

Inquiry into the challenges and opportunities within the Australian live music industry ARIA & PPCA Submission

Introduction

The Australian Recording Industry Association (ARIA) is the peak trade body for the recorded music industry in Australia. Phonographic Performance Company of Australia (PPCA) is a non-profit copyright collecting society that provides blanket licences for the use of recorded music in Australia. Despite the fact that ARIA and PPCA operate directly in the recorded side of the music industry, live music is such a crucial part of the ecosystem that it was essential for us to make a contribution to this inquiry through the following submission.

Music Ecosystem

Submissions to this inquiry will no doubt show music, and the creative industries more broadly, operate within a complex ecosystem. Recent analysis of Billboard data by Luminate showed the median concert will yield 42% growth in local streaming during the week of the event, as compared to the eight weeks prior. Dance & Electronic music sees the highest growth at +143% growth¹. This close relationship between live music and the recorded industry illustrates how interconnected each part of music is in the ecosystem, and why we are all impacted when one part rises - or falls.

ARIA recently reported the 2023 Australian recorded music revenue numbers which showed a fifth consecutive year of growth, growing 10.9% overall². That is impressive growth for any business in the media and entertainment industry in Australia and a really encouraging sign that Australians' love of music is growing, even in a very crowded and fragmented content market. Live music attendance and ticket revenue also appears to show a positive rebound after COVID according to the most recent ticket data from LPA's 2022 Ticket Attendance and Revenue Report³ with almost 11.5 million ticketed attendances at live music performances, generating over \$1 billion in ticket revenue, across the contemporary music, music festivals and classical music categories.

However, we've seen a two-speed industry over the last 12-18 months with stadium tours presenting heritage artists or today's mega-stars selling out in minutes, while some tours cannot break even. Recent data presented by Creative Australia has shown that 35% of music festivals reported a loss in 2022 – 2023 and more than 25 music festivals have been cancelled since 2022⁴.

For Australian artists, playing live music makes up the majority of their earned income at around 58% while streaming royalties come in at just 15%⁵ according to *Triple J, What's up in Australian music*. There is, however, a direct correlation between releasing new recorded music and touring. When an artist releases a hit song, it often serves as a catalyst for various opportunities within the ecosystem. Festival and tour promoters, keen to capitalise on the artist's popularity and

¹ Luminate 2023, [The Shared Impact of Touring and Streaming | Luminate \(luminatedata.com\)](https://www.luminatedata.com)

² ARIA annual sales 2023, [Streaming drives fifth consecutive year of growth - ARIA](https://www.aria.com.au)

³ LPA 2022 Ticket Attendance and Revenue Report, [LPA Ticket Attendance and Revenue Report 2019 and 2020 \(liveperformance.com.au\)](https://www.liveperformance.com.au)

⁴ Creative Australia (2024), Soundcheck: Insights into Australia's music festival sector

⁵ Triple J (2023), What's up in Australian music

drawing power, are more inclined to book them for larger shows and prominent slots. Conversely, for artists, successful tours and festival appearances not only provide significant income but also serve as invaluable marketing tools. And around it goes.

The evolving dynamics within the music ecosystem have profound implications for how audiences perceive lineups, particularly in the context of local artists. In the 2023 end of year charts, we found only four Australian albums in the top 100 this year and three singles, none of which were released last year⁶. With the dominance of international acts in major festivals and tours, there is a growing awareness of the need to showcase local talent and provide opportunities for homegrown artists to shine. Achieving this balance requires concerted efforts from industry stakeholders, including music bodies like ARIA and government agencies alike.

To truly move the needle, we need a comprehensive, whole-of-music ecosystem strategy that nurtures a renewed appreciation for Australian music. By fostering a vibrant and diverse musical landscape, we not only celebrate our cultural identity but also create pathways for emerging talent to flourish, ensuring a thriving and inclusive music community for generations to come.

Challenges to recorded music & connected impacts to live music

The core of a record company's mission is to partner with artists to achieve their greatest creative and commercial potential. A label's role in empowering artists is crucial in today's competitive music industry.

Labels find singers, producers and musicians and release the music they create to generate success and revenue for the artist and the label in an area of the business called Artist and Repertoire (A&R). Artist and Repertoire serves as the music industry's research and development sector. Labels dedicate 16.3% of their budgets to A&R which exceeds other industries like health, automotive, space and finance.

A&R extends beyond discovering artists and working on their recordings, marketing and promotion is a huge part of their remit and in a fragmented media landscape, it has never been harder for artists to establish a sustainable career on Australian shores. Live touring and festivals are part of the marketing mix. It's built into the artists release calendars, so when a show, it can have a devastating impact on the success of a record. For local artists the impact of festival cancellations in particular cannot be overstated when 80% of acts at festivals are Australian⁷. With returns on investment in Australian music is dropping, as illustrated in the charts, it equally impacts live music – and vice versa.

The artist's livelihood, heavily reliant on both touring and recorded music revenues, faces significant strain, exacerbating financial pressures and contributing to mental health challenges and burnout. As highlighted by Triple J's "What's up in Australian music"⁸ nearly 50% of music artists have recently contemplated leaving the industry. This concerning trend underscores the critical need for systemic support and sustainable solutions within the music ecosystem to safeguard the well-being of its creative workforce.

⁶ ARIA end of year charts 2023, [Women triumph in 2023 - ARIA](#)

⁷ Creative Australia (2024), Soundcheck: Insights into Australia's music festival sector

⁸ Triple J (2023), What's up in Australian music

Great Southern Nights – Case Study

Great Southern Nights (GSN) is delivered by the NSW Government’s tourism and major events agency, Destination NSW, in partnership with the Australian Recording Industry Association (ARIA). Initially a COVID-19 recovery program, GSN now takes place annually in March and features a diverse range of artists (established and emerging) and genres, performing over live music gigs across Sydney and Regional NSW venues to expand and further develop visitation opportunities in NSW. It programs well known Australian artists in regional areas where they would not normally perform.

This year’s program included 630 artists who delivered 368 gigs, to an estimated 80,000 music fans in various Sydney and NSW locations. In addition, this year GSN took music to the streets delivering a richer cultural experience that revitalised the live music scene by cultivating lively entertainment zones in key precincts. This included a street party in Newcastle and curated walk “gig trail” in the Hollywood Quarter precinct of Surry Hills.

The Tay Tay effect - Local promoters, agents and artists are attempting to navigate plans around announcements of larger international tours. Strategic planning is critical to ensure cut-through in a busy market.

Negative stories sell – While music and lifestyle platforms were supportive to promote GSN, the larger news outlets posed more of a challenge to pitch in positive stories about live music. This is in stark comparison to how quickly reporting of festival cancellations carry on the same outlets.

Sentiment & Sales – Reduced positivity in the market, even with larger local acts, impacts on marketing spend and subsequent ticket sales.

Increased costs – All line items were up on suppliers, crew, and travel costs. Artists in particular are feeling the pinch of rising costs.

Opportunities/Recommendations

There is a real opportunity here to reconnect Australian fans with local artists, to help them build audiences, and become headline-level draw cards that sell tickets and rebalance operational costs for marquee events. Investing in Australian music has never been more important, or urgent. The landscape has shifted. Fans are connecting with music in entirely new ways. Rather than relying on past programs and supports, there is an opportunity to try new things: new funding ideas, a new strategy, new policies, and new conversations to test and learn what works. Fortunately, there is now an office of government dedicated to music in this country. We hope that those entrusted with the task are ready to rise to the occasion, to champion our local artists, and to seize the potential for a vibrant, inclusive, and thriving music ecosystem.

1. Music Australia - Policy & Strategy

- A comprehensive 3-year contemporary music strategy developed in consultation with the commercial music industry
- Remove the radio caps from the Copyright Act to ensure artists and music businesses receive fair pay when their sound recordings are played on broadcast radio

- Review radio's content quotas to ensure Australian content is being delivered to Australian audiences
- Simplify the regulatory landscape for live music and festivals
- We support the Association of Artist Managers (AAM) call to reinstate a code of conduct that ensures local artists are represented when international tours visit Australia.

2. Funding, Investment and Support

- Support live music through strategic funding that is targeted and fit for purpose
- Underwrite flagship events, and communicate this to audiences, to build back certainty in our live music scene
- Invest in mid-tier Australian artists and music businesses to build the next generation of live music and festival headliners and support acts

3. Research

- Ongoing and up to date audience research
- Complete a comprehensive music census to capture the size and scope of the music industry businesses, including artists as business, to benchmark for future success

Conclusion

Whether it's through industry-led initiatives, government co-investment, improved cross-government export strategies, or regulatory levers such as content quotas, we need to throw out old thinking and try new things. We need to be ambitious for our artists and our labels with a big stretch strategy that covers four key pillars: audience development, export, research and data, and skills and training.

Further reading

In addition to this submission, we recommend reading past submissions to a number of recent inquiries and reviews for further information including -

- Inquiry into the Australian music industry 2018 – House Committee ⁹
- National Cultural Policy 2022 – Consultation¹⁰
- NSW Cultural Policy 2023 - Consultation ¹¹
- National Cultural Policy 2023 – Senate Inquiry¹²

We also support the submissions from key live music peak bodies LPA and AFA.

About ARIA

The Australian Recording Industry Association (ARIA) is the peak trade body for the recorded music industry in Australia. ARIA is a not for profit, national industry association that proactively represents the interests of its members. ARIA has more than 200 members ranging from small boutique labels, to medium sized businesses, and very large companies with international affiliates.

⁹ [Inquiry into the Australian music industry – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)

¹⁰ [Revive: a place for every story, a story for every place | Office for the Arts](https://www.arts.gov.au)

¹¹ [Shaping policy for the arts and cultural sector | Have Your Say \(nsw.gov.au\)](https://www.nsw.gov.au)

¹² [National Cultural Policy – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)



ARIA is the advocate for Australian music. We create opportunities for Australian music to be heard in all its forms, by all who create it. This is achieved through a range of events and mechanisms:

- ARIA Awards
- ARIA Charts
- Great Southern Nights
- Advocacy for the Australian music industry on a range of issues with Federal and State governments
- Copyright law reform and enforcement
- Advocacy for genres such as hip hop and RnB
- Labelling code
- Support for export through Sounds Australia
- Leadership on industry issues such as cultural change

About PCCA

Phonographic Performance Company of Australia (PPCA) is a non-profit copyright collecting society that provides blanket licences for the use of recorded music in Australia. Revenue generated from licensing is distributed to registered record labels and artists so they can continue to make music for all of us to enjoy.

Our goal is to contribute to the growth of the Australian music community by promoting to business the value of using recorded music. PCCA represents over 5,300 registered Australian artists and over 4,000 rightsholders in sound recordings or 'masters' License, collect revenue and distribute for the use of sound recordings. We advocate for those we represent on copyright matters.

We acknowledge First Nations people as the Traditional Owners and sovereign custodians of the lands on which we work and live. We recognise their continuing connection to Country and their respective nations across this continent and pay our respects to their Elders past and present. We also celebrate the unique and inspiring creativity and songlines of the world's oldest living culture and give thanks for the immeasurable influence First Nations people continue to have over the music and art we all enjoy.