



**Environment and Communications References Committee
Inquiry into Australian content on broadcast, radio and
streaming services**

Submission from the South Australian Government
January 2018

The South Australian Government welcomes the opportunity to provide a written submission to the Inquiry into Australian content on broadcast, radio and streaming services.

Developing live music in South Australia continues to be a priority for the State Government as it drives economic activity, vibrancy and tourism and it is for this reason that South Australia has worked hard to simplify regulation that affects the live music industry, and established the country's first Music Development Office within State Government.

South Australia has led the nation in declaring low impact live entertainment to be classified exempt development under planning regulations, making it easier for live music to take place in a wider range of venues, including small bars and unconventional spaces.

Locally, we have seen a 34% increase in the number of venues hosting live music, and a 15% increase in the number of gigs being held over the past two years in the greater Adelaide region. Audiences are key to driving the growth of live music and broadcast of local content on radio, television and streaming services is paramount to audience development.

In 2015, Adelaide was awarded the designation as a UNESCO City of Music and became one of only three Australian cities to hold this prestigious international designation within the UNESCO Creative Cities Network. Sydney holds the UNESCO designation as a City of Film, and Melbourne as a City of Literature.

Preservation and growth of Australia's creative sector is vital as art expresses self, culture, history, tradition and place, and tells our stories to the world, in a way that nothing else can.

The digital age and globalisation has meant there is now more competition for listeners, in Australia and abroad. Local content quotas in broadcast supports growth of audiences for our artists and strengthens our local music industry.

In 2015–16, the South Australian Government participated in national music industry discussions and working groups facilitated by, Music Australia. This work contributed to the preparation of a National Contemporary Music Plan, released by Music Australia in September 2016.

Online knowledge base resource, Music in Australia, explores the Role of Music Quotas in Radio¹ and reports that quotas are a measure consistent with the provisions of the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions² (20 October 2005). The UNESCO 2018 Global Report; *Re|Shaping Cultural Policies; Advancing creativity for development*³ (Attachment 1), notes that creativity and diversity in both the public service and private media are enhanced through quota regulations.

This submission addresses each topic nominated in the Terms of Reference for this Inquiry.

Jay Weatherill
Premier

¹ http://musicinaustralia.org.au/index.php/The_Role_of_Music_Quotas_in_Radio

² http://portal.unesco.org/en/ev.php-URL_ID=31038&URL_DO=DO_TOPIC&URL_SECTION=201.html

³ <http://en.unesco.org/creativity/global-report-2018>

Responses to Terms of Reference

The economic and cultural value of Australian content on broadcast, radio and streaming services, with particular reference to:

- a) the current state and operation of the market for Australian television and music industry, including competition issues relating to the relative market power of producers and broadcasters for traditional, streaming and catch up viewing

Quotas for local content are potentially vital to the health of the Australian music ecosystem and can have positive impacts on artist income streams, and ensure the preservation and celebration of Australian cultural expression.

However, quotas of any level may be ineffective unless they are implemented in a meaningful and strategic manner. Poorly designed, and unregulated content quotas on radio can have a detrimental impact on the Australian music industry. It is critical to have defined quotas implemented to meet specific strategic targets such as;

- peak listening periods
- new original content.

While the current quota of 25% for local content applies to Australian radio, there is often conjecture as to the impact of this given the different ways in which the quota may be met by stations that reportedly commit this requirement to 'graveyard shift' programming, rather than prime time. In addition, many stations, mostly commercial, will play 'golden oldies' in place of new and current music, reportedly to meet listener expectations. While it may be argued that this is preserving Australia's creative cultural history, it is not necessarily building new audiences for our local live music industry.

In the popular contemporary music sector, securing regular airplay on ABC's youth music radio station, Triple J, is widely recognised as a core requirement to developing a (somewhat) sustainable career as a musician in Australia. To this end, in 2014 some artists reportedly accused the station of having such control over the development of Australian music tastes that it determined whether an act was successful, which was leading to a less diverse music scene.

It could be suggested that this comes as a result of there being one station (Triple J), more so than others, meeting local content quotas through a commitment to broadcast of current and new Australian music more so than, for instance, commercial radio stations.

Having a minimal number of nationally broadcast radio stations, which actively work to build audiences for new Australian music through meeting local content quotas, is arguably not adequately supporting Australia's music industry for growth.

In its National Contemporary Music Plan, Music Australia recommends the appointment of an Australian music media advocate.

The Plan states that: *The Australian music media advocate would be a cross-industry plugger (or team), charged with engaging with radio and television decision-makers and programmers to advance Australian content. The advocate would work within and represent the industry generally (across labels, music publishers, genres and regions), educating on trends and opportunities, and proposing suitable content for airplay. The remit would be to work within existing commercial formats to enhance the audience reach of Australian content, particularly during the peak times of 6am to 6pm. It would also provide market based advocacy to advise the music industry on trends and opportunities.*

b) the contribution the Australian television and music industries make to the economy

From research undertaken most recently, we know that South Australia's music scene contributed \$375 million to the economy in 2015–16 and employed more than 6000 people, with the industry thriving under the removal of regulatory red tape and increased State Government support.

The value of live music is intuitively understood by millions of Australians, not only for its direct economic contribution, but for the value that it brings to the economy through the social and cultural benefit.

In 2013–14, a report titled; The Economic & Cultural Value of Live Music in Australia 2014, was commissioned through a partnership between the University of Tasmania, City of Sydney Council, City of Melbourne Council, the Government of South Australia, and led by Australia's Live Music Office.

This report measured not only the economic impact of live music, but it examined the civic and individual benefits also.

Key findings from this report included:

- Live music spending in Australia delivers at least a 3:1 benefit-to-cost ratio. This means that for every dollar spent on live music in Australia, \$3.00 worth of benefits are returned to the wider Australian community. This contribution is conservatively valued at approximately \$15.7 billion for 2014.
- The \$15.7 billion of benefit identified by this research comprises approximately \$2.1 billion of commercial benefits, \$3.2 billion of civic benefits and \$10.4 billion of individual benefits.
- Civic benefits include an estimated 65,000 full and part-time jobs enabled by spending on live music and taxation revenue to all tiers of government.

- Live music is also identified as a source of regional competitive advantage. Approximately half of the survey respondents reported travelling inter and intra-state to attend live music, with one in five travelling overseas.
- Producer accounts of live music spending, such as ticket, food and alcohol sales, were found to represent less than half of actual spending on live music attendance. Consequently, this research provides a more complete picture of the economic inputs and outputs of the live music sector.
- There is clear evidence that cities such as Austin, Manchester and New Orleans, benefit from their reputation for live music through tourism and related flow through to their local economies.
- Among the producers interviewed, vibe was often cited as more important than audience size or profit.

Other commentary from this report includes:

“We asked producers and consumers why they hosted and attended live music, and what impact they believed live music attendance had on the wider community. Both groups attributed improvements to health, wellbeing and social capital, as well as commercial and cultural benefits, to their live music engagement. Unsurprisingly, most consumers also reported enjoyment as an important motivator for attending live performances. Improved social capital was, by a large margin, the most commonly identified impact that live music had on the wider community. Consumers expressed feeling more personally connected, happy and engaged as a result of attending live music, and suggested that live music encouraged and enabled a sense of community.

In addition to improved social capital, consumers also associated improved physical and psychological welfare as a result of experiencing live music, which was also described as a distinct benefit. Respondents reported, for example, that attending live music made them feel healthy; optimistic; inspired and enabled to achieve goals (improved self-efficacy); and helped them manage anxiety and depression.”

c) the value and importance of:

i. local content requirements for television, radio and streaming services in Australia

Broadcast of content, local or otherwise, builds audiences for live music and consumers of recorded music.

This value is recognised globally. The UNESCO 2018 Global Report; *Re/Shaping Cultural Policies; Advancing creativity for development* (Attachment 1) notes in the second chapter that creativity and diversity in both the public service and private media are enhanced through quota regulations.

This UNESCO Report also considers the impact that the technological revolution has had on the governance of media, and all aspects of the cultural value chain. In the third chapter of the Report implications of the rapidly evolving digital environment are explored.

The following points from this UNESCO Report should also be noted;

- Page 12 provides a graphical summary as to how, in the era of media freedom and diversity, policies are required to strengthen domestic production and achieve balance between local content and international content.
- Further to this, Chapter 2, Page 13 considers cultural content and public service media, with key findings that include:
 - Policies to support a diversity of high-quality media content remain highly relevant to the objective of the Convention (UNESCO), as watching television and listening to radio remain central forms of cultural activity for most people around the world.
 - Forward-looking public service media policy models that would serve the needs of all individuals and groups and respond to changes in public thinking, as well as processes of convergence, have yet to be implemented.

It is regularly reported that Australian artists earn less than the national average. The average contemporary musician in Australia earns between \$7000 and \$12,000 per annum, and most musicians work part-time in the industry with the majority of their income earned through other occupations (Music Australia).

While there is an increasing requirement for artists to diversify income streams, at the core of their practice, is the ability to exploit one's work, either through recorded mediums or live performance.

We know that live music drives economic return, not only to the performer and the composer, but also to the ancillary services that underpin the presentation of live performance, most notably, the hospitality sector.

Therefore, building audiences (consumers) for our local artists is not only important for its intrinsic cultural value, but for the impact that it has on our economy.

Management for South Australian artists; Timberwolf, Tkay Maidza and the Germein Sisters have all provided statements as to how broadcast of their music directly impacts their careers and livelihood, both in Australia and abroad.

These statements provide a direct correlation between broadcast (radio) and the development of audiences and consumers, again, reinforcing the value and importance of local content in broadcast mediums.

These statements are as follows:

Dear Sir or Madam,

As Manager of Adelaide musician Chris Panousakis aka. Timberwolf, I am writing this email to signify the importance of the broadcasting of his music on radio, television, and streaming services. Without these various broadcasting methods, it would be unlikely that Timberwolf would have been able to build a following large enough to support his music career so far.

There are very limited ways for independent musicians to reach audiences without spending thousands of dollars, which just isn't there. If it wasn't for the broadcasting of Timberwolf's music, he would not be able to continue making music and performing live shows.

The broadcasting of Timberwolf's music introduces new music fans to him, that would otherwise be very unlikely to discover him. The introduction of such fans has proven to generate an interest and awareness around Timberwolf's live show, which in turn leads to increased ticket sales to his live shows, and increased streaming numbers. This increased interest definitely leads to a better income revenue for Timberwolf. It doesn't set the world on fire, but it does help to support his career in a big way.

We 100% notice a spike in ticket sales, and music streams/downloads that coincides with the timing of his music being supported by various broadcasters.

I strongly believe that without the broadcast of Timberwolf's music, and for that matter all independent musicians, the future would look pretty bleak for these creatives.

Joe Miles

Artist Manager

UNIFIED MUSIC GROUP

W: unifiedmusicgroup.com

There's a few ways we look at radio play helping and affecting sales.

For the artists that we manage, we correlate having a single getting heavy play on the radio with being able to sell tickets to shows. We plan tours around radio play being at its peak during the time we are selling tickets for the shows. If songs do not get radio play it has a direct and negative impact on being able to sell tickets to a tour.

For venues/festivals/events that we are booking in Adelaide we correlate how big an upcoming band's show or ticket selling value could be based on how much radio play they have received in the past as well as their current status at radio. If they have a single getting heavy play we know that historically that is going to lead to more ticket sales for the band.

Across everything we are involved in we know that there is a direct and strong correlation between having radio play and being able to sell tickets to live shows. Live touring income is the largest income stream for artists and without radio play its very difficult to sell tickets and exploit that stream for artists.

Any reduction in radio play for Australia artists will be disastrous to their live careers (their largest income stream) and will therefore also have significant negative impacts on associated industries like hospitality etc.

Regards,



CRAIG LOCK

director

www.fivefourentertainment.net

MGMT: [Tkay Maidza](#) | [Japanese Wallpaper](#) | [LK McKay](#) | [Vincent Sole](#)
VENUES: [HQ](#) | [Fat Controller](#) | [UniBar](#) | [Ed Castle](#) | [Crown & Anchor](#) | [Exeter](#)
EVENTS: [Laneway Festival \(Adelaide\)](#) | [OH YES](#) | [O'Fiesta](#) | [Stonecutters](#)

"My name is Georgia Germein, and I am a professional touring musician who has been traveling the world with my band, Germein Sisters, for the past 6 years.

Performance highlights include playing at the Isle of Wight Festival UK for 3 consecutive years, sold out Radio Concerts on Mallorca Island in Spain, representing Australia at the Hue Festival in Vietnam, and in Germany at the Women of the World Festival; performing extensively across Switzerland, China, New Zealand, and touring as the support act for International Artists including Little Mix, Ronan Keating and Naturally 7.

I have noticed how significant radio play has contributed to the number of ticket sales at our shows. Just one example was my bands single "Da Da Doo" which entered the Top 100 Mainstream Radio Charts in Germany in 2014. While this song was receiving high rotation radio play across commercial stations in Germany, the number of audience members who bought tickets to attend our shows skyrocketed. Ticket sales are absolutely vital for the sustainability of our band, with performance income being our main source of income. Therefore I am convinced that Radio Play - plays such an important role in contributing to the long term success of our band."

Georgia Germein