

# NATIONAL CULTURAL POLICY 2022

## Australian Contemporary Music Industry Joint Submission

*This Australian contemporary music industry submission recognises that Aboriginal and Torres Strait Islander culture is central to Australia's national identity, and we all have a role to play in celebrating and preserving the knowledge and wisdom of the oldest continuous culture in the world.*

*The development of cultural policy must ensure Aboriginal and Torres Strait Islander musicians, artists, businesses, and workers have a voice and agency across the full breadth of the music industry ecology.*



# SUMMARY

Representative bodies of the Australian contemporary music industry have come together to support a hallmark plan to partner with government and revolutionise the industry at a critical time in its development.

At the centre of this ground breaking plan is the call for the Australian Government to commit to establishing **a new national music development agency with \$100 million in recurrent annual investment**, establishing a framework for long term investment and strategic focus in order for the Australian contemporary music industry to rebuild and realise its local and global potential. This investment would mirror the backing of similar sized industries and provide a critical cultural, economic and social dividend in return.

In the interim the government must urgently address critical post-pandemic needs with targeted funding for Support Act, investment in urgent skills development, insurance and supporting immediate export opportunities.

**This bold plan and substantial investment is needed to support:**

- 1. First Nations music priorities**
- 2. Immediate investment and support**
- 3. Supercharge policy and investment: 'Music Australia'**
- 4. Strong intellectual property framework**
- 5. Visibility and prominence of Australian music content**
- 6. National catalyst for live music with a tax offset**

# A VISION FOR AUSTRALIAN MUSIC

**The election of an Albanese Labor Government presents a once-in-a-generation opportunity for Australian music and for the nation.**

Whether it is a young songwriter in their bedroom writing the next global hit, a recording artist, producer and sound engineer in the studio working on a streaming smash, a composer creating a soundtrack to the next great film or game, artists and musicians performing for a festival, concert or local gig, from Bankstown to Brunswick, Bundaberg to Broome, there is a massive pipeline of music talent coming from across the nation.

With the advent of the next digital revolution and as the global appetite for music continues to grow, ***the vision for the Australian contemporary music industry is to move from a music nation to a global music powerhouse that can fully realise the cultural, economic and social benefits of a vibrant, healthy and sustainable music industry accessible to all Australians.***

Despite the enormous contribution of Australian contemporary music to our national identity, to education, our sense of community and GDP, no national government has developed a long-term vision for the industry. The Albanese Labor Government has the opportunity to create a professional, rigorous and representative policy and investment framework to supercharge Australian music, leaving a legacy for generations.

**The Australian contemporary music industry faces critical workforce, workplace, investment and market challenges as a result of the pandemic.**

The COVID-19 pandemic decimated the Australian live music sector. It also highlighted the disparate, unsupported circumstances of artists, sole-traders, and music businesses up against out-of-date local content regulations, red-tape and a constrained domestic market. As well as this, many highly valuable music organisations and programs survive hand to mouth – from one grant round to the next and with no guarantee of continued support.

**Australian contemporary music is fast becoming the nation's biggest cultural export, and our largest domestic creative industry.**

- Cost benefit analysis of live music alone shows that it is worth around \$16 billion to the nation
- Contemporary music alone represents well over 50 per cent of all performing arts activity across Australia
- For every dollar spent on live music, three dollars is returned to the community

**The contemporary music industry has tremendous global potential as a critical input to booming technology trends, streaming and digital social platforms, and adjacent creative industries such as gaming.**

- A Goldman Sachs report into the international music market estimates predicts a booming decade for the music industry, with total music revenue to double to about \$131 billion by 2030.
- The Australian music industry has the potential to earn between 5–10 per cent market share of this, but the policy, investment and industry settings must be right.
- Artists and professionals operating in today's Australian music industry are "born global" exporters and business leaders.

- Australia is already in the top ten music markets in the world. We now have the opportunity to become one of the world's great music exporters.

**The next ten years will be critical if Australia is to foster future job creation and build skills in one of the fastest growing global industries at the forefront of cultural expression, community building, innovation, and economic growth.**

**Existing government functions and investment do not match the economic, social and cultural contribution of the Industry.**

- The Australian Government has a centralised strategic investment model for the development of the screen industry through policy and investment (Screen Australia and the Australian Children's Television Foundation), export (Ausfilm), tax offsets (producer, location, post-production) and skills and training (Australian Film, Television & Radio School and the National Institute of Dramatic Arts).
- The Australian Government provides similar investment models for other major industries including transport, tourism, higher education and agri-business.
- The Australia Council is focused largely on funding major performing arts organisations and currently invests approximately 5 per cent of its music budget into contemporary music, including the Contemporary Music Touring Program.
- Contemporary music is vital to multiple Government portfolios including the arts, education, communications, health, innovation, small business, export, regional, Indigenous, trade, tourism, the night-time and visitor economy and foreign affairs. Currently there is no governmental structure or support to recognise this.
- Federal funding for contemporary music is fragmented and lacks long term planning. The Australian Government's Office for the Arts currently funds live music, Sounds Australia, First Nations music and Women In Music mentorship programs with support ending in 2023/4.
- The 2019 *Born Global: Australian music exports* report provides key case studies of the development and export investment frameworks of Finland, France, UK, Canada, Sweden and South Korea.

# PRIORITIES

## 1. FIRST NATIONS MUSIC

The Australian music industry supports the priorities developed by First Nations Performing Arts companies and organisations and is relevant to the contemporary music industry:

### 1.1 High-level principles

- The First Nations pillar of the national cultural policy must be strengthened from 'recognise and strengthen' to 'invest, implement and sustain'.
- Self-determination must be an embedded principle in all First Nations programs and initiatives.
- To achieve the goal of producing and presenting more First Nations work we must strengthen First Nations led music organisations to deliver this critical role.

### 1.2 Key Priorities

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

### 1.3 Specific programs and initiatives

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

## 2. IMMEDIATE INVESTMENT AND SUPPORT

The first step is to stabilise our post-pandemic industry by maintaining existing programs of support, urgently investing in skills lost during the pandemic and set in place the structures to support new growth by ensuring visibility and attracting investment.

### 2.1 Emergency Support

Provide immediate additional support of \$30m over five years for Support Act to provide ongoing crisis relief and to help the industry create sustainable cultural and behavioural change in relation to mental health, wellbeing and safety at work issues for artists and music industry workers. We refer the government to the Support Act submission for further information.

## **2.2. Skills and Traineeships**

Critical investment in traineeships and skills development for young people as well as retraining opportunities to address the urgent skills shortage and rebuild post pandemic capacity across the live music industry as a result of the pandemic. We refer the government to the Live Performance Australia, Australian Festival Association, the Australian Live Music Business Council, CrewCare and the Push submissions for further information.

## **2.3. A Commonwealth-backed insurance scheme**

Commonwealth backed business interruption insurance negotiated in partnership with the states and territories, to protect live music investments and consumer confidence against COVID-related cancellations and rising policy costs. We refer the government to the Live Performance Australia and Australian Festival Association submissions for further information.

## **2.4. Coordination with industry and Government jurisdictions on public liability insurance**

Investigate legislative reform to deliver a consistent public liability framework to improve outcomes for both consumers and policy holders, ensuring the viability of live music venues, events and businesses operating in the live music ecosystem. We refer the government to the Australian Live Music Business Council submission for further information.

## **2.5. Creation of a dedicated Commonwealth Music Export Development Fund**

Several years of disruption and border closures has seen the Australian music industry suffer significant economic and professional losses. We are at a critical crossroad where fierce competition and issues around visas and insurance threaten to impinge on our ability to effectively export in a meaningful way. As our artists and music navigate back to the world stage, it has never been more critical to have tangible and impactful support to help mitigate the serious risks and financial hardships associated with successfully exporting music. We refer the government to the Sounds Australia submission for further information.

## **3. SUPERCHARGE STRATEGIC POLICY AND INVESTMENT: 'MUSIC AUSTRALIA'**

Despite the size, scale, success, cultural impact and growth potential of Australian contemporary music there has never been a dedicated contemporary music agency or office within government. Resources for contemporary music within The Office for the Arts are very limited, and the Australia Council only apportions a very small percentage of its music budget to contemporary music. Neither of these arms of government are tasked or resourced to strategically support contemporary music in any meaningful way. This has inevitably led to a lack of any strategic government focus on contemporary music and has no doubt impacted growth of Australian music here and overseas. It can also be contrasted with the approach taken on other creative industries such as film and television and gaming.

A new national cultural policy must address this gap through the establishment of a dedicated agency or office within government tasked with growing and developing contemporary music through a rapidly evolving environment.

A national contemporary music development agency – 'Music Australia' could centralise, oversee and support key strategic areas including:

### **3.1. First Nations artists and First Nations led organisations**

The support of First Nations music would be central to and prioritised throughout all the programs and activity delivered by Music Australia. For instance, bodies such as the National Aboriginal and Torres Strait Islander Music Office (NATSIMO) could sit alongside Music Australia and help inform Music Australia strategy.

### **3.2. Policy Development**

To work with industry and partners across all levels of government to ensure the policy settings are supportive for music creation and export and foster significant productivity across the contemporary music ecosystem.

### **3.3. Workplace safety and culture**

Partner with industry to address the findings and implement the recommendations of the Music Industry Review into sexual harm, sexual harassment, and systemic discrimination. This report is to be released in late August 2022.

### **3.4. Research**

Invest in data collection, industry research including a regularly updated snapshot of industry activity, to inform federal policy and investment, industry trends, growth, export, and market opportunities.

### **3.5. Education and Creative Development**

Synthesise, support and develop all grants, fellowships, residencies, music education programs and funding for the creative development of great new Australian music.

### **3.6. Market and Audience Development**

Web3, Screen (Games/Film/TV), as well as strategic investment in regional, CALD and youth development programs.

### **3.7. Industry Development**

Establish a national talent accelerator combined with new investment in, education, traineeships and skills development to rebuild capacity across the live music industry in metropolitan and regional areas. Continuation of the women in music mentor program developed with additional industry-wide mentorship programs.

### **3.8. Export**

Support a whole of government ambition for Australia to become a net exporter of music, take advantage of the enormous potential of music export growth, and address barriers to international touring and promotion that are hampering our ability to succeed on the global stage.

#### **4. LOCAL CONTENT**

Address challenges around the visibility and prominence of Australian music content.

It is vital to ensure that Australian content remains easily accessible to all Australians and helps to develop and reflect a sense of Australian identity, character and cultural diversity. Our local songs are a vital means of expressing our voice, history, ideas, perspectives, values and identity and equally a means of projecting that to Australians and to audiences around the world.

Existing local content quotas and benchmarks are incredibly important for the local music industry. Given we know Australians like to hear their own sounds and voices, we urge the government to review broadcast quotas and investigate local content benchmarks for streaming services.

As well as this, the Australian Government must turn its attention to the longer-term value of supporting our world class composers through incentives aligned with screen and digital games offsets so that the entire screen ecosystem can benefit.

#### **5. A STRONG INTELLECTUAL PROPERTY FRAMEWORK**

To help drive innovation in Australian music across genres and platforms, Australia must maintain a robust intellectual property framework that supports and encourages the creation of music including across digital platforms. Copyright is the economic foundation of the Australian music industry and strong copyright laws ensure artists and other rightsholders can protect their work and investment and make an income. The Cultural Policy must include a commitment to maintaining copyright and ensuring it continues to work to incentivise creation and investment in music.

#### **6. NATIONAL CATALYST FOR LIVE MUSIC**

Live music is the base of the Australian contemporary music industry. Prior to the COVID-19 pandemic the venue-based live music industry was a significant part of the economy, and an important part of Australian's social and cultural lives. Close to half of all Australians accessed live music in 2019 and round 5,000 venues hosted over 10,000 unique musicians and bands who performed over 400,000 'gigs' to audiences around Australia. In total these gigs helped generate over \$2.4 billion in direct revenue for venues in 2018/19 and supported 23,700 jobs.

The live music ecosystem was decimated over with the impact of COVID-19 as public health orders resulted in the cancellations of thousands of gigs. Venues sat empty for months on end. A survey of live music venues conducted by APRA AMCOS and BIS Oxford Economics in November 2021 suggests the number of venue-based live music gigs was some 70% less in 2020/21 compared to 2018/19 (FY19) levels. APRA AMCOS licensing data revealed that at its lowest point, venue-based live music activity was 10% of pre-COVID activity.

A simple, quantifiable, broad-based tax offset that incentivises new and existing hospitality venues to present live music and provides sustainable work opportunities for those in the gig economy. This will benefit both new and emerging artists, career musicians and expand the footprint of live music venues and touring networks as well as increase work opportunities across the entire music ecosystem.

The single biggest incentive to increase the opportunity for live music activation across Australia is tax offsets for live music – available to existing live music venues, non-live music venues and touring artists.



- New modelling will show that a tax offset would lift artist's venue-based performance incomes by up to 20%.
- In total, artist incomes would be expected to lift by between \$85 to \$140 million depending on the scenario modelled.
- If the tax offsets were applied to both live and non-live venues the lift in income would be an estimated \$175m or more.

***The full Oxford Economics Report will be released in September 2022.***