



**APRA
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PO Box 6021
Parliament House
CANBERRA
ACT 2600

JOINT STANDING COMMITTEE ON TRADE & INVESTMENT GROWTH
Inquiry into Supporting Australia's Exports and Attracting Investment

SUBMISSION BY APRA AMCOS

APRA AMCOS – WHO WE ARE

APRA AMCOS has been representing Australian songwriters, composer and publishers since 1926. With 100,000 members across Australia and New Zealand, our membership includes the very best and brightest of established and emerging musical talent at home and around the globe. We administer rights on their behalf, supporting songwriters, composers and publishers in an industry that is a flagship of Australian culture and creativity, generating billions of dollars each year for the Australian economy.

We are affiliated with similar collective management organisations around the world. So when Australian and New Zealand songs and compositions are played overseas, Australian and New Zealand writers get paid. We also help music customers in Australia and New Zealand access music from the rest of the world.

We work in partnership with government to support the development and career paths within Australian music through the cornerstones of live music, digital distribution, local venues, education and the global stage.

APRA AMCOS has successfully initiated and led industry and government co-investment strategies, developing highly regarded capacity building programs, most notably: SongMakers, Live Music Office, SongHubs and SOUNDS AUSTRALIA. For the purposes of this inquiry, we draw the attention of the committee to the work of SOUNDS AUSTRALIA in particular.

SOUNDS AUSTRALIA BACKGROUND

In 2009, the Australia Council for the Arts created an International Music Market Development Initiative, with the intention of advancing Australian music export. APRA AMCOS, as the peak music industry body partnered with the Australia Council and took on custodianship, providing the strategic, administrative and management support required to deliver the export project.



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The national export program was named 'Sounds Australia' and was established to provide a cohesive and strategic platform to assist the Australian music industry access international business opportunities at key showcase conference events including SXSW and The Great Escape.

Sounds Australia exemplifies a whole of government, whole of industry partnership made up of federal and state agencies. In addition to the Australia Council for the Arts and APRA AMCOS, varying degrees of investment have been made by the Department of Communications and the Arts, DFAT, Creative Victoria, Arts SA, Arts Queensland and Create NSW, whilst the industry organisations include AIRA, the Phonographic Performance Company of Australia Limited (PPCA) and the Australasian Music Publishers Association (AMPAL).

In addition, Sounds Australia has established and maintained non-financial strategic partnerships with key contemporary stakeholders including the Australian Independent Record Labels Association (AIR), the Australian Music Centre (AMC), Folk Alliance Australia, Americana Music Australia, the Australian Music Industry Network (AMIN) and the Association of Artist Managers (AAM), the value of these partnership engagements provides artists and music businesses strengthened support and further in-market infrastructure.

Sounds Australia is recognised as a leader by its international contemporaries. Its clear strategic direction, creative and dynamic in-market presence and unwavering support from the Australian music industry has resulted in advancing the export interests and success of the Australian music sector globally.

The depth of export service offered by Sounds Australia is broad, with activity to date having taken place at 73 different international events, in 66 different cities across 23 countries.

1564 Australian groups have showcased at international events under the Sounds Australia banner. During this period Sounds Australia has produced 218 Showcase Events that have provided 1825 unique performance opportunities for Australian artists, whilst simultaneously presenting 158 B2B networking events for Australian music industry delegates, managing 35 Trade Stands and coordinating 9839 dedicated meeting opportunities.

Sounds Australia has expedited the artist discovery process and catapulted multiple acts in to the consciousness of the world's most influential music industry across the USA, UK and Europe, ensuring that from their very first export outing, Australian artists are showcasing to key industry leaders and decision makers, resulting in increased professional and commercial outcomes.

Year upon year Australian acts are being booked on iconic career defining festival stages such as Coachella, Bonnaroo, Glastonbury, Lollapalooza and Governors Ball. They are being featured on NPR, NME and Hype Machine 'end-of-year', 'best of' and 'ones to watch' lists, making show-stopping appearances on US television shows such as Ellen, Jimmy Fallon, Conan, Jimmy Kimmel and receiving nominations for Grammy's and BRIT Awards.

Sounds Australia has been named 'Best Export Office' at the Yearly Music Conference Awards in the UK, was a finalist in the inaugural AUSTRALIAN ARTS IN ASIA AWARDS in both 'Music' and 'Community Engagement' categories for THE AUSSIE BBQ Tour, India, and collected the "National Live Music Award" for Industry Achievement.



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OUR SUBMISSION

APRA AMCOS is grateful for the opportunity to make submissions to this inquiry. APRA AMCOS plays a primary role in the development of the Australasian music industry through support of emerging song writing talent and music publishing activity, with a view to encouraging export of Australian music and improving our terms of trade in music. We have focused on, and participate in, the growing international success of Australian music over the last few decades. The significance of these returns and the corresponding investment in the local industry is reflected in the growth of APRA's international revenue – essentially the royalties flowing to Australasian songwriters from their overseas performing rights. In the past decade this has more than doubled from AUD\$20.5m to nearly \$46m annually. The extrapolation and significance of these figures across the industry is explained in the recently published report *BORN GLOBAL, Australian Music Exports*¹ attached to this submission.

Over the last decade we have fostered the development of the Sounds Australia program with the vision to fast-track the global success of Australian music by assisting with research, policies and activities in developing and established markets. APRA AMCOS has also organised international co-writing programs for our members called Songhubs² in Australia and in developing key export markets with the participation and assistance of Sounds Australia. These include Mumbai, Bali, Stockholm, Austin, Sao Paulo, Singapore, Toronto, Los Angeles and Nashville. We will be holding our first “K-Pop” Songhubs in Seoul this November with a view to improving our understanding of and access to this evolving international sector of the music industry³. This is following on from a song by an APRA writer member in the latest album by the global hit band K Pop band BTS.

Other export focused initiatives of APRA AMCOS from a membership perspective include our biennial Professional Development Awards⁴, which support emerging songwriters working in a broad range of genres by providing funding to attend workshops, music education courses, composer seminars, co-writing sessions and other relevant international and local activities. APRA AMCOS also has membership representatives working with our writers who are touring or living in our major markets. Our representatives are working in London and Europe, Los Angeles, New York and Nashville.⁵

TRADE IN SERVICES

Reported international tours by our members have increased more than three times over the last five years, with attendant increases in the value of that sector of our business. For that reason we wish to highlight the market access issues in trade in services relating to movement of people and barriers to entry, including visas for touring and overseas based members ‘going global’.

We support the new push for regulatory reforms in key international markets to further boost the performance of Australian trade in services and the work of DFAT and Austrade in that regard. In addition to calls for improving the operation and enforcement of the WTO and GATS to ensure further effective liberalisation of trade in services. The importance of this sector to our economy is set out in the recent OECD publication, *Australian Services Trade*

¹ findings from the 2016-2019 Australian Research Council Linkage project *The Economic and Cultural Value of Australian Music Exports* from partners University of Newcastle, Monash University, Australia Council, Sounds Australia and APRA AMCOS.

² <http://apraamcos.com.au/songhubs/>

³ <https://economictimes.indiatimes.com/magazines/panache/bts-tops-billboard-100-list-how-k-pop-helped-korea-improve-its-economy/articleshow/65266543.cms>

⁴ <http://apraamcos.com.au/awards/2019-awards/pda/>

⁵ <http://apraamcos.com.au/music-creators/living-earning-or-touring-overseas/international-reps/>



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*in the Global Economy*⁶ Apart from touring and performances, music as a service also includes music in audio-visual products (film and TV exploitation garner nearly half of APRA's international performance revenue) and music in the evolving gaming and on-line multi-media sectors.

Digital disruption has transformed the music and creative industries. One service area where APRA AMCOS sees an important opportunity, is the provision of music copyright licensing and distribution services for the global digital music and video services. APRA AMCOS has been successful in the last five years in securing a mandate to act for key local and international rights-owners to enter into multi-territory licensing agreements with the large multi-national digital service providers in the Asia Pacific region and beyond. This includes the large Asian digital companies now operating in this space. This has proven to be very successful in generating significant revenue for these rights-owners, and commissions for APRA AMCOS.

COPYRIGHT LAW DEVELOPMENT AND ENFORCEMENT

APRA is the oldest and most developed collecting society for musical works in the region. We have leveraged our considerable expertise, economies of scale and knowledge of Asia to secure these licensing mandates. We also assist in complying with Australia's capacity building obligations in regional fora such as APEC, and we play a leading role in the Asia Pacific Committee of the International Confederation of Authors and Composers Societies (CISAC) based in Beijing. We also work closely with the Copyright Development Division of the World Intellectual Property Organisation (WIPO) to support regional harmonisation and development, administration and enforcement of copyright law. The efficiencies and level of development of copyright administration in Australia provides us with a significant competitive advantage in the region. The growing young middle class in economies such as India and China, with stated preferences for international repertoire in music and use of evolving digital music services⁷, will provide Australia with great opportunities for growth in the music and creative industries.

Copyright and creative industries are a significant contributor to the Australian economy. The PWC report commissioned by the Australian Copyright Council and elaborated using the WIPO framework, *The Economic Contribution of Australian Copyright Industries 2002-2016* shows that our copyright industries employ more than 1 million Australians, generate the equivalent of 7.1% of GDP and \$6.6 billion in exports, around 2.7% of total exports⁸. Australia enjoys a regulatory environment that facilitates legitimate use of copyright materials, where content is made available and rightsowners are fairly compensated. Such a regulatory environment fosters investment in local creation and provides export opportunities for our creative industries, and for APRA AMCOS to develop multi territory digital licensing models.

With the digital transformation of industry resulting in a reliance on digital services for future revenues, APRA AMCOS along with other creative industries are lobbying for mechanisms to ensure prominence of local content on new streaming services,⁹ and to ensure fair remuneration for creators¹⁰. This is also dependent on supporting the inclusion of cultural exceptions in trade agreements, to reflect our commitments under the UNESCO

⁶ OECD 2018 (Paris) <http://doi.org/10.1787/9789264303911-en>

⁷https://en.unesco.org/creativity/sites/creativity/files/cultural_times_the_first_global_map_of_cultural_and_creative_industries.pdf CISAC recognised Asia Pacific as the largest and fastest growing market for CCI

⁸https://www.copyright.org.au/acc_prod/ACC/Research_Papers/PwC_Report-Value_of_Copyright_Industries.aspx

⁹ Environment and Communications References Committee Report March 2019 "Economic and cultural value of Australian content on broadcast, radio and streaming services"

¹⁰ <https://www.cisac.org/Newsroom/Articles/CISAC-works-with-UNESCO-to-explore-ways-of-addressing-the-transfer-of-value>



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Convention on the Protection and Promotion of the Diversity of Cultural Expressions. Effective access to local markets also ensures Australian cultural output can succeed on a global basis.

Multi-lateral agreements, such as the *Berne Convention for the Protection of Literary and Artistic Works* (1886) and the *WIPO Copyright Treaties* (1996) administered by WIPO and the *Trade Related Aspects of Intellectual Property* (TRIPs) administered by the WTO, set out the framework for international standards of copyright protection and enforcement. We believe that bi-lateral and regional trade agreements play an important role in supplementing these treaties through promoting development and harmonisation in copyright laws and their enforcement, particularly in our Asia Pacific region. These FTAs allow Australia to raise concerns over possible barriers to trade in countries with developing copyright law and infrastructure, on a regional or bi-lateral basis. We have supported the recent important FTAs that Australia has concluded, including with Singapore, China, Korea, Japan, Hong Kong and those in negotiation with Indonesia and the European Union. The agreement with the EU may provide a higher level benchmark for copyright protection and a framework for Australia to address issues such as DSP liability and cross border e-commerce.

However, it is the area of digital rights administration, especially cross border licensing and enforcement, where we are facing evolving significant potential barriers to entry and trade impediments. While new regional instruments such as RCEP may seek to address issues surrounding cross border e-commerce and digital copyright regulations in future, we believe that such liberalisation will be key to the furthering of global prosperity of Australian Music. Also, effective provisions relating to the application of competition law and its overlap with IP rights would support our market access enabling us to license digital rights on a multi-territory basis.

NEGOTIATE A PROVISIONAL FIRST EXPORTERS VISA BETWEEN THE USA AND AUSTRALIA

One of, if not the single greatest barrier to exporting Australian music to North America is the difficulties and costs associated with petitioning an entertainment Visa for artists to showcase and tour in the United States of America. Applying for an artist visa has always been hard however the current environment is starting to have detrimental effects on Australian artists' careers, with respect to the arbitrary and nonsensical decisions we are witnessing being made relative to an artist needing to demonstrate "extraordinary ability, that a person described as prominent is renowned, leading, or well-known in the field of arts".

The lack of consistency with respect to which artists are being refused and which are awarded visas is staggering and makes planning and advancing activity almost impossible, whilst commercial opportunities are being lost to the process. U.S. Citizenship and Immigration Services (USCIS), a component of the United States Department of Homeland Security (DHS) increased the Premium Processing fee from \$1225 to \$1410 USD for all petitions received postmarked after 1st October 2018. That equates to \$1,940.68 AUD and this fee is required for almost all petitions nowadays in order to be processed in time and in addition to all other filing fees required by the application. In May 2016, the issue of visas for Australian performing arts companies in the US was an agenda item on the US Free Trade (USFTA) Joint Committee Meeting, however unfortunately it was later removed as the forum doesn't deal with visa questions.

Given that Australia's temporary immigration and entry requirements for US Artists looking to perform in Australia is also cost prohibitive and tedious, Sounds Australia would like to see the Australian Government enter in to trade discussions with the USA to introduce a reciprocal Music Exporters Provisional Visa that allows artists the opportunity to showcase and tour in each other's countries on up to three occasions before they need to apply for a working permit.



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The innovative and game changing Music Exporters Provisional Visa would allow artists in both directions the opportunity to form key business partnerships and secure future paid work, without the restrictive set up costs.

MUSIC DIPLOMACY

We call on the Australian Government to foster a culture of engaging Australian Music First across all international Government activity, events and promotions. This might include hiring an Australian group to perform at an event for a fee or ensuring that Australian music is always used as background to both formal and social functions hosted by Australian Embassies, Consulates or High Commissions. We'd encourage all international Government hosted or support events to use Sounds Australia playlists or contact us to curate a playlist fit for purpose.

Over the last decade Sounds Australia has collaborated with DFAT posts in a number of key territories, successfully demonstrating that culturally lead promotional activity can stimulate access, produce ongoing trade outcomes and establish pathways for Australian music businesses, particularly in emerging markets.

This activity has included;

Australian High Commission, Argentina

Financial partners in presenting BAMB (Buenos Aires Music Meet)

Australian Embassy, Berlin

Financial partners in presenting THE AUSSIE BBQ, The Reeperbahn Festival, Hamburg and The Luncheon, Berlin

Australian High Commission, Brasillia

Financial partners in presenting THE AUSSIE BBQ, SIM Sao Paulo

Australian High Commission, Chile

Financial partners in presenting THE AUSSIE BBQ, En Orbita, Santiago, Chile

Australian High Commission, Houston, TX

Financial partners in THE LUNCHEON at SXSW, Austin, Texas

Australian High Commission - New Delhi

Financial partners in OZFEST India and THE AUSSIE BBQ New Delhi

Australian Consulate-General - New York

Financial partners in presenting THE AUSSIE BBQ, SummerStage, Central Park and the CMJ Music Marathon, New York

Australian High Commission, London

Financial partners in THE LUNCHEON at The Great Escape

Australian Consulate-General – Los Angeles

G'Day USA chair for AUSTRALIAHOUSE partnership at SXSW, Austin, Texas

Sounds Australia's music export activity exudes soft power values and contributes to cultural diplomacy outcomes by positioning Australia as a high quality exporter of contemporary music, a country of professional operators with an appetite to establish long-term, mutually beneficial cultural and business partnerships.

The diplomacy objectives that underpin Sounds Australia's activity are;

- I. to showcase Australia as an outward-looking, culturally diverse and innovative nation by presenting Australia's best contemporary music industry leaders and artists.
- II. to promote our finest cultural, artistic and successful contemporary music artists to the wider global audiences.
- III. present Australia as a contemporary and creative nation of excellence, committed to engagement with key international partners.



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- IV. build upon and develop long-term connections and trade linkages for the Australian music industry, promoting collaboration, reciprocity and exchange.

A genuine opportunity exists for the Australian government to provide further support for Sounds Australia across multiple portfolios in tandem with the Arts; including Jobs and Innovation, Tourism, Trade, and as illustrated the Department of Foreign Affairs.

CONCLUSION

APRA AMCOS and Sounds Australia believe it is an exciting time for Australian music export in the rapidly transforming international markets for touring and digital music services, with possibilities for Australia to further leverage its competitive advantage in elaborating multi-territory licensing models.

Domestic regulation ensuring the promotion of local content on digital services and a copyright regime that ensures effective remuneration for the creative industries are both key to on-going improvements to our balance of trade.

We believe that further liberalisation of trade in services, cross border e-commerce and ensuring also that transparency and competition are at the forefront of our trade policy and negotiations will help secure this future.

Thank you for this opportunity to share experiences with our efforts and successes in music export and to identifying potential impediments locally and in our trade relations. We look forward to further discussion on these important issues.

Scot Morris
Director International Relations