



INQUIRY INTO THE CHALLENGES AND OPPORTUNITIES WITHIN THE AUSTRALIAN LIVE MUSIC INDUSTRY 2024

Submission from Live Performance Australia

ABOUT LIVE PERFORMANCE AUSTRALIA

Live Performance Australia (LPA) is the peak body for Australia's live arts and entertainment industry with over 400 Members nationally. We represent commercial and independent producers, music promoters, performing arts companies, venues (performing arts centres, commercial theatres, stadiums and arenas), arts festivals, music festivals and service providers (such as ticketing companies and technical suppliers). LPA is registered as an employers' organisation under the *Fair Work (Registered Organisations) Act 2009*.

INTRODUCTION

The Inquiry is a timely opportunity to examine the range of issues affecting Australia's live music industry, currently and over the medium to longer term.

The Inquiry comes at a time when the live music industry is adjusting to a new and challenging operating environment following the disruption of COVID-19 as well as other trends which are influencing audience behaviour and engagement with live music, least of all the rise of digital platforms in music discovery and connection.

It should also be noted that challenges for the live music industry, including music festivals, are being felt across all of the different categories which make up our live arts and entertainment industry, including musical and dramatic theatre, opera, ballet and dance, multi-art form festivals and children's and family entertainment.

We note this Inquiry is the latest in several recent inquiries and consultations on live music and cultural policies. This Committee most recently inquired into the Australian music industry during the 45th Parliament and tabled its report in 2019. In the 46th Parliament, the Committee reported on 'Sculpting a National Cultural Plan' in October 2021.

The Albanese Government undertook wide-ranging consultation between July and October 2022 which led to the National Cultural Policy, *Revive*, which was launched in January 2023.

The Senate Environment and Communications Committee has an ongoing inquiry into the National Cultural Policy and heard evidence from music festival presenters and government agencies at its most recent public hearing on 16 April 2024.

INDUSTRY CONTEXT

More Australians attend a live performance event than all our major sporting codes combined. Australians especially love their live music, which is a key driver of Australia's live arts and entertainment industry.

In 2022, there were almost 11.5 million ticketed attendances at live music performances, generating over \$1 billion in ticket revenue, across the contemporary music, music festivals and classical music categories according to data collected for LPA's *2022 Ticket Attendance and Revenue Report*.

This represented 47.1% of the total ticketed attendances for all live performance categories, and 51.3% of total ticket revenue. Contemporary music had the largest share of live performance revenue (\$705.9m) and attendance (8.7m), followed by contemporary music festivals (\$234m in revenue, 1.53 million attendance), and classical music (\$89 million revenue, and 1.17 million attendance). These figures do not include performances in venues such as pubs, clubs or music festivals which do not contribute data to the report, so understate the total attendance and revenue generated by all live music performances.

The impact of live music extends across the Australian economy, including hospitality and tourism. Live music events are a major drawcard for intrastate, interstate and indeed international travel. Music festivals in particular make a powerful contribution to regional economies which host around 44% of all music festivals held in Australia, supporting local job creation and business activity.

The COVID-19 pandemic profoundly disrupted the live performance industry, including live music, through public health restrictions and border closures. There was a significant recovery in attendance and revenue in 2022 following the easing of restrictions and reopening of borders. However, the industry continues to experience 'long COVID' impacts while adjusting to other shifts in audience preference and pressures on the industry.

For the live music industry, these challenges include:

- Significant increases of between 30-40% in operational costs involved in presenting and touring concerts and festivals (transport, travel, artist fees, equipment and staging);
- Higher insurance premiums, up to ten times pre-pandemic levels;
- Skills shortages across key operational, production and technical roles, and increased costs of wages and employment;
- Higher incidence of extreme weather events, causing disruptions or cancellation for outdoor events and festivals;
- Challenges in attracting international headline acts to Australia due to higher costs, unfavourable exchange rate and global demand;
- Cost of living pressures for audiences, impacting consumer confidence and discretionary spending power which limits the scope for promoters and presenters to fully recoup their higher costs; and
- Changes in audience behaviour and preferences, including an observed decline in live music engagement among younger audiences and a shift to later ticket buying.

Despite these challenges, some parts of the live music industry have performed well over the last couple of years as evidenced in strong audience support for international touring artists and some music festivals. These reflect a combination of factors: pent up demand after two years of COVID-related disruption; tours by performers with well-established fan bases; and strong support for

particular genres or festival line-ups. However, business models in the live music industry are under challenge across the board. The focus on blockbuster concert tours for some artists conceals the number of concerts or tours which are not selling out or only breaking even, leaving little or no scope for reinvestment in other tours or festivals in the future.

WHAT CAN GOVERNMENT DO TO SUPPORT LIVE MUSIC?

It needs to be acknowledged that many of the challenges being experienced by the live music industry in Australia reflect what is happening in other markets around the world as they recover from the profound disruption of the pandemic in a much higher cost business environment. It is acknowledged that Australian governments have limited or no influence on some of these factors.

However, there are some important areas where Australian governments – Commonwealth, state and territory, and local – can take action to support a sustainable and successful live music industry. LPA has recently written to Commonwealth, state and territory ministers urging action on these issues through a specially-convened ministerial meeting.

As a **matter of priority**, Australian governments should:

- Commit to action to **cut red tape and regulatory burdens** imposed on live music venues and music festivals, including through the costs imposed for licensing, policing and security and the usage of public facilities. The disproportionately higher costs imposed by the NSW music festivals regulations are especially damaging, given the importance of NSW for national touring. Examples of the excessive charges imposed in NSW are provided at Appendix 1.
- Investigate how to support **more affordable and accessible insurance coverage** for the live music industry, including festivals, through government-backed underwriting of public liability and cancellation insurance, as well as deliver a consistent framework to improve outcomes for consumers and policy holders.
- Support audience development through the introduction of a **‘See it Live’ voucher program** targeted at specific live music categories to encourage greater participation, particularly among younger and emerging audience members.

For the **medium to longer term**, Australian governments should:

- Facilitate a **strategic approach to public investment** in live music, informed by industry priorities, including Australian artist career development through live performance in Australia and overseas, venue infrastructure and industry capability.
- Ensure that public investment in live music is **well-targeted and fit for purpose**, relevant to industry priorities and growth opportunities, including multi-year funding programs to support sustainable investment outcomes.
 - This includes funding programs such as Live Music Australia, managed through the Office for the Arts (OFTA), and investment opportunities managed by Creative Australia for contemporary music and regional and international touring.
- In consultation with industry, build the **live music industry workforce of the future** through investment in the breadth of skills needed for the performance and presentation of live music including through industry-based training and mentoring programs.

- Ensure that all levels of government encourage ongoing or **new private investment** in live music businesses, venues and infrastructure through 'music-friendly' planning, licensing, regulatory and investment guidelines and policies, and opportunities for public/private partnerships.

THE ROLE FOR MUSIC AUSTRALIA

The establishment of Music Australia in 2023 as an initiative of the National Cultural Policy, *Revive*, is a welcome acknowledgement of the important contribution of contemporary music to Australia's economic, social and cultural vitality.

Along with other music industry bodies, LPA advocated in support of a dedicated agency to support the contemporary music industry, recognising its huge economic and cultural impact and potential for future growth.

Music Australia has been providing \$69.5 million funding 'to support the Australian music industry to grow, including through strategic initiatives and industry partnerships, research, skills development and export promotion'.

The Music Australia Council was established in August 2023 to 'provide strategic advice and recommendations regarding the priority investment, development, and research needs of the contemporary music industry in Australia.'

Music Australia should play a leading role in the development of policy and delivery of programs across the breadth of the Australian live music industry, including through **deep engagement and partnership with the commercial sector** and those who make significant investments in artist development and live music infrastructure, including venues, touring and festivals.

Music Australia should be driving a focused and cohesive whole of government response to the challenges and opportunities for the live music industry that leverages the capability and expertise of all industry participants.

Appendix 1

Comparison of NSW music festival costs imposed by state-based regulations under the NSW *Music Festivals Act 2019*.

Festival 1					
NSW patrons	22,000	VIC patrons	30,000	QLD patrons	20,000
NSW Medical	\$53,000	VIC Medical	\$21,000	QLD Medical	\$57,000
NSW Ambulance	\$23,000	VIC Ambulance	\$10,270	QLD Ambulance	\$7,000
NSW Police	\$67,000	VIC Police	\$7,500	QLD Police	\$37,000

Festival 2					
NSW patrons	16,000	VIC patrons	14,000	QLD patrons	14,000
NSW Medical	\$44,100	VIC Medical	\$18,450	QLD Medical	\$9,370
NSW Ambulance	\$18,500	VIC Ambulance	\$9,150	QLD Ambulance	\$0
NSW Police	\$45,200	VIC Police	\$18,000	QLD Police	\$35,930

Festival 3					
NSW patrons	11,000	VIC patrons	15,000	QLD patrons	10,000
NSW Medical	\$37,250	VIC Medical	\$17,500	QLD Medical	\$3,870
NSW Ambulance	\$8,850	VIC Ambulance	\$5,200	QLD Ambulance	\$2,240
NSW Police	\$33,850	VIC Police	\$0	QLD Police	\$8,920