



**APRA
AMCOS**

22 June 2020

Committee Secretary
Select Committee on COVID-19
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

SELECT COMMITTEE ON COVID-19

**SUBMISSION:
APRA AMCOS**



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APRA AMCOS – ABOUT

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

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

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

APRA AMCOS has successfully initiated and led industry and government co-investment strategies, developing highly regarded capacity building programs, most notably: the Aboriginal and Torres Strait Islander Music Office, SongMakers, Live Music Office, SongHubs and Sounds Australia.



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SUBMISSION

Australian music is a proud national asset that entertains, comforts, and uplifts our communities. It helps to define who we are as a nation, is a central pillar of our health and well-being and is a key driver of learning in schools. As was seen during the recent bushfires and drought, artists and industry are always there to come to the aid of our nation during a crisis.

The music sector fell off a cliff on 13 March when the Australian Government made the correct and prudent decision to shut the nation down. Without the ability for artists to play and venues to open around the country, the industry lost billions of dollars in revenue. It is estimated the box-office loss in relation to live music alone will be half a billion dollars over six months.

Since then much has been said about the plight of the hundreds of thousands of people who work and pay taxes as musicians, songwriters, screen composers, crews, managers, promoters, production houses, ticketing companies, agents, background music suppliers and those who work in venues and the entire infrastructure needed to publish, record, promote and present Australian music.

From the smallest music venues and festivals in cities, suburbs and towns to major concerts and events, the Australian music industry is an intricate and complex breeding ground for some of the most acclaimed live talent at home and around the world. Our corner of the global music market has produced a generation of industry operators and professionals that are taking Australian music to the world in a way that is both unique and enviable.

While much of the economy starts to re-open, the ongoing restrictions on large gatherings means our industry will continue to be held back from returning to work. Without government intervention, the Australian music sector will be hit twice as hard as the rest of the economy and thousands of jobs will be lost within months. The long-term cost to Treasury, the economy and the damage to our cultural infrastructure will be immense and long-lasting.

We are a highly skilled workforce with thousands of businesses that continuously adapt to technological change. We contribute \$16 billion to the economy and we are an asset that is a lynchpin for the tourism and hospitality sectors and a powerful driver of metropolitan and regional economies and export to the world.

The four thousand plus venues that present live music across Australia are now closed with no certainty as to when a restart is likely or viable. Every \$1 spent on live music circulates \$3 into the broader community. There is no clear plan to ensure our sector's workers are going to be supported through this enforced hibernation.

The Australian music industry is resilient, innovative and creative. It fights to stand on its own two feet and in normal circumstances it is largely self-sufficient. Yet these are not normal times, and it needs the support of the Australian Government to help it get to the other side of the crisis.

The importance of the Australian Government's economy-wide packages JobKeeper and JobSeeker to deal with the crisis as well as the dedicated funding for Support Act, Australia's only charity delivering crisis relief services to artists, crew and music workers has been vital.

With Australia flattening the curve, there is a huge opportunity for the local music sector to be a boon for a recovering economy. There is the golden opportunity for federal, state and territory governments to incentivise



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a greater creation and presentation of music. From songwriting in schools, to rebates on recording local content and tax offsets to present live music, we could also be one of the first global destinations for major touring acts.

In an Open Letter to the Australian Government, with more than 1200 leading music industry artists, workers, venues & businesses, the sector called for support to ensure its survival during the COVID-19 crisis.

This request to government included:

1. Extend JobKeeper for the music and broader entertainment sector beyond September to ensure the skilled workers, businesses and venues remain viable until trade is realistic
2. Expand JobKeeper to those artists and workers in our industry who work gig-to-gig and contract to contract
3. Establish a specific \$40million Australian Music Recovery Fund in partnership with state and territory governments, and as part of a broader \$345m live performance industry recovery package, to catalyse Australian music nationally and ensure the sustainability of music businesses, service providers and venues over the next twelve months
4. Boost Australia Council funding with \$70 million across all artforms to ensure individual artists including musicians and songwriters can access grants as part of the cultural recovery
5. Commit to reducing red-tape and incentivising the sector with a rebatable tax offset for live music to support long term rebuild and sustainability for venues and touring, provide an immediate rebate on existing alcohol excise and wine equalisation tax to support the recovery of venues, and introduce rebates for the recording of Australian music

Key artist signatories to the Open Letter included Jenny Morris, Archie Roach, Tina Arena, Jimmy Barnes, Nick Cave, John Farnham, Guy Sebastian, Peter Garrett, Deborah Conway, Kev Carmody, Marcia Hines, Josh Pyke, Stella Donnelly, Genevieve Lacey, Little River Band, Jessica Mauboy, Lee Kernaghan, Thelma Plum, Regurgitator, Montaigne, Paul Grabowsky, Icehouse, David Hirschfelder, San Cisco, Gotye, The Teskey Brothers, Kate Miller-Heidke, Julia Jacklin, Carl Vine, Alex Lahey, Jack River and Savage Garden.

The Open Letter is attached.

We also refer the committee to the submissions from our colleagues from across the arts, cultural, tourism and hospitality sectors, in particular Live Performance Australia, who have provided key data on live music, concert and venues.



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IMPACT ON ARTISTS

The COVID-19 pandemic is having a staggering impact on artists. Because public gatherings are essential to the live music and performing arts economy, restrictions on public gatherings impacted this sector immediately. Since much of the sector survives on razor-thin profit margins, the pandemic has been devastating.

Many artists have found themselves completely out of work through this time, and with little notice or warning, were unprepared for such a dramatic loss of employment. Musicians who were contractors or casual employees or doing pick up gigs without contracts found themselves with no income overnight.

Our songwriters, composers and publisher members have been hit particularly hard with public performance royalties coming to a halt, not only domestically, but internationally as well. We estimate that since restrictions came into place in early March songwriters, composers and publishers have lost \$10 million per month in royalties.

Our screen composer members have seen a drop off in commissions and work as film production has come to a halt. Artists appearing at venues, festivals, events and throughout the hospitality and tourism sector have also lost their occupation until activities in these parts of the economy resume.

It has been well documented that musicians have taken time since restrictions were introduced to build home recording and production capacity for live streaming performances on social media and video conferencing platforms. Despite the proliferation of this activity, this has been largely non-monetised for artists.

IMPACT ON AUSTRALIAN MUSIC EXPORTS

Australian artists incurred millions of dollars in lost revenue from tours, festival headlines and residencies that all needed to be cancelled. More than ever before musicians, songwriters and artists are earning revenue from overseas performance and we need to think about how we return our artists to that level of international activity and in fact grow it even further once borders open.

Unlike the enviable way in which the Australian Government has handled the pandemic, it is going to be an extremely long time before we see the key music markets across North America, UK and Europe open back up for Australian artists.

Not only does this mean a further inability to earn overseas revenue (not just artists, that's the ecosystem earning: Managers, Labels, Publishers) – when the time does come – and it will - we are going to require financial support to stimulate and bolster the capacity for our artists to take their places back on international stages again.

Artists won't have those reserves any longer, as they are using any savings they had, (that they were investing in their export endeavours), to keep them and their teams afloat during this COVID hibernation.

Although comparatively small, Australia currently enjoys one of the strongest and most sophisticated music industry ecosystems in the world, with multiple initiatives being rolled out in recent years, across State and Federal arts agencies, through dedicated Trade Bodies and Associations and more recently at the hand of commercial corporate and music businesses.



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By default or design, the combination of these programs and opportunities have unified our little corner of the global music market in a unique and enviable way and produced a generation of industry operators and professionals that are taking Australian music to the world however what is vital, if we are to maintain similar and more so increased growth and export successes, is continued support flowing into the sector.

More Australian acts than ever before are being signed to international labels and booked on iconic career-defining festival stages such as Coachella, Bonnaroo, Glastonbury, Lollapalooza and Governors Ball. They are featured in NPR, NME and Hype Machine 'end-of-year', 'best of' and 'ones to watch' lists, making show-stopping appearances on US television shows such as Ellen, Jimmy Fallon, Conan, Jimmy Kimmel and receiving nominations for The Grammys, BRIT Awards and MTV Awards.

The success of Australian songwriters on the global stage continues to grow, with 16,720 APRA AMCOS members earning income from their international activity in 2019, and the Australian Financial Review hailing songwriting as "one of Australia's fastest growing export industries".

Royalties earned from overseas performing rights more than doubled in the past decade with the largest revenue coming from the United States. This period also saw a significant rise in overseas touring activity by Australian artists: since 2012, there has been a 244% increase in the amount of international performances by APRA AMCOS members.

Touring to the US, in particular, has curbed significant opportunities for Australian artists. In the best of times, the processing times and costs associated with Australian performing artists securing visas to the US are already a major hurdle and this already challenging situation was compounded following the March 13, 2020 National Emergency Declaration, when Australian artists scheduled to perform in the US lost at minimum 6 months' work and millions of dollars with the cancellation of months of performing arts and live music programming.

Conservatively, we estimate 150 - 200 Australian groups with valid visas were due to tour the USA between March – August 2020. This is in addition to the 485 APRA writer members currently based and working across the United States, as songwriters, composers, session musicians and performing artists. Collectively they stand to lose \$1.2m on working visas. An Australian Government request for these visas to be extended will be vital so that money doesn't just disappear, and they can confidently re-book shows.

IMPACT ON VENUES

APRA AMCOS licences around 4000 venues across Australia who present live music. Activity in these venues came to abrupt halt in March. The experience of venues through the crisis has been shaped by not only the type of venue they are but also which jurisdiction they are located in.

Primary purpose Live Music venues, in particular, are uniquely shaped by regulation, location, size and artistic direction and can be vastly different to each other in ways that other hospitality businesses might not be. Primary purpose Live Music venues rely heavily on patronage and box office making any activity in these venues, while social distancing measures remain in place, financially unviable.



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As some restrictions are lifted, hospitality industry venues such as pubs, clubs, restaurants and cafes that provide food or gaming are now notionally able to begin presenting live music although on greatly restricted capacity from standard trading. Until social distancing restrictions are lifted entirely, this activity remains minimal.

Some venues have taken to streaming live performances without audiences to keep the music going and remain connected to their communities. They have also introduced home delivery or takeaway food and beverage services. Most venues have stopped all live music and take away sales completely to ensure they can access rent relief. The longer venues aren't operational, the more debt accrues.

IMPACT ON NIGHT-TIME ECONOMIES AND FUTURE CITIES

The long-term impact on cities and towns centres from COVID-19 may place particular pressure on venues that present live music. Any attrition in live music and hospitality industry venues in central business district and town centres would have real and devastating implications for our industry. These venues are the 'university campus' of our sector and fundamental to employment and industry development alongside promoting visitation and diverse and vibrant night-time economies.

Changes to the makeup of central business districts and town centres may be expected as many occupations find they can now work from home. Real Estate data has already identified a higher number of vacant residential properties than usual in these areas since COVID-19 conditions were introduced.

The post-COVID impacts on human behaviours may manifest in ways previously not experienced. These might include a lack of diversity in entertainment depending on future conditions around live music and performance venues, restrictions on international touring, increased unemployment and downward pressure on discretionary funds and risk-averse consumer sentiment.

We refer the Committee to the Audience Outlook Monitor developed by the Australia Council:
<https://www.australiacouncil.gov.au/research/audience-outlook-monitor/>

IMPACT ON REGULATION

State and territory governments have brought in important measures with supportive concessions on licensing fees. This has greatly assisted businesses to navigate the dramatic loss of business under COVID-19 conditions.

Concern remains with a regulatory framework that overlaps in most jurisdictions where liquor licensing and planning approvals duplicate process, and where multiple agencies have jurisdiction over noise complaints. This greatly increases cost and complexity for businesses and venues that stage live music.

The post-COVID opportunity provides us with an opportunity to re-imagine how Australia plans for future cities, cutting red tape for music by calibrating regulation and planning principles.

States and territories including Queensland, Western Australia and the Australian Capital Territory have developed a precinct approach to promote arts, cultural and hospitality industry businesses and to foster safe and vibrant night-time economies. The framework for these precincts set the ground rules for venues and residential development, as well as supporting marketing and public transport for local visitation and domestic and international tourism.



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IMPACT ON MUSIC EDUCATORS

A significant number of artists work as teachers, either privately, in schools and universities. Many of these parts of the economy have had changes to their work practices as well. Like many other occupations, the teaching sector has migrated to online lessons and videoconferencing to ensure compliance with social distancing obligations. For some teaching businesses this has meant closing classrooms and losing students in the transition.

IMPACT ON BUSHFIRE AFFECTED REGIONS

The impact from the recent bushfires across south eastern Australia, South Australia and Queensland has had catastrophic personal and economic consequences for the arts and cultural sector.

The devastating situation has now been made even worse as music and live events have suffered a further and immediate direct negative impact as a result of the Federal and State Government's necessary and important response to the COVID-19 crisis.

Immediate issues experienced by the music and hospitality sector in these regions include widespread loss of artist employment in the peak season, significant loss of business and visitation for venues, cancellation of events and festivals, loss of music industry commissions, loss of venues, property and equipment.

INDUSTRY RESEARCH

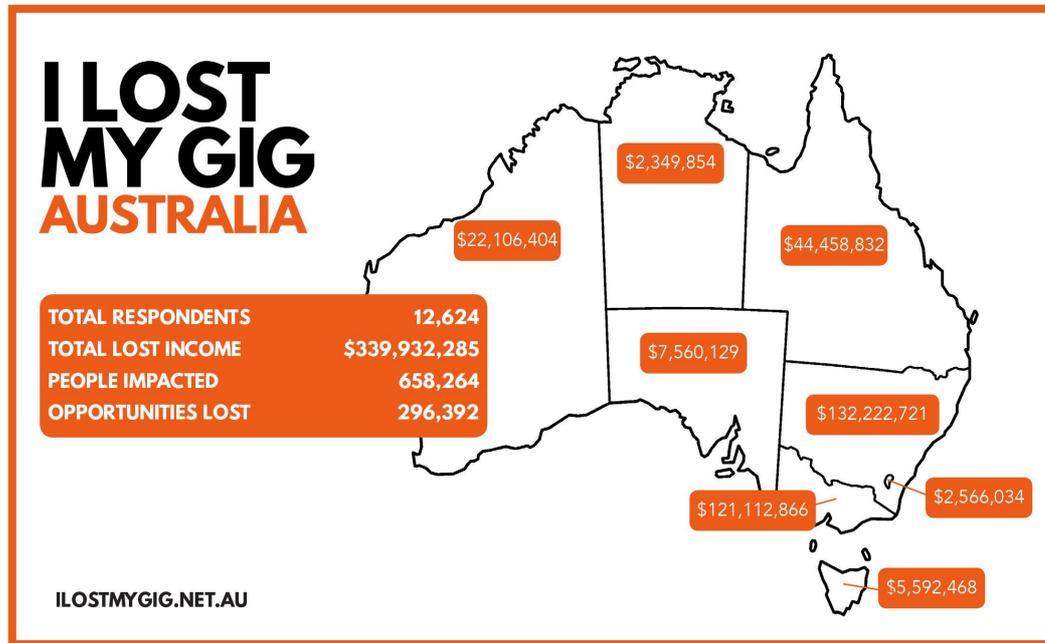
With the announcement of social distancing measures, the Australian Festivals Association (AFA) and the Australian Music Industry Network (AMIN) created a data-capture initiative called I Lost My Gig Australia (ILMG).

The initial survey was released on March 14th to track the impacts of COVID-19 on the music and creative industries. A follow-up survey was released on May 5 to check in on respondents and whether they'd been able to access government financial assistance.

Survey summaries below:



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Over April and May the Live Music Office and the Australian Music Industry Network also undertook a targeted venues survey to map the immediate and direct negative impacts as a result of the COVID-19 crisis.

This survey was to collect non-attributable aggregate data that is now much needed to document the widespread impacts being experienced by venues across Australia, and to also respond to and inform immediate support and future recovery initiative. Many venues are now facing critical circumstances and need urgent assistance to survive the pandemic. To date 122 venues have responded with the corresponding report accompanying this submission.

CLOSING

Thank you for the opportunity for APRA AMCOS to put forward key data and information on the way the Australian music industry has been impacted by the COVID-19 crisis..

Yours Sincerely,

Nicholas Pickard
Executive Director, Public Affairs
APRA AMCOS