

2 May 2008

Secretariat  
Review of Export Policies and Programs  
c/-Department of Foreign Affairs and Trade  
BARTON ACT 0221

Dear Review Panel

## **Submission to Review of Export Policies and Programs**

Live Performance Australia (LPA) is the peak body for Australia's live entertainment and performing arts industry. Established in 1917 and registered as an employers' organisation under the Workplace Relations Act 1996, LPA's activities centre around 3 core areas:

- Workplace Relations
- Policy & Strategy
- Membership Services & Events

LPA represents the key industry players responsible for the production of live performance in Australia, including venues, producers, major performing arts companies, festivals, promoters and service providers.

### **EXPORT ISSUES FOR THE AUSTRALIAN CONTEMPORARY MUSIC INDUSTRY**

This submission will primarily deal with the barriers to export currently faced by the contemporary music sector of the Australian live performance industry. The content of this submission is derived from the work of the Contemporary Music Working Group (CMWG), of which LPA is a member. The CMWG is a broad ranging group focused on increasing co-operation within the Australian contemporary music industry with a view to developing a more sustainable and internationally competitive industry.

One of the goals for the industry identified by the CMWG is increased music exports, both of recorded music and live performances. There are significant barriers to export growth in contemporary music, including:

- the relatively small size of the domestic market;
- difficulties in attracting investment;
- restrictive and costly work visa regimes in key markets like the US; and
- the high cost of international touring caused by our geographic isolation.

The Australian contemporary music industry's aspiration is to grow its total annual export income to a level equivalent to domestic income (around \$500m) in the long term. In the next 5 years, the aim is to achieve export income of \$150m, an achievable goal with the necessary industry and government support.

The achievability of this goal is apparent when foreign export markets are examined. The UK, for instance, with a population of 60 million, now has a music industry export value of GBP\$1.3 billion (AUD\$3.1bn). UK Trade and Investment has invested significantly in strategies and initiatives to drive the industry's continued export development, with priority markets of the USA, China, India and Japan. Sweden, meanwhile, with only 9 million people, has more than doubled music export income in the 6 years from 1997 to 2003, rising from the equivalent of AUD\$592m to AUD\$1,225m. Key contributors to export revenue have been bands such as ABBA but also songwriters providing material for international stars. Other major factors include Swedish government and music industry policies and activities such as:

- Extensive music education programs;
- Subsidised rehearsal and performance venues for popular music groups;
- Easy access to affordable, high quality technology and expertise;
- Entrepreneurial activity between recording studios, record production and music publishing firms;
- Support for an extensive, growing and highly networked recording and publishing industry; and
- High level, visible support for the industry from government leaders, nationally and internationally.

New Zealand, with a population of 4 million people, aims to grow its music industry export earnings significantly. In 2004, the NZ government launched a strategy to grow the economic and cultural potential of its music industry. In 2004, it aimed to grow export earnings from NZ\$5 million per annum to \$10m in 3 years, to \$20m in 5 years and \$50m in 10 years. In 2005, the government committed \$5.4 million to support export growth of the New Zealand music industry.

Opportunities for Australia to achieve similar levels of growth already exist, with current international successes such as Jet and Wolfmother demonstrating that it is possible for an Australian act to make an impact. In order to achieve such success, however, there is a need for greater government support. Austrade's Export Market Development Scheme (EMDG) provides some marketing support for enterprises embarking on international tours, while the Australia Council's 'International Pathways' program provides valued opportunities for Australian musicians to pursue international artistic and market development activities. The cost of attending key global trade events like the South by Southwest conference in Austin, Texas, however, is considerable and greater levels of financial support are needed for more acts to be able to attend these events.

The contemporary music industry also recognises that it needs to work with government to develop a more coordinated approach to the marketing of Australian music overseas. A number of industry organisations (commercial and industry representative bodies) are currently involved in activities to promote Australian music into export markets, including trade conventions. Branding and key representative personnel, however, are inconsistent, which is in stark contrast to the approach by many other countries including the UK, New Zealand, Canada, Ireland, Estonia, Finland and Brazil. Austrade, the Australia Council and State Governments support different activities in a range of territories and have differing roles, making coordination challenging.

Possible solutions to the current fragmentation issues include:

- encouraging regular trade missions to attend key music events within Australia;
- assigning the task of coordinating Australian music representation at trade conventions and other music export initiatives;

- combining the music industry's export strategy with those of crossover industries such as tourism and fashion; and
- leveraging the expertise of Australian industries already exporting successfully into specific Asian territories (e.g. visual special effects, legal and financial professional services).

The establishment of the abovementioned strategies will have an enduring positive economic effect.

Anticipated outcomes are as follows:

- Creation, maintenance and growth of a coordinated Australian presence at international music industry trade fairs;
- Increased networking opportunities for Australian music industry representatives;
- Effective showcases of Australian contemporary musical product;
- Commercial agreements under which overseas companies invest in the distribution and marketing of Australian talent;
- Formulation of business relationships that may lead to short and long-term opportunities for Australian companies and artists; and
- Opportunities for international business-focused travel that would otherwise be prohibitively costly for the industry to realise the outcomes above.

#### **EXPORT ISSUES FOR OTHER SECTORS OF THE LIVE PERFORMANCE INDUSTRY**

Australia's geographic isolation also makes international touring prohibitively expensive for other sectors of the live performance industry, such as performing arts companies and commercial producers who seek to take Australian product overseas. "Playing the World", a funding program administered through the Australia Council, provides assistance to arts companies seeking to tour, but funding also needs to be sought from other sources, including private sponsorship, if a large tour is to be successfully undertaken.

LPA member companies have expressed concern about the reversal of the 2007-08 Federal Budget commitment for the Australian government to provide \$20.4 million over four years to enhance Australia's cultural diplomacy and improve market access for our cultural exports. The program, to be administered through the Australian International Cultural Council (AICC), would have allowed a greater number of Australian companies to undertake overseas tours. The loss of this funding may make unviable some international tours planned for coming years.

I hope that this submission has given you some valuable feedback on the effectiveness of current export policies and programs for the Australian live performance industry. I look forward to reading the review's recommendations.

Yours sincerely



**Evelyn Richardson**

Chief Executive