

**House of Representatives
Standing Committee on Communication and the Arts**

Inquiry: Australia's Creative and Cultural Industries and Institutions

Submission:

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In keeping with my own policy work and experiences in the music sector (see p. 13), including 6 years as a professional drummer, this submission focuses upon the music industries within Australia's cultural/creative industries. The music industries have consistently been at the forefront of substantial industrial, cultural and governmental change.

Among the Terms of Reference, I have accentuated (i) 'the direct and indirect benefits and employment opportunities of creative and cultural industries and how to recognize, measure and grow them'; and (iii) 'the best mechanism for ensuring cooperation and delivery of policy between layers of government'.

1. Live music economy

- 1.1 In 2014, the Australian live music sector was 'conservatively valued' at \$15.7 billion that evaluated both economic and cultural value.¹
- 1.2 Earlier value markers of the live music sector I identified in an earlier report, *Vanishing Acts*, conducted with Professor Bruce Johnson in 2003, still hold. For most musicians (pre-pandemic), live performance remains the key source of engagement with audiences and peers; a central marketing tool for recordings; hubs of skills development; an incubator for wider national and international success; and the primary means of income.²
- 1.3 Our 2003 findings have been reinforced in successive inquiries and reports. For example, the NSW Legislative Council's 2018 inquiry into its music/arts economies found that 'in 2014, the contemporary live music industry generated approximately \$3,623 million and 23,207 jobs in New South Wales and anticipate that these numbers have grown substantially in the last few years'.³
- 1.4 At the same time, the 2018 report also reinforces the circularity of planning, licensing, noise and related regulatory issues that we identified in 2003 and have yet to find reasonable solutions to a range of stakeholders. The problems derived from the establishment of 'lockout laws' in the Sydney CBD and related entertainment precincts have been well documented. The vigorous debate on 'lockout' effects upon venues has often masked debates about ongoing regulatory foundations which require attention; NSW is not the only State in which the central ecosystem of performing songs live to local audiences has been severely weakened prior to pandemic effects.
- 1.5 COVID-19 has wrought substantial effects upon live music infrastructures. In Australia, the first three months of venue closures and social isolation was estimated to produce a reduction of \$100m in revenue, with 65,000 job opportunities lost.⁴
- 1.6 The combined effects of venue losses and regulatory failure *before* COVID-19, and the venue lockdowns after it, have been devastating for a sector that is at the centre of the

¹ University of Tasmania (2014) *The economic & cultural value of live music in Australia 2014*.

² Johnson, B. & Homan, S. (2003) *Vanishing Acts: An inquiry into the state of live popular music opportunities in New South Wales*, Australia Council and NSW Ministry of Arts, pp. 2-3.

³ NSW Legislative Council (2018) *The music and arts economy in New South Wales*, Portfolio Committee No. 6 – Planning and Environment, p. 31.

⁴ I Lost My Gig (2020) 'An industry in crisis: \$100 million and counting', Australian Festivals Association and the Australian Music Industry Network. 17 March.

wider Australian music economy. The need for greater efforts in the rebuilding is obvious; however, it also presents opportunities to re-think State-Federal relationships, and to examine policy innovations that can restore some fundamental foundations.

- 1.7 Below are comments on amendments to existing national infrastructure that could be entertained in terms of strengthening the role of music venues as 'incubators' of both domestic and international success. This includes proposing a greater role federally in leading innovations related to music venue regulation.

2. The Live Music Office

- 2.1 The Live Music Office (LMO) was established with Federal Government and other funding in 2013 to 'increase opportunities for live music in Australia by identifying and advocating for better policy, regulation and strategy'.⁵ Despite a series of impressive activities, the LMO has experienced successive funding cuts, with APRA AMCOS largely ensuring its administrative and financial survival.
- 2.3 The LMO has played a vital role as a national broker, with the ability to apply national considerations to very local concerns. This has included, *inter alia*, informing States and local councils about best practice legislation and regulation occurring elsewhere; working to bring greater dialogue between local stakeholders; and providing mapping and other research of national benefit.
- 2.4 Further, the LMO is an invaluable 'one stop shop' for music venues, artist managers, artists, and councils about the myriad issues relating to live performances (e.g. its national 'Live Music Map' is available to assist bands and managers in planning tours).
- 2.5 The LMO is uniquely placed to ensure that States are encouraged to adopt best practices taken up in other States across liquor law, planning, building code law, noise laws and acoustic upgrading of venues. In relation, it has played an essential role in towns, cities and States' live music strategies.
- 2.6 LMO funding needs to be restored to previous 2013 levels of Federal Government assistance to recover its earlier national footprint. As a Federal initiative, the Office should be regarded as an investment in the national live music ecosystem, in provoking a series of efficiencies and bringing regulatory expertise to bear on similar problems experienced across different jurisdictions.

3. Noise Regulation

- 3.1 Out of the many components at play in the live music economy, noise regulation has been the singularly visible issue for musicians, residents, councils and venue owners. Linked to the 'best practice' discussion above, opportunities exist to adopt a national approach to noise management.
- 3.2 'First occupancy' / 'Agent of Change' principles in relation to noise amenity have been debated since the 1990s, reflected in some respects in the related amenity laws

⁵ Live Music Office, 'About', <https://livemusicoffice.com.au/about-us/staff/#/about-us/about/>

produced withy Brisbane's precinct approach to music venues.⁶ At the core of these debates is the allocation of responsibility for changes to acoustic environments relating to either residents or venues.

- 3.3 The Victorian Government established the 'Agent of Change' principle in s.52.43 of its planning amendments in 2014. The section states:

In planning, the agent of change principle assigns responsibility for noise attenuation measures to the 'agent of change' – *a new use or development that is introduced into an existing environment*. In practical terms this means that if a new or an existing live music venue seeks to establish or expand, they will be responsible for attenuating any noise effects that are caused by that change on nearby residential properties. Similarly, a new residential development close to an existing live music venue will be responsible for noise attenuation of its building to protect future residents from the live music venue.

While the principle has encountered some problems in how this is defined and applied in practice (especially in relation to local council interpretations), it has proved to be an effective means of bringing clarity to urban conflicts.

- 3.4 The 'Agent of Change' principle has been duplicated in other national contexts. England included Agent of Change in its National Planning Policy Framework in 2018, with Wales (2018) and Scotland (2019) also implementing their own versions.
- 3.5 In relation to the Live Music Office discussion above, the Federal Government should lead discussions in bringing Agent of Change reform to other States as an innovation clearly recognised by other nations and music communities.

4. Exports

- 4.1 I was part of an Australian Research Council project team that examined Australian music exports in the context of international practices (*Born Global: Australian music exports*). This included close examination of the role of Sounds Australia; and case studies of national policy and practices across France, South Korea, Canada, United Kingdom, Sweden, Finland, Norway.⁷
- 4.2 The *Born Global* report found that Sounds Australia was an international leader within global circuits of showcase, trade fair and related events, playing an important intermediary role in linking aspiring artists with key gatekeepers and events in other markets.
- 4.3 The *Born Global* report estimated combined export income of Australian artists, music publishers and record labels to be approximately \$195 million annually. This reasonably accords with published economic export value estimates of key competitor nations, allowing for different economies of scale and inputs.

⁶ The key machinery here is the revised Brisbane City Plan 2014 with revisions to licensing and music venue noise management; and the Fortitude Valley Special Entertainment Area legislation in 2006.

⁷ The Australian Research Council project report, *Born Global: Australian music exports*, is available on the Australia Council website: <https://www.australiacouncil.gov.au/research/born-global>

- 4.4 The distribution of Australian export income among artists is heavily skewed, with 10% of artists accounting for 97% of the total export income of Australian artists. There are many factors contributing to the lower earnings of the other 90% of artists. These include the challenge of distance, need for repeated international travel for follow-up commitments, international touring costs, administrative obstacles such as visa applications, and competition with northern hemisphere counterparts to access markets.
- 4.5 Greater budget certainty for Sounds Australia has recognised the key role it plays as a program with international standing. However, I would emphasise some of the *Born Global* report's recommendations that can improve how the program operates domestically and globally.
- 4.6 An Australian Music Export Council is required to improve national coordination and allow key stakeholders to properly plan future national needs.⁸ This is essential for a nation with three tiers of government in allowing the greatest leverage from different State and national initiatives. An Export Council would provide greater opportunity to address national initiatives linked to branding, promotion, and efficacy of funded and unfunded support programs.
- 4.7 There is a need to 'Review the role of music export activities across relevant sectors, including cultural heritage, tourism and national branding strategies'.⁹ This would bring Australia in line with core competitors (e.g. France, Canada, United Kingdom, Sweden, South Korea) who place a high premium on leveraging their music exports to wider cultural branding programs.
- 4.8 In relation, the establishment of an Australian Export Council provides possibilities for greater linkages and collaboration with other Australian creative industries in relation to a range of export spaces across (for example) animation, film, television, radio, online and related media.
- 4.9 The *Born Global* report found a strong correlation between nations (such as Canada, United Kingdom) that heavily invest in domestic songwriting, touring, recording and mentoring infrastructure, and export success. Indeed, 'the sustenance of local ecosystems incorporating recording, cultural planning and policy, retail and media is crucial in providing a healthy series of networks for emerging artists to prepare for exploration of other markets'.¹⁰
- 4.10 The effects of COVID-19 have necessitated a shift to a range of online activities for all national export offices and schemes. In order to retain its competitive edge with other export nations, a digital fund should be supplied to Sounds Australia to ensure that it can properly fulfil the enormous shift to online promotion in a crowded global marketplace. This is vital as traditional showcase circuits are made redundant in the immediate future.

⁸ *Born Global* report recommendation, p. 2.

⁹ *Born Global* report recommendation, p.2.

¹⁰ *Born Global* report, p.118.

- 4.11 National stakeholders have an aim for Australian exports to capture 5% of global exports by 2030, equating to a '\$146 billion [global] industry that would mean an A\$7.3 billion music export market'.¹¹ This is an ambitious goal that recognizes Australia's longstanding status as a net importer of music/cultural trade. However, as suggested above, the recent successes of Australian artists globally can be further leveraged; local artists have proven that investment in domestic infrastructure is rewarded with consistent export income.

5. Measuring the Australian music economy

- 5.1 In researching the *Born Global* report, the project team's ability to construct an estimation of Australian music exports' economic contribution was severely hampered by the reluctance by some stakeholders to share data; and the lack of easily identifiable, annual data harvesting across key music economy indicators.
- 5.2 In relation, 'Industry data collected by the Australian Bureau of Statistics are generally at a higher level of aggregation, making it difficult to identify the specific economic contribution of the music sector. Data from other sources only cover parts of the industry'.¹²
- 5.3 Governments and industries need to recognize that the Australian music industries lag significantly behind other nations in the compilation of national data. A number of case study nations examined in the *Born Global* export report – the United Kingdom, Sweden, France, South Korea – publish annual reports on their respective national economic export landscape.
- 5.4 There is an urgent need for industries and governments to collaborate to ensure there is consistent, standardized evaluation methods that can be applied to the local music economy on an annual basis. This would include domestic inputs, outputs and revenues, and not only the export sector. It would provide all stakeholders with the requisite data to inform planning and policy across a range of sector activities and set realistic goals.

6. Digital Content Platforms

- 6.1 The emergence – and huge success – of online music content platforms (especially YouTube, iTunes and Spotify) has fundamentally changed global music distribution and consumption. Indeed, 'mobile telephony-driven music streaming ... looks set to be the most important development, on a par with the introduction of the phonograph, vinyl records and the CD [in] producing new dynamics of personalisation and mobility'.¹³

¹¹ Eliezer, C. (2019) 'How the Australian music industry can level up internationally', *Beat*, 18 September, <https://www.beat.com.au/how-the-australian-music-industry-can-level-up-internationally/>

¹² *Born Global* report, p. 16.

¹³ Hesmondhalgh, D. and Meier, L. (2018) 'What the digitalisation of music tells us about capitalism, culture and the power of the information technology sector', *Information, Communication & Society*, 21(11): 1555-1570.

- 6.2 This mobility of artists and songs in a ‘borderless’ circulation of platforms, and consumers is deceptive, particularly in terms of how particular artists and genres are promoted on platforms. According to one Australian music CEO interviewed for the *Born Global* report, ‘At the moment there’s a small, finite number of curators who have got their hands on these [platform] playlists ... but let’s use a benchmark for locally curated playlists ... there’s an obligation. You’re in this territory; we need to ensure that there’s an opportunity for Australians to be heard’.¹⁴
- 6.3 Relatively recent ‘value gap’ campaigns¹⁵ by different national infrastructures across the world point to the difficulties in artists obtaining any significant royalty increases from content platforms. In lieu of long-term positive changes to artist incomes, opportunities exist for governments and industries to adopt a more vigorous national landscape for local artists.
- 6.4 Detailed consideration of the operation of digital platforms and local music content would be in keeping with the Digital Platform Inquiry’s acknowledgement in 2019 of this need, particularly in regarding ‘local content obligations’ as part of a ‘range of social and other policy matters to be considered’.¹⁶ This requires Federal Government intervention beyond findings made in previous inquiries for ‘streaming services to publish clear, consistent, and transparent information regarding how payments for artists are calculated’.¹⁷ Similarly, ‘encouraging’ streaming services to work with the Australian music industry to establish benchmarks for Australian content on locally curated playlists¹⁸ is unlikely to produce material changes for local artists.
- 6.5 The Canadian Government has been an early mover in acknowledging the local impact of music and other creative content streaming services on local ecosystems. A 2020 examination of its Broadcasting, Telecommunications and Radiocommunications Acts, with issues of cultural sovereignty a major part of the Review, made several findings in relation to digital aggregators, local creative content, and definitional debates about their purpose.
- 6.6 A central finding was the amendment of the Broadcasting Act so that legislation ‘applies to undertakings carried on in part within Canada, whether or not they have a place of business in Canada’.¹⁹ Further, ‘all media content undertakings that benefit from the Canadian media communications sector contribute to it in an equitable manner. Undertakings that carry out like activities should have like obligations, regardless of where they are located’.²⁰ This means broadening policy instruments

¹⁴ *Born Global* report, p. 120.

¹⁵ For example, see Music Canada (2019) *Closing the Value Gap: How to Fix Safe Harbours and Save the Creative Middle Class*. The report defines the value gap as ‘the marked disparity between the value returned to those artists creating and developing artistic content, and the online sources and telecommunications corporations who benefit greatly from the distribution of said content’ (p. 6).

¹⁶ Australian Competition & Consumer Commission (2019) *Digital Platforms Inquiry Final Report*, p. 202.

¹⁷ House of Representative Standing Committee on Communications and the Arts (2019) *Report on the inquiry into the Australian music industry*, p. iii.

¹⁸ *Ibid.*, p. 56.

¹⁹ Broadcasting & Telecommunications Legislative Review Panel (2020) *Canada’s Communications Future: Time to Act*, p. 134.

²⁰ *Ibid.*, p. 143.

beyond local cultural funding and levies to the 'the full range of undertakings involved in curation, aggregation, and sharing'.²¹

- 6.7 Noting the 'discoverability' problems for Canadians in promoting and finding their own local content within the larger digital aggregators, the Broadcasting Act review also argued that 'obligations' should be imposed on all media content providers, including transparency of their algorithm settings; and 'the obligation to offer Canadian content media choices'.²²
- 6.8 The broad tenor of the above recommendations were echoed in submissions from SOCAN (Society of Composers, Authors and Music Publishers of Canada); CIMA (Canadian Independent Music Association) and Music Canada, who argue that digital music curators/aggregators should be defined as broadcasters and subject to similar regulation imposed upon local music content companies.
- 6.9 A 2019 parallel report examining artist remuneration and related issues within Canada's creative industries, *Shifting Paradigms*, recommended that 'music streaming services be regulated like other Canadian music services'; and 'That the Government of Canada develop mechanisms by which streaming services will develop and promote Canadian content'.²³ In the report's Conclusion, its authors stated that 'Witnesses overwhelmingly asked for concrete changes that would address the decline of the artistic middle class. As such, the Committee's recommendations focus on modernizing remuneration models and levelling the playing field for artists and creative industries'.²⁴
- 6.10 Much earlier assessments of music/media conglomerates spoke to their successful mythologizations of 'floating up above sovereign national states'.²⁵ Taken together, the Canadian Broadcasting Review and the *Shifting Paradigms* report signal a determination to reassert some levels of consumer and creator protections. Importantly, they share a common view in bestowing digital content platforms with local responsibilities that acknowledges very real effects for different national creative ecosystems.
- 6.11 While it does not have the U.S. on its doorstep, Australia's music industries share much with that of Canada's, in terms of scope, the logistics of touring a large continent, similar governance systems and settler histories. Given the similar effects wrought by digital platforms upon local incomes, more can be done in Australian contexts.
- 6.12 While the 2019 Australian Music Industry *Inquiry* encouraged streaming services to work with the industry on 'benchmarks' for Australian content,²⁶ the Federal Government should adopt the regulatory responsibility to provide the proper operational contexts, rights and responsibilities of digital music aggregators in the Australian market.

²¹ Ibid., p. 143.

²² Ibid., p. 148.

²³ Report of the Standing Committee on Canadian Heritage (2019) *Shifting Paradigms*, pp. 24, 15.

²⁴ Ibid., p. 51.

²⁵ Malm, K. and Wallis, R. (1992) *Media Policy and Music Activity*, p. 2

²⁶ *Report on the inquiry into the Australian music industry*, p. 56.

7. National Coordination

- 7.1 Australia has had two cultural industries/cultural economy blueprints in the past 50 years: *Creative Nation* (1994) and *Creative Australia* (2013). The nation lacks a contemporary policy document that produces a cohesive set of directions. Cultural policy is instead guided by a series of independent funding initiatives that cater to different creative industries silos.
- 7.2 The lack of a current cultural policy puts Australia at a disadvantage from other 'music nations', particularly in seeing how different creative industries and government sectors cut across related policy (e.g. broadcasting, education, IP, transport, copyright). It would also reflect an ecosystems approach, in providing detailed consideration of how different parts of the national music ecosystem 'speak' to each other, reducing the 'silo' effects of individual policies and strategies.
- 7.3 In relation to the above, our Australian Research Council study of the music export sector found that innovation lies in more imaginative relationships between state and industries, placing expertise and responsibilities where appropriate. This has seen nations such as the United Kingdom and Canada shift from a 'Patron' governmental model (with its emphasis upon 'excellence' and national government as chief funding patron) to either 'Facilitator' (innovation through tax incentives in the name of diversity) or an 'Elite Nurturer' model (direct government funding of selected programs; targeting of elite development of key creative industries).²⁷
- 7.4 In truth, many innovative nations have mixtures of state/industry arrangements. However, in the popular music sphere at least, countries have successfully increased domestic and international viability of their music economies through better coordination of public and private funding; re-thinking where state and industry expertise should be apportioned; and building the development of successful track records into funding assistance.
- 7.5 This wider sensibility of encouraging artist/industry innovation was argued in one Canadian report, where 'the traditional risk/reward analysis is reversed, and the risk of not innovating as an applicant for public funding would be much higher than the risk of innovating'.²⁸ If a national cultural policy is to be written, consideration is required of the new ways in which the state can act as a co-entrepreneur, that includes parallel consideration of what the 'national' means in contemporary contexts. Other nations are already doing so.

8. Value

- 8.1 The range of support provided across the world for the live music industries attests to the devastating effects of COVID-19 on these industries. Support packages have included (for example) a €700,000 Berlin initiative, United We Stream, had raised

²⁷ I am drawing here on Jennifer Craik's earlier terms to describe the broader shifts in state roles. See Craik, J. (2007) *Re-Visioning Arts and Cultural Policy: Current Impasses and Future Directions*, Australian National University, Canberra.

²⁸ Music Canada (2013) *The next big bang: A new direction for music in Canada*, Music Canada, Toronto, p. 31.

artists and nightclub workers;²⁹ a German Government stimulus package of €50 billion for the cultural/creative sector;³⁰ a Norwegian Arts Council NOK300 million scheme for the cultural industries;³¹ and a UK Government €1.57b package for cultural organizations.³²

- 8.2 In general, COVID-related lockdowns revealed the genuine value citizens place upon creative industries products for their quality of life, in not simply being consumer goods of entertainment or distraction, but in re-forging individual and collective identities. In particular, music has played a vital role. As a *World Economic Forum* article has argued, 'During the coronavirus crisis, community support has evolved from a series of spontaneous musical flash mobs to connect with each other to coordinated displays of appreciation – including clapping, shouting and singing – to acknowledge the health workers on the front lines'.³³
- 8.3 In relation to the above calls for greater annual data available on the music industries, this should include detailed considerations of cultural value, and how this meshes with articulations of economic value. For example, interviews conducted with artists for the *ARC Born Global* report highlighted how the need to explore new markets was deeply entwined with pleasures in exchanging dialogue about genres and careers with others; formations of individual/band identity; and broader evocations of national identity being played out across overseas audiences.
- 8.4 The many after-shocks of COVID-19 across the creative industries will include less 'globalist' activities and discourses, and more falling back on domestic infrastructure. This reinforces the need for an articulation of 'the national' in cultural policy, and an increased attention to local infrastructure needs and regulatory obstacles.
- 8.5 In summary, this submission's proposals about various sectors of the Australian music industries are made in emphasizing the national ecosystem. In many cases, it is less about funding, and more about investing in policy reform and coordination. A re-examination of infrastructure and related governance is critical in placing (and valuing) artists at the centre of a post-COVID-19 music landscape.

Associate Professor Shane Homan

I have authored and co-authored 6 books, 16 book chapters and 31 journal articles on popular music and the creative industries, particularly in Australian contexts. I have conducted a series

²⁹ Barber, J. (2020) 'Germany: Berlin's United We Stream has nearly raised 1m for nightclubs and artists during pandemic'. Nighttime.org, 24 March, <https://www.nighttime.org/news-we-get-it-berlins-nightlife-is-legendary/>

³⁰ BYP Group (2020) 'Government responses to the impact of COVID-19 on the arts and creative industries', <https://www.bypgroup.com/blog/2020/3/21/government-arts-responses-to-covid-19?fbclid=IwAR2UyFZax-Om7Ejhj92cdf115Jf75wYWUOEIK0oAMWQDiMdu9cP5CRN7Do>

³¹ Ibid.

³² Brown, M. (2020) 'Boris Johnson pledges £1.5bn lifeline to keep UK's arts sector afloat', *The Guardian*, 6 July, <https://www.theguardian.com/world/2020/jul/05/boris-johnson-uk-lifeline-arts-heritage-sector-afloat>

³³ Langley, M. & Coutts, L. (2020) 'Why do we turn to music in times of crisis?', *World Economic Forum*, 30 March, <https://www.weforum.org/agenda/2020/03/coronavirus-music-covid-19-community/>

of policy work across different Australian music industries contexts as a full-time academic since 1999.

Committee memberships include: Live Music Roundtable (Victorian Government); NSW Live Music Taskforce (2013-14); National Contemporary Music Plan Working Group; General Secretary, International Association for the Study of Popular Music (2005-2009) Chair, Australia-New Zealand branch, International Association for the Study of Popular Music (1999-2002); Music Council of Australia (2009-); Music Victoria (2010-); Curriculum committee member, Box Hill Institute and Northern Melbourne Institute of TAFE (2010-2015).

Commissioned and Australian Research Council reports on the music industries:

- Johnson, B. & Homan, S. (2003) *Vanishing Acts: An inquiry into the state of live popular music opportunities in New South Wales*, Australia Council and NSW Ministry of Arts
- *The Music Capital* (2010), Melbourne City Council Music Strategy
- *The music recording sector in Australia: strategic initiatives* (2012) Australia Council
- Vella, R., Chen, S. Homan, S. & Redhead, T. (2019) *Born Global: Australian Music Exports*, APRA AMCOS/Sounds Australia/Australia Council
- *International Standards, Victorian Conditions: Music and the Night-Time Economy* (2018) Music Victoria/Creative Victoria

I am currently editor of a *Music Policy Handbook* for Bloomsbury Academic, due for publication in 2021; and co-authoring *Music City Melbourne: urban cultures, histories and policy*, also published by Bloomsbury in 2022.