



CO-OP KIT FOR PROFIT SHARE PRODUCTIONS

An information booklet for Equity members

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Web

MEAA.org

BUILT ON INTEGRITY, POWERED BY CREATIVITY

ABN. 84 054 775 598



MEAA around Australia

Federal Office and NSW Office

Media, Entertainment and Arts Alliance
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Mail: PO Box 723 Strawberry Hills NSW 2012

For all enquiries:

MEAA Member Central 1300 656 513
Locked Bag 526, Spring Hill QLD 4004
Website: www.alliance.org.au
Email: members@alliance.org.au

Other MEAA Offices

Victoria

Level 3, 365 Queen Street, Melbourne VIC 3000
phone: (03) 9691 7100 Fax: 1300 730 543

South Australia

241 Pirie Street, Adelaide SA 5000
phone: (08) 8223 6055 Fax: 1300 730 543

Queensland

Level 4, 16 Peel St, South Brisbane QLD 4101
phone: (07) 3846 0044 Fax: 1300 730 543

Western Australia

Suite 1, 12-14 Thelma St, West Perth WA 6005
phone: (08) 9436 2412 Fax: 1300 730 543

Australian Capital Territory

Ground floor, 40 Brisbane Avenue,
Barton ACT 2600
phone: (02) 6273 2528 Fax: 1300 730 543

Tasmania

379 Elizabeth St, North Hobart TAS 7000
Phone: (03) 6234 1622 Fax: 1300 730 543



Profit Share Productions (also known as Co-operative and Co-op productions)

Dear Equity Member,

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

Four 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 group 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.
4. 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 you can adapt it to meet your operational requirements – although we recommend this after receiving independent advice.

Equity is happy to do a first check over of the Agreement that the group draws up, if all in the group are Equity members.

Good Luck!



Useful Contacts

Media, Entertainment & Arts Alliance		
Member central		1300 656 513
www.alliance.org.au		
Australian Bureau of Statistics		
http://www.abs.gov.au/		1300 135 070
Australian Taxation Office	Personal tax enquiries	13 28 61
http://www.ato.gov.au/	Business tax enquiries	13 28 66
Arts Law Centre		
http://www.artslaw.com.au/		1800 221 457

Business Advice

Victoria	http://www.business.vic.gov.au/	13 22 15
NSW	http://www.business.nsw.gov.au/	1300 134 359
QLD	http://www.business.qld.gov.au	1300 363 711
SA	http://www.business.sa.gov.au/	08 8303 2400
NT	http://www.nt.gov.au/business/	1800 193 111
TAS	http://www.development.tas.gov.au/	1800 440 026
WA	http://www.smallbusiness.wa.gov.au/	13 12 49

Workplace Safety

Victoria	http://www.workcover.vic.gov.au/	1800 136 089
NSW	http://www.workcover.nsw.gov.au/	13 10 50
QLD	http://www.deir.qld.gov.au/workplace/	1300 369 915
SA	http://www.safework.sa.gov.au/	1300 363 255
NT	http://www.worksafe.nt.gov.au/	1800 019 115
TAS	http://www.wst.tas.gov.au/	1300 366 322
WA	http://www.commerce.wa.gov.au/WorkSafe/	1300 307 877

Legal Issues

We recommend you obtain independent advice about:

- Legal structure and documentation e.g. Partnership requirements.
- Business name registration



- GST-check exemptions for small business and Tax
- Business name registration
- GST-check exemptions for small business and Tax
- Insurance (see next list)
- Health, safety and welfare
- Explosive or dangerous goods
- Licensing for alcohol

Insurance

Please don't be under-insured for the following:

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

Insurance Companies

*Please note that Equity cannot recommend any one company

Duck for cover

Ph: 03 9439 5991

<http://www.duckforcover.com.au>

AON Insurance

Ph: 1800 043 534

<http://www.aon.com.au/>

Action Insurance Brokers

Ph: 02 9411 3477

<http://www.actioninsurance.com.au/>

Marsh Ltd

<http://www.marsh.com.au/>

Ph: 1800 882 317



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?

Business planning

It is a good idea to form a business plan to identify your personal or the group's strengths and weaknesses. This will assist you in identifying 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 guideline – there are plenty more details you will need to find out about as you go.



Co-op Check List

Before entering into a Co-op please ring MEAA member central on 1300 656 513

1. Do not agree to take part until the entire Co-op structure and arrangements are explained and understood by you or unless you participate in setting up the structure.
2. Talk to MEAA member central, your local Equity organiser and your agent about the deal, the performers, the venue and the play.
3. Talk about and analyse the budget - is it realistic?
4. Demand a written Agreement or adapt the Standard Equity Co-Op Agreement to meet your operational requirements. Verbal Agreements are problematic. It is much 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, including email and mobile phone info
 - 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
 - Determine under what structure the co-op is set up e.g. partnership, company 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
 - Copyright and artistic control



Standard Co-op Agreement

This Equity approved Agreement is to be used by members working in Co-operatives, Independent Productions, Profit Share Productions and all Theatre Productions not covered by Alliance Agreements. The Agreement is arranged as follows:

The Agreement is dated

Is betweenhere after called **The Producer**.

And And all other parties of the co-operative.

For the role/s of

In the Production of here after called **The Production**.

Production Venue

Venue Capacity

Ticket prices Full Concession

Production Dates

Rehearsal commences Previews

Opens Closes

Number of performances per week

Special Conditions (Strike out where appropriate)

Smoking – The performer will/will not be required to smoke in this production.

Nudity – The performer will/will not be required to perform nude in this production.

Appearance – The performer is required/ is not required to maintain their appearance during the season of this production.

Future Productions – The signatory to this Agreement is/is not guaranteed first right of refusal for any subsequent professional mounting of this production as described in clause 1.14.

Billing – the billing in this production shall/shall not be equal and alphabetical.

Other Special Conditions.

.....
.....
.....
.....
.....



Parties to the Agreement/Profit Share

The undersigned agree to the terms of this Agreement including the profit share set out below:
All persons who have worked on the production should be listed and sign below.

Name	Position e.g.	Share in Points
.....	Director	.....
.....	Producer	.....
.....	Actor	.....
.....	Actor	.....
.....	Actor	.....
.....	Designer (Lighting)	.....
.....	Designer (Set)	.....
.....	Designer (costume)	.....
.....	Stage Manager	.....
.....	Other	.....
.....	Other	.....
.....	Other	.....

Part 1: Agreement Provisions

1.1 The parties to this Agreement are not employees and acknowledge that they are providing their services to the Production without the benefit of a salary or fee as determined by any relevant Awards or Agreements. For the avoidance of doubt, no individual or the group as a whole should be considered the employer of any other member/s of the group.



- 1.2 All parties to the Agreement will be paid a “Profit Share” for their contribution to the Production as stated above, within 28 days of the conclusion of the Production.
- 1.3 The Producer will provide the full budget to all parties of this Agreement prior to the commencement of rehearsals.
- 1.4 No disbursements beyond those budgeted production costs stated in this Agreement will be made until each and every party to this Agreement has agreed in writing to the payment of such disbursements.
- 1.5 The Producer will keep adequate financial records in respect of incomings and outgoings in relation to the production. These records shall be available to any party to this Agreement on request and a report will be made to all parties on a weekly basis.
- 1.6 All money spent in relation to the Production must first be authorised by the Producer. Authorised reimbursements will be paid only on the presentation of an itemised receipt or invoice.
- 1.7 All parties will be responsible for their own relevant taxation payments.
- 1.8 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. The Producer agrees that any material arising from such calls will only be used to promote or market the current production.
- 1.9 The signatory will be entitled to 2 Complimentary Tickets for the run of the Production. All Complimentary tickets must be arranged via the Producer. Industry complimentary tickets shall be made available to casting directors, producers, directors and agents. The Producer will provide a list, to all signatories to this Agreement, of all holders of industry comps including contact details and the date of the performance attended.
- 1.10 Where possible, the signatory will make him/herself available for all Rehearsals/Production Meetings for which they are required.
- 1.11 The signatory will have the right to refuse to work in an environment they consider hazardous to the safety and health of themselves and others.



- 1.12 During the Production the signatory will take care of and, at the conclusion of the Production, return in good condition all props, costumes and equipment provided by the Producer for the Production.
- 1.13 The signatory will be allowed to leave the production at any time during rehearsal or performance season. Immediately upon deciding to leave the production, the signatory will notify the producer in writing. The signatory will be paid according to their participation up to the time of their withdrawal.
- 1.14 In the event that the production is remounted in a fully waged season the signatory will have the right of first refusal of the role, unless otherwise stated in the Special Conditions of this Agreement, or receive payment equal to relevant minimum wages for the run of the remounted season.
- 1.15 In the event that the production is remounted in another medium, e.g. film television, radio, whether now existing or developed in the future, the original members of this Agreement who are not engaged will receive royalty payments up to a maximum of 50% of the Producer's total proceeds from subsequent exploitation until an amount equal to five weeks salary under relevant Award or Agreements has been reached. In the event that the signatory is engaged to perform the position stated under this Agreement in another medium the Producer will no longer be liable under this provision.
- 1.16 The Producer warrants that they have obtained the correct and proper rights and licenses for the material to be used in the production.
- 1.17 Where the Producer is aware the Production may include smoking and if an Artist will be required to smoke, such requirement shall be specified in the Special Conditions section of the Agreement (and will be in line with relevant state legislation). In the event the Producer is not aware of a smoking requirement upon engaging the Performer, or where the Producer wishes to introduce smoking into the production, after engaging the Performer, any introduction of smoking into the production will be on the basis of mutual consent between the parties.
- 1.18 In the event the Producer requires the Artist to appear "nude" or "semi nude" in the Production the terms must be negotiated prior to signing the Agreement and stipulated in the Special Conditions.



1.19 The Producer will ensure that all signatories are accurately billed and that their names, professional experience and photographs appear in a programme. Billing shall be equal and alphabetical unless stipulated in the Special Conditions in this Agreement. The Producer agrees to display photographs and biographical information in the foyer. The Producer warrants that the following will be included in the programme and/or signage in the foyer of the Production:

“This Equity Approved Co-op Production is performed by professional actors/performers. For this season the performers are unwaged.”

1.20 No video or sound recording will be made of the Production. Further consent to the recording of the production can be sought by the Producer through a separate written agreement.

1.21 The Artist will provide his/her own standard facial make-up. When the Producer requires the Artist to use special make-up including body make-up and/or special effects facial make-up the Producer shall provide such make-up.

1.22 The Producer will provide all costumes required for the Production.

Insurance

1.23 The Producer warrants that both the rehearsal venue and production venue carries adequate public liability insurance.

1.24. All parties are responsible for their individual personal/income protection insurance.

It is agreed by all parties of the Agreement that any disputes arising from this Agreement will be taken to the Media, Entertainment and Arts Alliance for mediation.

Signed by the Producer

Witnessed by

Signed by Performer

Witnessed by



Part 2: BUDGET

Variable Costs	Amount	Points/Percentage	TOTAL
Director			
Lighting designer			
Set and Costume Designer			
Sound Designer			
Actor			
Stage Manager			
Writer's royalty		10% of gross box office	

Fixed Costs	Amount	Notes
Production Costs		
Printing		
Mail		
Graphic Design		
Public Photography		
Advertising		
Distribution		
Set, Props, Costumes		
Sound/Sound		
Insurance		
Consumables		
Opening night catering		
Production Photography		
Contingency		
Rehearsal Costs		
Rehearsal space hire		
TOTAL FIXED COSTS	\$	