

## APRA SUBMISSIONS IN RESPONSE

### 1. Introduction

- 1.1 Many of the submissions from interested parties fall into the category of what APRA would describe as complaints, which would be referred to the Code Reviewer. To the extent that the specific matters raised in the submissions have not already been the subjects of complaints, APRA will treat them as complaints and refer them to Dr Lindgren QC as part of the next review under the Code.
- 1.2 APRA would like the ACCC to take into account the unsubstantiated nature of many of the allegations that have been made against APRA in the third party submissions. APRA is particularly concerned to note that a number of the submissions make misstatements of fact, as well as allegations of conduct by APRA and beliefs held by licensees or members that are simply unable to be tested. In relation to each identified individual complainant, APRA is able to provide copies of all licence agreements, invoices, and correspondence, on a confidential basis if that would be helpful.
- 1.3 APRA also notes that the ACCC has received only 35 publicly available submissions, some of which are from the same body or branches of the same body, even though APRA has a membership of more than 70,000 and more than 60,000 licensees. APRA considers this to be a relatively low level of response to the ACCC's call for submissions from interested parties.
- 1.4 There are a number of issues that are repeated throughout the submissions, and it may be appropriate to address them at the outset.

### 2. The introduction of the nightclub tariff

- 2.1 Several interested parties have complaints regarding the introduction by APRA of its licence scheme for recorded music for dance use in nightclubs. It is alleged that APRA did not consult with licensees prior to the introduction of the tariff, and that APRA opportunistically applied the judgment of the Tribunal in proceedings brought by another collecting society without itself being a party to the proceedings.
- 2.2 In July 2007 the Copyright Tribunal handed down its decision in the PPCA Reference case (*Reference by the Phonographic Performance Company of Australia Limited CT 2 of 2004*) and made formal orders in November 2007. APRA was not a party to the Reference, yet the Tribunal arrived at its decision of \$1.05 per head of venue capacity (to be phased in over 5 years) essentially by:
- accepting the survey evidence propounded by PPCA and compiled by the Allen Consulting Group as to the value of recorded music in nightclubs;
  - then applying a number of discounting factors;
  - then dividing the resulting value among 3 parties: the venue operator, PPCA (in respect of the performing right in sound recordings) **and APRA (in respect of the performing right in underlying musical works)** in the proportions of 50/25/25 respectively. [emphasis added]
- 2.3 In APRA's view it followed from the Tribunal's reasoning that its determination amounted to a finding of reasonableness of *at least* the same rate for underlying musical works as for sound recordings performed in the same context. Certainly, the 20% discounting factor applied by the Tribunal to take account of non-protected recordings would not apply, or would apply at a much lower rate than 20% for musical

works, in light of the different regime of protection of works under the *Copyright Act* and the fact that APRA's repertoire is much larger than PPCA's.

- 2.4 Over the first half of 2008, APRA consulted widely with the Australian nightclub industry in relation to the formulation of its GFN Licence Scheme. In particular, APRA consulted with a number of industry bodies, including the Australian Hotels Association (**AHA**), Clubs Australia and Restaurant and Catering Australia. Together these organisations represent the majority of Australian nightclub venues. The AHA and Clubs Australia were the lead respondents in the PPCA Reference. APRA understands that the ALLM was incorporated in May 2008, however APRA was unaware of its existence at the time of its negotiations with other industry bodies. APRA is still unaware of the breadth of the ALLM's representation.
- 2.5 Following this industry consultation process, APRA formulated its GFN Licence Scheme which was *substantially* the same as the one approved by the Tribunal for the PPCA. The key elements of the GFN Licence Scheme were:
- APRA applied the definition of Nightclub adopted by the Tribunal.
  - APRA applied the per person rate determined as reasonable by the Tribunal, i.e. \$1.05.
  - APRA applied the same 5 year phase-in period ordered by the Tribunal.
  - APRA applied actual Nightclub admittance (capped at venue capacity) as the relevant multiplier, rather than simply Nightclub capacity as under the PPCA scheme. This is the significant point of difference between the APRA scheme and the scheme approved by the Tribunal.
- 2.6 APRA decided to base its licence fee on admittance rather than capacity, notwithstanding the Tribunal's findings, because APRA understood from its consultation process that *licensees* would prefer the application of actual (or reasonably estimated) admittance rather than capacity.
- 2.7 APRA introduced its GFN Licence Scheme on 1 November 2008. APRA provided all existing nightclub licensees with at least one month's notice of the termination of their existing Recorded Music for Dancing licences and were sent application forms for the new GFN licence together with correspondence explaining the basis and effect of the new licence scheme.
- 2.8 Over 745 venues have now been licensed, such that APRA estimates more than 95% of the Australian nightclub market is now licensed under the GFN Licence Scheme. APRA considers that overall there is national market acceptance of the scheme.
- 2.9 Given the findings of the Tribunal expressly valued APRA's rights, APRA considered that it had an obligation to its members to revise its licence scheme for music for dance use. Had APRA referred its scheme to the Tribunal it would have involved the same respondents in further expensive litigation. At all times it was open to the nightclub parties to refer the APRA scheme, or an alternative scheme, to the Tribunal.
- 2.10 It is also a common theme of the nightclub interested parties that they were somehow under-represented, or outclassed, in the PPCA litigation. To be clear: the nightclub interests were represented in the Tribunal by Minter Ellison Lawyers, J V Nicholas SC (now, his Honour Justice Nicholas of the Federal Court of Australia), D R Sibtain of counsel, Surry Partners Lawyers and M Seymour of counsel. The proceedings occupied

10 hearing days. The nightclub respondents unsuccessfully appealed aspects of the decision in the Full Federal Court of Australia, in which appeal they were represented by J E Griffiths SC and K H Barrett, instructed by Minter Ellison.

### **3. Distribution**

- 3.1 It is alleged by a number of interested parties that much of APRA's distribution goes to parties overseas, and that APRA does not distribute to the right copyright owners.
- 3.2 APRA fails to understand the cause for concern here. APRA distributes money to copyright owners whose works have been communicated or performed in public. When musical works that are owned by local APRA members are performed (locally, but also internationally) those persons receive the financial rewards of the performance. Just as with almost any commodity, consumers can elect to acquire a local supplier's goods or those of a supplier abroad. APRA's contracts of reciprocal representation contain obligations to afford overseas works national treatment, reflecting the tenets of the Berne Convention. Of course, APRA does much to champion the Australian music industry. However, APRA sees no problem in principle with Australian businesses paying those overseas whose products they choose to consume.
- 3.3 As to the distribution of monies to overseas copyright owners, APRA distributes in accordance with music use. Australia is a net importer of music. It is apparent from those licensees that provide detailed reporting of music use to APRA, such as television and radio broadcasters, some digital music providers, concert promoters and background music suppliers, that a large amount of foreign music is performed and communicated in Australia. In the year ending 30 June 2012, approximately 40% of APRA's net distributable revenue of \$162.8 million was paid directly to overseas composers through their performing right societies. That is a reflection of the number of works written, at least in part, by foreign composers that are performed and communicated in Australia, in response to consumer demand. APRA has no control whatsoever over the selection of music that is performed in public. Overseas collecting societies monitor music use in Australia, in order to verify that APRA is managing their rights responsibly. Similarly, APRA monitors the use of Australian music overseas, to ensure that its members receive accurate distributions of licence fees from overseas societies. In the year ending 30 June 2012, APRA received \$22 million from overseas societies in respect of Australian or New Zealand works performed overseas.
- 3.4 With regard to the allegation that APRA does not distribute to the correct copyright owners, this seems to be based on the fact that some of APRA's distribution is by analogy, rather than as a result of full census reporting. First, it must be noted that APRA's distribution is a private contractual matter between APRA and its members, and the APRA Board has full discretion to determine a scheme of allocation, in accordance with APRA's Constitution.
- 3.5 Secondly, APRA employs highly experienced and expert distribution staff, and carefully monitors distribution practices in collecting societies around the world. APRA's distribution rules and practices are public documents, and APRA accepts that they are extremely technical and that the distribution process is highly complex. APRA notes that there is a submission from some APRA members in relation to a particular aspect of distribution, which is dealt with in detail below.
- 3.6 APRA has already responded to the ACCC's request for further information regarding distribution, including information relating to distribution by analogy.

#### **4. Disclosing the repertoire**

- 4.1 A number of submissions express the view that APRA should be required to publish lists of its repertoire. The proposition is misguided, and the parties that put it forward clearly have no understanding of the amount of data involved. APRA's active repertoire alone comprises many terabytes of data.
- 4.2 APRA's repertoire is constantly changing. Works fall into the public domain each year, and new works are created daily. The new works that are created may not be notified to APRA for some time after their creation, although they are in fact owned by APRA. This is not only occurring in Australia, but in each of the countries with which APRA has reciprocal agreements.
- 4.3 APRA has a works search facility on its website which enables any member of the public to search for most commercially available works that are in the repertoire.
- 4.4 There are thousands of works that have the same names. For example, there are more than a hundred works called "Yesterday," nine works called "Marry You," and a search for the title "Dreaming" would return 1, 041 results.
- 4.5 To publish an incomplete and ever changing database of more than 10 million works would be an exercise in inefficiency, to little useful end. Most ordinary computer systems would not be capable of dealing with the amount of data involved. The blanket licence gives users the reassurance that they do not have to conduct searches of the database in any event. If a user believes it is performing music by an author who is not a member of any collecting society, APRA will verify the author's membership. APRA's licences contain provisions that require APRA to provide information relating to its repertoire if requested, provided the request refers to particular works or works by particular authors.

#### **5. Surveillance**

- 5.1 APRA regularly conducts checks of premises that use music, for various purposes. It must be noted that these premises are all open to the public, and that at all times APRA pays any applicable entrance or ticket charges. APRA has provided detailed information to the ACCC regarding this practice, in its letter of 28 June 2013.
- 5.2 First, representatives regularly pay for tickets to attend live concerts to verify the works performed, for distribution purposes. This occurs where an event is licensed, and the quantum of licence fees paid suggests APRA should prudently check the works that have been performed.
- 5.3 Secondly, APRA attends premises to collect evidence of performances of music where a licence is required but has not been entered into. This might be done casually (to confirm that 'music' is being played), or formally (to identify specific APRA works performed, for the purposes of notifying the music user of its infringement prior to commencing proceedings).
- 5.4 Thirdly, APRA attends premises to verify music use and attendance numbers at premises that have an APRA licence, including where APRA has reason to believe that a licensee has provided inaccurate information. If APRA believes a licensee has provided incorrect information, its first action is to ask the licensee to verify the information provided.



## 6. Period of the authorisation

- 6.1 APRA has sought a six year authorisation, for the reasons set out in its primary submissions. Most of the interested parties suggest a shorter period would be more appropriate.
- 6.2 In the joint submission by the Australian Digital Alliance and Australian Libraries Copyright Committee (**ADA/ALCC**), the authors query the extent to which APRA could be confident in the stability and predictability of the digital market and technology. The ADA/ALCC correctly point out that APRA has made submissions elsewhere to the effect that streaming market for digital music is still emerging.
- 6.3 ADA/ALCC similarly point to comments by other organisations that suggest that business models are in a state of transition as they adapt to new technology, as well as to developments in the technological sphere (such as the roll-out of the NBN) and the legal sphere (such as the amendments to the *Copyright Act 1968* that might result from the ongoing enquiry by the ALRC into copyright law in the digital economy.)
- 6.4 Both the music industry and copyright law are in a state of flux. APRA accepts the position of the ADA/ALCC as accurate and APRA, itself straddling the intersection of the music industry and copyright law, is actively engaging with the developments in both worlds. The nature of APRA's argument that authorisation should extend for six years is not based on the notion that the music or copyright industry is stagnant and predictable, which it is not and has not been for some time.<sup>1</sup> Rather, APRA's argument is that it has proven well placed to deal with whichever advancements develop in the foreseeable future. The industry is rapidly evolving, but APRA's response to these developments has been reliable, predictable and assured. As the ABC noted, APRA's approach to licensing in the online environment has been "innovative and responsive", and APRA has "kept pace with the evolution of the ABC's various digital and online services."
- 6.5 Indeed, in no small part due to APRA, Australia is perceived to be a key market for international expansion, and increasingly is one of the first markets international players commercially launch outside their home region. This is evident in the development to date of the next phase of the digital market: subscription and streaming services. Seen by many as the future of digital music, the aggressive rollout of these services in Australia provides an illustrative example of Australia's position as an attractive and fertile digital music market.
- 6.6 APRA notes the submissions of ALLM dated 31 May 2013, which reproduces a graph titled *Online Music Providers – Australian Launch Timeline* from ARIA's submissions to the ALRC. The graph demonstrates the launch dates of each of the many online music providers in Australia, showing clearly that the vast bulk of providers launched since 2012. ALLM uses the graph as an example of "the rapid diversification of digital services in Australia over the last decade."
- 6.7 The first point to make about the ALLM's argument is that APRA agrees that digital services in Australia have launched more frequently in recent years than in times past. The second point is that this does not demonstrate that the music industry is more

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<sup>1</sup> For example, it was more than a decade before the last authorisation in 2010 that the Recording Industry Association of America initiated copyright proceedings against Napster (6 December 1999). It was around this time that the first portable MP3 players were being introduced to the market (with Apple's iPod and iTunes first released in 2001.) APRA can safely say that the music industry (with particular respect to its interaction with copyright law) has been operating in an uncertain and unpredictable environment for many years.

uncertain than it was previously (at least to the extent that the music industry was undergoing other, different transitions.) The third point is that this graph supports APRA's contention that APRA has, within the confines of its previous authorisations, been a source of reliability in an otherwise unstable environment, and has not in any way been an impediment to technological development or entrepreneurial start ups entering the music market. Indeed, as set out in APRA's primary submissions, APRA has actively facilitated the entry into the market of such services.

- 6.8 There has been a steady flow of new technologies, new business models (legal and not) and legislative developments, since APRA's first authorisation, each of which has in its own right given rise to significant disruptions to the traditional models of administering public performance and communication rights. Through all the various developments, APRA has kept pace with the technological and legislative requirements of the day. Again, none of this is to say that developments in the music industry or the copyright laws that govern it are entirely foreseeable; manifestly, they are not. It is to say that over the next six years, *APRA's role* in the administration of performance and communication rights is predictable, stable and reliable. For these reasons, and bearing in mind the considerable costs and uncertainty engendered by the reauthorisation process, APRA maintains that six years is the most appropriate length for the authorisation.
- 6.9 APRA submits that the additional reporting proposed by it justify an authorisation period of six years, the converging digital media environment notwithstanding.

## **7. PPCA/APRA confusion**

- 7.1 Some licensees have expressed their confusion about the differences in operations of Phonographic Performance Company of Australia Limited (**PPCA**) and APRA, and have not understood why two separate licences with different organisations are required for ostensibly similar dealings with music. Some submissions refer to the conduct of APRA and PPCA as though the two societies were interchangeable. They are not. The organisations are independent of each other and administer entirely separate rights on behalf of members who are almost always different persons.
- 7.2 APRA has instigated a number of initiatives (as have other collecting societies) to educate the public about what is a very technical area of legal enquiry. APRA's initiatives include the APRA Ambassador Program, launched in 2009, which aims to foster increased understanding of APRA's role and the scope of its activities to the membership and the wider public, and to improve APRA's awareness and understanding of issues faced by its membership and the general public.<sup>2</sup> APRA also trains its staff to respond to enquiries about the difference between PPCA and APRA and other issues. Nevertheless, APRA acknowledges the extent to which some members of the public are unclear about how copyright and collecting societies operate.

### *Member complaint*

## **8. Dance music writers/publishers**

- 8.1 APRA believes this submission raises an issue far too specific to be the proper subject of consideration in APRA's authorisation application, and is more properly the subject of a complaint to the Code Reviewer. APRA will refer the matter to the Code

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<sup>2</sup> See further, <http://www.apra-amcos.com.au/MusicCreators/APRAAmbassadors.aspx>.

Reviewer, indicating that APRA believes it has breached the Code. APRA's proposed rectification of that breach is set out below.

- 8.2 APRA notes that three of the signatories to the submission are founding members of Totem OneLove, which has a continued dispute with APRA. Most of the authors of this submission are represented on the ARIA dance charts that have formed the basis of the GFN distribution since the introduction of the GFN, and of the previous recorded music for dancing distribution for many years.
- 8.3 APRA believes that dissatisfaction has arisen amongst certain dance music writers because the use of music recognition technology to inform APRA's distribution of GFN licence fees has significantly increased the number of writers participating in the GFN distribution pool, with a consequent reduction in the per work distribution rate. APRA is able to show the relevant calculations to the ACCC on a confidential basis if requested. However, APRA agrees that the matters raised are important, and disclose a particular problem that has occurred with the implementation of a new distribution practice.
- 8.4 APRA is disappointed that the members making the submission have failed to disclose to the ACCC the full circumstances of the matters discussed, which are set out below. In particular, before this submission was made, APRA had already offered for its CEO and Head of Member Services to meet in Sydney and Melbourne in the weeks of 8 and 15 July 2013 with dance music writers and their managers, including the authors of this submission, to discuss their concerns, and had produced a fact sheet regarding the issues raised by the members for circulation at that meeting. Meetings were held on 11 and 15 July. Attachment 1 is a copy of the fact sheet.
- 8.5 As APRA has set out in its primary submission, and in its letter to the ACCC dated 28 June 2013, as far as possible it aims to allocate money to works in accordance with actual use, which requires accurate reporting. It is of course necessary to take into consideration the value of the licence fees and the need to avoid undue burden on licensees. As discussed in APRA's primary submission, the increase in licence fees under the GFN licence scheme in 2008 led APRA to consider as a priority the improvement of the distribution scheme for the GFN distribution pool.
- 8.6 APRA had for some time been concerned with the fact that the ARIA dance charts, which together with broadcast information had formed the basis of the relevant distribution, did not provide a full picture of the music being performed in nightclubs. For example, the ARIA dance charts are not derived from sales or performances, but a self-assessed process from participating DJs of determining audience reaction" to performed tracks.
- 8.7 APRA began investigating alternative methods for increasing the accuracy of the GFN distribution, following the introduction of the new licence scheme. It also issued a request for tender in relation to the provision of music recognition technology, and had discussions with its sister societies, in particular PRS for Music, regarding their own experiences with music recognition technology. As a result of these investigations, APRA decided to enter into an arrangement with DJ Monitor, for a trial of its music recognition technology service, and agreed with PPCA to implement the technology jointly both to minimise the cost to copyright owners and the burden on licensees.
- 8.8 APRA and PPCA separately provided certain licensee information to APRA's external statisticians, who selected a number of venues to be approached regarding the DJ Monitor technology. Many venues were unreceptive to this approach. Ultimately, the

trial commenced with the technology being installed in eight clubs. Currently, the DJ Monitor technology is installed in 17 venues throughout Australia.

- 8.9 The process of installing the DJ Monitor technology in venues was more complicated than APRA had anticipated. First, it encountered resistance from the venues. Secondly, the technology itself was problematic. Each unit had to be adapted and tested, and some were faulty and had to be returned. Testing the units was time consuming. Finally, the technology depends on a stable internet connection, which affects the placement of the units both within a venue and geographically.
- 8.10 Under the APRA Constitution, the Board has discretion to determine a scheme of allocation from time to time (Article 93). At a meeting on 18 April 2013, the Membership and Distribution Committee recommended that APRA incorporate the results obtained from DJ Monitor into the GFN distribution. The full Board adopted that recommendation in its resolution on 18 April 2013, and the distribution was calculated and paid accordingly in May 2013. The Distribution Practices document itself was not updated until 11 June 2013. APRA accepts that, at the very least because of its obligations under the Code of Conduct, it should have amended the Distribution Practices document prior to making the P1304 distribution.
- 8.11 APRA has informed the dance music writers who attended its meetings on 11 and 15 July 2013 in Sydney and Melbourne respectively that it proposes to extend the P1304 distribution so that writers receive payment under the Distribution Practices document as it was published at 13 May 2013.
- 8.12 APRA also proposes that it will not implement the use of music recognition technology as a basis for distribution of GFN licence fees at least for the next quarterly distribution, pending further consultation with members and consideration of the use of additional music identification tools. APRA has indicated that it would also be happy to have this dispute referred to expert determination should the members not be satisfied with the solutions proposed by APRA.
- 8.13 APRA considers that the specific issues raised in this submission, regarding functionality of the MRT units, the DJ Monitor database, venue placement of the MRT units and percentages of distribution, are matters that are currently the subject of further discussion with members and consideration by the Membership and Distribution committee and the Board. Following consultative meetings with members, APRA is taking steps to establish a consultative industry committee that will consider the appropriateness of the current methodology and other alternatives. As discussed with the members who attended the meetings referred to in paragraph 8.11, APRA cannot disclose to members the venues in which MRT is used, because of the obvious risk of survey error and because the venues have insisted on confidentiality.

#### *Licensee complaints*

### **9. ABC**

- 9.1 APRA welcomes the submission by the ABC, and says that it is indicative of the perception of APRA held by most of at least its sophisticated licensees. The submission recognises the importance of the blanket licence for a large-scale user of music, and acknowledges APRA's responsiveness to changing music use in the rapidly evolving digital space.
- 9.2 APRA acknowledges that its confidential commercial arrangements with certain licensees make aspects of its licensing practices less transparent. However, APRA does

not license similar business models on different terms, and only keeps licensing arrangements confidential at the request of licensees. As set out in its primary submissions, APRA is working towards publicly available licence schemes for the dominant digital business models (such as video on demand and advertising funded subscription services).

## **10. Lasseters Hotel Casino**

10.1 Lasseters is a large entertainment venue in Alice Springs, with a casino, four restaurants, bars, a nightclub and a sports lounge. Lasseters is a member of the AHA (NT). APRA has had a good relationship with the proprietors of this venue since at least the current ownership commenced in 1998.

10.2 Since that time, the venue has held numerous APRA licences, including background music, recorded music for dancing (and now recorded music for dance use), live artist performers, karaoke, and music on hold. The venue's music use has changed from time to time since 1998, including by the addition of musical entertainment, and by the fluctuation of attendance numbers. The venue's proprietors have always been extremely compliant in relation to their APRA licensing obligations, and information provided by the venue has, in APRA's experience, always been accurate.

10.3 APRA recognises that the cost of music licensing may affect licensees' choices with regard to the performance of music.

10.4 Lasseters holds APRA licences for music on hold, Recorded music for dance use, live performances, featured recorded music, karaoke, halls and function centres, background music, with total current annual licence fees of approximately [REDACTED].

## **11. ALH Group**

11.1 APRA notes that the ALH Group is a sophisticated licensee that is a very large user of music. The group is a joint venture between Woolworths Ltd and the Mathieson family. Woolworths Limited is the majority shareholder in ALH Group Pty Limited.

11.2 This is essentially a complaint about APRA's licence fees for screens, and the introduction of the GFN licence scheme.

11.3 The ALH Group is a member of the AHA(Vic), an industry body with which APRA regularly consults. APRA would expect that the AHA(Vic) would have kept its members informed regarding the various communications between it and APRA from time to time.

11.4 The ALH Group is a client of Nightlife. Nightlife is currently seeking to be appointed agent for APRA's licences.

## **12. Caxton Hotel**

12.1 APRA has had discussions with Mr Farquhar regarding the applicability of the nightclub licence scheme to the Caxton Hotel. The letter attached to Mr Farquhar's submission was the third letter from APRA, the first having been sent some seven months prior, in July 2012. A copy of that letter is Confidential Attachment 2.

- 12.2 The letter annexed to the Caxton Hotel submission refers to a view believed to be held by the AHA(Qld). Confidential Attachment 3 is the email correspondence that led to this belief.
- 12.3 Annual licence fees for this venue are approximately [REDACTED], excluding licence fees payable in relation to any recorded music for dance use, the requirement for which is disputed by the Caxton Hotel.
- 12.4 APRA has provided the ACCC with information regarding APRA's commission structure.
- 12.5 APRA will refer this complaint to the Code Reviewer.

### **13. Home Sydney's House of Music**

- 13.1 This is essentially a complaint about the introduction of the GFN licence scheme. APRA will refer the complaint to the Code Reviewer.
- 13.2 Home, as its name suggests, is a large-scale user of music. For the period 1 November 2012 to 31 October 2013 its provisional licence fees are [REDACTED]. APRA does not negotiate with licensees on attendance figures – it requires licensees to accurately report attendance figures and seeks to verify those figures independently.
- 13.3 The use of DJ Monitor technology in nightclubs is discussed in detail in section 8 above. Home is one of the venues that APRA approached to have the technology installed. Home is a client of Nightlife. Nightlife is currently seeking to be appointed agent for APRA's licences.
- 13.4 APRA was unaware of the fact that Home was referred to on the DJ Monitor website in the manner described in this submission, but notes that the reference to Home was unrelated to the APRA music recognition technology trial. On receiving this submission, APRA contacted DJ Monitor, which has rectified the situation. A copy of the relevant correspondence can be provided on request.

### **14. Alumbra**

- 14.1 This is a complaint about the GFN licence scheme, dealt with in detail in section 2 above. The complaint also refers to overseas distributions, dealt with in section 3 above, and APRA's checks on premises, referred to in section 5 and details of which have been provided separately to the ACCC. The complaint will be referred to the Code Reviewer.

### **15. Lounge**

- 15.1 This is a complaint about the GFN licence scheme, dealt with in detail above at section 2 above.

### **16. Jon Sainken**

- 16.1 Dr Sainken is associated with a West Australian venue, the Leederville Hotel, which has been in dispute with APRA since 2010. The dispute was referred to expert determination, and dealt with in accordance with that procedure. Dr Sainken, on behalf of the Leederville Hotel, has recently made an application to the Copyright Tribunal under section 157(2) of the Act.

- 16.2 The dispute is essentially about the application of the GFN licence scheme, dealt with above in section 2.
- 16.3 In response to the other matters raised by Dr Sainken, APRA says that it does not use a disproportionate level of legal representation in its dealings with licensees – for example, APRA had no external legal representation at the expert determination involving the Leederville Hotel. Dr Sainken appears to be concerned that in the PPCA proceedings “the Consumers representatives were simply out of their league” – however as stated above at paragraph 2.10 this is plainly untrue. The “consumers representatives” included a national law firm, extremely senior counsel (now a Federal Court Judge) and senior junior counsel.
- 16.4 With respect, the counterfactual proposed by Dr Sainken would increase inefficiency, noting that by definition a user of large amounts of music would be required to obtain licences from each of the three or four “clubs”. This is likely to increase both the administration costs of owners and users, and to multiply the licence fees payable.
- 16.5 APRA cannot provide a “current detailed list” of its repertoire, for the reasons set out above in section 4. APRA suggests that were it able to do so, the result would be so overwhelming for most small business music users that the effect would be the opposite of that suggested by Dr Sainken.

## **17. Bartletts Tavern**

- 17.1 This is a complaint about the conduct of one of APRA’s licensing representatives. APRA denies that its staff members behaved in the manner described. APRA will refer the complaint to the Code Reviewer.
- 17.2 APRA’s records indicate that following a telephone conversation with Mr Edwards in December 2010, APRA provided semi completed licence applications based on the information provided in the telephone conversation. APRA’s finance department had minimal contact with Mr Edwards regarding an unpaid invoice, which was paid in full in July 2012.
- 17.3 In April 2012, APRA’s licensing representative explained to Mr Edwards that screens showing Keno, TAB and in-house advertisements were not to be included in the application.

## **18. Zap Fitness**

- 18.1 APRA will refer this complaint to the Code Reviewer, and denies that its staff member behaved in the manner described.
- 18.2 There is a dispute between APRA and the fitness industry as to the proper characterisation of screens mounted in cardio equipment. APRA was contacted by Fitness Australia, the body that negotiates on behalf of the industry, regarding the issue. APRA and Fitness Australia met to discuss the matters in dispute. As a result of those discussions, APRA and Fitness Australia have negotiated a new background music licence scheme for fitness centres, which is in the process of being finalised.

## **19. Palace**

- 19.1 This is a complaint regarding APRA’s automated invoicing system. It will be referred to the Code Reviewer.

- 19.2 The Palace had failed to submit its reassessment figures at the end of the previous licence year until March, which meant that the invoice for the first quarter, commencing 1 January, was issued quite late. That invoice was paid, but the subsequent invoice was issued almost immediately and became payable shortly thereafter.
- 19.3 APRA's records show that a representative of its finance team telephoned Mr Sarrou to explain that the effect of the lateness of the reassessment forms was that the invoice had been issued late, and that if the invoice was not paid when due, the account would revert to the amount for the full year.
- 19.4 APRA has contacted Mr Sarrou to make arrangements for another payment plan.

## **20. The Star**

- 20.1 The Star is currently Sydney's only casino. It is part of a large group of companies, Echo Entertainment Group, which controls a number of Australia's most iconic businesses in the hospitality, dining, nightlife and gaming sectors, including (apart from The Star) Jupiters Hotel and Casino on the Gold Coast, Treasury Casino & Hotel in Brisbane, Jupiters Townsville, the Gold Coast Convention and Exhibition Centre and the Townsville Entertainment and Convention Centre. The Star itself has a new 4,000 person capacity Events Centre, 20 restaurants, bars and cafes, Marquee Nightclub which boasts nearly 20,000 square feet of floor space overlooking the Sydney Harbour, a new luxury boutique hotel (bringing the total rooms and suites at The Star to over 650 across 3 towers), a 16-room spa and high-end retail – not to mention its extensive gaming facilities. It has recently completed an \$870 million refurbishment<sup>3</sup> and on 24 June 2013 announced to the Australian Stock Exchange its \$1.1 billion redevelopment plan.<sup>4</sup> In Echo Entertainment's annual report of 2012, the Star recorded gross revenue of \$1.0236 billion.<sup>5</sup> The Star is an experienced litigant, represented usually by large national law firms.
- 20.2 The Star is a client of Nightlife. Nightlife is currently seeking to be appointed agent for APRA's licences.
- 20.3 APRA cannot fathom how a venue the size of the Star can see either the Copyright Tribunal or APRA's expert determination facility to be so costly as to not present reasonable mechanisms for dispute resolution. This submission is particularly bizarre because, in the case of the Star, its licence fees are at such a level that APRA would be required to pay for all of the costs associated with any expert determination.
- 20.4 The Star holds APRA licences for background music, music for dance use, featured recorded music, and live performance. The Star's total licence fees for the period 1 October 2011 to 30 September 2012 were [REDACTED]. Its provisional licence fees for the period 1 October 2012 to 30 September 2013 were [REDACTED]. It has paid additional fees of around [REDACTED].

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<sup>3</sup> Echo Entertainment Annual Report (2012), accessible via <http://www.echoentertainment.com.au/OurInvestors/AnnualReports/Documents/2012%20Annual%20Report%20Final.pdf>.

<sup>4</sup> Echo Entertainment Group, Details of its Stage 2 Unsolicited Proposal Submission to NSW Government, 24 June 2013, accessible via <http://www.asx.com.au/asx/statistics/displayAnnouncement.do?display=pdf&idsId=01419128>.

<sup>5</sup> Echo Entertainment Annual Report (2012), accessible via <http://www.echoentertainment.com.au/OurInvestors/AnnualReports/Documents/2012%20Annual%20Report%20Final.pdf>, p53.



[REDACTED] for live concerts where there was no box office, to date in 2013.

## **21. Future Entertainment Pty Limited**

- 21.1 Future is a promoter of large dance parties. APRA will refer this complaint to the Code Reviewer.
- 21.2 The substance of this submission is dealt with in response to that of Totem OneLove. APRA denies that its representative verbally abused an employee of Future.
- 21.3 APRA staff members do not threaten injunctive relief. It is only once matters are escalated to external lawyers that such remedies (which are available to APRA as a copyright owner) are referred to.

## **22. Totem OneLove Pty Limited**

- 22.1 Totem is a promoter of large dance parties.<sup>6</sup> APRA will refer this complaint to the Code Reviewer.
- 22.2 Although it is a sophisticated and experienced user of music, Totem consistently fails to apply for APRA licences prior to events, leaving APRA to monitor its activities and approach Totem to enter into licences, with licensing arrangements often not finalised until well after events have taken place. During the course of the current dispute, Totem has conducted two very large music events without any licence arrangements at all. APRA did not seek to prevent these events from taking place, nor has it yet commenced proceedings for infringement, although its members are seriously disadvantaged by Totem's conduct.
- 22.3 APRA has been in dispute with Totem for some time, regarding the proper characterisation of its events. APRA accepts that some of the events promoted by Totem are hybrid live and recorded music for dancing events, and has offered compromise licensing arrangements to Totem on this basis.
- 22.4 Totem proposes an alternative licence scheme, the terms of which are not acceptable to APRA. APRA has offered expert determination, and has also invited Totem to refer its alternative scheme to the Copyright Tribunal. Totem has declined to have the dispute resolved by either mechanism. APRA is reluctant to refer the licence scheme to the Copyright Tribunal at this stage because it believes its ongoing discussions with industry bodies regarding its event tariffs will better inform any appropriate industry-wide variation to current schemes.
- 22.5 APRA does not understand why Totem has not availed itself of the dispute resolution mechanisms available. Totem is represented by expert industry lawyers.
- 22.6 APRA is in the process of reviewing its event tariffs, and has been consulting with various industry groups and licensees, including Totem, to that end.

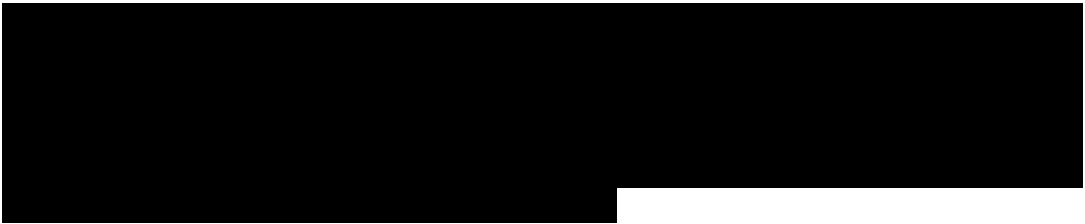
## **23. Nightlife**

- 23.1 Nightlife is a large, sophisticated supplier of music services to its clients. The music it provides ranges from background music services to small businesses, to nightclub

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<sup>6</sup> <http://themusic.com.au/news/all/2013/06/28/stereosonic-parent-company-to-be-sold-for-75-million-in-cash-and-stock/>

music to large venues such as Home. In APRA's view, it clearly is not merely a supplier of background music.

- 23.2 Background music suppliers traditionally have programmed background music for their clients, based on a range of variables depending on the sophistication of the client, such as the demographics of the client's customers, and the purpose for which the music is used (for example, music can be programmed to influence the mood and shopping habits of customers).
- 23.3 Most background music suppliers can identify precisely what music they have supplied to their customers. APRA has for many years offered background music suppliers the opportunity to package an APRA background music licence with the services that they provide. APRA has offered a 15% discount on the licence fees payable by the background music supplier's customers. APRA is aware that while some background music suppliers pass all or some of this discount on to their customers, others do not.
- 23.4 The benefit to APRA in this arrangement is that it more easily secures licensing arrangements with a larger number of small businesses, which in turn experience a simplified process for acquiring their music needs. APRA understands that a number of background music suppliers have a similar arrangement with PPCA. APRA notes that its arrangements with background music suppliers are that they administer the granting of an APRA background music licence to their clients.
- 23.5 In May 2012, APRA commenced a review of its arrangements with background music suppliers, and proposed an amended arrangement. APRA consulted with all of its then current background music supplier licensees, including Nightlife. As a result of these negotiations, APRA made a number of changes to its proposed arrangements. A copy of APRA's letter to background music suppliers setting out these changes is Attachment 4. Nightlife has objected to this amended proposal.
- 23.6 As set out in APRA's primary submissions and in section 8 above, APRA has been trialling the use of DJ Monitor technology in nightclub venues, in order to obtain accurate GFN distribution data. APRA has experienced a level of resistance to this trial from nightclubs whose music is supplied by Nightlife.
- 23.7 

## **24. Live Performance Australia**

- 24.1 LPA raises a number of objections with respect to APRA's licensing arrangements, which require clarification. In particular, LPA criticises the current opt-out and licence back mechanisms by which APRA provides music users with the opportunity to negotiate directly with owners of the works, as well as certain other administrative issues.
- 24.2 LPA also raises concerns regarding APRA's announcement in early 2013 of its plans to review the terms of the Live Promoted Concerts licence scheme. Specifically, LPA is concerned about the way "in which APRA has arbitrarily proposed a 100% increase in the royalty rate as the starting point for negotiations with users of the Live Promoted

Concerts licence scheme and considers that such a proposition is “a reflection on [sic] APRA’s unconstrained market power.”

- 24.3 When APRA determined to review its promoted concert licence scheme, it first held discussions with a number of individual concert promoters (who are members of LPA) and subsequently contacted LPA as an industry body that would be likely to be involved in the negotiation of such a licence scheme. APRA can provide minutes of these meetings and copies of correspondence if requested. It is customary for a licensor seeking to renegotiate a licence, to identify the terms that it seeks. APRA’s expression of its opinion as to the value of the rights to be licensed cannot be characterised as an “arbitrary” imposition of any licence term. Had APRA implemented a new scheme without attempting to consult with the industry, its actions might be characterised as arbitrary. In any event, APRA’s proposal is in line with world standards: for example, the rate set for live performances of popular music concerts in the United Kingdom by PRS For Music is 3% of gross box office receipts, as is the rate set in Canada by SOCAN. Both the UK and Canadian rates were independently derived by their respective equivalents of the Australia Copyright Tribunal.
- 24.4 Importantly, APRA’s market power is not “unconstrained”: the LPA and its members have standing to refer a dispute to expert determination, to refer a licence scheme to the Copyright Tribunal, and they have the opportunity to negotiate directly with APRA and indeed with APRA’s members themselves.
- 24.5 LPA appears concerned that the industry is inadequately aware of APRA’s direct dealing facilities. With respect, LPA is the peak body for Australia’s live entertainment and performing arts industry, representing venues, music promoters, festivals and industry suppliers such as ticketing companies. It has an unparalleled ability to reach the relevant live performance licensees and to inform them of their ability to deal directly with APRA members, should they be unaware of that possibility.
- 24.6 LPA states that APRA represents 232,055 songwriters, composers and music publishers, and that the use of the direct dealing provisions on only 125 occasions represents a low uptake. Although APRA accepts the general point that there is a relatively low uptake in direct dealing, it is worth pointing out that APRA’s membership in fact numbered 70,988 as at 30 June 2012.
- 24.7 LPA submits that APRA’s opt out ought to be available on a work by work basis. APRA does not understand why this is necessary or desirable for LPA members. LPA members require a non-exclusive licence to perform works in public. APRA members are able to enter into direct licences with LPA members using APRA’s licence back facility, and it is APRA’s experience that live concerts are exactly the type of event for which such arrangements can be made. Clearly, however, it is in the interests of LPA members to be able to rely on a blanket licence for performances of those works where it has not been able to negotiate a direct deal, or where it cannot identify or locate the copyright owner.
- 24.8 As APRA has submitted on previous occasions, work by work opt out would be administratively onerous, and therefore expensive. If APRA members were able to opt out on a work by work basis, the potential for disruption to APRA’s business and to the business of APRA licensees would be immense. An APRA licence is a compelling product partly because of its blanket nature. If members were able to remove individual works from the repertoire, say for live performance, APRA would have to notify all live performance licensees of the removal of those individual works, and licensees would have to monitor all music use to ensure that those specific works were not performed. If APRA licence fees were to be adjusted in the blanket live performance

licence to take account of the performance of works not licensed by APRA, licensees would have to provide full music use reporting to enable the relevant calculation to be made. APRA submits that work by work opt out would create confusion and inefficiency, and in any event is not required to facilitate direct dealing by LPA members.

- 24.9 APRA rejects utterly LPA's allegation that APRA staff members have conducted themselves obstructively toward members who have exercised direct dealing rights. There is no basis whatsoever for this allegation. APRA is dedicated to all aspects of customer service and has trained specific staff to handle questions and assist with all matters related to direct dealing. It offers an explanation on its website of the relevant rights, and provides information as to the process and procedure for exercising them. It also provides direct contact details for particular staff members who are equipped to provide further information as a member requires. The relevant staff members have a monthly meeting with APRA's General Counsel to review all direct dealing requests; any direct dealing requests which are made to APRA's licensing department are referred immediately to the membership department; and any opt out request received from a member is forwarded to APRA's General Counsel on receipt.
- 24.10 LPA suggests that the \$200 fee for licensing back or opting out may act as a barrier to APRA members entering into direct licensing arrangements with individual licensees, and the fee should be abandoned in order to reduce the financial disincentive to APRA members to use these facilities. The purpose of the fee is to reflect the administrative costs borne by APRA every time a member elects to alter its assignment agreements with APRA. APRA points out that not having the fee would cause those members who do not directly deal to share the financial burden of the administrative costs caused by those who do. As a matter of fact, APRA often waives the fee, depending on the complexity of the actual licence back arrangements.
- 24.11 LPA has ventilated its concerns about what is perceived to be an "inflexibility built into APRA's collection processing systems." APRA believes that the reporting and remittance obligations that are built into its licence agreements are necessary, even if they may cause some administrative burdens to LPA's members. APRA would welcome any particular suggestion from LPA or its members of how the process might be improved, in the context of these submissions or otherwise, and would be pleased to discuss what might be amended or alternatively why certain requirements are in fact necessary. When the current promoted concerts licence scheme was negotiated in the early 1990s, LPA's predecessor that requested the pro rated licence fee, and accepted that it therefore would be necessary for licensees to report the works actually used to obtain the benefit of this provision.
- 24.12 LPA alleges that APRA collects royalties for works that are out of copyright. This allegation is unsubstantiated and in any event reflects a basic misunderstanding of the APRA licence. APRA only licenses works it controls. It does not control works in the public domain. For those licensees who report full details of music use (such as concert promoters), licence fees are adjusted according to APRA control, including by reducing licence fees based on the duration of the event occupied by public domain works. Many works that are in the public domain are the subject of arrangements that are in copyright and are controlled by APRA.
- 24.13 LPA claims to have received "feedback" that there is a lack of transparency with respect to APRA's royalty distribution practices. APRA's royalty distribution practices can be technical and complex. However, extremely detailed information regarding the way in which APRA licence fees are allocated is publicly available. In the case of promoted concerts the distribution rules are simple – the licence fees for an individual

concert are paid to the copyright owners of the works performed at that concert. APRA cannot respond to unsubstantiated allegations of “feedback” from unidentified people.

- 24.14 LPA submits that those of APRA’s licensing arrangements whereby total amounts payable are calculated as percentage of “Gross Sums Paid for Admission” do not always reflect the needs or circumstances of the particular licensee, and do not adequately take into account the percentage of box office that is attributable to non-music related activities (such as food, comedy, and market stalls). This would be an appropriate matter to raise in the course of licence negotiations, or before the Copyright Tribunal. In any event, it is not the case. First, the percentage of gross admission sums paid already takes into account factors such as those referred to where appropriate, depending on the licence scheme. For example, in its negotiations with LPA regarding the new concert promoters licence, APRA has openly acknowledged that the costs of bringing an act to Australia may be a relevant factor in setting licence fees.
- 24.15 APRA is particularly disappointed that LPA is refusing to engage in negotiations in a timely manner, including on the grounds of its preparation of its submission to the ACCC.

## **25. Wrokdwn TV and Radio**

- 25.1 This submission is a complaint regarding the level of Australian content on commercial radio. APRA has no control over what music is broadcast by commercial radio stations in Australia.
- 25.2 APRA licenses four community television stations. APRA receives a total \$35,000 in fees from the four stations annually. The stations do not provide any reporting to APRA, and so APRA distributes any licence fees received by analogy with commercial television.
- 25.3 The suggestion that APRA has not gone out on a limb for independent Australian musicians is, with respect, a misrepresentation of APRA’s position. APRA has been actively involved in lobbying for preservation of the rules regarding Australian content. APRA also regularly makes submissions on behalf of its members, who include most independent songwriters, to all major inquiries regarding copyright law.
- 25.4 In the 12 months ending 30 June 2012, APRA allocated more than \$700,000 in music grants to 100 music industry organisations and events, and hosted 195 career development, networking and community events. APRA is active in supporting and promoting the work of Aboriginal and Torres Strait Islander songwriters, and also manages Sounds Australia, which seeks to build export opportunities for Australian music creators.

## **26. Entertainment Enterprises Pty Limited**

- 26.1 The author of this submission, Mr Hardie, is the proprietor of various venues in Western Australia that were among those involved in the WANA mediation the details of which have previously been reported to the ACCC.
- 26.2 With respect, it is not correct that the Copyright Tribunal requires litigants in person to seek leave to appear before the Tribunal. Dr Sainken is currently representing Pent Pty Limited in proceedings commenced by Pent in the Tribunal (see section 16).

- 26.3 The Copyright Tribunal is a federal body and has expressed willingness to sit in any capital city of Australia. The Tribunal rarely makes costs orders against a party, and has never done so in a matter involving APRA.
- 26.4 In terms of the cost of expert determination, APRA pays for the costs of the independent expert, including professional fees and travel expenses, unless the annual licence fees of the other party to the expert determination is more than \$100,000. APRA does everything it can reasonably to cover the expenses involved in ADR. APRA fails to see how expert determination can be too expensive an option for licensees.
- 26.5 In APRA's experience, mediation can be more expensive than expert determination. However, when agreed to by a licensee, APRA is happy to engage in mediation for appropriate disputes.
- 26.6 The suggestion that the Code Reviewers, both of whom were previously Federal Court Judges, were or are not independent, or have not discharged their duties appropriately, is both offensive and wrong.
- 26.7 APRA does not distribute any money to record companies. It distributes more than 50% of its net distributable assets to songwriters, and the remainder to music publishers (most of whom pay further amounts through to their songwriters pursuant to contract). It cannot seriously be suggested that APRA should disclose the confidential amounts that it distributes to individuals.
- 26.8 APRA is a company limited by guarantee. Corporate governance does not require that it should have licensee representation on the Board. In any event, and such licensees would have conflicts of interest such that their participation would be limited.

*Representative bodies' submissions*

**27. Nightclub Owners Forum**

- 27.1 This submission complains about APRA's monopoly status, and suggests that APRA and PPCA should be "forced to merge." The rights managed by APRA and PPCA respectively are quite different. While there may be synergies in the licensing operations of the two companies, which APRA and PPCA are actively exploring, the fact remains that each company administers different rights in different properties, and distributes to different membership groups. APRA deals more fully with its relationship with PPCA above at section 7.
- 27.2 APRA's introduction of the GFN licence scheme following PPCA's reference to the Copyright Tribunal is dealt with in detail at section 2 above. It is true that APRA relied on statements made by the Tribunal in that case to increase significantly its licence fees for recorded music for dance use. However, for APRA to refer a virtually identical scheme to the Tribunal following the PPCA case would have been to involve the nightclub industry in duplicative and expensive legal proceedings when the Tribunal had only just been through a virtually identical exercise. In such proceedings, APRA would have claimed that the discounts applied to the licence fee by the Tribunal were not applicable to APRA, for the reasons set out above. APRA again notes that it was at all times open to the nightclub parties to make an application to the Tribunal regarding the APRA scheme or an alternative scheme.

**28. ALLM submission dated 22 May 2013**

28.1 The ALLM has made three submissions, which are internally inconsistent in various respects. Accordingly, APRA will deal with each submission separately. It is particularly disappointing that the ALLM has not seen fit to refer in any of its submissions to the fact that APRA met with it and other industry bodies in 2010 to discuss their concerns with the implementation of the GFN licence scheme, particularly in the context of the global financial crisis. As a result of those discussions, APRA was asked, and agreed, to defer the phase in of the licence fee increases.

28.2 At the same time, APRA offered the ALLM the opportunity to explore the possibility of entering into a modified blanket licence. APRA received no response to this offer.

*Pricing*

28.3 This submission is essentially a complaint about the introduction of the APRA GFN licence scheme, the circumstances of which are described in detail above at section 2.

28.4 Contrary to the assertion in this submission, APRA does consult with the industries with which it regularly trades, to ensure that the terms of its licensing arrangements are reasonably acceptable. APRA was not aware of the existence of the ALLM at the time of consultation with other industry bodies in relation to the implementation of the GFN licence scheme. However, as described above, APRA has subsequently met with the ALLM as part of industry consultation processes. Because APRA is unaware of the extent of the ALLM membership, it is also unaware whether any ALLM members are also affiliated with an industry association that APRA did consult with, such as the AHA.

28.5 The examples given in this ALLM submission of the rates paid to use the musical work *Dancing Queen* are flawed. The current per person rate under APRA's GFN licence scheme is \$0.78 (inc GST). That fee is for all of the music played on the night of attendance, and for the right to access any music controlled by APRA. It is not a per song rate as suggested by ALLM.

28.6 Licence fees under APRA's GFN licence scheme are higher than the rates applied by collecting societies in many other jurisdictions. However, APRA's background music and live performance rates are significantly lower. International comparisons are only one of the factors that APRA (and the Tribunal) have considered to be relevant when setting rates.

28.7 To the extent that this submission relies on anecdotal information regarding the price of "music", and consumers' spending patterns, and on unsubstantiated "surveys" of promoters, APRA is unable to respond without evidence of the claims made. Similarly, APRA cannot respond to claims made by the unidentified party making allegations regarding APRA's application of the live and featured recorded music licence, except to note that if APRA and the premises had "agreed to disagree" it is difficult to contemplate what the commercial effect of that alleged agreement is.

28.8 Licensees are simply not entitled to determine the price at which they purchase licences. Apart from the obvious response that APRA licensees always have standing to dispute the licence rates before the Copyright Tribunal – they are not barred from referring a licence scheme because it has been implemented – it is worth noting that licensees simply cannot determine the price at which APRA licences should be offered (just as no sustainable business allows its customers to set the price at which they would like its products to be sold).

*Parallel importing*

- 28.9 This ALLM submission suggests that users of music should be able to “parallel import” music licences, like beer. This overlooks the fact that throughout the world, songwriters and publishers join a single society. Australian publishers and songwriters generally join APRA (they are free to join any society, and most often will join the society in the country where they live, or where their works are performed most). It is theoretically possible that each society could administer its repertoire for the world, but it would only have the works of its own members. As with many products including motor vehicles and clothes, the price of ‘identical products’ will vary from territory. The rates for public performance are no different, they are a rate that is applicable in each territory - and are not rates for public performance worldwide – taking into account local market factors.

*Dispute resolution*

- 28.10 APRA has in place dispute resolution processes, which include the parties engaging an independent expert to determine the terms of a licence, whether a licence is required at all or the extent to which music is being played at the licensee’s premises. In most cases, APRA will pay for the costs of the independent expert.<sup>7</sup>
- 28.11 Unsubstantiated assertions and unreferenced sources should be received and interpreted with some hesitation, particularly in submissions that are prone to outlandish embellishment. The idea that any reluctance on the part of licensees to make complaints to APRA “is not dissimilar in certain countries under dictators and communist regimes, where individuals fear to speak out about their government’s actions and policies for fear of retribution” is laughable.
- 28.12 Contrary to this submission, APRA does not offer financial inducements to avoid disputes being referred to expert determination. The ALLM should be required to disclose the basis for its claims to the ACCC, if APRA is to answer them.

*Conduct unbecoming*

- 28.13 APRA’s revenue is not “third party money” – it collects licence fees for the use of rights it owns, and applies those licence fees to its costs of administration in accordance with its constitution. APRA has a carefully considered, scrutinised and audited practice of purchasing offices that it occupies rather than renting. It holds no investment properties. Office space must either be purchased or rented, and money must be spent in either case. APRA notes that in respect of its Sydney premises, it also sold the building it had previously occupied, and returned the profit (on which tax was paid) to its members over a carefully considered period of time to avoid windfall gains to particular members.
- 28.14 APRA has responded separately to matters relating to spot checks on premises.
- 28.15 APRA is entitled, even obliged, to recover monies owing to it, and contrary to the assertions made in this submission, there is no evidence that APRA is contributing more than any other provider of goods or services to the closure of particular premises. In any winding up proceedings in which APRA has been a creditor, the APRA debt is almost always one of the smaller debts owing.
- 28.16 APRA does not offer discounts and variable fee deals.

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<sup>7</sup> See further, <http://www.apra-amcos.com.au/musicconsumers/alternativedisputeresolution.aspx>.



*Public interest*

- 28.17 APRA distributes money in accordance with the scheme of allocation determined by the Board, overwhelmingly on the basis of information regarding actual use. Accordingly, if venues in Australia perform works written by foreign writers, APRA makes distributions to those writers through their nominated collecting society. APRA has no control over the works that Australian licensees choose to perform and communicate, or that Australian consumers wish to purchase. In the last APRA distribution, approximately 40% of the total net distribution pool was paid to overseas writers via their performing right societies.
- 28.18 The idea that APRA and its licensees have a relationship that can be characterised as one of master and servant, shows a basic misunderstanding of that well-established concept. APRA is a provider of a product – a licence to perform music – that is an important element of most liquor licensees’ businesses. APRA is not in a position to direct the behaviour of its licensees, nor is it responsible for their conduct.
- 28.19 Some APRA licensees use music in one way only. For example, small businesses that use background music usually only require one APRA licence; cinemas generally have a primary music use by the means of screening films. However, entertainment venues typically use music in a variety of ways at the same time and for the same patrons. For example, it is not uncommon for a venue to offer restaurant services where background music is performed to patrons who later attend a nightclub at the same premises, or for live artists and DJs to provide music at the one venue on different nights of the week.
- 28.20 APRA does not currently have a single licence scheme to cover all such music use, and it considers that the value for these uses can be quite different. For example, APRA believes, and the Copyright Tribunal has found, that recorded music for dance use is valued quite differently to background music.

**29. ALLM 26 May 2013**

- 29.1 This submission seeks to apply the laws regarding consumer contracts to APRA’s licences. This is obviously flawed, even on the face of the submission, as consumer contracts relevantly are contracts for a supply of goods or services to an individual whose acquisition of the goods or services is wholly or predominantly for personal, domestic or household use or consumption. This obviously does not apply to the acquisition of a licence to perform music in public at a licensed venue.
- 29.2 In any event, APRA’s contracts are not unfair. The reason for APRA “mirroring” PPCA’s fee structure in the GFN licence scheme is that the Tribunal expressly determined an amount payable for the APRA licence (albeit unasked for by APRA). APRA has never claimed that the Tribunal has expressly approved its GFN licence scheme. See more fully section 2 above.
- 29.3 APRA appreciates the ALLM’s recognition, in this submission, of the suitability of the blanket licence. However, the criticisms of APRA’s coverage are at best misguided. Presuming that the intention is to state that of all the works played on any given night, or week, only 40% are within APRA’s catalogue of performance rights, this assertion (1) is inconsistent with the experiences of all parties involved; (2) provides nothing by way of disclosure of methodology; and (3) if true, probably means that there is little need for the authorisation application in any event. APRA controlled 100% of the top 100 works listed on the ARIA dance music charts between January and March 2013.

- 29.4 In fact, APRA members, and the members of all performing right societies, assign the performing rights in their existing and future works (noting that future copyrights can be assigned, in accordance with s 197 of the *Copyright Act 1968*). Accordingly, APRA “acquires” the performing right in each new work written by a member *at the time of creation*. There is no basis for the claim that the composers whose works are performed in ALLM venues have no interest in being represented by a collecting society. Most alternative dance music is controlled by APRA, particularly through its reciprocal contracts with the European societies. In fact, APRA’s experience (including at the 11 and 15 July meetings referred to in section 8 above) is that dance music writers are very interested in being represented by a collecting society, and that performing right income is an important source of income for them.
- 29.5 APRA’s policy is to credit a licensee’s account with any amount of overpaid licence fees. This is because any overpayment is discovered as a result of reassessment, which usually takes place at the end of a licence year when a licensee is due to pay licence fees for the next year. However, if a licensee ever asks instead for the money to be refunded, APRA does so.
- 29.6 It is very common for supply contracts that require reporting to contain audit provisions. The alternative would be for APRA to commence proceedings for breach of contract in every case where it had reason to believe that inaccurate information was being provided. This would result in expensive litigation costs for licensees. Any audit is conducted at APRA’s expense, unless the amounts payable have been understated by the licensee by more than 10%.

### **30. ALLM - undated**

- 30.1 APRA has some difficulty addressing this submission due to its piecemeal nature.
- 30.2 APRA does not “repatriate to major labels” – it does not pay labels at all. It is also not the case that independent composers are “incidental to APRA’s business model”. APRA represents all songwriters and publishers, including those who without APRA would not be in a position to enforce their rights in any meaningful commercial way.
- 30.3 This ALLM submission suggests that non exclusive licensing (by members to APRA) will give ALLM members the new ability to establish direct deals with APRA members, but fails to explain why this is the case. The current licence back arrangements already enable APRA members to do direct deals with any ALLM member.
- 30.4 The fact is that nightclubs require a licence to perform a wide range of musical works. It does not suit their business model to perform works written by a small number of people. If it did, and those writers were APRA members, the writers would be perfectly able to deal directly with as many or as few ALLM members as they wished. Alternatively, ALLM members could employ writers to write music for them, or could encourage a small number of writers to opt out of APRA for the relevant purpose.

### **31. WA Nightclubs Association**

- 31.1 In March 2011 APRA and a number of members of the WA Nightclubs association were involved in a mediation regarding the application of the nightclub licence scheme to certain premises. The WANA members wished to have the matter resolved by mediation, and offered to pay for half of the costs of the mediation, which APRA appreciated. Both parties were represented by external solicitors, neither party was represented by counsel.

- 31.2 APRA rejects the suggestion that it is the kind of company that should have its remuneration structure exposed to external scrutiny, for the reasons set out in section 38.

## **32. National Association of Cinema Operators – Australasia**

- 32.1 This submission is, with respect, disingenuous and misleading insofar as it refers to adjustments or discounts to blanket licences.
- 32.2 The Cinema Operators negotiated with APRA in 2006, and, represented by expert counsel, reached agreement on a blanket licence scheme that the parties agreed would not be reviewed until 30 June 2016. The licence scheme includes a clause that deals with repertoire reduction. During the negotiations, all licensing options were canvassed fully by the parties, and if the Cinema Operators wish to waive the privilege in those negotiations APRA is happy to provide full details on a confidential basis.
- 32.3 The Cinema Operators seem concerned that they are unable to negotiate licences with film distributors that pass through the performing rights to the territory of Australia. This is beyond APRA's knowledge or control. It is open to cinema operators to negotiate direct licences with APRA members, either in relation to specific films or generally. APRA notes that there are a number of high profile film composers whose identity must be well known to the cinema proprietors.
- 32.4 In 2010, APRA was contacted by the proprietor of Reading Cinemas on behalf of its New Zealand operation, seeking alternative licensing terms. APRA offered a licence scheme that would see licence fees adjusted in the event of a direct licence. Reading Cinemas declined to enter into that licence, or to negotiate its terms any further. Reading eventually entered into a blanket licence with APRA.

## **33. Independent Cinemas Association**

- 33.1 The licence scheme for cinemas was negotiated between APRA and the cinema industry in 2006. The cinema industry negotiated a fixed 10 year term for the licence scheme.
- 33.2 The countries with which APRA has contracts of reciprocal representation are readily available, and listed on the APRA website. The impracticality and inefficiency of listing the entire APRA repertoire is dealt with at section 4 above.
- 33.3 APRA appreciates the Independent Cinemas' acknowledgement of the value of the blanket licence, and the good working relationships that APRA has with its members.

## **34. AHA**

- 34.1 APRA and the AHA have a close working relationship. APRA regularly attends AHA functions, and negotiates new licence schemes with the AHA on behalf of its members. APRA notes that the AHA raised no substantive issues in relation to APRA's 2010 authorisations. APRA is currently collaborating with the AHA as well as the Restaurant and Catering Association, to have research undertaken by Ernst & Young regarding the potential of tax offsets for the live and recorded music sectors.
- 34.2 APRA is surprised that the AHA regards APRA's price setting processes as anything less than transparent, when the AHA has actively participated in so many negotiations with APRA regarding different licence schemes.

- 34.3 To the extent that this submission alleges unsubstantiated anecdotes about unidentified AHA members, APRA cannot respond. APRA denies that it has ever represented that a licence scheme is the subject of Tribunal approval when it is not, and denies that its staff do not assist with licence applications and complaints processes. APRA does not understand how reference to published materials such as gig guides and online media can be used to coerce licensees into anything.
- 34.4 APRA denies that some licensees are able to negotiate “better” terms than others. APRA takes great care to ensure that music use is licensed in a uniform manner throughout Australia. But different venues use music in different ways. A venue that features music for dancing and has a large number of attendees will pay more than a small venue with background music.
- 34.5 APRA welcomes the suggestion of an ADR process for small disputes, but notes that the AHA has not identified why this will be any more successful than the current process, under which APRA generally pays all reasonable costs. The ADR process is referred to in all APRA licences, and information about the process is available on the APRA website.
- 34.6 Insofar as it refers to the Copyright Tribunal, the AHA submission is difficult to understand. The AHA complains that APRA’s tariff setting process has made the Tribunal “redundant”, yet says that few of its members have the capacity to participate in Tribunal proceedings. It says that an independent panel should be established to set prices, when the Copyright Tribunal already exists. There is no requirement to spend significant amounts of money in Tribunal proceedings – the parties that do so are significant bodies litigating complex licence schemes under which licensees together pay many millions of dollars.
- 34.7 In relation to the AHA’s comments regarding the appointment of agents, APRA already has such arrangements in place with background music suppliers.

## **35. QHA**

- 35.1 The conflation of APRA and PPCA in this submission is confusing. As the submission appears to acknowledge, APRA and PPCA license different rights under different licence schemes. APRA has a far greater repertoire than does PPCA, for reasons noted in the PPCA Nightclubs decision.
- 35.2 APRA rejects the suggestion that it has become more aggressive in the period since the 1990s. In fact, APRA’s relationships with licensee groups, including the various AHA bodies, have improved dramatically in that period. APRA sponsors a number of AHA events, and meets regularly with the national AHA executive and the executive in each state, to discuss licensing and other developments.
- 35.3 APRA is aware that the number of licence schemes that apply to certain industry groups can be confusing. It is working towards a simplification of its tariff structure that should help with this problem. However, it rejects the claim that it operates on a “take it or leave it” basis – APRA’s Queensland licensing representatives work closely with the AHA and its members to ensure that their licensing obligations are met in a commercially acceptable manner. APRA notes that this submission is in direct contradiction to the AHA’s claim that APRA negotiates better deals with some licensees than with others (see paragraph 34.4). APRA tries to respond sensibly and commercially to the circumstances of individual licensees in a way that is consistent with the terms of its licence schemes.

35.4 In response to the claim that APRA introduced a new ‘music for dancing’ licence, APRA says that this is in fact the ‘nightclub’ scheme renamed, not for the purpose of causing confusion, but as a result of industry consultation. Many APRA licensees objected to the classification of their premises as a ‘nightclub’ because of the use of that term by liquor licensing authorities in some states. APRA understands that a ‘nightclub’ liquor licence carries greater obligations, such as security. APRA licensees expressed concerns that their liquor licences might be reassessed because of the classification by APRA as a nightclub. APRA accordingly removed the offending word from its licence scheme.

35.5 Surveillance is discussed above at section 5.

35.6 APRA’s licensing guidelines are regularly provided to individual licensees.

### **36. AHA (Victoria)**

36.1 Each of the scenarios referred to in this submission is a dispute that could be resolved by expert determination. Without knowing the identity of the venues, APRA cannot comment on the particular facts, but the implementation of the nightclub licence scheme and the application of the background music scheme to screens, is discussed elsewhere in this response.

36.2 With regard to the other matters raised in the submission, APRA agrees that it could make all of its tariffs publicly available.

### **37. AHA (NSW)**

37.1 Unlike the submissions made by other AHA entities, this submission makes the extraordinary proposition that only Australian music should be paid for by licensees. Leaving aside the obvious issues this would raise under the many international treaties to which Australia is a party, there are two significant practical issues with this proposal. First, such an approach is likely to be reciprocated by other collecting societies, and so Australian copyright owners would no longer receive royalties for overseas performances of their works (\$22 million for the year ending 30 June 2012). Secondly, the logical response of Australian venues would be to cease playing Australian music, thus obviating their obligation to pay licence fees at all.

37.2 The apparent suggestion that music streamed legally over the internet and subsequently performed in public should not attract public performance licence fees shows a basic misunderstanding of copyright, which is a bundle of separate exclusive rights granted to the owner of the copyright (see section 31 of the *Copyright Act*, which is consistent with Australia’s obligations under the Berne Convention). The legal streaming of the work is a communication undertaken by one entity, the public performance is a different act undertaken by a different person, who also requires a licence.

37.3 APRA does not understand the proposal that a levy be included as part of the sale price of musical and DVD-musical recordings. The advantage of a system such as that operated by APRA is that creators are rewarded commensurate with actual consumption of their product. The sale of a recording does not of itself indicate what subsequent use will be made of that recording – it might be for private or domestic use, or it might be for public performance in a nightclub with a capacity of 3,000 people. It would be impossible to build into the sale price of a single item the range of consumption possibilities such that the sale price was a fair reflection of high use, but not inflated disproportionately in instances of low volume use.

- 37.4 In any event, APRA notes that attempts to attach levies for copyright use on music products have generally met with a poor response from the industry (other than copyright owners), legislature, and the courts.

**38. ALCC/ADA**

- 38.1 Although APRA welcomes the positive aspects of this submission, it appears that the ALCC/ADA have misunderstood APRA's representations regarding the state of the digital markets in Australia. APRA is not submitting that there will be no change in those markets, rather that any change is unlikely to affect the public benefit/detriment balance the subject of the authorisation.
- 38.2 The reality of APRA's price setting mechanisms is that APRA is required by the markets in which it operates to set efficient prices. While it is true that many individual licensees are relatively inexperienced and under-resourced compared to APRA, those licensees are inevitably represented by large, powerful industry groups. Thus, APRA's background music licence scheme, that applies to the smallest of businesses, was negotiated with the Retail Traders Association, the Registered Clubs Association, and the AHA. The fitness class scheme was negotiated with Fitness Australia. The cinema scheme was negotiated with representatives of the cinemas. Those groups are quite capable of conducting formal proceedings in the Copyright Tribunal, and of conducting powerful public campaigns, to exercise power against APRA in a way that ensures the efficient negotiation of licence schemes.
- 38.3 APRA does not understand the basis of the ADA/ALCC's interest in the businesses of background music suppliers, such that they feel compelled to make submissions on their behalf. Nightlife has made its own submission, and no other background music supplier has made a submission of which APRA is aware.
- 38.4 The suggestion that APRA should disclose details of its remuneration packages, and of expenditure, is misguided. APRA accepts that where a company spends or receives public money, or in any way trades in public assets, the public has a right to know some of the sorts of details listed above, in order to regulate those who are representing the public and spending its money. APRA is not such an entity. APRA is a private entity that trades its own assets at market price. The members of APRA elect the Board, and directly approve the remuneration paid to members of the Board. The Board approves staff remuneration in the context of a detailed budgeting process. APRA of course discloses details of revenue and expenditure as required by the *Corporations Act* and the relevant accounting standards.
- 38.5 APRA's membership numbers many thousands of persons, is increasing and relatively open. APRA is also a not-for-profit organisation that serves the public interest by facilitating dealings with music in a way that limits the legal exposure of its licensees and increases the ability of music copyright owners to commercialise their assets. APRA, almost solitarily, effectuates the legislative intention behind the *Copyright Act*, insofar as it relates to the grant of property in communication and public performance rights in musical works. Notwithstanding the considerable public benefit brought about by APRA, APRA is not, and does not purport to be, a public entity. APRA's obligations are set out in its constitution and the Code of Conduct, and its behaviour is constrained by legislation such as the *Copyright Act*, the *Corporations Act* and the *Competition and Consumer Act*.
- 38.6 Notwithstanding this, APRA supports a number of programs beyond the strict scope of its operations. APRA champions projects and events that celebrate and nurture Australian and New Zealand songwriters and composers. Each year, the APRA Board

sets aside 1.75% of distributable revenue to fund projects and organisations promoting the use and recognition of music by APRA members. These projects have included opportunities such as songwriting workshops, awards, special events and live showcases. APRA supports, hosts and collaborates with the Aboriginal and Torres Strait Islander Music Office to assist Aboriginal and Torres Strait Islander songwriters and composers to showcase their talents, build long-term sustainable careers within the Australian music industry and get the maximum economic benefits from their rights. APRA awards prizes for excellence in the music industry, including the APRA Music Awards, APRA Art Music Awards, APRA Silver Scroll Awards, APRA Screen Awards and APRA Professional Development Awards. But these and other activities arise not from obligation, but from recognition of APRA's position in the cultural and music industries and its powers and obligations under its constitution.

### **39. Small Business NSW**

- 39.1 This submission appears to be a response to other submissions lodged with the ACCC, rather than a reflection of any personal knowledge on the part of the Commissioner herself. The Commissioner appears to take the matters raised by interested parties at face value yet, with respect, does not seem to have familiarised herself with any of the matters raised by APRA. As this submission is largely repetitive of others, APRA will not respond in detail to this secondary source of complaint.
- 39.2 APRA is not aware of ever having been contacted by the Commissioner regarding the way that APRA has dealt with any small business, or otherwise.
- 39.3 APRA notes that most of its members are themselves small businesses, whose interests are no doubt represented by the Commissioner.
- 39.4 It is interesting to note that the Commissioner refers to at least one submission (from Restaurant & Catering Industry Association) that APRA has not seen.
- 39.5 APRA is grateful for the suggestion that the Small Business Commissioner in each State could assist with dispute resolution. APRA notes that, for example, the first step in dispute resolution by the South Australian Small Business Commissioner is for the Commissioner to provide the parties with information regarding their obligations under legislation. APRA would be very grateful if each of the state Small Business Commissioners could provide small businesses with information regarding their obligations under the *Copyright Act*, such as is already provided by the Commonwealth Attorney General's Department.
- 39.6 Further, APRA notes that each of the state Small Business Commissioners offers dispute resolution by way of mediation. Expert Determination was the dispute resolution model originally proposed by the ACCC for disputes involving APRA licences, and it is APRA's view that this is well founded – most disputes with licensees are factual disputes that are not properly the subject of mediation. To the extent that disputes relate to the reasonableness of licence schemes – which might properly be the subject of mediation – APRA negotiates licence schemes with industry bodies and is always open to mediation as part of that process. Mediation is also available under the auspices of the Copyright Tribunal. However, the types of parties involved and the scope of matters raised mean that such disputes are not appropriate for resolution by the Small Business Commissioners' respective processes.
- 39.7 To the extent that this submission makes suggestions regarding cheaper dispute resolution solutions for small disputes, APRA welcomes those suggestions and will be making a proposal to the ACCC.

*Anonymous submissions*

**40. Anonymous 27 June 2013**

- 40.1 APRA notes that this submission is made by an organisation that has apparently requested anonymity, and purports to be made on behalf of unnamed APRA members. As such, APRA is unable to respond other than to the general issues raised. The ACCC will appreciate the difficulty of responding properly to a submission that makes serious, public allegations against APRA but does not provide evidence for the basis of those allegations. For example, the submission makes allegations such as “Many members have been asked if they were aware of this ‘Review’, if they had been informed by APRA of any such Review. 100% advised they had not....”, “Several of our members most notably APRA members living in XXXXX have complained about poor service” and “members who have recordings played overseas have managed to form a non exclusive relationship with APRA by signing a letter accordingly”.
- 40.2 APRA appreciates that the authorisation process exposes it to public scrutiny, and accepts that this is a cost of doing business. However, APRA takes most seriously its obligations to provide accurate factual information to the ACCC as part of this process, and is alarmed that baseless public allegations can be made by third parties without any avenue for redress, and may even be considered by the ACCC in the course of making its determination.
- 40.3 APRA has conducted surveys to gauge member satisfaction in each of the years 2010, 2011 and 2012, and the results are Confidential Attachment 5. APRA also keeps records of its social media communications with members, and other correspondence, as part of the Code Review, and these are Attachment 6.

*Failure to consult*

- 40.4 APRA has no way of testing the claim that “100%” of “many members” had not been informed by APRA of this authorisation process. Information about the authorisation process is available on the APRA website.
- 40.5 APRA has certainly never actively encouraged its members to make direct submissions to the ACCC, although in light of this submission it may now do so. APRA has always taken the view that it represents the views of members and that, to any extent it does not, members will either complain to APRA (in which case their complaints would be disclosed to the Code Reviewer and to the ACCC), or resign their membership. APRA is not interested in generating self-serving pro forma positive responses to a process of this kind.
- 40.6 APRA’s Board of Directors comprises six authors and six publishers directly elected by the membership, and the Board has detailed knowledge of the process and progress of these applications.

*Distribution arrangements – APRA practices*

- 40.7 With respect, the author of this submission seems to misunderstand comprehensively the operation of the ‘50% rule’. The rule is intended to *protect* authors, and is in fact consistent with the rules of all performing right societies affiliated with CISAC, because it is a CISAC requirement.
- 40.8 Published authors generally assign or exclusively license the whole of the copyright in their works to the publisher, subject only to the prior rights of APRA (or similar



collecting society). Ordinarily, therefore, one might expect the publisher to be entitled to receive 100% of the performing right income and to pay a smaller royalty to the author, as with all other sources of publishing income. The 50% rule requires publishers to allow authors to receive *at least* 50% of their performing right royalties, directly from APRA.

- 40.9 It is APRA's experience that, in addition to the 50% of performing right royalties paid directly to authors by APRA, publishing contracts often contain provisions by which the publisher pays a further portion of the performing right income to the author. Thus, the excerpt from a publishing contract cited on page 2 of this submission provides that the APRA royalties will be paid as follows: (a) 50% paid by APRA to the author (the 'author's share'), (b) 50% paid by APRA to the publisher (the 'publisher's share'), and (c) 50% of the publisher's share (that is, 25% of the total) paid by the publisher to the author. That is, under the contract cited, the author receives 75% of the total performing right income.
- 40.10 In any event, other than requiring publishers to permit APRA to pay 50% of performing right income directly to published authors, APRA has no control over the contents of publishing agreements between its members, including the frequency with which authors receive payment.
- 40.11 The reference in this submission to the 'Big 6' publishers is somewhat out of date. The major music publishers in Australia are Universal Music Publishing Pty Limited, Sony/ATV Music Publishing (Australia) Pty Limited, and Warner/Chappell Music Publishing Australia Pty Limited. Mushroom Music Publishing is an independent Australian company. EMI Music Publishing has been owned by Sony/ATV since 2012, and MCA Music Publishing has been owned by Universal for many years. The current publisher representatives on the APRA Board are employees of Sony/ATV, Universal, Warner/Chappell, J Albert & Son, Origin Music Group and Mushroom.
- 40.12 The matters raised in this submission regarding AMCOS are, with respect, irrelevant to this application. However, APRA makes quarterly distributions to all of its members, with some overseas income being distributed on receipt. Record companies are not represented, and have no influence, on the APRA Board.
- 40.13 Whether a writer enters into a contract with a music publisher is ultimately at their discretion. If they do not have a publisher, then APRA will pay the writer 100% of their royalties.

*Fiduciary duty*

- 40.14 APRA rejects outright the suggestion that it directs its auditors in any way other than in the normal course of retainer. APRA is audited annually by KPMG, and the Audit and Governance Committee has resolved to instruct KPMG to rotate the existing audit partner, who has held that position for 10 years, away from the APRA audit during the course of 2013 - 2014, as is consistent with good corporate governance.
- 40.15 APRA is bemused by this submission insofar as it relates to arrangements made by APRA and other music industry bodies for travel with Virgin Airlines. In 2011, following considerable adverse publicity regarding the difficulty of undertaking air travel with musical instruments, APRA and a number of other music industry bodies approached Australian airlines to see whether there was a solution to the problems faced by musicians.

- 40.16 Virgin Airlines offered an additional baggage allowance for musicians travelling with instruments within Australia. Virgin can provide data regarding the number of flights booked through the APRA website, and may at its discretion, agree with APRA to offer promotional discounts in association with members' attendance at APRA events such as conferences. There is no financial 'kick back', benefit or commission of any kind to APRA.

*Commercial endeavours*

- 40.17 APRA staff members are expert in the music industry, and their participation on boards and in other capacities in organisations within the music industry is of value to APRA members, the particular organisations, and the music industry generally.
- 40.18 If the suggestion is being made that there is a causal connection between the presence of APRA staff members on relevant boards and the awarding of grant money to organisations, that suggestion is rejected. It is true that a factor in considering whether to award grant money in significant amounts is the likelihood that the money will be expended as represented in the grant application, and the responsibility of the Board may be a relevant factor in that consideration.
- 40.19 The author of this submission appears to have a particular complaint with the conduct of Music Victoria, about which APRA is unable to comment.
- 40.20 The Song Summit, conducted in 2008, 2010 and 2012, was of enormous benefit to members. Song Summit received a total of \$500,000 funding from the NSW State government as part of its VIVID Sydney program, which together with registration and sponsorship revenue partially offset the cost of the event.
- 40.21 The attempt by the author of this submission to analyse APRA's financial statements for 2011/2012 is confused. APRA's accounts are audited and published in accordance with ASIC requirements. The expenses to revenue ratio is as stated by APRA, and for that period was 12.82%. APRA does not understand the point sought to be made on page 7 with regard to the discharge of the AMCOS mandate.

*Member concerns*

- 40.22 APRA finds it difficult to respond to the alleged complaints by unidentified members in an unidentified location. As stated above, APRA will release details of surveys it has conducted of its membership, and unsolicited communications from members, as a more reliable indication of levels of satisfaction with the services APRA provides.

*Statistical misrepresentation*

- 40.23 The first document referred to is a study conducted by Ernst & Young, commissioned by APRA in conjunction with The Australia Council, Arts Victoria, Arts NSW and Live Performance Australia, to measure the contribution of the venue-based live music industry nationally from a venue owner/managers' perspective. Any limitations of the report are set out in its body. APRA's contribution was of data that formed the basis for the study. Attachment 7 is a copy of the report.
- 40.24 The second document is a report conducted by Deloitte Access Economics on the Economic, Social and Cultural Contribution of venue-based live music in Victoria. The report was commissioned by the Victorian Government and a number of other bodies including Music Victoria. APRA's contribution was of data that formed the basis for the study. Attachment 8 is a copy of the report.

- 40.25 APRA does not understand the criticism of the two reports allegedly made by the unidentified department in an unidentified university.

*Advocacy*

- 40.26 APRA denies that its advocacy efforts, or any of its operations, are “primarily directed at protecting the business interests of Foreign Publisher and Record Companies”. First, APRA does not represent record companies at all. Secondly, APRA’s advocacy is always mindful of the interests of its members as a whole, although from time to time APRA might make representations on behalf of a particular group of APRA members (for example, the efforts expended by APRA in relation to the problems experienced by travelling musicians did not benefit publisher members at all. To the best of its knowledge, APRA has never conducted advocacy that benefits publishers alone).
- 40.27 As referred to above, APRA regularly conducts surveys of its membership, the results of which will be provided to the ACCC. APRA also communicates with members regularly regarding its activities, and receives numerous communications from members via its social media sites as well as more traditional methods.
- 40.28 APRA cannot respond to allegations about “many members” and “members talked to”. APRA notes that the author of this submission, on pages 9-10, confuses the rights in a work and the rights in a recording – APRA has no direct knowledge of the distribution practices that relate to performers of recordings. The reciprocal arrangements between performing right collecting societies are such that the local society collects all licence fees for its territory and distributes the writer’s share to its members or to the writer’s overseas society as the case may be.

*Show me the money (sic)*

- 40.29 APRA’s experience is that its members are highly engaged with its distributions practices and methods. APRA will provide to the ACCC copies of communications from members regarding distributions. APRA also notes the submission received 9 July 2013 from an identified group of members, responded to at section 8 above, which shows detailed knowledge and understanding of the procedures adopted by APRA in relation to distributions of revenue from nightclubs, and a high level of engagement on the part of members.
- 40.30 The author of this submission misstates APRA’s comments in relation to technological change. APRA does not assert that there is little likely change over the next six years. Rather, APRA says that any change is unlikely to change the matters the subject of the authorisation, and that APRA is well placed to adapt quickly to change.

*Executive and administrative expenditure*

- 40.31 Criticism is directed at APRA for having certain directors and senior staff members attend two international conferences in 2009 and 2013. The CISAC World Creators Summit (formerly the World Copyright Summit) is held every second year, in conjunction with that year’s CISAC Congress (AGM).
- 40.32 This event is the single most important and high profile event in the CISAC community. APRA always has a presence at the event. APRA’s CEO is on the Board of CISAC, and is a past chair. Other senior APRA staff members are on various CISAC committees. Attendance at the event is essential for a geographically distant society like APRA to meet with other performing right societies to discuss developments and negotiate agreements. Attendance by board members is critical for their own education

as board members, their congress with other board members of similar societies, and their representation of the Australian music industry. European and North American societies have far more opportunities to meet with their CISAC colleagues, not being as constrained by distance.

- 40.33 Papers presented at the event are published on the CISAC website.
- 40.34 APRA does not understand the relevance of the reference to performing right income from Japan, but notes that APRA received \$938,631.35 from the Japanese society JASRAC in the twelve months ending 30 June 2012. Meeting with representatives of societies such as JASRAC at the CISAC summit is one of the key ways that APRA maintains open lines of communication to enable distribution queries to be dealt with promptly.

#### *APRA Awards*

- 40.35 The APRA Awards are held each year, and recognise works that have received the highest level of airplay in the relevant period. The majority of awards, therefore, are not the subject of any voting process – they are determined by performance data.
- 40.36 The Ted Albert Memorial Award for a lifetime's contribution to the industry, and the Songwriter of the Year Award, are determined by the Board of Directors based on recommendations made by the Awards and Grants Committee. The Song of the Year Award is voted by APRA members via the APRA website. For the 2013 award, more than 2100 members voted for the Song of the Year.

#### *APRA complaints mechanism ADR*

- 40.37 The expert determination mechanism offered by APRA is primarily used for disputes with licensees, because most complaints by members are dealt with by management.
- 40.38 APRA attempts to resolve queries regarding distributions from overseas societies as promptly as possible. However, APRA has no real control over response times from its sister societies.

#### *Fundamentally change performance royalty landscape (sic)*

- 40.39 The essence of this part of the submission, much of which APRA simply does not understand, seems to be that it is in the interests of collecting societies to maintain inefficient systems because of the benefits in interest income that arise out of delays in payment.
- 40.40 In fact, in 2012 APRA increased its distribution cycle to quarterly, with a resulting loss in interest income. APRA does not retain money unless it is unable to identify the works performed under certain licence schemes. For the year ending 30 June 2012, APRA's interest income was \$2.57 million, comprising 1.38% of APRA's gross revenue. In absolute terms, APRA's interest income is less now than it was 30 years ago.
- 40.41 APRA does not believe that PayPal will be the solution to the problems that arise out of the digital use of musical works and distribution, however it is open to members who wish to use that mechanism to opt out of APRA for certain uses of their works, or to enter into direct licences for specific works.

#### *License (sic) fees*

40.42 APRA is aware that some venues seek to place responsibility for APRA licence fees on to performers. In such cases, where the performer is also the author of the works performed, APRA believes that the licence back facility provides an ideal solution. APRA also notes that its live performance licence fees have not increased in living memory, and so this is not a market response to increased licence fees.

40.43 APRA cannot comment on “general thoughts” allegedly held by unspecified persons. The purported “example” of a Chinese restaurant is not even represented to be an anonymous licensee. However, APRA notes that it has no licence scheme the fees under which could be exactly \$100, and it does not charge for music played for staff of businesses with fewer than 20 staff, provided the music can not be heard by customers.

**41. Anonymous 23 May 2013**

41.1 APRA gathers that this submission comes from a nightclub proprietor. The nightclub licence fees have increased in the last five years, following the process described above at section 2 above.

41.2 APRA’s distribution rules and practices are public documents, and are dealt with in detail at section 3 above.

**42. Anonymous 24 May 2013**

42.1 This is a complaint that could be dealt with either under the Code of Conduct, or by reference to ADR. In fact, it is exactly the kind of dispute that APRA would suggest should be referred to ADR.

42.2 The claims made in this complaint are inconsistent with APRA’s training of its licensing representatives, and of their conduct generally. In particular, APRA always provides assistance with licence applications if requested, and provides free telephone lines for this purpose.

42.3 Without being able to identify the venue in question, it is impossible to respond to the claim that all or any of it was incorrectly classified as a nightclub.

# MUSIC RECOGNITION TECHNOLOGY:

## greater accuracy and broader coverage for distribution of APRA royalties from nightclubs

The APRA Board has approved the use of Music Recognition Technology (MRT) to collect data on the music used by night clubs under APRA's *Recorded Music for Dance Use* licence. This new method of gathering data from nightclubs will supplement APRA's existing use of the ARIA Club Charts. This represents a significant advance in our efforts to deliver a more equitable and accurate distribution of royalties for the broader benefit of the membership.

### What is MRT?

Music Recognition Technology (MRT) is the name given to a range of machines or programs that "listen to" and process a sample of any audio material that they later match against an extensive database of music and "recognise" or identify. This is possible because any music performance, once recorded, can be "fingerprinted". A well-known example of MRT is the Shazam app on a smartphone.

Over the last few years a number of MRT vendors have developed recognition tools and services to assist with digital rights management. APRA has been monitoring developments in this space closely with a view to using the technology to assist with the distribution of revenue from nightclubs. MRT services have been widely adopted by APRA's affiliated societies internationally, including; BMI (USA), ASCAP (USA), PRS (UK), BUMA (Netherlands), SESAC (USA), COSCAP (Barbados), MESAM (Turkey) and ACUM (Israel).

### How APRA's nightclub distribution works

APRA currently licenses over 745 nightclubs across the country under its Recorded Music for Dance Use licence.

Previously, we distributed this licence revenue according to a split identified in a 2005 AC Nielsen survey:

56% allocated to dance music  
(as identified by the ARIA Club Charts) **and** 44% to commercial music  
(as identified by selected radio playlists).

An extensive pilot study conducted by APRA recently found that **MRT is a significantly superior tool for monitoring and accurately identifying the diverse range of music used by nightclub venues.**

As a result, APRA is now going to use data from MRT installed in an independently selected group of nightclubs to supplement the traditional information obtained from ARIA Club Charts. As a result, 100% of the licence revenue collected from nightclubs will now be allocated directly to music used in nightclubs - radio playlists will no longer be used as a substitute for identifying music played at nightclubs.

### Benefits of using MRT

- MRT is able to **accurately identify more than 80% of works used**. Accuracy remains high even when recording quality is compromised.
- A **wider range of members is able to benefit**: using MRT data APRA has been able to distribute royalties on several thousand more works. In APRA's most recent distribution, using MRT data has resulted in a 400% increase in the number of works that have been able to share in the *Recorded Music for Dance Use* revenue pool as a result of the MRT data.
- Since radio playlists are no longer used to distribute nightclub licence revenue, the 44% of nightclub revenue that used to be allocated to commercial music on radio playlists is now retained in the nightclub pool. This means **a larger pool of royalties is available for the writers** whose work is actually used by nightclubs as identified by the MRT data and the ARIA Club Charts.
- As a result of MRT implementation, **APRA can now distribute 100% of the 'Recorded Music for Dance Use' revenue** and attribute individual works played in nightclubs and similar venues.

The increase in the size of this revenue pool and our ability to more accurately distribute this revenue based on MRT data are both important milestones for APRA members whose works are used in this way.



# MUSIC RECOGNITION TECHNOLOGY:

greater accuracy and broader coverage for  
distribution of APRA royalties from nightclubs

## What this means for APRA's future nightclub distributions

Following an extensive and rigorous tendering process, APRA has appointed DJ Monitor as our MRT service provider. DJ Monitor has already successfully identified dance event performances of musical works in Europe for a number of years.

MRT devices are planned to be installed at 20 nightclubs across the country. The participating nightclubs were selected by an independent statistician to ensure that the sample was robustly representative of our licensees in this revenue pool.

The MRT data provided by DJ Monitor will supplement ARIA Club Charts as the distribution basis for APRA revenue from nightclubs.

At present there is a time lag of a few months between the recording of the MRT data and the provision of the DJ Monitor report. This time delay is to ensure that DJ Monitor can upload the latest recordings into their fingerprint database, so that they can provide APRA with the most up-to-date and accurate identifications.

## What does this mean for me?

In addition to the above, APRA will be inviting members who write in this genre to submit sound files of their works so that they can be added to DJ Monitor's database of fingerprinted works. We will inform members once we have identified the easiest and most effective way to do this.

Nightclub royalties are included in the APRA quarterly distribution payments to members.

## More information

Please contact APRA's Membership Administration Manager, Laurel Smith, on (02) 9935 7979 or by email to [lsmith@apra.com.au](mailto:lsmith@apra.com.au).

MEMBERSHIP ENQUIRIES  
PHONE 1800 642 634  
[WRITER@APRA.COM.AU](mailto:WRITER@APRA.COM.AU)  
[WWW.APRA-AMCOS.COM.AU](http://WWW.APRA-AMCOS.COM.AU)

NSW Head office  
16 Mountain St  
Ultimo NSW 2007  
P: 61 2 9935 7900  
E: [writer@apra.com.au](mailto:writer@apra.com.au)

VIC/TAS  
3 & 5 Sanders Pl  
Richmond VIC 3121  
P: 61 3 9426 5200  
E: [victas@apra.com.au](mailto:victas@apra.com.au)

QLD  
3 Winn St  
Fortitude Valley QLD 4006  
P: 61 7 3257 1007  
E: [qld@apra.com.au](mailto:qld@apra.com.au)

SA  
Suite 29/8-20 O'Connell St  
North Adelaide SA 5006  
P: 61 8 8239 2222  
E: [sa@apra.com.au](mailto:sa@apra.com.au)

NT  
Level 1 Chin Arcade,  
Cavenagh St NT 0801  
P: 61 8 8941 0988  
E: [nt@apra.com.au](mailto:nt@apra.com.au)

WA  
Suite 1/12-20 Railway Rd  
Subiaco WA 6008  
P: 61 8 9382 8299  
E: [wa@apra.com.au](mailto:wa@apra.com.au)

NZ  
Unit 113, 21-23 Edwin St  
Mt Eden, Auckland  
P: 09 623 2173  
E: [nz@apra.com.au](mailto:nz@apra.com.au)

20<sup>th</sup> February 2013



Mr Mark Brownlee  
Chief Executive Officer  
Nightlife Music Pty Ltd  
PO Box 2135  
Milton QLD 2064

Via Email

Dear Mark

We refer to APRA's review of its Background Music Supplier (BMS) Agreements which commenced in May 2012, and the subsequent valuable input from many of you in relation to our proposal dated 16 October 2012. Whilst the initial review process was four weeks, another round of meetings with suppliers have been held to gather further input in formulating a final revised position.

As a result of the feedback we have received, we intend to make four key changes to the initial proposal as outlined below:

1. The new agreement will now commence 1 July 2013 for a period of 3 years (i.e. implementation has been put back three months). Any agreements currently in place will terminate on 30 June 2013.
2. For the purposes of defining rebates, a 'client' is defined as a singular premise, or a retail chain of premises that fall under one company name. To be clear, if for example a retail premises is a franchise business and operates under a separate company structure, APRA views that premises as a singular client.
3. APRA will not as first proposed differentiate its rebates between individual clients or a retail chain client. The rebate available, subject to reporting and payment timeline requirements that were outlined in the previous proposal is now:

Type of Premises	Current	Originally Proposed	New Rate
<b>Individual Clients</b>	15%	Year 1: 10%	Year 1: 10%
		Year 2: 5%	Year 2: 7.5%
		Year 3: 5%	Year 3: 5%
<b>Retail Chains</b>	15%	Year 1: 5%	Year 1: 10%
		Year 2: 2.5%	Year 2: 7.5%
		Year 3: 2.5%	Year 3: 5%

We believe this change will have a positive financial impact on the total rebate paid by APRA.

4. APRA acknowledges that a move to monthly reporting may not be achievable for some suppliers and APRA agrees to review this reporting requirement again in the lead up to 1 July 2016.



All other proposals are to be adopted, and we have enclosed a revised list of terms and conditions that will be incorporated into the new agreement for Background Music and Music On Hold Suppliers Licence Agreement.

We are confident that the final agreement takes into account current market conditions and an evolving commercial environment and focused on the commercial balance between APRA|AMCOS and supplier partners.

A formal notification of termination of your current agreement and a new licence will be forwarded to you shortly.

We also want to assure you that we will continue to work collaboratively with you as our partners under these new parameters.

We would also like to work with you to ensure any transitions with clients occur as smoothly as possible, and will formulate a statement that we would appreciate you forward to those clients who are affected as a result of APRA's licence agreement changes.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jennifer Gome', with a stylized, flowing script.

Jennifer Gome  
Director – Licensing Services  
APAR|AMCOS

# BACKGROUND MUSIC AND MUSIC ON HOLD SUPPLIERS

## New Agreement Key Points in Further Detail



### 1. Licence Name

The agreement will be renamed Background Music and Music On Hold Supplier Licence Agreement. **(Music Supplier Agreement)**

### 2. Licence Term

A three year agreement commencing 1 July 2013. Existing agreements will be terminated effective 30 June 2013.

### 3. Licence Scope

- The qualifying criterion to be eligible for the new agreement will be based on the quantity of individual clients under management by the BMS. APRA classifies a separate client as one premise, or one retail chain irrespective of the premise number. The agreement will only be available to suppliers who have more than ten separate clients. APRA|AMCOS will liaise on continuing arrangements with any supplier that is eligible but subsequently drops under the ten client threshold.
- The available tariff codes that will be offered under the Supplier agreement will be limited to "retail and general" and "restaurants and cafes" – i.e. APRA|AMCOS has excluded hotels, bars and nightclub background music use on the basis that it is in regular contact with these client to license other music usages in these sectors.

### 4. Rebate

- The rebate available for individual clients and retail chain clients (subject to points 5 & 6 below) will be 10% in year one of the three year agreement; 7.5% in year two; and 5% in year three.
- A rebate will not be applicable on any new business under management by a supplier where that client is (or was in the previous three months) an existing licensee of APRA.
- Where a new client who did not previously have a licence with APRA enters into a contract with a Supplier (as matched on our database), APRA will rebate an additional \$15 incl. GST as a one off payment – per additional client/premise.

### 5. Premises Listings and Reporting:

The Supplier will be required to report quarterly on:

- individual premises and retail chains subject to the standard rebate;
- new premises in the reporting period;
- new premises in the reporting period who have opted not to pay their APRA licence fee through the supplier; and
- premises no longer under contract during the reporting period.

In addition, on signing of the new agreement, a complete listing of all clients (including those who pay their APRA licence fee through you and those who don't) will be required.

## **6. Availability of the Rebate**

The rebate would not apply in any quarter where:

- relevant reports are not supplied by the due date, or
- invoices are not paid by the due date.

## **7. Incorrect Information**

Where APRA establishes that a premise has been incorrectly categorised with square meterage or number of devices, APRA will issue an invoice to the Music Supplier for the difference backdated to the commencement of that usage.

## **12. Working with Suppliers:**

To ensure you have up to date information on APRA's music rights, specific collateral will be developed for your staff. In addition and in order to improve communications between APRA|AMCOS and suppliers APRA will require that at least one nominated person attend an APRA|AMCOS information and training session held by APRA at least once each calendar year or a visit to your offices can be arranged.



## **Positive Feedback received via Social Media**

Members who provide positive feedback via Social Media are logged per distribution for collation in our annual Code of Conduct review.

These are their stories:

### **Pan-Asian Agreement post and feedback from APRA member:**



### **Three Wise Monkeys feedback:**

Jen Hawley

I absolutely loved the seminar. Thanks APRA for bringing these gurus down under to bestow their awesome wisdom upon us:)

The Caning@thecaning

@APRA @onstagesuccess Looking forward to today's session with Tom#3WM

Michelle Martinez@Michelleizm

@DJDanMurphy @APRA They were just amazing. I have several months work to do to implement all the ideas, but I'm excited!!

Dan Poli@therealdanpoli

Had an amazing time at #3WM today. Thanks a lot to @cyberpr for the incredible words of wisdom. Seems like i've got lotsa work to do...

Marcus Corowa@marcuscorowa

Learnt so much the last couple of days. Time to implement. Thank you@cyberpr @APRA #3WM #songsummit

DJ Dan Murphy@DJDanMurphy

Absolutely brilliant day learning SO much from Ariel Hyatt @cyberpr for the@APRA #SongSummit. If you want to decode social media tweet her!

Laura Loe@loelaura

#RalphMurphy is awesome! I also think he liked me song!! Yay!#ApraAmcos #SongSummit #SongWriting #workshop

Michael Falzon@michaelfalzon

Final day with #3WiseMonkeys at #SongSummit, thanks to @APRA - interesting insight and people aplenty!

Mystery Blonde Music@MysteryBlondeMB

So much to learn from @onstagesuccess at the @APRA seminar today. Totally inspired!!!

Rose Wintergreen@rosewintergreen

Looking forward to 3 day #musicbiz workshop starting 2moro- 3 Wise Monkeys songsummit.com.au/song-summit-pr... Tix avail. @ door! @APRA

North Street Music@NorthStMusic

To our friends in other States, DO NOT MISS THIS. We dont know how else to put it. Please trust us! @APRA bit.ly/16htHma #3wm

Michelle Martinez@Michelleizm

@APRA I'm ready and waiting for day two... So much great info so far!#3wm #songsummit

Nathan Leigh Jones@NathLJones

Loving this songwriting seminar at #songsummit... But I'm itching to leave early and write a killer song! #inspired fb.me/1IRBtSp22

The Blue Ruins@TheBlueRuins

Was so great meeting everyone at the #3WM over the last 3 days!@cyberpr @APRA @RalphMurphy #music #brainoverloadpic.twitter.com/wkwJCM2s96

Mike Pensini@mikepensini

Some great advice and inspiration at the @APRA #songsummit #3WM

ACCC post and response from APRA member:

**APRA AMCOS** @APRA 13m

APRA has applied for re-authorisation from the ACCC, a standard process for us, not an investigation. Read about it [apra-amcos.com.au/About/AboutAPR...](http://apra-amcos.com.au/About/AboutAPR...)

Expand Reply Retweet Favorite More

---

**Jamie McPherson** @Deadcowboymusic 3h

@APRA has done more for the music industry here in Oz than anyone could ever dream. You keep us going when times get tough for us!

Expand

---

**APRA AMCOS** @APRA 1h

@Deadcowboymusic why thanks!

Expand

---

**Jamie McPherson** @Deadcowboymusic 1h

@APRA I am very thankful for all your support and encouragement. You encourage us in our art and validate our worth as music creators.

Retweeted by APRA AMCOS

Hide conversation Reply Retweet Favorite More

1  
RETWEET

2  
FAVORITES



2:18 PM - 22 May 13 · Details

## P1304 Social Media Feedback

### FACEBOOK

**APRA|AMCOS** 14 May

Quarterly APRA royalties have been distributed! What are you spending your royalties on?

Like · Comment · Share

121 72 5

6,448 people saw this post

Boost Post

## TWITTER

@StrahanMusic: Thanks @APRA. That royalty cash is going straight into my first video!

@sampology: @APRA using my recent royalties payment I'm going to buy enough strawberry jam to fill a hot tub and chill out in the tub tiâ€!

@phetsta: @APRA: Quarterly APRA royalties have been distributed! What are you spending your royalties on? Bought a sick jacket #theessentials

@davidaurora: @APRA The coffee I was wondering if I could afford this morning haha. The joys of being a starving artist. Thanks for your help!

@Headkase\_Circus: @APRA Into the #Headkase kitty for safe keeping. It'd be great to record another album someday, if we can get all members in the same city.

@benbirchall: @APRA Recording the debut @dukebatavia album. Our \$6.79 will go towards one ukulele string. Probably an A.

@SuperMagicHats: @APRA it's helping to pay back some of the cost of my first EP, so that I can make another one soon. Well, that and cup of coffee!

Jack Colwell @OWLSAYEAH: Thanks @APRA! So nice to see some money for my music! Love you guys supporting us artists! X

Phetsta @phetsta 16m: @MindElectric @APRA in such a good mood from it I accidentally made big room house today ha ha haaaaa

Cartoon @WeAreCartoon 23m: Just unexpectedly got money from @APRA! Holy crap, we're actually making money as musicians. ☆\*..°. o(≧▽≦)o .°. :.\*☆

Mindi Jackson @MindiJackson 31m: @APRA but seriously....thanks for all your hard work there peeps! Xx

#SHRUGLIFE @BUSHIE661 29m: @woodymcdonald It's the new crowd surfing. @APRA just paid me almost enough to buy us both lunch :- )

Black Dalek @ProCopy\_Aus 31m: @DoctorWerewolf @APRA @phetsta and who said muso's can't make money out of this industry these days!

Daniel Kuhle @Taco\_El\_Paco 1h: Received my first ever overseas royalties via @APRA today. Going to buy a bottle of "musician fuel" to celebrate.

ÐØÇƧØŸ ⅢⅢⅢØŁƒ @DoctorWerewolf 38m: @phetsta @APRA We pooled ours APRA royalties and got a two redbulls, a pack of skittles and a sausage roll. WITH SAUCE. #ballin

Luke Yeoward @LukeYeoward 2m: Thank fuck for @APRA \*wipes brow\*

Sondrio @Sondriomusic 33m: @APRA \$4.19 paid for my coffee this morning ^\_^

Split Seconds @splitsecondss 34m: Cheers @APRA! First royalties from NZ and Norway. Gonna blow it all on kiwi fruit and salmon...

Polo Club @poloclubmusic 22m: Big thanks @APRA !!! Always a surprise!!

Daniel Kuhle @Taco\_El\_Paco 25m: @DaveDiMarco @APRA Pints of #musicianfuel? Right on!

Dave Di Marco @DaveDiMarco 32m: Thanks @APRA, that'll be going straight to the new record. Or a few pints.

Kathy McCabe @McCabeRadar 36m: Royalty cheque lottery today? Lots of love out there for APRA from songwriters this morning

Shadow Kitsune @ShadowKitsunex: Just got my first APRA payment! Fuck yeah... Raking in the cash money from my music career! Hahaha... <http://instagram.com/p/ZQ-D1tJanE/>

Muh.Fakhri Alfi S.H @Fakri\_h 8h: RT"@jonaweinhofen: Thank the universe for Apra 🙏🙏"

Tania Doko @taniadoko 8h: Thank you @APRA! U rock.

jona weinhofen @jonaweinhofen 8h: Thank the universe for Apra

Matt Downey @MattGC 15h: @DjKronic We got dem APRA dollars son. Czech Republic money and shit. Word.

Omar Musa @obmmusic 16h: APRA DAY! My royalty cheque will just about pay for a couple of dusty ole spring rolls at the local Chinese spot #ballinonabudget #QBN

Wafia @Waffiaa 16h: mLEsTone - GoT mY 1st rOYAlty Payment from APRA. xD xD XD XPPPPPPPP #nahbutactuallythisiscool

Gold Fields @goldfields 16h: I love you @APRA.

Joey Bananas BTE @Fraksha 16h: Thank fuck for APRA today, spent on all my \$ on garms and champs, nothing like living WAY above ur means!

MiRACLE @miracleisiller 16h: them apra checks son @itsnicm @STYALZFUEGO

Silversix @Silversix 17h: Thanks @APRA :-)

CC Hua @invadercee 17h: APRA royalties pay day. The sweetest \$1.56 I ever made.

SuperMagicHats @SuperMagicHats 4m: Thank you @APRA for keeping me in cup ramen for another month :)

James Wright @jmsthmswrght 1m: @APRA Saving for a trip to the US next year! Thanks so much for your hard work in getting these royalties to musicians :)

Tom Dickins @tomdickins 34s: @APRA two lattes. it was a quiet quarter spent recording the album of the year... ;-)

These Blessed Bones @BlessedBones 11m: @APRA Thanks for royalty check! It all helps- What's the difference between a muso and a large pizza? A large pizza can feed a family of 4



Johnny Utah @JohnnyUtahLives 25m: Hilly @atMrHill just referred to today as '@APRA Day'. My favourite non-public holiday.

Hilly the kid @atMrHill 27m: I'm jealous of @sethsentry this apra day.. Wonder if he feels like he's on deal or no deal

Sable @SableSound 27m: @APRA Thank you.

Johnny Utah @JohnnyUtahLives 33m: On a different topic; Thank you @APRA for buying my coffee at Uni today.

seven @sevensies 33m: @APRA BOOGIE BOARD SUPPLIES

THAT BMAC KID @therealbmac 34m: @APRA just going to ball out on some mi-goreng noodles and cordial! Cheers Apra x

Elizabeth Rose @ElizabethRosey 29m: @APRA thanks APRA! Time to get me a Moog voyager methinks

David Aurora @davidaurora 1h: @APRA The coffee I was wondering if I could afford this morning haha. The joys of being a starving artist. Thanks for your help!

**Facebook:**

Jay Mibsy

Thank you APRA|AMCOS xoxo

### **APRA|AMCOS**

3 hours ago

Quarterly APRA royalties have been distributed! What are you spending your royalties on?

- Karen Blackall and 75 others like this.
- Wayde Richardson Most likely, re-invest into my music  
3 hours ago via mobile · Like · 3
- Robert Deal A Chuppa Chup? Lol  
3 hours ago via mobile · Like · 8
- Mattie Slur Foye haha , i'm buying a mars bar  
3 hours ago · Like · 5
- I-Am Sam A soft serve cone  
3 hours ago via mobile · Like · 3
- Anthony Emery The new Deep Purple CD - just  
3 hours ago via mobile · Like · 3
- Kira Puru THANKS!!! I'm spending it on moving to Melbourne.  
3 hours ago · Like · 4
- Christian Lauofo Fresh air lol  
3 hours ago via mobile · Like · 3
- Erik Hecht Bills.  
3 hours ago via mobile · Like · 3
- Dave Gillam A set of strings any maybe a shiny new plectrum ( if I have enough )  
3 hours ago · Like · 2
- Grizzly Smith A 50c mix bag, do they still sell those?  
3 hours ago via mobile · Like · 5
- Jade McLaren Thx APRA! Mwah xxx

- [3 hours ago](#) · [Like](#) · [2](#)  
 • [Jamie Lorusso-Zyskind](#) paying a third of the internet bill so that i could retrieve the email  
[3 hours ago](#) · [Like](#) · [2](#)
- [Joey Tanseco Hizon](#) Happy meal! I like them toys  
[3 hours ago](#) via [mobile](#) · [Like](#) · [2](#)
- [Damian Smith](#) if theres anything, I'd like to save up for a focusrite USB sound interface to enable more professional like recordings  
[3 hours ago](#) · [Like](#) · [3](#)
- [Jared Haschek](#) A happy meal!  
[3 hours ago](#) · [Like](#) · [3](#)
- [Andrea Szabo](#) LOL Grizzly ... A bag of lollies and a coffee is about all I can get. Still am very grateful though.. any movement on my music is a good thing... Hoping our New CD released in July might make next year a year a cracker...  
[3 hours ago](#) · [Like](#) · [2](#)
- [Andrew Crosbie](#) I hoping some of the bands I work with are going to use some of it to pay their sound guy who is currently eating noodles  
[3 hours ago](#) via [mobile](#) · [Like](#) · [6](#)
- [Lincoln John Piper](#) A Porche  
[3 hours ago](#) via [mobile](#) · [Like](#) · [1](#)
- [Joanne McDonnell](#) Vet Bill! Thanks APRA!!!  
[3 hours ago](#) via [mobile](#) · [Like](#) · [3](#)
- [Greg Egg](#) i'm going to buy that really nice plectrum i've always wanted - thanks APRA!  
[3 hours ago](#) · [Like](#) · [4](#)
- [Emma Ensign](#) 2 minute noodles  
[3 hours ago](#) · [Like](#) · [3](#)
- [Matt Hawkes](#) I just got transferred \$12500. Thanks APRA  
[3 hours ago](#) · [Like](#) · [3](#)
- [Kyle Wadley](#) A brand new M7-CL! Thanks APRA!  
[3 hours ago](#) via [mobile](#) · [Like](#)
- [Annette Mckay](#) ME!  
[2 hours ago](#) via [mobile](#) · [Like](#)
- [Alex Haddad](#) aha i knew that odd payment i got was from royalties ive spend it on filling my car up with petrolololol  
[2 hours ago](#) · [Like](#)
- [Spade Lundstedt](#) the options are endless!  
[about an hour ago](#) via [mobile](#) · [Edited](#) · [Like](#)
- [Denis Carnahan](#) I'm going to use it to pay last year's tax! Woohoo! And maybe some of my credit card bill. What fun!  
[2 hours ago](#) · [Like](#) · [1](#)
- [Arnaud Nicolas Francois](#) A house  
[2 hours ago](#) via [mobile](#) · [Like](#) · [1](#)
- [Marcus Lee Pernell](#) Saving for that Yamaha Motif!  
[2 hours ago](#) · [Like](#) · [1](#)
- [Vincent Lamaro](#) A happy meal  
[about an hour ago](#) via [mobile](#) · [Like](#) · [2](#)
- [True Vibenation](#) Making more Music!  
[about an hour ago](#) · [Like](#) · [1](#)
- [Jonathan Mosé Mohan](#) More equipment for sure!  
[about an hour ago](#) via [mobile](#) · [Like](#)
- [Vic Ricigliano](#) I'll finally buy that Ferrari. I'm expecting a good royalty this year.  
[about an hour ago](#) via [mobile](#) · [Like](#)
- [Leanne Castley](#) Re-paying myself back for recording expenses!

- [about an hour ago via mobile](#) · [Like](#)  
[Sam Green](#) tuning forks or tuns  
[28 minutes ago via mobile](#) · [Like](#)

### **P1301 Social Media Feedback**

innez tulloch @sha\_nnez: Just checked my @APRA payment & it's the biggest one yet! Totally buying gourmet fruit and veg this weekend + a couple of pints. woooo!!!

Sorry. @HazTweetz: Thanks @APRA!

Colorstarr @Colorstarr: Always a great day when it's an @APRA payday!

Mr Wilson DJ @MrWilsonmusic: @APRA I love you! Hmmmmm what to buy???#newstudiogearperhaps

Johnny Utah @JohnnyUtahAus: Shout outs to @APRA for tonights kebab! Extra meat, thanks, Mate. I'm treating myself.

Adrian 'Drin' Drew @AdrianDrewNZ: @MarvellousMusic @APRA Congrats lizzie, nothing like an apra check, think my last one was \$1.13 & I blew it on lollies

Clinton Hoy @clintonhoy: @APRA I bought two redskins but now i have three cents left, not quite enough for a 3rd... at least the prices a genuine 1987..

Xani n Mark @thetwoksmusic: Thanks @APRA for my Eventide Pitchfactor!!! Woooooo Hooooooo!!!!

Elizabeth Marvally @MarvellousMusic: Woohoo, thanks @APRA! That takes care of groceries for a few weeks! Still perplexed that 'Home' actually got played on the radio. #random

SuperMagicHats @SuperMagicHats: @APRA flights to Sydney for my first gig there. Thanks APRA!

Paper Cranes 折り鶴 @PaperCranesNZ: @APRA Yeah, thanks for the royalties! They just paid for a day of recording :)

Sierra Fin @SierraFin: @APRA: A small takeaway coffee. We really gotta play more gigs!

Brendan Maclean @macleanbrendan: @APRA Today I'm buying a new microphone with my royalties. The first step towards making a home studio.

Marque Benedicto @marquebenedicto: "@APRA: So who got some apra royalties and what you spending the dosh on?" Screaming goat

AWA @Awa\_1: @homebrewcrew @apra in this day and age, any royalties are awesome haha! I'm off to buy a loaf of bread and some toffee pops.

@homebrewcrew: @Awa\_1 those Nesian Mystic @apra cheques must be a whole different monster. I only got 7 hundy.

Brendan Maclean @macleanbrendan: @APRA I say it every time but thank you for reminding me to fill out my live performance forms. Thanks for keeping me in business.

Harmony James @HarmonyJamesCM: @APRA Mwah, cowboy caviar for dinner tonight. Love your work. #spins #royalties

Silversix @Silversix: Thankyou @APRA :-)

Gary Clark @GaryClarkMusic: Finishing up my votes for 2013 @APRA awards I can enthusiastically report that new music in Australasia is very very healthy indeed.

Lee Leegit Lambert @leegit\_smashbox: Just copped my first bunch of apra royalties. Another little step closer to making rap millions

STYALZ @STYALZFUEGO: everyone just got their apra checks now its all smiles in the studio haha

### **Facebook:**

Azaria Byrne:

thank you APRA|AMCOS for your support!

### **P1210 Social Media Feedback**

NGAIIRE @NGAIIRE: honestly @APRA you can have my babies any day. #royaltyday #apra

7 Nov Shane Crixus @ShaneCrixus: @APRA You guys rock!

7 Nov Alex Yabsley @Dot\_AY: @APRA Thanks for the royalty cash! And thanks to @fenellak + @3RRRFM for playing my tunes and making me money #blogdollaz #innanetmoney

7 Nov Arlo\_Smile On Impact @smileonimpact: This Guy!! @APRA

Tomás Ford @tomas\_ford: @APRA money clears tonight! Woo! Live royalties are CASH! And I can buy a WHOLE mthrfkn Curly Wurly with my online royalties! #thefutureNOW

7 Nov Turner @Turner\_Music: Thank you @APRA ! Looove November....you make all the road trips and late nights worth it. #APRA #LPR's

7 Nov Rosie Catalano @RosieCatalano: Yay! \$57.12 in @APRA royalties! Beats my previous 30c payment by 19040%

Ash Maklad @Ash\_Maklad: Woo hoo APRA I could kiss you @APRA

8 Nov Broni @bronibroni: Thank you @APRA I really needed that. #royalties #stillstandin Expand

7 Nov Sophie Benjamin @sophbenj: Yay! @APRA royalties day!

7 Nov spacecadetlullabies @MattLewin: Today I took some of my @APRA royalties and used them to pay for my membership to @MusicVictoria. Yes indeed I love the above mentioned crews

Jo Caseley @jocaseley: @melodyjanepool @apra yes indeed! Though sadly will go too quickly on bills #that'slife

8 Nov Little Wise @LittleWiseMusic: @APRA Thank you so much.. just earned my first royalties and it feels GREAT. Couldn't have come at a better time.

8 Nov Lucian McGuiness @loosemacg: Hear Hear RT @NGAIIRE honestly @APRA you can have my babies any day. #royaltyday #apra

Elizabeth Rose @ElizabethRosey: just got my @APRA \$\$ - time to go plug in shopping! Any recommendations for plug ins with super smooth synth sounds for ableton?

8 Nov benny walker @benny\_walker: Dear @APRA, we shall be friends for life. I shall invest wisely...

8 Nov Dialect @DIALECT\_: @APRA thankyou thankyou thankyou for my royalties. Makes life as a muso a lil sweeter this time of year

8 Nov Jack Colwell @OWLSAYEAH: Woo hoo! Thanks @APRA!! XX

Sarah Humphreys @HumphreysSarah: @melodyjanepool @apra thank you APRA! Groceries, yay! xx

8 Nov De'May @demayplush: thanks for the pleasant surprise @APRA!

8 Nov Peter Kossen @pkossen: Thank you @APRA, excellent start to my Friday.

8 Nov Phil Hancock @philhancock: Thank you @APRA for your amazing contribution to our music industry and my bank account #APRA

Brendan Maclean @macleanbrendan: @APRA Paying for a new video clip with my royalties. Thanks for helping me keep the wheel turning.

8 Nov Anna Paddick @AnnaPaddick: Just received a beautiful royalty! MUSIC + RIGHTS = RESPECT! Thank you @APRA

8 Nov Lydia Cole @lydiacolemusic: Failing @AirNZFairy granting my wish... I'm counting on you to come through, @APRA

8 Nov Marissa Saroca @marissasaroca: Holy crap @APRA.. THANK YOU x #fb

8 Nov Johnny Utah @JohnnyUtahAus: Hey, @APRA , I'm going to buy a crepe after my exam with the monies you gave me. Thanks, homies.

The Disappointed @thedisappointe3: @APRA Thanks for the cash moneys, going straight to our mastering engineer!

8 Nov BhangLassi @BhangLassi: Woo picked up some @APRA royalties today, that's going back in to our album. Music feeding music. We thank you.

8 Nov Husky @mrhuskyhusky: @APRA thanks for keeping the underground artists alive !! Upgrading some studio gear with my royalties :)

8 Nov Spectacles @spectaclesband: Big ups to @APRA for our royalties. Any Aussie musos who (1) aren't members & (2) aren't submitting LPRs need their heads checked!

9 Nov Phetsta @phetsta: spending all my @APRA money on drugs. nah not really.

8 Nov Munro Melano @munromelano: Thanks @APRA. This is the best year ever. You're so much sweeter when not being split amongst an eight piece band.

8 Nov Melody Pool @melodyjanepool: Thanks to @APRA's royalty payment, I now have enough money to get my album printed. More thanks than thanks can fulfill go to you!

Lani Bagley @lbladyland: Mystery \$3.50 from @APRA. Thanks guys! That's going straight to the patisserie.

9 Nov RuckyDucky @RKYxDKY: @APRA thank you so much!! first real royalty payment and im now officially out of debt!! XOXOXO

9 Nov S t r a h a n . @StrahanMusic: Stoked to get my royalties from @APRA today! Thanks guys!

9 Nov Lydia Cole @lydiacolemusic: THANK YOU @APRA. I need you in my life.

11 Nov Ben Lawson @Jyeah: Gonna get myself some ciggies today! RT @HazTweetz: Shot @APRA!"

11 Nov Prod. By INF @INF\_NZ: @APRA you beauty.

11 Nov Sorry. @HazTweetz: Shot @APRA!

11 Nov Emma Cameron @emmaensign: @APRA was a pleasant surprise!

11 Nov Nick Puñal @nickpunal: @APRA Thank you + Gracias!

11 Nov RuckyDucky @RKYxDKY: @APRA i was thrilled to receive it! 14% more thanks to you!

#### **Facebook:**

Lachlan Davidson: Love you guys!  
Yesterday at 1:21pm · Like

Heather Rose: Wonderful.Thank you  
Yesterday at 1:53pm via mobile · Like

Sunset Blushbomb: Booya..thankyas!  
Yesterday at 2:33pm · Like

David Cosma: t'was much appreciated, thanks guys....  
Yesterday at 3:31pm · Like

Double Crosses: We got 10 bucks!!!

Jamie McPherson: Saved me from running out of food for the week! And made me feel good about being a songwriter/performer! Thanks for the double help guys! Brilliant work as usual!

#### **P1110 Social Media Feedback**

BhangLassi BhangLassi: The nice dudes at @APRA just gave us cash money / royalties for the gigs we've done... Does everyone else know about this?!

captSCHINDLER Samantha Schindler: @ APRA HOORAH :) feelin the luv guys,feelin theee lurve :)

jamesfahy James Fahy: Whoa! My APRA royalties check just came through and it was worth a lot more than I expected! Thanks, @APRA!

ShaneCrixus Shane Crixus: @APRA royalty payments rule. I heart youse guyse.

docfelix Doc Felix: @APRA Even the hip-hop community is showing love right now! Thanks a bunch. #APRA #Payday

smileonimpact Arlo Picasso Enemark: @APRA Thanks Guys! Love your work!

rosalineyuen Rosaline Yuen: Woohoo @APRA - shall take my royalty payments and buy some new guitar strings

davidsonbrother Davidson Brothers: Three cheers for @APRA! Never a day late! You keep the Aus music scene spinning.

RobShaker Robpac Shakur: @sevensies @apra fuck yeah! Gonna buy a coffee with my money... Ah the taste of success

sevensies seven: "@APRA: Keep an eye on your bank accounts, guys... royalty payments are being unleashed as we speak!" YEWWWW

BriggsGE Your friend, Briggs: Thanks @APRA You've saved the Briggs family Xmas. Now I can afford all those cards of personal grievances I give out yearly. #HappyHolidays

haszari Rua Haszard Morris: THANK YOU @APRA!! Royalties really keep me going!

RexingtonSteele Mareko: Shout out to @APRA .. "even royalty needs royalties"

HazTweetz Sorry: Thanks @APRA! Eating good for the rest of week.

Constantine\_O ConstantineOngarezos: First @APRA royalty cheque received today for the 7 solo gigs I played last year, \$43.87. Thinking of quitting my day job. Thoughts?

scottspark Scott Spark: @APRA You fill my heart with gladness, take away all my sad was, ease my troubles, that's what you do.

scottspark Scott Spark: @APRA Have I told you lately that I love you? Have I told you there's no one else above you.

ChristianOli Christian Oliver: thanks @APRA #royaltytimeofyear

melodyjanepool Melody Pool: Hey @APRA I love you I love you I love you. And thank you! #RoyaltyPaymentDay

macleanbrendan Brendan Maclean: @APRA Did I mention how much I love you? Today I am not going to eat a can of beans. #RoyaltiesDay

LittleScoutBand Little Scout: Thanks @APRA - we're goin' to Vegas, baby! (not actually) x

HungryRanga Miro Mackie: Pub day for musicians everywhere! @APRA

DIALECT\_108 Dialect: My favourite Hip Hop crew in Australia is @APRA - Thanks for the royalties!! Helped me out in the clutch...

RayMann Ray Mann: Sending @APRA some sauerkraut love from #Berlin - thank you for this month's rent! #RoyaltiesDay

asamilovesyou ASAMI: @APRA first royalties payment received! Thanks so much!

illyal Illy Al Murray: @APRA seriously guys, <3.. Shots all round

DIALECT\_108 Dialect: @ hah @APRA = Actually Paying Real Artists

Constantine\_O ConstantineOngarezos: Thanks @APRA for rewarding original songwriters and performers. I just need to get out there and do more gigs. #RoyaltiesDay

AprilFishMusic April Fish: Thanks @APRA for supporting us as emerging artists who generally see more \$ going out than coming in! Will go towards the next album.

And from Facebook:

<http://www.facebook.com/apra.amcos?sk=wall>

Luke Lukess: oh yes you are.

Dallas Frasca & Her Gentleman: HAPPY MUSICIANS DAY!!! Thank you for looking after us the songwriters APRA|AMCOS xxxxxx

View Post · 18 hours ago

<http://www.facebook.com/apra.amcos?sk=wall>

Yanni Nair: Thank you APRA|AMCOS! Receiving royalties just made my day!

View Post · 19 hours ago

<http://www.facebook.com/apra.amcos?sk=wall>

Peter Northcote: I love Royalty Payment day!!!!!!! Thank you APRA|AMCOS

View Post · 19 hours ago

<http://www.facebook.com/apra.amcos?sk=wall>

Rosie Catalano: I love you APRA|AMCOS! Just got my royalty statement and it made my day.



View Post · 19 hours ago

MrWilsonmusic Mr Wilson DJ: @APRA I would like to once again say... I love you!!!☐ That's what i call a X'mas bonus! #APRA

MissGilkie Anna Gilkison: Thank you @APRA it's like Christmas a whole month early!

caitlinharnett Caitlin Harnett: Oh my holy hell of goodness, thank you @APRA I think I'm going to buy many new instruments.....

sevensies seven: My car is now legally on the road. Thanks @APRA

gerlzilla @gerlzilla: Thanks @APRA for the informative seminar last night! Great stuff, got me thinking!

Elizabeth Rose @ElizabethRosey: AHHHHH @APRA - tonight I eat! \$\$\$

Joy Ride. @donjoyride: Thanks to @APRA, I'll be eating lunch today like the rest of you fancy money-owners.

phetsta @phetsta: lol everyone freaking over their @APRA payment. me included. up yours overdue iPhone roaming charges!! I <3 APRA!!

Urthboy @urthboy: Last night @APRA brought some goodness to musicians around the country

seven @sevensies: Oooweee. Thank you @APRA; you're like bank account floaties. Xo

Melody Pool @melodyjanepool: @APRA yay for little surprises! Love you guys! thanks! X

Tomás Ford @tomas\_ford: Yeah! Surprise @APRA payment! #WOOOO

Jade MacRae @therealjademac: @SDubProductions @apra @timcurnick pay day!!!!!!!!!! Humble one for me but every penny counts!

sean windsor @SDubProductions: @therealjademac @apra @timcurnick shiiiiiiiiit! Just in time. Haha. Awesome. Thanks, apra!

AConcert4Life @AConcert4Life: Thank you @APRA for your support. Last night our #mentalhealth & #singer #songwriter #community initiative was launched to make a difference

Paul [REDACTED]

Thats Ok!

Thanks for giving me money! I Love you!

PG

\*\*\*\*\*

Susan [REDACTED] (non-member)

Hi Milly,

Thank you, as usual everything looked after beautifully.

Glad to be able to invite so many APRA staff and hope they enjoyed themselves.

Speak soon

Susan

\*\*\*\*\*

Noel [REDACTED]

Thank you Jo,

You are incredibly efficient and terrific to deal with. Next time I have an issue, I'll contact Con first so that you are not left with a problem.

I am thankful for all your help,

Noel

\*\*\*\*\*

Tim [REDACTED]

Hi Hannah

Thanks so much for sorting that out. You have to be the best company in the music industry to deal with. Thank you....

\*\*\*\*\*

Mel [REDACTED] (non-member)

Hi Lucia,

Hope everything is good. [content deleted]

Please let me know if you have any questions, thanks for all your help over the years - you have been fantastic!

Mel

\*\*\*\*\*

Jane [REDACTED] (non-member)

(Sean) You are awesome. Thanks.

\*\*\*\*\*

Ian [REDACTED]

(Greg) THANK YOU for your input and support. The talk was great - the level of information huge and covered some really good points. Your talk was rated well and relevant. If they don't all join and contact

you ..... and attend song summit next year (as I will again) ..... they only have themselves to blame.

[content deleted]

Again thanks, look forward to our ongoing contact and God bless (and hopefully we can have APRA reps at this and others in the different cities)

Ian

\*\*\*\*\*

Lyn [REDACTED]

Hello Sean

Thanks for all of that! [content deleted] Thanks Sean. I'm sure you will be pleased to know that this completes our current review and update of Harry's file with you. If there are any other matters that we should attend to, please let us know and we will attend to them immediately. In the meantime, sincere thanks for your most helpful and prompt assistance as we have been doing this update.

With best wishes from Harry's widow Mrs Rita Robertson and family, and ourselves.

Kind regards

Lyn

\*\*\*\*\*

May [REDACTED]

Thanks, Rebecca,

That is all most helpful information = the Performer advice you gave is such a relief!

Hoping you, too, are well,

Kind regards,

May

AND

Thanks Rebecca for this invaluable information. [content deleted] It's great to know that we have you wonderful people watching out for us!

Thanks again,

May

\*\*\*\*\*

Christine [REDACTED]

Hi Rebecca,

Thanks for checking in - I appreciate that you're looking at my profile. What extraordinary service :o)

[content deleted]. Thank-you kindly for your message,

Chrissy Lauder

\*\*\*\*\*

Ferdinand [REDACTED]

Thanks Hannah, you're awesome. So quick with replies too! Kindest regards Ferdi :)

\*\*\*\*\*

Heather [REDACTED]

Dear Rebecca,

Thank you for checking my current status. [content deleted] It is reassuring to see that APRA is looking after its members. Thanks Rebecca.

Warmest regards,

Heather

\*\*\*\*\*

Rocky [REDACTED]

Hi Rebecca,

Thank you for your fast and helpful response! Yes, I can confirm that the quoted ABN number belongs to me and is not registered for GST. You are welcome to add it to my file.

Many thanks (and have a great day!)

Rocky

\*\*\*\*\*

Stephen [REDACTED]

Hi Lucia, hope all is well. I'm fine with the current account that you have on file. Thank you so much and I appreciate all that you do.

Cheers

Stephen [REDACTED]

\*\*\*\*\*

Chris [REDACTED]

Thanks APRA - you are the one institution I can still rely on!!!

\*\*\*\*\*

Leigh [REDACTED]

Dear Chris,

I was lovely to finally meet you today. You gave such a strong presentation, with a balance of a little humour, detailed information and a wonderful openness to students questions etc, it was terrific.

Again my thanks for coming down.

Very best wishes,

Leigh

\*\*\*\*\*

Garth [REDACTED]

dear 'writer',

thank you for all you do to help me make a few dollars from my music that i love so dearly. wishing you a brilliant day !

Garth [REDACTED]

\*\*\*\*\*

Bruce [REDACTED]

Thanks Laurel. I appreciate your great service.

Kind Regards

Bruce

\*\*\*\*\*

David [REDACTED]

Hi Brett

I am not a big letter writer, but I feel compelled to write and tell you how grateful I am to one of your writer services team. Greg Morrow and his keen eye and diligence has literally changed my life.

It started when I needed help with filling out forms online. Greg explained the paper forms had gone and replaced by online reporting. Due to family problems I had overlooked reporting last year also.

Greg went through the procedure on the phone and also sent a "how to" email. While checking my first few forms for errors (which I thought was fantastic service any way) Greg noticed I had been significantly under claiming, for the last fifteen years, especially on my Doors plus jingle. At this point Greg took it upon himself to ring me and invite me into his office and make sure the correct amount of forms were submitted correctly. I can't thank Greg enough, his actions mean so much to me, the extra income has a massive impact on my life, If only he had been around over fifteen years ago when I asked for help. I hope Greg's future with APRA is a happy one, that's one guy you can't afford to lose. Thanks Brett for giving us writers a fantastic support.

Warm Regards

Dave [REDACTED]  
\*\*\*\*\*

Daisy [REDACTED] (non-member)

Hi Rebecca

Thanks so much for your help and support on getting this done. I was able to complete our live performance return no problem, just had trouble with the festivals. [content deleted]

Cheers

as I said really appreciate it

Daisy  
\*\*\*\*\*

Thomas [REDACTED]

hey Hey (Lucia)!

All sorted out i've done the LPR, hopefully i have done it correctly! Thank you so much for being so helpful too, you guys always point me in the right direction and I frequently need that with this sort of thing. thanks again!

-t  
\*\*\*\*\*

Eugene [REDACTED]

Thanks so much for your help Rebecca, your response, assistance and this email has been very helpful and much appreciated. [content deleted]

Thanks again.

E  
\*\*\*\*\*

Karin [REDACTED]

Hi Rebecca,

Thanks for being so informative and helpful. [content deleted]. Thanks again for your help.

Kind regards,

Karin [REDACTED]  
\*\*\*\*\*

Edward [REDACTED]

Just wanted to say thank you for your persistence on this Sean.

AND

Thank you so much for your help on this Sean. Greatly appreciated!

\*\*\*\*\*

Jay [REDACTED]

Hey there Sean,

Jay here. Just wanted to thank you for taking the time to let us know this. I really appreciate the help and counsel you have given us through all of this and previous issues, you have been a great help and really grateful for the work and follow up you have done on our behalf in this matter and previous matters. If you are ever in Werribee your welcome to pop around for a beer, my shout hahahaha  
Thanks mate for everything.

(Jay)  
\*\*\*\*\*

James  
thankyou Sean

your letter is much appreciated, especially in the light of what is happening in america with pigfactory. [content deleted].....so thats for your help so far.....it greatly eases some of the pressure on this 6 year ordeal. thanks so much again.

james  
\*\*\*\*\*

Leon

Thanks Sean for getting back to me so quickly you're a champion  
Leon

\*\*\*\*\*

Kelvin

Thanks so much Jo for helping me push on with all these & the useful infos. I just received my 1st royalty payment for Tao Shu Theme song today! =D

Regards,  
-Kel

\*\*\*\*\*

Harmony

Karl, You beat me to it. I was meaning to thank you for inviting me to participate. I love those panel formats and rather enjoyed being a part of it. Very well run. Nice to have that level of professionalism and someone in charge who knows the business first hand. Was a great festival all round I felt.

All the best  
Harmony

\*\*\*\*\*

Jane

Karl,

It was a pleasure, a good choice of different styles to make it entertaining for all. I was surprised how many people came. Woo hoo. You are the man for that job. You go! Hope to catch up soon.

Cheers  
JD

\*\*\*\*\*

Alan

Hi Karl, it was cool to meet you and listening to you speak at the Road Show in Brisbane was inspiring. I said to Brett Cottle that you are remarkably calm, up there on stage, you really are an excellent MC, Karl. It was really informative too, and in particular Brett Cottle's speech at the end..... the future looks good for us in the Aust Music Industry.

\*\*\*\*\*

Todd

Hey Sean,

thank-you sooooo much for helping me and my brother out with this matter. I really appreciate everything you do and continue to do for us. [content deleted]

\*\*\*\*\*

Kaye [REDACTED]

Hi Michael,

Hello again. It is [REDACTED] (formerly know as [REDACTED]). I spoke with you a couple of months ago after speaking to your lovely Jo Musso. She is such a delight and pleasure to deal with. How lucky we are out here to have her to take care of our APRA dealings.

Equally so regarding you as I am so happy that Jo has been able to put me onto you. I appreciated so much you speaking with me and allowing me to send you the list of songs for my album which I am recording. [content deleted]

Take care and I trust you are having a great day. Thanking you once again.

With Kind Regards

\*\*\*\*\*

Nathan [REDACTED]

Greg,

Thank you for the extension time, as both my agent & 1 of the venue managers went on holidays then got transferred to a new pub, so this took me some extra time & was a hassle. Although I think this system is not fair! , my dealings with you have been very amicable & I thank you for that & your email to let me know you've received the information you required. I'd be more than happy & will pass on my dealings with you & your professionalism to your superiors.

Rockin regards

Nathan [REDACTED]

\*\*\*\*\*

Jasmine [REDACTED]

Hey Karl :)

Thanks very much. super excited and honored by it all. You're doing such inspiring things at APRA and with your songwriting. Hope everything is going well :) Jasmine

\*\*\*\*\*

Unknown (non-member)

"...I am writing to you with regards to the advertised position of a Research Officer for APRA|AMCOS. I was inspired to seek a job at this establishment after a Mr. David Parry lectured at my University about the roles of APRA|AMCOS in the Music Industry, and increased my understanding of music copyright..."

\*\*\*\*\*

Jeremy [REDACTED]

Hi Rebecca, thanks again for organizing that advance. You guys are such legends and do such a great job. Cheers... Jez

\*\*\*\*\*

Andrew [REDACTED]

Hi Laurel, (you too Con, hope you're well)

I forgot to say thank you for following up the Sat Dec request with a phone call, as otherwise I wouldn't have seen the email until I was filling out JRF's next year. As always, really appreciate the work you all do for us. Thanks again.

Cheers,

Andy [REDACTED]

\*\*\*\*\*

Predrag [REDACTED]

Thanks Rebecca, will ask him and do it the right way! thank you for all your help, so glad I'm with APRA, always helpful :)

Cheers,

Predrag

\*\*\*\*\*

Christopher [REDACTED]

Dear Rebecca:

Thank you so much for your emails. I deeply appreciate your offer to get my AMCOS membership underway even though at the moment I cannot give you the details you need. [content deleted]

Once again, my thanks for your thoughtful assistance.

My warmest wishes,

Christopher

\*\*\*\*\*

Peter [REDACTED]

Thank you Laurel you are a star as always!!! Pete

AND

Thanks so much Laurel you've been great. I am actually retiring from music at the end of next year, it's just too hard of a slog. But I really appreciate all you do for me.

Thanks

Pete

\*\*\*\*\*

Kenneth [REDACTED]

hello APRA,

I would like to thank you for the royalty payments ... i have been in the music industry for so many years and this is the first time i have receive something towards my music ... i have registered with spacem in tahiti in 1996 but never received anything from them ... so again thank you so much.

kenny [REDACTED]

\*\*\*\*\*

Brenton [REDACTED]

Love you APRA. Cheers

AND

Hi Sean

Thanks for all your help at APRA. A great organisation. A vitally important and essential organisation.

Kind Regards

Brenton

\*\*\*\*\*

Karen Anne [REDACTED]

Dear APRA|AMCOS Team,

Thank you for my recent royalty payment!.. I'm sure I'm not the only single parent out there doing this, but I am so very grateful. Thank you for supporting Australian Musicians.

Kind Regards

Karen Anne

\*\*\*\*\*

Mavis [REDACTED]



Thank you for this advice. Much appreciated. Very happy Christmas to all at APRA. Mavis

\*\*\*\*\*

John [REDACTED]

Hi, the good people of Apra! Wholehearted thank you for looking out for writers/musicians in 2011. It is greatly appreciated.

x

john [REDACTED]

\*\*\*\*\*

Michael [REDACTED]

Thank you very much Jo. I swear apra are one of the best organisations I have ever had the pleasure of dealing with. You guys should start a bank. Or a union. I'll sign up.

Best,

Michael

\*\*\*\*\*

Oala [REDACTED]

I love the APRA service...My bank in Port Moresby rec'd it yesterday and I withdrew my cash today, in less than 24 hrs. And this is my first time. I have boasted about APRA on the PNG Musicians Forum on Facebook. Cheers, Oala [REDACTED]

\*\*\*\*\*

Adam [REDACTED]

Hi Milly

I didn't get a chance to say Thanks! to you on Monday night. I really appreciate all the help you've given me over the years particularly at APRA. Hope all is well

Cheers

Adam

AND

Hi Michelle

Thanks for confirming. Also, thanks for all the help you give us, I really appreciate it!!

Cheers

Adam

\*\*\*\*\*

Ross [REDACTED]

Hi Lucia,

Thank you so much for all of this. I will definitely follow your steps and get it all done. Really Appreciate you sending me through all of the information about the ability to backdate the claim as I haven't done it for 2 years (Naughty) Again thank you for all of this

Sincerely

Rosco

\*\*\*\*\*

Dale [REDACTED]

Thanks so much laurel.... I feel like I've broken up with a girlfriend! Haha! Thanks so much for everything, and also the offer to re-join if it don't work out with ascap!

Thanks again!

Dale

\*\*\*\*\*

Craig [REDACTED]

Jo - thank you for that wonderful news!

I wouldn't mind making an appointment sometime to learn more about what services, support and resources are available. It's been a wonderful thing to see how APRA / AMCOS have grown and transformed into such a great resource!

Regards

Craig

\*\*\*\*\*

Nicole [REDACTED] (non-member)

G'Day Milly and Sally ,

I hope this email finds you well. I wanted to thank you and APRA for providing the knowledgeable, charismatic and experienced speaker Kirsty Rivers to participate in the AAM panels and seminars over the Face the Music and AWME conferences. She also helped and advised me program the recent AAM Executive Seminars re: Leveraging Copyright in Music.

Not only is she a pleasure to work with and highly informed re: APRA|AMCOS, she was able to withstand the GRILLING from our executive membership and suggest killer tips for overseas royalty collections, how/when best to report to APRA and more. For our wider membership base, she managed to break down APRA|AMCOS roles and responsibilities and point emerging artist managers in the right direction to best leverage their relationship with APRA|AMCOS. Having witnessed a handful of APRA|AMCOS presentations I must admit, Kirsty would be my first choice for any future AAM events. Thanks very much for APRA|AMCOS' continuing support,

\*\*\*\*\*

Jessica [REDACTED]

Lucia,

Thank you SO very much for your email. So detailed and fabulous. Really. Re the below info, this is great. [content deleted] Ok. This is all I think.

Thanks so much, again!

Jessy

\*\*\*\*\*

Darren [REDACTED]

Hi Sean,

Thanks for the email and update! Much appreciated. Thanks for your hard work on this. Hopefully the royalties will total enough to buy you a drink next time you are down hehe

Cheers,

Darren Glen

\*\*\*\*\*

Mark [REDACTED]

Thank you Rebecca for all your amazing help. Mark and Jo

\*\*\*\*\*

Marvin [REDACTED]

do you have a supervisor or someone i can send an email to about how helpful you have been ever since i joined, you always reply straight away and you so friendly and helpful..great job Jo:)

AND

(Jo) you're such a big help, usually people take their time to get back to you but you're always on the ball, and very informative:) have a great xmas break

talk soon:)

AND

Hello there

my name is Marvin [REDACTED]. I'm a member at APRA, since I've joined I've been in contact with a Jo Musso, this person has been so helpful in all my inquiries I've had, i just want to let you know that as her manager Jo she is very good at what she does, she always replies back straight away with her emails and is always willing to help me

thank you

\*\*\*\*\*

Liam [REDACTED]

Hi Jess

Thanks for that, you are amazingly speedy and efficient. Impressive! [content deleted]

\*\*\*\*\*

Samuel [REDACTED]

Hi Sean,

Thank you for your investigations and follow up. As I understand by your email below, I can thus expect both AMCOS & APRA reimbursements in February 2012. Thank you again for your diligence, And I hope you enjoy a Merry Christmas,

Regards,

Samuel.

\*\*\*\*\*

Marco [REDACTED]

Dear Hannah,

Thank you! Also to you and your family, buon Natale e felice anno nuovo (that's merry xmas and happy new year in Italian)! You guys are great and you in particular have always been helpful and friendly above and beyond the call of duty.

Ciao

Marco

\*\*\*\*\*

Denis [REDACTED]

Lucia, you have just rocketed up the list of my favourite people in the world. You still have a way to go to catch up to Michelle O'Donnell and Darren Bennett, but give it time.

Cheers!

Denis.

Your newest fan.

\*\*\*\*\*

Alejandro [REDACTED]

Hey Rebecca I have forwarded that email across and i have cc'd u in it =) [content deleted]

Your help was awesome today, thank you

Alejandro

\*\*\*\*\*

Lucy [REDACTED]

Thanks so much. I wish every organisation was as quick as you in replying!!!

Lucy [REDACTED]

\*\*\*\*\*

John [REDACTED]

Hi Hannah,

APRA|AMCOS Membership positive feedback – 11-12

You are doing a great JOB there at APRA, the money is much appreciated by an old, retired musician.  
have a great day. Cheers

John [REDACTED]  
\*\*\*\*\*

Aemon [REDACTED]

[content deleted] One of your workers, Sean, unsure of surname, made a great deal of the complications a lot easier for me. I would like to send my regards to him for his great depth of knowledge and effective communication on the topics.

\*\*\*\*\*

Lindy [REDACTED]

Hi Sean. thanks so much for the lectures as usual you did a marvellous job, I really appreciate it, Lindy

\*\*\*\*\*

Tony [REDACTED]

Connecting Members: The Art of A & R talk that was given at APRA back in October last year. Firstly, I want to thank APRA for organizing the event. I thought the talk was great and found it very informative and also inspiring. Secondly, I want to thank APRA for letting the attendees meet up with Matt O'Connor and Heath Johns after the talk. Fortunately, I had chance to talk with Matt O'Connor from the A&R Department, and after giving him a copy of my debut album, he offered to put one of my tracks on a December sampler. The sampler was sent out to over 300 stations across Australia.

I have since had my track played on many stations and through following up with these stations, I have had the chance to talk with presenters and send them a copy of my album also. A few presenters would now like to do phone interviews with me also.

Matt has also been incredibly helpful with support and advice on how to proceed with promoting my album, and has given me a strategy to help build my recording career.

Thanks once again for the talk and giving me the opportunity to meet Matt O'Connor.  
Please pass on the thanks and I look forward to attending more talks in the future.

All the best,

Tony [REDACTED]  
\*\*\*\*\*

Denis [REDACTED]

Thanks Jessica for all your help you're doing an awesome job.

\*\*\*\*\*

Craig [REDACTED]

Wow, it sure sounds complicated and i am stoked that you and the others are so thorough and professional in sussing it out to get to the bigger picture. I am very appreciative of your hard work and great communication Sean. cheers and very big respect dude

Craig

\*\*\*\*\*

Syrene [REDACTED]

oh my god! I love talking to you!!! "writer relationship manager" PERFECT. you call me anytime too!! xox

\*\*\*\*\*

Joel [REDACTED]

(Rebecca) Thanks again...No rest for the wicked so they say!

You guys are always doing such good work, my congratulations to you and your colleagues.

Much respect.

Sincerely,

Joel [REDACTED]

\*\*\*\*\*

Sarah [REDACTED]

Thanks Lucia! Again so sorry I had to terminate with APRA - I was extremely happy being a member!

\*\*\*\*\*

Peter [REDACTED]

Dear Rebecca,

Wow you are very thought and customer focussed! I'm sure you have so many other things to do with all that is coming up. Have a great Easter and see you at The Summit.

Cheers Pete

\*\*\*\*\*

Jeremy [REDACTED]

Cheers,

Thanks Jess. I figured it must have been something along those lines. And thanks to APRA on a whole for making this whole royalties thing so easy. Haha

(our lawyer John Kenny told us whenever we talk to you we had to always thank you for that :)

Cheers again

Jeremy

\*\*\*\*\*

John [REDACTED]

I attended this workshop in Canberra and just wanted to say I found it very interesting and useful.

APRA|AMCOS Maximising Your Royalties.

Friday 6th of April, 1pm - 2pm at Workshop #5

The presenter (Sean?) was very well informed, patient, and explained a complicated topic very well.

Thanks,

John

\*\*\*\*\*

Opetia [REDACTED]

Hi Laurel,

Thank you so much for your kind email and i also appreciate the great work that you guys are doing.

Regards

Opetia

\*\*\*\*\*

Ray [REDACTED]

Thanks Laurel, I really DO appreciate you informing me of the royalty payments and I would very much like that to continue.

[content deleted] Please keep in mind that I AM grateful for what you do for me :-)) and you are truly a gem! All the very best as always,

Ray

\*\*\*\*\*

Sam [REDACTED]

Thanks Jess - that was super quick! [content deleted]. Thanks again for being so efficient!  
have a lovely day

Sam :)

\*\*\*\*\*

Paul [REDACTED]

Hi Lucia,

I really appreciate your fast and thorough response. This is exactly the info I was needing.

Again thank you so much.

Cheers,

Paul

\*\*\*\*\*

Terry [REDACTED]

Hello Lucia,

Wow ... thank you for your extremely thorough email. [content deleted]

Finally, I really felt your compassion to serve your members and it gave me some peace about this whole issue. I believe quite a bit of the work I'm now presenting is going to be placed in international markets so your comments on fees and payment were right on the mark.

Thanks,

Terry

\*\*\*\*\*

Daniel [REDACTED]

(Rebecca) Hey there,

That one isn't mine. Thanks heaps for the call today and chasing this up you are a star.

Cheers,

Dan

\*\*\*\*\*

Michael [REDACTED]

Dear Sean

Feedback from students today was effusive with thanks to you and APRA for the experience.

Michael

\*\*\*\*\*

Evan [REDACTED]

Hi Lucia,

That explains everything I wanted to know. I'll follow up from this point in and thank you once again for your help. You're always able to answer my tricky questions!

Best regards,

Evan

\*\*\*\*\*

Lara [REDACTED]

(Lucia) You are the cutest sweetest woman on the planet. Thank you!

\*\*\*\*\*

Kirsty [REDACTED]

(Rebecca) Thankyou, you're always very helpful !! :)

\*\*\*\*\*

Mark [REDACTED]

Hi Jo,

Thank you so much for spending so much time on this, you're wonderful! [content deleted]

Thanks again,

Mark Harris

\*\*\*\*\*

Lyle [REDACTED]

Hi Rebecca,

This is terrific thank you - and thanks for being so clear and informative on the phone!

Yes I will champion the cause of LPRs to the classical community! Looking forward to speaking again.  
best

L.

\*\*\*\*\*

Jason [REDACTED]

Dear Lucia,

Thank you so much, that was incredible information, exactly what I needed to know :) I should be ok now :) I hope all is well. Thanks so much

Jas

\*\*\*\*\*

Alex [REDACTED]

Thanks Sean! You're always so helpful. Much appreciated!!!

\*\*\*\*\*

Didier [REDACTED]

thank you Matt for your prompt answer, your help is very much appreciated! Didier MEYNET

\*\*\*\*\*

Jo-Anne [REDACTED]

Hi Michelle,

Thank you for excusing me yet again from the course tonight. I hate to miss such a great evening but you're right, I would have been mad to pass up such a charming chat with Roger.

He's a really lovely man. So soothing and open. Made me feel at ease straight away. Boy I must have done something right this year, my lucky stars are coming out in their dozens!

I know i've said thank you a lot in these emails to you but i'm still not quite convinced they're expressing the depth of my appreciation for all the support and 'wing-taking-under' you've gifted me with this last month and a bit.

So once more...thank you Michelle,

Jo-Anne

\*\*\*\*\*

Art [REDACTED]

Dear Michelle:

Thank you so very much for the giftcard. What a wonderful touch ! That is so lovely. See you at the Awards or before....

Regards,

Art [REDACTED]

\*\*\*\*\*

John [REDACTED]

Hi Michelle

Congrats to you and all the people involved in organising last night. It was a great event.....Most enjoyable! Thanks!

best

John

\*\*\*\*\*

Ben [REDACTED]

Thanks really great of you to get back to me and let me know that info. Thanks very much Laurel.

Cheers

Ben

\*\*\*\*\*

Michael [REDACTED]

"sup apra much props on the work yous do. I've been a registered writer member for over 6 years now and have received nothing but the highest level of support from your service....especially Rita Luck who always helps me remember my login details when I forget them lol much props from the souljahz of sound"

\*\*\*\*\*

Billie [REDACTED]

Thank you so much for following this up Con, and a big thank you to Nicholas for being so helpful!

\*\*\*\*\*

Jen [REDACTED]

Hi Kirsty

Firstly thank you for letting me know about the APRA grants a couple of months ago. I had no idea they existed! I just got the good news this morning that IMMM will receive funding to head to Sydney, Perth and Brisbane in 2012.

In fact I wanted to thank you for being a mentor for me the past 18 months (whether you were aware of it or not!) The meeting we took at the beginning of last year helped me focus my idea and create IMMM which has supported me as an artist between albums and taught me so much about the business of music. It's been an immensely rewarding and empowering experience.

I hope all is well in your world and look forward to seeing you around the traps soon.

Jen

X

\*\*\*\*\*

Bryce [REDACTED]

Thanks Rita! That's very helpful to know. Cheers for all you do for us musos!

Bryce

\*\*\*\*\*

Wyn [REDACTED]

(Rtia) You are sweet well beyond the call of duty!

W

\*\*\*\*\*

Mary [REDACTED]

thanks rita !! what would i do without your caring heart. Cheers mary.

\*\*\*\*\*

Shagufta [REDACTED]

Rita dear, you are a great & understanding person. That's why I always contact you & give you some trouble. I wish, you stay always smiling and happy. Thanks, take care.

Yours sincerely,

Shagufta [REDACTED]

\*\*\*\*\*

Des [REDACTED]

Rita - you are one good quick efficient lady - thanks kindly. Des

\*\*\*\*\*



Jack [REDACTED]

Hi Rita , thanks very much for your prompt attention. Am logging in to update my bank details thanks. That's really awesome. What a difference 4 yrs makes in technology and systems. This whole process took less time than pretty much my initial phone call last time. Warmest regards :?)..jack

\*\*\*\*\*

Brolga Music Publishing Company [REDACTED]

Hi Laurel,

Thanks for following this up. [content deleted] The staff at APRA|AMCOS have been wonderfully easy to work with over the years - thank you.

Kind regards

Julie

\*\*\*\*\*

Erling [REDACTED]

(Jess) Yes that is correct, fail at maths for me:) thanks heaps for quick replies and being really helpful!

\*\*\*\*\*

Natalie [REDACTED]

Hi Sue,

Thanks for getting back to me so quickly. This all makes sense now. Thanks for updating my record - I'm glad this has all been recorded with the correct details.

Many thanks for your awesome assistance!

Cheers,

Natalie

\*\*\*\*\*

Tom [REDACTED]

Hi Jess,

Thanks so much for doing that! You're an absolute gem. I understand why that track was approved earlier now, I should have thought of that. [content deleted]

Thanks so much again

Tom

\*\*\*\*\*

## FEEDBACK SUMMARY

### Screen Music Awards 2011

Hi

Big thanks to Brett & Clive, Narelle & Jo, and everyone involved with the Screen Music Awards night. It was a fabulous ceremony and reception, and we very were honoured to attend.

Regards

[REDACTED]  
UTOPIA AUDIO P/L  
184 Victoria St  
BEACONSFIELD

\*\*\*\*\*

Hey just wanted to say you guys do a great job with the awards... really enjoyable night every year!  
thanks

Ramesh

\*\*\*\*\*

Narelle - Just wanted to say how enjoyable the entire evening was.

Please pass that on to everyone involved!!

Craig

\*\*\*\*\*

Hi Michelle  
Congrats to you and all the people involved in organising last night. It was a great event.....Most  
enjoyable!  
Thanks!  
best  
John

\*\*\*\*\*

Dear All,

Thanks so much an amazing night last night.

It was so well done and, as everyone says, has emerged as the best Awards night in the industry.

Everything about the evening was fantastic – from the meticulous organisation, wonderful venues, terrific  
awards ceremony with an industry icon accompanied by superb music (possibly the best to yet), delicious  
dinner and just a great night out.

Thanks to all for all your hard work and for putting on such a wonderful night, which is so supportive of  
all Australian screen composers.

All the best,

Jo

\*\*\*\*\*

Hi - I just want to congratulate you all for the great presentation of the interviews; the packages were a great way of presenting them; the use of relevant music underscore was excellent and well mixed and the quality of the sound & image first class. Louise and I were most impressed.

Thanks for presenting my work so beautifully.

We must do more!

regards ,

Andrew

### ART MUSIC AWARDS 2012

Thanks guys for a wonderful night. We may have had a few glitches getting there but the evening was seamless from the audience point of view and the marquee and catering afterwards was just lovely and what a beautiful night for it.

Lovely to catch up with so many people in the industry in one hit as well.

Lot of positive feedback.

Kind regards

Liz [REDACTED]

\*\*\*\*\*

Hello Narelle,

Congratulations on doing such a great job with the awards night - it was an excellent event.

Needless to say I was stunned and delighted to be recognised for my contribution to Missa Solis. Collaborating with Nigel is certainly the most satisfying work I have done in my life.

And the award to Peter Sculthorpe was very appropriate - and timely! I am shooting a film with him at the end of the month!

All the best

John [REDACTED]

\*\*\*\*\*

Thank you, Philippa, for sending this summary of this year's AMC/APRA Music Art Awards.

From merely looking at the coverage, it seems obvious that the Selection Committee got it right.

The Winners make for a most impressive cross-section of Australia's music and arts achievers.

So, my congratulations to one and all involved, including most definitely, the Selection Committee!

Best wishes.....Patrick [REDACTED]

\*\*\*\*\*

Dear Narelle:

Thanks so much for sending me footage from the Art Music Awards. I do appreciate this. Perhaps I'm biased, but I thought it was a really special night!

Best wishes,  
Peter

Hi John, Congratulations again on last night, really superb.

Regards  
Alison

**APRA MUSIC AWARDS**

Hi Jana,

Congrats again on what was another amazing awards night (and for Song Summit too). The awards ran so smoothly and were very entertaining again, from hosts to performances – loved Kate Miller performance myself, she nailed it.

Thanks again and chat soon

Dan

xyznetworks

Dan [REDACTED]

\*\*\*\*\*

Wow -That's great! YAY TEAM!

I loved the Awards too. I had such a great time. It had a real flow this year.

I've had some great feedback from artists and attendees alike!

Franc [REDACTED]

\*\*\*\*\*

Dear Milly

Would you please forward my attached letter to the Board. Please read it.

What a wonderful night. It really was fabulous, as you said it would be – especially after my speech.

Thank you so much for supporting me to receive such an incredible acknowledgement. It means so much.

Mary

I just wanted to congratulate you all on a brilliant SONG SUMMIT what a triumph! I especially wanted to tell you that the awards were PHENOMENAL, so well produced, sound, lights, talent, host all world class. Well done, you deserve to pat yourselves on the back. Not just me, all our internationals commented on it!

J'adore  
Tyler

\*\*\*\*\*

Dear APRA team

I just wanted to drop you a quick email to say a very big thank you for being so accommodating and for allowing us a space to shoot our Music Matters vox pops last night. We very much appreciate the support.

Viv was absolutely wonderful throughout the whole process and we got some really great artists and some really great footage.

Hope you all had a really great night and thanks again for everything.

Nicole [REDACTED]

\*\*\*\*\*

To the amazing team behind the last four days,

I wanted to say a huge congratulations - I thought it was an incredibly well run event from start to finish. Everyone I spoke to received it so well, spoke so highly of the content and the sense of community.

I am in awe of all of you.

The awards last night were absolute class, humorous and touching and honest. It was free of ego and just a really wonderful way to celebrate great Australian talent.

Esti

\*\*\*\*\*

Hi Brett and Sally,

Congratulations on the APRA Awards last night and thank you for a wonderful evening.

It was such a special night and there were so many highlights.

Genuinely spine-tingling moments range from the heartfelt standing ovation for Cat Stevens/Yusuf Islam; Tina Arena and Tex Perkins singing an amazing version of *Somebody I Used to Know* and making it sound fresh and layered; and what a finish with Russell Morris coming on stage to join in singing *The Real Thing*. And who could not love the humour of Kate Miller-Heidke singing *You Should Consider*

*Having Sex With a Bearded Man.*

Biggins & Higgins was an inspired partnership for hosting. Jonathan Biggins once again proved he is probably the best MC in Australia today. (By the way, Chris Neal and I ran into him afterward and Jonathan said the APRA Awards are the best awards show in Australia today. He is right.) Missy Higgins was so charming and who would have guessed she would be so good at interpretive dance?

It is always such a superbly organised event (Jana and her team did an amazing job, as always) and the perfect way to honour Australian songwriters.

And best of all, it is a *fabulous* night out for all.

Thanks again.

Jo

### **SONG SUMMIT FEEDBACK SUMMARY**

Sally

It has been a wonderful magical and memorable few days

I am about to leave

Thank you and all your team

I hope I did not let you down!

NAVIN

\*\*\*\*\*

Dear APRA colleagues & friends,

I would just like to express my sincere gratitude and congratulations on what has surely been a very exhausting and successful last few days. From the summit to the awards, it was all amazing and went off without a hitch.

Thank you again for the sponsorship assistance and continued support for the 'Music Business' book, and of course of Music Sales.

Best wishes,

**Matt Bailey**  
**Publishing Manager**  
**Music Sales Pty Ltd**

\*\*\*\*\*

Hi APRA,

Just wanted to congratulate you and all of APRA on a brilliant conference and a great awards last night. I believe you easily bettered the last conference particularly with the calibre of the panels and other various events which were both informative and entertaining.

All the best,

Simon Moor.  
Managing Director  
Kobalt Music Publishing Australia & New Zealand

\*\*\*\*\*

Dear APRA friends – thank you so much for a very enjoyable Song Summit and awards ceremony – it was a pleasure to have been here and to have had the chance to spend some time with you all. It was also hugely beneficial for ICMP to be able to meet so many of our regional constituents and as you know we are planning to return. Hope you all get the chance to recover and Brett look forward to seeing you next week in Dublin. Best regards, Ger

**Ger Hatton**  
**DIRECTOR GENERAL**  
**ICMP, the global voice of music publishing**

Dear Jana, Sarah, Milly, Nic and Dean,

We want to thank you all for the great support you gave the MUSIC MATTERS campaign during Song Summit. I cannot tell you how many times people came to our stall and said they had seen the animations during their sessions. It was a great way for us to start a conversation with all the musicians, song writers and music teachers who came to visit us. Thank you also for the social media support that was also a great way to profile the campaign.

All of us on the Music Matters team really appreciate how easy you made it for us to be at Song Summit, thanks again.

Regards,

**Vanessa Hutley**  
**Australian Recording Industry Association**

\*\*\*\*\*

Hi Lorin,

I just wanted to thank you for all your help both in the lead up to and at this years song summit. You really did make it a lot easier for me to organise. It was an amazing weekend, everyone of my



students and I got something out of it and they learnt so much from the workshops, their mentors, people they met, watching performances and the stallholders. I have come away with many new contacts and a promise of a visit to my school from Pat Pattinson, Michael Spiby and free games from the Rocksmith guys. I have seen some exciting developments in the music classroom of the future, well my classroom anyway, this is all because of the event you and apra put on. Thanks again and we will be back for the next one.

Steve [REDACTED]  
Bellarine Secondary College

\*\*\*\*\*

Dear Sally, Jana, Viv and Milly,

Just wanted to send a note of thanks and congrats from us at triple j and Unearthed, it was a fantastic event this year and I know our artists all got SO much from the workshop, and also from the event overall. It means so much to work with organisations such as yourself to develop opportunities to mentor our brightest emerging talent.

But most of thank you for being so lovely and great to work with, it was a great pleasure to be involved.

Hope you get to rest up a bit now!

Cheers, Steph

Thanks from me too!

Both the panel and Masterclass were really well organised and smoothly run. The Masterclass students were thrilled to spend the time with Wally and Adalita – who have to be some of the nicest people in the music industry! They were really open and honest in the discussion and the students got a lot out of it.

Our Song Summit coordinator was also really helpful, sorting out our banner etc. Please pass on our thanks to him.

Thanks so much to everyone involved. Gerry

\*\*\*\*\*

Hi Matt!

Well where do I begin?!

Firstly I would love to thank you personally for the opportunity given for me to experience the 2012 Song Summit in Sydney thanks to APRA & Arts SA. As soon as I made it to the Sydney Convention Centre, I

was instantly greeted by many like minded aspiring Songwriters & Musicians whom made me feel right at home.

The three days presented many opportunities for me to meet and greet an abundance of well established figures within the Music Industry. I never realised how influential the Song Summit is to up and coming artists, and probably never would have if it wasn't for the belief that yourself, APRA and Arts SA had in me.

There were many highlights of the summit, but some of my favourites included having personal songwriting workshops with Jonathan Notley (Bliss) & New Zealand Producer P-Money on Saturday, as well as having another personal songwriting workshop with Tim Levinson (Urthboy) and Kev Carmody on Sunday. It was great to have a jam with Kev, one of the pioneers who helped bring equality for Indigenous Australians through his music and political preachings. It was an unbelievably Soulful experience.

The night-life was just as entertaining with energetic live performances, fantastic food and complimentary beverages of cause!

Attending the 2012 Song Summit has definitely been the highlight of my music career thus far. I achieved everything out of the summit that I strived for which included networking to broaden my industry contacts, receiving great advice and feedback and professionally developing my career. I now have a clearer picture in which direction to take my music thanks to the 2012 Song Summit and I have Matthew Swayne, APRA and Arts SA to thank.

Yours Sincerely,

**Lachlan** [REDACTED]

Hi Sally,

Just wanted to drop you a quick line to say thank you for a job well done this past weekend.

That is all. :D

Kind regards,

Kristian

\*\*\*\*\*

Hi Milly,

Congratulations on an inspirational Song Summit.

If the value of learning is action, not just knowledge, then you've sown the seeds to music's future. And who better to reap the harvest than this vibrant and diverse community? We've all been in meetings of minds, but a union of souls is an altogether otherworldly experience.

Tears were brought to my eyes on more than one occasion, none more so than when it all ended. Thankfully, the relationships live on.

Kind regards,

Mark

---

**Mark Bruton / Ash Kanna (project)**

\*\*\*\*\*

Hi Nicola, Milly, Sarah et al,

Just a quick email to say a big thank you for inviting Oscar to participate in Backstage Pass and the Song Summit. He had a wonderful time at both but particularly Backstage Pass and is even more fired up than ever about a career in music.

So many thanks,  
Jo

\*\*\*\*\*

Hi Milly,

Firstly, congratulations on such a successful Song Summit and APRA awards. People from overseas where really impressed with the quality and level of it all.

Michael [REDACTED]

Hi Guys,

Just wanted to thank-you for a great few days.

Can do a more formal appraisal of the music market at the right time, but overall a positive experience. The general organization of the conference was excellent and really well run.

I think our panel went really well Jana – but can also speak about that in more detail at a future time.

Darren [REDACTED]

\*\*\*\*\*

Hi guys,

A quick thank you for the APRA passes. Great event!  
Hope it all went well for you guys

thanks,  
Janelle

\*\*\*\*\*

Hi Kate

dad said you were on the board of APRA and would be interested in some feedback from the 2012 song summit I went to last weekend. I realise that putting the event together must have been a huge expenditure but I think it was definitely worth it. So many people I met were getting so much out of it. I met people from NZ, perth, brisbane, Melbourne, Canberra, who had all come just for the conference. The array of speakers in the 'in conversation' talks were incredibly inspiring and gave me whole new insights into parts of the music business I never imagined (such as the song writing companies in Stockholm). The talks by the musicians were also incredible, my favourite being Kev Carmody (I thought the focus on Aboriginal Australia was very impressive, with a proper welcome to country on the first day and a few follow up speakers, I am now working part time at AITSIS and they always talk about how important welcome to country is).

Seeing many many talented musicians perform and talk about their writing process at the conference was a very different to watching them at any ordinary public concert - it seemed the performers each had a special respect for the audience as songwriters. The songwriting workshops seemed to be another highlight. I spent an incredible afternoon with Kav Temperley from Eskimo Joe who helped me a lot with one of my songs and turns out to be a fantastic teacher, I heard mixed things about how other people found those sessions though as some of the other mentors were not quite so enthusiastic.

A number of people I met were also taking advantage of making lots of industry connections, one rapper from Perth told me he was able to speak to 3 people from the industry who he had been trying to get email addresses for for over a year. It was also a wonderful environment to make many creative connections with other musicians. I was also impressed with the number of international guests. The event was run very well with lots of staff members constantly there to help, fantastic catering and it was definitely affordable for students.

I definitely hope this event continues to run and I look forward to going to it again in the future. It was difficult timing as I have 4 law exams next week but it was definitely worth it.

Anna

\*\*\*\*\*

Hi Lorin. I was hoping to catch you at the song summit to thank you personally for the fantastic assistance you gave me leading up to the summit. Unfortunately that never quite happened, so i'd like to express my gratitude now. THANK YOU! THANK YOU! THANK YOU! for your personal help and to all the staff at Apra. You are all amazing. The Song summit blew me away. I am soooooooooo grateful!  
Regards

Chris [REDACTED]

\*\*\*\*\*

Hi Lorin,

Just wanted to say Thank you for all your help  
And the wonderful organisation of song summit.  
We enjoyed it so much and I will be certain to ensure  
Really interested students get the opportunity  
To attend in 2014.

Thank you again  
Annette [REDACTED]

\*\*\*\*\*

Qld member Alex [REDACTED] (performs as [REDACTED]) attended song summit because he was picked by JJJ unearthed. Had meetings with JJJ whilst there and do an on air interview and meet almost every presenter except Zan. Louie played one of his track on air after meeting him. He also got to sit in on the Gotye and Adalita song writing workshop with other JJJ unearthed winners. It was really intimate and informal and he ended up becoming really good friends with the other winners over the weekend. "It was the best time ever"

\*\*\*\*\*

I wish it was Song Summit every day

Fiona [REDACTED]

\*\*\*\*\*

Hi guys!

I just wanted to say thank you so much for having me speak at Song Summit. It was SUCH a wonderful event!! All the sessions I saw were fantastic, and the ones I was speaking on were incredibly enjoyable!

Also - the APRAS were AWESOME! Really amazing. THANK YOU for the invite.

I hope you guys are recovering ok! You deserve to sleep for about 3 weeks haha!

Please let me know if I can help with any other events in the future.

All the best,  
Jess xx

\*\*\*\*\*

Hi all,

Just a short email to say thank you for the great summit on the weekend.

It is rare that one gets to feel so great about being a songwriter- particularly at a three day industry conference! Y'all put together a great songwriter event.

In addition to having a fantastic time and catching up with nearly all of me ol' mates from the folk rock highway, I got four quotes for my PhD,

Thanks again,

Cheers,

Greg [REDACTED]

\*\*\*\*\*

Thanks for your work on Song Summit. I wish I could've stayed for the duration but I had a great time and thoroughly enjoyed my workshop

Cheers

Peter [REDACTED]

\*\*\*\*\*

Hi Sally

I realise that you are most likely still at Song Summit today, but I wanted to email you as soon as possible to pass on my thanks to you, Narelle and APRA for Support Act's participation at this year's event.

As well as general awareness raising, I met a number of contacts that I am sure will benefit Support Act, some of whom were fellow exhibitors in the Music Market, some who were delegates. I was at our pod all day Saturday and whilst I haven't caught up yet with Ray Burgess and Lindy who were also manning the stand yesterday and today, I'm sure they will agree how worthwhile it was.

It was a great event from my perspective and I'd just like to thank APRA again for SAL's involvement and for your help during the event.

Joanna [REDACTED]

\*\*\*\*\*

Hi milly,

i just wanted to say thank you for having the band.

we were thrilled they all made it.  
would not have been the same without the rythmn section!

hope it went well and let us know how they went down.  
Scarlett is now good friends with isabella from The Preachers, her idol!  
So that is one outcome!  
best

Phil [REDACTED]

\*\*\*\*\*

Song Summit and APRA Awards.....  
Were fantastic. I know a lot of blood sweat and tears went into the organisation. Congrats.  
**Bob Aird**

\*\*\*\*\*

Thanks for the Song Summit. It was really Great for No Qualms (Kor-B) and I.

Got some Amazing feedback on our new project [www.sensitivezombie.com](http://www.sensitivezombie.com)  
and also some Great solid contacts to follow up.

Like I wrote 2 years ago....any possibility of it becoming yearly?  
Relationships are developed over time and regularity and I feel it's a really good opportunity for this.

Would love to know Apra's thoughts on this....and thought you'd appreciate some feedback....xx:))

Maz..

\*\*\*\*\*

Hi Sarah and Jana,

Apologies for not sending this through earlier, I just found it in my draft-box.

Just wanted to say thanks for your patience with us putting this together.  
The session really had a great vibe. All the labels I spoke to afterwards really enjoyed the conversations with delegates. It was fantastic to have such a full room too.  
Lastly, the APRA awards were my favourite that I'd been to. Killer night!

Cheers  
Nick

\*\*\*\*\*

Hi Sally, Kirsty, Jana, Milly and Adam

Just a quick note to say thanks for helping I Manage My Music launch in Sydney at Song Summit. The panel was a huge success and our first workshop at the end of June with Lanie Lane has almost booked out!

An especially big thanks to Jana who came to the rescue on Saturday morning when Abbe's flight was delayed and suggested Clare Bowditch as a replacement. It ended up working perfectly.

See y'all soon!  
Jen

\*\*\*\*\*

Jana,  
Thank you so much for having me over. Really appreciate it! Was a great time. I met some great folks and saw some great panels and shows. I have been telling everyone how good it was.  
Thanks again!  
Adam [REDACTED]

\*\*\*\*\*

Hi Guys

Congrats to you both on another great Song Summit...

I just watched the Kev Carmody 'session' online and it was brilliant!

Well done and thank you.

John [REDACTED]

\*\*\*\*\*

Dean, it was great to see you at Song Summit. Jana, thank you for your wonderful care and attention.

You all do it so well and make us feel so special in the process. I miss Sydney ...

All the best

Myles

Myles [REDACTED]



*PRS for Music*

\*\*\*\*\*

Jana,

I simply wanted to thank you for all of your time and effort that went into getting me safely to and from and around the Song Summit in Sydney.

I met a great number of excellent people, learned a ton, and had a wonderful time along the way.

Thank you,

David [REDACTED]

\*\*\*\*\*

Thank you very much, I really enjoyed this experience and filled up a whole notebook full of notes!!  
It was amazing. I'll do the survey now :)

Thanks,  
Tess.

\*\*\*\*\*

Hey Milly

An absolute pleasure, I love those events. Please keep me in mind for anything like that in the future.

cheers  
Troy

**Troy Barrott | Managing Director**

\*\*\*\*\*

Hi Jana,

The speaking fees were wired into our business account this week. Thank you very much for taking care of that for us. Gary had a fantastic time in Sydney and from the sound of thing, your organization was pleased too.

Thanks so much,

Ali [REDACTED]

\*\*\*\*\*

Hi Cassady

Please pass along my thanks for an awesome summit. I appreciated the work that went into making it great! I had the best time.

Regards Victor

\*\*\*\*\*

thanks to all who put this event on. I am very grateful for such an opportunity.

Well done!

Stephen [REDACTED]



# Economic contribution of the venue-based live music industry in Australia

Australasian Performing Right Association (APRA)

September 2011

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# 1. Executive summary

## 1.1 Background

Many claims are made in relation to the importance of the live music sector to Australian music in general, including its role as an ‘incubator’ of local talent and as artist training grounds for international success. However, live music activity has been primarily researched from musicians’ and musician management perspectives. As such, there is limited data available on the value of the venue-based live music industry in Australia.

To this end, there is a need by industry stakeholders to understand the economic value of the venue-based live music industry in order to ensure future policy decisions consider the true value of the industry.

Ernst & Young has been engaged by Australasian Performing Right Association (APRA), in conjunction with The Australia Council, Arts Victoria, Arts NSW and Live Performance Australia, to measure the contribution of the venue-based live music industry nationally from a venue owner and managers’ perspective. The study provides an estimate of the venue-based live music industry’s economic contribution in terms of gross output, value add and employment for the 2009/10 financial year.

## 1.2 Approach

Figure 1 below summarises our approach to the study.

Figure 1: Overview of our approach to the economic value of the venue-based live music industry



A brief description of each of the above elements is provided below. Refer to section 3 for further details.

### ***Define key measures***

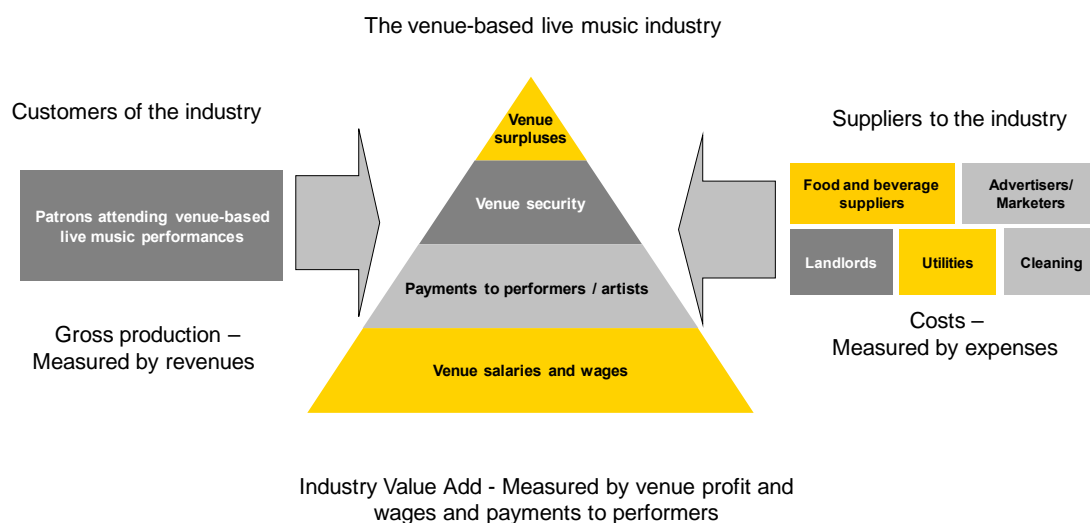
The study focuses on three common indicators of an industry’s economic size or value, being industry output (revenue), industry value add and industry employment. Other financial and non financial metrics have been developed for the study to help provide a broader measure of the size and importance of the venue-based live music industry to Australia, including attendances at live music performances; number, type and frequency of live music performances; why venues stage live music and barriers to operating a live music venue.

### ***Define the venue-based live music industry***

For the purposes of the study the venue-based live music industry is defined as those hotels/bars, clubs, restaurants/cafes and nightclubs licensed with APRA that stage live music. Figure 2 over the page illustrates the venue-based live music industry lifecycle.



Figure 2: Venue-based live music industry lifecycle



### Data collection

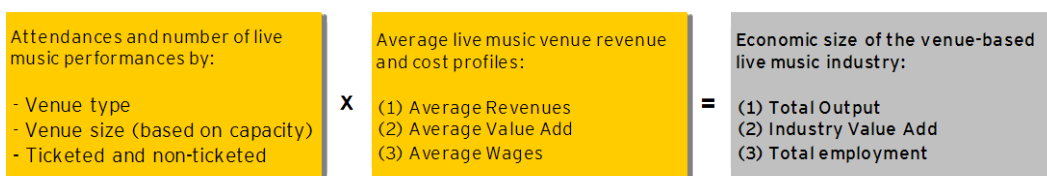
The sources of primary data for the study were as follows:

- ▶ On-line surveying of live music venues conducted by Ernst & Young;
- ▶ Consultation with venue owners/operators; and
- ▶ Information provided by APRA.

### Estimation process

The approach to estimating the industry output (revenue), industry value add and industry employment of the venue-based live music industry is summarised in Figure 3 below. Essentially it estimates these economic measures by focusing on the number of venue-based live music performances and attendances at these performances (by venue and performance type).

Figure 3: Summary of estimation approach



## 1.3 Size of the venue-based live music Industry in Australia

In terms of its economic importance, the venue-based live music industry<sup>1</sup> in Australia generated revenues of \$1.21 billion during 2009/10 financial year (i.e. “industry output”). The revenue of the venue-based live music industry is driven by patron spend at live music performances, of which 16.7% was generated from ticket sales to live music performances, with the remaining 83.3% from patron spend on food and beverage. These revenues were generated from an estimated 41.97 million patrons attending a total of approximately 328,000 venue-based live music performances at 3,904 live music venues across Australia.

<sup>1</sup> For the purposes of the Study the venue-based live music industry is defined as those hotels/bars, clubs, restaurants/cafes and nightclubs registered with APRA that stage live music, representing a total of 3,904 venues across Australia.

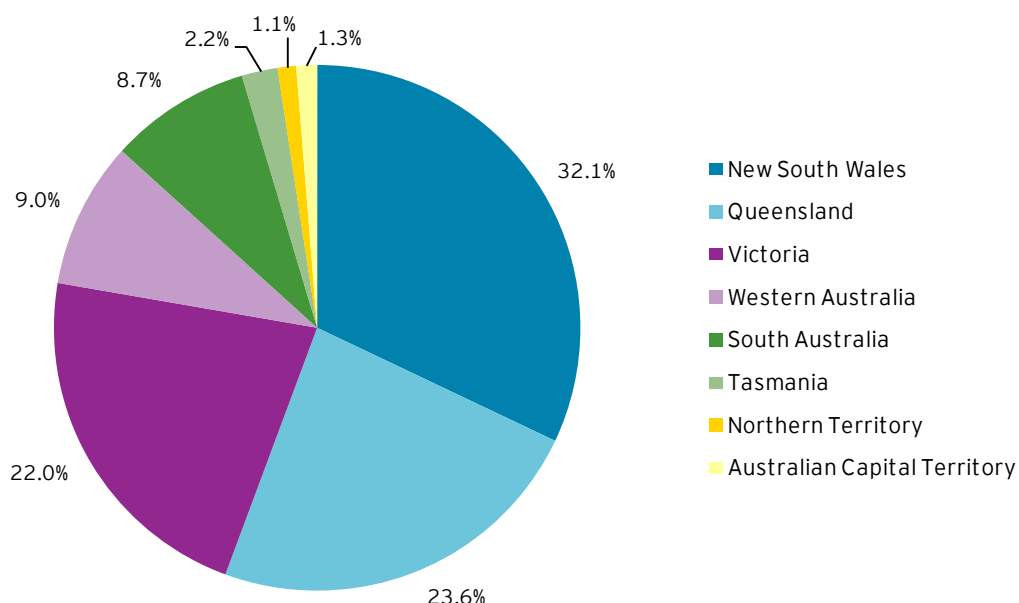
Total profits and wages generated by the industry (i.e. the “industry value add”), amounted to \$651.9 million, while overall, the venue-based live music industry supports employment of approximately 14,866 full time equivalent positions.

**Table 1: Economic contribution of the venue-based live music industry in Australia (2009/10)**

Industry output (gross)	\$1,211.1 million
Direct industry value add	\$651.9 million
Direct industry employment full time equivalents (FTE)	14,866

Furthermore, based on a high level allocation<sup>2</sup> of the measures depicted in Table 1, on a State by State basis, New South Wales (32% of industry output) is the largest contributor to the venue-based live music industry, followed by Queensland (24%) and Victoria (22%)<sup>3</sup>.

**Figure 4: State by State allocation of industry output based on live music venue numbers**



## 1.4 Other key metrics for the venue-based live music industry in Australia

While industry output, industry value add and industry employment are three common indicators of an industry’s economic size, other measures sought during the venue surveying and consultation process have been developed by APRA in consultation with Ernst & Young for this study to help provide a broader measure of the size and importance of the venue-based live music industry. A summary of these key metrics follow.

- Venues surveyed have on average been staging live music performances for approximately 13 years, with the main reason for staging live music being to generate patronage (65.8%) and to invigorate other parts of the venue’s business (50.8%).

<sup>2</sup> For the purposes of this analysis and due to restrictions with sample sizes, we have provided a breakdown of each economic indicator measured in section 4, by applying the number of live music venues by type and location as a percentage of total venues. This analysis should be treated as an indicator only and not considered as a detailed calculation of the economic contribution on a State by State basis.

<sup>3</sup> As advised by APRA, the order of magnitude from this analysis is consistent with the state by state distribution of performer payment data collected by APRA.

- ▶ The most popular genre of live music staged at the venues surveyed was rock/pop, accounting for 38.5% of respondents, followed by “all styles” with 31.4% and blues/roots/country with 13.9%.
- ▶ It is estimated that 3,904 live music venues in Australia staged approximately 328,000 live performances in the 2009/10 financial year, equating to approximately 6,300 performances per week. This equates to 84 performances per live music venue per year (or 1.6 per week), of which 14 were ticketed performances and 70 were non-ticketed.
- ▶ With regard to the nights of the week that live music is staged, the most popular nights are Friday (77.3%) and Saturday (75.1%) nights.
- ▶ 36.6% of venues book the services of artists/musicians directly (i.e. in-house) compared to using the services of an agent (22.4%), while 38.5% of venues use a combination of both.
- ▶ The venues surveyed were also asked *what they saw as the barriers to owning/operating a live music venue*. The impact of the current regulatory environment for live music venues (69.1%) and the cost of talent (61.7%) are clearly the biggest issues facing the industry. Of the 12.8% of respondents that selected “other”, the most common reasons given were music licence fees and the cost of security.
- ▶ Venue-based live music acts as an incubator for emerging artists/performers. The ability to perform and trial new material with smaller audiences assists artists' with their development. While new technologies are providing different ways for artists' to reach audiences, live performance is critical for artists' technical and creative development, income generation and networking with fans and industry. Venue-based live performance is often the first step in furthering an artist's international career<sup>4</sup>.

---

<sup>4</sup> APRA



## 2. Introduction

### 2.1 Overview

Many claims are made in relation to the importance of the live music sector to Australian music in general, including its role as a primary platform for the presentation of live music, an 'incubator' of local talent and as artist training grounds for international success and providing opportunities for income generation and audience development. However, live music activity has been primarily researched from musicians' and musician management perspectives. As such, there is limited data available on the value of the venue-based live music industry in Australia.

To this end, there is a need by industry stakeholders to understand the economic value of the venue-based live music industry in order to ensure future policy decisions consider the true value of the industry.

### 2.2 Scope

Ernst & Young has been engaged by Australasian Performing Right Association (APRA), in conjunction with The Australia Council, Arts Victoria, Arts NSW and Live Performance Australia, to measure the contribution of the venue-based live music industry nationally from a venue owner/managers' perspective (the study).

The study provides an estimate of the venue-based live music industry's economic contribution in terms of gross output, value add and employment for the 2009/10 financial year (FY 2009/10). The venue-based live music industry includes live music performances staged in hotels, bars, clubs, restaurants/cafes and nightclubs that are licensed with APRA to stage live music (as defined in section 3.2). The study also reports on other important industry metrics identified by APRA.

APRA is a not for profit association established in 1926 and administers the performing and communication rights of approximately 67,000 composer, songwriter and music publisher members in Australia and New Zealand. Public performances of music generally include music used in pubs, clubs, fitness centres, shops, cinemas, festivals, whether performed live, on CDs or played on the radio or television.

### 2.3 Limitations of the study

The following limitations exist for the study and should be taken into account when analysing the results:

- ▶ As noted in section 2.2, the scope of this assessment is limited to live music performances in pubs/bars, clubs, restaurants/cafes and nightclubs in Australia. While live music performances also occur in other venues such as performing arts centres, concert halls, open public spaces and sporting stadia/arenas these have not been considered as part of the study;
- ▶ The venues included in our analysis are limited to those live music venues that are registered with APRA and stage live music. There are also likely to be other pubs/bars, clubs, restaurants/cafes and nightclubs in Australia that stage live music and are not clients of APRA. These venues are not captured in the analysis;
- ▶ This venue-based analysis does not include revenue generated by performers/artists outside the walls of a live music venue. That is, revenue such as royalties earned from recordings, payments for non-venue based appearances, and merchandise sales. Our

analysis is restricted to performers' earnings from venue-based live music performances only;

- ▶ The study also considers feedback from a range of venue owners/managers on the revenue and cost profiles of venue-based live music performances. Ernst & Young has not independently verified, or accept any responsibility or liability for independently verifying the accuracy of information received from this consultation process. Nor do we make any representation as to the accuracy or completeness of the information;
- ▶ Given the scope of our engagement, that is, to measure the contribution of the venue-based live music industry nationally from a venue owner/managers' perspective, we have not interviewed or consulted directly with live music performers as part of this study;
- ▶ Our work in connection with the study is of a different nature to that of an audit. We have relied on information and data gathered from discussions with owners / managers of live music venues and from surveying of selected live music venues (as detailed in section 3.3). We have not independently verified, or accept any responsibility or liability for independently verifying, any information nor do we make any representation as to the accuracy or completeness of the information. We accept no liability for any loss or damage, which may result from your reliance on any research, analyses or information so supplied'
- ▶ It is important to note there may be some cross over with the venue-based live music performances included in this study with those included in Ernst & Young's report on the *Size and Scope of the Live Entertainment Industry (2008)* undertaken for Live Performance Australia. That is, live music venues that outsource the ticketing of their live music performances to ticketing agencies included in the above mentioned report (such as Ticketek or Ticketmaster). Based on APRA's review of the above list of venues, we understand there are very few venues where this is the case. As such, the potential for the inclusion of live music performances in both studies is minimal.

Any commercial decisions taken by APRA are not within the scope of our duty of care and in making such decisions you should take into account the limitations of the scope of our work and other factors, commercial and otherwise, of which you should be aware of from sources other than our work.

## 2.4 Disclaimer

This report, dated 14 September 2011, has been prepared by Ernst & Young for APRA in accordance with our engagement agreement dated 12 August 2010. Any use of this report by third parties is subject to our disclaimer contained in section 7.

## 3. Approach

Figure 5 below summarises our approach to the study. Each key element is discussed in further detail in the following sections.

Figure 5: Overview of our approach to the economic value of the venue-based live music industry



### 3.1 Defining key measures

The two key focuses of the study are economic measures and other key venue-based live music metrics (as stipulated by APRA). These are discussed below.

#### 3.1.1 Economic indicators

Three common indicators of an industry's economic size or value are:

- *Industry output* - the market value of goods and services produced by an industry, often measured by industry turnover/revenue. Industry output is also referred to as 'gross economic contribution'. While gross economic contribution provides an indication of the amount of revenue generated by businesses within an industry, it does not capture the amount of revenues retained in a region;
- *Industry value add* - the market value of goods and services produced by an industry, after deducting the cost of goods and services used; and
- *Industry employment* - the number of workers directly employed by the industry, expressed in terms of full time equivalent employees.

All three measures are valuable in their own right. Industry output is a measure of *production*, value add is a measure of *wealth generation*, and arguably, employment is a measure of the *distribution of income*.

In comparing an industry's size against others, it is generally accepted to discuss this in terms of its industry value add. Industry value add measures net of the costs of production (inputs sourced from other sectors) from the industry's outputs. This avoids the inclusion of revenues to other industries and any associated double counting. In practice, industry value add largely comprises wages, salaries and the operating surplus of an industry (i.e. the industry's income). The study looks at all three measures, but attention should be placed on industry value add measures when making comparisons to other industries. The value add measure is commonly put forward as the most appropriate measure of an industry's contribution to the national economy.

It is important to note the economic indicators measured as part of the study are based on the direct output of the industry only and do not include the application of multipliers. Generally, when comparing the contribution of industries, it is standard practice (by reputable statistical agencies such as the ABS) to focus solely on industry value add from direct output (i.e. without multipliers). This enables meaningful comparisons of industry size to be made between industries and ensures there is no overlap with other industries.

### 3.1.2 Other key metrics

While industry output, industry value add and industry employment are three common indicators of an industry's economic size, other financial and non financial metrics have been developed for the study to help provide a broader measure of the size and importance of the venue-based live music industry to Australia. These key metrics were developed by APRA in consultation with Ernst & Young and focus on various aspects of the industry including:

- ▶ Attendance to live music performances;
- ▶ Number, type and frequency of live music performances;
- ▶ Why venues stage live music; and
- ▶ Barriers to operating a live music venue.

Together the economic measures and other key metrics will enable an estimate of the size of the venue-based live music industry in Australia.

## 3.2 Definition of the industry

In examining the size of an industry, it is necessary to place boundaries around what the industry is, and what it isn't.

For the purposes of the study the venue-based live music industry is defined as those hotels/bars, clubs, restaurants/cafes and nightclubs licensed with APRA that stage live music<sup>5</sup>.

We acknowledge live music performances also occur in other venues such as performing arts centres, concert halls, open public spaces, sporting stadia/arenas, etc, however these do not form part of the study.

As provided by APRA, Table 2 displays the number of venues by type and location that are licensed with APRA and provide live music<sup>6</sup> (i.e. they pay a license fee to APRA).

Table 2: Number of live music venues by type and location (as at September 2010)

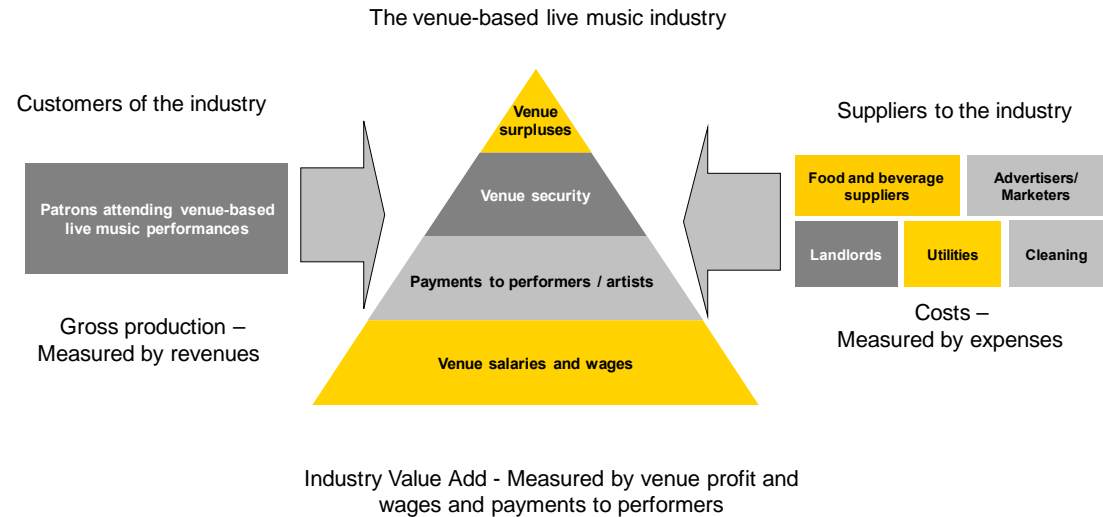
State & Territory	Hotel/bar	Clubs (Registered, Sport & Cultural)	Restaurants & cafes	Nightclubs	Total live music venues	
					No.	%
New South Wales	491	703	96	6	1,296	33.2%
Queensland	495	321	147	10	973	24.8%
Victoria	477	195	119	32	823	21.1%
Western Australia	227	56	39	9	331	8.5%
South Australia	193	74	33	12	312	8.0%
Tasmania	58	16	7	1	82	2.1%
Northern Territory	19	19	6	1	45	1.2%
Australian Capital Territory	12	23	3	4	42	1.1%
Totals	1,972	1,407	450	75	3,904	100.0%

<sup>5</sup> While there is no standard industry definition of what constitutes a hotels/bars, clubs, restaurants/cafes and nightclubs, it should be noted that live music venues self select the most appropriate venue category when they are licensed with APRA to stage live music.

<sup>6</sup> The definition of live music for the purposes of this study does not include music played by DJs. Further, based on discussions with APRA, it is recognised that there may be a small number of hotels/bars, clubs, restaurants/cafes and nightclubs that are not licensed with APRA and stage live music.

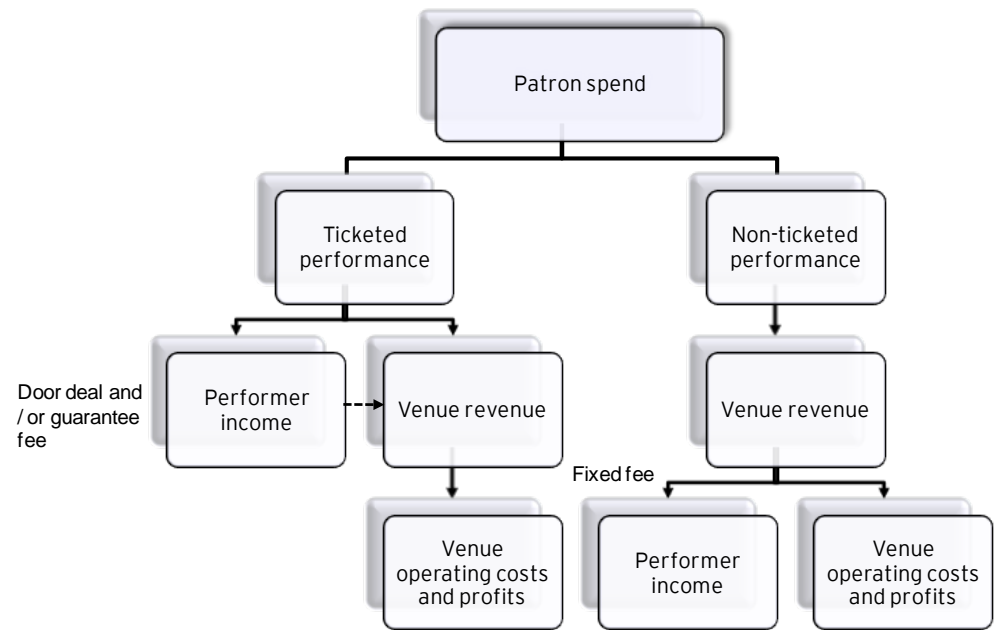
Patrons attending live music performances at these venues are effectively customers to this industry as they provide it with a source of funding with their expenditure on tickets and food and beverage. This patron spend is effectively split between the live music venue and the performer/artist depending on the type of performance (ticketed or non-ticketed) and the performer payment arrangement in place (as discussed further below). The other industries that provide goods and services to the venue-based live music industry such as food and beverage suppliers, advertisers and utilities are treated as being outside of this industry. Revenues to these suppliers are not counted again as this would constitute double counting. Figure 6 below summarises these linkages between the customers and suppliers to the venue-based live music industry.

Figure 6: Venue-based live music industry lifecycle



The revenue of the venue-based live music industry is driven by patron spend. The patron spend for the purposes of the study includes spend on tickets (where applicable) and food and beverage, which is shared between the venue and performer depending on the type of performance (ticketed or non-ticketed) and the type of performer payment model agreed (as illustrated in the figure below).

Figure 7: Industry revenues flows



It is important to note there may be some cross over with the venue-based live music performances included in this assessment with those included in Ernst & Young's evaluation of the *Size and Scope of the Live Entertainment Industry (2008)* undertaken for Live Performance Australia. That is, live music venues that outsource the ticketing of their live music performances to either Ticketek or Ticketmaster. Based on APRA's review of the list of venues included in Table 2, we understand there are very few venues where this is the case. As such, the potential for the inclusion of live music performances in both studies is minimal.

### 3.3 Data gathering

To gather the primary data required to address the key measures of the study the following processes were undertaken by Ernst & Young.

#### 3.3.1 Survey of live music venues

On-line surveying of live music venues were conducted by Ernst & Young based on the following approach:

- ▶ A standard live music venue questionnaire was developed in consultation with APRA, The Australia Council, Arts Victoria, Arts NSW and Live Performance Australia. Using this questionnaire an on-line survey was conducted using Survey Monkey (on-line survey tool). The key data sourced from the survey included:
  - ▶ Venue location, type and size (i.e. capacity);
  - ▶ Total number of annual live music performances and average attendances;
  - ▶ Other qualitative data such as genre of music, nights of the week live music is staged, reasons for staging live music and barriers to operating a live music venue; and
  - ▶ Capital expenditure on live music venues<sup>7</sup>.
- ▶ An email containing a link to the on-line survey was sent by APRA to 2,260 live music hotels, bars, clubs, restaurants and cafes and nightclubs across Australia on 29 October 2010. This sample was established by APRA based on the available email addresses contained in their database of registered live music venues.
- ▶ A number of follow-up emails and communications were also sent by APRA and other related industry bodies encouraging participation in the survey. The on-line survey process was closed on Friday 17 December 2010.
- ▶ In total 366 venues responded to the survey, the results of which were primarily used in our reporting of the other key metrics of the venue-based live music industry. However following our review of the data relating to venue capacity, attendances and number of live music performances, a number of the surveys were either incomplete or contained outliers. After removing these surveys from the sample, the total number of completed surveys by venue type used to estimate the economic measures is shown in Table 3 below.

---

<sup>7</sup> We note that limited responses were provided to the survey question regarding capital expenditure. As such this information has not been reported on in the Study.

**Table 3: Number of live music venues by type and location**

Venue type	Total no. of responses used to determine economic measures	Total population	Percentage of population
Hotel/bar	91	1,972	4.6%
Club	135	1,407	9.6%
Restaurant/cafe	36	450	8.0%
Nightclub	13	75	17.3%
<b>Total</b>	<b>275</b>	<b>3,904</b>	<b>7.0%</b>

- It should be noted that based on the total population of each venue type, the number of surveys of hotels/bars and clubs falls within the acceptable range of 95% confidence level and 5% confidence interval (high), and 90% confidence level and 10% confidence interval (low)<sup>8</sup>. This is not the case for restaurants/cafes and nightclubs and therefore the results of the survey of these venue types may not be considered representative. Overall results of the study should therefore be analysed taking this into account.

### 3.3.2 Consultation with live music venue owners/operators

A consultation process was also undertaken by Ernst & Young to understand the revenue and expense profiles of the types of live music venues subject to this study. This involved a combination of face-to-face and phone interviews with a selection of venue owners / operators of hotels, bars, clubs, restaurants and cafes and nightclubs across Australia. These venues were selected by APRA given the strong industry knowledge and experience of the venue owners/operators. A total of ten consultations were undertaken as part of this process. From this, Ernst & Young was able to establish assumption estimates of the revenues, expenses and profits of live music venues associated with live music performances (as detailed in Appendix A).

---

<sup>8</sup> Partnerships Victoria, Public Sector Comparative: Appendix E: Statistical probability techniques and sample distributions - "It is not possible to obtain an estimate of probability that is 100 percent correct. An appropriate trade-off between mathematical accuracy and meaningful estimate therefore needs to be made. Generally, a confidence interval of 90 or 95 per cent is considered statistically robust."

## 3.4 Estimation process

In determining the most appropriate estimation approach for the economic contribution of the venue-based live music industry, the following elements directly relating to the venue-based live music industry have been considered:

- ▶ Attendances and number of live music performances;
- ▶ The number, type and size of live music venues;
- ▶ Ticketed versus non-ticketed live music performances; and
- ▶ Performer payment methods.

Each of these is discussed in further detail below.

### 3.4.1 Attendances and number of live music performances

As described in section 3.2, the economic activity of the venue-based live music industry is driven by patron spend. As such the number of live music performances and the level of attendances at these performances are the primary drivers in determining economic contribution of the venue-based live music industry.

By focusing our approach on the level of attendances at live music performances, the estimated economic contribution is limited to revenue generated by live music performances only and therefore effectively excludes any other revenue generating activities of a venue that are not specific to the live music industry.

### 3.4.2 The number, type and size of live music venues

As discussed, this study focuses on four categories of live music venues, being hotels/bars, clubs, restaurants/cafes and nightclubs. As these venues intuitively display different revenue and expenditure characteristics, we have undertaken our analysis by venue type. Further, given our attendance based approach (as discussed in the previous section), we have categorised each type of venue into small, medium and large based on capacity (where adequate sample sizes allow<sup>9</sup>) to help ensure that venue size and attendance levels are considered in our analysis. The venue size categories were established in consultation with APRA and industry stakeholders.

### 3.4.3 Ticketed versus non-ticketed live music performances

Live music performances can be ticketed or non-ticketed, resulting in different venue revenue profiles and different performer payment models adopted. As a result of these differences, our estimation approach distinguishes between ticketed and non-ticketed performances.

### 3.4.4 Performer payment models

There are two types of performer payment models that are mainly used in the live music industry:

- ▶ *'Door deal'* - the performer is paid from ticket sales/entry fee with a share of the fee going to the venue to cover overheads. Under this model, the performer effectively takes on the income risk, although some door deals are also structured to include a fixed top up fee component; and

---

<sup>9</sup> Given the small sample sizes achieved for each venue size category for restaurants and nightclubs, data for these venue types were aggregated.



- *'Guarantee' or 'fixed fee'* - the performer is paid an agreed amount by the venue regardless of the level of attendance at the performance. This fee effectively transfers the income risk to the venue.

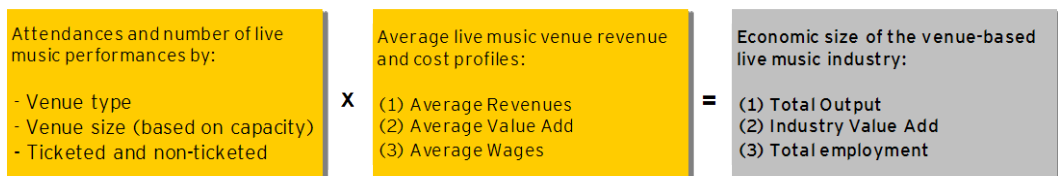
For our estimation approach and for the purposes of simplicity we have utilised the 'door deal' model for ticketed performances and the 'guarantee' or 'fixed fee' model for non-ticketed performances. This approach was determined based on:

- Discussions with APRA;
- Consultations with venue owners/operators; and
- Given our approach to treat ticketed and non-ticketed performances separately (as previously discussed in section 3.4.3).

### 3.4.5 Overview of estimation approach

Given the above mentioned elements of the venue-based live music industry, Figure 8 summarises schematically the estimation approach for the study.

Figure 8: Summary of estimation approach



Details of the number of performances (by venue type and size), average attendances at live music performances and average live music venue profit and loss profiles of performances staged in these venues are contained in Appendix A.

It should be noted that with regard to live music staged at restaurants and cafes, it is often the case that these venues choose to stage live music to add to the experience of dining out and to create a point of difference. That is, the live music is staged to create atmosphere at the venue, rather than as the primary focus of the dining experience. As such we have taken a conservative approach in estimating the value of live music associated with non-ticketed performances at restaurants and cafes by utilising a cost recovery approach. That is, we have only included the portion of revenue generated from the non-ticketed performances at restaurants and cafes equivalent to the amount paid to performers.

## 4. National economic contribution

As discussed in section 3.1, industry output, industry value add and industry employment are three common indicators of the economic size of an industry. The following sections of this chapter provide an estimate of each of these indicators for the venue-based live music industry in Australia for the 2009/10 financial year.

### 4.1 Industry revenues and expenses

As described in section 3, the estimation methodology for the study is based on the development of a series of live music venue revenue and cost profiles (by venue type and size); to which the population of total live performances and average attendances were applied. From this, estimates of the revenues and costs for the venue-based live music industry were established and are summarised in Table 5.

Assumptions underlying the estimation approach are detailed in Appendix A and have been developed based on the following:

- *Attendances and number of live music performances* - based on surveying of live music venues as detailed in section 3.3.1; and
- *Live music venue revenue and cost profiles* - based on consultation with venue owners/managers as detailed in section 3.3.2.

Applying the methodology for the study, Table 4 below details the number of live music venues, performances and attendances (for FY 2009/10) by venue type, while Table 5 over the page summarises the combined total revenues and expenses of the venue-based live music industry. This data is used to derive the industry output, value add and employment indicators of economic contribution.

**Table 4: Summary of number of live music venues, performances and attendances**

	Hotels / bars	Clubs	Rest's / cafes	Night clubs	Total
Number of live music venues	1,972	1,407	450	75	3,904
Number of venue-based live music performances (ticketed and non-ticketed)	184,895	103,592	28,737	10,512	327,736
Total attendance at venue-based live music performances (ticketed and non-ticketed)	24,281,324	12,859,099	2,136,585	2,689,096	41,966,104

*Source: live music venue surveys*

**Table 5: Estimated industry revenues and expenses**

	Hotels / bars (millions)	Clubs (millions)	Rest's / cafes <sup>(5)</sup> (millions)	Night clubs (millions)	Total (millions)	
Revenues (i.e. patron spend)						
Tickets sales revenue <sup>(1)</sup>	\$99.6	\$83.5	\$2.1	\$17.1	\$202.3	
Food and beverage revenue <sup>(2)</sup>	\$607.0	\$321.5	\$13.1	\$67.2	\$1,008.9	
Total industry revenues	\$706.6	\$405.0	\$15.2	\$84.3	\$1,211.1	
Less payments to performers (i.e. performer income) <sup>(3)</sup>	\$146.4	\$104.4	\$10.1	\$16.7	\$277.6	
Net venue revenue	\$560.2	\$300.6	\$5.1	\$67.6	\$933.5	As % of net venue revenue
Venue expenses <sup>(4)</sup>						
Salaries and wages	\$168.1	\$90.2	\$1.8	\$20.3	\$280.3	30%
Security	\$56.0	\$30.1	\$0.0	\$6.8	\$92.8	10%
Cost of sales	\$196.1	\$105.2	\$2.0	\$23.7	\$327.0	35%
Other expenses	\$112.0	\$60.1	\$1.0	\$13.5	\$186.7	20%
Total expenses	\$532.2	\$285.6	\$4.8	\$64.2	\$886.8	95%
Venue surpluses (i.e. net venue revenues less expenses)	\$28.0	\$15.0	\$0.3	\$3.4	\$46.7	5%

Figures may not equate exactly due to rounding. Refer to Appendix A to C for detailed assumptions and calculations regarding the above estimates.

- (1) Calculated as the number of performances by average attendances by average ticket prices.
- (2) Calculated as the number of performances by average attendances by average food and beverage spend per patron.
- (3) Performers' share of ticket revenue and performer fixed fees.
- (4) Expenses are calculated as a percentage of net venue revenue.
- (5) As noted in section 3.4.5 we have taken a conservative approach in estimating the value of live music associated with non-ticketed performances at restaurants by utilising a cost recovery approach. That is, we have only included the portion of revenue generated from the non-ticketed performances at restaurants equivalent to the amount paid to performers

## 4.2 Industry output

The total size of the venue-based live music industry for the 2009/10 financial year was \$1.21 billion, based on total revenues generated from patron spend at venue-based live music performances. Of this amount, 16.7% was generated from tickets sales while the remaining 83.3% was generated from food and beverage turnover.

**Table 6: Industry output of the venue-based live music industry (FY 2009/10)**

Industry output	Total revenues (millions)
Total tickets sales revenue from venue-based live music performances	\$202.3
Total food and beverage revenue	\$1,008.9
Venue-based live music industry output	\$1,211.1

Source: Table 5

## 4.3 Industry value add

Industry value add is defined as the sum of all wages, income and profits generated by the industry. For the purposes of the analysis, the following items from Table 5 have been included as part of our estimate of direct industry value add:

- Payments to performers (net of any amounts paid to or shared by venues to avoid double counting). We recognise that of the payments to performers estimated in Table 5, a portion of this is used by the performer to incur costs associated with their

live music performance and is therefore distributed to other sectors of the live music industry such as technicians, band managers/booking agents, other band members, etc and potentially other industries such as advertising. As such we have assumed that 83.6%<sup>10</sup> of payments to performers contribute to industry value add, equating to \$232.1 million (based on total payments to performers of \$277.6 million multiplied by 83.6%);

- Venue salaries and wages;
- Venue security services/wages; and
- Venue surpluses.

On the basis of these assumptions, total industry value add to the venue-based live music industry in Australia is estimated at \$651.9 million for 2009/10. Provided in Appendix C is a breakdown of the value add by venue type.

**Table 7: Industry value add of the venue-based live music industry (FY 2009/10)**

	Total (Millions)
Payments to performers (net of any amounts paid to or shared by venues and less costs)	\$232.1
Live music venue salaries and wages	\$280.3
Live music venue security services/wages	\$92.8
Live music venue operating surpluses	\$46.7
Total direct value add of the venue-based live music industry in Australia	\$651.9

## 4.4 Industry employment

Direct industry employment is approximated by converting the industry wage amounts estimated above into full-time equivalent (FTE) workers by applying an average labour cost for each full-time employee. We have estimated the industry employment separately for performers and venues, as detailed in the following sections.

### 4.4.1 Performer related employment

Typically, many live music performers engage in their practice on a part-time or casual basis and as such are required to supplement their live music income from non-live music related sources<sup>11</sup>. This adds complexity estimating the number of performer related FTE employees.

We have estimated performer related FTE employment by dividing the total payments to performers calculated in Table 5, by an average FTE labour cost for performers and performer related employees<sup>12</sup>. The estimated average annual FTE earnings of a musician is \$43,409<sup>13</sup>. Applying this estimate, total employment associated with amounts paid to performers is estimated to be 6,395 full-time equivalent workers.

<sup>10</sup> Source: David Throsby and Anita Zednik (2010). *Do you really expect to get paid? - An economic study of professional artists in Australia, for the Australia Council for the Arts*. This is based on information in this report relating to a musician's creative income and mean expenses incurred in earning this income. We have assumed 49% of the costs reported to be incurred by musicians on their 'creative practice' are considered part of the industry (includes costs such as agents fees, subcontracting, training, etc).

<sup>11</sup> Based in industry consultation and further supported by comments contained in the report by David Throsby and Anita Zednik (2010). *Do you really expect to get paid?*

<sup>12</sup> Based on the assumption that all payments to performers are assumed to be in the form of wages or income for the purposes of the study.

<sup>13</sup> Source: David Throsby and Anita Zednik (2010). *Do you really expect to get paid?* The estimate is calculated by dividing the 'creative income' component of the average annual income of a musician (\$19,300) by the percentage of time spent (47%) on earning this 'creative income' (inflated to 2010 dollars).

**Table 8: FTE industry employment related to payments to performers (FY 2009/10)**

	Total
Total payments to performers (millions) as per Table 5	\$277.6
Estimated average annual earnings of performers per FTE	\$43,409
Industry employment from payments to performers (FTE)	6,395

It is important to note that while the measure of FTE employment is commonly used in industry wide studies, in reality due to the part-time nature of many live music performers, the industry sustains a greater number of employees on a part-time or casual basis. To estimate the total number of performer related employees of the industry (i.e. full-time and part-time employees) we have applied the venue based live music component of the average annual earnings of performers to total payments to performers. Based on this varied approach, there is estimated to be 22,677 workers associated with amounts paid to performers, as detailed in Table 9 below.

**Table 9: Industry employment (including full-time and part-time) related to payments to performers (FY 2010)**

	Total
(A) Estimated average annual earnings of performers per FTE	\$43,409
(B) Time spent by musicians on earning music related income <sup>(1)</sup>	47%
(C) Music related component earned from live music venue subject to this study <sup>(2)</sup>	60%
(D) Estimated average annual earnings related to venue-based live music performances <sup>(3)</sup>	\$12,241
Total payments to performers (millions) as per Table 5	\$277.6
Total estimated employment related to payments to performers (all workers)	22,677

- (1) Source: David Throsby and Anita Zednik (2010). *Do you really expect to get paid?* Table 23, mean portion of time spent by musicians on creative work.
- (2) From *A snapshot of Victorian Grassroots Musicians for 2009*, Arts Victoria, it was estimated that 74% of a musicians music related income came from live performances. Given that not all of these live performances would have been staged in venues subject to this study, we have assumed the lower percentage of 60%.
- (3)  $D = A \times B \times C$

#### 4.4.2 Venue related employment

Venue related employment is approximated by converting the venue related wages and salaries (including security) as estimated in section 4.1, into full-time equivalent (FTE) workers by applying an average labour cost per FTE worker. The average weekly earnings of a FTE worker in the hospitality industry was \$847.10<sup>14</sup>, which equates to an annual full time equivalent (FTE) salary of \$44,090.

Applying this estimate, total venue related employment in this industry amounts to around 8,471 FTE workers.

**Table 10: FTE industry employment related to venues (FY 2010)**

	Total
Live music venue security services/wages (million)	\$280.3
Live music venue salaries and wages (million)	\$92.8
Total venue related wages (millions) as per Table 5	\$373.1
Average annual FTE wages	\$44,090
Industry employment from venues (FTE)	8,471

Figures may not equate exactly due to rounding.

<sup>14</sup> Australian Bureau of Statistics (May 2010). *Employee Earnings and Hours, Australia*, (63060D0001\_201005).

### 4.4.3 Total industry employment

Based on the above analysis the total FTE employment of the venue-based live music industry is 14,866, as detailed in the table below.

Table 11: Total FTE employment of the venue-based live music industry (FY 2010)

	Total
Industry employment from payments to performers (FTE)	6,395
Industry employment from venues (FTE)	<u>8,471</u>
Total direct industry employment (FTE)	14,866

## 4.5 Comparison with other Industries

This study estimates the total size of the venue-based live music industry at \$651.9 million in value add and \$1.21 billion in output, supporting a total of around 14,866 full-time equivalent positions. Provided below is a table containing a comparison of the value of the venue based live music industry to other industries<sup>15</sup>.

Table 12 Comparison with other industries

Industry	Industry Value Add (millions)	Industry Output (millions)	Source
Publishing; recorded media and publishing	\$4,882	\$7,736	ABS (2008) 4172.0
Libraries, museums and the arts	\$3,900	\$7,606	ABS (2008) 4172.0
Motion picture, radio and television services	\$3,887	\$14,078	ABS (2008) 4172.0
Live Entertainment Industry	\$1,010	\$1,888	Ernst & Young (2008)
Film and Video Productions	\$886.0	\$2,028	ABS (2007) 8679.0
<b>Venue-based live music industry</b>	<b>\$651.9</b>	<b>\$1,211.1</b>	<b>Ernst &amp; Young (2010)</b>
Sports and physical recreation clubs, teams and sports professionals	\$705.2	\$1,815	ABS (2006) 8686.0
Book Publishers	\$482.2	\$1,493	ABS (2004) 1363.0
Horse & Dog Racing	\$285.3	\$1,556	ABS (2006) 8686.0
Video Hire Industry	\$282.0	\$595	ABS (2000) 8562.0
Performing Arts Operations	\$281.5	\$733	ABS (2007) 8697.0

<sup>15</sup> Any comparison to other industries should take into account the potential differences in methodologies used in calculating the value of other industries.

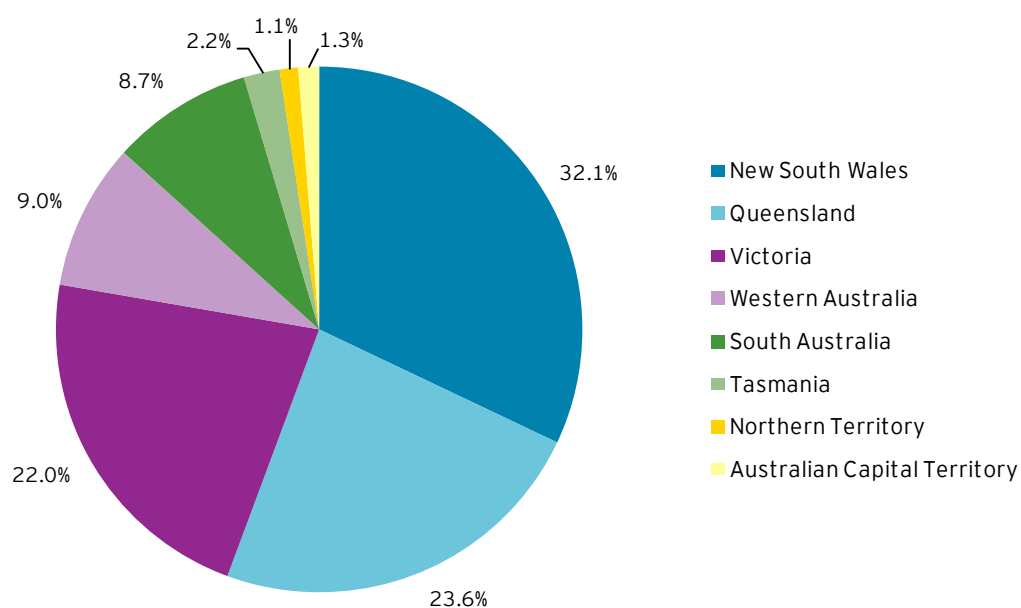
## 5. State / Territory analysis

While the primary purpose to the study was to estimate the size of the venue-based live music industry in Australia, the stakeholders of the study were also interested in understanding the contribution of the industry by location, i.e. by state or territory. For the purposes of this analysis, we have provided a breakdown of each economic indicator measured in section 4, by applying the number of live music venues by type (i.e. hotels/bars, clubs, restaurants/cafes and nightclubs) and location as a percentage of total venues by type (as previously detailed in section 3.2). This simplistic approach was undertaken rather than the approach utilised in calculating the national value of the venue-based live music industry (i.e. by venue size, number of performances and attendances, as detailed in section 3), as the breakdown of survey data on a State by State basis resulted in sample sizes that were not considered representative. As such, this analysis should be treated as an indicator only and not considered as a detailed calculation of the economic contribution on a State by State.

Results of this analysis indicate that New South Wales (32% of industry output) is the largest contributor to the venue-based live music industry, followed by Queensland (24%) and Victoria (22%) as shown in the figure<sup>16</sup>.

Further details are provided over the page in Table 13.

Figure 9: State by State allocation of industry output based on live music venue numbers



<sup>16</sup> As advised by APRA, the order of magnitude from this analysis is consistent with the state by state distribution of performer payment data collected by APRA.

**Table 13: Economic indicators by State/Territory (FY 2009/10)**

State & Territory	Hotels / bars	Clubs	Rest's / cafes	Night clubs	Total
<b>Industry output (000)</b>					
New South Wales	\$175.9	\$202.4	\$3.2	\$6.7	\$388.3
Queensland	\$177.4	\$92.4	\$5.0	\$11.2	\$286.0
Victoria	\$170.9	\$56.1	\$4.0	\$36.0	\$267.0
Western Australia	\$81.3	\$16.1	\$1.3	\$10.1	\$108.9
South Australia	\$69.2	\$21.3	\$1.1	\$13.5	\$105.1
Tasmania	\$20.8	\$4.6	\$0.2	\$1.1	\$26.7
Northern Territory	\$6.8	\$5.5	\$0.2	\$1.1	\$13.6
Australian Capital Territory	\$4.3	\$6.6	\$0.1	\$4.5	\$15.5
Totals	<b>\$706.6</b>	<b>\$405.0</b>	<b>\$15.2</b>	<b>\$84.3</b>	<b>\$1,211.1</b>
<b>Industry value add (000)</b>					
New South Wales	\$93.2	\$111.2	\$2.2	\$3.6	\$210.2
Queensland	\$94.0	\$50.8	\$3.4	\$5.9	\$154.1
Victoria	\$90.6	\$30.8	\$2.8	\$18.9	\$143.2
Western Australia	\$43.1	\$8.9	\$0.9	\$5.3	\$58.2
South Australia	\$36.7	\$11.7	\$0.8	\$7.1	\$56.2
Tasmania	\$11.0	\$2.5	\$0.2	\$0.6	\$14.3
Northern Territory	\$3.6	\$3.0	\$0.1	\$0.6	\$7.3
Australian Capital Territory	\$2.3	\$3.6	\$0.1	\$2.4	\$8.4
Totals	<b>\$374.5</b>	<b>\$222.6</b>	<b>\$10.5</b>	<b>\$44.4</b>	<b>\$651.9</b>
<b>Industry employment (FTE's)</b>					
New South Wales	2,126	2,536	51	81	4,794
Queensland	2,144	1,158	78	135	3,514
Victoria	2,066	703	63	432	3,264
Western Australia	983	202	21	122	1,327
South Australia	836	267	18	162	1,282
Tasmania	251	58	4	14	326
Northern Territory	82	69	3	14	168
Australian Capital Territory	52	83	2	54	191
Totals <sup>(1)</sup>	<b>8,539</b>	<b>5,075</b>	<b>239</b>	<b>1,013</b>	<b>14,866</b>

(1) Totals allocated based on split of industry value add.



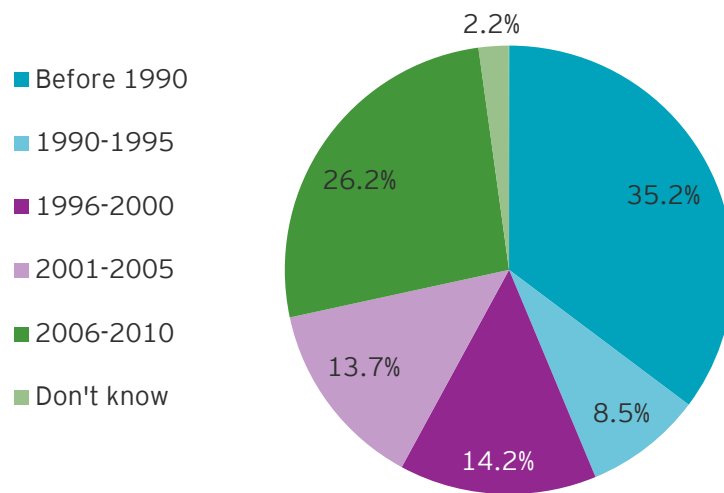
## 6. Other venue-based live music measures

While industry output, industry value add and industry employment are three common indicators of the economic size of an industry, other measures sought during the venue surveying<sup>17</sup> and consultation process have been developed for the study to provide a broader measure of the size and scope of the venue-based live music industry.

### 6.1 Why live music?

Based on the venue survey results, live music venues have on average been staging live music performances for approximately 13 years, with the main reason for staging live music being to generate patronage (65.8%) and to invigorate other parts of the venue's business (50.8%). A breakdown of these results is depicted in the following graphs.

Figure 10: Approximate year venues began staging live music (n=366)

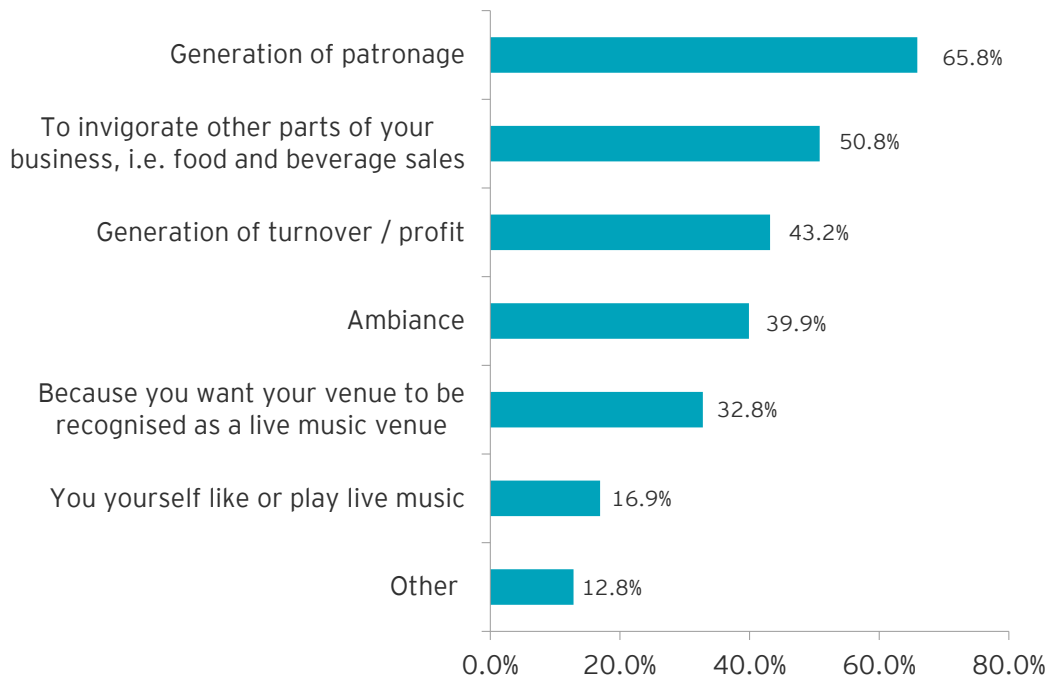


<sup>17</sup> As previously noted, the number of surveys of hotels/bars and clubs falls within the acceptable range of 95% confidence level and 5% confidence interval (high), and 90% confidence level and 10% confidence interval (low). This is not the case for restaurants/cafes and nightclubs and therefore the results of the survey of these venue types may not be considered representative. Overall results of the Study should therefore be analysed taking this into account.

Figure 11: Approximate year venues began staging live music (by venue type) (n=366)



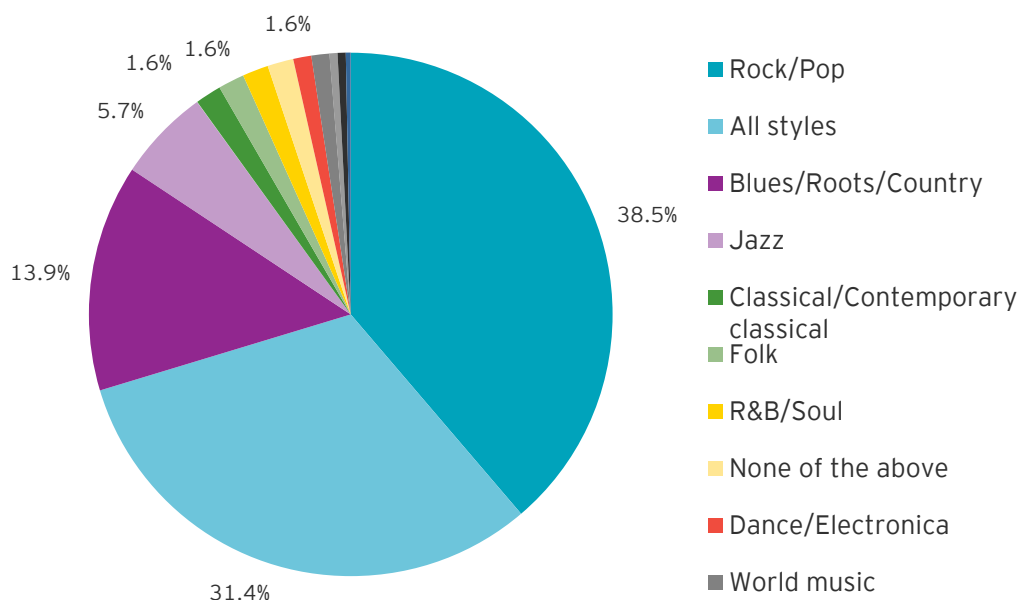
Figure 12: Reasons for venue staging live music (n=366)



## 6.2 Genre

The most popular genre of live music staged at the venues surveyed was rock/pop, accounting for 38.5% of respondents, followed by “all styles” with 31.4% and blues/roots/country with 13.9%.

Figure 13: Genre of live music staged at venues (n=366)



## 6.3 Venue-based live music performances

On average, live music venues staged 84 performances per year (or 1.6 per week) in 2009/10, of which 14 were ticketed performances and 70 were non-ticketed. This varied significantly depending on the type of venue, as shown in Figure 14 and Figure 15 below.

Figure 14: Average number of venue-based live music performances per year by venue type (n=275)

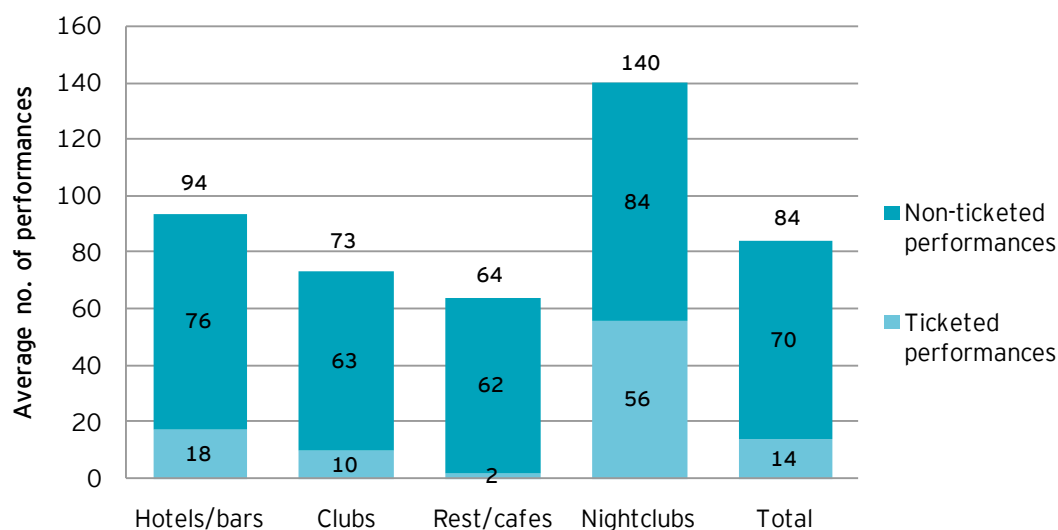
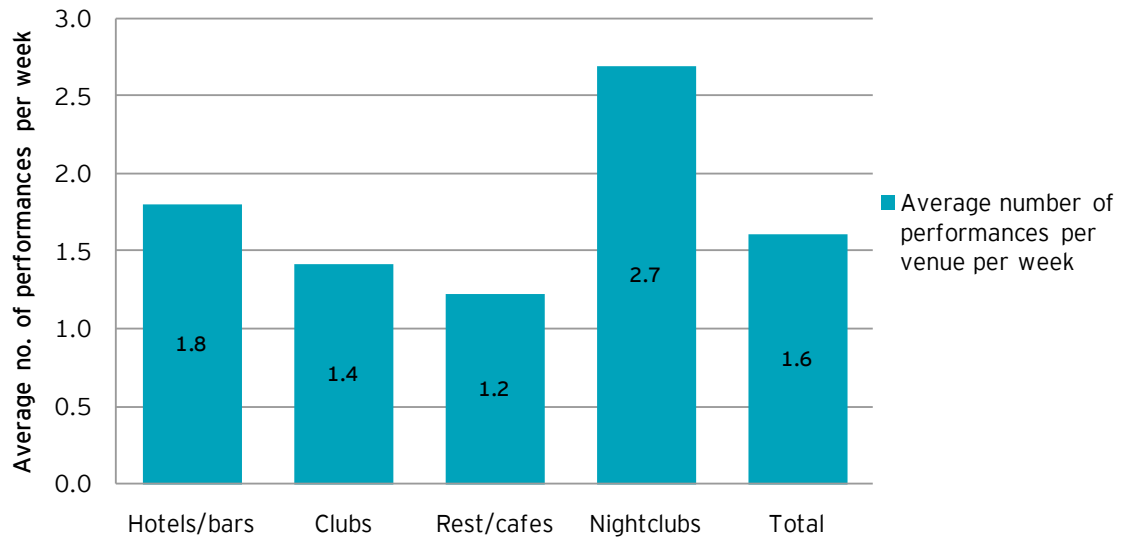
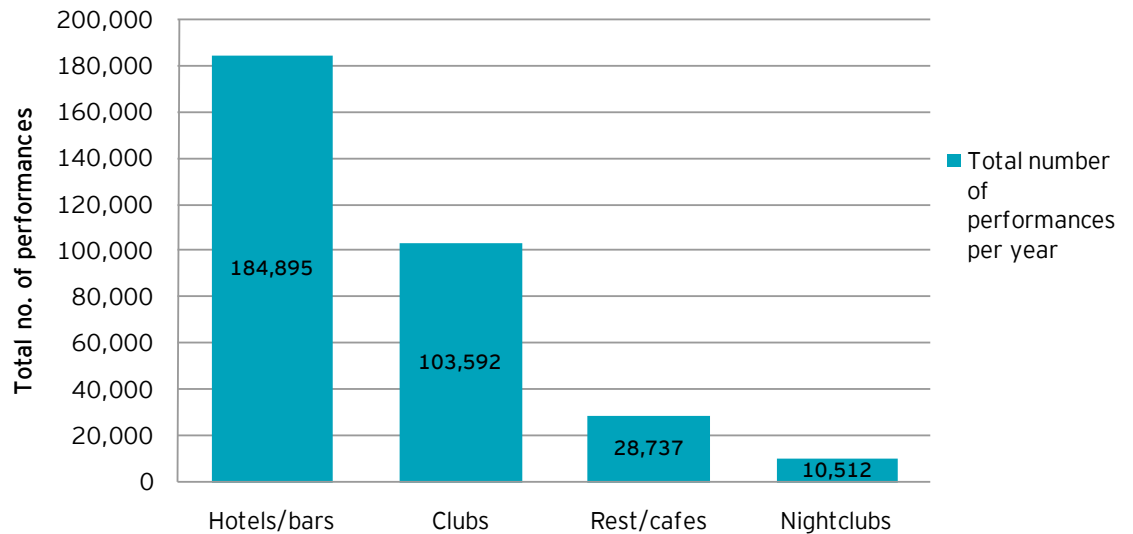


Figure 15: Average number of venue-based live music performances per week by venue type (n=275)



Based on the extrapolation of the survey data across the venue population it is estimated that 3,904 live music venues in Australia staged approximately 328,000 live performances in the 2009/10 financial year, equating to approximately 6,300 performances per week. A breakdown of the number of performances by venue type is provided in Figure 16.

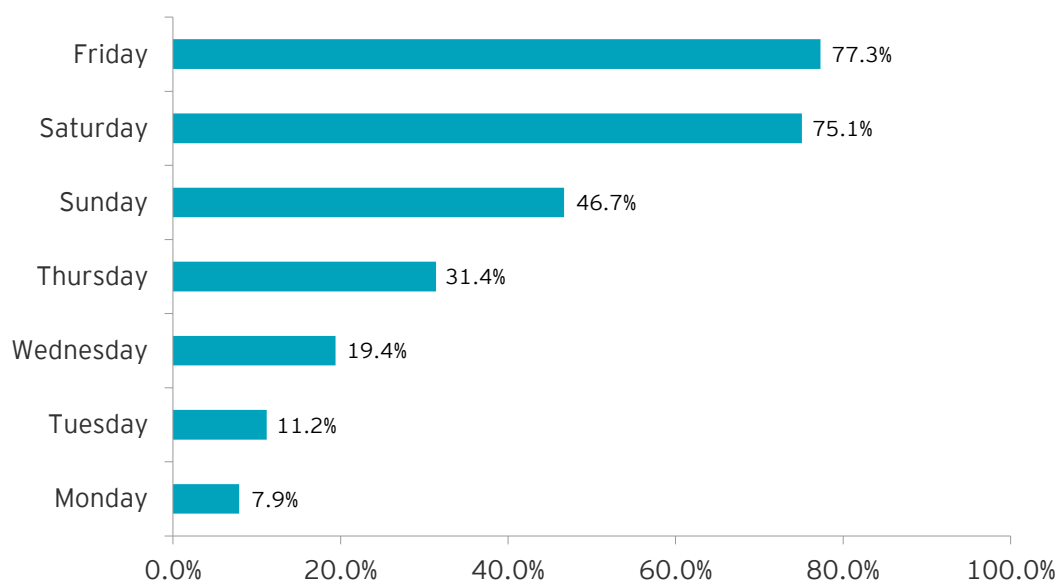
Figure 16: Total number of venue-based live music performances in 2009/10 by venue type (n=275)



## 6.4 Nights of the week venue-based live music is staged

With regard to the nights of the week that live music is staged, the most popular nights are Friday (77.3%) and Saturday (75.1%) nights.

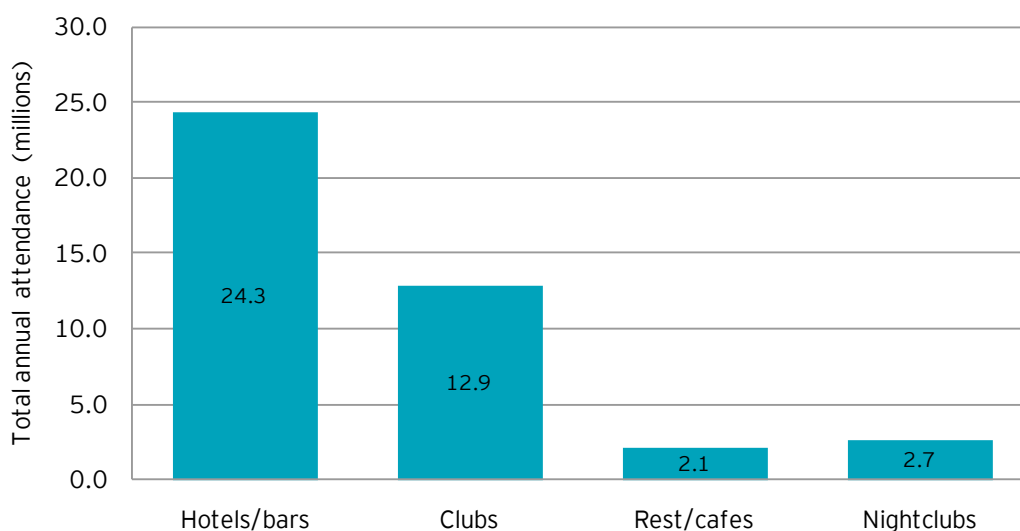
Figure 17: Nights of the week live music is staged (n=366)



## 6.5 Venue-based live music attendances

Applying the number of performances and average attendances per performance from the survey data to the live music venue population, total attendances to venue-based live music performances in Australia of approximately 42.0 million is estimated for 2009/10. Figure 18 below provides a breakdown of these attendances by venue type.

Figure 18: Total annual attendance in FY 2009/10 at live music performances by venue type (millions) (n=275)

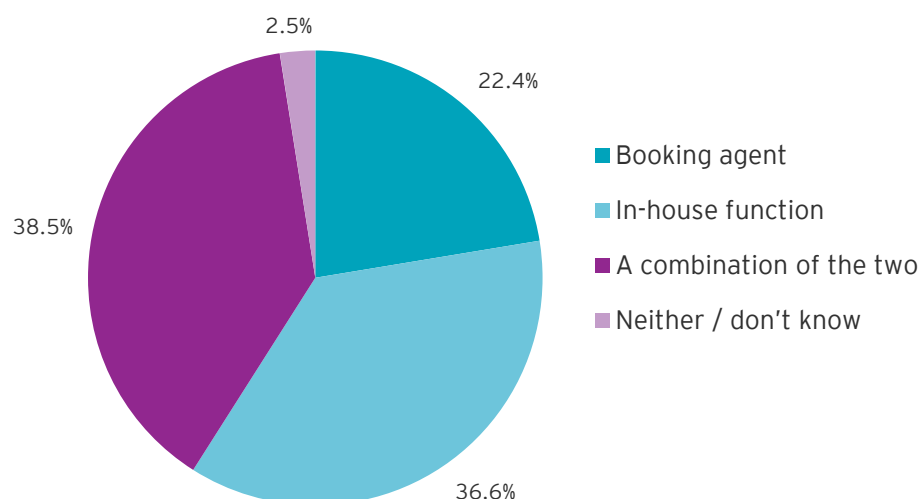


## 6.6 Performers

Stakeholders of the study were interested in understanding how live music venues booked musicians/artists to perform at their venues and the how they were paid.

The survey data indicates that there appears to be a preference for venues to book the services of artists/musicians directly using in-house resources (36.6%) compared to using the services of an agent (22.4%), while 38.5% of venues use a combination of both.

Figure 19: Method used by venues to book the services of artists/musicians (n=366)



Further, from the consultations with venue owners the following was ascertained regarding the method by which venues pay the musicians/artists:

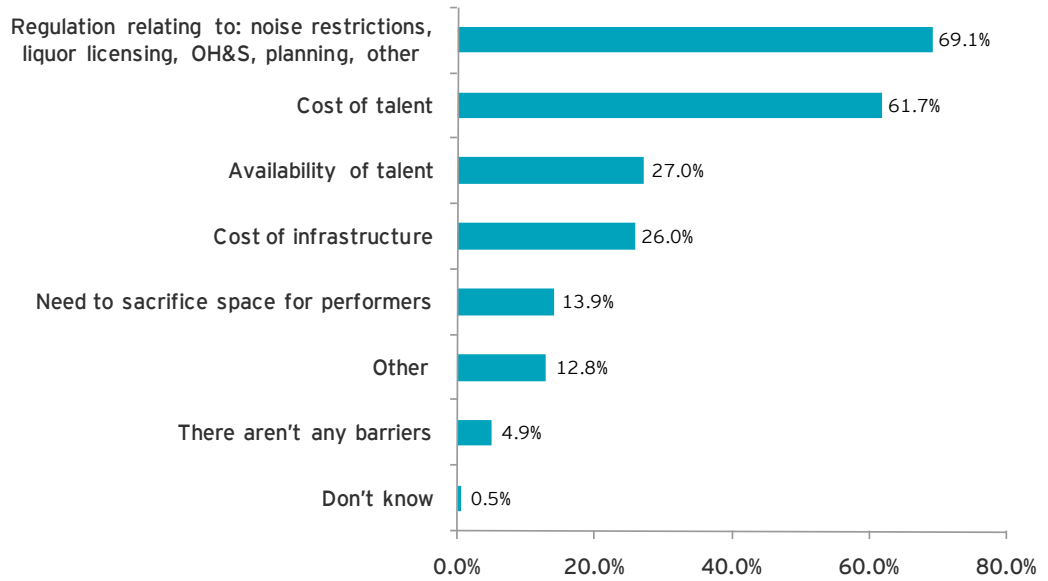
- For ticketed performances the most common arrangement is where the performer is paid a percentage of ticket sales or entry fees. In this case either the performer collects the revenue from patrons and distributes a percentage of takings back to the venue, or the venue is responsible for collection and distributes a share to the performer. Further, often a venue also pays a guarantee fee or retainer to the performer in addition to a share of ticket sales or entry fee. Other arrangements such as share of beverage sales or no fee are rarely used.
- For non ticketed performances a fixed fee is the most common method of payment to the performer. The level of fixed fee generally depends on the nature of the performance and capacity of the venue.

## 6.7 Barriers to entry

The venues surveyed were also asked “*what do you see as the barriers to owning/operating a live music venue?*”. As shown in the following figure, the impact of the current regulatory environment for live music venues (69.1%) and the cost of talent (61.7%) are clearly the biggest issues facing the industry. The results for the current regulatory environment are not surprising given the myriad of state and federal regulations we understand are enforced on live music venues.

Of the 12.8% that selected “other”, the most common reasons given were music licence fees and the cost of security.

Figure 20: Barriers to owning/operating alive music venue (n=366)



Note that respondents could provide more than one response

## 6.8 Platform for emerging artists

Venue-based live music acts as an incubator for emerging artists/performers. The ability to perform and trial new material with smaller audiences assists in artist development. While new technologies are providing different ways for artists to reach audiences, live performance is critical for artists' technical and creative development, income generation and networking with fans and industry. Venue-based live performance is often the first step in furthering an artist's international career<sup>18</sup>. While this benefit has not been measured as part of the study, we understand, based on feedback from stakeholders, that this is significant.

<sup>18</sup> APRA

## 7. Disclaimer

Ernst & Young was engaged on the instructions of APRA ("Client") to estimate the venue-based live music industry's economic contribution in terms of gross output, value add and employment for the 2009/10 financial year (the "Engagement"), in accordance with the engagement agreement dated 12 August 2010 including the General Terms and Conditions ("the Engagement Agreement").

The results of our work, including the assumptions and qualifications made in preparing the report, are set out in this report dated 14 September 2011 ("Report"). You should read the Report in its entirety including any disclaimers and attachments. A reference to the Report includes any part of the Report. No further work has been undertaken by Ernst & Young since the date of the Report to update it.

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# Appendix A Detailed assumptions

Inputs	Hotel/bar			Clubs			Restaurants & cafes	Nightclubs
	Small	Medium	Large	Small	Medium	Large	All	All
Ticketed performances								
<b>Attendance and number of performances</b>								
Total attendance (# patrons)	0	1,681,668	3,506,361	190,920	1,525,593	2,044,131	136,948	1,141,442
Total no. of performances	0	18,303	16,283	2,434	7,543	4,531	966	4,240
Average attendance per performance	0	92	215	78	202	451	142	269
<b>Tickets/cover charge (\$ / patron)</b>								
<i><b>Ticket Price (\$ / patron)</b></i>	\$ 10.00	\$ 17.50	\$ 20.00	\$ 10.00	\$ 20.00	\$ 25.00	\$ 15.00	\$ 15.00
Venue's share of ticket (\$ / patron)	\$ -	\$ 2.00	\$ 2.00	\$ -	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Share to performer / door deal (\$ / patron)	\$ 10.00	\$ 15.50	\$ 18.00	\$ 10.00	\$ 18.00	\$ 23.00	\$ 13.00	\$ 13.00
<b>Other Revenue (\$ / patron)</b>								
Food & Beverage	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 35.00	\$ 25.00
<b>Performer top up fee (\$ / gig)</b>								
Top up fee (\$ per performance)	\$ 400.00	\$ -	\$ -	\$ 400.00		\$ -	\$ -	\$ -
<b>Expenditure (% of net venue revenue)</b>								
Wages	30%	30%	30%	30%	30%	30%	35%	30%
Security	10%	10%	10%	10%	10%	10%	0%	10%
Cost of sales (F&B)	35%	35%	35%	35%	35%	35%	40%	35%
Other costs (rent, overheads, etc)	20%	20%	20%	20%	20%	20%	20%	20%
Profit / (loss)	5%	5%	5%	5%	5%	5%	5%	5%
Non-Ticketed performances								
<b>Attendance and number of performances</b>								
Total attendance (# patrons)	1,074,295	8,243,630	9,775,370	2,370,964	5,378,632	1,348,859	1,999,637	1,547,654
Total no. of performances	20,563	82,562	47,183	33,955	42,777	12,352	27,771	6,271
Average attendance per performance	52	100	207	70	126	109	72	247
<b>Other Revenue (\$ / patron)</b>								
Food & Beverage	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 35.00	\$ 25.00
<b>Performer fee (\$ / performance)</b>								
Fixed performer fee (\$ per performance)	\$ 200.00	\$ 300.00	\$ 600.00	\$ 200.00	\$ 300.00	\$ 600.00	\$ 300.00	\$ 300.00
<b>Expenditure (% of net venue revenue)</b>								
Wages	30%	30%	30%	30%	30%	30%	35%	30%
Security	10%	10%	10%	10%	10%	10%	0%	10%
Cost of sales (F&B)	35%	35%	35%	35%	35%	35%	40%	35%
Other costs (rent, overheads, etc)	20%	20%	20%	20%	20%	20%	20%	20%
Profit / (loss)	5%	5%	5%	5%	5%	5%	5%	5%

## Appendix B Detailed outputs

Output - detail	Small	Hotel/bar Medium	Large	Hotel/bar TOTAL	Small	Clubs Medium	Large	Clubs TOTAL	Rest & cafes All	Rest & cafes TOTAL	Nightclubs All	Nightclubs TOTAL	GRAND TOTAL
<b>Ticketed performances</b>													
<b>Performer Income (\$'000)</b>													
Share of tickets	\$0	\$26,066	\$63,115	\$89,180	\$1,909	\$27,461	\$47,015	\$76,385	\$1,780	\$1,780	\$14,839	\$14,839	\$182,184
Top up fees	0	\$0	\$0	\$0	\$974	\$0	\$0	\$974	\$0	\$0	\$0	\$0	\$974
Total performer income	\$0	\$26,066	\$63,115	\$89,180	\$2,883	\$27,461	\$47,015	\$77,359	\$1,780	\$1,780	\$14,839	\$14,839	\$183,158
<b>Venue Income (\$'000)</b>													
Venue's share of ticket	\$0	\$3,363	\$7,013	\$10,376	\$0	\$3,051	\$4,088	\$7,139	\$274	\$274	\$2,283	\$2,283	\$20,072
Food & Beverage	\$0	\$42,042	\$87,659	\$129,701	\$4,773	\$38,140	\$51,103	\$94,016	\$4,793	\$4,793	\$28,536	\$28,536	\$257,046
Total venue revenue	\$0	\$45,405	\$94,672	\$140,077	\$4,773	\$41,191	\$55,192	\$101,156	\$5,067	\$5,067	\$30,819	\$30,819	\$277,118
less Artist top up fee	0	\$0	\$0	\$0	\$974	\$0	\$0	\$974	\$0	\$0	\$0	\$0	\$974
Total venue revenue less artist fee	\$0	\$45,405	\$94,672	\$140,077	\$3,799	\$41,191	\$55,192	\$100,182	\$5,067	\$5,067	\$30,819	\$30,819	\$276,145
<b>Estimated Expenditure as a percentage of total revenue (\$'000)</b>													
Wages	\$0	\$13,622	\$28,402	\$42,023	\$1,140	\$12,357	\$16,557	\$30,055	\$1,773	\$1,773	\$9,246	\$9,246	\$83,097
Security	\$0	\$4,541	\$9,467	\$14,008	\$380	\$4,119	\$5,519	\$10,018	\$0	\$0	\$3,082	\$3,082	\$27,108
Cost of sales (F&B)	\$0	\$15,892	\$33,135	\$49,027	\$1,330	\$14,417	\$19,317	\$35,064	\$2,027	\$2,027	\$10,787	\$10,787	\$96,904
Other costs (rent, overheads, etc)	\$0	\$9,081	\$18,934	\$28,015	\$760	\$8,238	\$11,038	\$20,036	\$1,013	\$1,013	\$6,164	\$6,164	\$55,229
Profit / (loss)	\$0	\$2,270	\$4,734	\$7,004	\$190	\$2,060	\$2,760	\$5,009	\$253	\$253	\$1,541	\$1,541	\$13,807
<b>Key impacts (\$'000)</b>													
TOTAL CONTRIBUTION	\$0	\$71,471	\$157,786	\$229,257	\$6,682	\$68,652	\$102,207	\$177,540	\$6,847	\$6,847	\$45,658	\$45,658	\$459,303
TOTAL VALUE ADD	\$0	\$42,228	\$95,376	\$137,604	\$4,120	\$41,498	\$64,149	\$109,766	\$3,515	\$3,515	\$26,276	\$26,276	\$277,162
<b>Non-Ticketed performances</b>													
<b>Performer Income (\$'000)</b>													
Total performer/artist fees (fixed)	\$4,113	\$24,769	\$28,310	\$57,191	\$6,791	\$12,833	\$7,411	\$27,035	\$8,331	\$8,331	\$1,881	\$1,881	\$94,439
<b>Venue Income (\$'000)</b>									Cost recovery				
Food & Beverage	\$26,857	\$206,091	\$244,384	\$477,332	\$59,274	\$134,466	\$33,721	\$227,461	\$8,331	\$8,331	\$38,691	\$38,691	\$751,816
Total venue revenue	\$26,857	\$206,091	\$244,384	\$477,332	\$59,274	\$134,466	\$33,721	\$227,461	\$8,331	\$8,331	\$38,691	\$38,691	\$751,816
less Artists' fee	\$4,113	\$24,769	\$28,310	\$57,191	\$6,791	\$12,833	\$7,411	\$27,035	\$8,331	\$8,331	\$1,881	\$1,881	\$94,439
Total venue revenue less artist fee	\$22,745	\$181,322	\$216,074	\$420,141	\$52,483	\$121,633	\$26,310	\$200,426	\$0	\$0	\$36,810	\$36,810	\$657,377
<b>Estimated Expenditure as a percentage of total revenue (\$'000)</b>													
Wages	\$6,823	\$54,397	\$64,822	\$126,042	\$15,745	\$36,490	\$7,893	\$60,128	\$0	\$0	\$11,043	\$11,043	\$197,213
Security	\$2,274	\$18,132	\$21,607	\$42,014	\$5,248	\$12,163	\$2,631	\$20,043	\$0	\$0	\$3,681	\$3,681	\$65,738
Cost of sales (F&B)	\$7,961	\$63,463	\$75,626	\$147,049	\$18,369	\$42,571	\$9,209	\$70,149	\$0	\$0	\$12,884	\$12,884	\$230,082
Other costs (rent, overheads, etc)	\$4,549	\$36,264	\$43,215	\$84,028	\$10,497	\$24,327	\$5,262	\$40,085	\$0	\$0	\$7,362	\$7,362	\$131,475
Profit / (loss)	\$1,137	\$9,066	\$10,804	\$21,007	\$2,624	\$6,082	\$1,316	\$10,021	\$0	\$0	\$1,841	\$1,841	\$32,869
<b>Key impacts (\$'000)</b>													
TOTAL CONTRIBUTION	\$26,857	\$206,091	\$244,384	\$477,332	\$59,274	\$134,466	\$33,721	\$227,461	\$8,331	\$8,331	\$38,691	\$38,691	\$751,816
TOTAL VALUE ADD	\$13,674	\$102,306	\$120,905	\$236,885	\$29,296	\$65,465	\$18,037	\$112,798	\$6,966	\$6,966	\$18,138	\$18,138	\$374,787

## Appendix C Output summary

<b>Output summary</b>	<b>Hotel/bar TOTAL</b>	<b>Clubs TOTAL</b>	<b>Rest&amp;cafes TOTAL</b>	<b>Nightclubs TOTAL</b>	<b>GRAND TOTAL</b>
<b>Total ticketed and non-ticketed performances</b>					
<b>Performer Income (\$'000)</b>					
Share of tickets	\$89,180	\$76,385	\$1,780	\$14,839	\$182,184
Top up fees or fixed fees	\$57,191	\$28,009	\$8,331	\$1,881	\$95,413
<i>Total performer income</i>	<b>\$146,372</b>	<b>\$104,394</b>	<b>\$10,112</b>	<b>\$16,720</b>	<b>\$277,597</b>
<b>Venue Income (\$'000)</b>					
Venue's share of ticket	\$10,376	\$7,139	\$274	\$2,283	\$20,072
Food & Beverage	\$607,033	\$321,477	\$13,125	\$67,227	\$1,008,862
Total venue revenue	\$617,409	\$328,617	\$13,398	\$69,510	\$1,028,935
less Artist top up fee / fixed fees	\$57,191	\$28,009	\$8,331	\$1,881	\$95,413
<i>Total venue revenue less artist fee</i>	<b>\$560,218</b>	<b>\$300,608</b>	<b>\$5,067</b>	<b>\$67,629</b>	<b>\$933,522</b>
<b>Estimated Expenditure as a percentage of total revenue (\$'000)</b>					
Wages	\$168,065	\$90,182	\$1,773	\$20,289	\$280,310
Security	\$56,022	\$30,061	\$0	\$6,763	\$92,845
Cost of sales (F&B)	\$196,076	\$105,213	\$2,027	\$23,670	\$326,986
Other costs (rent, overheads, etc)	\$112,044	\$60,122	\$1,013	\$13,526	\$186,704
Profit / (loss)	\$28,011	\$15,030	\$253	\$3,381	\$46,676
<b>Key impacts (\$'000)</b>					
<b>TOTAL CONTRIBUTION</b>	<b>\$706,590</b>	<b>\$405,002</b>	<b>\$15,179</b>	<b>\$84,349</b>	<b>\$1,211,119</b>
<b>TOTAL VALUE ADD</b>	<b>\$374,489</b>	<b>\$222,564</b>	<b>\$10,482</b>	<b>\$44,414</b>	<b>\$651,949</b>

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# The economic, social and cultural contribution of venue-based live music in Victoria

Arts Victoria

20 June 2011

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## Glossary

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ABS	Australian Bureau of Statistics
APRA	Australasian Performing Rights Association
EPA	Environment Protection Authority
FTE	Full-time equivalent
GOS	Gross operating surplus
GSP	Gross state product
SEP	Special Entertainment Precinct
SEPP	State Environment Protection Policy

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# Executive Summary

The Victorian Government is interested in generating new and improved forms of evidence in relation to the significance of the contribution of the Victorian **venue-based** live music sector. In addition to this, there is a strategic need for the live music sector to consider its current position and identify opportunities for, and potential limits to, future growth and viability.

This report provides a quantified estimate of the economic contribution of live music in Victorian venues as well as a qualitative discussion of the social and cultural values that are accruing. In addition, the report outlines possible challenges and opportunities for the Victorian live music sector in its immediate future, and the implications for policy makers and the industry alike.

## Venue based live music in Victoria

The focus of this study was live music performance in Victorian hotels, bars, nightclubs, cafes and restaurants.

Data collected through surveys of patrons, venues and performers, and validated through industry consultation, confirmed that live music plays a significant role in the Victorian – and in particular Melbourne’s – cultural scene:

- Melbourne has more live music venues than any other Australian city, including around 370 hotels, bars, nightclubs and restaurants featuring live music.
- Some 600 venues throughout Victoria collectively provide an average of 3,000 live performances per week, equating to about five performances per venue per week.
  - On average, venues provide live music three nights per week.
- Victorian live music performers provide an average of 23.5 performances in Victorian venues per year, or an average of two per month.
- Victorian performers earn an average of \$19,500 per year from live music performance, with 69% of this amount - or \$13,455 - derived from venue-based performance.
- Live music patrons attend an average of two performances in Victorian venues each month:
  - 41% are occasional or casual patrons attending one performance or less per month;
  - 40% are committed or regular patrons attending two to three performances per month; and
  - 19% are ‘die-hard’ patrons attending at least four performances per month.

## Economic contribution of live music in venues

The basis for the economic contribution is the value-added and employment created by the provision of live music in Victorian venues.

The economic contribution is calculated as the sum of the value-added and employment created components of the following:

- the direct economic activity generated by performers and live music venues including:
  - turnover in live music venues and payments to sound technicians, production hire and rental, advertising, security and employees involved in delivering the live music product; and
  - payments to headline performers providing live music in venues, and their direct support payments including to managers, booking agents, sound technicians, advertising, supporting performers and merchandise and record manufacturers.
- the indirect economic activity (or multiplier effects) generated by live music in venues.

Based on this specification, it is estimated that live music in venues generated an additional **\$501 million** in gross state product (GSP) to the Victorian economy in 2009/10, and increased full-time equivalent (FTE) employment by approximately **17,200 persons**. The direct economic contribution component was **\$301 million** in GSP and approximately **14,900** FTE positions.

Applying the average expenditure per patron attendance to the estimated increase in direct expenditure suggests there were approximately **5.4 million attendances** at live performances in Victorian venues in 2009/10. This compares with approximately 4.3 million attendances to Australian Football League matches in Victoria in the 2010 home and away season, and 4.7 million ticketed attendances to other live performances in Victoria in 2009.

These findings indicate sizeable economy-wide benefits are derived from the provision of live music in Victorian venues.

### **Broader social and cultural values**

The venue-based live music industry is also found to make a significant contribution to the Victorian social and cultural landscape.

- Live music nurtures creativity by providing scope to perform original music.
  - 74% of venues surveyed regularly feature original bands and performers.
  - 86% of patrons surveyed believe that live music in venues encourages individuality in Victoria.
- The opportunity to perform live in music venues plays a crucial role in developing music careers and incubating talent. Live music performance is especially important in terms of building a profile and developing performance skills, ensuring that performers have the fan-base and stagecraft to sustain them through each career phase.
  - Consultations suggested that performers in the early phase of their career will typically need to play live at least once or twice per week in order to build a profile.

- Live music in venues makes an especially strong social contribution in providing an opportunity for performers and patrons to develop their social networks – this has particular resonance for young people.
  - The patron survey shows that 76% of 18 and 19 year olds felt that their friendship group had expanded through attending live music performances.
- Indeed individuals place high value on the social benefits derived from attendance at live music performances.
  - Live music performances are at least as important as other social outings for 86% of patrons (even though live music performances comprise less than one-quarter of all social outings for 55% of patrons).
  - Patrons have high willingness to spend on live music performances, with 42% of personal weekly expenditure on out-of-home recreation and entertainment allocated towards attending live music.
- These private benefits foster social engagement and connectedness, leading to enhanced community wellbeing. Patrons overwhelmingly indicated that live music can have positive impacts for the community.
  - 92% of patrons believe that venue-based live music improves quality of life.
  - 84% of patrons stated that live music in venues provides a welcoming and safe environment.

### Challenges and opportunities for Victoria's live music sector

Though the Victorian live music scene is widely acknowledged as presently in a 'healthy' state, there are both concerns as to the sustainability of this status and opportunities for this status to be further enhanced.

These trends and opportunities relate to:

- an underdeveloped regional touring circuit compared to New South Wales;
- quality of live performers, as a key inhibitor to the increased provision of live music;
- the demand-supply dilemma for Victorian performers;
- issues relating to the application and enforcement of liquor licensing conditions; and
- compounding property rights and amenity issues for venues.

While the recent response and commitment by the Victorian Government to address certain liquor licensing conditions and aspects of property rights issues are likely to ease pressures here, policy makers and the industry are still faced with the dilemma of how to best improve the financial and career development situation for Victorian performers, as well as how to ensure the overall sector grows at an optimum rate.

A series of possible solutions were revealed in the consultation component of this study and are presented accordingly:

- **Planning** for an enhanced regional touring circuit, as part of a broader strategic growth plan for the sector.
- Improving the standard of live performers in Victoria, through **increased performance opportunities** for those less established.

- **Promotion** of understanding among performers of ways to successfully induce demand for live performances and self-manage more broadly, supported by **appropriate career guidance** at particular stages.

Where policy makers intend to provide direct funding to encourage these values, a cost-benefit assessment should be undertaken, and targets and performance metrics set to ensure a payback is being accrued to the state.

## **Conclusions**

Live music makes an important economic, social and cultural contribution to Victoria. Furthermore, as with any industry, the conditions affecting the ongoing commercial viability of live music are subject to a range of influences, particularly in relation to regulatory and policy developments. Careful consideration should be given to any government interventions that might directly or indirectly restrict or indeed promote the provision of live music.

**Deloitte Access Economics, June 2011**

# 1 Background to the analysis

Deloitte Access Economics has been engaged by Arts Victoria to analyse the economic, social and cultural contribution of the venue-based live music industry in Victoria.

Live music in Victoria is performed in a range of venues and settings: concert halls and other performing arts venues; mass entertainment and sports venues; festivals of all sizes; local halls and community centres; through to busking on the streets. The focus of this study is live music performance in pubs, bars, nightclubs, cafes and restaurants – a sub-sector of the live music industry which plays a significant role in the professional development and careers of contemporary musicians and bands, but about which there are limited reliable data.

Motivating this study, the Victorian Government is interested in generating new and improved forms of evidence in relation to the contribution from the Victorian venue-based live music sector, in order to inform future policy deliberations. Beyond this, there is also a strategic need for the live music sector to consider its current position, and identify opportunities and potential limits to future growth and viability.

In this section the background to the analysis is broadly outlined – in terms of the research framework and the policy context – in anticipation of the analysis and findings that follow in later sections.

## 1.1 Research framework

The research framework for this study is a product of the research objectives, the existing data and literature, as well as the scope of surveying and consultations that were undertaken.

### 1.1.1 Research objectives

Largely informed by findings of previous research and remaining gaps in the evidence base for policy makers, the broad research objectives for this study comprise:

- a comprehensive and robust estimate of the economic contribution of live music in Victorian venues;
- a broad (but tangible) social and cultural contribution framework – around the provision of live music in Victorian venues; and
- an identification of the current and likely future impediments to and opportunities for the provision of live music in Victoria venues.

### Economic contribution

The economic contribution considers both the direct and indirect contribution of live music in Victorian venues – as they are defined for the purposes of this study (see Section 2.1). However, in any economic contribution study, the line must be drawn between what can be considered within the sector – and therefore a component of the direct effect – and what should be considered a flow-on – and therefore captured in the indirect effect.

In light of this, it was determined that in this study the direct economic contribution would include the value-added and employment created by:

- the proportion of live music venue gross operating surplus (GOS) that can be attributed to live music, and the venue payments to sound technicians, production hire and rental, advertising, security and employees involved in delivering the live music product;
- payments to headline performers providing live music in venues, and their direct support payments including to managers, booking agents, sound technicians, advertising, supporting performers and merchandise and record manufacturers; and
- the tax revenue accruing to the government that can be attributed to the provision of live music in venues.

Any other service or labour type was considered to be outside the direct contribution – and therefore captured indirectly – to ensure a simple and robust analysis.

### **Social and cultural contribution**

In the first instance, it was determined that analysing the full range of social and cultural contributions to the state from live music in venues would not be possible in this study, due to their often intangible nature and the difficulty in reliably estimating them.

A social and cultural impact framework was then developed, with its broad structure informed by Vanclay (2002), other literature on the social impacts of arts and culture, and particular research questions proposed for this study. The broad categories of the framework included culture, community, quality of the environment and health and social wellbeing.

Within the framework, all those values that could be identified were assessed for relevance and ease of measurement, and prioritised on that basis. Ultimately, those themes that were determined to be ‘first order’ were considered the priority in the survey instruments and the analysis.

It was determined that the analysis would draw on the strong body of existing literature to inform the social and cultural contribution, supported by anecdotal evidence from consultations and patron, performer and venue survey data.

### **Opportunities and threats**

An assessment of the immediate opportunities to promote the economic, social and cultural values of live music in Victoria – and the on-going impediments to their sustainability – was also undertaken, given that these values may not necessarily be purely self-sustaining.

The following drivers of change were assessed:

- the competitive landscape – including the demand for and supply of live performance;
- the regulatory environment for venues – including liquor and gaming licensing; and
- property rights and amenity – including the development pressures of urban in-fill.

Consideration of how these factors/trends might be diminished or enhanced to maximise the values the live music sector provides to the state was developed based on stakeholder consultations, findings in related research and basic economic theory.



### 1.1.2 Existing data and literature

As a foundation for the analysis, and in order to determine the priorities for the development of the study's survey instruments, the strong body of existing evidence of the economic, social and cultural contribution of live music was collated and assessed, along with any information on the drivers of change.

While a broad range of data and studies on particular components of the research objectives were available, no study prior to this had sought to collectively present economic, social and cultural contribution findings and apportion or attribute the outcomes directly to the provision of live music in Victoria venues. Existing analyses were also largely completed prior to more recent regulatory and policy changes in Victoria, and therefore did not capture any actual or potential impact on the venue-based live music sector (see Appendix B for an outline of key studies).

The primary research undertaken for this study was based on key conclusions drawn from the literature review. The purpose of the primary research was to further draw out relevant findings and/or test assumptions that had been employed in these existing analyses.

### 1.1.3 Survey tools and approach

An important component of the study's methodology was the collection of primary evidence from the critical points at which economic, social and cultural values are created and incurred. This required the development of survey instruments targeted at the three key parties in the live music 'transaction':

1. Patrons as the downstream consumers.
2. Venues as the intermediary.
3. Performers as the upstream supplier.

Overall, a broadly sufficient volume of responses was provided by each survey target audience to make inferences in the analysis with reasonable confidence (see Appendix C for details):

- The patron survey was determined to be most effectively conducted via face-to-face interviewing at a sample of prominent Victorian venues, where the patron catchment was broad enough to ensure the greatest degree of Victorian live music demand was captured. The surveying was conducted by Newspoll on 14 occasions between 11 August and 21 August 2010, across 13 different venues – 8 in the CBD, 3 in the inner-suburbs and 2 in regional Victoria – capturing a total 427 responses.
- The performer/manager surveys were determined to be most effectively conducted via phone. The survey sample selected by Arts Victoria had experienced varying degrees of success in their performance careers to date, and were identified as being likely to be willingly involved. A total of 71 performers/managers were contacted between 23 August and 3 September 2010, from which 51 responses were generated.
- The venue surveys were also determined to be most effectively conducted via phone, drawing randomly on the full population of live music hotels, bars, nightclubs and cafes and restaurants registered with the Australasian Performing Rights Association (APRA). A total of 165 hotels, 92 bars, 98 cafes and restaurants and 33 nightclubs were contacted between 23 August and 3 September 2010, from which 51 hotel, 25 bar, 19

cafe and restaurant and 8 nightclub responses were generated, a total of 103 responses representing around 17% of the target population.

Consultations were also conducted with a selection of key stakeholders who have a strong understanding and experience in the sector (see Appendix A). These consultations were also used to validate survey results.

## 1.2 Policy context

State, local and intergovernment policies and programs impact on the venue-based live music industry in Victoria, either through provision of industry support or regulation affecting the industry.

### 1.2.1 Victorian Government

The live music industry in Victoria is supported by a number of State Government programs and initiatives. Regulations affecting live music performance in venues are administered through the Department of Justice, under the Director of Liquor Licensing supported by Responsible Alcohol Victoria; through the Environment Protection Authority (EPA); and through planning policy.

#### Arts Victoria

Arts Victoria is a part of Victoria's Department of Premier and Cabinet and reports to the Minister for the Arts.

Under the *Arts Victoria Act 1972*, Arts Victoria's roles and responsibilities are to:

- develop and improve the knowledge, understanding, appreciation and practice of the arts;
- increase the availability and accessibility of the arts to the public;
- encourage and assist in the provision of facilities to enable the arts to be performed or displayed;
- continually survey and assess the arts and report to Parliament on potential improvements; and
- administer the Act and cooperate with other parts of Government and the arts industry.

#### Victoria Rocks

Victoria Rocks, introduced in 2007, is the State Government's funding package for the local music industry, drawing together the expertise of Arts Victoria, Office for Youth and Tourism Victoria. Arts Victoria's component of Victoria Rocks is the contemporary music grants and support program that aims to encourage the creative growth and viability of the Victorian contemporary music industry.

Total funding under this program for 2008-09 was \$757,951 (Arts Victoria, 2010). The program comprises three categories:

- Music Career Building Grants (with funding available for recording, product presentation and website and digital tools);

- Music Touring Grants (supporting transportation costs, accommodation, conference/festival registration fees and tour promotion campaigns); and
- Strategic Music Industry Partnerships (with funding for initiatives that promote access, education and innovation for Victorian musicians to further their careers).

Victoria Rocks also offers scholarships to support Victorian musicians and music managers attend key industry events and conferences.

### **Tourism Victoria**

Tourism Victoria's arts and cultural heritage tourism action plan (entitled *Victoria's Arts and Cultural Heritage Tourism Action Plan 2010-2014*) highlights research findings identifying Melbourne as the cultural capital of Australia. A key action for the next four years is to consolidate Melbourne's positioning as a creative capital by raising the profile of Melbourne's live music scene.

### **FReeZA and The Push**

The Victorian Government provides funding and support for youth-focused live music through FReeZA, a youth development program managed by the Office for Youth within the Department of Planning and Community Development. The program supports young people aged between 12 and 25 years to organise music, artistic and cultural events within their local communities. Live music performance forms a strong component of FReeZA, with events managed by FReeZA Committees of young people. There are 78 FReeZA Committees across Victoria (FReeZA, 2010).

FReeZA also provides funding for The Push, a Victorian non-profit youth entertainment organisation. The Push was established to provide opportunities for young people to attend affordable, alcohol-free events and also provides information, support and training to young people who would like to develop a music industry career.

### **Music Victoria**

Music Victoria was established in early 2010 as Victoria's first contemporary music industry peak body. Its operational objectives are to:

- promote and celebrate the contemporary music community of Victoria;
- advocate on behalf of contemporary music in and from Victoria; and
- support the professional development of the contemporary music sector.

In addition, Music Victoria operates with the aim of being a strong, financially viable and relevant industry peak body for the contemporary music community of Victoria.

### **Responsible Alcohol Victoria and Director of Liquor Licensing**

Most live music venues which were the focus of this study are licensed premises, and are therefore subject to liquor licensing legislation and regulations administered by the Director of Liquor Licensing supported by Responsible Alcohol Victoria (within the Department of Justice). The *Liquor Control Reform Act 1998* sets out the various licence categories, which include

general licences, on-premises licences, restaurant and café licences, late night (general or on-premises) licences for venues authorised to trade past 1 a.m., and full club licences.

Licensees must comply with all obligations of their liquor licence, including any other specific conditions that have been attached to their licence by the Director of Liquor Licensing (such as trading hours, patron capacity and installation of security cameras). The Compliance Directorate has primary responsibility for ensuring that licensees meet their responsibilities, with the Victoria Police also playing an enforcement role.

### **Live Music Accord**

The Live Music Accord was an agreement between the former State Government and the live music industry signed on 23 February 2010. The Accord was struck following public and music industry concerns regarding the effect of liquor licensing fees and policies concerning licence conditions for smaller live music venues.

The key music industry stakeholders involved in the negotiation of the Accord were Music Victoria, Fair Go 4 Live Music and SLAM (Save Australia's Live Music).

In addition to recognising the importance of the live music scene as a cultural, social and economic driver, the Government agreed to reform policies around licence conditions for live music venues, and to review licence conditions of live music venues in certain circumstances (State Government, 2010a).

Following the Accord, the Director of Liquor Licensing established a process to review licence conditions of live music venues in certain circumstances. On 6 October 2010, the then Minister for Consumer Affairs, the Director of Liquor Licensing and Victoria's live music community signed a further agreement recognising the importance of live music, agreeing to examine further policy and legislative reforms with respect to live music and proposing a modified approach to assessing licence conditions for live music venues.

Consistent with this agreement, a new policy for assessing licence conditions for live music venues was implemented by the Director of Liquor Licensing in October 2010 requiring live music venues to be assessed for licence conditions on the basis of their individual circumstances and providing licensees with a greater opportunity to contribute to this assessment.

Following the State election in November 2010, the Liberal Nationals Coalition Government came into power in Victoria. During the election campaign, the Liberal Nationals Coalition made a number of commitments in relation to live music including:

- to amend the objects of the *Liquor Control Reform Act 1998* to reflect that live music is an important part of the hospitality industry and the wider community; and
- to ensure that blanket high-risk conditions do not apply to licensed premises featuring live music but that venues are assessed on their circumstances.

### **Environment Protection Authority**

Live music venues are also subject to noise-related regulation administered by the EPA. State Environment Protection Policy (Control of Music Noise from Public Places) No. N2 is the key

policy that regulates noise generated by live music venues. It provides requirements for noise levels, with varying noise limits at different times of the day.

Noise requirements based on this policy are often included in a venue's liquor licence or planning permit. Local councils or the Victoria Police have the authority to enforce these rules, and under the *Environment Protection Act 1970*, police are empowered to instruct a venue to abate any entertainment noise after midnight (which remains in effect until 8 a.m.).

## Planning

Under the *Building Act 1993* and Building Regulations 2006, live music venues ('places of public entertainment') must comply with standard building regulations as well as occupancy limits and additional compliance requirements including fire safety requirements, as outlined in a venue's occupancy permit.

Under the State planning scheme – Clause 52.27 Licensed Premises – a planning permit issued by local government is required where a new or different type of liquor licence is required, where trading hours are to be extended, or the number of patrons is to be increased. In assessing such applications the local planning authority must consider the impact of the changes on the amenity of the surrounding area.

### 1.2.2 Local government

As well as their planning responsibilities with regard to licensed premises, local governments may support the venue-based live music industry through funding, grants and promotional initiatives.

Councils often provide funding for arts-related programs, including live music programs and events. For example, the City of Melbourne provides grants for music activity through programs such as Artplay workshops, Arts House artist presentations, Arts Projects, Signal workshops, events and creative development, and Young Artists presentations (Homan and Newton, 2010).

Yarra City Council, which encompasses many live music venues in areas such as Collingwood and Fitzroy, has recently formed a Live Music Working Group to provide Council with advice and guidance on issues affecting the local live music scene. The group is due to report back to Council in 2011 (City of Yarra, 2010).

The City of Melbourne recently held the inaugural Melbourne Music event, in conjunction with a number of other event, industry and media partners. The program aimed to showcase the local music industry, and included free concerts, public lectures and workshops, and performances in various live music venues.

### 1.2.3 Intergovernment

The Cultural Ministers Council (an intergovernmental forum for arts and culture ministers in Australia and New Zealand) established a Contemporary Music Development Working Group in 2006. The purpose of the working group is to identify opportunities for cross-jurisdictional projects to support the contemporary music industry, in areas such as cultural development, business skills development, market access and live performance.

In 2009, the Commonwealth, State and Territory Ministers endorsed *Supporting Australia's Live Music Industry: Suggested Principles for Best Practice*, a document which examined live performance issues affected by government regulation, and which proposed a set of best practice principles including planning and local government processes, liquor licensing, industrial relations and occupational health and safety, the employment of minors, and funding models.

## 1.3 Report structure

The report proceeds as follows.

- Section 2 provides an overview of the venue-based live music industry in Victoria. It canvasses the reputation and health of the scene, and outlines the economic structure of the industry.
- Section 3 outlines in detail the economic contribution of the live music sector. It specifies the modelling approach, details the key inputs and assumptions, and provides the economic contribution estimates, sensitivities and limitations.
- Section 4 presents the social and cultural contribution of venue-based live music. It briefly describes the analysis framework and then outlines the various contributions in terms of culture, community and quality of the environment.
- Section 5 introduces the significance of Victorian music festivals for consideration alongside the contribution of live music in venues (and as a basis for future study).
- Section 6 presents issues and opportunities for the sector's future sustainability and growth. The evidence that was available is presented alongside the anecdotes that were revealed in the consultations and surveying, as well as some basic principles of government intervention.
- Acknowledgements are outlined in Appendix A; Appendix B outlines key data sources; Appendix C sets out the patron, performer, manager and venue survey questions and approach; Appendix D provides some basic information from the survey responses; and additional technical detail on the economic contribution methodology is outlined in Appendix E.

## 2 Venue-based live music in Victoria

The Victorian venue-based live music sector considered in this study includes all APRA registered:

- public hotels;
- bars;
- nightclubs; and
- cafes and restaurants.

The sector typically provides contemporary music in privately owned venues, and is largely self-sustaining in a free market. In addition, the presentation of live music is not necessarily the primary business focus in many of these venues, in other words possibly only a component of the business model.

It is important to note at this point that the definition of venue-based live music excludes music festivals, which are instead introduced in a standalone section of this report, acknowledging their vital importance to the live music sector.

### 2.1 Industry overview

#### 2.1.1 History and reputation

The live music industry plays a significant role in the Victorian – and particularly Melbourne’s – cultural landscape. As noted by the Live Music Taskforce in 2003:

*The live music scene is a cultural asset. Melbourne has a world-class contemporary music culture that contributes both culturally and economically to the State (Carbines, 2003:37).*

Victoria has a long and celebrated history of nurturing live music, demonstrated by the emergence of nationally and internationally successful performers such as Kylie Minogue, Nick Cave, Dan Sultan, Jet, Missy Higgins, Cat Empire and The Temper Trap. Just as significant are the number and diversity of local musicians, with the genres performed ranging from punk rock to experimental jazz to swamp folk.

A ‘trademark’ of Victoria’s live music industry is its strong focus on independence, originality and experimentation, evidenced through a rich tradition of small ‘indie’ record labels. There are estimated to be about 120 independent recording companies in Melbourne, and the diversity of these labels helps to drive and sustain niche audience interests (Homan and Newton, 2010).

The community radio sector in particular has provided a strong platform for the exposure and promotion of independent local music. For example, Melbourne-based Triple R is Australia’s

largest community radio station with over 12,000 subscribers (Triple R, 2010). Its code of practice specifies that, of all music programming, it will broadcast at least 25% of all Australian music played over a calendar month. None of its programs are playlisted, ensuring that presenters have scope to play a diverse range of (non-commercial) music. Other radio stations with a charter to support local music include 3PBS and SYN-FM.

Melbourne in particular has a global reputation for the quality and diversity of its live music venues (Homan and Newton, 2010). Alongside premier live music venues such as The Hi-Fi, The Forum, The Corner Hotel, The Esplanade Hotel, The Tote, Northcote Social Club and East Brunswick Club Hotel are a myriad of smaller venues such as the The Old Bar, Bar Open, Ding Dong Lounge, Yah Yah's, The Laundry and the Brunswick Hotel. In addition to pubs and bars, live music is also played in nightclubs, cafes, restaurants, and at festivals and events. APRA data confirm Melbourne's pre-eminence as the capital of live music in Australia, with more venues than any other city - numbering around 480 venues of all types (Chart 2.3).

Live music venues are also diverse in terms of locality and are not confined to one unique precinct. Rather, live music venues are located throughout the inner-metropolitan region. Noted areas that have a predominance of live music venues include Melbourne CBD, Brunswick Street in Fitzroy, High Street in Northcote and Acland and Carlisle Streets in St Kilda. Live music venues are also located throughout regional Victoria, in towns such as Ballarat and Bendigo.

### 2.1.2 Types and number of venues

The size and scope of the Victorian venue-based live music sector is derived from APRA live music venue registrations. The APRA data has been judged the most comprehensive and consistent source available, given the ongoing efforts to update and cross-match the database, as well as its close proximity in count to other industry approximations produced in the ABS publications and in work being conducted by academics in this field. Therefore, where venue counts are utilised in the analysis, they refer to the APRA figures.

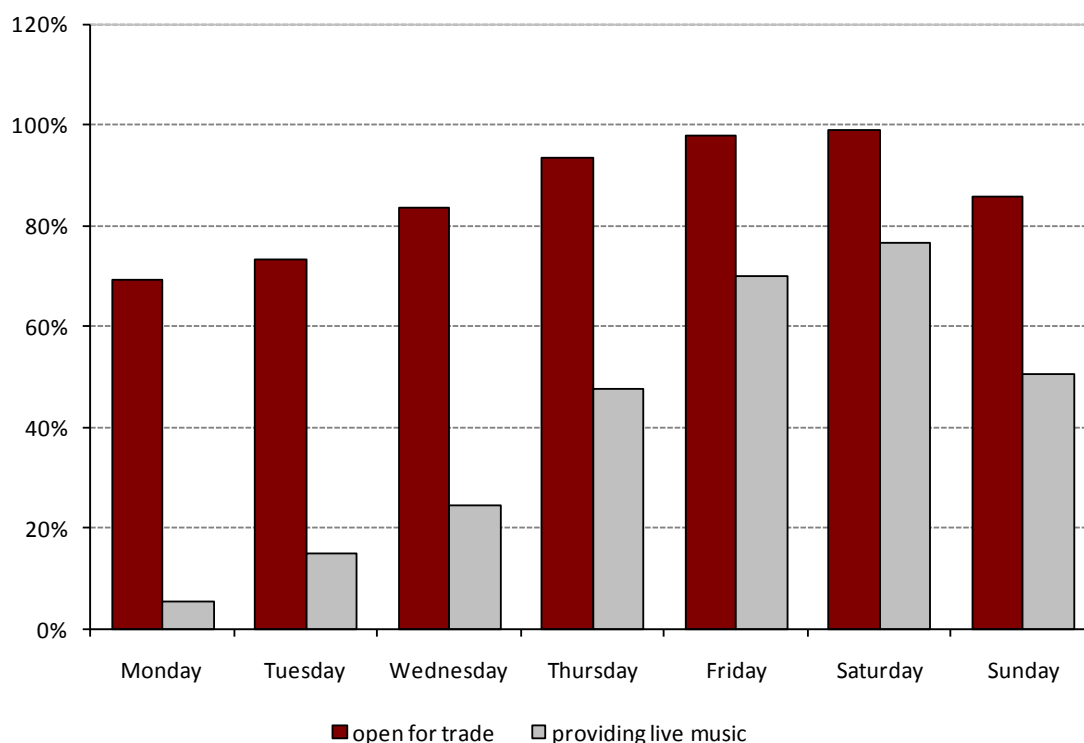
According to APRA, Victoria has approximately 950 venues registered as live music providers. Of these:

- 374 are public hotels;
- 118 are cafes and restaurants;
- 85 are bars; and
- 34 are nightclubs.

The scope of this study is limited to these venue types, given their typical association with providing original contemporary music – survey results suggest 74% of these venues regularly feature original performances – and the high proportion of all APRA reported live music expenditure that is accounted for by these venue types (71%).

According to the survey results, these venues have on average been operating with live music for nearly 10 years and provide a live music floor space that will accommodate 227 persons – with 36% providing a dedicated band room. The distribution of their operation and live music provision throughout a typical week is provided in Chart 2.1 below.



**Chart 2.1: Typical operating week – Victorian live music venues**

Source: Deloitte Access Economics

Live music has and continues to be provided in Victorian venues for a range of reasons. Live music venue survey results suggest:

- 49% of venues have an interest in or appreciation of live music and feel it should be supported;
- 41% of venues regard live music as an essential component of managing demand and viability – both throughout an evening (for example to capture an earlier crowd for a venue that is typically 'late night') and throughout the week (for example to draw an alternative crowd);
- 41% of venues believe patrons demand live music – as a complementary service to the drinking and/or dining experience, generating additional value; and
- 35% of venues believe – likely through a combination of the above factors – live music improves the profitability of other venue functions.

The ability to induce attendance and turnover from patrons is clearly central to the provision of live music in venues in many cases.

### 2.1.3 Health of the scene

By almost all accounts in the consultation component of this study – which included Victorian venues, performers, performance managers and booking agents – the Melbourne live music scene is 'healthy', and possibly more so than in the recent past.

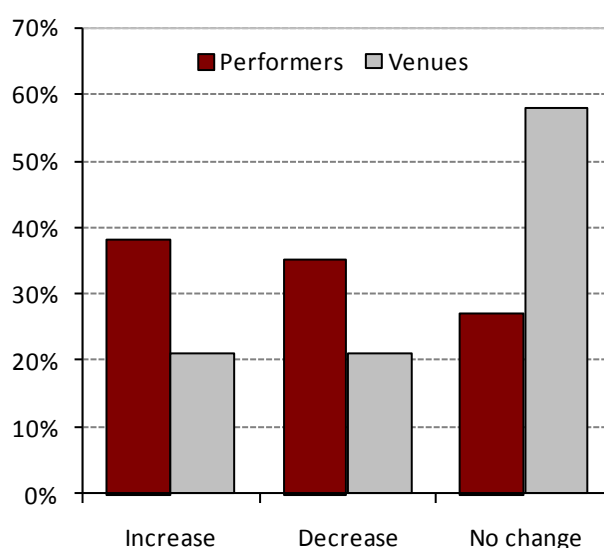
By way of overview of the frequency of live music provision/attendance, and based on the surveying results:

- Victorian live music venues are providing an average total 3,000 live performances per week, approximating five per venue per week or three nights per venue per week (with 1.7 per night).
- Victorian live music performers are providing an average of 23.5 performances in Victorian venues each year, or an average of two performances per month.
- Victorian live music patrons are attending an average of 2.3 live performances in Victorian venues each month.

Applying the average expenditure per patron attendance to the estimated increase in direct expenditure (estimated later in the report) suggests there were approximately **5.5 million attendances** at live performances in Victorian venues in 2009/10.

Despite various pressures, venue and performer survey results indicate the volume of live performances in the last 12 months has approximately remained the same, if not slightly improved (Chart 2.2). For the performers, 38% were providing more live performances compared to 35% who were providing less. For the venues, 21% were providing more live performances compared to 21% providing less – of which 54% were providing more than one day/night of additional live performances compared to 33% providing more than one day/night less.

**Chart 2.2: Change in number of live performances provided (performers and venues)**



Source: Deloitte Access Economics

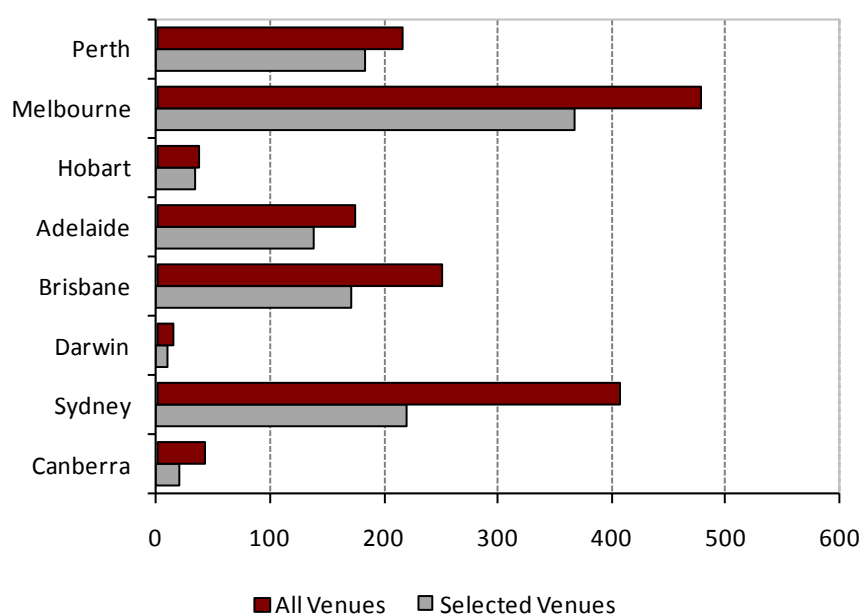
In terms of live performance type, a diversity of genres are provided across a vast number of venues and locations, catering to a broad population of live music patrons and performers. In Victoria, the dominant live music genre – rock – represents 20-30% of all live music provided. Also significant is popular music, independent music, folk music and jazz music, each accounting for around 10% of all live music provided. The remainder is spread evenly over a large variety of other types, with many venues indicating a willingness to provide any music type the patron demands.

As a possible indication of the status of the Victorian live music scene, solo performers and bands continue to relocate to Victoria – particularly from Tasmania, Western Australia and South Australia. This could be driven by a perception of increased opportunities to play live music in Victoria – almost 80% of performers and performance managers surveyed believed there are greater opportunities to perform live music in Victoria than elsewhere in Australia.

Further validating this status, Victorians aged 15 years and above are estimated to have an involvement rate in ‘work’ as a live music performer of 19.4 per 1,000 persons (ABS, 2007). Acknowledging the possible limitations of the definitions in this source, the relativities nonetheless suggest only South Australia exceeds this rate – with 20.8 per 1,000 persons – while the remaining jurisdictions are well behind with a national average 15.5 per 1,000 persons.

The number of Melbourne venues featuring live music as compared to other capital cities provides additional evidence of the health of the live music scene. As Chart 2.3 below shows, Melbourne has a greater number of hotels, bars, nightclubs and restaurants and cafes providing live music than any other Australian city.

**Chart 2.3: Number of ‘live music’ venues by capital city**



Source: APRA

Note: ‘Selected venues’ includes hotels, bars, nightclubs, restaurants and cafes.

As standalone values, these are indicative of a significant and healthy live music scene in Victoria. Nationally comparable figures, including as a time series, are required to further validate these findings.

## 2.2 Economic structure

### 2.2.1 Business models

Three business models are utilised across the population of Victorian live music venues:

1. **The 'door deal' business model**, where the performer is not paid by the venue but rather through entry ticket sales, while the venue recovers from the performer a small fee per ticket sale to cover a proportion of live performance overheads, and is otherwise accruing turnover through food and beverage sales.
2. **The 'guarantee' business model**, where the performer is paid a pre-determined amount by the venue – often depending upon the night of the week and the ability to draw a crowd of live music patrons – with the venue then earning turnover from food and beverage sales and possibly a venue entry charge.
3. **The 'room hire' business model**, where the performer effectively hires the facility for a pre-determined amount, set to cover all or at least a large proportion of venue overheads on the night – effectively 'guaranteeing' the venue – with venue profit then determined by food and beverage sales.

It was determined from the consultations that the 'door deal' model most likely accounts for the greatest share of all revenue that is accruing to live performance in Victoria, and is therefore the chosen structure for this economic modelling exercise.

The benefit of the 'door deal' business model to the venues is that they are able to transfer a proportion of income risk to the performer. Live performances in mid-to-large sized Victorian venues have been largely transitioned to this business model over time – most notably since the early to mid 1990s – as performer bargaining positions declined with their increased supply.

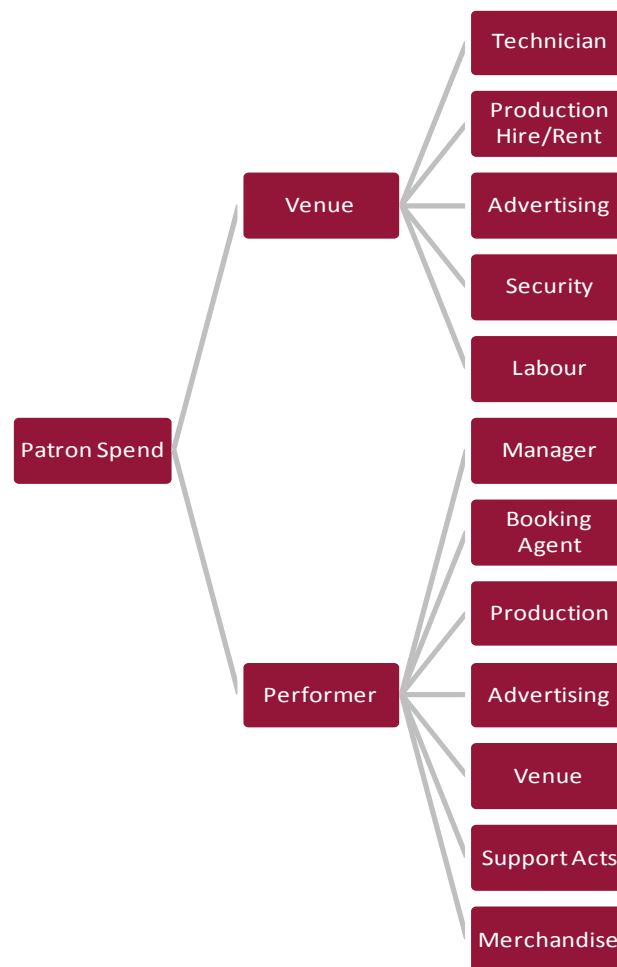
Entry ticket pre-sales are now also being increasingly adopted – as patrons adjust to this concept – given their value in mediating risk for venues and as a promotional device for the performance. Where a venue requires a minimum level of pre-sales – with the performer to meet the difference where this minimum is not achieved – this is in-effect a 'room hire' model.

The total transfer of risk to the performer might be more than is optimal from a broader economic and social perspective<sup>1</sup>. It could be concluded therefore that any 'guarantee' is risky, and the optimal risk distribution lies in a specification of the 'door deal' model, again reflected by its prevalence.

Figure 2.1 below indicates the structure of payments under the 'door deal' model. In the first instance patron spend is split across venues and performers, with expenditure then flowing immediately through a second-round distribution. The second round represents payments to live performance overheads by the venues and performers. Any further expenditure beyond the second-round is determined to be 'indirect' for the purposes of this analysis.

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<sup>1</sup> Generally speaking, if a performer ends up paying to play and paying more than they would be willing to pay – that is, more than they value the opportunity – this is a welfare reducing outcome from their perspective and potentially more broadly.

**Figure 2.1: Revenue allocations ('door deal' model)**

Source: Deloitte Access Economics

A summary of live performance overheads for venues and performers – as derived from the consultations and surveys – is provided in Table 2.1 below. These benchmarks indicate the proportion of annual turnover for a venue, and/or annual venue-based income for a performer, that is distributed as payments to other income earners in the sector. The significance of these overhead rates is that they are before tax and other more generic business/operational costs, and therefore highlight the typically low profit margins in providing live performance, particularly among artists. As Table 2.1 shows, approximately 83% of an established performer's income is distributed as payments to other industry income earners including managers, venues and advertising.

Acknowledging that not all of these costs will always be incurred at these rates, for simplicity this is assumed to be representative of the 'typical' payment structure for the 'average' live performance. In section 3.4, a sensitivity analysis is provided to reflect the difference in economic contribution where these rates vary.

**Table 2.1: Summary of live performance overhead estimates**

Overhead	Description	% of Turnover/Income
<b><i>Venue: A refined 'door deal' model in a medium sized venue (200-300 capacity):</i></b>		
Technician	Sound and lighting operation	4%
Production rent	Sound and lighting equipment hire or rental	4%
Advertising	Posters, community radio, street press and some mainstream media	3%
Security	Additional security guards required for live performance	12%
Labour	Additional bar staff and permanent staff required for live performance	25%
<b><i>Performer: An established headline act, managed and playing predominantly in mid-size venues:</i></b>		
Manager	Performer management services	20%
Booking Agent	Venue/performance booking services	6%
Production	Sound and lighting technician	6%
Advertising	Largely posters, though some other press and media	15%
Venue	Venue live performance overheads	11%
Support Acts	Payments to supporting bands/performers	11%
Merchandise	Merchandise and record purchase costs	14%

Source: Deloitte Access Economics

Note: Payments to consumables and rent comprise an additional 40% of turnover for venues.

### 2.2.2 Economic hierarchy

Further reflecting the business models employed in Victoria, an economic hierarchy exists, where dependence on live music as an income stream varies. According to the survey results, the sector is comprised of those venues that:

- are strictly live music venues, and only operate when a live music performance is provided – for example those with a dedicated band room – or only operate because live music performance is provided (**41% are 'dependent' on live music**);
- play live music to manage demand throughout the week and/or throughout the night – that is, the typical hotel or bar (**16% are 'supported' by live music**); and
- play live music to provide an atmosphere to the surroundings – typically those cafes and restaurants that provide live music at certain times (**for 43% live music is 'incidental'**).

Those venues that are live-music focused, i.e. where their financial viability depends upon the provision of live music, must provide a minimum number of live performances each week to cover their overheads. Therefore, despite live music not generating all the revenue they accrue, it is reasonable to assume that these venues would not operate but for the provision of live music. Given this, their entire turnover can be attributed to the provision of live music.

Those venues that occupy the economic middle-ground, and are utilising live music as a demand management tool, do so to strengthen trade:

- beyond traditional nights;
- between meal hours and late night trading; and/or

- to draw-in crowds for a meal and a performance – the concept of a ‘destination’ venue.

How successfully the demand is managed depends on the experience and understanding of the venue operator. In any case, only an increment in the turnover of these venues can be attributed to the provision of live music.

Those venues that provide live music purely due to the owner’s interest or for atmosphere – largely paying ‘guarantees’ – and therefore do not attempt to minimise income risk or manage demand through live performance, will typically see little increase in turnover from providing this service (if any). Given this, it is determined that none of the turnover in these venues can be attributed to the economic contribution of live music.

### 2.2.3 Performer financial position

According to the performer and manager survey results, the average gross income for Victorian artists from live performance in 2009/10 was approximately \$19,500. This compares to an average \$19,300 for all Australian musicians in the 2007/08 financial year (Throsby and Zednik, 2010).

Surveys also confirmed that for many performers, their music career only provides a proportion of their annual earnings, with non-music related work also undertaken to supplement income. Indeed the average proportion of total income derived from non-music sources was equal to the proportion derived from live performance at approximately 40% (Table 2.2).

**Table 2.2: Performer income sources**

Income Source	Survey Findings		Literature Findings	
	\$2009/10	% of Total	\$2007/08	% of Total
Live Performance:				
Performance	15,000	77%	13,500	70%*
Merchandise	2,000	10%	2,900	15%*
Royalties and records	2,500	13%	2,900	15%*
<b>Total Live Performance</b>	<b>19,500</b>	<b>40%</b>	<b>19,300</b>	<b>44%</b>
Other Music Related	9,800	20%	11,000	25%
Non-Music	19,500	40%	13,600	31%
<b>Total All Income</b>	<b>48,800</b>	<b>100%</b>	<b>43,900</b>	<b>100%</b>

Source: Deloitte Access Economics

\*As indicated in consultations

The figures above confirm the findings of previous studies – that music is mostly an unpaid profession in terms of employment and career status, and only a small proportion of musicians are able to earn a decent wage from performing, composing or even teaching (Holmes, 2009). Indeed Throsby and Zednik (2010) estimated that 57% of all practising professional musicians

in Australia earned less than \$10,000 from music-related work in 2007/08, and only 16% of practising professional musicians earned more than \$50,000.<sup>2</sup>

It is worth noting at this point – and as confirmed in both the surveying and the consultations – that venue-based performance accounts for approximately 69% of live performance income (\$13,455 per annum) for the typical Victorian performer, with the remainder derived from festivals and other event-based performances such as weddings<sup>3</sup>. Furthermore, merchandise, records and royalties comprise a not insignificant share of total income for the typical artist (9-13%), with almost all of those sales/royalties accruing at live performances, particularly as more traditional distribution channels decline. Up to 30% of live performance income is derived from merchandise and recorded music sales.

## Net position

After accounting for the typical overheads of live performance from a performer's perspective, retained earnings are minimal, and where they do occur are often used to repay debt or reinvest rather than drawn as a wage. For up and coming performers or where live performance shows do not sell well, performers will often lose money, and are instead playing as either an investment in future success or purely for the non-monetary gain.

During a consultation with a performance artist business management company, it was suggested that from a sample of 100 performers who are accruing a sufficient turnover to justify the services this business offers, approximately 5 performers could feasibly draw wages from their annual earnings. The remainder are either re-investing the funds to attain a break-even position (approximately 35-40 performers), while others are in fact accruing debt (55-60 performers) in the order of thousands of dollars. This compares with a distribution revealed in the performer survey of 39% making profit, 37% breaking-even and 24% accruing debt<sup>4</sup>.

In any case, applying a benchmark 20-30% profit on live performance after all expenses – though before reinvestment, repaying debt and tax – a gross income of \$19,500 translates to at best \$5,850 per annum. The implication is that for the average Victorian performer, a performance career will not support living expenses.

Regardless of the financials, almost all performers are motivated by their passion for music, and their desire to pursue a music career can be described as a calling rather than a choice. This passion becomes especially important when considering the drivers for those performers who are unable to earn a primary income from music. Involvement in the music industry is viewed as a lifestyle choice that is fuelled by an innate desire to perform. It provides performers with a creative outlet that is so important to them that they will continue to devote resources (time and money) to music performance, even where their labour is unpaid.

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<sup>2</sup> The category of musician includes instrumental musicians, singers and music directors, and is not confined to live music performance artists.

<sup>3</sup> For larger acts, this will be skewed more so to outside Victoria – reflecting their national profile.

<sup>4</sup> The variation between the two distributions might be explained by a difference in the way an individual and a management company calculate the net position, and at what profit point a performer can feasibly draw a wage.



## 3 Economic contribution

The economic contribution of live music to the Victorian economy in 2009/10 is estimated in this section.

The key metrics adopted are gross state product (GSP) and full-time equivalent (FTE) employment. These are standard measures of economic significance at the state level, and are derived from the value-added by all economic activity undertaken in Victoria in a particular year. Value added in this context reflects gross payments to labour, gross returns on capital and other indirect taxes (less subsidies).

Economic activity in the venue-based live music sector is derived from patron demand. Patron demand implies spending and therefore:

- turnover for businesses;
- earnings to labour;
- employment of labour; and
- tax revenue to government.

### 3.1 Modelling approach

The basis for the economic contribution estimated here is the direct value-added and employment created by venues, labour and production taxes that can be attributed to the provision of live music in Victorian venues. This is then combined with a selection of input-output economic multipliers to determine the indirect/flow-on contribution to the state.

The direct economic contribution is calculated as the sum of the value-added and employment created by:

- the proportion of live music venue gross operating surplus that can be attributed to live music, and the venue payments to sound technicians, production hire and rental, advertising, security and employees involved in delivering the live music product;
- payments to headline performers providing live music in venues, and their direct support payments including to managers, booking agents, sound technicians, advertising, supporting performers and merchandise and record manufacturers; and
- the tax revenue accruing to governments that can be attributed to the provision of live music in venues<sup>5</sup>.

Any other service or labour type was considered outside the direct contribution – and therefore assumed to be captured indirectly.

Estimation of the economic contribution of the Victorian venue-based live music industry is based on:

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<sup>5</sup> Value-added by production taxes and taxes on intermediate inputs is derived from the indicated rates in ABS (2006), and cross-checked against ABS (2009b). The inclusion of these taxes in the contribution estimate is further justified in the Productivity Commission Inquiry Report on Gambling (PC, 2010).

- The calculation of income attributable to venue-based live music performance comprising income to venues and income to performers.
- The application of an input-output economic framework to determine the direct economic contribution of this income stream to GSP and employment created.
- The application of appropriate multipliers to determine the indirect economic contribution to State GSP and employment created.

The sum of the direct and indirect contributions determines the total contribution to GSP (value-added) and FTE employment in the economy.

## 3.2 Industry income estimates

Estimates of industry income – made up of both venue income and performer income attributed to live performance – are the basis for the calculation of the economic contribution (Figure 2.1).

Venue income is calculated on the degree of dependency on live music, for instance total venue turnover is included for venues that reported their ongoing viability to be dependent on live music. Performer income is calculated on the share of average income attributable to live performance in Victorian venues, for instance performing fees, sales and merchandise.

### Venues

Based on the outcomes of the venue survey, the average turnover<sup>6</sup> for all venues is **\$1.25 million** in 2009/10<sup>7</sup>. Applying the financial dependency proportions to the population of venues – by venue type – returns the following venue count provided in Table 3.1.

A total of 239 venues are financially dependent on live music, and would otherwise not be operating but for the ability to provide live music. A further 90 venues utilise live performances to improve the profitability of their businesses, over and above a non-live music baseline.

**Table 3.1: Victorian venue count by live music financial dependency**

Live Music Status	Bars and Hotels	Nightclubs	Cafes & Restaurants	Total
Dependent	186	14	39	<b>239</b>
Supported	71	5	13	<b>90</b>
Incidental	201	15	66	<b>282</b>
<b>Total</b>	<b>459</b>	<b>34</b>	<b>118</b>	<b>611</b>

Source: Deloitte Access Economics

Note: Dependency proportions applied are as reflected at section 2.2.2, with the exception of cafes and restaurants where a more conservative approach has been adopted (that is, only 33% dependent and 11% supported).

<sup>6</sup> Venue turnover includes revenue from all sources.

<sup>7</sup> This was cross-checked against the averages provided by ABS (2006) and ABS (2008) – with growth factors applied. Despite the notional difference in the venues being considered, survey results suggest that where these venues are providing live music they are on-average quite similar in their turnover and employment size.

The increment of the average venue turnover in 2009/10 that can be attributed to live music is applied to this venue count. The increment is straight-forward for those 'dependent' and 'incidental' venues at 100% and 0% respectively. For 'supported' venues, the live music share of annual revenue – calculated according to the sum of the daily live music share of weekly revenue – is estimated to be 20.5% (see Appendix E).

Applying these incremental turnover proportions (100%, 20.5% and 0%) to the venue counts in Table 3.1 and the average venue turnover figure of \$1.25 million, it is estimated that live music in venues generated **\$322 million** in additional revenue in the sector in 2009/10 (Table 3.2).

**Table 3.2: Total turnover by Victorian venue type (\$m)**

<b>Live Music Status</b>	<b>Bars and Hotels</b>	<b>Nightclubs</b>	<b>Cafes &amp; Restaurants</b>	<b>Total</b>
<b>Total Turnover</b>				
Dependent	233	17	49	<b>299</b>
Supported	89	7	16	<b>112</b>
Incidental	252	19	83	<b>353</b>
<b>Total</b>	<b>574</b>	<b>43</b>	<b>148</b>	<b>764</b>
<b>Live Music Increment</b>				
Dependent	233	17	49	<b>299</b>
Supported	18	1	3	<b>23</b>
Incidental	0	0	0	<b>0</b>
<b>Total</b>	<b>251</b>	<b>19</b>	<b>52</b>	<b>322</b>

Source: Deloitte Access Economics

## Performers

As referenced earlier at Table 2.2, average live performance income for Victorian artists in 2009/10 is \$19,500. Also, the proportion of this income that is derived from Victorian venues is 69%.

Applying this proportion to the average income by category, Table 3.3 presents the gross average income per Victorian performer in Victorian venues in 2009/10. From this it can be seen that these performers earned an average \$13,455 in gross income in Victorian venues last year.

**Table 3.3: Victorian performer average live performance income 2009/10**

<b>Income Type</b>	<b>All Performances</b>	<b>Victorian Venues</b>
Performance	\$15,000	\$10,350
Merchandise	\$2,000	\$1,380
Royalties and records	\$2,500	\$1,725
<b>Total</b>	<b>\$19,500</b>	<b>\$13,455</b>

Source: Deloitte Access Economics

In order to determine the total performer income that can be attributed to live music in Victorian venues, the number of Victorian performers providing live music in venues is

estimated. It is estimated that there were 15,760 Victorian performers providing paid live performances in licensed venues in 2009/10 (see Appendix E).

Applying the average gross income figure to the estimated number of Victorians with some paid involvement in live music performance, it is estimated that live music in Victorian venues is generating **\$212 million** in additional income to Victorian live performers in 2009/10 (Table 3.4).

**Table 3.4: Victorian performers' total live performance income 2009/10 (\$m)**

Income Type	All Performances	Victorian Venues
Performance	236	163
Merchandise	32	22
Royalties and records	39	27
<b>Total</b>	<b>307</b>	<b>212</b>

Source: Deloitte Access Economics

## Conclusions

The sum of the additional income to Victorian live music venues and Victorian live music in-venue performers in 2009/10 is \$534 million. However, since a proportion of the turnover of live music venues is a payment from the performer – estimated to be 11% (\$23 million) of live performance income (see Table 2.1) – the total is reduced to eliminate the double-count.

Therefore, it is estimated that live music in venues generated an additional **\$511 million** in income to Victorian venues and performers in 2009/10.

By way of illustration, dividing this figure by the average expenditure per patron at a live music performance<sup>8</sup> returns a conservative **5.4 million attendances** at live performances in Victorian venues in 2009/10. This compares with an estimated 4.3 million attendances to AFL matches in Victorian venues during the 2010 home and away season<sup>9</sup>, and 4.7 million ticketed attendances to other live performances in Victoria in 2009 (LPA, 2009).

## 3.3 Economic contribution estimates

An input-output economic framework is applied to the direct income attributed to live performances in venues, in order to determine the direct and indirect contribution to value-added and employment in the state.

### Direct contribution

The value-added share and employment created differs depending upon the industry sub-sector this expenditure is directed to. Given the expenditure splits identified in Figure 2.1 and Table 2.1 – as they apply to the \$511 million and the value-added and employment created ratios presented in the ABS Input-Output Tables – Table 3.5 below presents the direct

<sup>8</sup> Equal to \$95 – as generated through the patron surveys –and inclusive of entry ticket, food and beverage and merchandise purchases

<sup>9</sup> <http://stats.rleague.com/afl/crowds/2010.html>

economic contribution of live performance in Victorian venues in 2009/10. Before accounting for the flow-on effect of this expenditure, GSP has increased by **\$301 million** and FTE employment by approximately **14,900 persons**.

**Table 3.5: Direct economic contribution 2009/10**

	Venues	Performers	Other - Performer	Other - Venue	Total
Revenue (\$m)	248	59	130	74	511
Value-added labour (\$m)	80	60	42	55	237
Value-added GOS (\$m)	21	0	19	4	44
Value-added taxes (\$m)	18	0	2	0	20
<b>Total value-add (GSP - \$m)</b>	<b>119</b>	<b>60</b>	<b>63</b>	<b>60</b>	<b>301</b>
Employment (FTEs)	2,900	10,200	700	1,100	14,900

Source: Deloitte Access Economics

Note: 'Other Performer' reflects the direct payments to performer live performance overheads identified in Table 2.1 (excluding payments to supporting performers which is kept in the 'performer' total), while 'Other Venue' reflects the direct payments to venue live performance overheads identified in Table 2.1.

The relatively high number of FTEs created by the income to performers, and the relatively low number of FTEs created by the income to performer overheads, is reflective of the implied wages in these sectors. Further, the relatively high value-added by labour, and the relatively low value-added by GOS, is reflective of the labour intensity of the sector, and the low profit margins for venues. The close proximity in size of value-added by taxes to value-added by GOS further reiterates a low margin in the sector after tax, and therefore the importance of the inclusion of these taxes in total value-added estimated here.

### Total contribution

Economic multipliers are applied to direct value-added components to determine the flow-on effect in the Victorian economy – beyond the venue-based live music sector. Adding the flow-on effect to the direct effect gives the total contribution to the state (Table 3.6). After accounting for the flow-on effect of the direct value-added, GSP has increased by **\$501 million** and FTE employment by approximately **17,200 persons**<sup>10</sup>.

**Table 3.6: Total economic contribution 2009/10**

	Venues	Performers	Other - Performer	Other- Venue	Total
Value-added labour (\$m)	161	60	70	59	349
Value-added GOS (\$m)	100	0	44	8	152
<b>Total value-add (GSP - \$m)</b>	<b>261</b>	<b>60</b>	<b>114</b>	<b>67</b>	<b>501</b>
Employment (FTEs)	4,700	10,200	1,100	1,200	17,200

Source: Deloitte Access Economics

Note: 'Value-added taxes' is included in 'value-added GOS'.

<sup>10</sup> This result implies an overall ratio of indirect value-added to direct value-added of 0.67 – for every dollar of direct value-added by live performance in Victorian venues, an additional 67 cents of value-added is created in flow-on.

In summary, in 2009/10:

- it is estimated that venue-based live music performance generated **\$511 million** in **income to Victorian venues and performers**;
- the **direct economic contribution** of this additional income was an increase of **\$301 million** to GSP and an increase in FTE employment of approximately **14,900 persons**; and
- **the total direct and indirect economic contribution** of the venue-based live music industry was estimated to be an increase of **\$501 million** to GSP and an increase in FTE employment of **17,200 persons**.

## 3.4 Sensitivities and limitations

Reflecting possible variations in key assumptions applied here, the following sensitivity analysis is provided. Table 3.7 below presents the outcomes of the indicated high and low variations:

- a 20% decrease and increase in average venue turnover for all venues; and
- a one-third decrease and increase in performer live performance gross income.

It can be seen that a 20% variation in venue turnover is roughly equivalent to a 33% variation in performer turnover, and varies the total economic contribution by only 11-13%.

**Table 3.7: Total economic contribution sensitivities**

Sensitivity	Low (\$m)	High (\$m)	% Difference (Low)	% Difference (High)
Average venue turnover	435	566	-13%	+13%
Performer gross income	456	572	-11%	+11%

Source: Deloitte Access Economics

Note: '% Difference' to estimated \$501 million in total economic contribution.

### Estimate limitations

While the estimated economic contribution of live music in Victorian venues captures the greatest share of all increased economic activity that can reasonably be attributed to the provision of live music in venues, what is not fully captured in this estimate is:

- the total trip expenditure of interstate and international tourists who visit Victoria specifically for live music performances in venues; and
- live performance venue and performer capital expenditures where these are incurred – with the exception of venue capital rental which is included.

Nevertheless, consultations suggest many venue operators do not make a sufficient return to justify substantial capital alterations or improvements, and that in any case most venues are leased. Furthermore, patron survey results suggest only 3% of live music patrons in Victorian venues reside outside Victoria, and the proportion of these patrons whose primary reason for visiting Victoria was in fact to attend a live music in-venue performance is unknown.

## 4 Social and cultural contribution

The current social and cultural contribution of the venue-based live music industry in Victoria is outlined in this section.

Social and cultural contributions are largely additional to economic contributions, though are often intangible and difficult to value in dollar terms. Accordingly, the analysis that follows does not attempt to quantify the social and cultural contributions, but describes them qualitatively. Patron and performer survey data are used as indicative measures, and are considered together with anecdotal evidence from consultations and other literature to form a more complete picture.

Ultimately, in policy formulation and decision making, these social and cultural contributions should be considered alongside the economic contributions, with the weight attached reflecting the identified needs and priorities of the community.

### Analysis framework

The social and cultural contributions of Victoria's venue-based live music industry are set out here according to four main categories.

- **Culture** – private values include career development and incubation, and attendance opportunities; public values include nurturing culture and creativity, cultural vibrancy and cultural diversity.
- **Community** – private values include enhanced social networks and social engagement (including the provision of a welcoming and safe environment); public values include community identity and pride.
- **Quality of the environment** – public values include amenity concerns and adequacy of physical infrastructure.
- **Health and social wellbeing** – private values include increased self-esteem and skills development.

Private values are those experienced by individuals directly involved in the 'live music transaction' – such as performers and patrons – whereas public values are those experienced by the broader community. Public values will in many cases reflect the accumulation of private values – in which case it is difficult to classify these values as purely private or public in nature.

Public values are not restricted to the individuals who attend or are involved in live music performances. This means that individual community members cannot be excluded from the enjoyment of these values (non-excludable) and the feeling of wellbeing generated in one person does not impact the amount of wellbeing felt by another (non-rivalrous). Though this public good nature cannot be effectively captured by markets, it does not diminish the justification these values provide for future support of the live music industry.

A broader set of social and cultural themes than those presented here were in the first instance assessed in terms of their relevance to the study. The analysis below concentrates on those themes that were considered first order in terms of significance and ease of capture.

## 4.1 Culture

Live music makes a significant contribution to the Victorian cultural landscape. In particular, the venue-based live music industry has a number of important public and private benefits:

- nurturing culture and creativity;
- cultural vibrancy;
- career development and incubation (performance opportunities);
- attendance opportunities; and
- youth participation.

### 4.1.1 Nurturing culture and creativity

The live music industry in Victoria fosters culture and creativity, in turn leading to the development of a 'local sound'. The benefits associated with this accrue not only to performers, but also to the wider community. By encouraging creativity and enabling performers to hone their skills through live music performance, higher quality outputs (i.e. music) are produced, improving the perception of the Victorian live music scene.

#### Independent music, originality and creativity

The trademark 'local sound' of Victoria is independent music. In this context, independent music has a broad application and does not refer to a specific music genre. Rather, it refers to individuality and experimentation (as opposed to a 'commercial sound'). As previously noted, Victoria has a rich tradition of small indie record labels, with about 120 independent recording companies in Melbourne.

The strength of the independent scene in Melbourne means that there is healthy encouragement of original music performance. This was confirmed by the venue survey, with 74% of venues regularly featuring original bands and performers.

It was also noted during consultations that venues provide an opportunity for artists to perform their original music, which was seen as important for reasons of personal fulfilment. That is, it offers an avenue for creative expression and allows performers to refine their sound, which is particularly important in the early phase of their music career.

Live music performance further nurtures creativity by providing an opportunity for like-minded people to come together and share ideas on music, leading to possible collaboration and richer levels of artistic expression. The networks that emerge through live performances in venues - encompassing not only performers, but also patrons, technicians, other music industry professionals and venue operators themselves – provide a stimulating environment that can inspire greater creativity in performers.



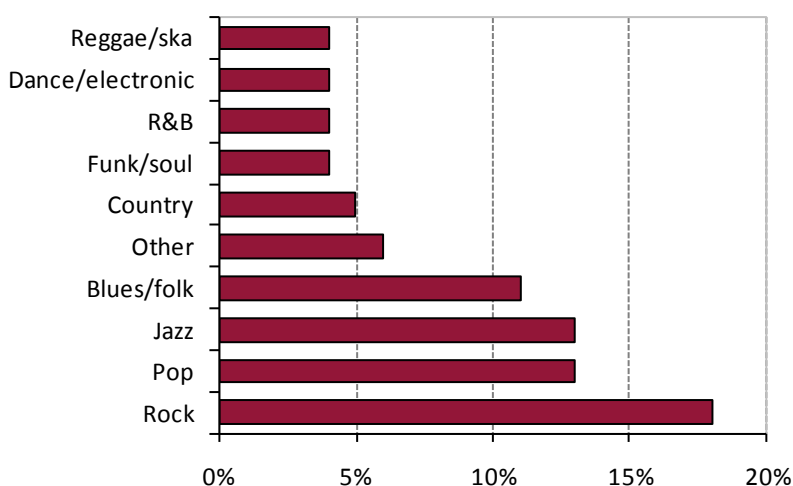
Recognition of the independent scene and creativity in the broader sense is confirmed through the patron survey, with 86% of patrons agreeing with the statement that live music in venues encourages individuality in Victoria.

As stated by Blackman (2010):

*... Melbourne is a wonderful city for people seeking creative inspiration, for those who appreciate a supportive artistic community or who want to think outside the musical square. Amazing music is made here every day...*

The range of music genres provided by venues further demonstrates the creative diversity that exists throughout Victoria, with flow-on benefits to the community. Individuals are provided with substantial choice in terms of music genres that they can hear performed live, and fans of particular music styles are catered for. Chart 4.1 below shows the findings of the venue survey in response to the question 'What genre of music does your venue mostly provide?' Rock is the most popular genre (18% of all venues mostly provide this type of music), followed by pop (13%) and jazz (13%).

**Chart 4.1: Genre of music most often provided (venues)**



Source: Deloitte Access Economics

Note: Chart shows the 10 most popular genres according to venue survey results.

#### 4.1.2 Cultural vibrancy

Live music performances contribute to the cultural vibrancy of Victoria. Evidence suggests that Victorian cultural vibrancy is capable of inducing both visitation and migration, operating as a visitation drawcard and contributing to a 'liveable' environment for performers and non-performers alike.

##### Live music as a visitation drawcard

The perception of Melbourne as the capital of live music in Australia is supported by *Cultural Participation* research conducted by the Open Mind Research Group (2006) for the Department of Premier and Cabinet. In a survey of over 2,200 Victorian residents,

international visitors and travellers from Sydney, Brisbane and Adelaide, 78% of respondents identified Melbourne as the best place for live music. These findings are supported by APRA data, which indicate that Melbourne has a higher number of live music venues than other Australian cities, particularly in hotels, bars, restaurants and nightclubs.

Cultural visitor data provides an indication of Victoria's cultural vibrancy and the number of visitors that are attracted by cultural offerings such as music performances. Cultural visitors are defined as those who participated in a cultural tourism activity while on their trip, such as visiting a museum or art gallery, visiting a history or heritage site, or attending an Aboriginal performance.

While the data does not distinguish between attendance at live music performances in venues, and attendance at other types of performances, it shows that cultural visitors in 2009 were more likely to attend performing arts in Victoria than elsewhere in Australia:

- 30% of international cultural visitors to Victoria attended theatre, concerts or other performing arts, compared to 23% of international cultural visitors across Australia.
- 30% of domestic overnight cultural visitors to Victoria attended theatre, concerts or other performing arts, compared to 23% of domestic overnight cultural visitors across Australia (Tourism Victoria, 2010a).

Tourism Victoria's Brand Health Survey, which measures consumer perceptions of the state's product strengths, affirms that cultural vibrancy plays a role in attracting visitors to Melbourne and Victoria. In the 2010 survey, respondents from across Australia ranked Melbourne as the leading destination for 'interesting cafes, bars and nightlife', 27 percentage points ahead of the second-ranked destination. Live music in venues is likely to be a significant contributor to this attribute (Tourism Victoria, 2010b).

Consequently, Victoria's live music scene is promoted by Tourism Victoria, and information on the scene is included in a range of Tourism Victoria promotional activities and material. For example, the consumer website *visitvictoria* contains a live music section which includes a 'Melbourne Gig Guide' and links to information about band rooms, local music venues and regional music venues (Tourism Victoria, 2010c).

### **Relocation of performers**

The relocation of performers to Victoria from other states and territories provides an additional indication of the vibrancy attributable to Victoria's live music scene.

Consultations indicated that performers continue to relocate to Melbourne – particularly from Adelaide, Perth and Tasmania – possibly due to the perception that Victoria provides greater opportunities to play live music and develop a performance career.

In the performer survey, 83% of respondents believed there are greater opportunities to perform live music in Victoria than elsewhere in Australia.<sup>11</sup>

Relocations might also imply that Victoria's live music scene possesses inherent characteristics that are highly valued by performers and others migrating on this basis. These characteristics may include the strong focus on originality and creative expression, referenced earlier as providing a sense of personal fulfilment in particular cases.

#### 4.1.3 Career development and incubation (performance opportunities)

The role of the venue-based live music industry in developing music careers and incubating talent is particularly significant. Critically, live music performance in venues helps ensure a performer has the fan-base and the talent (including on-stage persona) to carry them through each phase of their career.

Consultations suggested that the typical career path for a successful performer would follow the trajectory outlined in Figure 4.1 below. However, not all performers will experience a completely linear pathway, and only a small percentage of performers will progress to the touring phase, let alone become internationally successful.

**Figure 4.1: Typical performer career path**



Talent is critical to success, in addition to dedication to the craft. Talent may well be the defining factor that separates those performing in small venues on a consistent basis, to those that are receiving high rotation airplay and being invited to play at festivals and on-tour.

<sup>11</sup> 23 respondents answered the question: Do you feel there are greater opportunities to perform live music in Victoria than elsewhere in Australia? 83% of these respondents answered 'yes'; 17% answered 'don't know'.

Three stages of career development – initial discovery, building a profile and developing performance skills, and touring – and their dependency on performing live in venues, is explored in more detail below.

### Initial discovery

Live performances in venues play an important role in the discovery of aspiring artists, in that they provide easy access to both live music fans and the industry (including venues, booking agents, managers and other performers).

Live music performance also operates as a filtering and refinement process. By playing to various crowds with differing musical tastes, performers are able to determine the alignment between what they can supply and what the market demands.

As noted in the consultations, live performance is almost a necessary precondition to establishing a successful career as an artist. In the process of ‘proving’ themselves, performers build a fan base and improve the quality of their music.

Some venues reserve certain nights of the week for young/developing bands. Venues typically provide this opportunity as:

- a commitment to the live music industry and a desire to foster young talent; and
- a way to manage demand e.g. non-established acts may induce patronage on traditionally quiet nights through friend and family attendances.

Young performers also have access to performance opportunities through all-ages events (discussed in Section 4.1.5).

It should be noted that the increasing role of online channels in discovery and distribution means that initial career success does not necessarily depend on live performance. It was stated in consultations that venue owners and booking agents will use the internet to find bands, and Blackman (2010) describes the growing importance of recording and releasing songs online to launch a music career. Nevertheless, this does not detract from the importance of live music performance in overall career development:

*If the songs are there, in this age the live performance can come later, as long as it comes eventually. With CD sales falling more each year, bands make most of their money from touring, so a good live show is eventually going to be crucial (Blackman, 2010).*

A detailed analysis of the emerging and important relationship between new technology, its impact on the distribution of music, live performance, and career development and progression is beyond the scope of this study.

### Building a profile and developing performance skills

Following the initial break through, performers will need to play live in venues in order to build their profile and hone their performance skills (such as stagecraft).

Consultations suggested that performers in the early phase of their career will typically need to be playing live at least once per week in order to build a profile.

Live performance allows performers to interact with the audience, build a fan base and communicate band developments to these fans. The performer's profile can be further built by the audience – who via word of mouth spread reviews and opinions on the quality of the performer – and also by the media who provide performance reviews to the broader music community.

As noted by one performer during consultations:

*... playing a gig every week or two in a small venue has allowed my band to develop our live show in a way that rehearsals never could. It has allowed us to road test songs and see what works and doesn't work, which has in turn informed decisions made during recording. We have learned to adapt to various stage, sound and lighting setups, interact with each other, and most importantly connect with the audience.*

Networking that occurs through live performance in venues can also help to incubate careers, with many of those involved in live music operating in various capacities. A performer may develop contacts with a range of music industry professionals, including:

- venue operators;
- media;
- booking agents;
- festival organisers;
- touring company representatives; and
- other groups and performers.

These contacts can lead to increased career opportunities. For example, more established performers tend to recruit less established performers from live music venues to provide support on tours. The less established performer may then benefit from playing to a new audience, opening up new opportunities and potentially increasing their fan-base<sup>12</sup>.

It should be noted that some performers may be unable to progress their career beyond playing live in venues, simply by virtue of the type of music played. Some artists may be appreciated only when playing live – this is particularly the case for certain genres such as experimental jazz. Therefore, these niche performers will be more heavily reliant on playing in 'grass roots' live music venues in order to sustain a career.

## Touring

Following high rotation airplay on radio, performers are often able to commence touring, generally as a support act (initially as second support, then as main support) – eventually leading to festivals and national headline tours. Playing as support for well-known performers

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<sup>12</sup> On-line promotion can be complementary to live performance in terms of building a profile, though very rarely a substitute (as confirmed in consultations).

and playing at festivals increases a performer's exposure, and can again launch the performer to the next phase of their career, as the following case study illustrates.

At this point it should be noted that touring is an important source of income, though is certainly not an option for all performers. Artists must 'rise through the ranks' by building a profile and honing their live performance skills before they are in a position to tour – reiterating the importance of playing live in venues.

#### **Case study: Jen Cloher, singer-songwriter and touring artist**

Jen Cloher, a Melbourne-based singer-songwriter who was nominated for the Best Female Artist Aria award in 2006, has completed several national tours – both with a band and as a solo artist. Her experiences illustrate some of the challenges faced by touring artists, even those who are established.

Jen describes her 'defining moment' – in terms of breaking through and progressing to the next level of her career – as receiving high rotation airplay on Triple J. By this stage, however, Jen's band had already earned a reputation as a good 'live band' (developed through performance in Melbourne's live music venues in front of crowds of between 50-100 people). This meant that the band was able to capitalise on the opportunity provided by national exposure on Triple J.

Jen's first national headline tour in 2006 was supported by Triple J – this was important not only in terms of assisting with the financial costs of touring, but it also operated as a promotional tool. The additional radio airplay of Jen's music and on-air promotion of the tour helped to encourage people to attend shows.

Most recently, Jen has toured solo but as a double headline with another performer. Even for highly successful performers, it can be difficult to attract sufficient audiences on a national tour to make a profit. By touring as a double headline, patrons are offered an additional drawcard and attendance is likely to increase.

Performers with high profiles, such as Jen, are rarely asked to support other touring artists – up-and-coming bands often present a cheaper support option. This means that the burden of organising a tour falls on the performer themselves (where they are self-managed), and they must take the initiative in approaching touring circuit venues to book in shows and the like. This requires strong business skills, such as negotiation skills, an understanding of the financial side of the music industry, and the ability to coordinate often complicated logistical arrangements.

Funding programs have been extremely beneficial to Jen in enabling her to tour, given the substantial costs involved – at least half of Jen's tours have been funded by the federal or state government (e.g. Victoria Rocks touring grants).

#### **4.1.4 Attendance opportunities**

Patron survey findings indicate current attendance opportunities in Victoria. Most notably, the average patron attends two venue-based live music performances per month.

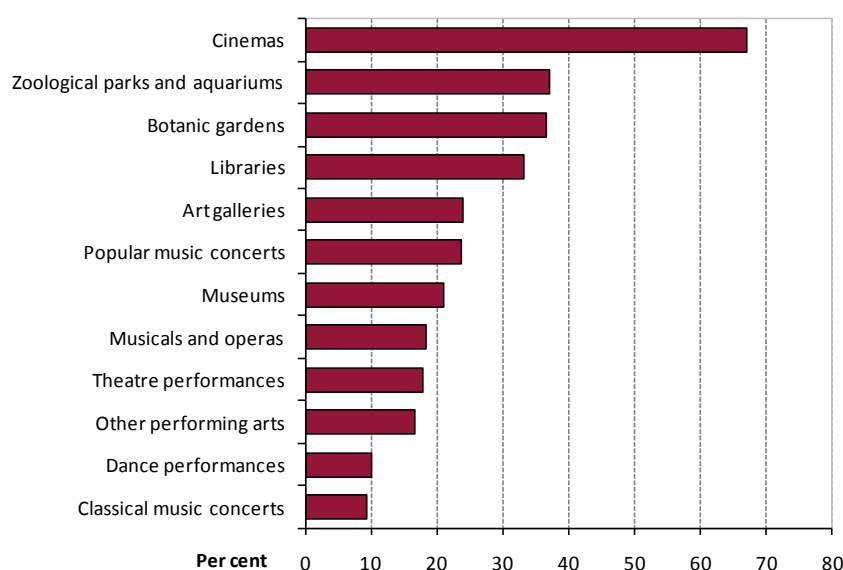
Patron survey results also indicate live music attendees can be categorised into three groups:

- occasional or casual attendees – attend one performance per month (or less), usually to see major acts at large venues, and comprised 41% of those surveyed;
- committed or regular attendees – attend two to three performances per month and tend to frequent well-known mid-sized venues, and comprised 40% of those surveyed; and
- ‘die-hard’ attendees – attend at least four performances per month, and tend to frequent iconic venues that are dedicated to the provision of particular live music genres, and comprised 19% of those surveyed.

These patterns of attendance indicate that a diversity of venues is important to satisfying consumer preferences.

Live music performance attendance opportunities can also be examined in relation to the broader Victorian cultural set (Chart 4.2). In 2005/06, about 85% of Victorians aged 15 years and over attended at least one cultural venue or event (ABS, 2007). Although ‘live music in venues’ is not a separate category, 24% attended popular music concerts<sup>13</sup> (equally ranked with art galleries and more popular than other art-related offerings such as musicals and operas).

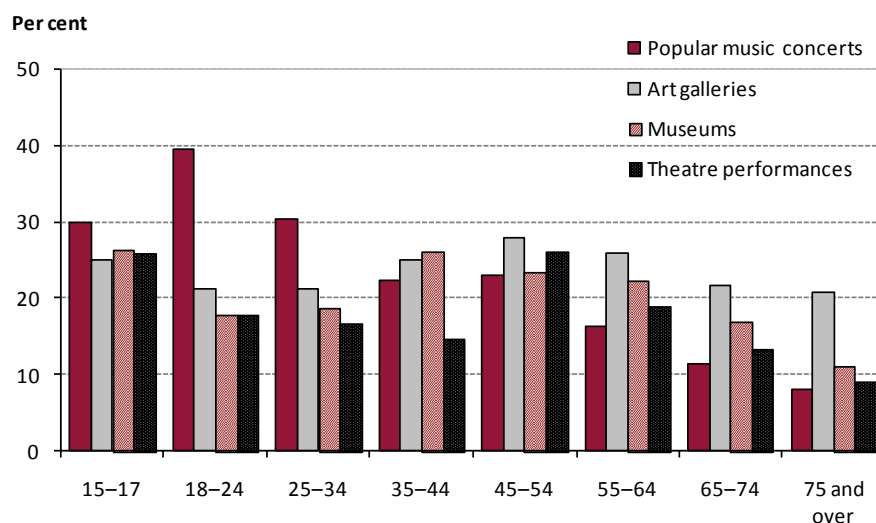
**Chart 4.2: Victorian attendance at selected cultural venues and events, 2005/06**



Source: ABS (2007)

Live music appeals in particular to younger people i.e. aged less than 35 years. Chart 4.3 shows attendance across age groups for four major ‘arts-related’ activities – popular music concerts, art galleries, museums and theatre performances. Of these four categories, popular music concerts had the highest attendance rates for those aged 15-34. Furthermore, 40% of Victorian residents aged 18-24 years attended popular music concerts in 2005/06.

<sup>13</sup> According to the ABS, if the respondent to their survey asked for clarification of the definition of ‘popular music concerts’ they were advised to include country and western concerts, ethnic and multicultural music, pub bands, concerts in the park, performing disc jockeys, and watching the taping of popular music-based television shows.

**Chart 4.3: Victorian attendance at selected cultural venues and events by age group, 2005-06**

Source: ABS (2007)

#### 4.1.5 Youth participation

FReeZA and The Push (through the Office for Youth) play an important role in providing live music attendance and performance opportunities for young people, particularly through all ages events.

FReeZA committees, formed by young people aged between 12 and 25 years, are provided with grants of up to \$38,900 over two years to deliver a minimum of 10 drug, alcohol and smoke-free events for young people in their local community (DPCD, 2009). In 2008/09, it was estimated that FReeZA committees throughout Victoria provided 450 events, with an attendance of approximately 130,000 young people across 110 venues (FReeZA, 2010).

The Push, which receives funding through FReeZA, also organises a number of large-scale live music events for young people. These events – which are drug, alcohol and smoke-free – include:

- FReeZA Push Start Battle of the Bands – a band competition which showcases performers aged between 15 and 21 years. In 2007/08, 303 bands performed to approximately 23,300 audience members (The Push, 2010a).
- Push Over – an annual all ages live music festival. Almost 2,800 people attended the 2010 Push Over festival (The Push, 2010b).
- Push It! – an annual free all ages hip hop event.
- Push Play performance events.

These all ages events provide significant benefits for young people, be they performers, event organisers or audience members. Positive impacts that flow from participation in creative activities include improved self-esteem and personal wellbeing, skill development and enhanced social engagement.

For young audience members, all ages events provide them with the opportunity to hear bands perform live in a safe, regulated environment. The events organised by FReeZA



committees are community-based – this is especially important in regional and rural areas where entertainment options for young people may be limited. Events will often be advertised through local schools, creating a strong sense of community spirit and ‘hype’ amongst the area’s young people.

All ages events often include headline acts with a national profile, enabling young audience members to see these acts perform live at an affordable price. This is particularly the case in regional areas, where high-profile performers are often keen to include a regional FReeZA show in their tour schedule as they are able to attract substantial crowds (sometimes up to 7,000 people).

Beyond just attendance opportunities, FReeZA and The Push help foster the development of young performers through a range of measures. For example, The Push provides advice and support to young performers on all areas of the music industry, including demos and rehearsals, playing live, managers and agents, CD manufacturing and merchandise. Young artists and bands are also able to register as a FReeZA Artist, with the database used as both an online promotional tool and a resource for FReeZA Committees when organising events.

In terms of broader music industry skills, FReeZA provides free annual FReeZA Worker and Committee training days, and The Push offers a range of workshops and training days for young people, on topics such as band bookings, lighting and production, and promotions and publicity.

The performance opportunities provided by FReeZA and The Push are particularly significant in terms of encouraging and nurturing talent. As noted by the 2007 winner of Push Start, a band competition for young performers:

*Winning Push Over 2007 was a huge achievement for us. It gave us a sense of self confidence in our ability as musicians, and has opened up many opportunities in the industry. The competition provided an excellent arena to practise our stagecraft and extend our fan-base (The Push, 2010a).*

Events organised by FReeZA committees often require that the support acts must be local bands (i.e. the performers must either live, work or study in the local area). This provides further opportunities for young musicians, who are able to perform in front of their peers, network with other local performers and develop contacts with established performers (the headline act).

Young people on FReeZA committees also gain substantial benefits through their roles as event organisers – in particular, they are able to develop their knowledge and skills in event management and the music industry more broadly. Being part of a committee also means that these young people have the opportunity to develop team-building skills and other interpersonal skills.

In fact, it was suggested during consultations that some FReeZA committees have built a reputation within the music industry as being highly professional. As a result, some agents directly approach these committees to enquire about performance opportunities for their artists. Anecdotal evidence from consultations also indicates that some young people have been able to build on the knowledge base acquired through their volunteer roles on FReeZA committees and progress to full-time careers in event management or the music industry.

### Case study: Barriers and challenges to increased youth events

Anecdotal evidence from consultations indicates a healthy volume of all ages events are provided in Victoria, especially when compared to other jurisdictions. For example, 'Indent' is a NSW organisation that supports young people to access drug and alcohol-free all ages events and has a similar mandate to FReeZA and The Push. Indent has received core funding from the NSW Ministry of the Arts of \$250,000 per year since 2000 (Indent, 2010). In comparison, FReeZA has received over \$18 million in funding over the past 10 years (DPCD, 2009).

Nevertheless, despite the overall health of the scene, there are some barriers and challenges associated with the provision of all ages events that were identified in consultations:

- a lack of adequate transport in regional and rural areas;
- the alternative entertainment options for young people in metropolitan areas; and
- the general reluctance of licensed venues to host all ages or underage events.

In order to hold an underage event on licensed premises, the licensee must obtain approval from the Director of Liquor Licensing, as required under the *Liquor Control Reform Act 1998*. Generally, approval will be given only where attendance is restricted to those under the age of 18 and requests for approval must be submitted 45 days before the event. Approval will rarely extend beyond 10pm and all applications are referred to the Victoria Police.

Where approval is granted, a series of conditions are attached to the event. These include:

- all alcohol must be securely stored out of sight of patrons;
- there must be two crowd controllers at the entrance plus one crowd controller for every 100 patrons (and at least one-third of the crowd controllers should be female where possible);
- a first aid officer must be in attendance; and
- any event for adults must not commence for one hour after completion of the underage event (DoJ, 2006).

It was indicated during consultations that these conditions, and the compliance costs involved, generally restrict the ability of venue operators to host underage events.

However, the reluctance of licensed venues to host these types of events does not present an impediment to the overall provision of all ages events. Event organisers are able to find alternative venues for all ages events – usually town halls, which may often be provided to the event organisers for free as FReeZA committees are linked to local governments (with the additional benefit that funds that would otherwise be allocated towards venue hire can be directed towards securing a high-profile headline act).

Rather, the small number of all ages events in licensed venues can impact on the social welfare of young people who would prefer to attend these types of events in an 'adult environment' (albeit de-licensed) but are rarely afforded the opportunity to do so.

## 4.2 Community

Victorian venue-based live music provides key community-related benefits in the forms of:

- enhanced social networks and social engagement for performers and patrons, including the provision of a welcoming and safe environment; and
- community identity and pride.

### 4.2.1 Social networks and social engagement

Live music performances provide an opportunity for both performers and patrons to develop their social networks and expand their friendship groups.

These benefits associated with enhanced social networks are privately accrued. However, the sense of belonging that is generated through improved social networks also has a spillover effect to the wider community, as the positive feelings experienced by patrons are likely to influence their interactions with other community members. For example, through their involvement in the live music scene, young people may feel less isolated and may therefore be less likely to engage in antisocial behaviour.

#### Performers

Live music performances allow artists to connect with their peers and develop stronger social networks. The opportunity for collaboration can often result in the formation of new bands, with some performers belonging to several bands at the same time (or perhaps working as a solo artist in addition to being a member of a band). These connections clearly have a positive effect for performers, who derive support and friendship through these networks. As stated by one performer during consultations:

*Playing gigs allows us to showcase our hard work, put on a performance, rise to the challenge of the live environment, receive immediate feedback, and include friends and loved ones in our passion. Not to mention have a great social life!*

In terms of the relationship between performer and patron, venue-based live music performances comprise the “least mediated, ‘immediate’ connection between musician and fan” (Homan, 2010:2). Live music venues provide patrons and performers alike with a sense of intimacy, due to close physical proximity (as compared to festivals or concerts, where the size of the crowd inevitably dulls the ‘personal’ connection between performer and audience member).

During consultations, performers also reiterated that live music performances are important to them in terms of maintaining a connection with their fan-base and facilitating interaction before, during or after the performance.

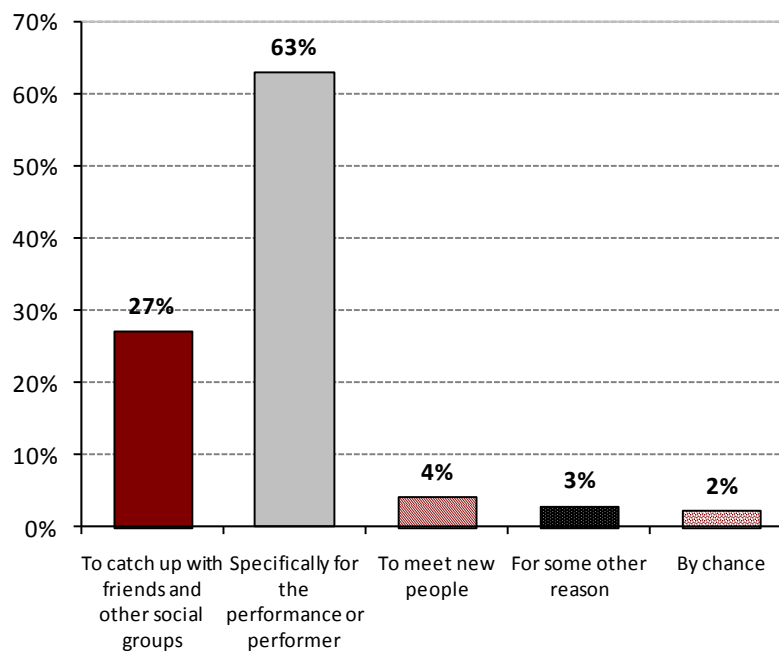
#### Patrons

Importantly, live music can lead to enhanced social networks for patrons. Young people, especially, value the social opportunities that arise through attendance at live music performances. For example, Topsfield and Donovan (2005) interviewed a 17-year-old music fan who stated:

*I've been going to under-age gigs since I was 13 and I've met a lot of friends through it... Music really means something to us – we get excited beforehand, meet our friends and afterwards get some food and talk about who played the best. It's kept me from just hanging around malls or train stations.*

Results from the patron survey provide evidence of the social network aspect of live music performances (a breakdown of patron survey demographics is provided in Table D.1 at Appendix D). Although the majority of patrons attend live music performances 'specifically for the performance or the performer', almost one-third of patrons stated that they attend live music performances to catch up with friends and other social groups (Chart 4.4).

**Chart 4.4: Reason for attending live music performances (patrons)**

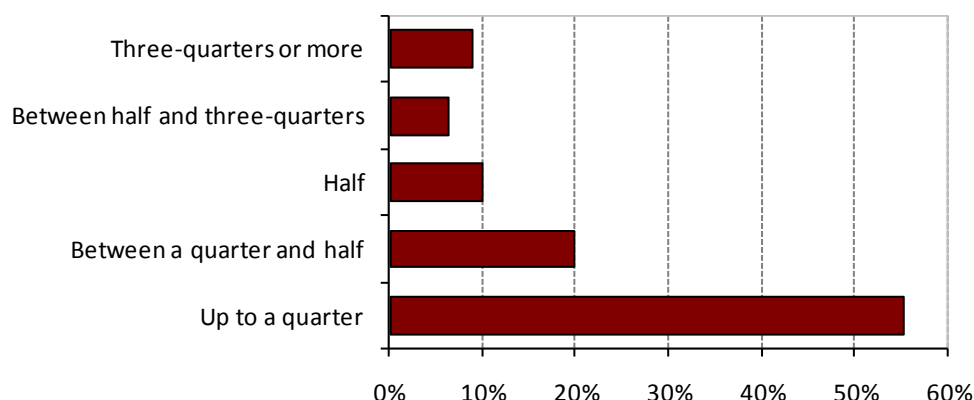


Source: Deloitte Access Economics

Significantly, although only 4% of patrons stated that they went to live music performances to meet new people, 11% of those aged 18 and 19 said they attend to meet new people.

Patrons were asked whether their friendship group or social network had expanded through attendance at live music performances – 70% of patrons agreed with this statement. This was especially true for those aged 18 and 19, with 76% of these patrons agreeing with the statement.

For 25% of patrons, live music performance comprises at least half of all their social outings, as shown in Chart 4.5. Interestingly, those patrons who stated that live music performances make up at least three-quarters of all social outings were more likely to be aged 30 to 49.

**Chart 4.5: Live music performances as a proportion of all social outings (patrons)**

Source: Deloitte Access Economics

Individuals place high value on their attendance at live music performances, with 86% of patrons stating that live music performances are at least as important as other social outings. Given live music performances comprise less than one-quarter of all social outings for 55% of patrons, this implies live music performances are held in special regard when compared to other types of social outings.

Patron expenditure, or 'willingness to spend', provides another measure of the value attributed to live music performances by individuals. The patron survey found that the average spend per attendance was \$95, comprising: an average entry charge of \$35; average food and beverage spend of \$48; and average merchandising spend of \$12. There was considerable variation in patron expenditure between venues, ranging from under \$60 up to \$160, with average entry charges varying from under \$20 to over \$80.

Translated into weekly expenditure, survey results show that, on average, live music patrons spend \$119 per week on all forms of out-of-home recreation and entertainment in Victoria. Notably, 42% of this total amount (i.e. \$50) is spent on attending live music performances in venues. It can be inferred from this high willingness to spend that patrons value the social benefits derived from attending live music performances.

More broadly, in terms of enhanced social engagement, patrons indicated that live music in venues improves quality of life and provides a welcoming and safe environment.

It was overwhelmingly indicated that live music can have positive impacts for the community – 92% of patrons surveyed believe that live music in venues improves quality of life, and 84% believe it provides a welcoming and safe environment.

These findings are supported by evidence obtained through consultations, where it was suggested that live music in venues can be a solution to many actual or potential social issues through the social connections it creates. A number of participants noted that live music often draws the focus of the crowd away from alcohol consumption and towards the music performance – the specific reason for attendance at the venue for 63% of patrons.

As noted by one consultation participant, live music performances draw together a “like-minded tribe of a disparate age” – patrons are music-lovers and this unites them and helps to provide a safe environment with minimal conflict. The social engagement of patrons is also described by Homan (2003b), who notes that audiences often develop ties with particular venues, “where regulars make passionate connections with musicians, music genres, venue owners and a local community” (Homan, 2003b:12). This type of connection clearly manifests in enhanced social engagement.

#### 4.2.2 Community identity and pride

The Victorian live music industry is a source of community identity and pride, with positive legacy effects generated through publicity and exposure of particular venues, artists and/or music forms. Legacy benefits may spike following a specific ‘event’ but are often ongoing, as evidenced by Victoria’s long-standing reputation as a live music hub. Legacy benefits are public benefits, accruing to the broader community rather than individuals.

The role of live music in generating legacy benefits was described by Homan (2003a) in the context of the Australian pub rock scene in the 1970s and 1980s. Live music “served to distinguish local product in a global market” and the “renowned ferocity of bands and ‘punters’ provided a distinctive regional characteristic to a local industry built upon an imported cultural form” (Homan, 2003a:14). In other words, the Australian community derived a sense of identity and pride from the unique product that emerged from the live music scene during this period.

Within the current Victorian context, media coverage provides an indicator of community pride in the live music scene. There is substantial coverage of the live music industry by mainstream print media, street press such as Beat and InPress, music media such as Triple J and Triple R, and online sources such as Mess+Noise (an alternative music community website).

Live music coverage relates not only to artists, gigs or festivals, but also covers the galvanisation of the local community to ‘protect’ the live music industry i.e. the activities of interest groups such as Fair Go 4 Live Music and SLAM.

The formation of interest groups such as SLAM provides further evidence of the value attributed to live music by community members. The interest groups are a manifestation of community pride in the reputation and legacy of the live music industry, which they value as something ‘worthy of protection’.

For example, the SLAM rally held in Melbourne on 23 February 2010 reportedly attracted about 10,000 people, and a subsequent petition requesting the State Government to decouple the link between live music and high-risk liquor licensing conditions had about 22,000 signatories (Donovan, 2010).

Legacy benefits tend to diminish over time unless they are nurtured, which implies that complacency in terms of Victoria’s positive live music reputation could have adverse impacts. A statement made by Melbourne’s Lord Mayor during the recent announcement of the Melbourne Music event indicates an understanding of the need to continually foster a positive environment for live music:

*Music plays a vital role in the city's economic, cultural and social life... Melbourne Music will create a platform for Melbourne's music scene to be celebrated and nurtured for years to come (City of Melbourne, 2010).*

## 4.3 Quality of the environment

Possibly off-setting a proportion of the social benefits described to this point, live music in venues has a number of potential implications for the quality of the living environment – primary among these are amenity concerns for residents who live near live music venues.

### 4.3.1 Amenity

The provision of live music in venues can lead to residential amenity pressures due to noise and vibration from amplified music. The behaviour of patrons can also affect amenity due to possible antisocial behaviour.

#### Noise

Although live music can have a positive impact on the living environment by contributing to cultural vibrancy, it can also be a source of tension where nearby residents are adversely affected by music-related noise.

During consultations, it was indicated that noise complaints from residents continue to be an issue for some venues, with 42% of venues stating that they are currently affected by increased noise restrictions or complaints. Where these venues have already undertaken extensive sound proofing measures, it can be difficult to 'solve' the problem to the satisfaction of both parties.

Noise concerns have increased with the gentrification that has occurred in Melbourne over the past 30 years, particularly since the 1990s. Many live music venues are located in inner city areas that have gradually been transformed. The construction of residential high-rise buildings, warehouse conversions and medium-density in-fill housing has resulted in “poorly insulated dwellings being built right up against music venues” and “factory conversions next to old inner-city pubs where the workers once drank” (Shaw, 2005:152).

The 2003 Live Music Taskforce was specifically established to examine the relationship between live music venues and residential amenity. It found that, although residential amenity should remain at the core of planning and regulatory systems, there should be greater policy recognition of the cultural role of the live music industry and that best practice approaches to live music venue location, design and management should be implemented (Carbines, 2003:4).

Subsequently, the State Planning Policy Framework was amended to include building design and urban design techniques as a measure to respond to adverse amenity effects of noise from development.

The relationship between property rights and amenity, and the implications for the Victorian live music industry, are analysed in further detail in Section 6.3.

## Patron behaviour

Residential amenity can also be affected by the behaviour of patrons. As most live music performances occur within licensed premises, there is potential for the over-consumption of alcohol to lead to problems in and around live music venues.

Having said this, live music performances typically draw together a like-minded crowd who are, above all, attracted to the music performance rather than 'getting drunk'. Findings from the patron survey also show that 84% of patrons believe live music in venues provides a welcoming and safe environment. It was also commonly reported by venues that incidents rarely occur in the band room, and that patrons only spend enough to cover two or three drinks in a night.

This should not detract from the fact that alcohol-related harm is a significant problem for society, as detailed in a number of recent studies including Collins and Lapsley (2008), Allen Consulting Group (2009), National Preventative Health Taskforce (2009) and Laslett et al (2010). These studies show that alcohol-related harm results in substantial financial and social costs for government, industry, individuals and the broader community. These costs include regulatory costs, law enforcement costs, healthcare costs, and loss of wellbeing.

It is acknowledged in these studies that a link exists between late night trading and increased risk of alcohol-related harm – however, there is no publicly available evidence that live music leads to greater risk of alcohol-fuelled violence and anti-social behaviour. Indeed, the Live Music Accord specifically states that the provision of live music (in and of itself) should not automatically lead to a venue being classified as 'high risk'.

Further research is required to determine the extent to which anti-social or violent behaviour occurs in or around Victorian live music venues e.g. does it pertain to certain venues only and what are the indicators of risk? This is considered further in Section 6.3.



## 5 Music festivals

Music festivals form a significant component of Victoria's live music sector, in terms of their value to patrons and performers. They also have economic impacts on local businesses and regional economies, largely through visitor expenditure. Although the economic contribution of music festivals has not been estimated in this study, it is nevertheless important to note the relationship between festivals and the broader live music industry.

Approximately 35 music festivals are held across Victoria every year – about half of these are held in metropolitan Melbourne and the rest are held in regional locations such as Apollo Bay, Mildura and Phillip Island. Music genres range from rock to dance, jazz, folk, and country music. Some of the larger festivals, such as the Big Day Out, include a variety of genres whereas other festivals, such as the Port Fairy Folk Festival and the Mildura Jazz Festival, are based on a specific music genre.

Festival attendance depends on capacity (i.e. location) and the nature of the event (i.e. a one-day versus a multiple-day event). For example, the Good Vibrations Festival (a one-day event held at Flemington Racecourse) has an attendance of 1,300 whereas the Wangaratta Jazz Festival (held in several venues in the town of Wangaratta over multiple days) has an attendance of 30,000.

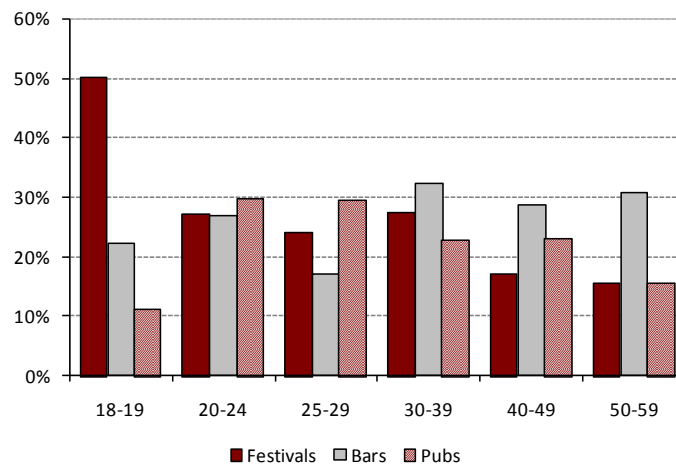
Ticket prices also vary significantly between festivals, as demonstrated by the following sample:

- St Kilda Music Festival – free
- Darebin Music Feast – \$0-\$18
- A Day on the Green – \$90-\$110
- Pyramid Rock Festival – \$270-\$305

### Value of festivals to patrons

The findings of the patron survey reveal the popularity of festivals among live music fans. Respondents to the survey ranked 'festivals and events' as the location where they most prefer to see live music (27.9% of respondents), followed by bars (25.1%) and pubs (25.1%). Festivals are equally popular with males and females, with 27.9% of males and 27.8% of females selecting festivals as their most preferred location to see live music.

Notably, festivals are especially popular with young people, with 50% of respondents aged 18 to 19 years preferring festivals to any other venue (bars were the second most popular choice for this age group, nominated by 22.2% of respondents, followed by nightclubs at 13.0%). Chart 5.1 below shows the popularity of festivals, bars and pubs – in terms of the most preferred location to see live music – across all age groups. Significantly, festivals are the second most popular location for those aged 20 to 39 years.

**Chart 5.1: Live music location preferences (patrons)**

Source: Deloitte Access Economics

Note: Chart shows the percentage of respondents in each age range that selected festivals, bars or pubs as the location where they most prefer to see live music. Other options provided to patrons were nightclubs, cafes/restaurants and none/don't know.

### Value of festivals to performers

Music festivals are particularly important to performers, in terms of exposure and income. During consultations, it was confirmed that being invited to play at a music festival provides artists with an opportunity to perform in front of large crowds and substantially increase their fan-base. Being booked by a major music festival with national reach, such as The Falls Music and Arts Festival, also means that performers can expand their following beyond their home state.

In addition, festivals allow performers to network with each other. This can be especially significant for emerging artists, who may develop contacts with nationally (or internationally) successful performers or bands – this can lead to further career breaks such as the opportunity to provide touring support for these bands.

Regular live music performance in venues such as pubs and bars provides, in effect, a training ground for artists and prepares them for the demands of playing a festival. It also gives performers credibility with festival bookers. As noted by one performer in a consultation, in reference to playing at the St Kilda Music Festival:

*... I feel that our "gig hours" helped reduce nerves and increase our performance skill so we were able to hold our own on a large festival stage alongside very well-known bands ... Having so many shows under our belt has allowed us to be taken seriously by bookers of festivals ... We are seen as a serious, hardworking band that will be able to perform under any circumstances and impress an audience of strangers.*

Finally, festivals typically provide significant guaranteed payments to headline acts. For touring bands this will often represent a significant component of their total live performance income, possibly in the order of 20-30%.

### Case study: The Falls Music and Arts Festival

The Falls Music and Arts Festival provides a compelling snapshot of the economic, social and cultural contribution of Victorian music festivals.<sup>14</sup> Held in Lorne each year from 28 December to 1 January, The Falls Music and Arts Festival is a signature Victorian music festival with an international profile. The reputation of the festival is illustrated by its role in helping to launch the careers of numerous Australian artists. As the festival organisers note:

*Booked as relative unknowns at the time, many Australian greats such as Missy Higgins, The John Butler Trio, Xavier Rudd, Jet, Wolfmother, Silverchair and many others had “big shows” on a Falls Festival stage providing critical momentum early in their careers.*

Founded in 1993, the festival site is located in a natural environment and is fully self-contained. It includes several performance stages, camping areas, infrastructure (including showers and toilets), medical facilities and parking.

The festival has increased in size from approximately 11,000 attendees in 1993 to 16,000 attendees in 2008/09 (with all 16,000 tickets to the 2008/09 event sold on the day of release). The festival’s impact is demonstrated by the high proportion of interstate and international attendees – in 2008/09, 48% of festival tickets were sold to interstate and international visitors.

In 2008/09, there were 72 performances over the two main stages, comprising:

- 23 international performers;
- 19 interstate performers; and
- 30 Victorian performers.

Main stage performers are hand-picked by organisers and are sourced through word-of-mouth, liaising with agents and attending overseas festivals. Festival organisers are committed to providing performers with a ‘launch’ opportunity, so artists are selected based on their ability to capitalise on their festival performance e.g. performers that have recently released an album are ideally placed to use the momentum generated by their festival appearance to generate further album sales and move to the next phase of their career. In order to be selected, artists must also be high quality live performers and the two festival programmers personally see every artist perform live prior to booking them.

The Village, which consists of multiple smaller stages, plays a key role in showcasing emerging Victorian talent. For example, 21 of the 26 performers featured in The Village in 2008/09 were from Victoria. Indeed, the organisers have a specific charter to support and develop Victorian talent by providing Victorian artists with the opportunity to perform in The Village. Up-and-coming local performers are also able to apply in advance to perform on The APRA People’s Stage during the festival.

The festival’s commitment to providing a safe environment has made a positive social contribution to the local community. Prior to the introduction of the festival, Lorne was

<sup>14</sup> Information about The Falls Music and Arts Festival has been provided through consultation with Ashlorien Management Pty Ltd (The Falls Music and Arts Festival operators).

known as a 'trouble spot' due to antisocial behaviour by large crowds that would congregate in the town on New Year's Eve. However, community stakeholders note that the festival has provided young local community members with a safe alternative form of entertainment, leading to a decline in the number of incidents on the Lorne foreshore over the New Year's Eve period.

The festival also contributes one dollar from every ticket sold towards projects in the local community, via The Falls Community Fund, and local community organisations are able to raise funds by providing services at the festival. For example, at the 2008/09 event, the Forrest Football and Netball Club raised over \$20,000 by maintaining amenities blocks.

In addition, the festival's environmental practices have a positive social dimension. The festival has a comprehensive recycling program and environmentally friendly composting toilets that save an estimated 91 kilolitres of fresh drinking water at each event. In recognition of the festival's environment initiatives, it was awarded the international 'A Greener Festival Award' in 2008 alongside other international music festivals.

## Implication

It is clear from the analysis and case study above that music festivals form a significant component of Victoria's live music sector, in terms of their value to patrons and performers.

In light of this, there is a need to consider the full economic and social benefit in a future study of a similar nature and scope to this, to complement the findings here on the venue-based sector, and ensure Victorian arts funding is directed to the source that will provide the greatest return on investment.

That study should once again involve the surveying of patrons, performers and festival organisers, in order to gain sufficient detail of the economic, social and cultural contributions, and to ensure any potential overlap with the values estimated in this study is identified for future reference.

## 6 Challenges and opportunities for Victoria's live music sector

The findings from the contribution analyses are contextualised here in an assessment of the opportunities and threats for the Victorian live music sector.

This assessment focuses on those considerations that have an immediate ability to enhance or detract from the values estimated, including through:

- the broader live music landscape;
- licensing (liquor and gaming); and
- property rights and amenity.

Implications and opportunities for the sector, guidance on the appropriate use of the estimates provided here, and the need for future research in particular areas where uncertainties remain, are outlined for further consideration.

### 6.1 Broader live music landscape

Though the Victorian scene is widely acknowledged as presently in a 'healthy' state, there are both concerns as to the sustainability of this status and acknowledged opportunities for this status to be further enhanced.

Namely these trends and opportunities relate to:

- an underdeveloped regional touring circuit compared to NSW;
- quality of live performers, as a key inhibitor to the increased provision of live music; and
- the demand-supply dilemma for Victorian performers.

Each of these factors is considered here, in terms of what they imply for Victorian live music in venues, and how they might be addressed.

#### Regional touring circuit

In the consultations it was indicated that the Victorian regional touring circuit is not of the same standard as the NSW circuit and therefore may be preventing additional live music touring in regional Victoria. This is not to say that the venues are not appropriate or that performances are not being provided, but rather there are opportunities to further capitalise on this in a structured manner in much the same way as New South Wales has for some time.

This might be addressed through a greater focus on **establishing** a common and successful path for touring bands – coordinated by appropriate operators including booking agents and venues – **and promoting** this circuit to performers and managers accordingly.

The greater encouragement of interstate and international touring bands to Victoria through the incentives to play regionally would also provide valuable spillovers (side shows) for

Melbourne venues. Indeed touring bands are only expected to increase going forward, as the dependence on live performance for income increases, further substantiating the value in establishing a regional circuit.

Furthermore, playing regionally can be financially rewarding for local performers also, and in some cases more so than in metropolitan venues, particularly in towns with a university. Where promoted well, it would not be uncommon for a good performance to generate guarantees or door deals worth \$1,000-\$2,000 per night, in established live music venues.

**In sum, development of an enhanced regional touring circuit should be considered as an element of a strategic plan for the growth of live music in Victoria – with a focus on those regions with a sufficient population base. It should be developed in consultation with the industry to ensure the most appropriate/effective mechanisms to achieve this are engaged, and to ensure a sufficient level of interest exists to make it worthwhile.**

### Quality of live performers

A lack of suitable headline live performers was revealed in the consultations with venues to be a key inhibitor to the increased provision of live music in Victoria. In other words, there is an insufficient supply of performers and/or performances capable of generating a level of demand from patrons that will recover the fixed costs of providing live music in venues, to enable the sector to grow.

Live music acts selected to play in Victoria's key live music venues are chosen strategically based on their ability to induce demand from different patron groups on different nights and at different times of the day/evening.

Where a venue overlooks this or is unable to achieve this, and therefore fails to recover the fixed costs associated with providing live music, the outcomes will not be conducive to a viable financial position.

This situation partly reflects the supply of live music venues in Victoria and partly reflects the supply of suitable live music performers in/to Victoria. In light of this, restricting the supply of venues will not generate additional welfare. However, encouraging an increased supply of suitable performers will generate additional welfare, where these performers are of a standard that the total volume of live music patrons and/or their attendance frequency grows concurrently. In other words, providing the opportunity for independent bands to play live to audiences in licensed venues is only a community service where members from the community attend these performances.

A number of key venues currently providing live music in Melbourne – averaging live music approximately 3-4 times per week – indicated a desire to increase this closer to five nights per week, and indicated this would be achievable with a sufficient supply of performers who can build patron demand. The view expressed by many in the consultations that venue and night of the week are less relevant to the success of live performances in Melbourne than they are in other capital cities, further supports the feasibility of increasing the supply of mid-week live performances.

In response to the demand, the consultations also revealed a number of possible solutions:

- Capitalise on the trend of increased live performance activity in Victorian venues around the time of major music festivals, which has been attributed to the increased supply of headline performers during those periods – and therefore increased mid-week ‘side shows’ – as well as an increased awareness of live music during those periods by patrons (particularly those who cannot attend the festivals).
- As mentioned earlier, Victoria has a significant and growing opportunity to capitalise on interstate and international touring bands by improving the structure of the regional touring circuit – to meet the standard established in NSW – thereby complementing and compounding the success of the metropolitan venues.
- The increased supply of live performances in ‘grass-roots’ venues, in order to develop live performance popularity and/or talent, particularly given that in some cases recent regulatory change has threatened the provision of early/mid-week performances that were typically reserved for younger and less-mainstream acts, and therefore further intensified the difficulties for some performers in accessing venues.
- The increased provision of mentoring and guidance on performance career development, from appropriately experienced and motivated persons or parties, to ensure the timely and strategic development of Victorian live performers.

**In sum, ways to develop and/or attract new talent in/to Victoria should be considered, including through increased performance opportunities for less established performers and new key live music events (in inner-city live music hubs and regional locations) – to ensure growth in the total volume of live music patrons and/or their attendance frequency.**

### **Demand-supply dilemma**

For the majority of Victorian performers, the basic demand-supply dilemma is the greatest barrier to achieving higher earnings through live performance.

In order to increase their income, performers must:

- increase their share of patron expenditure on live performance;
- increase the price of their live performance; and/or
- increase their supply of live performance.

The ability to ensure any or all of these factors is determined by the market mechanism and the forces of demand and supply.

Over time, the supply of the ‘typical’ live performer in or to Victoria has grown to a point of saturation, where the market for live performance in Victoria is for the most part close to perfectly competitive. Now, where the typical performer tries to exercise pricing power, they can be almost immediately substituted with another performer of equal appeal to a live music audience, who will be willing to perform at the market/venue-set price<sup>15</sup>.

In light of this trend, concern was voiced in the consultations that too many performers are working for no return and/or for the prospect of a future career that carries a low likelihood of

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<sup>15</sup> Buyers of the live performance product – venues in the first instance and patrons ultimately – have the greatest market power, and have therefore set the price of live performance at a constant rate over time. A further implication of this is that income from the typical in-venue live performance is declining in real terms and will continue to do so unless some of this pricing power is returned to the performer.

realisation. Also – and potentially a component of this – too many performers are not developing or not developing at a sufficient pace, and therefore not progressing their performance careers.

It is not uncommon for many performers/bands to provide a large number of ‘free’ performances in venues in their early years. Playing for no economic return does not necessarily imply no return at all – with many providing their services for free because they gain some ‘utility’ from performing live that they are in-effect prepared to pay for through volunteering their time and skill. However this phenomenon is problematic where performers are accruing personal debt to fund their performances, in which case the circumstances are unlikely to be economic or social-welfare enhancing.

In response to these conditions, the following responses were suggested:

- An understanding of market forces and pricing power is disseminating among more experienced performers. They are finding ways to restrict the supply of their performance product – ‘underplaying’ – or at least using marketing tactics to have their audience believe the supply is restricted. By restricting supply, these performers are able to exercise a degree of market power. However, this option might only be available to a proportion of all performance artists, who have a sufficient profile to differentiate their product and create the level of anticipation that allows a higher price to be set.
- More strategic marketing of live performance and consideration of ways to reduce live performance overheads – for example through self-management – could contribute to improved net earnings for performers. Given this, there may be a need for increased professional development courses and mentoring from suitable parties, where performers are taught to better manage their own success and improve career trajectory. Further to this point, it should also be acknowledged that performers are in many ways a business, and that any business requires a minimum level of management skill. As record labels continue to demise, the ability to find a path, promote, and finance career development is only further placed upon the performers themselves.
- It was suggested that mandating or recommending a minimum payment to performers – that is, a price floor – could potentially be incorporated in an industry code of practise. However, a price floor is likely to distort market outcomes and run the risk of resulting in a less optimal outcome than the market itself determines. That is, it may be the case that a price floor reduces the total provision of live music, and although maintaining the economic contribution, might reduce the social/cultural contribution in doing so – given the reduced volume/frequency.

**In sum, educating performers on ways to successfully induce demand for live performances and self-manage more broadly – through appropriate career guidance at various stages – should be considered as a means to improve the likelihood of a financial return to a live performance career, and to further support the growth of the sector.**

## 6.2 Licensing (liquor and gaming)

Recent changes to the regulatory landscape were seen to have impacted on the venue-based live music industry in Victoria, although it should be noted that the following analysis of these impacts was undertaken prior to the change of Government in November 2010.



### 6.2.1 Liquor licensing

On 1 January 2010, a new annual risk-based licence renewal fee structure was introduced by Responsible Alcohol Victoria. The motivation behind the risk-based structure was to recover costs associated with regulating the liquor industry, in line with the State Government's objective to impose fees that reflect the relative levels of risk posed by different types of licences (DoJ, 2009). Under this new structure, late operating hours were identified as a factor associated with increased risk of alcohol-related harm. Many live music venues have late night licences and therefore continue to pay higher fees than smaller non-late trading premises.

In addition, some live music venues have been affected by the imposition of crowd controller licence conditions.

Music industry concerns about the impact of these liquor licensing arrangements on smaller venues – which often cater to emerging local musicians, providing them an opportunity to showcase their music – led to the Live Music Accord. Under the terms of the Accord, it was agreed that:

*The automatic coupling of live music and 'high risk' security conditions on liquor licences is not appropriate (State Government, 2010a).*

The Live Music Agreement signed on 6 October 2010 by the then Minister for Gaming and Consumer Affairs, the Director of Liquor Licensing and representatives of the Victorian live music industry, set out new procedures to review existing crowd controller conditions.

In November 2010, a new Liberal Nationals Coalition Government was elected with a commitment to reforming liquor licensing laws and policies to ensure the continuing viability of Victoria's live music industry.

#### Impact on the venue-based live music industry

Findings from the venue survey (which was conducted prior to the Live Music Agreement being signed) confirmed that a substantial number of live music venues were affected by changes in the liquor licensing regulatory environment, with 77% of venues affected by higher annual liquor licence renewal fees, and 55% affected by increased crowd controller licence conditions.

While survey results suggest increased licence fees are affecting more venues than increased crowd controller conditions, it may be the case that the crowd controller conditions pose the greater burden. Amortised over the year, increased licence fees are far less significant than the increased security costs for venues. Also, anecdotal evidence suggests that increased crowd controller conditions are costing the marginal mid-week live performance that would have been breaking-even prior to the imposition, particularly in smaller venues.

Although the grass roots network of small live music venues may not contribute the greatest proportion of the industry's direct economic value, it is more than likely that through the opportunities they provide for performers in their early years, they are encouraging skills development that ultimately generates live performance demand and income. Accordingly, any legislation that in its implementation disproportionately affects the viability of these

venues could result in significant downstream effects in future years, should no substitute opportunity or path be created where this is lost.

Where security costs equate to more than say one-quarter of the total turnover on a live performance night, it is unlikely that the venue can break-even. For example, the Railway Hotel in North Fitzroy and Spleen Bar in the CBD have reduced the provision of live music due to these circumstances. This is further validated by the finding in the venue survey that 21% of venues have reduced the provision of live music, where one of the factors cited by venues in this decision was increased compliance costs related to liquor licence conditions.

Ongoing consultation between the State Government and the live music industry through a Live Music Industry Roundtable as proposed in the Liberal Nationals Coalition election policy will help to address some of these issues.

#### **Costs of ensuring social amenity and safety**

Consideration was given to the appropriateness of off-setting the estimated economic, social and cultural contribution of the venue-based live music industry with any social amenity and safety costs connected to live music venues and alcohol-related harm.

The estimated contribution of the sector is calculated based on the increment that can be solely attributed to the provision of live music – therefore, there must be a direct relationship between social amenity and safety costs and the provision of live music (rather than broader factors such as late night trading or consumption of alcohol by patrons) if the contribution is to be offset. In other words, a ‘but for’ test should be applied – but for live music in these venues, the government would only incur x% of social amenity and safety costs.

Even where a direct link could be made, the private financial costs of ensuring safety in live music venues (i.e. ongoing costs of liquor licences and crowd controllers) are already largely captured in the economic contribution estimate. This means that any offsetting amount should only be applied where public financial costs of ensuring safety exceed these private financial costs. To count the full cost to the private sector and the full cost to the public sector is to double-count the cost in those circumstances where the public cost has been passed on to the private sector (especially as the motivation behind liquor licence fees is to recover costs from industry). If this double-counting occurred, the contribution of the venue-based live music industry would be understated.

### **6.2.2 Gaming**

Victoria currently operates under a duopoly licence system for gaming machines. From 2012, however, Victoria will move to a venue operator model as outlined by the *Gambling Regulation Amendment (Licensing) Act 2009*. Under the new arrangements, approved venues (hotels and clubs) will be able to directly hold 10-year gaming machine entitlements. These entitlements were allocated through a pre-auction club offer and gaming auction held in April and May 2010.

Venue survey results show that only 12% of venues surveyed provide gaming facilities, and 98% indicated the anticipated changes in gaming machine licensing arrangements would not lead to gaming machines in the venue at the cost of live performance space. It therefore appears unlikely that the Victorian live music industry will be significantly impacted by the regulatory changes.

Although surveyed venues do not believe that the new gaming arrangements are likely to have an adverse effect on the provision of live music, there are some measures available to policymakers to help minimise any negative impacts. For example, South Australia has a Live Music Fund which was established in 2002 (through an amendment to the *Gaming Machines Act 1992*). This fund must provide at least \$500,000 per financial year towards programs that will be of benefit to the live music industry (Economic Research Consultants, 2006).

This type of fund accords with a recommendation by the Cultural Ministers Council that “jurisdictions could consider funding mechanisms, including through gambling revenue, to encourage support for the arts, including live music” (CMC, 2010:10).

## 6.3 Property rights and amenity

The issue of the interpretation and/or enforcement of planning legislation is on-going. The Live Music Taskforce (2003) was established to examine the relationship between live music venues and residential amenity. One of its conclusions was that the ‘agent of change’ principle should be incorporated into planning practice note advice. This principle states that the onus of responsibility for the cost of noise management should fall upon the agent of change (though noise should still be contained at the source wherever practicable) – (Carbines, 2003).

The potential for issues around amenity to continue to impact the sector is high given noise complaints are perpetual by nature, and will grow in volume as urban in-fill gains momentum. Prohibitive capital costs such as sound proofing venues – particularly ‘period’ venues – can be the difference in live music being a breaking-even proposition. An added complexity is when the venue itself is rented by the operator and therefore capital alterations are either not permitted or not encouraged. Therefore, where this occurs, the trigger for this capital cost is in effect an inhibitor to the provision of live music, implying a possible lost opportunity to add to the economic and social/cultural contributions estimated in this study.

Furthermore, variance in the legislation and the level of certainty for venues and performers in general – compared to other jurisdictions – could ultimately lead to a redirection of performers, venue capital investments as well as the on-going returns to live music in venues, that otherwise would be accrued in Victoria. In light of these implications, there is a need for further research and/or debate on where property rights should lie. Depending upon the findings, there may also be a need to consider where Victorian urban in-fill is anticipated to cause the most significant issues for the provision of live music in the immediate future.

Under the Live Music Agreement of October 2010, the then State Government and the live music industry agreed to further consultation and discussion regarding the recognition and implementation of the agent of change principle.

## 7 Conclusions

The focus of this study has been the economic, social and cultural contribution of live music in Victorian venues, as well as the challenges and opportunities for the future sustainability and growth of these contributions.

The contribution analysis presented here suggests sizeable economy-wide benefits are derived from the provision of live music in Victorian venues. On top of this, the significant social and cultural impacts the sector provides should be considered, where the weight attached reflects the needs and priorities of the community.

Given the entirely privately provided nature of the sector, these values are largely self sustaining in a free market, and are therefore accrued with minimal government intervention/investment – unlike in many other sectors. Indeed the ‘headline’ figures presented here provide a strong rationale for the continued provision of a measured environment for live music in Victorian venues.

In terms of future research priorities, while the economic and social/cultural contribution findings support a strong evidence-based policy making approach for the sector’s future, they also highlight and compound the need for an equally robust and comprehensive consideration of the critical and related social welfare matters that were beyond the scope of this study – namely the link to/risk of violent and antisocial behaviour.

Furthermore, in relation to music festivals, there is a need to consider the full economic and social benefit in a future study of a similar nature and scope to the present study, to complement the findings here and ensure Victorian arts funding is directed to the source that will provide the greatest return on investment.

A more complete evidence base will enable an accurate determination of the net welfare gain to the state from enabling live music in venues.

In terms of direction for future policy considerations, it can be noted at this point that legislation should be measured and should avoid putting in place unnecessary or non-optimal blanket bans and automatic triggers for regulatory enforcement, where this is to the detriment of the economic and social welfare of the Victorian community.

Based on the values presented here, and the issues that are currently faced, policy makers should consider ways to encourage and plan for these contributions and reduce the impact of any pressures, where it is anticipated the state will benefit in net terms. A conduit between government and industry – i.e. an organisation such as Music Victoria which is able to plan, promote, encourage and support the live music industry – is therefore important in this regard.

Where policy makers intend to provide direct funding to encourage these values, a cost-benefit assessment should be undertaken, and targets and performance metrics set to ensure a payback is being accrued to the state.

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  - Dobe Newton, artist
  - Shane Wickens, artistic director of The Push
  - Naomi and Simon Daly, The Falls Music and Arts Festival

## Appendix B: Key data sources

The key studies and data that were assessed for relevance and value to this study include:

- the work of prominent academics in the field – including Dr Kate Shaw’s work on urban gentrification and planning theory ‘The Melbourne Indie Music Scene and the Inner City Blues’ and ‘The Place of Alternative Culture and the Politics of its Protection in Berlin, Amsterdam and Melbourne’, and Dr Shane Homan’s comprehensive analysis of the live music sector in New South Wales – ‘Vanishing Acts’ – and ‘Governmental as anything: Live music and law and order in Melbourne’;
- Australian Bureau of Statistics (ABS) publications including ‘Clubs, Pubs, Taverns and Bars’ 2004-05, ‘Cafes, Restaurants and Catering Services’ 2006-07, ‘Work in Selected Culture and Leisure Activities’ April 2007, and ‘Attendance at Selected Cultural Venues and Events’ 2005-06;
- Victorian live music industry size and scope studies, including the annual Northern Metropolitan Institute of Tafe ‘State of Play’ study, and ‘The Music Capital: City of Melbourne Music Strategy’;
- national studies with a consideration of the significance of the live music sector, including those produced by the Australia Council for the Arts ‘Do You Really Expect to Get Paid?’ and ‘More Than Bums on Seats’; and
- Australasian Performing Rights Association (APRA) Victorian performer and live music venue registrations and payment/expenditure summary data.

## Appendix C: Survey questions and approach

Developing the surveys was an iterative process – once the basic frame of the surveys were set, they were then tested or piloted according to their audience. Patron surveys were tested for simplicity and timing with the patron survey fielder Newspoll, while venue and performer/manager surveys were piloted with a sample of established performers, managers and venues – testing suitability, relevance and again timing. Surveys were then finalised for implementation according to the agreed survey methods.

### Patron survey

The patron survey was determined to be most effectively conducted via face-to-face interviewing at a sample of prominent Victorian venues, where the patron catchment was broad enough to ensure the greatest degree of Victorian live music demand was captured. A selection of live music venues in Melbourne and regional Victoria were approached – venues which were willing for the surveys to be conducted for a three-hour period on a typical live music night were included (see Appendix A).

Ultimately, the surveying was conducted by Newspoll on 14 occasions between 11 August and 21 August 2010, across 13 different venues – 8 in the CBD, 3 in the inner-suburbs and 2 in regional Victoria – capturing a total of 427 responses. The degree to which the sample is representative of the population of Victorian live music patrons can be inferred both from the demographic spread (Table D.1) as well as a comparison between the response origins (Figure D.1), the location of all APRA registered live music venues (Figure D.2), and where the APRA recorded expenditure on live music accrues (Figure D.3).

These figures demonstrate that the patron spread – although largely concentrated on inner-Melbourne – is reflective of where the majority of venues are located and even more so on where the majority of expenditure is concentrated. This implies that, to the degree this analysis accurately captures the demand in inner-Melbourne, it will accurately capture the greatest share of all demand in the state – provided the APRA data accords with all live music venues and expenditure in the state (see Section 2.1).

The patron survey questions are provided in Table C.1 below.

**Table C.1: Patron survey**

Q1	Before we start I just need to inform you that the information you provide will be used <b>only</b> for research purposes. The survey will only take around four to five minutes depending on your		<u>SR</u>
		TO CATCH UP WITH FRIENDS AND OTHER SOCIAL GROUPS .....	1
		SPECIFICALLY FOR THE PERFORMANCE OR PERFORMER.....	2
		TO MEET NEW PEOPLE .....	3
		BY CHANCE .....	4
		OR, FOR SOME OTHER REASON .....	5
		(SPECIFY) _____	
		DON'T KNOW.....	6

answers.

Which **one** of the following **best** describes the reason why you attend live music performances?

**READ OUT 1-5**

Q2(a) At which **one** of these types of locations do you most prefer to see live music? **READ OUT AND ROTATE 1-5. RECORD BELOW UNDER "FIRST"**

Q2(b) And which would be your second preference? **RECORD BELOW UNDER "SECOND"**

Q2(c) And which would be your third preference? **RECORD BELOW UNDER "THIRD"**

Q2(d) And which would be your fourth preference? **RECORD BELOW UNDER "FOURTH"**

Q2(e) **RECORD FIFTH CHOICE AUTOMATICALLY**

	-Q2(a)- FIRST SR	-Q2(b)- SECOND SR	-Q2(c)- THIRD SR	-Q2(d)- FOURTH SR	-Q2(e)- FIFTH SR
BARS.....	1	1	1	1	1
PUBS.....	2	2	2	2	2
NIGHTCLUBS.....	3	3	3	3	3
FESTIVALS OR EVENTS.....	4	4	4	4	4
CAFES OR RESTAURANTS .....	5	5	5	5	5
NONE / DON'T KNOW.....	6 GO TO Q3	6 GO TO Q3	6 GO TO Q3	6 GO TO Q3	6

Q3 On average, how many live music performances or events, at venues, do you attend each month? EVENTS.....

**RECORD AS A TWO DIGIT NUMBER BESIDE "EVENTS". IF A RANGE GIVEN, EG 3 OR 4, CHECK "IS IT MORE LIKELY TO BE THREE OR FOUR EVENTS?" IF A RANGE STILL GIVEN RECORD LOWER NUMBER**

LESS THAN 1 A MONTH ..... 9;  
DON'T KNOW ..... 9;

Q4 And now a couple of questions about the amount of money you spend on attending live music performances or events, at venues. How much do you typically spend on...? **READ OUT A-C PROBE FOR BEST ESTIMATE TO NEAREST WHOLE \$1. RECORD AS A RIGHT JUSTIFIED FOUR DIGIT NUMBER EG A\$50 AS 0050 FOR EACH ITEM OF EXPENDITURE. IF A RANGE GIVEN CHECK FOR EXACT AMOUNT. IF A RANGE STILL GIVEN RECORD LOWER NUMBER**

A) ENTRY TICKETS ..... \$ \_\_\_\_ , \_\_\_\_ \_\_\_\_  
NONE .....!  
DON'T KNOW .....!

B) FOOD AND BEVERAGES ..... \$ \_\_\_\_ , \_\_\_\_ \_\_\_\_  
NONE .....!  
DON'T KNOW .....!

C) MERCHANDISE..... \$ \_\_\_\_ , \_\_\_\_ \_\_\_\_  
NONE .....!  
DON'T KNOW .....!

Q5 How much do you typically spend per week on **other** forms of out-of-home recreation and entertainment in **Victoria**, such as sporting events, other cultural events and other social gatherings? \$ \_\_\_\_ , \_\_\_\_ \_\_\_\_  
NONE.....

**PROBE FOR BEST ESTIMATE TO NEAREST WHOLE \$1. RECORD AS A RIGHT JUSTIFIED FOUR DIGIT NUMBER EG A\$50 AS 0050. IF A RANGE GIVEN CHECK FOR EXACT AMOUNT. IF A RANGE STILL GIVEN RECORD LOWER NUMBER**

Q6 Would you say that your friendship group or social network has expanded through your attendance at live music performances or not? YES / EXPANDED .....1  
NO / NOT EXPANDED .....2  
DON'T KNOW.....3

Q7 What proportion of **all** your social outings is made up of live music performances? Is it...? **READ OUT 1-5**  
UP TO A QUARTER (0%-25%).....1  
BETWEEN A QUARTER AND HALF (26%-49%).....2  
HALF (50%).....3  
BETWEEN HALF AND THREE QUARTERS (51%-74%) .....4  
THREE QUARTERS OR MORE (75%-100%).....5  
DON'T KNOW .....6

Q8 Is attending live music performances **more** important, **less** important or **equally** as important as attending other social outings? **UNFOLD**  
**IF MORE IMPORTANT** Is that a lot more important or a little more important? LOT MORE .....1  
LITTLE MORE.....2  
LITTLE LESS .....3  
LOT LESS.....4  
EQUALLY.....5  
DON'T KNOW.....6  
**IF LESS IMPORTANT** Is that a lot less important or a little less important?

Q9 Can you tell me whether you **agree** or **disagree** that live music, **in venues**, does each of the following for the State of Victoria? Firstly... **READ OUT A-C**  
IF AGREE Is that strongly agree or somewhat agree?  
IF DISAGREE Is that strongly disagree or somewhat disagree?

	STRONGLY AGREE	SOMEWHAT AGREE	SOMEWHAT DISAGREE	STRONGLY DISAGREE	NEITHER/ DON'T KNOW
A) IMPROVES QUALITY OF LIFE	1	2	3	4	5
B) PROVIDES WELCOMING AND SAFE ENVIRONMENTS	1	2	3	4	5
C) ENCOURAGES INDIVIDUALITY	1	2	3	4	5

Q10 **RECORD SEX** MALE ..... 1  
FEMALE..... 2

Q11 To help us ensure we have a representative sample could you please tell me in which of the following age groups you belong? **READ OUT MOST SUITABLE CODES**  
18-19 ..... 1  
20-24 ..... 2  
25-29 ..... 3  
30-39 ..... 4  
40-49 ..... 5  
50-59 ..... 6  
60+ ..... 7  
REFUSED ..... 8

Q12 May I please have your postcode? \_\_\_\_\_  
**IF DON'T KNOW ASK FOR SUBURB OR NEAREST TOWN**

Q13 Which one of the following describes your current employment status? Are you...? **READ OUT 1-5**  
EMPLOYED FULL-TIME.....1  
EMPLOYED PART-TIME OR CASUALLY .....2  
FULL-TIME STUDENT .....3

PART-TIME STUDENT.....  
 NEITHER EMPLOYED NOR STUDYING .....  
 DON'T KNOW / REFUSED.....

Q14	RECORD DAY OF INTERVIEWING	MONDAY..... 1
		TUESDAY ..... 2
		WEDNESDAY ..... 3
		THURSDAY..... 4
		FRIDAY ..... 5
		SATURDAY..... 6
		SUNDAY ..... 7

### Performer/manager survey

The performer/manager surveys were determined to be most effectively conducted via phone. The survey sample selected by Arts Victoria had experienced varying degrees of success in their performance careers to date, and were identified as being likely to be willingly involved. A total of 71 performers/managers were contacted between 23 August and 3 September 2010, from which 51 responses were generated. The distribution of incomes, genres, management status, employment status and performance types (solo/band), suggests the sample was broadly representative of the population – where the points of reference were the existing ABS and other studies (see Table D.2).

The performer survey questions are provided in Table C.2 below; the manager survey questions are provided in Table C.3 below.

**Table C.2: Performer survey**

No.	Question
1.	How many years have you been performing live music?
2.	– Are you currently? a) a solo performer/artist b) a member of a band c) both a solo performer/artist and a band member d) a member of a number of bands e) a member of a number of bands and a solo performer/artist
2A.	If answered (d) or (e), how many bands are you currently a member of?
3.	– What genre(s) of music do you mostly perform? ( <b>can choose more than one</b> ) <i>Rock, pop, metal, funk/soul, rap/hip hop, reggae/ska, R&amp;B, punk/hardcore, dance/electronic, indie, country, blues/folk, jazz, world, experimental, classical.</i> other (specify) _
4.	Do you mostly perform: a) original music b) covers c) an even mixture of both

No.	Question
5.	Do you have a manager or are you self-managed? —
6.	Do you or your (primary) band have an ABN (Australian Business Number)? <i>Yes/No</i>
7.	What level/type of musical training do you have? a) tertiary qualification b) formally trained c) informally trained d) self taught e) other (specify)
8.	Do you originate from Victoria? <i>Yes/No</i>
8.A	<i>If yes, do you feel there are greater opportunities to perform live music in Victoria than elsewhere in Australia?</i> <i>Yes/No/Don't know</i>
8.B	<i>If no, where do you originate from?</i> — And was the Victorian live music scene a major factor in your decision to relocate to/visit Victoria? <i>Yes/No</i>
9.	Do you consider yourself to be a full-time, part-time or casual musician/performer? —
10.	In the last 12 months, approximately what proportion of your gross/total income (music and non-music) was: a) <i>live performance income</i> : _ % b) <i>merchandise income</i> : _ % c) <i>royalty income</i> : _ % d) <i>other music industry/related income</i> : _ % e) <i>non-music income</i> : _ %
11.	In the last 12 months, approximately how much gross income did you make from live performance? \$_
12.	What proportion of this gross income is from performances in Victorian: a) <i>pubs, clubs, taverns and bars</i> ? _ % b) <i>cafes and restaurants</i> ? _ %
13.	Considering your expenses in support of your live music performances are you? a) <i>making a profit</i> b) <i>breaking even</i> c) <i>accruing debt</i>



No.	Question
14.	Do you agree that live music performance in venues is a critical step to becoming an established artist/band? a) <i>strongly agree</i> b) <i>agree</i> c) <i>partly agree</i> d) <i>do not agree</i>
15	In the last 12 months, approximately how many times have you performed live at: a) <i>Victorian venues:</i> _ b) <i>Victorian music festivals/events:</i> _ c) <i>other Australian venues:</i> _ d) <i>other Australian music festivals/events:</i> _
16.	Compared to two years ago, has your number of live music performances at Victorian venues: a) <i>increased</i> b) <i>decreased</i> c) <i>stayed the same</i>
17.	Why do you think this has occurred? a) <i>level of following/popularity</i> b) <i>interest from Victorian venues in having live performances</i> c) <i>by choice</i> d) <i>don't know</i> e) <i>other (specify)</i>

Table C.3: Manager survey

No.	Question																				
1.	For each performer/band you currently manage, can you indicate how many years they have been performing live music, whether they are solo artists or a band, their genre and how many times they performed live in a Victorian venue in the last 12 months?																				
	<table><tr><th>Years</th><th>Solo/Band</th><th>Genre</th><th>Vic (in-venue) Performances</th></tr><tr><td>Client A:</td><td>—</td><td>—</td><td>—</td></tr><tr><td>Client B:</td><td>—</td><td>—</td><td>—</td></tr><tr><td>Client C:</td><td>—</td><td>—</td><td>—</td></tr><tr><td>Client D:</td><td>—</td><td>—</td><td>—</td></tr></table>	Years	Solo/Band	Genre	Vic (in-venue) Performances	Client A:	—	—	—	Client B:	—	—	—	Client C:	—	—	—	Client D:	—	—	—
Years	Solo/Band	Genre	Vic (in-venue) Performances																		
Client A:	—	—	—																		
Client B:	—	—	—																		
Client C:	—	—	—																		
Client D:	—	—	—																		
2.	Do you feel there are greater opportunities to perform live music <b>in venues</b> in Victoria than elsewhere in Australia? Yes/No																				
3.	Do you think the Victorian live music scene induces many artists/bands to move to Victoria? Yes/No																				
3A.	If 'Yes' to Q3, artists/bands from which states in particular?																				

No.	Question																				
4.	Are the artists you manage full-time, part-time or casual musicians/performers? <i>Client A:</i> ____ <i>Client B:</i> ____ <i>Client C:</i> ____ <i>Client D:</i> ____																				
5.	In the last 12 months, approximately what proportion of their total music income was: <table border="1"> <thead> <tr> <th></th> <th>Live Performance</th> <th>Merchandise</th> <th>Royalties</th> </tr> </thead> <tbody> <tr> <td><i>Client A:</i></td> <td>____%</td> <td>____%</td> <td>____%</td> </tr> <tr> <td><i>Client B:</i></td> <td>____%</td> <td>____%</td> <td>____%</td> </tr> <tr> <td><i>Client C:</i></td> <td>____%</td> <td>____%</td> <td>____%</td> </tr> <tr> <td><i>Client D:</i></td> <td>____%</td> <td>____%</td> <td>____%</td> </tr> </tbody> </table>		Live Performance	Merchandise	Royalties	<i>Client A:</i>	____%	____%	____%	<i>Client B:</i>	____%	____%	____%	<i>Client C:</i>	____%	____%	____%	<i>Client D:</i>	____%	____%	____%
	Live Performance	Merchandise	Royalties																		
<i>Client A:</i>	____%	____%	____%																		
<i>Client B:</i>	____%	____%	____%																		
<i>Client C:</i>	____%	____%	____%																		
<i>Client D:</i>	____%	____%	____%																		
6.	In the last 12 months, approximately how much income did each artist/band you manage make from live performance? <i>Client A:</i> \$____ <i>Client B:</i> \$____ <i>Client C:</i> \$____ <i>Client D:</i> \$____																				
7.	What proportion of this was from performances in Victorian: <table border="1"> <thead> <tr> <th></th> <th>Pubs, taverns, bars</th> <th>Cafes and restaurants</th> </tr> </thead> <tbody> <tr> <td><i>Client A:</i></td> <td>____%</td> <td>____%</td> </tr> <tr> <td><i>Client B:</i></td> <td>____%</td> <td>____%</td> </tr> <tr> <td><i>Client C:</i></td> <td>____%</td> <td>____%</td> </tr> <tr> <td><i>Client D:</i></td> <td>____%</td> <td>____%</td> </tr> </tbody> </table>		Pubs, taverns, bars	Cafes and restaurants	<i>Client A:</i>	____%	____%	<i>Client B:</i>	____%	____%	<i>Client C:</i>	____%	____%	<i>Client D:</i>	____%	____%					
	Pubs, taverns, bars	Cafes and restaurants																			
<i>Client A:</i>	____%	____%																			
<i>Client B:</i>	____%	____%																			
<i>Client C:</i>	____%	____%																			
<i>Client D:</i>	____%	____%																			
8.	Considering the expenses your artists/bands have in support of their live music performances, are they making a profit, breaking even or accruing debt? <i>Client A:</i> ____ <i>Client B:</i> ____ <i>Client C:</i> ____ <i>Client D:</i> ____																				
9.	If an artist was not performing live music in venues, do you believe they could still establish a career as a performance artist? <i>Yes/No</i>																				
10.	Compared to two years ago, have you observed the number of live music performances at Victorian venues to: <i>a) increase</i> <i>b) decrease</i> <i>c) stay the same</i>																				

No.	Question
11.	Why do you think this has occurred? <i>a) demand/popularity of live music</i> <i>b) interest from Victorian venues in having live performances</i> <i>c) don't know</i> <i>d) other (specify)</i>

### Venue survey

The venue surveys were also determined to be most effectively conducted via phone, drawing randomly on the full population of live music hotels, bars, nightclubs and cafes and restaurants registered with APRA. A total of 165 hotels, 92 bars, 98 cafes and restaurants and 33 nightclubs were contacted between 23 August and 3 September 2010, from which 51 hotel, 25 bar, 19 cafe and restaurant and 8 nightclub responses were generated.

The responses generated were in aggregate largely representative of the population of APRA registered live music venues considered for this study – 50% hotels, 24% bars, 18% cafes and restaurants and 8% nightclubs – and of the total APRA population of each venue type represented 14% of hotels, 29% of bars, 16% of cafes and restaurants and 24% of nightclubs.

The venue survey questions are provided in Table C.4 below.

**Table C.4: Venue survey**

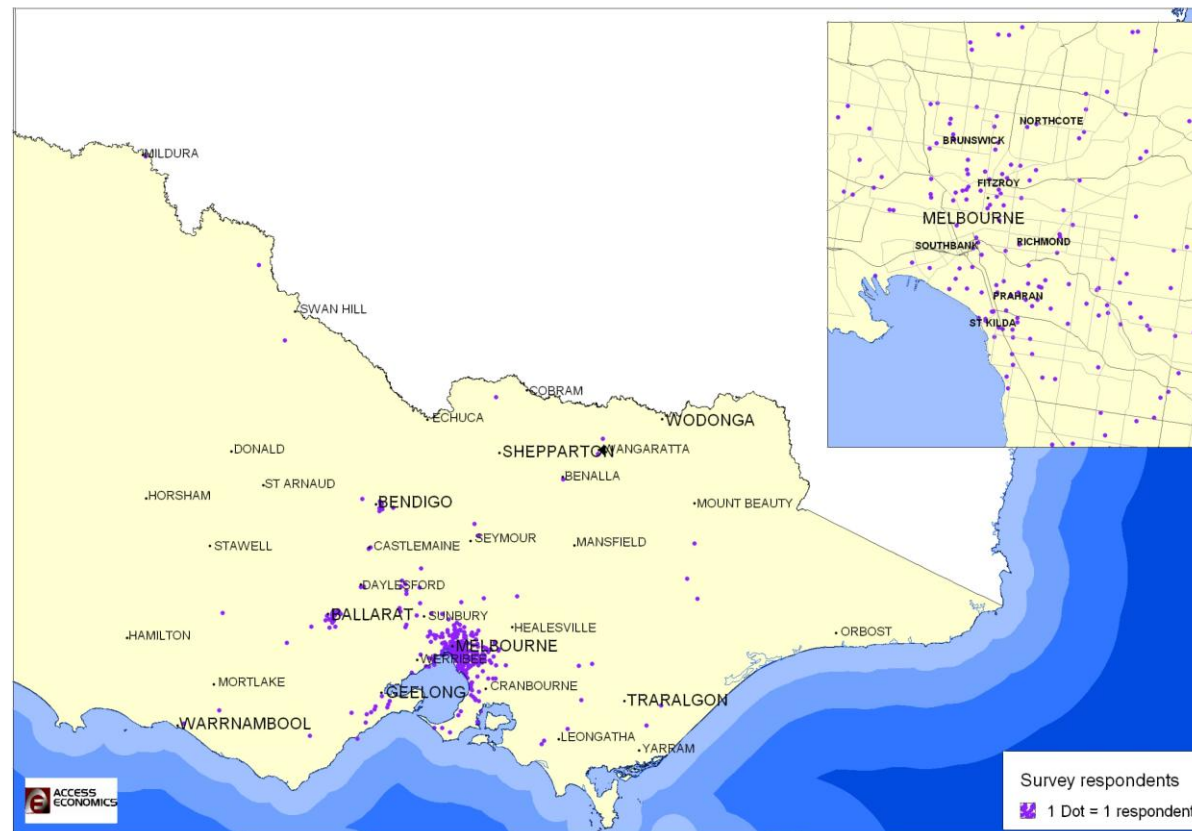
No.	Question
1.	What is the approximate capacity of your: <i>a) venue: _</i> <i>b) live music area/floor space: _</i>
2.	Does your venue regularly feature: <i>a) cover bands/performers: Yes/No</i> <i>b) original bands/performers: Yes/No</i> <i>c) professional DJs: Yes/No</i> <i>d) other forms of amplified or background live music: Yes/No</i>
3.	How many years have you operated as a live music venue? —
4.	For each night of the week, can you indicate if your venue is typically open for business, typically providing live music, and if providing live music by approximately what % turnover increases (ex. ticket sales/door charge – i.e. food and beverage sales only)?

No.	Question																																
	<table border="1"> <thead> <tr> <th>Day/Night</th> <th>Open</th> <th>Live Music</th> <th>Increase in Turnover (%)</th> </tr> </thead> <tbody> <tr> <td>Monday</td> <td>Yes/No</td> <td>Yes/No</td> <td>___%</td> </tr> <tr> <td>Tuesday</td> <td>Yes/No</td> <td>Yes/No</td> <td>___%</td> </tr> <tr> <td>Wednesday</td> <td>Yes/No</td> <td>Yes/No</td> <td>___%</td> </tr> <tr> <td>Thursday</td> <td>Yes/No</td> <td>Yes/No</td> <td>___%</td> </tr> <tr> <td>Friday</td> <td>Yes/No</td> <td>Yes/No</td> <td>___%</td> </tr> <tr> <td>Saturday</td> <td>Yes/No</td> <td>Yes/No</td> <td>___%</td> </tr> <tr> <td>Sunday</td> <td>Yes/No</td> <td>Yes/No</td> <td>___%</td> </tr> </tbody> </table>	Day/Night	Open	Live Music	Increase in Turnover (%)	Monday	Yes/No	Yes/No	___%	Tuesday	Yes/No	Yes/No	___%	Wednesday	Yes/No	Yes/No	___%	Thursday	Yes/No	Yes/No	___%	Friday	Yes/No	Yes/No	___%	Saturday	Yes/No	Yes/No	___%	Sunday	Yes/No	Yes/No	___%
Day/Night	Open	Live Music	Increase in Turnover (%)																														
Monday	Yes/No	Yes/No	___%																														
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Thursday	Yes/No	Yes/No	___%																														
Friday	Yes/No	Yes/No	___%																														
Saturday	Yes/No	Yes/No	___%																														
Sunday	Yes/No	Yes/No	___%																														
5.	How many bands/performances will you have on a typical live performance night?																																
	—																																
6.	Does your venue provide the following facilities: <i>a) meals? Yes/No</i> <i>b) dedicated band room? Yes/No</i> <i>c) gaming facilities? Yes/No</i> <i>d) more than one bar? Yes/No (If Yes, how many ___)</i>																																
7.	What genres of music are played at your venue? <i>Rock, pop, metal, funk/soul, rap/hip hop, reggae/ska, R&amp;B, punk/hardcore, dance/electronic, indie, country, blues/folk, jazz, world, experimental, classical.</i> <i>Other (specify) _</i>																																
8.	What are the main reasons your venue provides live music? <i>a) live performances should be supported</i> <i>b) live music is essential to the operational viability of the venue</i> <i>c) patrons demand live music</i> <i>d) live music improves the profitability of other venue functions</i> <i>e) other (specify)</i>																																
9.	Is the annual turnover of your venue approximately: <i>a) \$0m-\$1m</i> <i>b) \$1m-\$2m</i> <i>c) \$2m-\$3m</i> <i>d) \$3m-\$4m</i> <i>e) \$4m-\$5m</i> <i>f) Greater than \$5m</i>																																
10A.	How many persons are employed by your venue?																																
10B.	How many of these employees are full-time?																																
11.	Approximately how much has your business grown on an average annual basis over the last 5 years (since 2004/05) in terms of: <i>a) employment (FTE) _ % to _ %</i> <i>b) turnover _ % to _ %</i> <i>c) business is less than five years old</i>																																

No.	Question
12.	<p>Is your venue currently affected by any of the following factors and if so how would you rank their impacts on your venue (1-4):</p> <p><i>a) increased noise restrictions/complaints: Yes/No – Rank _</i></p> <p><i>b) increased residential development/pressures: Yes/No – Rank _</i></p> <p><i>c) higher annual licence renewal fees: Yes/No – Rank _</i></p> <p><i>d) increased crowd controller licence conditions: Yes/No – Rank _</i></p>
13.	<p>Do you anticipate that the change to Victorian gaming machine licence arrangements in 2012 (i.e. movement from the current duopoly gaming operator system to a venue operator system) will lead to gaming machines in your venue at the cost of live performance space?</p> <p><i>Yes/No</i></p>
14.	<p>How did your venue respond to the amended legislation on smoking in premises, released in 2007?</p> <p><i>a) smoking now takes place on-street outside the venue</i></p> <p><i>b) smoking now takes place in a non-enclosed area of the venue</i></p> <p><i>c) both</i></p>
14A.	<p>[If answered (b) or (c)] Is smoking on-street leading to (<b>can choose more than one</b>):</p> <p><i>a) complaints from locals</i></p> <p><i>b) confrontations between patrons and passers by</i></p> <p><i>c) footpath congestion</i></p> <p><i>d) other (specify)</i></p>
15.	<p>Over the past year, has the number of live music performances in your venue:</p> <p><i>a) increased</i></p> <p><i>b) decreased</i></p> <p><i>c) stayed the same</i></p>
15A	<p>[If answered (a) or (b) at Q15] By how much has the number of live music performances in your venue increased/decreased:</p> <p><i>a) one day/night per week</i></p> <p><i>b) two days/nights per week</i></p> <p><i>c) three days/nights per week</i></p> <p><i>d) four days/nights per week</i></p> <p><i>e) five days/nights per week</i></p> <p><i>f) six days/nights per week</i></p> <p><i>g) other – ‘x%’ of live performances per week</i></p>
15B	<p>[If answered (b) at Q15] In order of importance (1-6), why does your venue provide less live performances now compared to a year ago?</p> <p><i>a) number of patrons</i></p> <p><i>b) cost of compliance with planning regulations</i></p> <p><i>c) cost of compliance with liquor licensing conditions</i></p> <p><i>d) staff costs</i></p> <p><i>e) noise complaints by local residents</i></p> <p><i>f) other (specify)</i></p>

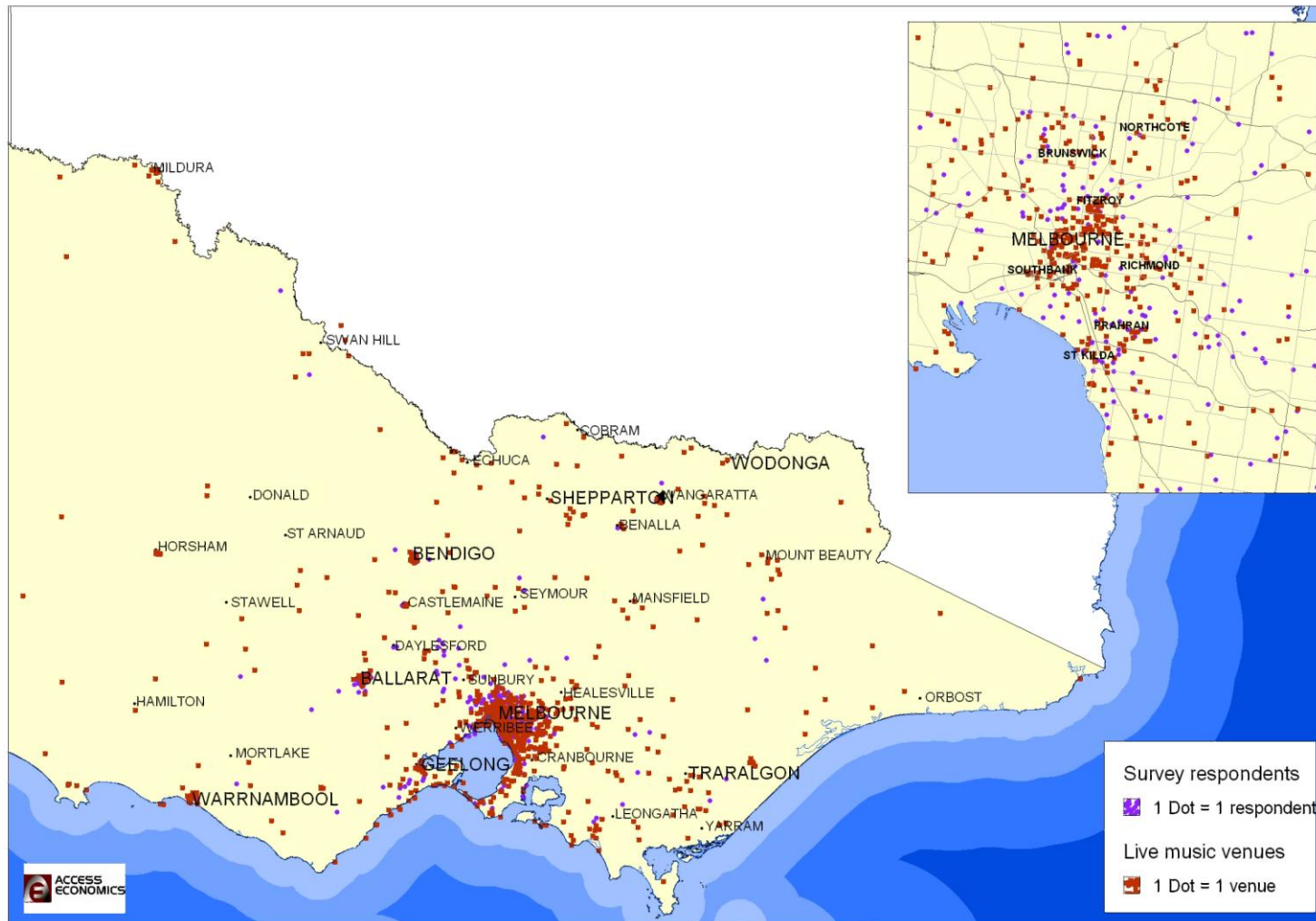
## Appendix D: Survey responses

Figure D.1: Distribution of Victorian patron survey respondents



Note: Respondent postcodes were entered rather than addresses, and are therefore distributed randomly over the postcode.

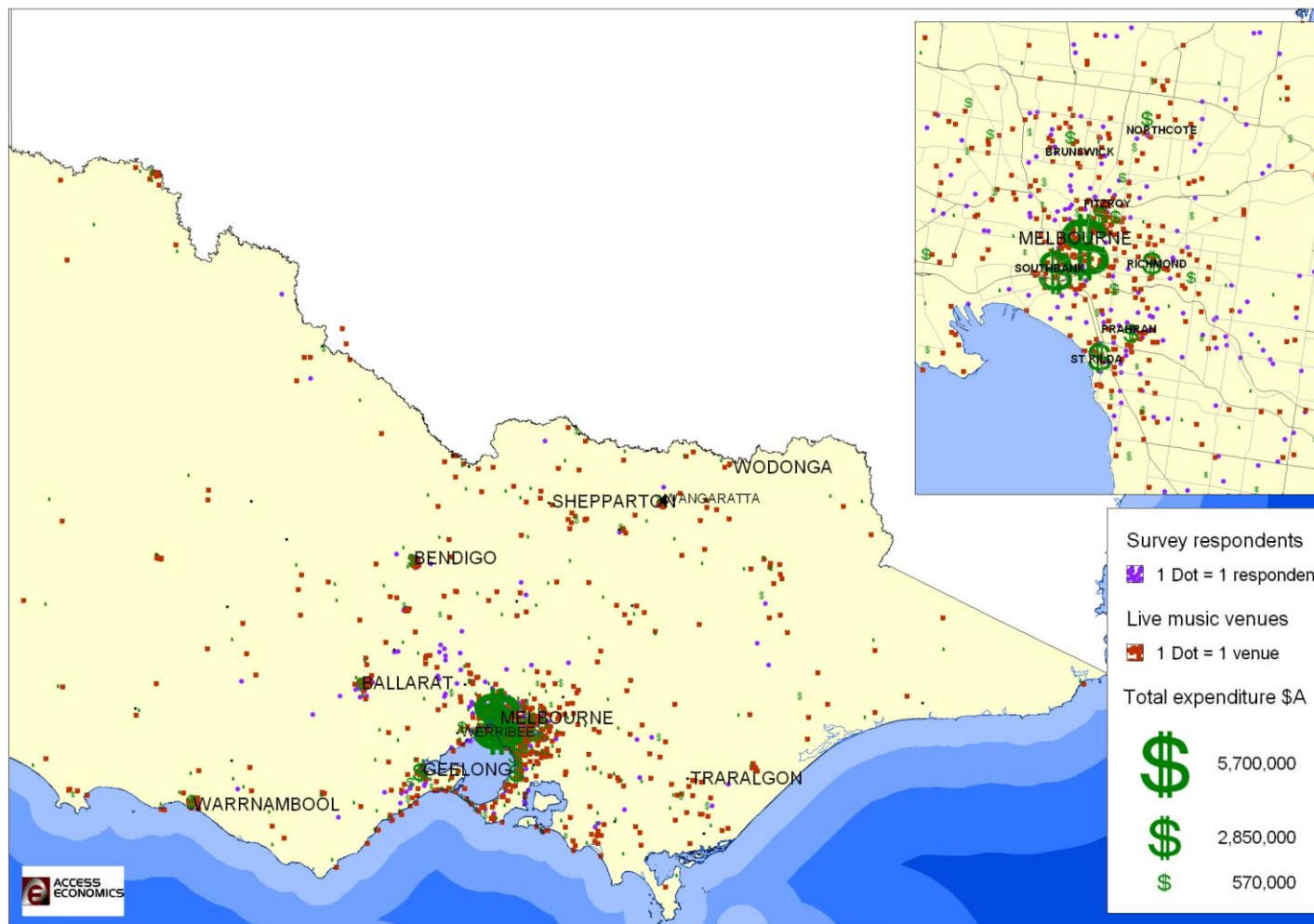
**Figure D.2: Distribution of APRA registered live music venues in Victoria**



Note: Venue postcodes were entered rather than addresses, and are therefore distributed randomly over the postcode.



Figure D.3: Distribution of APRA reported live music expenditure in Victoria



Note: Venue postcodes were entered rather than addresses, and are therefore distributed randomly over the postcode.



**Table D.1: Patron survey demographics**

Attribute		Responses
<b>Total number of responses</b>		<b>427</b>
Sex		Males: 52%
		Females: 48%
Age		18-19: 13%
		20-24: 35%
		25-29: 26%
		30-39: 15%
		40-49: 8%
		50-59: 3%
Employment status		Employed full-time: 53%
		Employed part-time or casual: 21%
		Full-time student: 19%
		Part-time student: 4%
		Neither employed or studying: 3%

**Table D.2: Profile of performer/manager survey responses**

Question	Aggregates	Average/share
<b>How many years have you been performing live music?</b>	679.25 years	13.6 years
<b>Are you currently:</b>		
A solo performer/artist	3	6%
A member of a band	18	35%
Both a solo performer/artist and a member of a band	14	27%
A member of a number of bands	9	18%
A solo performer/artist and a member of a number of bands	7	14%
<b>Genre of music:</b>		
Rock	28	29%
Pop	12	13%
Metal	0	0%
Rap/hip hop	1	1%
Reggae/ska	0	0%
R&B	2	2%
Punk/hardcore	1	1%
Funk/soul	1	1%
Dance/electronic	2	2%
Indie	10	10%
Country	5	5%
Blues/folk	10	10%
Jazz	6	6%
World	3	3%

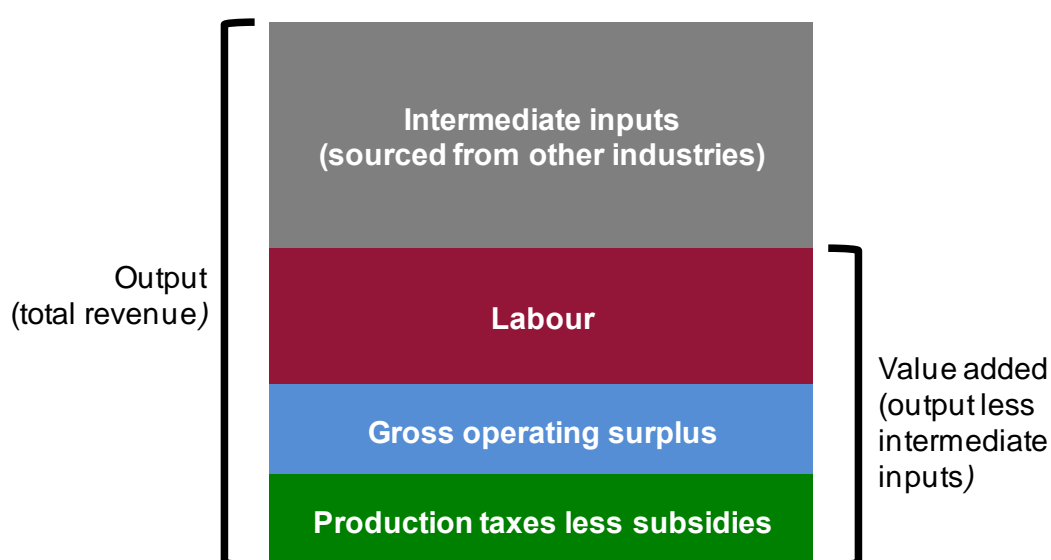
Question	Aggregates	Average/share
Experimental	2	2%
Classical	1	1%
Other....	12	13%
<b>Management status:</b>		
Have a manager	25	48%
Are self managed	27	52%
<b>Employment status as musician/performer:</b>		
Full-time	21	41%
Part-time	19	37%
Casual	11	22%

## Appendix E: Economic contribution

### Input-output economic framework

The 'value-added' share is the value of output (goods and services) generated by the entity's or industry's factors of production (labour and capital), as measured by the income to those factors of production. In other words, value-added is the difference between the value of goods or services sold and the cost of inputs used in their production (Figure E.1).

**Figure E.1: Output compared to value-added<sup>16</sup>**



Source: Deloitte Access Economics

Once the direct value-added and employment contribution is determined, a selection of relevant input-output economic 'multipliers' are applied to determine the indirect value-added and employment creation. The multipliers differ according to the particular industry/sector that the entities receiving the direct income reside in.

### Venue contribution

For those venues 'supported' by live music – the increment was calculated as the sum-product over all days of the week of:

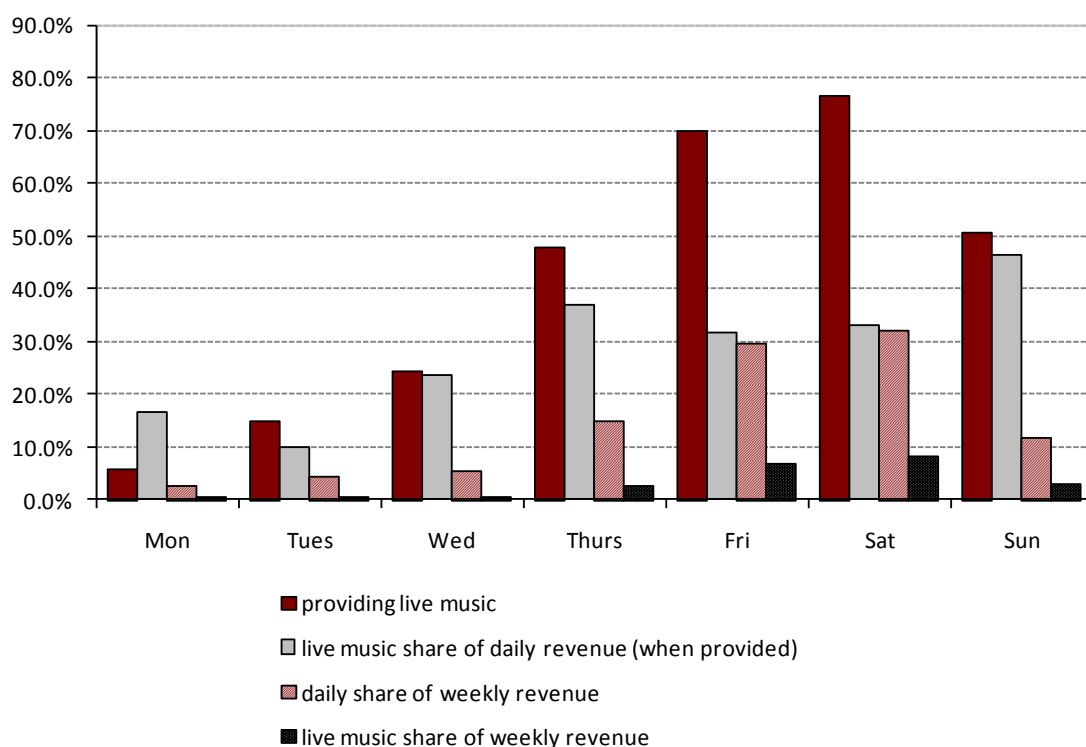
- the proportion of venues providing live music on a single day of a typical week (%);
- the typical live music share of daily revenue on that day (%); and
- the typical daily share of weekly revenue for that day (%).

Figure E.2 presents each of these daily averages (first three columns) and the result of their product for each day (fourth column). Daily live music share of weekly revenue, summed over each day of the week, gives weekly live music share of weekly revenue. This is

<sup>16</sup> The sum of value-added across all entities/industries in the state economy equals Gross State Product. Given the relationship to GSP, value-added can be thought of as the increased contribution to welfare.

equivalent to live music share of annual revenue given the 'typical' week has been modelled, and is calculated to be **20.5%** – the sum of the fourth column for each day of the typical week. The source for each of the proportions used in the calculation was the venue survey and follow-up consultations.

**Figure E.2: Incremental contribution of live music in 'supported' venues**



Source: Deloitte Access Economics

### Performer contribution

It is estimated that there were 15,760 Victorian performers providing paid live performances in licensed venues in 2009/10, based on the following logic:

- drawing on the Victorian involvement rate as a working (paid or unpaid) music live performer of 19.4 per 1,000 persons<sup>17</sup> in April 2007 (ABS, 2007), as well as the Victorian population estimate at June 2009 of 4,437,151<sup>18</sup> (ABS, 2010), the number of 'working' Victorian music live performers for 2009/10 is estimated to be approximately 86,080;
- applying the rate of these performers that typically had 'some paid involvement' – 35.9% nationally ABS (2007) – it is estimated that approximately 30,900 Victorians had some paid involvement in music live performance in 2009/10; and
- applying the proportion of all music live performers who either 'performed in licensed premises only' or 'performed in both licensed premises and unlicensed

<sup>17</sup> Aged 15 years and over

<sup>18</sup> Aged 15 years and over

premises' – 50.1% nationally ABS (2007) – 15,760 Victorians had some paid involvement in music live performances in licensed venues in 2009/10.

Further substantiating this figure, the APRA registry of Victorian performers is currently approximately 15,000 persons. Assuming almost all Victorian performers with some paid involvement in live music performance in licensed venues are APRA members, the estimate presented here is reasonable.

## Limitation of our work

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