



**NZ ACTORS' EQUITY**

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

An information booklet for members of NZ Actors' Equity

This document has been prepared for and by members of NZ Equity. Your feedback is welcome, and will inform future editions.

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

**Take advantage of the free promotion available from NZ Equity:**

**We will happily distribute promotional material for your production to our members provided a majority of the cast and crew of a co-op are NZ Equity members and there is a discount for our members. We may also be able to promote your production on our website. Contact your organiser to discuss (*see overleaf*).**

## **THE ALLIANCE IN NEW ZEALAND**

### **New Zealand Actors Equity**

195 Ponsonby Road, Ponsonby, Auckland

Phone: (09) 360 1980 or 0800 33 44 70

Fax: (09) 360 1970

Website: [www.actorsequity.org.nz](http://www.actorsequity.org.nz)

Email: [anna.majavu@actorsequity.org.nz](mailto:anna.majavu@actorsequity.org.nz)

### **MEAA AUSTRALIAN OFFICE**

245 Chalmers Street, Redfern, New South Wales, 2016

Phone: (02) 9333 0999

Fax: (02) 9333 0933

Mail: PO Box 723 Strawberry Hills, NSW, 2012

Alliance Inquiry Desk 1300 656 512

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

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

### **Alliance Membership Centre**

Email: [members@alliance.org.au](mailto:members@alliance.org.au)

Mail: Locked Bag 526, Spring Hill, Queensland, 4004

### **Fees reduction for members engaged in Co-op Productions**

**We appreciate that income can be tight during co-op seasons. Your NZ Equity organiser can assist with a membership fees reduction on request.**

|

## Profit-Share Productions

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

### *What is a co-op?*

It's a group of people who jointly and democratically operate a business together and share in the profits - or loss!

The three major points you should always keep in mind when organising or participating in a profit-share production are:

1. Because a profit-share is a co-operative effort there is no employment relationship. Nobody has the right to hire or fire or lay down the rules on how the company will operate; these are things for the group to decide. Generally speaking, everyone should have approval of the budget, make a group decision on how the group will operate and agree on the distribution of percentages or "co-op share" among the group members. All members should have right of access to all financial statements, including the final reconciliation.
2. 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 and any other legal liability the group may incur.
3. You should always use NZ Equity's **Standard Co-op Agreement** (refer pages 8 onwards) and have participants agree and sign ***before*** commencing rehearsals.

### **Two critical questions to ask before launching/joining a co-op:**

1. What are the production's chances of success?
2. Can you afford it?

If you're satisfied with the answer to those two questions, now go through the co-op checklist - ***before*** confirming your involvement.

## Co-op check list

1. Ensure you understand the entire structure and arrangements - and preferably participate in setting them up.
2. If in doubt, talk to your NZ Equity organiser, or your agent about the deal and the production.
3. Ask about the budget - is it realistic?
4. Ask for NZ Equity's **Standard Co-op Agreement**. Verbal Agreements are problematic - it is harder to argue that you were assured of certain terms if it is your word against someone else's.
5. A Co-op Agreement needs to cover the following issues;
  - Names and addresses of all parties concerned
  - Production, venue and dates for rehearsal and performances
  - Investments in the production (including any grants or sponsorship)
  - 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 you or your representative to have access to all records and accounts on request
  - Insurance provisions (see below)
  - Under what structure the co-op is set up, e.g. company, partnership etc
  - What everyone's responsibilities are under the agreement
  - Appropriate grievance resolution mechanism
  - What should happen if someone wants to leave

**All of these are covered in NZ Equity's Standard Co-op Agreement**

## **Important Co-op issues**

### **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
- Health and safety in the workplace
- Explosive or dangerous goods
- Taxation
- Licensing for alcohol
- ACC

### **Insurance**

Please make sure the co-op is covered against the following liabilities, that the respective responsibilities of both the co-op and the venue are clear and that these responsibilities are set out in writing in the venue-hire agreement between the co-op and the venue's manager;

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

## **Business planning**

It is a good idea to formulate a business plan to identify your personal and/or the group's strengths and weaknesses and to help you assess the production's viability.

You will need to do homework about;

- **Timing** - when is a good time to stage a production of your type and what other productions/events will be on at the same time?
- **Venue Information** - venue costs, availability, seating capacity and formation, lighting provisions, etc
- **Your show** - cast requirements, obtaining production rights
- **Marketing** - where to advertise to get the most for your dollar, who your audience is and how best to reach them, to be part of a festival or not, which media representatives and critics you most want/need to target to attend and how to reach them, costs of posters/ fliers/postcards/newspaper listings/ads (newspaper/radio/TV)  
*(Please note the special deal for NZ Equity member co-ops on the front 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/grants/donations

Who will do the banking, accounts, tax and the divvying up at the end

Construct a table showing the projected profit/loss for a range of box-office returns (e.g. for 25%, 50% and 75% houses), using a realistic average ticket price that allows for complimentary and concession tickets

- **Location**- of the show/auditions/rehearsals/tours/wrap party

The above are intended as a beginning guideline - there are plenty more details you will need to find out about as you go on.

*See the contacts page (over) for funding sources and other useful resources.*

## Useful contacts, numbers and resources

### Funding Sources & Guides to funding;

- Creative New Zealand (see CNZ's website – [www.creativenz.govt.nz](http://www.creativenz.govt.nz) - for links to other funding streams)
- Creative Communities Scheme (contact your local council for details)
- The Lion Foundation
- The Trusts Charitable Foundation
- The Performing Arts Foundation of New Zealand (PAFNZ)

### Performing Arts Markets:

- Performing Arts Network of New Zealand (PANNZ)

### Useful Resources:

- The Touring Manual (available from CNZ in hardcopy or via their website)

### Other Useful Contacts:

- Inland Revenue [www.ird.govt.nz](http://www.ird.govt.nz)

## Standard Co-operative Agreement

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

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

### 1. PERFORMANCES

A.....wishes to produce  
the play.....  
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**

2.1a The parties to this Agreement will provide their services to the co-operative and be paid the amount of \$\_\_\_\_\_ per week / as a lump sum (*delete one*) in part payment for their services and a share of the profit as set out in Section 6 of this agreement. This profit will be disbursed within 28 days of the conclusion of the production.

2.1b The parties to this Agreement will provide their services to the co-operative without the benefit of a fee as defined in any Award or other industrial agreement. At the conclusion of the production they will receive a share of the profit made from the production as set out in Section 6 of this agreement.

**(Strike out either 2.1a or 2.1b)**

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

2.4 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.

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

2.6 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.

2.7 ..... (insert name of designated co-op member or members) will keep adequate financial statements and books in respect of incomings and outgoings in relation to the production. These records will be produced to any party to this Agreement on request and a report will be made to all parties on a weekly basis.

2.8 Where the Producer is aware the production may include “smoking” and if the Performer shall be required to smoke, such requirement shall be specified in the contract of engagement. 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 shall be on the basis of “mutual consent” between the parties.

2.9 In the event the Producer requires the Performer to appear “nude” or “semi nude” in the Production, the Producer warrants it negotiated this condition of employment with the Performer, prior to the execution of this Agreement, and must be stipulated in the Special Conditions of this Agreement.

**(Refer 4)**

2.10 The Producer shall ensure, where it is within his/her control, that all Performers appearing in a production are accurately billed and that their names, professional experience and photographs appear in the programme.

2.11 Each and every party to this Agreement will be entitled to ..... complimentary tickets for the run of the Production. All complimentary tickets must be arranged via the Producer.

2.12 The Performer will have the right to refuse work in an environment they consider hazardous to the health and safety of themselves and others.

2.13 In the event that the Production is remounted in a paid season the Performer will have first right over his/her role.

2.14 The Producer warrants that they own the correct and proper rights over the material used in the production.

2.15 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.

2.16 If required the Performer will provide their own standard facial make-up. When the Producer requires the Performer to use special make-up including body make-up and/or special effects make-up the Producer shall provide such make up.

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

### **3. CONSTRUCTION**

3.1 This Agreement, its interpretations, performance and any breach thereof, will be construed in accordance with the laws of New Zealand.

3.2 It is agreed by all parties to this Agreement that should any dispute arise within the group then the parties will first attempt to settle such disputes in good faith among themselves. Should this prove impossible then any disputes arising from this Agreement will be taken to the Department of Labour Mediation Service and the decision of the mediator/arbitrator will be fully and finally binding on the parties. Any costs of such service will be shared equally by the parties in dispute.

**4. SPECIAL CONDITIONS**  
**(Refer to 2.9)**

**5. AGREEMENT COMPLETE**

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.

**6. SIGNED AS AN AGREEMENT**

Signed for and by:	Co-op share (%)	Witnessed by:
.....	.....	.....

Signed for and by:	Co-op share (%)	Witnessed by:
.....	.....	.....

Signed for and by:	Co-op share (%)	Witnessed by:
.....	.....	.....

Signed for and by:	Co-op share (%)	Witnessed by:
.....	.....	.....

Signed for and by:	Co-op share (%)	Witnessed by:
.....	.....	.....

Signed for and by:	Co-op share (%)	Witnessed by:
.....	.....	.....

Signed for and by:

Co-op share (%)

Witnessed by:

.....

.....

.....

Signed for and by:

Co-op share (%)

Witnessed by:

.....

.....

.....

Signed for and by:

Co-op share (%)

Witnessed by:

.....

.....

.....

Signed for and by:

Co-op share (%)

Witnessed by:

.....

.....

.....

Signed for and by:

Co-op share (%)

Witnessed by:

.....

.....

.....

**SCHEDULE A**  
**Parties to the Agreement**

**1. PERFORMERS (enter name and address)**

Name:.....

of:.....

Name:.....

of:.....

Name:.....

of:.....

Name:.....

of:.....

Name:.....

of:.....

Name:.....

of:.....

Name:.....

of:.....

Name:.....

of:.....

**2. OTHER CREATIVE / TECHNICAL PERSONNEL (enter name and address)**

Director:.....

of:.....

Producer:.....

of:.....

Production Manager:.....

of:.....

Set Designer:.....

of:.....

Lighting Designer:.....

of:.....

Costume Designer:.....

of:.....

Sound Designer:.....

of:.....

Choreographer:.....

of:.....

Stage Manager:.....

of:.....

Lighting Operator:.....

of:.....

Publicist:.....

of:.....

(enter other roles below)

.....

of:.....

.....

of:.....

.....

of:.....

.....

of:.....

.....

of:.....

.....

of:.....

.....

of:.....



**SCHEDULE B**  
**Approved Production Costs**

Intellectual property rights:	\$
Fees:	\$
Premises:	\$
Marketing/Publicity:	\$
Insurance:	\$
Plant and Equipment:	\$
Props/stage requirements:	\$
Lighting requirements:	\$
Sound requirements:	\$
Accounting and record keeping:	\$
TOTAL	\$

**SCHEDULE C**  
**Investment in Production**

Source of Funds

\$

\$

Lease and hire purchase commitments

\$

\$

Loan – Long Term

\$

\$

Loan – Short Term

\$

\$

Suppliers Credit

\$

\$