

Live music

- 3.1 Australians love live music. Our tastes range from opera, classical music, musical theatre, and art music to contemporary popular music and span across many more genres and styles. However, participants told the committee that, despite enjoying and attending live music, Australians often do not appear to recognise or value the work required to perform it.
- 3.2 This chapter will focus on the live music industry in Australia, considering the challenges of domestic touring, venues and infrastructure necessary for live music and incentives to stage live music.

Live music industry

- 3.3 Taking broader economic activity related to live music into account, it is estimated that live music contributes \$15.4 billion to the Australian economy, generating 65,000 full and part-time jobs. The live music industry is forecast to achieve a compound annual growth rate of 2.7 per cent between 2018 and 2020.¹ Ticket sales generated \$991 million in 2016, with the largest proportions coming from contemporary music (\$440 million) and musical theatre (\$348 million).²
- 3.4 More than half of Australians (54 per cent) attended live music in 2016. While this is a slight decline in the overall proportion of Australians attending live music, dropping from 59 per cent in 2013, there is a growing number of Australians that attend live music more regularly, with the

1 Live Performance Australia, *Submission 112*, p. 4

2 Australia Council of the Arts, *Submission 98*, p. 14.

number of Australians attending live music at least once a month almost doubling from 10 per cent in 2009 to 18 per cent in 2016.³

Gig economy

- 3.5 The live music industry, the original ‘gig’ economy, is characterised by freelance and self-employed performing artists. This trend is increasing, with 86 per cent of musicians working on a freelance or self-employed basis in 2014-15, compared to 67 per cent in 2007-08.⁴
- 3.6 The nature of the gig economy means that artists’ careers are plagued by insecurity, for aspiring and successful professional artists alike. West Australian Music (WAM) told the committee that even successful artists do not have ‘sustainable careers’, explaining that:
- ...there is a point in an artist’s career where they have achieved a degree of local, national and international success and that success should support a sustainable career, yet when the time comes to pay the mortgage they are in trouble...more than 90% of artists [that] name music as their core occupation do not have the safety net of superannuation or health insurance.⁵
- 3.7 The Media Entertainment and the Arts Alliance (MEAA) described the live performance sector as ‘poorly regulated’ and ‘often dysfunctional’ pointing to the low performance fees, unreliable contracts, obstacles to enforcement, and undercutting that many performing artists experience.⁶

Remuneration for performing artists

- 3.8 Participants emphasised the growing importance of live music for artists, advising the committee that the majority of artist income now comes from live performances. Katie Wighton, a member of the band All Our Exes Live in Texas, told the committee that:
- Seventy-five per cent of our income was from performance, 8½ per cent was from grants, 6½ per cent was from merch sales and 8½ per cent was from other things, like royalties and publishing.⁷
- 3.9 However, MEAA advised the committee that many artists are paid very little or not paid at all for live performances. It explained that a quarter of

3 Australia Council of the Arts, *Submission 98*, p. 14.

4 Australia Council for the Arts, *Submission 98*, p. 18.

5 West Australian Music, *Submission 109*, p. 3.

6 Media Entertainment and the Arts Alliance, *Submission 45*, p. 6.

7 Ms Katie Wighton, Musician, APRA AMCOS Ambassador, *Committee Hansard*, Sydney, 22 November 2018, p. 53.

gigs performed by professional musicians are unpaid.⁸ Artists told the committee that there is a misguided expectation that professional artists will perform for free.⁹

- 3.10 Ms Wighton told the committee that, even as a successful band touring and performing stadium concerts, the performance fees her band received were significantly less than what was required to cover costs for travel and accommodation. She explained that the only significant revenue the band received from these gigs was the license fees for the public performance of their music:

...we got paid very little for the Midnight Oil tour in America...[Midnight Oil] had nothing to do with it – the venues paid us. The venues paid us US\$250 a show. When we toured with the Backstreet Boys here we got paid A\$500 per show for stadium shows. The only way we got money for those gigs was because APRA paid us each \$3½ thousand in performance royalties for performing twenty-five minutes of our own music.¹⁰

- 3.11 Participants explained that it is difficult for artists to negotiate higher performance fees because they have no leverage. Artists are frequently forced to choose between accepting low performance fees or losing the gig to another artist that is willing to perform for less or even perform for free. Barney McAll, a professional artist, told the committee that:

It's grapes of wrath in the sense that if you say I'm not doing it and put your foot down there are so many people, because of the situation we're in, who will do it.¹¹

- 3.12 Furthermore, the exposure from some performances can be invaluable for an artist and therefore any losses incurred may be seen as an investment. Ms Wighton explained that:

...you can't put a price on the exposure. We had people coming to our gigs on our last American tour who came to the Midnight Oil shows. So we see it as an investment, in those moments...it was a huge opportunity. It's about building a career.¹²

8 Mr Paul Davies, Director, Musicians, Media Entertainment and the Arts Alliance, *Committee Transcript*, Sydney, 22 November 2018, p. 29.

9 Ms Katie Wighton, Musician, APRA AMCOS Ambassador, *Committee Hansard*, Sydney, 22 November 2018, p. 58.

10 Ms Katie Wighton, Musician, APRA AMCOS Ambassador, *Committee Hansard*, Sydney, 22 November 2018, p. 58.

11 Mr Barney McAll, *Hansard Transcript*, Brisbane, 6 February 2019, p. 10.

12 Ms Katie Wighton, Musician, APRA AMCOS Ambassador, *Committee Hansard*, Sydney, 22 November 2018, p. 58.

Minimum rates of pay, standards and expectations

- 3.13 Some participants called for the introduction of minimum fees and the establishment of minimum standards, conditions and expectations for live music performances. The Live Performance Award 2010 [MA000081] sets out the minimum rates of pay for a variety of roles and professions in the live music industry, ranging from musicians to production and support staff. The rates of pay for musicians are set out in Tables 3.1 and 3.2 below.
- 3.14 MEAA acknowledged that the Live Performance Award is an important guide regarding minimum pay rates for performing artists. However, it explained that the award is only enforceable for musicians who work as employees and therefore is not enforceable for the majority of musicians, who operate as contractors or small businesses.¹³
- 3.15 Some international jurisdictions have set a minimum fee for performing artists. The University of Newcastle Conservatorium of Music advised the committee that, in France, there is a statutory minimum fee for public concerts set at €75 profit per performer, noting that this and other programs 'highlight the value France places on its cultural industries'.¹⁴
- 3.16 MEAA told the committee that it is currently working with artists and the industry to establish a code of conduct as a 'means of putting a floor on conditions within the music industry' and establish fair fees and rates for performances. MEAA explained that:

...we would have a code for professional musicians to set a floor — people can command a higher income if they can, but we need a floor. There would be exceptions that we could negotiate. Music is a community and social activity... We are not looking to discourage that culture but to encourage it. To encourage it means we can recognise the standards that should apply to professional musicians when they perform commercially.¹⁵

13 Mr Paul Davies, Director, Musicians, Media Entertainment and the Arts Alliance, *Committee Hansard*, Sydney, 22 November 2018, p. 30.

14 University of Newcastle Conservatorium of Music, *Submission 46*, p. 7.

15 Mr Paul Davies, Director, Musicians, Media Entertainment and the Arts Alliance, *Committee Hansard*, Sydney, 22 November 2018, p. 32.

Table 3.1 Rates of pay, musicians (employees)

Classification	Hourly pay rate	Sunday	Public holiday	Overtime - midnight to 7am	Overtime - Monday to Saturday - between 7am & midnight
Musician	\$40.00	\$80.00	\$80.00	\$80.00	\$60.00
Musician accompanying artists	\$42.11	\$84.22	\$84.22	\$84.22	\$63.17
Opera principal	\$26.59	\$53.18	\$53.18	\$53.18	\$39.89
Principal musician	\$46.98	\$93.96	\$93.96	\$93.96	\$70.47
Vocalist	\$29.67	\$59.34	\$59.34	\$59.34	\$44.51
Conductor - leader	\$50.97	\$101.94	\$101.94	\$101.94	\$76.46

Source Fair Work Ombudsman, *Pay Guide - Live Performance Award 2010 [MA000081]*, July 2018, p. 21.

Table 3.2 Rates of pay, musicians (employees) (continued)

Classification	Less than 1 hour between calls - midnight to 7am	Less than 1 hour between calls - Monday to Saturday - between 7am and midnight	Playing in specialty entertainments for more than 6 days	Radio broadcast - more than 3 hours	Audio recorded performance - more than 21 minutes of material	More than 2 calls in 1 day
Musician	\$80.00 per hour for the second call	\$60.00 per hour for the second call	\$66.68	\$60.00	\$60.00	\$60.00 per hour during the 3rd and later calls
Musician accompanying artists	\$84.22 per hour for the second call	\$63.17 per hour for the second call	\$70.20	\$63.17	\$63.17	\$63.17 per hour during the 3rd and later calls
Opera principal	\$53.18 per hour for the second call	\$39.89 per hour for the second call	\$44.33	\$39.89	\$39.89	\$39.89 per hour during the 3rd and later calls
Principal musician	\$93.96 per hour for the second call	\$70.47 per hour for the second call	\$78.32	\$70.47	\$70.47	\$70.47 per hour during the 3rd and later calls
Vocalist	\$59.34 per hour for the second call	\$44.51 per hour for the second call	\$49.46	\$44.51	\$44.51	\$44.51 per hour during the 3rd and later calls
Conductor - leader	\$101.94 per hour for the second call	\$76.46 per hour for the second call	\$84.97	\$76.46	\$76.46	\$76.46 per hour during the 3rd and later calls

Source Fair Work Ombudsman, *Pay Guide - Live Performance Award 2010 [MA000081]*, July 2018, p. 21.

- 3.17 MEAA advised that contracts for performances are regularly broken, with 35 per cent of musicians advising that they are paid less than the agreed fee at least 10 per cent of the time.¹⁶ The code would also seek to standardise performance agreements and establish a no-cost dispute resolution process. MEAA explained that:

It's very difficult for musicians to enforce their contracts. You can think about it in terms of any business trying to enforce a contract and having to go to court to do that, and then you can think about musicians who are underpaid, who are finding it very difficult to make a living out of being a musician, somehow following up and enforcing a contract that's not being honoured. We need a method to make sure that there is reliability in the system...we need a jurisdiction that would allow that to occur.¹⁷

Touring in Australia

- 3.18 Domestic touring is a critical way for performing artists to connect with and grow their audiences and develop their music. Participants emphasised the importance of encouraging and facilitating live performances in Australia's cities and regional towns and the need for 'viable' live music touring circuits in Australia. Kasey Chambers explained that the income generated from touring is critical for artists:

Touring for me, particularly here in Australia, is everything. It feeds my kids...I make my living from touring music, and it's important for me to get out to all the regional places as well. I tour most of the year and visit some of the littlest towns throughout Australia, but we have to have these venues to play in...¹⁸

- 3.19 Many participants noted the significant challenges and expense inherent to touring in Australia. Clea Pratt, a professional artist, told the committee that, as an independent artist, the income from her upcoming tour is not expected to exceed the cost of the tour itself:

I am the band, so I have to cover all costs for my band members and pay for all of their flights for the whole tour. It is very difficult. I literally have to work [a different job] to pay for my band to fly around...I don't think I'll get much money back from the tour. Once it's gone to the booking agent and the managers I might get

16 Media Entertainment and the Arts Alliance, *Submission 45*, p. 5.

17 Mr Paul Davies, Director, Musicians, Media Entertainment and the Arts Alliance, *Committee Hansard*, Sydney, 22 November 2018, p. 31.

18 Ms Kasey Chambers, as quoted in APRA AMCOS, *Submission 94*, p. 28.

some money back. But at the moment I'm not really making any money.¹⁹

- 3.20 The Australia Council for the Arts (Australia Council) advised that touring beyond the east coast capitals can compound these challenges, requiring artists to travel significant distances between population centres and providing haphazard performing opportunities.²⁰ WAM explained that 'regional touring in WA is bloody hard...it's a big empty state...it's a long way with nothing in between'.²¹

Mapping live music and touring circuits

- 3.21 The Live Music Office (LMO) emphasised the value of understanding when and where live music occurs. It explained that live music censuses map all the live music performances in a region over a period and provides regions, states, and territories with detailed information about what types of music are being played and where.²²
- 3.22 LMO created an interactive online map that lists live music venues, as well as production and promotion services for live music performances across Australia.²³ The map allows artists to identify where venues or community radio stations are within their area or other parts of Australia and provides online templates and resources covering the practical and business side of the live music industry.²⁴
- 3.23 The South Australian Music Industry Council and Music SA called for the development of financially viable touring circuits, noting that music (after food and wine) is the 'most popular attractor for tourists to regions'. It explained that financially viable touring circuits would 'help to grow fan bases for local artists and bring economic and social benefits to country towns'.²⁵
- 3.24 Music Australia's Contemporary Music Plan also called for the establishment of a 'world-class' contemporary music regional touring circuit for Australia. It explained that it would be 'demand driven, underwriting or sharing net touring and some promotional costs, and

19 Ms Clea Pratt, *Committee Hansard*, Brisbane, 6 February 2019, p. 3.

20 Australia Council for the Arts, *Submission 98*, p. 17.

21 Mr Mike Harris, Chief Executive Officer, West Australian Music, *Committee Hansard*, Canberra, 28 November 2018, p. 9.

22 Mr John Wardle, Consultant, Live Music Office, *Committee Hansard*, Sydney, 2 November 2018, pp. 41-42.

23 Live Music Office, Live Music Map, <http://livemusicoffice.com.au/livemusicmap/>, accessed 21 January 2019.

24 Live Music Office, *Submission 99*, p. 4.

25 South Australian Music Industry Council and Music SA, *Submission 107*, p. 4.

targeting regional performing arts centres and licensed venues’ and serve as a companion to Commonwealth touring grants:

This program would mitigate commercial risks faced by the music sector and regional venues who want to provide live music for local communities...it would deliver vital stimulus to regions by generating audiences and local employment, providing local up skilling, and would offer a boost to the contemporary industry by expanding the live performance market.²⁶

Commonwealth touring grants

- 3.25 The Australia Council offers a number of grants to offset the costs associated with touring interstate. The Playing Australia: Regional Performing Arts Touring Fund (Playing Australia Fund) supports performing artists to reach regional and remote communities across Australia. Grants are provided to support the net touring costs associated with a national tour; there is no limit on the amount that can be requested.²⁷
- 3.26 The Australian Major Performing Arts Group (AMPAG) told the committee that the Playing Australia Fund ‘does not have the capacity to meet the growing needs and ambitions of regional Australia’. It called for an increase in funding for the Playing Australia Program of \$8 million shared across four years from 2019-20 to 2022-23. AMPAG explained that an increase in funding is required in order to enable greater certainty around regional touring and to enhance regional artist engagement, as well as creating new opportunities for other types of touring (including inter-regional and regional to city).²⁸
- 3.27 The Contemporary Music Touring Program supports national touring activity undertaken by Australian musicians performing original contemporary music. Grants of up to \$15,000 are provided to support travel for artists and their managers for tours in Australia that include performances in regional and remote areas. Up to an additional \$15,000 can be requested for remote and very remote touring.²⁹
- 3.28 The Australia Council told the committee that the Contemporary Music Touring Program supports touring circuits such as the Sand Tracks program. Sand Tracks tours a high-profile and an emerging First Nations
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26 Music Australia, *Submission 63*, pp. [30-31].

27 Australia Council for the Arts, ‘Grants’, <https://www.australiacouncil.gov.au/funding/>, accessed 20 January 2019.

28 Australian Major Performing Arts Group, *Submission 77*, p. 13.

29 Australia Council for the Arts, *Submission 98*, p. 17; Australia Council for the Arts, ‘Grants’, <https://www.australiacouncil.gov.au/funding/>, accessed 20 January 2019.

band across three state and territory borders, through the central desert region of Australia. It explained that the program benefits the bands, individual musicians, communities, and the touring sector:

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.³⁰

- 3.29 Clea Pratt, a professional artist, told the committee that touring grants are essential for artists to address the cost of growth. She explained that, as artists grow their audience and become more successful, their costs rapidly escalate. Ms Pratt noted that artists that cannot cover these costs may miss out on opportunities to grow and succeed or may be discouraged and leave the industry:

...it just seems that the more success I get the more money I have to pay, because you've then got to go further to play more shows... There are so many more expenses the more successful you get. It seems like I'm getting a bit more attraction but actually I'm spending more... I would just love for there to be in place more touring grants. That's where most of my money seems to not be present.³¹

- 3.30 Live Performance Australia (LPA) advised that there is greater capacity to support more regional touring. It explained that federal government funding to support regional touring is limited, with the Australia Council 'only able to provide 23 contemporary music touring grants out of 84 applications' in 2016-17. It called for the government to increase funding for the Playing Australia Fund and Contemporary Music Touring Fund.³²

Conclusions

- 3.31 Domestic touring is a crucial element in the development and sustainment of performing artists' careers and live performance is an integral income stream for Australian artists. However, touring is a challenging and expensive endeavour for artists, particularly those seeking to tour beyond the capital cities along the east coast of Australia.

30 Australia Council for the Arts, *Submission 98*, p. 17.

31 Ms Clea Pratt, *Committee Hansard*, Brisbane, 6 February 2019, p. 9.

32 Live Performance Australia, *Submission 112*, p. 7.

- 3.32 The committee notes the work of the Australia Council and supports the Playing Australia Fund and the Contemporary Music Touring Program. However, the committee is concerned that Australian artists that have invested time, effort, and money to develop and grow their Australian audience are unable to take full advantage of opportunities to continue this growth due to limited access to touring grants.
- 3.33 The committee is of the view that there is opportunity for Government to invest in the domestic touring grants programs to enable more Australian artists and performing arts organisations to tour around Australia, particularly in regional areas. This will have the dual benefit of supporting the growth and development of Australian artists whilst stimulating regional cities and towns, both economically and culturally.

Recommendation 3

- 3.34 **The committee recommends that the Australian Government invest in the Australia Council for the Arts' domestic touring grant programs and work with state, territory, and local governments as well as industry to develop a contemporary music regional touring circuit.**

Live music venues

- 3.35 Throughout the inquiry participants emphasised that live music venues are vital to the Australian music industry. In particular, artists need access to a wide range of appropriate and affordable venues that can cater to large and small live performances. The Australian Recording Industry Association (ARIA) told the committee that 'a thriving local music scene is incredibly important to the development of recording artists, and critical to the success of our local record labels'.³³
- 3.36 Samuel Whiting, a PhD candidate at RMIT researching the social and cultural value of small live music venues, explained that small venues (500 capacity or less) are essential to the growth and sustainability of the Australian live music industry:

Small music venues offer performance opportunities for young and emerging musicians and act as social hubs for local music scenes, supporting high quality, culturally significant and

33 Australian Recording Industry Association, *Submission 96*, p. 11.

innovative music...forming the grassroots of the nation's live music ecology, upon which the rest of the live music sector rests.³⁴

- 3.37 Participants raised concerns that, despite increasing domestic and global demand for live performance of Australian music, the live music industry is facing major challenges due to the closure of many small live music venues. Mr Whiting told the committee that many small venues operate on thin financial margins and that 'it is difficult for these small businesses to remain afloat in the face of increasing gentrification, rising rents, continued over-development of cultural precincts, noise complaints, and the high-cost of operation'.³⁵

Regulatory impacts

- 3.38 Many participants attributed the closure of live music venues to inconsistent and restrictive regulatory environments. MEAA told the committee that 'performance spaces in our cities and towns are disappearing as a result of poorly regulated residential development and other forms of social regulation'.³⁶
- 3.39 LPA explained that Australia's live music industry is 'significantly burdened' by regulatory red tape and restrictions. It advised that 'there are numerous inefficient, inconsistent, overlapping and burdensome regulations at the local and state level that significantly deter the staging of live music at both indoor and outdoor venues'.³⁷
- 3.40 LPA asserted that local music businesses are restricted by 'convoluted and cost-prohibitive regulations' regarding, among other things:
- liquor licensing;
 - lockout laws;
 - development planning and approvals;
 - land use conflicts;
 - environmental protection;
 - noise pollution;
 - events permits and licensing;
 - crowd and emergency management; and
 - security.³⁸

34 Mr Samuel Whiting, *Submission 60*, pp. 1-2.

35 Mr Samuel Whiting, *Submission 60*, p. 2.

36 Media Entertainment and the Arts Alliance, *Submission 45*, p. 6.

37 Live Performance Australia, *Submission 112*, p. 6.

38 Live Performance Australia, *Submission 112*, p. 6.

- 3.41 Participants called for the Australian Government to work with state and local governments to streamline regulations and minimise the regulatory burden placed on live music venues. LPA called for the Government to ‘drive a collaborative initiative with state and local governments to introduce reforms that reduce onerous red tape and streamline regulatory compliance between state and local jurisdictions’.³⁹
- 3.42 Local Government NSW advised that a uniform approach to regulation may not be appropriate, given the various factors that shape music culture in each city and region. However, it too recommended that the Australian Government work with state and territory jurisdictions to reduce and streamline planning regulations required for music and arts activities.⁴⁰

Best practice

- 3.43 The International Federation of the Phonographic Industry (IFPI)’s report *The Mastering of a Music City* considers the conditions necessary to support, encourage and grow a vibrant music economy. It lists key strategies to effectively grow and strengthen the music economy, such as:
- music-friendly and musician-friendly government policies;
 - a music office to lead city music strategy development and mediate conflicts that arise between music businesses and the larger community;
 - a music advisory board to link the music industry with legislators and regulators;
 - a full range of venues to support artists as they advance through their careers, as well as places for rehearsal and music education;
 - audience development, in particular engaging younger audiences to develop a lifelong relationship with music; and
 - music tourism and the development of a music city brand, leveraging music tourism assets such as a city’s year-round live music scene, music festivals, and historic music landmarks.⁴¹
- 3.44 Many participants highlighted Melbourne as an example of a thriving ‘Music City’; it has 465 live music venues (one per 8,915 residents), which is more than New York, Paris, London, Berlin, and Tokyo. The Victorian Government advised that, in 2016, live music generated \$175.5 million in revenue from 2.1 million audience members in Victoria. Melbourne hosts more than 62,000 live music concerts every year, worth more than \$250

39 Live Performance Australia, *Submission 112*, p. 6.

40 Local Government NSW, *Submission 76*, p. 3.

41 International Federation of the Phonographic Industry, *The Mastering of a Music City: key elements, effective strategies, and why it’s worth pursuing*, pp. 13-15.

million in ticket sales alone, and has three times more live music performances than the national average.⁴²

- 3.45 The Australian Broadcasting Corporation (ABC), explained that Melbourne is one of the best cities in the world for music and live music in particular:

I think Victoria – Melbourne in particular – is always held up as a fantastic example of broadcast infrastructure that really supports Australian music, with very strong community radio in Melbourne, but also there are government supported initiatives at a state level, like Music Victoria and Creative Victoria, who are there actively looking to support music and local artists and help them have a career. That's why Melbourne is one of the best cities in the world for music, and live music in particular. It's because it's ingrained into the culture of that city. Artists know that they will be heard and that they can get their music out there and audiences know very early that live music and consuming music is part of the culture and something that they should be doing.⁴³

- 3.46 A number of participants praised the Agent of Change planning principle that was introduced in Victoria in 2014 to resolve land use conflict issues between residents and venues. The principle protects established live music venues by placing the onus on the applicant proposing a new use or development to mitigate any external effects. For example, new residential planning proposals that are close to existing music venues are required to include appropriate noise attenuation measures.⁴⁴
- 3.47 In addition, the Victorian Government provides matched funding opportunities for up to \$25,000 for live music venues to manage their sound attenuation needs, through its Good Music Neighbours program.⁴⁵
- 3.48 Participants also highlighted the success of special entertainment precincts/areas introduced in Brisbane in 2006. Entertainment venues in the Special Entertainment Precinct are exempt from the amplified music noise requirements of the Queensland Government's liquor licensing laws, with responsibility for regulating amplified music noise from venues in

42 Creative Victoria, *Submission 128*, p. 3.

43 Mr Chris Scaddan, Head of Music and Creative Development, Australian Broadcasting Corporation, *Committee Hansard*, Sydney, 22 November 2018, p. 10.

44 Live Performance Australia, *Submission 112*, p. 7.

45 Creative Victoria, *Submission 128*, p. 10.

the Special Entertainment Precinct transferred from the State Liquor Licensing Division to Council.⁴⁶

Tax incentives to stage live music

- 3.49 A number of participants called for the introduction of tax offsets to encourage venues to stage live music, referring to a 2016 report conducted by Ernst & Young and commissioned by the Australasian Performing Right Association and Australasian Mechanical Copyright Owners Society (APRA AMCOS), which considered the impact of tax offsets for investment in the contemporary music sector.
- 3.50 The report found that the top three factors influencing a venue's decision to stage live music (for venues both currently and not currently staging live music) were:
- the overall cost to stage live music;
 - current regulatory environments; and
 - the cost of artists.⁴⁷
- 3.51 It reported that the majority of venues currently staging live music (75 per cent) as well as the majority of venues not currently staging live music (59 per cent) agreed that a tax offset would be an incentive to further invest in and stage live music.⁴⁸

Live Music Office

- 3.52 In 2013, the LMO was established by the Australian Government, in partnership with the Australia Council, the Ministry for the Arts, and APRA AMCOS, to review the impact of policy frameworks on the Australian live music sector. Its work includes:
- liaising and collaborating with all levels of government and live music industry stakeholders;
 - providing strategic planning support and assisting in the development of live music plans and strategies for local, state, and territory governments;
 - advocating for and providing advice regarding regulatory best practice; and

46 Live Music Office, *Answers to questions on notice*, New South Wales Parliament, Portfolio Committee No. 6 Planning and Environment, Inquiry into the music and arts economy in New South Wales, p. 1.

47 Ernst & Young, *Investment initiative to cultivate the Australian contemporary music industry*, February 2016, pp. 20-21.

48 Ernst & Young, *Investment initiative to cultivate the Australian contemporary music industry*, February 2016, p. 21.

- live music industry development programs, such as the Live and Local Strategy, the Amplify Program, and the Live Music Map.⁴⁹
- 3.53 Many participants praised the work of the LMO. LPA told the committee that the LMO has ‘delivered significant benefits in support of growing live music in Australia...producing key economic research, successfully working with state and local governments on regulatory initiatives and providing expert advice’.⁵⁰
- 3.54 Music Australia commended the LMO for spearheading national reform to remove barriers to live music and ‘fostering a strategic approach across Federal, State, and Local Governments, and providing specific jurisdictional advice and input’. It asserted that the LMO’s work is ‘vital to effective regulatory reform’ and called for its continued funding and support.⁵¹
- 3.55 The results of the 2018 APRA AMCOS survey regarding the services provided by the LMO found that it is valued by stakeholders and has a high level of stakeholder engagement. The survey found that the majority of stakeholders (80 per cent) felt that the LMO is effective at promoting the interests of the live music scene; that it successfully removes barriers for live music (85 per cent); and that it advocates on behalf of the live music scene (85 per cent).⁵²
- 3.56 The LMO advised that it is no longer in receipt of Australian Government funding. It was initially funded for three years (2013 to 2016), and was then in receipt of Project Funding for Organisations from the Australia Council (2017). However, government funding ceased at the end of 2017-18, after which APRA AMCOS has been covering its operational costs.⁵³ This has significantly reduced the capacity of the LMO, which is now operating with 0.4 FTE staff (two staff, engaged for two days a week).⁵⁴
- 3.57 Participants called for the Australian Government to recommence funding the Live Music Office. The ACT Government told the committee that Live Music Australia has strong links and provides valuable developmental assistance to music industry bodies across Australia and urged ‘the Australian Government to consider funding options for this important organisation to continue its valuable work’.⁵⁵

49 Live Music Office, *Submission 99*, p. 3.

50 Live Performance Australia, *Submission 112*, p. 6.

51 Music Australia, *Submission 63*, pp. [30], [42].

52 APRA AMCOS, *Submission 94*, p. 25.

53 Live Music Office, *Submission 99*, p. 4; APRA AMCOS, *Submission 94*, p. 24.

54 Live Music Office, *Submission 99*, p. 4.

55 ACT Government, *Submission 122*, p. 3.

Conclusions

- 3.58 A thriving local music scene is essential to the development of Australian artists. Live music provides an opportunity for artists to reach audiences and grow as performers as well as being a key income stream. A wide range of accessible and affordable spaces for the performance and rehearsal of all styles and genres of music, from small intimate spaces to massive stadiums, is necessary to foster and grow a city's music scene.
- 3.59 The committee is concerned by the reports that live music venues in many cities and towns are closing, despite increasing demand for live music. As with all businesses, there is a range of complex issues that determine whether or not a live music venue succeeds. However, it is clear that the regulatory environment at the state/territory and local levels is a significant factor in the success of a city's live music venues and its music scene more broadly.
- 3.60 The stark contrast between the thriving music scene in Melbourne and the declining music scene in other cities demonstrates the importance of getting the regulatory and policy settings right at the state and local level. Melbourne's world-class music scene provides an excellent example of the ways in which state and local investment and focus on music-friendly and musician-friendly policies can set the scene for music to flourish.
- 3.61 The committee notes the positive work of the Live Music Office. Its work liaising with all levels of government and live music industry stakeholders is invaluable. Its work developing, collating, and advising on regulatory best practice supports the development of live music strategies and assists state and local governments to develop regulation that encourages and celebrates live music rather than hindering it. It is the committee's view that the Australian Government should invest in the Live Music Office.

Recommendation 4

- 3.62 **The committee recommends that the Australian Government invest in the Live Music Office.**
- 3.63 The committee is not convinced that tax offsets are the most effective way to encourage the staging of live music. At this stage, it is more important to focus on removing the barriers presented by regulatory environments and ensuring that Australian cities and towns are 'Music Cities' that encourage and celebrate live music.

- 3.64 The committee encourages state, territory, and local governments to consider initiatives and programs, such as Victoria's Good Music Neighbours program, that incentivise and assist live music venues to invest in live music.

Ticket scalping

- 3.65 LPA raised concerns regarding the illegitimate or unauthorised resale of tickets at an inflated price, commonly known as 'ticket scalping'. It told the committee that ticket scalping is a 'major growing concern for the live music industry' and that it 'can negatively affect the patron experience'. LPA explained that:

...there have been instances in recent times where people have turned up to their venue having bought tickets for shows from the secondary market that were fake or at an inflated mark-up above the original price, even though tickets were not sold out and still available from the primary seller at the original price...for every event featuring a high-profile act...there are many instances where the ticket presented is fraudulent (usually because the same ticket has been resold multiple times).⁵⁶

- 3.66 Some states have recently introduced legislation that prohibits the resale of tickets for more than 10 per cent above the face value of the ticket and provides various protections for consumers purchasing tickets from the secondary resale market.⁵⁷ The Victorian Government advised the committee that its legislation 'ensures that consumers are given a fair go when purchasing tickets and can attend events without being priced-out or made to pay exorbitant costs'.⁵⁸
- 3.67 LPA called for the Australian Government to implement a nationally consistent legislative approach to address ticket scalping. It explained that this would result in less confusion amongst consumers about the protections that exist and less administrative burden on ticketing companies and event organisers to comply with differing legislative requirements.⁵⁹
- 3.68 The Department of Communications and the Arts advised the committee that the Australian Government is monitoring the issue of the illegitimate

56 Live Performance Australia, *Submission 112*, p. 9.

57 For examples see: *Fair Trading Act 1987* (NSW); *Major Events Act 2009* (Vic); and *Fair Trading Act 1987* (SA).

58 Creative Victoria, *Submission 128*, p. 8.

59 Live Performance Australia, *Submission 112*, p. 1.

or unauthorised resale of tickets at an inflated price and the recent state legislation to counteract it.⁶⁰

Conclusions

- 3.69 The committee recognises the benefit of a nationally consistent legislative response to address illegitimate or unauthorised resale of tickets at an inflated price. However, at this stage, it is the view of the committee that the Australian Government should continue to monitor the implementation, outcomes, and success of recent state legislation before developing a national legislative response to counteract ticket scalping.

60 Dr Stephen Arnott, First Assistant Secretary, Arts, Department of Communications and the Arts, *Committee Hansard*, Canberra, 13 February 2019, pp. 2-3.