



## **VENUES DRIVE AUDIO VISUAL FEE GRAB**

### **Technician On Duty fee debate demands action**

**Angry words from all corners of Australia threaten action but so far the only resolution to crippling venue AV supervision fees is negotiation. Event Producers and external Audio Visual vendors who visit a venue to supply services to clients have documented sometimes outrageous fees and negligence in some leading venues.**

The largest audio visual supplier, Staging Connections, say they only recommend technician on duty (Venue Technical Representative – VTR) fees for bump in and bump out. The venues themselves can set policy to charge to supervise external suppliers for the whole event – and many do just that. “We understand the role that a VTR serves in providing

advice to external audio visual companies whilst seeking to protect a venue’s assets”, says Tony Chamberlain, Managing Director at Staging Connections Group Limited. Lidia Dalton from Expert Events detailed how one hotel works.

“One that really made my blood boil was in relation to an international conference that we ran at Sheraton on the Park in Sydney from 26 – 29 May this year.”

“The additional fees equated to over \$3000, just to be able to bring in our preferred supplier. In addition to the TOD charges, the hotel charged a flat fee for ‘charges relating to utilities and for access to the Hotel infrastructure’, even though we already paid \$15,000 in room hire fees.”

“In the end we still brought in our own supplier, as the quote from (in house AV supplier) Staging Connections was almost double the quote provided by an external provider, even taking into account the \$3000 TOD fees.”

**“THE TOD WAS TREATED SO BADLY BY THE EXTERNAL PROVIDER, SECURITY HAD TO BE CALLED.”**

## WORSE EXAMPLE

But this pales into insignificance when you journey south to Sofitel Melbourne. The hotel, via in-house AV supplier Audio Visual Dynamics, charged \$8,000 for TOD to supervise external AV supplier Microhire at an event named Great Healthcare Challenge in 2011. The charges covered all hours of setup, event and bumpout. The original quote was for \$11,319 plus GST. In addition, the charge for provision of internet in each meeting room was an eye-watering \$300.

Microhire were included in the argument during a gig at Sydney's Doltone House at Darling Island Wharf earlier this year.

"The freelance AV Tech on TOD on bump out was so engrossed in his mobile phone that he had no idea we left the building. So much for ensuring we don't damage the doorways. The event was a SIDS fundraiser and there was not a dry eye in the house when parents addressed the audience. The venue was moved to sting them about \$675 + GST. (A) written complaint to the venue sparks a phone call from Microhire claiming to not enjoy doing it but doing it at the request of the venue and its not a 'rort' as I claim", according to a supplier who prefers to remain anonymous.

**"ALL WENT WELL UNTIL THE CONTRACT LOADERS EMPLOYED BY THE EXTERNAL COMPANY DROPPED THE M7 WHILE PUSHING IT IN A REAL HURRY. THE MIXER WAS DAMAGED (CHEAP & NASTY ROAD CASE), THE TOD (THEREFORE, THE IN HOUSE PROVIDER) WAS BLAMED FOR PACKING IT WRONG!"**

"Event manager: 'Sorry can't give you this gig. Venue has \$1500 surcharge if we don't use Staging Connections'".

"Me: 'You obviously haven't booked enough room nights.'"

"Event Manager: 'What are you talking about - I've booked 300 room nights.'"

"Me: 'Really? They wouldn't dare try that on with [XYZ hotel]. They would be kissing their feet with 300 room nights. They must think you're weak.' Surcharge waived the next day after hotel Director Of Sales consulted with GM."

Alex Buckle says the company he works for tries very hard to work with the venues.

"We generally fully utilize the tech and try and make them feel part of the team. I went into a venue in Melbourne earlier this year and my client was charged for two technicians during periods of the conference (and) the end bill was extremely high. In the spirit of trying to do the right thing I asked if we could utilize the TOD to make our job easier. I was expressly told 'no as he could not supervise properly if he was laying a cable.'"

"This begged my response 'how does your technician supervise himself when laying a cable for your company?'"

"We all know that random techs and crewing companies (are) pulled in from all over to fill in last minute jobs, so who is supervising them?"

"I have this argument with pretty much every venue I deal with", an event producer reports. Like some quoted in this story they prefer to protect their anonymity as they continue to work with the venues named.

"Sheraton on the Park in Sydney wanted to charge "access fees" justified as wear and tear on their lift recently. Royal Pines on the Gold Coast wants to charge for the 'duration of the event' which goes pretty much constantly for five days and four nights, so these charges would add up to thousands of dollars".

"Most venues I have found if you challenge it they will get rid of it, but you have to be quick (ie. WAY before you get to the contract stage), and often, it is a long, drawn out argument", concludes Alex.

## STAFF TO BE 'PRESENT'

A Melbourne audio firm commented on the situation at Melbourne Town Hall, where AVD (Audio Visual Dynamics) are the in-house production company.

"We had a request for quote, and the client told us that AVD (Audio Visual Dynamics) are the in-house production company. They will be charging \$83.05 per hour from start of bump in 9am until end of bump out (approx 1:00 am) This charge is for 1 of their staff to be present".

Ben Alcott from Damn Good Productions in Sydney draws attention to practices at The Westin in Sydney.

"We have had issues a number of times where the venue has tried to charge an 'AV Supplier Charge' if you don't use in house supplier, Staging Connections. (This) varies between \$1000 and \$2500 we have found. They charge this when it seems they will lose revenue from the client not using Staging. One specific event was in May last year for a simple breakfast that was part of a roadshow we were producing for a financial client. The venue made a massive fuss about it and insisted on charging the client \$1000. The amazing thing is that we were using and paying Staging Connections to supply the in-house usals (PA, projector

and screen, lectern, stage) but because our crew were operating the show and we were supplying some touring kit, they felt they could charge an additional \$1000 - two bites of the cherry! Needless to say after legal threats from the client, they eventually backed down."

"(But) Sydney Convention and Exhibition Centre transcends this by actually stating categorically to clients that you cannot bring in outside equipment or suppliers (if the venue has it available) - we have had an issue with SCEC where we weren't allowed to bring in a screen that we owned because they had one, then when it went in we found they sub hired from TDC - very strange."

"Basically this all amounts to Third Line Forcing and Exclusive Dealing, which of course are illegal", Ben alleges.

## TOD SHIFTS: CREW COMMENT

**"As far as I can work out, with Crown and some of the larger Hotels where Staging is the in house supplier, it's the venues who set the TOD fee and hours that the TOD is 'meant' to be present", an insider who needs to remain un-identified told CX.**

**"Staging Connections is then contracted by the venue to supply a TOD usually for bump in / bump out. The Venue pays Staging Connections for the hours quoted by the Venue, this is rarely the same as the hours quoted to the external Production company".**

**"The primary purpose of the TOD's employed by Staging Connections at these venues is to make sure that OH&S policy is met and Venue equipment is not damaged (and) also to be a liaison between the production company and the Banquets manager (who is God). The Banquets manager runs the room, not the AV staff, all his or her requirements for floor space, timing etc must be met regardless of what is practical or convenient for AV staff (in house, external or otherwise!)"**

**"If a production company requires specific 'technical' help (patching etc.), providing the request has been made in advance, the actual "in house" Staging Connections people provide this service."**

**"In this situation TOD is also the liaison, the TOD has not got the authority to perform technical assistance, supply equipment or to integrate an external providers equipment with in house equipment. Hence the apparent "dumbness" of the TOD, we are NOT allowed to help in a practical way, we can only pass on the request."**

**"As to assisting an external provider, that again**

**"IN MANY CASES THE TOD IS A VERY YOUNG AND INEXPERIENCED JUNIOR TECHNICIAN WHO HAS VERY LIMITED KNOWLEDGE. THEY ALSO FIND THEMSELVES SUPERVISING MORE THAN ONE CLIENT AT ANY GIVEN TIME WITHIN THE VENUE AS WELL AS TAKING CARE OF OTHER VENUE MATTERS. THEREFORE THE CLIENT IS BEING CHARGED FOR A SERVICE THAT IS NOT EVEN BEING SUPPLIED - A BIT OF DOUBLE DIPPING DON'T YOU THINK?"**

**is prohibited. I've been told it's an insurance thing, TOD's are supervisory staff, not hands on, different insurance category. Also there is an equipment liability issue, one example (names and places not mentioned), a TOD was asked by external staff to help pack and lift an M7 mixer."**

**"All went well until the contract loaders employed by the external company dropped the M7 while pushing it in a real hurry. The mixer was damaged (cheap & nasty road case), the TOD (therefore, the in house provider) was blamed for packing it wrong!"**

**"It wasn't me, I was there supervising 2 other contractors. The other TOD was treated so badly by the external provider, security had to be called."**

**"I'm sure many TODs would like to help out in a practical way, but there are way too many rules preventing us from doing so. Standing around holding a folder can be bloody boring, especially for an 8 hour bump out."**

## HOW IT STARTED

**"I was both a senior account manager and part of the leadership team at Staging Connections in Melbourne. I am now an event producer and am subject to the TOD charges that you speak of", says Dave Deveny who is now the managing director of Ready Set Go, a large Melbourne Events Management firm.**

**"I hate TOD charges and believe they are getting worse. I am not on "the inside" anymore but would like to clarify some things."**

**"Staging Connections did not instigate TOD charges, they were forced upon SC by what was the Carlton Crest as part of the contract negotiation many years ago. Mainly as a result of Rock and Roll style production companies wrecking the venue and its infrastructure. They then became very popular with venues as an added source of revenue once venue contracts moved to flat commission rather than equipment only".**

**"Staging Connections was also not responsible, and never has been, for the kind of anti-competitive behaviour undertaken by venues such as BCEC, SCEC and Adelaide Exhibition Centre," Dave alleges.**

**"During my time Staging Connections management disliked TOD shifts. For a couple of reasons: staff hated them, as you can imagine it is very demoralising to sit there and watch someone else do the gig. Senior tech staff refused to do them and some left because of it. It did not, and obviously does not now, reflect well**

**on Staging Connections by the pure fact that they are in so many venues, and, most people think it is Staging Connections pulling the strings.”**

**“Labour is not a profit centre in the AV business, as we all know, so having to provide more labour than you would need for core operations is not good. I think that what happened was that many smaller AV companies thought it was Staging Connections that was pushing the agenda and so decided “if they’re doing it, I’m doing it”.**

**“So let’s throw the mud where it deserves to be thrown, the venues.”**

## IS EVERYONE DOING THIS?

Peter Summers from My Production Company has been involved with the Event production and staging industry for over 30 years.

“I have managed several production companies during this time including Staging connections Gold Coast, Intercity Staging Canberra and Brisbane to name but three. During my time with these companies I managed to secure in house and preferred supplier contracts with approximately sixteen hospitality venues in Canberra and Queensland”.

Some of these contracts were with such prestigious hospitality venues such as Hyatt, Sheraton, Sofitel and Rydges chains. I was indirectly involved with some of the original discussions in regards to the implementation of TOD charges and the reasons why”.

“Back in the early nineties competition for hospitality contracts were highly sought after. In order to obtain these contracts large commission incentives were offered to the venues to secure this work, back in the nineties it was generally a standard commission of 25% on equipment hire with labor excluded.”

“As time progressed venue management realised the potential for considerable revenue generation from the production companies vying for their business and started to demand greater commissions which over the past few years has grown to be in some cases 40% of equipment hire and labor.”

“In some cases now in order for Production Companies to secure the inhouse contracts they have to guarantee a certain annual return from audio visual production services, not just a basic percentage commission on services sold.”

“Over the past ten years many smaller boutique Audio Visual Production Companies have been established, many of these by disgruntled ex employees of the larger Production Companies , these smaller companies due to smaller overheads and the lower costs of technology over time have been able to offer considerable cost savings to clients whilst still supplying a very professional and high standard of service resulting in greater market share and I believe growth in the industry.

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*So you want to Fly,  
Track, Reveal, Position,  
Move People,  
Objects, Screens,  
Scenery or Cameras  
in a Live Environment*



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This has very much eroded the revenue potential both to the larger Production Companies and their contracted venues."

"As a result a solution was required to combat this threat - hence the implementation of TOD charges. In most cases when quoting for the supply of Audio Visual Services the smaller companies with lower overheads were able to supply a cheaper alternative to the client.

They were also in some cases able to supply a further small discount to long standing and loyal clients to meet their budget restraints on some events."

"The larger (in house) production companies who were already giving up to 40% commissions to the venues were unable to compete with price with these smaller production companies thus pricing themselves out of the business resulting in lower returns to themselves and bottom line to the venue."

The introduction of TOD charges on the outside suppliers or their clients subsequently in many circumstances annulled any cost savings to the client and incentive to go with the outside supplier. On top of this venues would offer further incentives such as free workshop rooms or boardrooms if the client was to use the in-house supplier."

"On most occasions the end client was never told or knew that the venue was collecting large commissions from the in house supplier which far surpassed the cost of throwing in a small function room here or there."

"In many cases the TOD is a very young and inexperienced junior technician who has very limited knowledge of large event staging and in many cases has not been involved with as many events in the venue as some outside suppliers have over the years. They also generally find themselves supervising more than one client at any give time within the venue as well as taking care of other venue matters. Therefore the client is being charged for a service that is not even being supplied (as) they cannot supervise if they are not in the room. A bit of double dipping don't you think?"

"I am sure there are also issues here with liability - does the venue or in-house supplier have or accept any liability for the production side of the event? After all the TOD is there in a advisory and supervisory role as dictated by venue policy. What if something happens on the TOD's watch, what happens if they give the wrong advice resulting in damage or injury - who is liable?

What more can I say except it is time that the truth came out about this deplorable situation. This on top of Convention Centre's having lock out policies on outside production companies (which) has greatly reduced the potential for small production companies to supply their services", concludes Peter.

## SUGGESTED SOLUTIONS

**CX** concludes TOD supervision of a load in, and a load out, is inevitable. The stories above don't touch on policies at performing arts centres, where the venue rental often includes a house system but labor is added on.

"We toured the performing arts centre's and were being hit up for ridiculous fees to hire risers (\$40 each) or drape off the back of a recital hall - \$900, including stage carpet", one caller told **CX**.

But that seems reasonable to us, as does supervision of a load in and out. And in some cases, where a complex venue has digital patch, wireless DMX and flying equipment, you should expect a paid TOD to be right there the whole time. But (the) TOD should be skilled and able to quickly assist with any query - or know where to get help. The first thing we would want to see is the TOD waiting at the loading dock, to deliver the induction. The TOD should professionally induct all visiting crew, and take the production chief on a technical handover inspection, including access to power distribution boards. TOD should be a

flagship service, positioned to enhance the clients event, not penalize and frustrate external suppliers.

Dave Deveny says he understand the venue's position. "Tens of millions of dollars are being continuously spent on both technical and building infrastructure which is being wrecked by the lazy and irresponsible few. So how do we solve it? I have an idea".

"We should use the carnet system as an example. Production suppliers should pay a bond into a trust fund that in turn pays for damage insurance."

"Suppliers would need to justify their payment based on reputation and weight of work, similar to the way we all negotiate our Public Liability insurance."

"Producers should pay for a technical handover by the venue technical supplier to their third party suppliers at the start and end of each event period. Any damage should then be reported and an insurance claim made against the production company".

"The production companies fund payment [or premium] would go up or down based on claims against them."

Tim Banfield says you should press the venue to ensure the TOD are suitably qualified to oversee your work.

"(You need) the necessary insurance to cover your work (such as) Public Liability."

He suggests demanding the venue supply proof of competency of the TOD, and also a copy of their Public Liability insurance cover.

"Then the whole problem seems to fade away", he says. •