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The Parliament of the Commonwealth of Australia

# Report on the inquiry into the Australian music industry

House of Representatives  
Standing Committee on Communications and the Arts

March 2019  
Canberra

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## Foreword

The Australian music industry is a challenging and highly-competitive industry in which to pursue a career. Many Australians dream of a career in the music industry and being able to make a living out of their passion and talent for music. Australians pursuing a career in the music industry invest significant time, money, and effort – often with little return.

It is vital that the Australian music industry works to ensure that artists and other industry careers are supported and sustainable, and that a diverse range of Australian artists are able to thrive. Investment in the support and promotion of Australian artists is essential to the retention of talent and, ultimately, the sustainability and growth of the Australian music industry.

### Recorded music

The Australian recorded music industry has experienced significant disruption as a result of technological advances and the rapid digitisation of the distribution of music, forcing the industry to adapt and evolve. It is no small challenge to successfully provide a competitive and attractive alternative to ‘free’ music. The recorded music industry’s recent return to growth and decrease in the number of consumers downloading music illegally is evidence of the industry’s successful adaptation to the digital disruption.

The committee encourages streaming services to publish clear, consistent, and transparent information regarding how payments for artists are calculated. The committee found that the pricing cap on license fees for the radio broadcast of sound recordings distorts the market in a way that disadvantages Australian artists and recommends that the cap be removed. The committee also recommends that the ACCC assess the new public performance licensing initiative, OneMusic Australia, when considering the re-authorisation of the Australian Performing Rights Association.

## Live music

A thriving live music scene is essential to the development of Australian artists. Live music provides an opportunity for artists to reach audiences and grow as performers as well as being a key income stream. A wide range of accessible and affordable spaces for the performance and rehearsal of all styles and genres of music, from small intimate spaces to massive stadiums, is necessary to foster and grow a city's music scene.

It is clear that the regulatory environment at the state/territory and local levels is a significant factor in the success of a city's live music venues and its music scene more broadly. The stark contrast between the thriving music scene in Melbourne and the declining music scene in other cities demonstrates the importance of getting the regulatory and policy settings right at the state and local level.

The committee recommends that the Australian Government invest in the Live Music Office, to continue its work developing and advising on regulatory best practice to support state and local governments to develop regulation that encourages and celebrates live music rather than hindering it. It also recommends that the Australian Government invest in supporting Australian artists to tour in Australia, both in major cities and in regional areas.

## Incentives to use Australian music

For Australian music to flourish it must be heard at home and around the world. It is essential that Australians can easily access and encounter Australian music – hear it on the radio, find it on streaming playlists, and hear it in our favourite television programs and in the films we see.

The committee encourages music streaming services to work with the Australian music industry to establish benchmarks for Australian content on locally curated playlists and makes recommendations regarding the application and monitoring of Australian music content quotas for commercial radio.

The digitisation of the distribution of music has provided unprecedented opportunity for Australian music to reach a global audience. The scale of Australian music exports is rapidly increasing and the committee supports the Australian music industry's ambitious goal of Australian music gaining a five per cent market share of the global music market by 2030.

The committee recommends that the Australian Government invest in Sounds Australia's music exports program and that it prioritise and support Australian music at government activities and events. It also recommends that the Australian Government work to develop mutually beneficial visa arrangements with the United States of America to allow artists from both countries to more easily showcase and tour.

## Talent pipeline

Australian artists and the music they create is the product that every other part of the music industry exists to promote, sell, or develop. Making music takes a significant investment from artists – not only the cost of recording or staging music, but also the time involved in learning their craft and applying their knowledge and skills to create great music. It is essential that Australia supports and safeguards its ‘talent pipeline’, ensuring that Australian artists are able to create great music now and into the future.

The committee recommends that the Australian Government invest in initiatives aimed at training and supporting Australian artists and industry professionals to grow and develop their businesses as well as industry partnerships that support artists in the creation of new recordings.

Demanding work schedules, long periods of travel, uncertainty, precarious finances, and long-term career instability are challenges that have always characterised the music industry. However, the digital disruption and its impact on the recorded music industry has made already challenging careers even more difficult; challenges which are further compounded for female, non-binary and First Nations artists.

Supporting Australian artists that are experiencing financial hardship, ill-health, injury, or mental health issues is a vital part of preserving Australian talent and ensuring that artists are able to thrive, during the good times and the bad. The committee recommends that the Australian Government invest in Support Act to enable it to expand its services and deliver crisis support for artists and others working in the Australian music industry.

Luke Howarth MP  
Chair





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## Membership of the Committee

Chair            Mr Luke Howarth MP

Deputy Chair   Mr Tim Watts MP

Members        Ms Susan Templeman MP  
                    Mr John Alexander OAM, MP  
                    (from 10/9/2018)  
                    Ms Nicolle Flint MP  
                    Mr Rick Wilson MP  
                    Ms Emma McBride MP

## Committee Secretariat

Secretary            Stephen Boyd

Inquiry Secretary   Casey Mazzarella

Office Manager      Jazmine Rakic





## Terms of reference

On 15 August 2018, the Minister for Communications and the Arts, Senator the Hon Mitch Fifield, referred an inquiry into the Australian music industry to the House of Representatives Standing Committee on Communications and the Arts. The terms of reference asked the committee to inquire into and report on 'factors contributing to the growth and sustainability of the Australian music industry'.





## List of abbreviations

AAM	Association of Artist Managers
AAM	Association of Australian Musicians
ABC	Australian Broadcasting Corporation
ACC	Australian Copyright Council
ACMA	Australian Communication and Media Authority
AHA	Australian Hotels Association
AIR	Australian Independent Record Labels Association
ALRC	Australian Law Reform Commission
AMA	Australian Music Association
AMCOS	Australasian Mechanical Copyright Owners Society
AMCOS	Australasian Mechanical Copyright Owners Society Limited
AMIN	Australian Music Industry Network
AMPAG	Australian Major Performing Arts Group
AMPAL	Australasian Music Publishers Association
AMPCOM	Australian Music Performance Committee
APRA	Australasian Performing Right Association

APRA AMCOS	An alliance of the Australasian Performing Right Association Limited (APRA) and Australasian Mechanical Copyright Owners Society Limited (AMCOS) following an agreement in 1997
ARIA	Australian Recording Industry Association
Australia Council	Australia Council for the Arts
AYO	Australian Youth Orchestra
CAAMA	Central Australian Aboriginal Media Association
CBAA	Community Broadcasting Association of Australia
CCLI	Christian Copyright Licensing International
CD	Compact Disc
Copyright Act	<i>Copyright Act 1968</i> (Cth)
CRA	Commercial Radio Australia
DVD	Digital Video Disk
IFPI	International Federation of the Phonographic Industry
LMO	Live Music Office
LPA	Live Performance Australia
MEAA	Media Entertainment and the Arts Alliance
PPCA	Phonographic Performance Company of Australia
QAPE	Qualifying Australian Production Expenditure
SAC	Significant Australian Content
VET	Vocational education and training
WAM	West Australian Music



# List of recommendations

## 2 Recorded music

### Recommendation 1

The committee recommends that the Australian Government amend s. 152(8) of the *Copyright Act 1968* to remove the one per cent cap on license fees for sound recordings.

### Recommendation 2

The committee recommends that the Australian Competition and Consumer Commission incorporate an assessment of the finalised OneMusic Australia licensing scheme when considering the re-authorisation of the Australian Performing Rights Association.

## 3 Live music

### Recommendation 3

The committee recommends that the Australian Government invest in the Australia Council for the Arts' domestic touring grant programs and work with state, territory, and local governments as well as industry to develop a contemporary music regional touring circuit.

### Recommendation 4

The committee recommends that the Australian Government invest in the Live Music Office.

## 4 Incentives to use Australian music

### Recommendation 5

The committee recommends that the Australian Communications and Media Authority (ACMA) consult and work with industry stakeholders to amend and simplify the Commercial Radio Industry Code of Conduct to:

- require all commercial broadcasters to meet an Australian content quota of no less than 25 per cent of all music played during the Australian Performance Period;
- require all commercial broadcasters that play new music (published within the last 12 months) to meet a new Australian performances quota of no less than 25 per cent of Australian content played;
- include a provision that broadcasters may be granted authorisation by ACMA on a case by case basis to broadcast a lower proportion of Australian music (or new Australian music), provided the broadcaster can demonstrate that sufficient Australian music is not available; and
- report its progress to the committee by April 2020.

### Recommendation 6

The committee recommends that the Australian Communications and Media Authority consult and work with industry stakeholders to amend the Commercial Radio Industry Code of Conduct to change the Australian Performance Period to the time between 6.00am and 6.00pm.

### Recommendation 7

The committee recommends that the Australian Communications and Media Authority consult and work with industry stakeholders to amend the Commercial Radio Industry Code of Conduct to re-establish and strengthen the Australian Music Performance Committee's oversight of the industry.

### Recommendation 8

The committee recommends that the Australian Government invest in Sounds Australia to enable it to expand its music exports program.

**Recommendation 9**

The committee recommends that the Australian Government implement policy to prioritise and promote the use of Australian music and the hiring of Australian artists for government activities, events, and promotions, both in Australia and at Australian-hosted functions and events overseas.

**Recommendation 10**

The committee recommends that the Department of Foreign Affairs and Trade work with the United States of America to develop mutually beneficial visa arrangements that allow artists from both countries to more easily showcase and tour.

**5 Talent pipeline****Recommendation 11**

The committee recommends that the Australian Government ensure that music education in primary and secondary schools is a key agenda item for the next meeting of the Council of Australian Governments.

**Recommendation 12**

The committee recommends that the Australian Government invest in initiatives aimed at training and supporting artists and industry professionals to grow and develop their businesses, such as the:

- Australian Music Industry Network's RELEASE and CONTROL initiatives; and
- Australia Council for the Arts' International Music Makers and Music Managers fund.

**Recommendation 13**

The committee recommends that the Australian Government invest in and seek to expand the PPCA-Australia Council Partnership and ensure that talented Australian artists have the capacity to create new recordings.

**Recommendation 14**

The committee recommends that the Australia Council for the Arts introduce a 'quick response' grant to ensure that Australian artists are able to take advantage of time-sensitive opportunities as they arise.

**Recommendation 15**

The committee recommends that the Australian Government invest in and expand the Australia Council for the Arts peer assessed grants program.

### Recommendation 16

The committee recommends that the Australian Government invest in Support Act to enable it to expand its services and deliver crisis support for artists and others working in the Australian music industry.