

Submission to the Joint Committee on
Media, Tourism, Arts, Culture, Sport and
the Gaeltacht

M E A I

MUSIC AND ENTERTAINMENT ASSOCIATION OF IRELAND

The Impact of Covid-19 on the Music &
Entertainment Sector

1. The Music & Entertainment Association of Ireland would like to thank the Committee for being able to make this submission today regarding the impact of Covid-19 on the Music & Entertainment (M&E) sector. MEAI would also like to thank most sincerely the members of this committee who have raised issues relating to this sector and offered their voice and assistance to MEAI on numerous occasions.

2. On March 12th, 2020, the Music & Entertainment Industry ground to a sudden halt as a result of Covid-19. As the days passed into April, it became apparent that as long as social distancing was a requirement to slow the spread of Covid-19, this industry would be at its mercy. During this initial lockdown, the Government implemented supports to help hundreds of thousands of workers whose employment had been interrupted by Covid-19. As time progressed the initial level of support has been reduced in different ways and now, over 400 days later of continuous lockdown, the M&E sector is still facing great uncertainty over its future and the future of its workers. This submission aims to highlight the factors which culminate in this grave uncertainty.

Social Protection

3. The Pandemic Unemployment Payment is the most vital source and in many cases the only source of support available to most workers in this sector. In July 2020 the PUP became a two-tiered payment of €203 and €350 per week and since then is aligned to previous earnings. This drop of €147 per week was absolutely crippling to a vast majority in our industry.

4. From 17th September 2020 the PUP was modified to a 3 tier system with rates of €203, €250, and €300 per week linked to previous earnings. This cut to the payment came at a time when guaranteed mortgage and loan moratoria were beginning to cease for most people and within a few weeks had fully ceased. Despite calls for the continuation of the €350 rate of PUP, this wasn't reinstated until Level 5 lockdown was introduced in October 2020 and when a wider group of workers from varying industries were affected. This action was felt by the sector as a demeaning indication on how a career in this profession is viewed. The very real concern presently is that as other industries reopen, and PUP recipients reduce, despite the fact that there will be no increased opportunities for workers to return to their career, the PUP will once again be reduced for this sector. This assumption is made on actions in September when even at Level 1, live music & entertainment was discouraged within the reopening guidelines. Again, this guideline did not consider how live performances could happen safely and in a responsible manner.

Protection

5. The PUP offers recipients an extra layer of protection, compared to Jobseeker's Allowance/Benefit, especially in regard to mortgages, insurance, etc. This characteristic of the scheme needs to be protected for its recipients. Being in receipt of PUP does not mean you are unemployed. It means that your work is temporarily "shuttered" or "on hold". While a person might receive the same amount (or more) on Jobseeker's Allowance/Benefit, there is protection for a PUP recipient, regarding insurance, mortgages, etc that a Jobseeker's

recipient does not have. ***This point is an extremely significant characteristic of the PUP and should be paramount to any future decisions regarding the same.***

6. In the past year, especially during July/August 2020 when clients were being rerated, some were encouraged to change to Jobseeker's Allowance/Benefit as they would be financially better off in some cases depending on their circumstances. This advice ignored the protection the client had under PUP, and also paved the way for that individual to enter into Job Activation programmes.

Job Activation Programmes

7. MEAI is being made aware of several instances of individuals who are now being contacted by Job Activation programmes. As stated in the previous paragraph, these individuals were encouraged to change from PUP to JA/Job. Despite assurances given by Government that a common sense approach would be taken especially in the case where an individual is waiting on their industry to reopen, we are seeing those individuals come under pressure to enter into a Job Activation program. The approach is not always friendly and in some cases has been quite aggressive and threatening, warning individuals that their payments will be stopped.

Professional Artists on Jobseeker's Allowance Scheme

8. The Professional Artists on Jobseeker's Allowance gives an exemption for recipients in Job Activation programmes for 12 months. This could be a simple solution for many individuals who are waiting on their industry to reopen. However, for a musician to be considered eligible, he or she must first be a member of the Musician's Union of Ireland. Currently there is no provision for other workers in the M&E sector to be included such as Crew (Sound/Lighting Engineers, Technical/Road Crew etc).

9. We asked Minister Humphreys in August 2020 if a review could be conducted into eligibility for this scheme.

MEAI proposes that there are other suitable methods for which one could be considered eligible for Professional Artist's on Jobseeker's Allowance including:

- NACE code through Revenue.
- Membership of RAAP and/or IMRO.
- Third Level Qualification in a Music & Entertainment related subject.

PUP Rates for Self-Employed

10. MEAI raised this point in a submission to the Committee on Social Protection, Community and Rural Development and the Islands in December 2020.

An overlap exists between legitimate businesses expenses and personal earnings. Basing the rate of PUP on previous earnings for the self-employed does not take this into account. Consideration needs to be given to the level of income that a person needs to cover their cost of living expenses such as food, rent, mortgage, heating, and domestic bills. In addition, any self-employed person will also have certain fixed costs associated with staying in business such as Motor (insurance, tax, fuel), Communication (phone/broadband),

professional indemnity insurance, etc. These fixed non-discretionary costs have to be paid whether a person is working or not - after all you cannot just decide to insure or tax your car on a trip-by-trip basis for example.

For the PUP to be based solely on a calculation of net income ignores the fact that the self-employed person still has to pay these ongoing costs if they are to be in a position to continue with the business when they are allowed.

11. For a self-employed person, a percentage of these non-discretionary costs are allowed as a deduction against their earnings, thereby meaning that the net taxable income of the business is not the same as the income required to keep the business afloat, while also maintaining a family.

The survival income for a self-employed person with non-discretionary costs is higher than for someone ordinarily unemployed. Essentially this point feeds into another point later in the submission regarding failure to recognise sole-traders as businesses.

12. The Pandemic Unemployment Payment is an indispensable support to workers in the M&E sector for as long as Government restrictions are in place which hamper or prevent opportunities to earn a living. Until social-distancing is no longer an obstacle, support in form of the PUP will be vital.

Banking Issues

13. Systemic payment breaks introduced by government in April 2020 was another crucial support to workers in this sector. Figures from the CSO for 2015/2016 shows that the average weekly household spend according to figures from the CSO in 2015/2016 was €845.12.

Essential costs amounted to €572.

With Payment Breaks in place, we can remove the cost of Housing (€164) and this leaves an average weekly expenditure of €408. Even with the PUP at €350 per week, people were just struggling to get by.

Systemic payment breaks stopped on the 30th September 2020.

14. Despite the European Banking Authority reactivating those same guidelines on the 2nd December 2020, the Government declined to avail of them. Again, this placed countless workers in this sector under undue pressure. MEAI conducted a survey in January 2021 and discovered that 26% of respondents were struggling to repay mortgage and in fear their home could be at risk, and 31.64 % were struggling to repay loans.

15. However, payment breaks were continued for Local Authority homeowners until the 31st March 2021 in recognition of the hardship faced by workers who found themselves unemployed as a result of Covid-19. Again, this action was felt by the sector as a demeaning indication on how a career in this profession is viewed.

16. Financial Institutions, the BPFi and the Government all acknowledged that cases would be dealt with on a one-to-one basis. However, in the application process for payment

breaks we were made aware that banks were asking for future projections for the business. In the absence of a reopening date, any form of a roadmap for reopening, or any document that could help predict income estimates, it was impossible to provide banks with the documents they required for payment breaks to be even considered never mind given.

Business Supports from Department of Enterprise, Trade & Employment

17. The Department of Enterprise, Trade & Employment have introduced several different measures and supports for businesses. However, failure to recognise sole-traders (musicians, DJs, entertainers, crew etc) as businesses in the SME category and failure to provide suitable support to recognise ongoing fixed costs has contributed to the daily struggles and financial burdens on individuals and homes. *(MEBAS created by Minister Martin in the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media has recognised this issue and will be discussed later.)*

18. This is also true for other business structures and models in the M&E sector and also for the wider Arts and Events sectors. The vast majority of businesses (bands, sound & lighting hire companies, promotions companies etc) regardless of business structure (LTD company, partnership etc) have all been locked out of the CRSS and/or SBASC; or they can receive SBASC and not be eligible for CRSS but they do not receive the same level of support as they would expect on CRSS.

19. If we take an example of a Sound & Lighting Hire company with annual turnover of €2,000,000, that is ineligible for CRSS but can avail of SBASC. That company would receive approximately €2,923 per week on CRSS, and would receive approximately €307 per week on SBASC (over a 26-week period.) The reason for ineligibility is not having a public-footfall on the company's premises, a factor that has no bearing on the financial returns of the company to the exchequer. Indeed, a pub with annual turnover of €200,000 for example would receive approximately €384 per week from the CRSS. This criteria creates discrimination against businesses who contribute to the State in the exact same way as a CRSS-eligible business, and fails to recognise that those same businesses are experiencing the same levels of income loss as the CRSS-eligible business.

20. The Northern Ireland Executive introduced three schemes for businesses that took all business models and structures into consideration. These are:

- Localised Restrictions Support Scheme
- Covid Business restrictions Support Scheme Type A
- Covid Business restrictions Support Scheme Type B

Sector Specific Support from the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media

21. This Department has created a range of support schemes beginning after the July Stimulus in 2020. Under the July Stimulus Package €6.7 million was provided for two schemes:

- Music Industry Stimulus Package (MISP) - €1.7 million and
- Live Performance Support Scheme (LPSS) Pilot - €5 million.

Under the €50 million Budget 2021 allocation, the breakdown of supports is as follows:

- Live Performance Support Scheme (LPSS) 2021 - €25 million
- Music & Entertainment Business Assistance Scheme - €14 million
- Local Authorities for Outdoor Live Performances - €5 million
- Capital Supports for Live Entertainment Sector - €5 million
- St. Patrick's Festival - €1million

22. The response so far from the Department was to create competitive schemes through the MISP and LPSS. These schemes have also been dependent on activity. People are the core of this industry, they are the product and it has always been MEAI's argument that people receive this assistance directly. Other businesses in other industries have received financial assistance to help with fixed costs to ensure their businesses stay afloat. In these instances, those businesses do not have to engage in 'activity' in order to receive that support e.g. a publican does not have to broadcast live streams of himself pulling pints behind a bar and pouring them down the sink in order to receive CRSS support from Government.

23. Minister Martin introduced the MEBAS scheme, a non-competitive grant support that recognises a sole-trader as a business. This type of non-competitive support is what MEAI had been advocating most prominently. The LPSS and MISP are great supports and incredibly worthwhile but we regard them as stimulus supports rather than survival supports. The M&E sector is still in a world of restrictions and survival is paramount, not stimulus.

24. The MEBAS was announced on the 9th March 2021 and despite requests for further details, crucial information has not been forthcoming.

As of yet, we do not know if there is;

- A Start Date
- A Payment Date
- Final Criteria
- The necessary infrastructure and IT to deliver the scheme.

During the development of this scheme in January and February, we queried about the possibility of an inter-departmental transaction in which one department could act as an agency department for another.

Implementation of the MEBAS should be given the highest priority as the urgency for this support cannot be overstated.

Guidelines, Consideration & Provision

25. The Music & Entertainment sector feels that it has largely been ignored in the creation of guidelines for phased reopening of industries and sectors. While consideration has been given for the wider Arts sector in the form of theatres, concert halls, and arts venues, this fails to acknowledge that most workers in M&E conduct their business in social

settings such as pubs and hotels and at social occasions such as weddings and celebrations. There has been much ambiguity over which Department is responsible for formulating guidelines for this sector, in social settings mentioned previously especially for wedding entertainment.

26. This is most evident in the guidelines for reopening of 'wet' pubs in September 2020 and also in the guidelines for weddings from October 2020 onwards. The guidelines for weddings in particular contradicted the actual legislation (HEALTH ACT 1947 (SECTION 31A - TEMPORARY RESTRICTIONS) (COVID-19) (NO. 8) REGULATIONS 2020. and subsequent Acts) which provided for inclusion of workers in a professional capacity in a contract of service and a contract for service. Under the 'Wedding Receptions' heading, Section 9, paragraph 3, it states;

(3) For the purposes of this Regulation, in reckoning the number of persons attending a wedding reception, no account shall be taken of -

(a) the persons getting married, or

(b) persons so attending in a professional capacity, in the course of their employment, or in fulfilment of a contract for services"

27. There was also widespread confusion over guidelines for the provision of private music tuition. Music schools and teachers found it difficult to get clarity on this and were advised to consult three separate Departments, each of which didn't believe they had responsibility over this area.

28. Consideration should be given to trials and experiments for safe reopening and performances with a view to creating employment opportunities for workers in this industry in an effort to getting people back to work even if only for a limited period. There is no reason that a constructive approach would work rather than dismissing the sector and banning performances without meaningful consideration.

Conclusion

29. Music & Entertainment has been one of the most hardest hit sectors worldwide through this pandemic. Decades of zero-regulation has added to the precarious situation in which the sector finds itself. MEAI's aim is the protection and survival of workers through this pandemic with minimal loss to the sector. Then we must focus our attention on the long and challenging road ahead of regulating the sector to ensure that the career is better protected, and viewed through the professional prism of which it deserving.

30. Music & Entertainment is a viable professional career and enhances so much our daily lives, our people, our economy and our country. It is at the heart of every celebration and event whether that is a local birthday party, or a State visit of a leader to Ireland. It brings solace, enjoyment, and joy to people in innumerable ways and provides incalculable emotional, social and mental-health benefits to people.

It helps define us as a nation. Our global identity is in no small part as a result of our Music & Entertainment contribution to the world at a local and international level.

31. The M&E sector has been decimated by Government restrictions and it is the duty of Government to protect, maintain and guarantee the survival of the workforce of this sector. This sector relies on a product created and performed by people. If there are no people, there is no product. Protection of people and the human infrastructure is of paramount importance for survival of this sector.

Summary of Requests

Requests		Department Responsible
A.	Continuation of Pandemic Unemployment Payment at current rates until Social Distancing is no longer required and the industry is fully reopened.	- Department of Employment Affairs and Social Protection.
B.	Exemption for workers in this industry to participate in Job Activation schemes.	- Department of Employment Affairs and Social Protection.
C.	Reactivation of Systemic Payment Breaks.	- Department of Finance
D.	Access to existing (CRSS, SBASC, MEBAS) or new Business Supports to ensure the survival of the workforce.	- Department of Finance. - Department of Enterprise, Trade and Employment.
E.	Immediate activation of MEBAS.	- Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media.
F.	Continuation of Stimulus supports such as the LPSS and MISP.	- Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media.
G.	Clarification on which Department is responsible for formulating guidelines for the Music & Entertainment sector.	
H.	Inclusion of Music & Entertainment sector in guidelines for reopening with provision for activity to take place rather than impose a blanket ban.	- Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media. - Department of Health.
I.	Conduct trials for safe reopening procedures & practices for the Music & Entertainment sector.	- Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media. - Department of Health.
J.	Identify the Department with responsibility for non-State education in the Music & Entertainment sector (Music, Drama, Dance etc.)	- Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media. - Department of Education.

Additional Information

MEAI was established in June 2020 in response to the crisis unfolding in the music & Entertainment sector as a result of Covid-19. The principal goals for this crisis are to maximise workers' financial security & wellbeing while at the same time minimising the loss of workforce in the industry. MEAI is a voluntary organisation with approximately 4,800 members comprising of professionals from within almost every aspect of the Music & Entertainment Industry.

Relevant Results from MEAI's Survey in Jan/Feb 2021.

95% self employed

41.6% have 100% Income loss

24.1% have 90-99% Income loss

Almost 20% have been forced to take up other employment

56% feel they will have to take up other employment due to lack of supports.

22.4% have had to sell equipment essential to their work

35.8% feel they will have to sell equipment essential to their work due to lack of supports

Struggling to repay Mortgage and in fear home could be at risk - 26%

Struggling to repay Loans - 31.64 %

Struggling to pay Bills - 45.8%

Danger of Losing Vehicle essential to their Business - 17.65%

Mental Health

25.8% have contacted / are currently receiving support from professional services.

45% are concerned about and/or experiencing mental health problems.

Submitted by Matt McGranaghan, Mark O'Reilly and Jackie Conboy on behalf of the Music & Entertainment Association of Ireland (MEAI) on the 27/4/2021