



# AUSTRALIA COUNCIL FOR THE ARTS

SUBMISSION TO THE STANDING COMMITTEE ON  
COMMUNICATIONS AND THE ARTS INQUIRY INTO THE  
AUSTRALIAN MUSIC INDUSTRY

**OCTOBER 2018**



Committee Secretary  
Standing Committee on Communications and the Arts  
PO Box 6021  
Parliament House  
Canberra, ACT 2600

Dear Secretary,

The Australia Council for the Arts welcomes the opportunity to provide this submission to the Inquiry into the Australian Music Industry.

As the Australian Government's principal arts funding and advisory body, the Council invests in artistic excellence through support for all facets of the creative process; increases awareness about the value of the arts; and is committed to the arts being more accessible to all Australians. Conducting, commissioning and publishing research into, and about, the arts is a key function under the *Australia Council Act 2013*.<sup>1</sup>

This submission outlines the role Council plays in supporting and promoting the diverse, excellent and energetic contemporary music culture.

We would welcome the opportunity to discuss this further with you.

Yours sincerely,

Tony Grybowski  
Chief Executive Officer  
Australia Council for the Arts

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<sup>1</sup> [Australia Council Act 2013](#) s.9 (Aust)

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## EXECUTIVE SUMMARY

Music is infused throughout the daily life of almost every Australian – 97% of Australians listen to recorded music and more than half attend live music. One in four attend music festivals, including one in two of those aged 15 to 24 years. One in seven Australians create music themselves, by singing, playing musical instruments, or writing, mixing and composing music.<sup>2</sup>

Music speaks to all tastes, stages of life and backgrounds, and contributes to child development and school readiness.<sup>3</sup> It is both ubiquitous and powerful – it can move people, help them through the day and provide a soundtrack to their lives. It also provides points of connection and shared experiences:

*‘Music can cut through all barriers. So it doesn’t matter what social level you are at, you go to see a band and you can have blokes there who are doctors, lawyers, white collar, and they are standing and chilling out next to blue-collar workers, could be unemployed... You don’t care about social status or money. You are just a bunch of people watching a band.’<sup>4</sup>*

### Factors contributing to growth and sustainability

The circumstances of our contemporary music artists are as diverse and complex as the work they make. They range from employed orchestral musicians to commercially supported bands and performers to self-managed composers, songwriters and sound artists. This creates a series of sub sectors and artistic communities, each operating with a varying mixture of private and public support.

The music made in Australia ranges across a broad spectrum of practice types, making it increasingly difficult to define genres, forms or audiences. More than ever we are seeing Australian musicians expanding their practice across genres and drawing on a wide range of influences – both aligning with diversifying audience tastes and bringing their audiences along with them. Collaborations within Australia and internationally – examples of which are included in boxes throughout this submission – are helping to open up new possibilities and bring diverse audiences together.

Music drives substantial economic activity. Despite a comparatively small population, Australia is the eighth largest market in the world for recorded music, and grew by 13% in 2017 to generate \$539 million.<sup>5</sup> Live music performance generated \$991 million in ticket sales in 2016.<sup>6</sup> Music artists also contribute to other sectors, such as film and television,

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<sup>2</sup> Australia Council 2017, *Connecting Australians: Results of the National Arts Participation Survey*.

<sup>3</sup> Barrett MS, Flynn LM, Welch GF 2018, *Music value and participation: An Australian case study of music provision and support in Early Childhood Education*, Research Studies in Music Education.

<sup>4</sup> Focus group participant, Australia Council 2017, *Connecting Australians: Results of the National Arts Participation Survey*.

<sup>5</sup> International Federation of the Phonographic Industry (IFPI) 2018, *Global Music Report 2018*. Australia is the 8<sup>th</sup> largest market after the USA, Japan, Germany, UK, France, South Korea and Canada.

<sup>6</sup> Ernst & Young (EY) 2017, *Live Performance Industry in Australia: 2016 ticket attendance and revenue survey*. Live music categories include: Classical Music, Contemporary Music, Festivals (Contemporary Music), Musical Theatre, Opera.

and increasingly digital games, where contemporary orchestral music is finding a new market and audience.<sup>7</sup>

The music industry has always been subject to evolving technology and audience behaviour. Digital disruption has significantly accelerated the pace of change, particularly with the rapid rise of online streaming services over the past decade,<sup>8</sup> and accompanying changes to business and marketing models.

Many Australians enjoy live music experiences across genres and formats, with the largest proportion including contemporary music in the mix.<sup>9</sup> Large and small venues, festivals and regional touring are all important parts of the Australian music landscape.

Australian music and musicians have always had strong international traction, from Nellie Melba to Courtney Barnett, via the Easybeats, Olivia Newton-John, INXS and countless others. Australian musicians continue to have high levels of international engagement,<sup>10</sup> contributing to cultural exchange, cultural diplomacy and our international reputation.

However average incomes for Australian musicians and composers remain below the workforce average, and income for creative work has declined substantially with the majority of musicians and composers earning less than \$10,000 from their practice. One in five musicians and almost one in three composers report experiencing copyright infringement. The original 'gig' workers, music artists are increasingly working on a freelance or self-employed basis, juggling creative practice with other work, and applying creative skills in other industries.<sup>11</sup> While this presents opportunities for arts practice to take new and varied forms, it is increasingly difficult for artists to make a living from creative work.

Aboriginal and Torres Strait Islander music plays a critical role in Australia's music identity, both nationally and globally. Contemporary First Nations Australian music and musicians span all forms and genres, and many have achieved significant critical and commercial success both at home and internationally. For First Nations people, engagement with First Nations arts including music supports empowerment, community connectedness and wellbeing.<sup>12</sup> However First Nations music continues to be under-represented on stage<sup>13</sup> and on air.<sup>14</sup>

While there is strong engagement with music among females, the industry remains male-dominated. The music industry is addressing gender disparity with a range of responses, and in the Australia Council's June 2018 grants round, 73% of music grants awarded to individual artists were awarded to women.

There is an opportunity to strengthen the sector through increased representation of women at all levels of the industry, and through greater recognition of their contributions and achievements.

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<sup>7</sup> Webber JA 2018, 'How video game music waltzed its way on to Classic FM,' *The Guardian*.

<sup>8</sup> ARIA 2018, Physical and Digital Sales by Value 2008-2017.

<sup>9</sup> Australia Council 2017, *Connecting Australians: Results of the National Arts Participation Survey*.

<sup>10</sup> Australia Council 2017, *Making Art Work: A summary and response by the Australia Council for the Arts*.

<sup>11</sup> Throsby, D & Petetskaya, K 2017, *Making Art Work: An Economic Study of Professional Artists in Australia*

<sup>12</sup> Australia Council 2017, *Living Culture: First Nations arts participation and wellbeing*.

<sup>13</sup> Australia Council 2016, *Showcasing Creativity: Programming and presenting First Nations performing arts*.

<sup>14</sup> Howland, S & Williams E 2010, *Song Cycles*. Australia Council for the Arts & APRA|AMCOS.

## Critical foundations

A range of infrastructure and support mechanisms enable the Australian music industry to remain resilient in a challenging and rapidly changing environment, and help to ensure Australians have access to Australian music.

Protection of intellectual property can enable artists to control their work and receive appropriate payment from its sale and use. Government support provides a vital contribution, including supporting artists at key points in their careers; and fostering innovation, risk-taking and experimentation.

Despite the rapid uptake of streaming services, 90% of Australians continue to listen to music on radio and television.<sup>15</sup> National broadcasters and community radio play an important role in supporting the Australian music industry and championing Australian artists through events and initiatives that identify new talent, and self-regulated minimum levels of Australian content.

## Looking to the future

The music industry has always been at the forefront of technological change, both through the boundary-pushing activity of artists and the need to anticipate where audiences are heading. New developments will continue to impact the growth and sustainability of the Australian music industry. These currently include new licensing arrangements for use of music on social media, experiments with distributed ledger technologies, and the constant development of new consumer products and distribution platforms.

**With the increasing difficulty for artists to make a living from their creative work, intellectual property provisions, government funding and public and community broadcasters need to continue to be supported and prioritised, and the policy and regulatory settings around them need to keep pace with change.**

**In line with the continuing growth of the sector, supporting infrastructure should not only be maintained but also expand to meet the increasing need.**

**High levels of unfunded excellence – Australia Council music grant applications that would be funded if more funds were available – demonstrate the untapped potential for increased public investment and strategic partnerships and related opportunity cost. The social and economic returns on investing in arts and artists are enormous and cross government portfolios.**

**Innovative models of support, such as the Australia Council’s work to develop and trial a micro loans scheme, also present new opportunities and others should be explored.**

**While the music sector remains resilient and adaptable to continued technological disruption, it is more important than ever to address how we as a nation value and respect our music artists through support structures, protections and remuneration that enable viable artist careers – their talent and creativity are essential to a culturally ambitious vision of our nation’s future.**

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<sup>15</sup> Australia Council 2017, *Connecting Australians: Results of the National Arts Participation Survey*.

## AUSTRALIA COUNCIL SUPPORT FOR MUSIC

The Australia Council is the Australian Government's principal arts funding and advisory body. The Council invests in artistic excellence through support for all facets of the creative process; increases awareness about the value of the arts; and is committed to the benefits of arts and culture being more accessible to all Australians.

For music, this is primarily achieved through the Council's peer assessed grants program. The Australia Council offers grants to individuals and organisations to support activities that deliver benefits to the arts sector and wider public, including national and international audiences. In music this includes the creation of new musical compositions and recordings; the presentation of new and existing repertoire in concerts, festivals and tours nationally; international touring, residencies and artistic collaborations; and broader sectoral projects which support the development and promotion of Australian musicians.

The Australia Council also delivers a range of initiatives on behalf of the Australian Government, including Playing Australia and the Contemporary Music Touring Program which provide support for artists to perform in regional and remote locations.

In 2017–18 we delivered \$10.3 million (excluding funding for the Major Performing Arts companies) in funding to support music activities undertaken by individual artists, groups and small to medium organisations. This funding supports and promotes the diversity, excellence and energy of contemporary Australian musical culture.

In addition to providing funding, the Australia Council delivers international residencies and strategic development activity which build markets and audiences for Australian music overseas, enables Australian composers and musicians to develop their practice and leverages opportunities for increased investment.

Other activities undertaken by the Council include research and analysis that demonstrates the value of investment and participation in the arts.

### ***Direct and indirect support: Kate Miller-Heidke***

Kate Miller-Heidke's career has included successful pop records, collaborations with symphony orchestras, singing with the English National Opera and the Metropolitan Opera, New York, and composing for musical theatre.

Miller-Heidke has been assisted by the Australia Council at various points in her career. She received support to showcase her work and develop international partnerships at the 2010 South by Southwest Marketplace in Austin, Texas; and the 2014 Great Escape Festival in Brighton, UK.

She composed the score for *The Rabbits*, a 2015 contemporary opera adapted from the award winning children's book by John Marsden, illustrated by Shaun Tan. The production received funding from the Major Festivals Initiative. It emerged from a partnership between Barking Gecko and Opera Australia supported by the Council's

Collaborative Arts Projects funding, which supports collaborations between Major Performing Arts companies and small to medium arts organisations.

During a two-year Australia Council Fellowship (2016–2017), Miller-Heidke wrote music for the 2017 Australian musical production *Muriel's Wedding*; continued collaborations with the Tasmanian Symphony Orchestra; and composed and recorded a new song cycle.

### ***Building an international profile: Rudely Interrupted***

In 2017 one of Australia's most unique independent rock acts, Rudely Interrupted, were supported through an Australia Council grant to perform at the Arts and Disability Festival in Berlin, and to tour France, Switzerland and Russia. As a result the band built sustainable long-term partnerships with stakeholders across Europe: governments, businesses, NGOs, media, artistic partners and cultural organisations.

The Australia Council accepts grant applications in nine art form categories. Since the launch of the new grants model in 2015, applications to the music category have accounted for 23% of all applications received. Proportionally, applications to music are increasing. Music has received the highest number of applications in the first two rounds of 2018, representing 27% of total applications received. In line with overall Australia Council results there is an average 17% success rate for music applications. Over the ten rounds since 2015, 52% of successful music applications have an international outcome which is significantly higher than other Australia Council supported art forms.

The number of applications submitted by individuals and groups is significantly larger than those from organisations. This reflects the dynamics of the sector. In general the barriers to entry in music are low and many artists are able to maintain lighter administrative structures supported by a range of service relationships with managers, producers and others who may also provide those services to other groups and ensembles.

The Australia Council also plays a lead role in administering the Major Performing Arts (MPA) Framework in partnership with state and territory funding bodies. The MPA sector comprises 28 leading companies in the fields of dance, theatre, circus, opera and orchestral and chamber music. The MPA companies are jointly funded by Commonwealth and state governments through the National Framework for Governments' Support of the Major Performing Arts Sector (2011). The funding partnership between governments is based on a joint approach to the design and administration of the funding.

For more information on the MPA Framework see Appendix A.



### **Cross-sector partnerships: contemporary collaborations with MPA companies**

Collaborations with the broader sector feature in MPA company programs, helping to ensure the sustainability and vibrancy of the arts ecology and bringing new works to Australian audiences. In 2014 the Australian Chamber Orchestra worked with electronic duo The Presets to perform *Timeline*, tracing the evolution of music performance across 42,000 years. The program included works by classical composers, and jazz, pop and rock icons such as Miles Davis, Nirvana, and Pink Floyd six cities.

After a successful collaboration with the Tasmanian Symphony Orchestra in 2015, Missy Higgins toured Australia in 2016 with the Sydney, Queensland, Melbourne, West Australian, and Adelaide Symphony Orchestras. In addition to up to 60 of Australia's best orchestral musicians, she was also joined by Melbourne folk artist Ben Abraham and Brisbane band George.

## **FACTORS CONTRIBUTING TO GROWTH AND SUSTAINABILITY**

### **Music practice**

Music practice encompasses the composition, performance and recording of music with different practitioners placing a different emphasis on each. This overall blend of activity is essential to a healthy musical culture.

Consistent with the extraordinarily high levels of audience engagement with music, the practices of our contemporary musicians and composers reflect the range of cultures and interests of the Australian population.

We are prolific creators of new work with 100,000 Australians registered to collect copyright income as composers and songwriters. In 2016, more than half described themselves as writing rock/pop (which covers a myriad of styles), while almost 11,000 identified jazz as their area of practice, and 5,500 as writing classical music.<sup>16</sup>

Alongside the diversity of music practiced in Australia there is also a strong culture of curiosity, collaboration and exchange that increasingly ignores traditional practice boundaries. While the pursuit of excellence in specific practice areas is still a priority for many, these collaborative practices are often the site of significant innovation.

Traditional distinctions between genres of music and their audiences are also increasingly fluid. Audiences have access to an extraordinary range of music through online services, and musicians are increasingly less constrained by traditional genre boundaries, incorporating myriad influences into their work. Over the last decade, distinctions between genres and markets have been questioned.<sup>17</sup>

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<sup>16</sup> APRA AMCOS 2016, *Year in Review 2015-16*.

<sup>17</sup> Homan, S 2012, [The music recording sector in Australia: strategic initiatives](#)

Music is also a key feature of other forms including dance, theatre and screen works and many music artists are attracted to these collaborations as an opportunity to challenge and extend their practice. In line with other art forms musicians and composers are also working on multi-art form projects either as contributors and collaborators or as the driving artistic voice.

### ***Crossing genres and countries: the Australian Art Orchestra***

The Australian Art Orchestra is one of Australia's leading contemporary music ensembles, their work constantly seeking to stretch genres and break down barriers between disciplines forms and cultures, but grounded in the jazz training of many of its members. It has created work in collaboration with Young Wagilak songmen from Arnhem Land; Korean p'ansori singer Bae Il Dong; Guru Kaaraikkudi R Mani from Chennai; Canadian composer Nicole Lizee; and English 'space rock' band Spiritualized. The Australian Art Orchestra receive Four Year Funding from the Australia Council.

### ***Recognition on the world stage:***

Our artists achieve artistic excellence across all areas of music practice and one measure of the high quality of work they produce is internationally acknowledged.

Some examples of this recognition and achievement include:

- Grammy awards for Gotye, Flume and Keith Urban;
- The extraordinary success of singer, writer and producer Sia Furler who has received and been nominated for countless international awards and is one of the most sought after pop song writers in the world;
- Composer Liza Lim who has been described by the eminent critic for The New Yorker's Alex Ross as '(holding) a commanding position in international music,'
- Brett Dean, composer and violist, winner of the Grawemeyer Award for Music Composition, the world's richest composition prize and whose work is regularly performed by leading orchestras and ensembles around the world, including the Berlin Philharmonic, BBC Symphony, LA Philharmonic and the Boston Symphony Orchestra.
- Jazz bassist Linda Oh who in addition to creating and touring her own work is a member of legendary guitarist Pat Metheny's band.

## Disruption and resilience

*Change has been a constant feature of the popular music industry, and that change has almost always been technologically driven.*<sup>18</sup>

The music industry was one of the first to be significantly disrupted by digital innovation. It was previously a largely centralised industry with a small number of companies managing the production and distribution of physical products, and radio and television were the dominant means of promotion and marketing. The sector has now fragmented with new players including digital aggregators, social media consultants and online streaming sites. Music fans now have many more options for discovery and consumption.

In the foreword to *The New Music Industries: Disruption and Discovery*, a 2016 book which examines the realities for musicians and music professionals amid this ongoing disruption, music manager John Watson observed:

*Music consumers tend to skew toward younger, tech-savvy ‘early adopters’ and a song requires relatively little bandwidth which means it can be distributed online more easily than a movie, television series or book. So in some respects the music industry has actually been a ‘canary down the mine’ for many other fields. Its various adaptation attempts over recent years may provide broader lessons in how—and how not—to operate in a post-industrial economy.*

*To some extent change has always been a constant for the music industry. Around a century ago wax cylinders and pianola rolls began to give way to shellac 78s as the dominant sound carriers of their day. From the 1950s jukeboxes loaded with 7" singles were supplanted by LPs and cassettes until, by 1995, over \$25 billion worth of CDs were being sold globally each year. Nonetheless, the pace, extent and direction of change has increased markedly since that financial high water mark. Rampant online piracy and flawed supplier-centred MP3 solutions ushered in a period of track download dominance that is already being supplanted in most markets by streaming services like Spotify and Apple Music. After growing constantly for most of the twentieth century, real worldwide recording revenues are now roughly half what they were two decades ago.*

*Not only has music consumption changed, so have the means of music discovery. For most of the last century radio and television exposure were typically the key drivers of hit songs and while traditional media remains important, that discovery process is now vastly more fragmented.*<sup>19</sup>

The popularity of music streaming in Australia has accelerated over the past six to seven years following the introduction of major subscription services such as Spotify and Apple Music. In those few short years, streaming has grown to become the dominant revenue format for recorded music, now accounting for over half (54%) of the value of the

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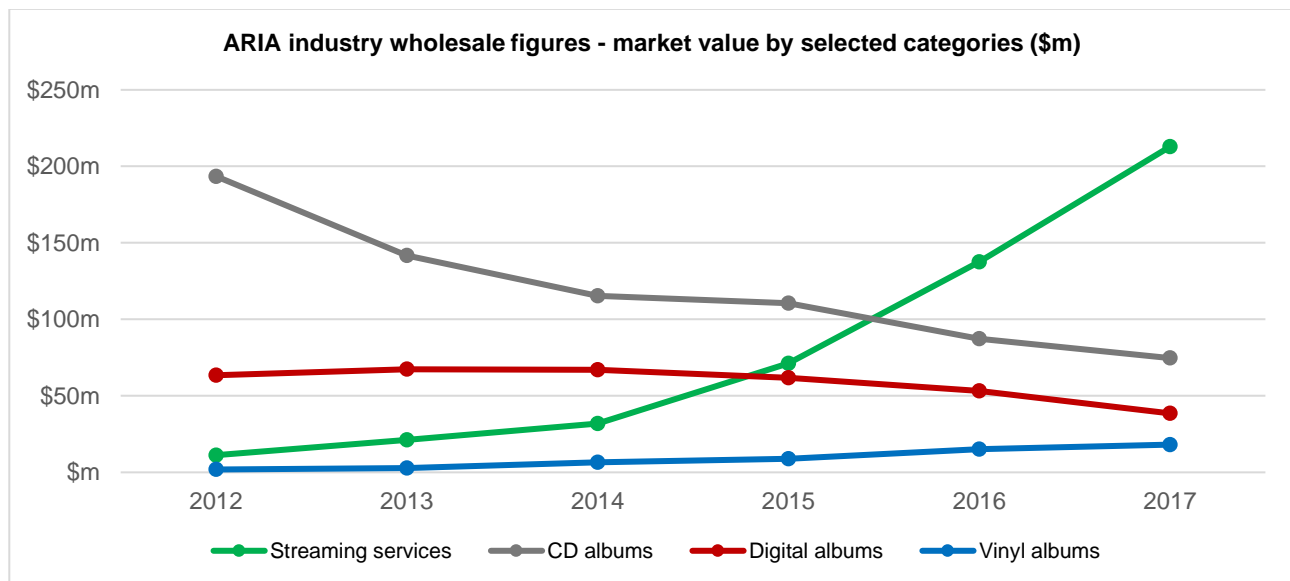
<sup>18</sup> Hughes D, Evans M, Morrow G, Keith S, 2016, *The New Music Industries: Disruption and Discovery*, Palgrave Macmillan.

<sup>19</sup> Hughes D, Evans M, Morrow G, Keith S, 2016, *The New Music Industries: Disruption and Discovery*, Palgrave Macmillan.

wholesale market, and driving 10.5% growth in revenue in 2017.<sup>20</sup> As of 2016, three in four Australians were using online music streaming services,<sup>21</sup> and in 2016–17 there were an estimated four million paid subscribers.<sup>22</sup>

Physical formats (CDs and vinyl) now account for 25% of the total market. A resurgence of vinyl (albeit from a low base) continues, increasing for a seventh consecutive year to \$18 million in 2017. And a new niche is emerging with young independent artists releasing their work on cassette tape as well as digitally.<sup>23</sup> While these formats are driving a small proportion of overall revenue, the majority of Australians (87%) continue to listen to music they have purchased online or on CD, and 90% listen to music on the radio or TV.<sup>24</sup>

### ARIA – Industry wholesale figures, 2012-2017<sup>25</sup>



Similar trends are seen in royalties revenue collected by APRA AMCOS for distribution to music artists and other copyright holders. Licence fee collections from streaming services, paid downloads, video on demand and user-generated content increased from \$68 million in 2015-16 to \$110 million in 2016-17. Currently, subscription streaming services deliver 500% more per stream to APRA AMCOS members than free (advertising supported) streaming services. Licence fee collections from broadcasters (radio and television, free and subscription) totalled \$125 million, remaining the principal source of revenue, though by a narrowing margin.<sup>26</sup>

<sup>20</sup> ARIA 2018, *Industry Wholesale Figures 2017*.

<sup>21</sup> Australia Council 2017, *Connecting Australians: Results of the National Arts Participation Survey*.

<sup>22</sup> APRA AMCOS 2017, *Year in Review 2016-17*.

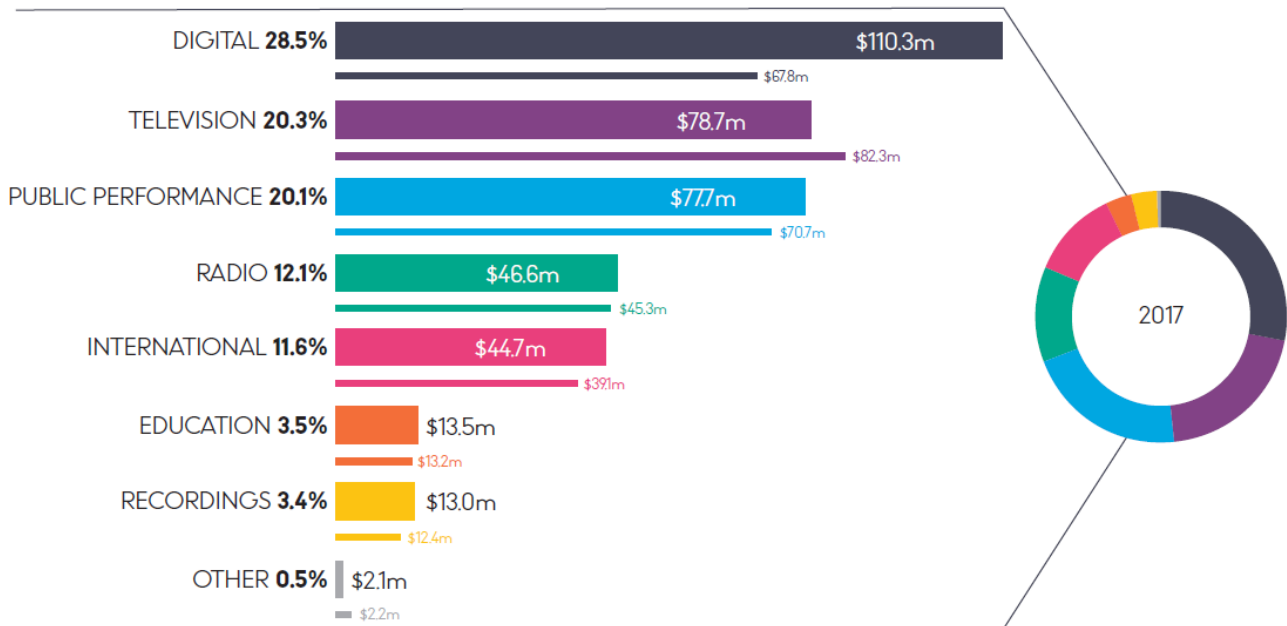
<sup>23</sup> Moodie C, 2017, *Cassette tapes making a comeback thanks to young, independent artists*, ABC.

<sup>24</sup> Australia Council 2017, *Connecting Australians: Results of the National Arts Participation Survey*.

<sup>25</sup> ARIA 2018, *Physical and Digital Sales by Value 2008–2017*.

<sup>26</sup> APRA AMCOS 2017, *Year in Review 2016–17*.

## APRA AMCOS – Licence fee and royalty revenue collected for distribution, 2016/17 vs 2015–16<sup>27</sup>



Revenue collected by the Phonographic Performance Company of Australia Limited (PPCA) in 2016–17 for broadcast, communication and public playing of recorded music increased 7% to \$50 million. According to the PPCA the increase was largely driven by improved webcasting and steaming services.<sup>28</sup>

In this environment of constantly evolving technology, audience behaviour and revenue streams, the music industry – including artists themselves – has continued to navigate change and to innovate models for creating music and connecting with audiences.

For many artists, barriers to entry have reduced and opportunities to reach audiences have increased. Australian musicians are now almost as likely to self-distribute online as they are to use established online platforms such as Spotify: a similar proportion sell their work through their own site (42%, and 22% regularly) as do through another party’s (50% and 25% regularly). Three in four (75%) promote or advertise their work through a third party’s website such as Facebook or YouTube, with almost half (45%) doing so regularly.<sup>29</sup> Platforms such as Bandcamp and Music Glue have also emerged over the last decade, promoting services that enable artists to control how they distribute and sell their work.

With the growth of streaming, digital distribution companies have emerged to provide services to ensure artists’ music appear on streaming platforms and digital stores such as Spotify, Apple Music, Google Play and iTunes. Digital distribution companies can be beneficial to independent artists when releasing and promoting music and provide different levels of service in terms of collecting royalties, publishing and synchronisation. These companies may also offer transparency and reporting that is not always available through labels and publishers.<sup>30</sup>

<sup>27</sup> *Ibid.*

<sup>28</sup> PPCA 2017, *Annual Report 2017*.

<sup>29</sup> Australia Council 2017, *Making Art Work: A summary and response by the Australia Council for the Arts*.

<sup>30</sup> APRA AMCOS 2016, *How to: Get your music on Spotify, Apple Music, iTunes and beyond*.

Playlists curated by streaming services such as Spotify or Apple Music, by users or 'tastemakers', or by algorithms, have become increasingly influential and can have huge impacts on audience exposure and increased earning potential of artists. Killo, a Melbourne-based electronic duo, were added to high-profile Spotify playlists and have gained over 15 million streams and 800,000 monthly listeners. This now means Spotify is a major income source for the band, but this is not yet a universal experience.<sup>31</sup>

Digital distribution and streaming are emphasising the role of data, and systems that draw on data to determine which music reaches which audiences, and where revenue flows.

While there are more opportunities than ever for artists to connect to audiences, it is also harder to cut through the vast sea of content, while technology increasingly disrupts and influences the ways audiences interact with music. This is compounded by some persisting audience expectations for free content, posing significant challenges to artists' rights and livelihoods.

## Live music

More than half of Australians attended live music in 2016 (54%), including opera, classical music, musical theatre, art music and contemporary popular music. This reflects the ongoing importance of music performance in the lives of Australians – whether they choose to enjoy it in a stadium, a performing arts centre, their local pub or club, at a festival, or other venue or setting. Many mix their live music experiences across genres and formats, with the largest proportion (32%) including contemporary music in the mix.<sup>32</sup>

While the overall proportion of Australians attending live music declined from 59% in 2013, there is a growing cohort attending more regularly – almost twice as many Australians attended live music at least once a month in 2016 (18%) than in 2009 (10%).<sup>33</sup>

The decline in attendance was driven by a decrease in the proportion of Australians attending live contemporary music – down from 39% in 2013 to 32% in 2016. There were decreases across most age groups, across states and territories and for both regional and metropolitan residents.<sup>34</sup> Live contemporary music in Australia is a dynamic landscape and many things can influence annual attendance numbers – including basic factors such as the number of high profile international artists' stadium tours that year. It continues to be a trend to watch.

Live music creates significant economic activity. Ticket sales generated \$991 million in 2016, with the largest proportions coming from contemporary music (\$440 million) and musical theatre (\$348 million).<sup>35</sup> In addition to ticket sales, live music also generates revenue through sources such as corporate sponsorship, merchandising, and food and

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<sup>31</sup> Lieu J 2016, [How Spotify has changed the Australian music industry](#), Mashable Australia.

<sup>32</sup> Australia Council 2017, *Connecting Australians: Results of the National Arts Participation Survey*.

<sup>33</sup> *Ibid.*

<sup>34</sup> *Ibid.*

<sup>35</sup> Ernst & Young (EY) 2017, *Live Performance Industry in Australia: 2016 ticket attendance and revenue survey*. Live music categories include: Classical Music, Contemporary Music, Festivals (Contemporary Music), Musical Theatre, Opera.

drink sales. A 2014 economic study by Live Performance Australia estimated that live music generated total revenues of \$1.7 billion in 2012, with almost half (\$0.8 billion) contributed by contemporary music.<sup>36</sup>

Smaller venues such as bars and clubs, which are often not captured in ticketing data, also support their communities through food and drink sales and employment, as well as bringing people together for localised social and cultural experiences. Live music in small bars and clubs is also considered an important incubator for new talent and support for skills development. Opportunities for musicians, venues and audiences to benefit from music in smaller venues vary around Australia, largely due to varying regulatory environments for the liquor and hospitality industries. The Australia Council has informed debate around the sustainability of this sector through various research projects including the landmark 2002 report *Vanishing Acts*<sup>37</sup> and 2011 EY report into the economic value of this sector, commissioned in partnership with industry.<sup>38</sup>

The National Live Music Office was established in 2013 to provide resources and advice around the impact of policy frameworks on the Australian live music sector. Funding for the office was initially managed and subsequently provided by the Australia Council, and the initiative has been administered by APRA AMCOS. After five years, APRA AMCOS is currently undertaking a review into the future operations of the Live Music Office to inform how best to build on its achievements to date.

## Festivals

Festivals deliver benefits for both artists and audiences. In their diverse forms they provide opportunities for Australians to experience a wider variety of art than usual, and opportunities for artists to showcase their work. Festivals bring people and communities together in immersive arts experiences, allowing audiences to graze on a range of offerings. Data collected for the first time showed that 45% of Australians attended arts festivals in 2016, and music festivals were the most popular, attended by one in four Australians (27%). Males and younger Australians are the most likely to attend music festivals (31% of males and 47% of those aged 15 to 24 years).<sup>39</sup>

While in recent years there has been a reduction in the number of large-scale touring music festivals in Australia, there is also a growing number of events catering to a wider range of interests and tastes. For example, Bendigo International Festival of Exploratory Music saw its audience grow by 400% within a few years of its launch in 2013.<sup>40</sup> Similarly, UNIFY Gathering heavy music festival in regional Victoria began in 2015 with 3,000 attendees and currently has plans to expand capacity to 15,000 in 2020.<sup>41</sup>

The Australia Council regularly funds artists and projects to appear in larger festivals through its grants programs. In addition, festivals themselves are also funded.

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<sup>36</sup> Ernst & Young (EY) 2014, *Size and scope of the Live Performance Industry*.

<sup>37</sup> Homan S, Johnson B 2002, *Vanishing Acts: A report on the live music sector in New South Wales*.

<sup>38</sup> Ernst & Young (EY) 2011, [Economic contribution of the venue-based live music industry in Australia](#)

<sup>39</sup> Australia Council 2017, *Connecting Australians: Results of the National Arts Participation Survey*.

<sup>40</sup> *Ibid.*

<sup>41</sup> Williams T 2018, [Unify Gathering Reportedly Planning To Expand Crowd Capacity By Thousands in 2019 & 2020](#), Music Feeds.

### **Barunga festival**

Barunga Festival takes place in the Barunga community, one hour's drive from Katherine and has been running for 32 years showcasing remote First Nations Australia. It attracts audiences of several thousand for a weekend of music, culture and sport and is one of the leading community festivals in northern Australia. The contemporary music program provides the opportunity for remote community musicians to perform in front of wider audience and for territory musicians to collaborate with nationally and internationally recognised musicians. Australia Council funding supported the 2018 Festival.

### **Wangaratta Festival of Jazz**

Since its establishment in 1994 the Wangaratta Festival of Jazz has grown to become an internationally renowned event, attracting around 25,000 visitors, and more than 200 jazz and blues artists from the USA, the UK, Europe and Australia. With a diverse, eclectic mix of jazz greats and rising stars, each year the program showcases jazz and blues of all styles, including original, contemporary, traditional, mainstream, experimental and improvised. A central feature remains the National Jazz Awards; a competition designed to encourage and promote young musicians. The Festival has received funding from the Australia Council over many years.

### **Umbrella: Winter City Sounds**

Umbrella: Winter City Sounds is a three week live music program held in July in Adelaide with over 250 performances staged across hotel venues and unusual locations. Focussing on local South Australian talent, the program is created at a grass roots level by artists, venues and promoters who choose to take a risk and showcase live music during winter. It is planned, facilitated and marketed by Music SA. The Australia Council provided funding for the inaugural Umbrella festival in 2016.

## **National and regional touring**

Regional touring is an important part of the Australian music landscape and along with international engagement, is emerging as a key success factor for the sustainability of Australian arts and artist careers. Over half of regional Australians attended live music in 2016.<sup>42</sup> This engagement enriches lives and assists in creating stronger, healthier and more cohesive communities.

Almost one in five musicians live in regional cities or towns and 8% live in rural or remote areas. The music of regionally-grown musicians captivates audiences locally, in major cities and around the world.

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<sup>42</sup> Australia Council 2017, *Connecting Australians: Results of the National Arts Participation Survey*.



Around 60% of musicians had a professional engagement interstate between 2010 and 2015.<sup>43</sup> Live touring within Australia remains a critical way for artists to connect with audiences and develop their craft. However touring beyond east coast capital cities can present a number of challenges including the significant distances to travel between population centres, haphazard performing opportunities and marketing.

Australia Council grants are an important means of supporting touring activity. The Australia Council also delivers the government initiatives Playing Australia and the Contemporary Music Touring Program which provide support for artists to perform in regional and remote locations. The Contemporary Music Touring Program (CMTP) supports national touring activity undertaken by Australian musicians performing original contemporary music. It provides travel support of up to \$15,000 for artists and their manager for tours in Australia that include performances in regional and remote areas.

### ***Supporting regional touring: the Contemporary Music Touring Program***

#### **Sand Tracks**

Each year the Sand Tracks program tours a high-profile and an emerging First Nations band across three state and territory borders, through the central desert region of Australia.

The tour benefits the touring sector, the bands, individual musicians and communities. It links circuits from Western Australia to the Northern Territory, allowing for music exchange and the development of touring infrastructure along the way. It builds on existing events, strengthens networks and organisations, creates opportunities for young musicians to develop their craft and gives them the chance to gain business contacts and to perform to a wider audience.

An evaluation of the program found that 98% of Aboriginal audience members rated the performance as excellent and 100% rated the workshops as excellent and requested workshops in further years. All interviewees indicated Sand Tracks performance provided a range of positive benefits including inspiration for young people.

#### **All Our Exes Live in Texas**

All Our Exes Live in Texas undertook a successful national album release tour of five states Australia, promoting the release of their debut album *When We Fall*. With the aid of an Australia Council grant the band extended themselves nationally, progressing to larger venues and reaching more than 4,500 paying audience members across the country.

Touring across, NSW, Qld, WA to regional Victoria and Tasmania, All Our Exes Live in Texas noted a particularly strong connection with audiences in regional areas, due to widespread ABC local radio and community radio airplay, and the band observed that regional audiences are: *'always particularly enthusiastic about the band's live shows as they have less exposure to regularly touring artists.'*

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<sup>43</sup> Australia Council 2017, *Making Art Work: A summary and response by the Australia Council for the Arts*.

## Making a living in the music industry

In a work environment where the ‘gig economy’ is considered a growing labour trend across sectors and industries, musicians (the original ‘gig’ workers) are increasingly working on a freelance or self-employed basis – 86% did so in 2014–15, up from 67% in 2007–08.<sup>44</sup>

Average total income for musicians is below the Australian workforce average, and income from creative work has declined substantially. In 2014–15, the average total income for musicians (from all sources) was \$52,900 and for composers \$56,200 – below the average income for the Australian workforce of \$61,600 and well below that of other roles that require qualifications and experience such as professionals (\$82,400) and managers (\$91,700).<sup>45</sup>

Creative income has declined by 34% for musicians and 40% for composers since 2007–08. It now generates around a third of income for both, although it continues to account for half of their working time. The majority of both musicians (65%) and composers (64%) earn less than \$10,000 from creative work. Only 10% of musicians and 13% of composers earn more than \$50,000 from creative work.<sup>46</sup>

On average, musicians rely on income from non-arts work for the largest proportion of their income, while composers generate the largest proportion of their income from arts-related work. Teaching is the most common type of arts-related work for both musicians and composers.<sup>47</sup>

Looking at income sources in detail, musicians and composers mostly rely on freelance work, royalties and advances. The most common sources of income for musicians are freelance contracts (reported by 42% of musicians), followed by royalties and casual employment (each reported by 38% of musicians). The most common income sources for composers are royalties and advances (reported by 69% of composers), and fees, commissions and retainers (41% of composers).<sup>48</sup>

Accelerated change and automation across the workforce is likely to prioritise transferable skills, diverse perspectives, and lifelong learning for adapting skills and building new capabilities – all embodied in the working lives and professional practice of artists. Expanding opportunities to create art in new ways and industries, and apply artistic skills outside the arts, could prompt a revaluing of the crucial role of artists as professionals, and recognition of the immense growth potential of the arts more broadly.

However the decline in incomes for musicians and composers, particularly from creative work, is at odds with the importance of music in the daily lives of Australians. It highlights the need to ensure policy and regulatory settings keep pace with change. This is underpinned by the need for greater universal acknowledgment that artists should receive

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<sup>44</sup> Australia Council 2017, *Making Art Work: A summary and response by the Australia Council for the Arts*.

<sup>45</sup> *Ibid.*

<sup>46</sup> *Ibid.*

<sup>47</sup> *Ibid.*

<sup>48</sup> *Ibid.*

fair compensation for their work and that they contribute significantly to the health and success of our nation.

### International opportunities

Through the arts, Australian stories and perspectives are shared with the world. The arts are a powerful tool for building national identity, cultural exchange and cultural diplomacy. International demand for Australian arts can provide a vital source of income for Australian artists, supporting them to keep making great Australian art.

Australian music and musicians have always had strong international traction, from Nellie Melba to Courtney Barnett, via the Easybeats, Olivia Newton-John, INXS and countless others. The success of Australian songwriters on the global stage continues, with royalties from overseas for performing rights doubling since 2013 to \$43.5m in 2017.<sup>49</sup>

Australian music artists are strongly engaged internationally. Almost 40% of musicians and 50% of composers had a professional engagement overseas between 2010 and 2015.<sup>50</sup> There have been notable collaborations between Australian and international artists, such as Courtney Barnett's 2017 album and North American tour with US singer/songwriter Kurt Vile.

#### ***International traction:***

##### **The Necks**

Described by the *LA Times* in 2016 as '*among the world's greatest forces in music*<sup>51</sup> improvising trio The Necks have built a strong global following for their unique post jazz music. Among the support provided by the Australia Council, was funding for their first tour to Japan in 2016. The tour was managed by the prestigious Tokyo Jazz Festival and included collaborations with local musicians and performances in Sendai and Nagoya. The tour was highly successful and opened up a new market for the group.

##### **Katie Noonan and The Brodsky Quartet**

Singer Katie Noonan was supported by an Australia Council grant for a significant creative collaboration with UK string quartet The Brodsky Quartet. Both Noonan and the Brodsky Quartet have a long history of blurring the boundaries of style and genre. This project saw ten contemporary Australian composers – including Liza Lim, Elena Kats Chernin, Carl Vine, Paul Grabowsky – commissioned to create new works setting the poetry of Judith Wright to music. The works were recorded by Noonan and the Quartet and released to critical praise, and there was a subsequent successful national concert hall tour.

<sup>49</sup> APRA AMCOS 2017, *Year in Review 2016-17*.

<sup>50</sup> Australia Council 2017, *Making Art Work: A summary and response by the Australia Council for the Arts*.

<sup>51</sup> Frere-Jones S, 2016, *The Necks and vortex of sound that makes the jazz trio among the world's greatest forces in music*, Los Angeles Times.

### **Julia Jacklin**

Singer songwriter Julia Jacklin was funded by Council grants for two international tours through North America and UK/Europe to support the release of her debut album *Don't Let The Kids Win*. The album featured on numerous 'best of year' lists in 2016, with Jacklin nominated for APRA Australian Song of the Year, Album of the Year at the Triple J Awards, and featuring on the prestigious USA National Public Radio (NPR) *Tiny Desk* series. Over 26 dates Jacklin performed at five US festivals, as well as headline shows in Berlin, Dublin, Rotterdam and Paris; a festival in the Netherlands; as well as media in London, Nottingham, Bristol and Manchester. This tour was key to establishing Jacklin's presence internationally and she is now working on new material for a follow up album.

The Australia Council is committed to the development of international markets for Australian music.

The Council's primary funding for the international market development of music is through our Four Year Funding program, that is, a multi-year grant of \$300,000 per annum to copyright collecting society APRA|AMCOS to manage the SOUNDS AUSTRALIA export market development initiative.

SOUNDS AUSTRALIA aims to raise the profile of Australian contemporary music in key international markets by supporting Australian artists and businesses attending and showcasing at an annual program of international market events covering popular music, classical music, jazz, folk, and electronic dance music. In total, 783 Australian artists have showcased internationally with SOUNDS AUSTRALIA since its establishment in 2009. SOUNDS AUSTRALIA was created as a joint initiative of the Australia Council and APRA|AMCOS, and receives additional support from the Australian Government together with state government agencies and peak industry associations.

In addition to its live showcasing activities, SOUNDS AUSTRALIA has recently created a new Digital Export Music Producer role to investigate the opportunity and potential of increasing the number of Australian artists included in overseas curated digital playlists on services like Spotify and Apple Music.

The Australia Council also provides Four Year Funding support for the annual BIGSOUND conference and the Electronic Music Conference, which both provide platforms for showcasing Australian artists to national and international buyers and potential business partners.

## First Nations music

The uniquely Australian stories of the longest continuous art and culture makers on earth are at the heart of Australia's narrative and cultural identity, and provide a rich contribution to the world's culture. First Nations arts are contemporary expressions of rich knowledge systems and unbroken storytelling stretching back for millennia.

First Nations artists make a significant contribution to the vibrancy of Australian arts and culture at home and internationally. The achievements of First Nations artists are well represented in Australian arts awards and have a proportionally higher presence at international arts events than other Australian artists.<sup>52</sup> Almost all Australians agree that First Nations arts are an important part of Australia's culture and seven million Australians attended First Nations arts in 2016 – double the number in 2009.<sup>53</sup>

First Nations arts encompass classical, traditional and contemporary practice, including all new forms of cultural expression, across urban, regional and remote areas.

Contemporary First Nations Australian music and musicians span all forms and genres: from Archie Roach's 30-plus year career as a singer-songwriter, traversing themes of love, family and culture; to composer and instrumentalist William Barton, who has created works for didgeridoo, orchestras, string quartets, jazz groups and rock bands; to Kardajala Kirridarra, a quartet of women blending electronica, vocals sung in both Mudburra and English, and sampled sounds from the desert including seed pods and summer thunderstorms.

### ***National and international success: First Nations music artists on the world stage***

First Nations music plays a critical role in Australia's music identity, both nationally and globally. Just some of the artists who have achieved significant critical and commercial success include:

**Jessica Mauboy**, who has sold over 2.5 million units in Australia, achieved 14 Top 30 hit singles and received two ARIA awards. She has performed with international artists including Beyoncé and has also established a successful career in film and television.

**Dan Sultan**, who has continued to achieve commercial and critical success since his debut in 2006. His 2014 EP *Blackbird* was ARIA Gold certified and his 2017 album *Killer* has debuted at #5 on the ARIA charts. He has been a recipient of Album of the Year at the National Indigenous Music Awards and has won three ARIA awards including Best Rock Album. Sultan has performed at music festivals across Australia and has appeared in the 2009 film *Bran Nue Dae*. Over the course of his career the Australia Council has provided funding for Dan Sultan on many occasions, most recently for a regional tour of Qld.

**Gurrumul**, who has been recognised as one of the greatest voices in Australian music and is the biggest selling Australian First Nations artist in history. A multi-instrumentalist, Gurrumul has won five ARIA awards, His debut album was certified triple platinum and

<sup>52</sup> Australia Council for the Arts 2015, *Arts Nation: An overview of Australian arts*.

<sup>53</sup> Australia Council 2017, *Connecting Australians: Results of the National Arts Participation Survey*.

in 2012 and his 2011 single *Bayini* was the first Indigenous language single to reach the Australian top five. His final album *Djarimirri* was released to critical acclaim in 2018.

**Briggs**, who has achieved success as a hip-hop artist, record label owner and actor. He received the Hip Hop Artist of the Year for 2012 at the Deadly Awards, has collaborated with artists such as Hilltop Hoods and has supported acts including American rapper Ice Cube on his Australian tour. He founded his own record label in 2015, signing First Nations hip-hop artists. Beyond music Briggs has also appeared in several TV series, both as a writer and actor. The Australia Council has provided funding for Adam Briggs to develop his fourth solo album, spending time working with prestigious producers in the USA.

Australians are increasingly attending music performed by First Nations Australians. One in six (16%) attended in 2016, more than double the attendance in 2009 (8%), and up from 10% in 2013. Attendance was particularly high among males, young people (aged 15 to 24 years), people with disability, and people who identified as culturally or linguistically diverse.<sup>54</sup> A range of initiatives help to identify new talent and expose audiences to vibrant activity, such as the National Indigenous Music Awards and Sand Tracks remote Aboriginal music touring program.

However First Nations performing arts, including music, are under-represented in Australia's mainstream venues and festivals, despite the fact that presenters described contemporary First Nations music as an accessible option to build audiences for First Nations arts.<sup>55</sup> A 2010 research project, *Song Cycles*, highlighted barriers to market entry, limited opportunities, and the challenges of working life for First Nations musicians.<sup>56</sup> There were 1,284 First Nations members of the collecting society for Australasian music copyright holders in 2016–17, APRA AMCOS, or 1.1% of total membership.<sup>57</sup>

For First Nations Australians, First Nations arts engagement supports empowerment, community connectedness and wellbeing. One in ten First Nations people aged 15 years and over performed First Nations music, dance or theatre in 2014–15, on par with 2008 levels. Those who speak or understand an Indigenous language were more likely (23%) than those who do not (4%) or who speak or understand only some words (11%). First Nations people in remote areas were also more likely to perform music, dance or theatre (13%) than those on regional areas (9.4%) or major cities (8.9%).<sup>58</sup>

In many remote First Nations communities, arts and cultural production provides the only feasible pathway towards long-term economic and cultural sustainability. *Integrating Art Production and Economic Development in the Kimberley* (2016) reports on an early stage of Macquarie University's National Survey of Remote Aboriginal and Torres Strait Islander Artists. The results indicate that Indigenous cultural capital is an unrealised resource, with significant numbers of artists willing to work on cultural production who are not currently able to do so – including First Nations musicians and performing artists. Two thirds of

<sup>54</sup> Australia Council 2017, *Connecting Australians: Results of the National Arts Participation Survey*.

<sup>55</sup> Australia Council 2016, *Showcasing Creativity: Programming and presenting First Nations performing arts*.

<sup>56</sup> Howland S & Williams E 2010, *Song Cycles*, Australia Council for the Arts & APRA|AMCOS.

<sup>57</sup> APRA AMCOS 2017, *Year in Review 2016-17*.

<sup>58</sup> Australia Council 2017, *Living Culture: First Nations arts participation and wellbeing*.

Kimberley artists have performed music, dance or theatre and one third are currently paid to do so. Almost all survey respondents very strongly agreed that artistic activities such as music, dance, painting and writing can provide jobs and incomes for young people in their communities.<sup>59</sup>

### **Long term support: CAAMA Music**

Based in Alice Springs, CAAMA Music is part of the broader Central Australian Aboriginal Media Association group which has been owned and operated by Indigenous Australians since 1980. CAAMA Music is committed to working with First Nations Australians at a community level, training, developing and nurturing the talents and skills of artists and music industry workers through recording, performance, distribution and publishing. CAAMA Music continues to build on its significant catalogue of recordings by First Nations artists and with the support of the Australia Council's Four Year Funding program has developed and released new work by artists including Alice Skye, Apakatcha and KnD.

### **Gender representation**

While there are strong levels of female engagement with music, the industry remains male-dominated.

Females have high levels of participation in music and attend, listen and create music in similar numbers to males. Over half of Australian women attend live music (53%, compared to 56% male), almost all choose to listen to music (97%) and one in eight women create music (13%, compared to 18% male).<sup>60</sup>

Gender balance is improving in the professional music population. The proportion of female musicians has grown from 31% in 2001 to 45% in 2016. The proportion of female composers has grown from 20% in 2001 to 40% in 2016.<sup>61</sup>

However, while females have high levels of music participation and are now almost equally represented in the population of professional musicians and composers, they remain under-represented in terms of industry decision making and recognition. A number of recent studies have highlighted the gender imbalance in the music industry including Triple J's Hack *By the numbers* analysis of women in music,<sup>62</sup> RMIT University research on

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<sup>59</sup> Throsby D & Petetskaya K, 2016, *Macquarie Economics Research Papers: Integrating Art Production and Economic Development in the Kimberley*. Research Paper 2/2016. Macquarie University.

<sup>60</sup> Australia Council 2017, *Connecting Australians: Results of the National Arts Participation Survey*.

<sup>61</sup> Australia Council 2017, *Making Art Work: A summary and response by the Australia Council for the Arts*.

<sup>62</sup> Triple J Hack 2018, *By the numbers 2018: The gender gap in the Australian music industry*.

*Australian Women Screen Composers: Career Barriers and Pathways*<sup>63</sup> and University of Sydney's Business School's *Skipping a Beat* report.<sup>64</sup>

There are few female board members of music peak bodies – in 2017, there were no women on the boards of the Australian Recording Industry Association (ARIA) or the Association of Independent Record Labels (AIR), and women are underrepresented on the boards of all other national music industry peak bodies. Almost eight in ten APRA members are male.

Female musicians were also largely underrepresented in the major Australian music awards in 2017. Females or acts with at least one woman accounted for around one third of ARIA awards and Australian Music Prize nominees. Triple J's J award was the exception, where females represented 55% of nominees.

In response to research findings on gender disparity within the music industry, there have been a range of industry responses. APRA AMCOS introduced a raft of new initiatives in 2017 to address the imbalance, industry organisations such as AIR have ensured boards are more gender balanced and a new initiative, funded by the Australia Council, the Australian Women in Music Awards, is to be held in October 2018 and will recognise the significant achievements and contributions of women in the music industry.

In the Australia Council's June 2018 grants round, 73% of music grants awarded to individual artists were awarded to women. This was a significant increase from previous rounds – women were awarded 45% of music grants between 2015 and 2017.

There is opportunity to strengthen the sector through increased representation of women at all levels of the industry, and greater recognition of their contributions and achievements.

## CRITICAL FOUNDATIONS

A range of infrastructure and support mechanisms enable the Australian music industry to remain resilient in a challenging and rapidly changing environment.

### Copyright

Incentives for the creation and production of artistic works and protection of creators' rights are fundamental to maintaining a diverse and sustainable Australian arts sector. The *Copyright Act 1968* (Copyright Act) is primarily designed to protect the economic rights of creators, through the original expression of creativity rather than an idea.<sup>65</sup> The Australian Copyright Act gives songwriters and composers the right to control how their music is used and ensures they are appropriately remunerated. While income is not the only motivation for artists to create new work, having access to income through copyright helps artists

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<sup>63</sup> Strong, C & Cannizzo, F 2017, *Australian Women Screen Composers: Career Barriers and Pathways*.

<sup>64</sup> Cooper, R, Coles, A Hanna-Osborne, S 2017, *Skipping a beat: Assessing the state of gender equality in the Australian music industry*

<sup>65</sup> Stewart A, Griffith P, Bannister J, Liberman A, 2014, *Intellectual Property in Australia* (5<sup>th</sup> ed), 131.



build a sustainable career. Our nation has a moral commitment to artists owning and being able to exploit their intellectual property.

Current intellectual property arrangements lead to the creation of a diverse range of Australian creative work which is available for audiences to enjoy nationally and internationally. Emerging and experimental artists continue to innovate and create new work through the existing framework.

Australia's copyright industries generated economic value of \$122.8 billion in 2015–16, the equivalent of 7.4 percent of gross domestic product (GDP). The core copyright industries of music, theatrical productions and radio and television contributed significantly with value of \$10.5 billion and \$21.2 billion respectively.<sup>66</sup>

Three in four musicians (74%) are members of copyright collecting societies with one in two (48%) receiving payment in 2016; and 93 percent of composers are members, most of whom received payment in 2016.

Almost two in three musicians and three in four composers believe the current provision for copyright protection is adequate. One in five musicians (19%) and 29% of composers reported having had their copyright infringed. Of those who have taken action or sought compensation for copyright infringement, musicians have the highest reported success rate at 82% compared to 33% of composers.<sup>67</sup>

The decline in artist incomes, particularly from creative work, combined with ongoing experience of copyright infringement, highlights the need to ensure policy and regulatory settings keep pace with change in order for artists to receive fair compensation for their work.

### ***Promoting the benefit of copyright: the Australian Copyright Council***

The Australian Copyright Council is an independent, non-profit organisation representing the peak bodies for professional artists and content creators working in Australia's creative industries and Australia's major copyright collecting societies.

The Copyright Council provides accessible and affordable legal advice and education on copyright law for Australian content creators and consumers. In addition it advocates for the contribution of creators to Australia's culture and economy and promotes understanding of copyright law.

The Copyright Council receives multi-year funding from the Australia Council.

### **Collecting systems and agencies**

Australia has long-established and highly credible music copyright collecting societies in APRA AMCOS and PPCA.

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<sup>66</sup> PwC 2017, *The Economic Contribution of Australia's Copyright Industries*.

<sup>67</sup> Throsby, D & Petetskaya, K 2017, *Making Art Work: An Economic Study of Professional Artists in Australia*.

APRA AMCOS licences organisations to use members' music, and distribute royalties back to songwriters, composers and music publishers. APRA AMCOS has over 100,000 members and is internationally affiliated with similar collecting societies. These reciprocal agreements ensure royalties are collected and paid to members from around the world.

PPCA grant licences for the broadcast, communication and public playing of recorded music and distributes licence fees to recording artists and their record labels.

Both organisations distributed record revenues to members in 2016–17 (APRA AMCOS \$336 million,<sup>68</sup> PPCA \$43 million<sup>69</sup>) and provide valuable support services to Australian artists including grants, initiatives and professional development opportunities.

APRA AMCOS and PPCA are strong advocates for creator's rights and have extensively engaged on recent important issues of copyright protection and reform.

The Australia Council maintains strong working relationships with both organisations, collaborating on various sector initiatives and funding programs.

### ***Reaching new audiences: Chapter Music***

In 2017, one of Australia's longest running independent record labels Chapter Music, became the first Australian label to sign a worldwide distribution deal with respected US company Secretly Distribution. This arrangement will see Chapter and its artists reach new audiences at home and internationally. To assist with the additional costs associated with this significant growth, the Australia Council provided funding which will support production and marketing of new releases by Australian acts Montero, Totally Mild, Twerps, Laura Jean, The Goon Sax and Gregor.

## **Funding**

Funding from government provides a vital contribution to the Australian music industry, championing and supporting Australian artists at key points in their careers – nurturing new talent, providing opportunities for emerging artists to innovate and flourish, sustaining and developing mid-career artists, and celebrating and backing established artists.

The Australia Council invests in the Australian music industry by supporting composers, musicians and organisations to create new music and present it to audiences, and provides important opportunities for music innovation, risk-taking and experimentation.

### ***Opening doors to global success: VASSY***

A number of Australian musicians whose careers have been supported by the Council experienced chart-topping success in 2017–2018. In October 2018, Darwin-born artist VASSY had her fifth US number one track on the Billboard Dance chart. One of the most

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<sup>68</sup> APRA AMCOS 2017, *Year in Review 2016-17*.

<sup>69</sup> PPCA 2017, *Annual Report 2017*.

highly sought-after vocalists around the world in dance music, VASSY has an impressive track record of multi-platinum records and prolific collaborations, and started her own label imprint through Sony records this year. A Council grant funded VASSY's first demo tape, opening doors to her future success:

*'The completion of the project opened up doors, it led me to having a label licence and then financed the video clip which ended up getting me a lot of airplay. It also led me to a record deal, increased my fan numbers and really was the starting point for me in my career.'*

The Australia Council funds all types of music practice and aims to reflect and promote the diversity, excellence and energy of contemporary Australian musical culture.

Along with our peer assessed grants program the Australia Council delivers music initiatives including:

- **Playing Australia:** the Australian Government's regional performing arts touring program, which provides grants to tour professionally produced performing arts to regional and remote communities.
- **Contemporary Music Touring Program:** an Australian Government initiative administered by the Council which assists Australian musicians to tour original contemporary music to regional and remote areas.
- **PPCA-Australia Council partnership:** a five year initiative to support Australian artists to create new sound recordings.
- **Residencies and international development:** international residencies and strategic development activity which build markets for Australian music overseas and enable Australian composers and musicians to develop their practice.

### ***Music business hub: Nashville Songwriters' Residency***

The \$15,000 Nashville Songwriters' Residency was established in 2013 to allow Australian songwriters to immerse themselves in the Nashville music scene for a concentrated period of time and develop their writing skills and industry networks and relationships. Nashville-based Mark Moffatt, one of Australia's most successful producers, mentors the successful songwriter during their residency. The 2018 recipient was Queensland artist Josh Rennie-Hynes who has now relocated to the US to focus on recording his third album. Past recipients include Larissa Tandy, Ben Wright Smith, Travis Caudle and Chris Altmann.

Singer songwriter Rebecca Chilcott, aka Ruby Boots, received the Australia Council's Nashville residency in 2016. Since the residency Chilcott has signed with a US record label and released a new album as well as touring internationally with additional Australia Council support.

### **Strategic partnership opportunities: UKARIA music residency**

In June 2018, the Australia Council announced the first recipients of a new residency offered to composers and musicians through a partnership with UKARIA Cultural Centre in the Adelaide Hills. The strong pool of applicants is a testament to the value of opportunities like this, created through strategic partnerships. The \$20,000 residency program provides invaluable time and space for two creative teams to develop their musical practice and create new work. Composer Gordon Hamilton and beatboxer Tom Thum will be the first to benefit from this residency, heading to the Centre in September 2018, followed by Sydney-based composer Nick Wales in November 2018 with an international interdisciplinary team that includes Japanese sculptor Shun Ito.

Australia Council funding is a component of overall funding for music, music theatre and opera from the Australian Government, which totalled \$99.6 million in 2016–17, while state and territory governments provided \$77.6 million.<sup>70</sup> The Australian Government also provides funding for two music training organisations, the Australian National Academy of Music and the Australian Youth Orchestra. Further support for music is available through local government funding programs.

A number of state agencies have specific opportunities and strategies to support contemporary music. Both South Australia and Victoria have recently established significant new programs with a creative industries focus and will provide both a range of dedicated grant programs to artists as well as business development services for music enterprises and organisations. Music hubs are a growing area of state and local government investment. These are dedicated spaces which aim to bring together music organisations and businesses providing subsidised office space, training rooms and other areas.

In the Australia Council's most recent funding round (June 2018), music had a particularly high proportion of unfunded excellence – projects that would be funded if more budget were available. There were 43 applications that were considered to be 'excellent' by the peers, but could not be supported given the budget. An additional \$1 million would be required in the June 2018 round to fund all music applications peers considered 'excellent'.

The social and economic returns on investing in our arts and artists are enormous and cross government portfolios. High levels of unfunded excellence demonstrate the untapped potential for increased public and private investment to realise greater cultural ambitions for Australia, and to increase the benefits of the arts for all Australians.

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<sup>70</sup> Meeting of Cultural Ministers Statistics Working Group 2018, *Cultural funding by government 2016–17*

## Broadcasters

Social media, recommendation engines, and streaming playlists have introduced new means for people to discover music. However 90% of Australians continue to listen to music on radio or television.<sup>71</sup>

National broadcasters continue to play an important role in supporting the Australian music industry and championing Australian artists through radio, television and their involvement in music festivals and events.

The ABC's national music radio stations Triple J and ABC Classic FM reach large weekly audiences of two million and 0.7 million respectively and there are also significant audiences for the ABC digital music stations Double J, Triple J Unearthed, ABC Jazz and ABC Country.<sup>72</sup>

Triple J has strong engagement with younger audiences and a large social media presence. Established events such as the *Hottest 100 countdown* continue to grow - a record number of 2.2m votes were cast in 2017 and the event reached almost four million people on Facebook. *Triple J Unearthed* is one of Australia's leading platforms in supporting new, independent local music with top artists such as Flume, Amy Shark and Tash Sultana all discovered on *Unearthed*.<sup>73</sup>

ABC Classic FM also supports leading young artists through events including the annual ABC Young Performers Awards and broadcasting live from the Sydney International Piano Competition.

Overall, ABC radio has strong levels of audience satisfaction:

- 72% of people believe the ABC provides quality programming on radio
- 78% of people consider the ABC encourages and promotes Australian performing arts such as music and drama.<sup>74</sup>

ABC Music is an established independent record label in the Australian market and release best-selling albums across multiple genres in both physical and digital formats.<sup>75</sup>

Community radio is also a vital part of the Australian music industry. There are more than 450 community radio stations broadcasting across the country to over 5 million people. Many stations such as FBi Radio (Sydney) and Triple R (Melbourne) support and develop new, local, independent Australian music. The Community Radio Codes of Practice ensures that Australian music is a significant part of all music programming with stations committed to broadcasting at least 25% Australian music. The diversity of music available on community stations is a main driver for audiences.<sup>76</sup>

The Australian Music Radio Airplay Project (Amrap) was established by the Federal Government in 1998 to ensure the distribution of new Australian music to community

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<sup>71</sup> Australia Council 2017, *Connecting Australians: Results of the National Arts Participation Survey*.

<sup>72</sup> ABC 2017, *Investing in Audiences Annual Report 2017*.

<sup>73</sup> *Ibid.*

<sup>74</sup> *Ibid.*

<sup>75</sup> *Ibid.*

<sup>76</sup> Community Broadcasting Association of Australia 2018, *Community Radio National Listener Survey 2018*.

radio stations nationwide - helping broadcasters promote music on air and online. Over the past two decades the service has supported thousands of artists, distributing over a million Australian music tracks to community radio for airplay. Amrap has proven to be effective providing a highly valued service for artists, music businesses and community broadcasters.

Each broadcasting sector maintains self-regulated minimum Australian content quotas or commitments, which are critical to ensuring Australian audiences are able to access the work of Australian artists and helps to develop and reflect a sense of Australian identity, character and cultural diversity. There have recently been public debates about the monitoring and compliance of the commercial broadcasters' quota, and calls for quotas to be applied to streaming services.<sup>77</sup>

## LOOKING TO THE FUTURE

A range of developments – imminent or on the horizon – are outlined below, as they are likely to further impact the growth and sustainability of the Australian music industry.

### **New models of support**

While grant funding is highly sought after by the sector, other models of support for music projects may be equally valued and present supplementary opportunities. In particular the Australia Council's work developing a trial micro loans scheme is likely to have critical application for the music sector, given its similarity to other means of fundraising in music such as advances and crowdfunding.

### **Developments in copyright law**

Potential amendments to the EU copyright legislation which aim to update copyright for the digital age could have major impacts on the global music industry. The proposed changes to EU legislation would mean social media and technology companies such as Facebook and YouTube would need to ensure licences are obtained in order to host music content and would therefore be liable for copyright infringement. The changes will enhance protection for copyright owners and creators and have been welcomed by music industry organisations including APRA AMCOS and Australian Independent Record Labels Association (AIR).<sup>78</sup>

Meanwhile in August 2018, APRA AMCOS announced a landmark agreement with Facebook that will see Australia, New Zealand and international songwriters, composers and music publishers remunerated for the use of their music on Facebook, Instagram, Oculus and Messenger. As part of the agreement, APRA AMCOS and Facebook will work together to develop its rights reporting system.<sup>79</sup>

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<sup>77</sup> APRA AMCOS 2018, [Submission to Senate inquiry into Australia content](#).

<sup>78</sup> Reid, P 2018, [The EU's new copyright law could change the entire music industry](#), The Industry Observer.

<sup>79</sup> APRA AMCOS 2018, [Australian and NZ Facebook users now covered by music licensing deal with APRA AMCOS](#).

## Distributed ledger technologies

Blockchain is a new distributed ledger technology that may have significant impacts on the music industry. Blockchain allows creators to store content on digital ledger and provides control, trust and transparency around transactions. Musicians and music organisations have been quick to experiment with the technology. Like many industries the potential impacts are still being understood however the technology's capacity to increase the speed and transparency of transactions is of particular interest.

## Continued disruption

Ongoing developments in technology are likely to continue to affect how music is created and experienced in the future, and potentially the business models that support the music industry. While it is hard to predict where the next developments may lead, nascent projects provide some hints at possibilities.

Virtual Reality (VR) and Augmented Reality (AR) are current areas of development. The music platform MelodyVR recently launched an app in the US and UK which offers music fans a selection of immersive performances including live streaming concerts via virtual reality. MelodyVR has secured partnerships across the industry, including major labels Warner Music, Sony Music and Universal Music, as well as independent labels and publishers.<sup>80</sup>

Smart speakers such as Amazon Echo, Google Home and Apple Homepod are relatively new technologies but are already changing music consumption. Driven by artificial intelligence (AI) assistants responding to user requests, the most popular use for almost two thirds of owners in the UK and US is music selection and streaming, ahead of news and weather updates. Smart speakers will likely impact many areas of the music industry, from driving growth in streaming services and radio listenership to creating challenges with marketing and metadata. With an estimated 27 million units sold globally in 2017, industry research is forecasting huge growth in the immediate future.<sup>81</sup>

The degree to which these and other developments may impact on the growth and sustainability of the Australian music industry is yet to be seen. It is likely that the sector will continue to respond to each new challenge and opportunity with characteristic adaptability and resilience, aided by the critical foundations that continue to support it.

Throughout waves of disruption, music artists are responsive and adaptive and remain the lifeblood of a sector with which nearly every Australian is engaged. Support structures, protections and means of remuneration that enable viable artist careers remain central to the current and future growth and sustainability of the Australian music industry.

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<sup>80</sup> Jones, R 2018, [Virtual Reality music startup MelodyVR raises \\$30M, launches app](#), Music Business Worldwide.

<sup>81</sup> Music Ally 2018, [Everybody's Talkin': Smart speakers & their impact on music consumption](#),

## APPENDIX A: MAJOR PERFORMING ARTS FRAMEWORK

The national Major Performing Arts (MPA) Framework is a unique aspect of the arts sector in Australia, harmonising reporting processes across two levels of government through the multipartite funding arrangements. In 2017–18 the Australia Council, on behalf of the Australian Government, provided \$111m in funding to the 28 companies. Funding under the framework enables the MPA companies to plan strategically by providing financial certainty. In the Council's lead role monitoring and maintaining the framework we are supported by the MPA Panel, an advisory body that helps to oversee MPA company performance and provides expert strategic advice.

Specifically, the Australia Council is responsible for:

- Managing funding relationships with multi-year funded organisations including 28 major performing arts companies to achieve the highest level of artistic practice and sustainability
- Supporting arts organisations to lead in innovation, collaboration and development of original work
- Supporting organisations to reflect on their artistic and cultural vibrancy
- Offering a range of sector upskilling programs to build the capabilities of arts organisations and arts leaders
- Strengthening sector knowledge, planning and forecasting through evidence based evaluation and data analysis.

The MPA companies provide high quality arts experiences to Australians in metro and regional communities. More than 4.1 million people across Australia attended a performance, exhibition, workshop, or school activity presented by an MPA company in 2017. This included an audience of 3.5 million people at over 6,200 performances; around 13,000 visitors at seven exhibitions; and approximately 660,000 participants in workshops or classes. Many of the MPA companies have high profile partnerships and programs to support arts and disability practice, community engagement, and access programs to reach audiences with disability.

Consultation on strengthening the current MPA Framework is currently underway, with findings expected to be reported to Cultural Ministers by early 2019.

A copy of the national MPA Framework (pdf) is available [here](#).