

15 March 2021

The Secretary
Economy and Infrastructure Committee
Parliament House, Spring Street
EAST MELBOURNE VIC 3002

ment.vic.gov.au

ON THE EVENTS SECTOR AND NW GROUP

An Overview of NW Group

- NW Group provides sound lighting and video equipment and technicians to the live event industry. We operate 2 Brands in Melbourne, Norwest and Haycom.
- Prior to the onset of Covid-19, NW Group Australasia employed approximately 210 full time staff and an additional ~130m casual and contract crew across 6 branches in Australia and NZ. Group revenues in FY19 were approximately \$50m,
- In Melbourne NW Group employed approximately 30 full time staff and a similar number of casual and freelance technicians during peak periods.
- Every year NW Group provides technical support to hundreds of live events in Victoria across the Corporate, Theatre, Worship, Live Sport, Concert, and Festivals markets. We have played a critical role in the production of many of Victoria's iconic annual and large one-off events including the Australian Open, Melbourne International Arts Festival, Melbourne International Comedy Festival, AFL Grand Final, International Jehovah's Witness Convention. Commonwealth Games Opening and Closing Ceremonies.

Impact of Covid on the events sector and NW Group Australasia Limited

- The impact of Covid on the events sector has been well documented in other submissions submitted to date and our experience is consistent with what has been presented.
- We would add that of the six markets we operate in across Australasia, unquestionably, Melbourne has seen the worst impact from Covid-19 restrictions, and the slowest recovery.
- From Mid-March 2020 to October 2020, our Melbourne branch saw revenues decline by approximately 95%. As a consequence, the majority of our staff had to be stood down temporarily on Jobkeeper. Due to innovation and strong take-up of our virtual event offering, and some limited (audience capacity restricted) live events taking place, we have seen revenues recover to around 40% of pre-covid levels by March 2021. We do not expect to see revenues recover to pre-covid levels until 12 months after international borders fully reopen. Our expectation is this is likely to be 2 years away.
- By the conclusion of the Jobkeeper programme in March 2021 we have been able to retain 17 full time staff in Melbourne (approximately 50% of pre-covid levels).
- Mental health concerns were an existing problem for our industry, with NGO's such as Crewcare targeting this issue. The pandemic has significantly exacerbated this issue with significant numbers of staff reporting mental health issues arising from the pandemic.

Our Concern

- The Victorian live event sector, as eloquently and clearly laid out in a number of submissions, is a critical part of the culture of Victoria and provides major economic benefits to the state both in terms of economic benefit from tourism it stimulates, and the jobs that the live events industry supports. Melbourne's vibrant event industry was always a major factor whenever we saw Melbourne listed as one of the world's most liveable cities
- [REDACTED] It is realistic that in the current environment, live events at the scale seen pre-COVID-19 are simply not possible. However, one day, in 1, 2, or 3 years, depending on the level of optimism, the opportunity for live events to flourish will exist once again.
- We have observed that the technicians and crew that enable the production of events we support have left the industry in large numbers to find more stable and regular employment in other industries. On the positive, for the most part they have been successful.
- Our concerns are:
 - Unless Government provide targeted support to our sector, there will simply not be the events infrastructure required to deliver the vast array of events and shows that Victoria is so famous for when the opportunity again arises. Concerningly, despite revenues being less than 50% of pre-covid levels, we are already seeing skills shortages emerge due to technicians and crew moving away from the industry.
 - The uncertainty that the ongoing risk of lockdowns, and resultant event restrictions, presents makes it very difficult to have confidence to invest and bring on staff.
 - Targeted industry support for the arts and business events sector to date, which has focussed on getting money to the producers and promoters of events is a great initiative but, in our experience, has had limited impact for the events supply chain. A number of events have long lead times and we are not seeing the cash wash through the supply chain in the form of deposits for future events which would support the supply chain.
- The industry needs to work with government to ensure that when it does, there is live event infrastructure, and in particular personnel, to take advantage of the opportunity this will present.

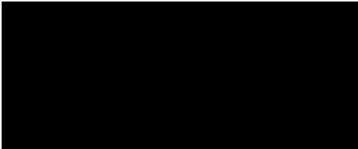
How we see Government could target support

We believe the following initiatives could go some way to address the concerns raised above:

- Confirmation that any future lockdowns, would trigger a jobkeeper subsidy of \$750 per week for both permanent and casual employees.
- Targeted industry apprenticeship schemes whereby cost of new employees is subsidised for first 12 months to assist with re-build of industry
- Targeted employment subsidies for new hires in the event sector.
- Awareness campaign and /or directives around need to distribute a percentage of funding grants made to the events sector to the event supply chain in the form of deposits for future events.
- Targeted ongoing financial support and or resources for organisations such as Crewcare to address mental health issues emerging in the sector, ad raise awareness of these services.

We appreciate the State Governments request for submissions and look forward to seeing positive outcomes out of the process.

Yours sincerely



Matt Jones
Managing Director
NW Group Australasia Pty Limited