



SUBMISSION

Inquiry into the challenges and opportunities within the Australian live music industry



About APRA AMCOS



APRA AMCOS has been representing Australian songwriters, composers and publishers since 1926. It is the largest music industry body in the region representing the rights of over 119,000 members across Australasia.

APRA AMCOS has a long and successful history of working in partnership with all levels of government to support the development and career paths in the music industry through the cornerstones of live music, digital distribution, local venues, education and global exports.

Over the last fifteen years, APRA AMCOS has initiated and led industry and government co-investment strategies, developing highly regarded capacity building programs, most notably: the National Aboriginal and Torres Strait Islander Music Office, SongMakers songwriting program in schools, the Live Music Office to review the impact of policy frameworks and government regulation on the live music sector, SongHubs curated songwriting intensives and the internationally renowned music export program Sounds Australia.

Successive Australian Governments have been a close collaborator and partner with APRA AMCOS on the development and investment in these programs over many years.

For many years Australia has faced a live music crisis.

Long standing local venues have been closing down from red-tape and over-regulation.

This has made it increasingly difficult for Australia's world class musicians to perform and connect with their audiences.

COVID-19 caused even more challenges with restrictions on gatherings, many stages in thousands of hospitality venues shut down never to return.

Despite these challenges, there is a solution to support the live music industry in Australia.

Australia urgently needs a national catalyst in the form a tax offset to revive Australian live music.

The live music crisis

In the four years since COVID-19 there has been a loss of 1,300 live music venues across the country. Crowds at nightclubs have almost halved.

This the biggest crisis to hit the live music scene in a generation.

For the future of Australian music, there needs to be a national catalyst to revive live music.



**25%
VENUE
LOSS**

National table

Loss of live music stages

STATE	2018	2023	% change
ACT	62	57	-8%
NSW	1700	1149	-32%
NT	70	50	-29%
QLD	1154	859	-26%
SA	470	345	-27%
TAS	142	115	-19%
VIC	1073	817	-24%
WA	487	430	-12%
NATIONAL	5158	3822	-25.9

National nightclub attendances

Location	2017/18	2022/23	% change
Adelaide CBD	491,245	162,012	-67%
Sydney CBD	965,144	740,710	-23%
Enmore NSW	20,500	40,816	+99%
Melbourne CBD	846,921	533,454	-37%
Fortitude Valley	418,241	268,259	-35%
Perth CBD	251,996	55,770	-77%
Northbridge WA	55,770	90,376	+62%
National	8,796,434	3,923,440	-55%

The importance of live music



The role live music plays in the economic, social, and cultural fabric of Australia cannot be overstated. A healthy live music scene in our cities, suburbs, regional centres and towns provides them with a competitive advantage and is the feeding ground for Australia's fast growing musical exports.

Live music is the foundation stone of the Australian contemporary music industry. It holds a paramount significance in the realm of artistic careers, acting as a linchpin for artists' professional growth and exposure. Live music provides an unparalleled platform to connect with audiences, refining their craft and establishing a distinct identity.

Audiences, in turn, benefit from the unique and immersive atmosphere of live music performances. The communal experience of sharing live music enhances social bonds and contributes to a vibrant cultural tapestry within all local communities.

When a venue closes and gigs are cancelled, the artists, DJs, supply chains and local economies that support live music are affected. There is also an intangible cost when artists are unable to bring communities together, connect with their fans and when they miss out on the career development that literally can only happen on stage.

Fewer live music venues in the community leads to decreased social cohesion and will have a deleterious impact on the local and night-time economy.

Prior to the COVID-19 pandemic the venue-based live music industry was a significant part of the economy, and an important part of Australian's social and cultural lives. Close to half of all Australians accessed live music in 2019.

Research consistently shows that live music provides an enjoyment, an amenity, and a variety of activity for the night-time economy. The University of Tasmania in 2015 found the venue-based live music industry in Australia contributed \$15.7 billion of value to the Australian community, providing vital commercial, individual, and civic benefits.

For every dollar spent on live music, three dollars is returned to the local community, making it a vital and important part of the economic, social and cultural life of the nation.



**For every \$1 spent on
live music \$3 is returned
to the community**

The live music crisis

The live music ecosystem was decimated during the COVID-19 pandemic and live music venues and nightclubs sat empty for months on end. APRA AMCOS licensing data revealed that at its lowest point, venue-based live music activity was 4 per cent of pre-COVID activity.

The latest APRA AMCOS data shows that since the onset of COVID-19 there has been a loss of 1,300 venues hosting live music across the country. Crowds at nightclubs have almost halved. This is a loss of over 25 per cent of venues and is the biggest crisis to hit the live music and nightclub scene in a generation and one that must be urgently reversed.

We know there are many reasons for continued closures including substantial increases costs associated with supply chain costs and public liability insurance as well as changes in consumer behaviour.

A survey of 325 hospitality venues conducted by APRA AMCOS and Oxford Economics found that one in seven venues believe they will never host as many live music performances as they did pre-COVID. Considering the other long term challenges the industry was facing even prior to the pandemic this represents a substantial additional blow to Australia's musical ecosystem.



1 in 2
people
accessed live
music in 2019



1 in 7
venues

believe they will never
host as many live music
performances as they did
pre-COVID

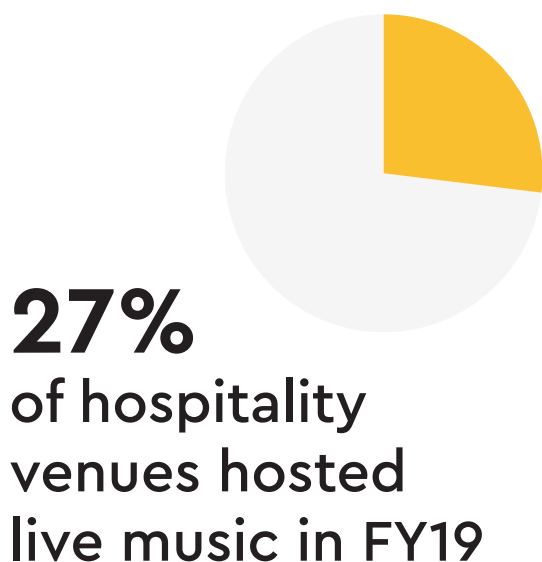
A live music tax offset

A tax offset to support the growth of live music would not only be a catalyst for the social and cultural development of live music it would also provide an injection of confidence across the tourism and hospitality economy.

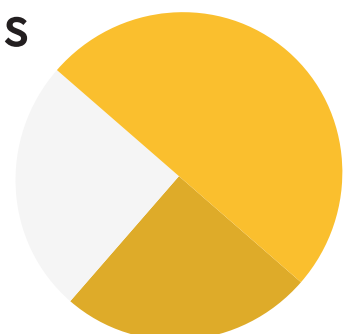
APRA AMCOS engaged Oxford Economics to undertake an independent report on how and whether tax incentives for venues and artists would support live music.

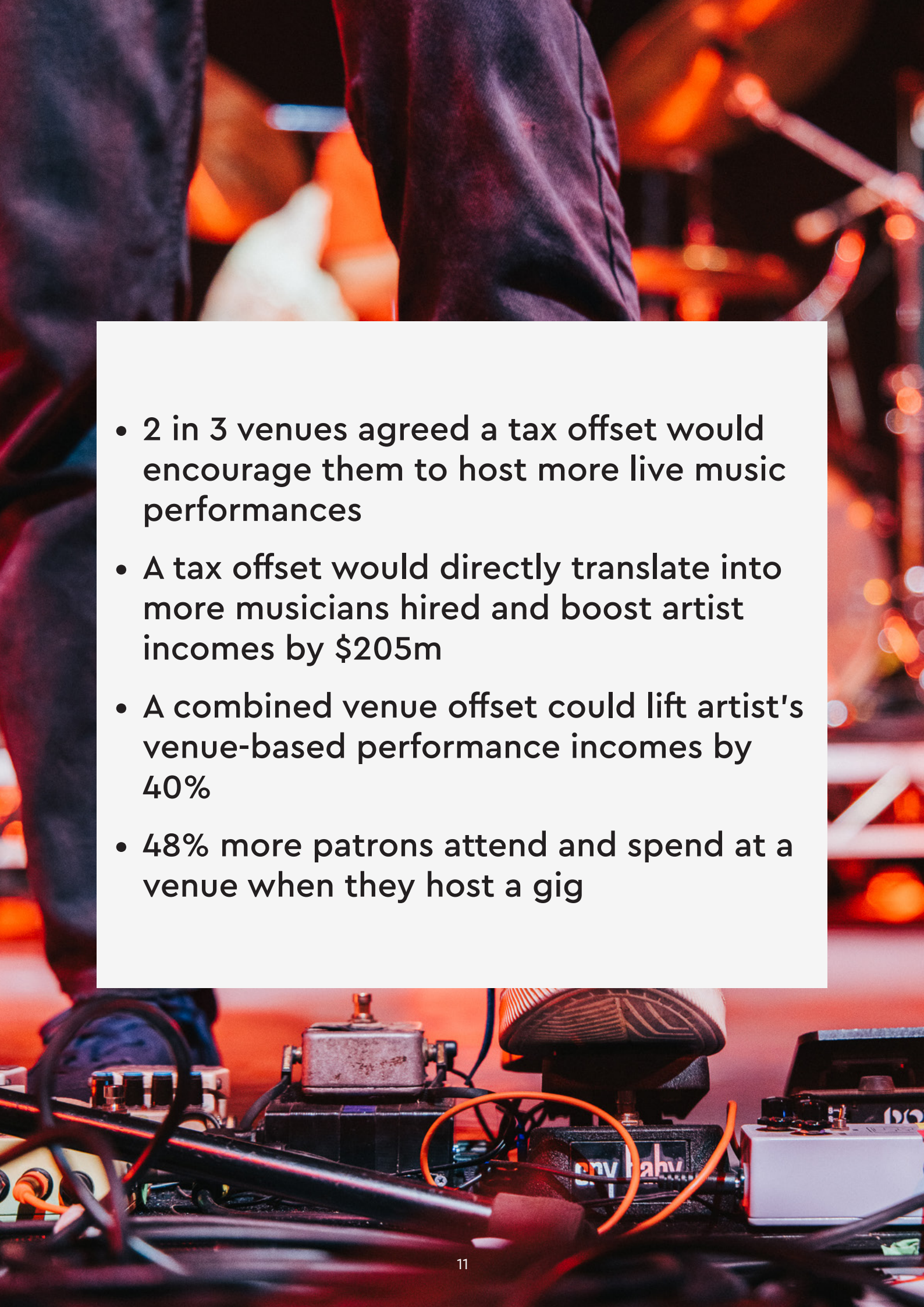
The research found a combined tax offset for existing live music venues and those not currently hosting live music would boost the incomes of musicians and artists by \$205 million per year with an additional 203,200 gigs, supporting the creation of 7,400 direct and indirect jobs across entertainment, hospitality and tourism.

The report outlines the impact of tax incentives for both venues and touring artists as a broad-based approach to help incentivise the presentation of live music in venues, cities and regions across the country. It would provide a foundation stone to incentivise live music at a national level and complement state and territory investment and regulatory reform.

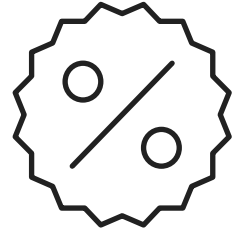


Pre COVID
50-75%
of musician
incomes was
from live
music



- 
- 2 in 3 venues agreed a tax offset would encourage them to host more live music performances
 - A tax offset would directly translate into more musicians hired and boost artist incomes by \$205m
 - A combined venue offset could lift artist's venue-based performance incomes by 40%
 - 48% more patrons attend and spend at a venue when they host a gig

The legacy of creative economy tax offsets

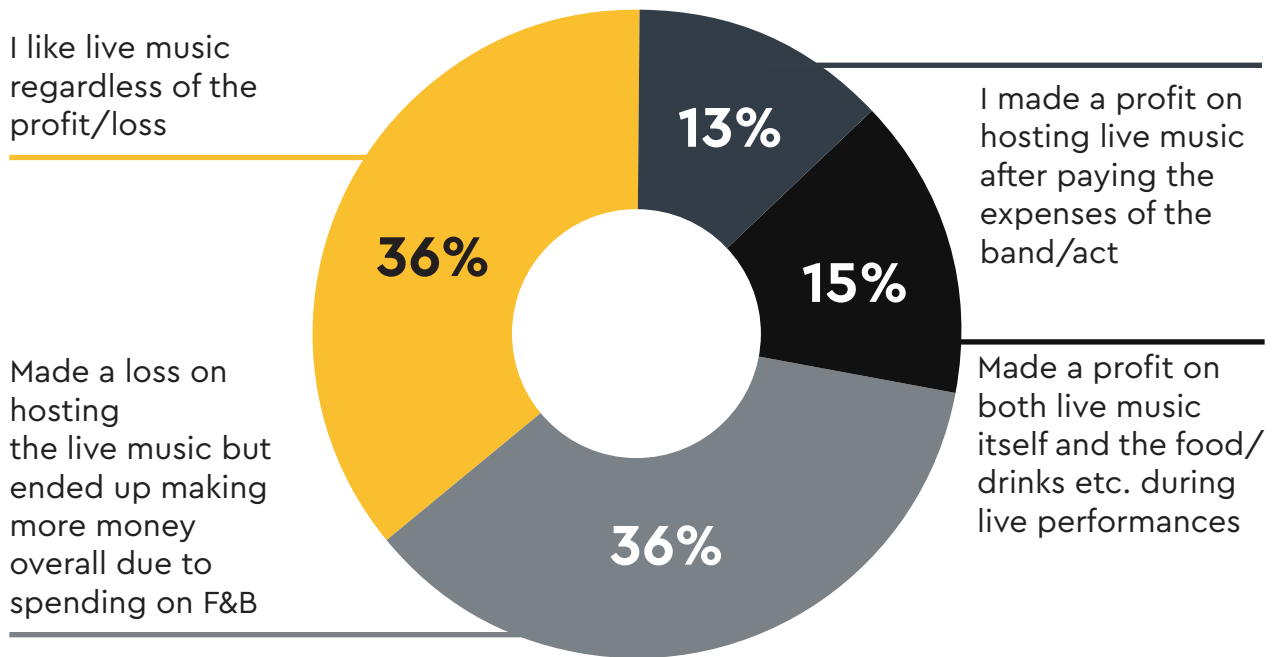


The Australian Government has supported numerous important national cultural sectors, with the recent establishment of a digital games offset as well as the long-established screen industry incentives with production, post-production and location offsets:

- Screen drama production spend reached a record \$2.34 billion in Australia in 2022–3. This is the result of a comprehensive tax offset arrangement that attracts local and global investment
 - 30% Location Offset
 - 30% Post, Digital & VFX Offset
 - 40% Producer Offset for theatrical release features
 - 30% Producer Offset for non-theatrical release features
 - 10–20% State Offsets
- The digital games industry was worth \$240 billion globally in 2020 and is set to reach \$294 billion in 2024. In 2021, it contributed \$226.5 million in revenue in Australia of which 83% came from overseas markets
 - 30% refundable tax offset for qualifying Australian development expenditure

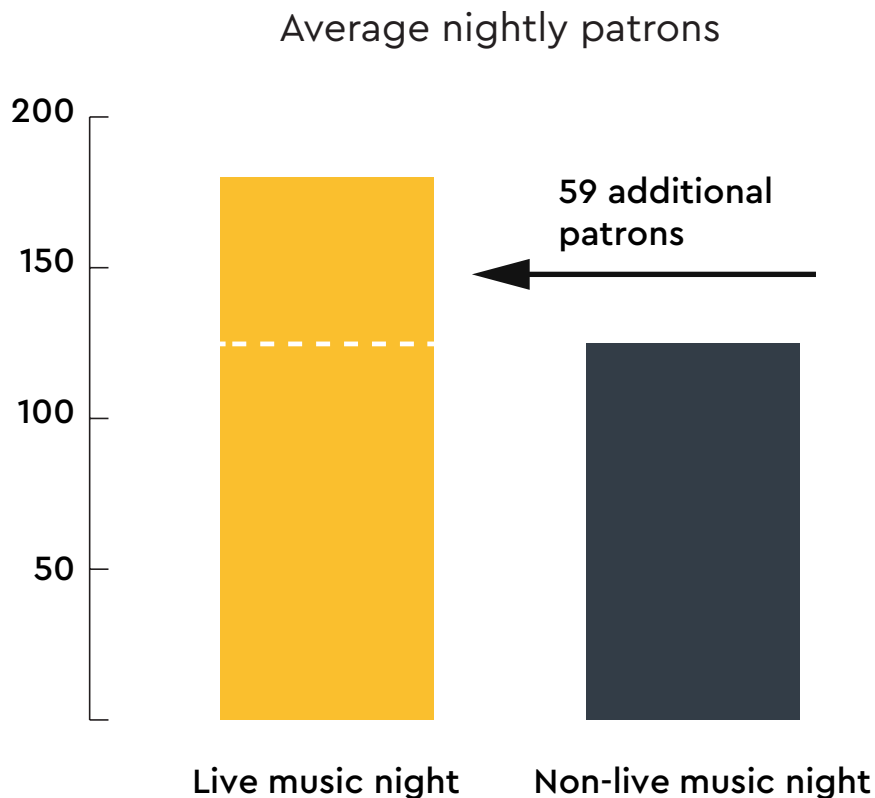
For a live music tax offset, the Oxford Economics report identified the optimal policy scenario that considered the direct costs to Government and assessed how these costs compared to the benefits to Government in the form of the additional tax revenue from additional economic activity. The report also investigated a potential program to provide a refundable offset calculated as a share of artists travel expenses, however the indirect flow-on effect of this policy was not estimated.

Venue motivations for hosting live music



Source: BIS Oxford Economics, n=162

Patronage for live music vs non-live music nights



Source: BIS Oxford Economics, n=148



A good song creates jobs. Lots of jobs.

Tens of thousands of Australians earn a living from music. A good song also builds Australia's intellectual property assets, generating big incomes – including export earnings, because a good song travels the world finding new performers and new audiences.

And what is a song? At its simplest, it's words to music.

But songs are so much more. They beat humanity's pulse. They're our connection to time and place. Songs are bridges between people – between joy and heartbreak, memory and understanding – connecting generations, and spanning the globe.

Jenny Morris OAM MNZM

Chair, APRA

National Press Club, 5 August 2020





Live music + regulation

A nationally coordinated best practice approach across federal, state and local governments to cut red-tape, deliver responsible land use planning and stop closing down live music venues must be a priority if Australian music is to succeed locally and globally.

In 2013 the Live Music Office was established by the Australian Government in partnership with APRA AMCOS to review the impact of planning, licensing and regulatory policies on live music.

With an internationally recognised track record supporting and delivering better regulation approaches across the states and territories, the LMO continues to lead the way for the music industry to support better regulation practices across the nation:

- ACT – Night time economy policy including Special Entertainment Precinct development in Canberra
- NSW – Liquor Act objects, licence categories, order of occupancy principles, fee incentives, balanced decision making, removing outdated conditions. Planning legislation for exempt development and planning scheme aims, small venues variation to building code, and Special Entertainment Precincts
- NT – Removal of entertainment conditions on liquor licences and risk based licensing fee consideration for live music venues
- Queensland – Special entertainment precincts for Maroochydore, Nambour and Southport
- SA – Removal of entertainment conditions on liquor licences, small arts venue state variation to the building code, exempt development for low impact entertainment
- Victoria – Liquor Control Reform Act, Agent of Change planning amendment, building regulations for small venues and State Planning Schemes for precincts and live venues
- WA – Northbridge Special Entertainment Precinct



For decades the music industry didn't need much in the way of government help or support.

The business of the industry was pretty simple and was held together by the gaffer tape of live music, copyright, the sale of music and publishing.

Every now and again an Australian act would make global waves in the US, Europe or the UK and travel the radio waves around the world.

Fast forward to 2023 and the Australian music industry is a world away from the analogue 80s.

Australian music is digital, published and recorded from studios and bedrooms to global audiences.

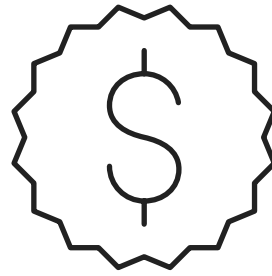
Australian songwriters and composers are creating the soundtrack to digital games, films and the small screen.

They are living around the nation and around the world, part of a U.S.\$ 90 billion industry that is likely to double by 2030.

Dean Ormston
Chief Executive, APRA AMCOS



Public liability insurance



In Australia, soaring public liability insurance costs present a significant hurdle for the live music scene, precipitating a cascade of adverse effects across the industry.

With insurance premiums skyrocketing, live music venues, especially smaller establishments, find themselves squeezed between rising operational expenses and diminishing profit margins. As a result, many venues are forced to either pass on the increased costs to patrons through higher ticket prices or cut back on live music events altogether.

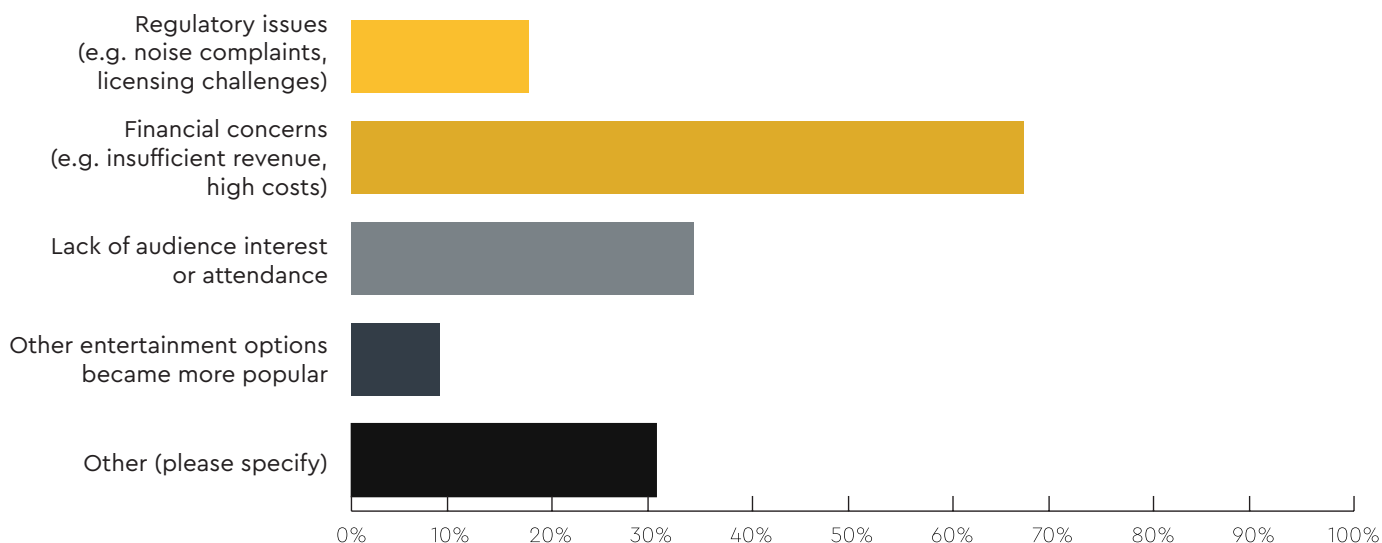
For emerging artists, the ramifications are profound. Diminished opportunities for gigs mean fewer chances to showcase talent and build a fanbase. The vibrant ecosystem that fosters artistic growth and experimentation is stifled, curtailing the diversity and dynamism of Australia's music culture. Moreover, established artists may find it harder to tour extensively or perform in smaller venues that can no longer afford to host live events.

The cultural impact extends beyond the music community. Live music contributes significantly to local economies, attracting patrons who spend on food, beverages, and merchandise. The decline in live music venues could result in job losses and reduced revenue for surrounding businesses.

The Australian Live Music Business Council (ALMBC) is working with stakeholders across the music and insurance industries to design a Public Liability Insurance (PLI) scheme that seeks to offer coverage for those venues that have been unable to secure insurance as well as attempting to reduce premiums.

APRA AMCOS survey of live music venues May 2024

If you used to host live music, what were the main reasons for discontinuing?

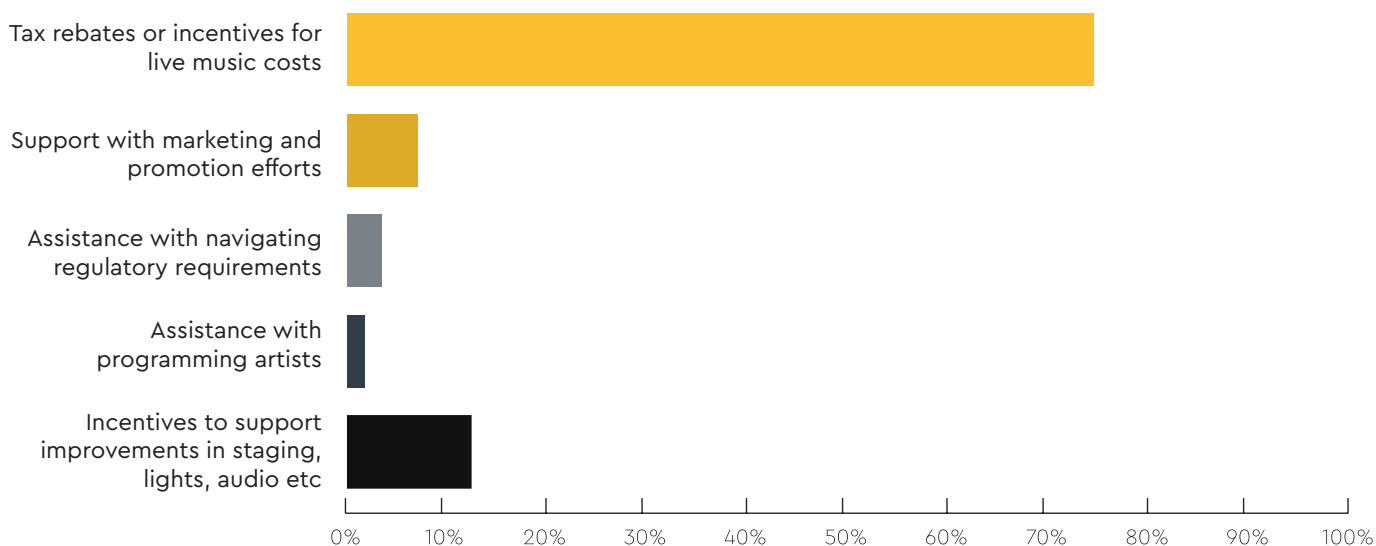


"We are still hosting live music but seriously threatened by costs. Mainly insurance which is ridiculously disproportionate."

"Cost of living and people reluctant to spend on live music events."

"The cost of liquor licensing renewals and public liability insurance is financially crippling..."

What incentives would encourage you to host more live music events, or begin hosting live music again?



Survey of 2,934 live music venues, nightclubs and promoters across Australia. May 2024

Aboriginal and Torres Strait Islander live music

APRA AMCOS recognises that Aboriginal and Torres Strait Islander culture is central to Australia's national identity, and we all have a role to play in celebrating and preserving the knowledge and wisdom of the oldest continuous culture in the world.

In 2019, APRA AMCOS launched a rebranding of the Aboriginal and Torres Strait Islander Music Office – an Indigenous-led initiative of APRA AMCOS and a peak body for Aboriginal and Torres Strait Islander music creators. NATSIMO supports the growth and development of songwriters and composers and advocates for a thriving, self-determined Aboriginal and Torres Strait Islander music industry.

It is well documented that Aboriginal and Torres Strait Islander people in Australia experience widespread socioeconomic disadvantage, education and health inequality. There are very few Aboriginal and Torres Strait Islander CEOs or people in positions of significant power. This is also true of Aboriginal and Torres Strait Islander people in the Australian live music sector.

This presents an enormous opportunity for First Nations led development of sustainable pathways for Aboriginal and Torres Strait Islander people into the industry through education, the development of First Nations led, owned and operated music businesses, a robust Indigenous cultural intellectual property and copyright system, live music opportunities and export development.

The development of Aboriginal and Torres Strait Island live music across Australia should be created with the following principles and priorities as supported by the National Aboriginal and Torres Strait Islander Music Office (NATSIMO):

High-level principles

- Self-determination must be an embedded principle in all First Nations programs and initiatives.
- To achieve the goal of producing and presenting more First Nations work we must strengthen First Nations led music organisations to deliver this critical role.

Key Priorities

- Work with First Nations music workers to develop a specific Music Skills & Workforce Capacity Building Plan for the next decade and beyond.
- A dedicated First Nations Music Commissioning Fund for First Nations artists and First Nations led organisations.
- Acknowledge that cultural processes cost money. Invest in and fund these costs.

Specific programs and initiatives

- Make adherence to cultural protocols, Indigenous Cultural and Intellectual Property (ICIP) management and community consultation an explicit and eligible expense in projects and grant budgets.
- Develop programs to identify and develop regionally based, and on Country, First Nations musicians, songwriters, screen composers, engineers, managers and crew technicians.
- Create pathways and resources (including bridging funding) to prepare emerging companies and businesses for start-up capital and multi-year funding.



Diversity

While the popularity of Australian music globally grows year on year, women, non-binary, gender diverse and linguistically diverse music creators continue to be underrepresented in key roles and make up only a small proportion of those with sustainable careers made from their music.

APRA AMCOS is fully aware that even though we are an organisation that champions gender and cultural diversity through advocacy, funding and creative opportunities, there's more to do to address the disparity in the industry.

We must continually question the absence of diversity in every facet of the industry—whether in rooms, executive offices, on stages, or across airwaves and streaming platforms—and commit to amplifying the entirety of Australia's musical brilliance.

One of the key insights from the 2021 Census is Australia is more culturally diverse than ever. In its history. Australia is now one of the most diverse nations in the world, with 51.5 per cent of residents born overseas or having an immigrant parent.

This means there is a vein of untapped musical brilliance ready to burst from across the suburbs and towns of Australia, telling the story of hundreds of cultures and millions of experiences.

To foster and support the development of Australian music in all its form not only makes sense culturally and socially, it also makes sense economically. The fastest growing music markets in the world are in Asia, Latin America, the Middle East and Africa. Australia is uniquely placed to take our sounds to these markets on our journey to become one of the few net exporters of music in the world.

Music festivals

Australia's music festival scene is a vital platform for songwriters to hone their craft, cultivate audiences, and foster sustainable careers. Despite the enormous challenges confronting festivals including overly burdensome regulatory frameworks and sharply rising operational expenses, festivals remain a cornerstone of artistic development and cultural expression for Australia's music industry.

Creative Australia, the Australian Government's principal arts investment and advisory body, recently published *Soundcheck: Insights into Australia's music festival sector* which highlighted the breadth and depth of festivals across the nation and encouraging trends such as a rebound in ticket sales post-pandemic. It also provided important analysis of emerging challenges for festivals, including shifting demographics among festival-goers and exorbitant changes to public liability insurance and the impact of extreme weather events.

Crucially, the research emphasised the significance of festivals as fertile ground for songwriters and artists to showcase their work, connect with audiences, and forge lasting connections within the industry.

Addressing these challenges requires concerted efforts from all levels of government to safeguard the vibrancy of Australia's festival landscape and its critical role in nurturing the next generation of songwriters and musical talent.





Michael's Rule

The initiative proposed by our colleagues at the Association of Artist Managers (AAM) to reinstate 'Michael's Rule' is an exciting and important step towards nurturing Australia's extraordinary music talent.

This policy, championed by the late Michael McMartin OAM and promoted by the AAM, seeks to ensure that every international tour visiting Australia includes at least one local artist among its opening acts. APRA AMCOS unites with the AAM in support of this initiative, and we urge concert promoters to embrace this industry code.

This homage to Michael's legacy isn't just about honouring a giant of the industry. At its heart, it will ensure his legacy securing the future vibrancy of great Australian music. Live music serves as the cornerstone for artists to gain exposure and build their careers, making it imperative to provide opportunities for Australian talent to export to the world.

However, this effort should not end with live performances but extend to all facets of media consumption, including streaming, radio, and screen placements. There is now an unreasonable disparity between the extraordinary standard of local music and the absence of it across every platform at home.

This is not only doing a disservice to local audiences who want to listen to homegrown sounds it is also embedding a creating a blind spot in the nation's cultural legacy. By raising the bar and exposing local audiences to more great local music will result in more sustainability built across the industry. Crucially, it will also mean the nation's songbook will build new chapters that are even more exciting, more diverse and more extraordinary.

Regional + remote live music



The development of music holds profound significance for remote artists and small communities across Australia. Music serves as a powerful cultural connector, allowing artists from isolated regions to share their unique narratives and traditions on the national and global stage. One of the big challenges for Australia is being able to increase regional skills development in music, due to large number of remote communities across the state.

Investment and programs targeting existing and potential live music venues in remote and regional areas is a vital avenue for artists to establish touring circuits and will foster creativity and preserve local heritage. Moreover, it will serve as an economic catalyst, creating opportunities for employment, skills development and the creation of intellectual property for these communities.

Additionally, the digital age can also enable remote artists to transcend geographical barriers, reaching diverse audiences and establishing their presence in the broader music landscape.

Fostering the development of live music venues across Australia's remote regions would not only enrich cultural diversity but also fuel economic and social development. In small remote communities, live music presentation becomes a unifying force, bringing people together and instilling a sense of identity and pride. Investment must be focused towards helping to alleviate economic challenges and isolation in these areas.

Young audience development



Access to contemporary music events and programs is more than a recreational experience – it creates opportunities to build social cohesion and a sense of belonging within communities. It enables positive personal identity formation during a period of transformation and self-discovery, as well as developing the networks and confidence for creative employment pathways.

Youth music organisation The Push have documented a steady decline in the number of all-ages live music events held in Australia over the last 10 years. Anecdotally, The Push has also seen a decline in the number of underage young people attending live music events over the last 12-months.

The ongoing disruptions caused by COVID-19 are disproportionately impacting young people, casting shadows over their ability to engage with live cultural events. Young people now face significant challenges due to financial barriers as they grapple with the cost of living, reduced working hours, or uncertain financial prospects.

The rising costs of attending live music events, coupled with constrained budgets, have rendered tickets, transportation, and associated expenses unaffordable for many.

Moreover, over-regulation of live music venues in our cities and towns have limited the frequency and scale of live music events that cater to young people often resulting in reduced opportunities for young audiences to engage with their favorite artists.

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Every year the pool gets richer and more diverse and with that comes the getting of creative wisdom and the building of confidence. In my book, confidence is the secret weapon of any creator. Confidence allows bravery which leads to uniqueness, to individuality and to high art.

With confidence we can break down the barriers that have held us back. The old cultural cringe. Because Australian music, in all its diversity, is among the best in the world.

We can be brave with our creativity and test our unique ideas far from the rest of the world so that when we unleash our beasts, we are very often the most innovative and original global stars. Think of Tones and I, Sia, Gang Of Youths, Grent Perez The list goes on.

The tyranny of distance may not be tyranny at all but a huge advantage.

Jenny Morris OAM MNZM
Chair, APRA

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Addendum

Further detail on Oxford Economics report on tax offsets for Live Music

Overview

- APRA AMCOS engaged BIS Oxford Economics (BISOE) to undertake an independent report on how and whether tax incentives for venues and artists would support live music.
- 325 hospitality venues surveyed, plus workshops conducted with stakeholders.
- The survey showed a 70% reduction in the number of venue-based live music gigs in FY20–21 as a result of the COVID-19 pandemic as compared to the last full pre-pandemic year (2018–19)
- This research comes after earlier reports from Ernst & Young commissioned by APRA AMCOS in 2012 and in 2016 on the economic contribution of the venue-based live music industry and the impact of tax offsets.

Supporting live music at venues

- The BISOE report found that a tax offset would incentivise existing live music venues to host more live performances and enable non-live music venues to host live music performances.
- A combined venue offset (of 5% of expenses for current live music venues and \$12,000 in expenses for those not currently hosting) would boost the incomes of musicians and artists by \$205 million per year with an additional 203,200 gigs.
- Such a combined offset could also support 7,400 direct and indirect jobs across entertainment, hospitality and tourism, and contribute \$636 million per annum to Gross Value Added (GVA).
- A key motivation of the offsets is to encourage a healthy live performance ecosystem. Apart from establishing a vibrant cultural life in Australia's cities and rural centres and enhancing quality of life, supporting live music may also provide other long-term benefits such as enhancing Australian musical exports and soft power.

Existing live music venues

- Three tax offset scenarios for existing live music venues were modelled and consulted on:
 - 5% of expenses;
 - 10% of expenses; and
 - 20% of expenses.
- 60% of venues agreed an offset of at least 5% would encourage them to host more live music. These venues would host an average of 18 more gigs per creating a total of 52,000 extra gigs per year under the 5% scenario.
- Revenue impact on venues:
 - \$235 million rise in revenue across live music venues under the 5% scenario. This equates to approximately \$80,000/year per venue.

- \$60 million to \$230 million cost to Government depending on the scenario.
- **\$90 million to \$120 million** benefit to Government in terms of contribution to tax revenue, depending on the scenario.

Non live music venues

- Three tax offset scenarios for non-live music venues were modelled and consulted on:
 - \$12,000 (12K);
 - \$24,000 (24K); and
 - \$48,000 (48K).
- 64% of venues agreed that an offset of at least 12K would incentivise hosting live music.
- 16 gigs per year for each venue with a total of 150,000 additional gigs per year under the 12K model.
- Total revenues of non-live music venues are estimated to rise by \$247m in the 12K tax offset scenario, this equates to approximately additional \$30,000/year per venue.
- \$110 million to \$440 million cost to Government depending on the scenario.
- **\$90 million to \$140 million** benefit to Government in terms of contribution to tax revenue depending on the scenario.

Supporting touring artists

- Tax offset for artists based on travel expenses – transport (van/vehicle hire and airfares) and accommodations.
- Proposed offset would be set at 50% of travel expenses.
- Based on feedback received by BISOE, stakeholders favoured tax offsets over a grants program as offsets are non-competitive and more sustainable long term.
- APRA AMCOS proposes the following minimum criteria for artists to be eligible for tax offsets each year:
 - 20 performances;
 - \$20,000 travel expenditure;
 - 4 singles released; and
 - At least 4 regional shows.
- An artist receives \$20,000 to \$30,000 each per year in offsets under the proposed model.
- 200–300 of 10,000 artists will be eligible for tax offsets based under the proposed minimum criteria.
- The proposed tax offset would cost between **\$4 million to \$9 million** per year.
- It is estimated that the program would return between **\$4 and \$9 million per annum** to Australian touring artists.
- Indirect flow-on effect of this policy have not been estimated.

