment	\$ _____
Props / stage requirements	\$ _____
Lighting requirements	\$ _____
Sound requirements	\$ _____
Accounting and record keeping	\$ _____
<b>TOTAL</b>	<b>\$ _____</b>

## SCHEDULE C

### Investment in Production:

**Source of funds**

	\$		\$
	\$		\$

**Lease and hire purchase commitments**

	\$		\$
	\$		\$

**Loan - Long Term**

	\$		\$
	\$		\$

**Loan - Short Term**

	\$		\$
	\$		\$

**Suppliers Credit**

	\$		\$
	\$		\$

## **SCHEDULE D**

### **PAYMENT STRUCTURE**

**SCHEDULE E**  
**Box Office Reconciliation**

Date of show	Full Price \$	Concession \$	Comps \$ 0.00	Signed by	Signed by	Signed by	Signed by
1 / /	Number Sold = Total \$	Number Sold = Total \$	Number Given Away = Total \$ 0.00				
2 / /	Number Sold = Total \$	Number Sold = Total \$	Number Given Away = Total \$ 0.00				
3 / /	Number Sold = Total \$	Number Sold = Total \$	Number Given Away = Total \$ 0.00				
4 / /	Number Sold = Total \$	Number Sold = Total \$	Number Given Away = Total \$ 0.00				
5 / /	Number Sold = Total \$	Number Sold = Total \$	Number Given Away = Total \$ 0.00				
6 / /	Number Sold = Total \$	Number Sold = Total \$	Number Given Away = Total \$ 0.00				
7 / /	Number Sold = Total \$	Number Sold = Total \$	Number Given Away = Total \$ 0.00				
8 / /	Number Sold = Total \$	Number Sold = Total \$	Number Given Away = Total \$ 0.00				