



12 March 2021

Australia-UK Free Trade Agreement
Office of Trade Negotiations
Department of Foreign Affairs and Trade
RG Casey Building
John McEwen Crescent
Barton ACT 0221

SUBMISSION BY APRA AMCOS.

The Australasian Performing Right Association Limited

Australasian Performing Right Association (APRA) is a non-profit organisation, established in 1926, which represents over 100,000 Australasian composers, songwriters and music publishers. It administers the Performing Rights, including public performance, broadcast and communication to the public, in the music of its members and affiliated societies in Australia, New Zealand and much of the Pacific. It represents its members' interests around the world through reciprocal representation agreements with similar organisations, including PRS For Music in the UK.

Australasian Mechanical Copyright Owners Society

Australasian Mechanical Copyright Owners Society (AMCOS) is a non-profit company representing around 20,000 music publishers and composers in Australasia and administers certain reproduction rights in Australasia on behalf of its members and affiliated societies around the world. APRA administers the operations of AMCOS, under contract.

APRA AMCOS has partnered with the Australian Record Industry Association to establish Music Rights Australia and we agree with and support the submissions they have made on the proposed UK FTA, especially their observations regarding actions on advertising on illegal sites and that the question of safe harbour provisions are not subject to the discussions around copyright provisions in the negotiations.

APRA AMCOS wishes to take this opportunity to highlight the importance of the UK market to the Australian music industry, further to the fourth round of negotiations of the draft treaty. We believe there is an important opportunity to use this agreement to secure even greater support and access to the UK touring market for Australian musicians. This will be an important aspect of the recovery of our contemporary music industry and would support the aims and benefits from greater liberalisation in trade in services. On this topic of visa access for musicians – we note the recent concern in the UK of the failure to secure work visa free access for UK touring musicians to the EU in the Brexit negotiations.¹ Any provisions

¹ <https://www.independent.co.uk/news/uk/politics/elton-john-brexit-deal-musician-visas-eu-b1798946.html>
and <https://www.independent.co.uk/news/uk/politics/uk-visa-free-work-musicians-eu-brexit-b1784600.html>



**APRA
AMCOS**

regarding mobility of people in the AUKFTA should ensure even greater access for Australian touring musicians to the UK market to support this goal.

APRA AMCOS plays a primary role in the development of the Australasian music industry through support of emerging song writing talent and music publishing activity, with a view to encouraging export of Australian music and improving our terms of trade in music. APRA AMCOS has focused on, and participates in, the growing international success of Australian music over the last few decades. The significance of these returns and the corresponding investment in the local industry is reflected in the growth of APRA's international revenue – essentially the royalties flowing to Australasian songwriters from their overseas performing rights. In the past decade this has more than doubled from AUD\$20.5m to over \$50m annually, although this current financial year will be severely impacted by the COVID-19 pandemic.

The pandemic has cut touring, live and background music revenues, seeing these significant revenue lines drying up - meaning an overall decline over the last year of around 20% of international royalties for our members. Streaming, SVOD and new forms of digital concerts have played an important role in delivering content to people in lockdown, but licensing practices and revenue increases have not made up the losses from touring, live and background music uses for Australian songwriters and music publishers. Ensuring a strong and rapid recovery of the sector will be boosted by agreements with key trading partners such as the UK that further enhance digital copyright protection and administration, touring and more liberal trade in creative industry services.

The extrapolation of export figures for Australian music pre COVID across the industry is explained in the published report by Sounds Australia, *BORN GLOBAL, Australian Music Exports*². This is benchmark research providing a foundation to support the strategic development of Australian music exports. More recently, APRA AMCOS has made a submission to the Inquiry into Australia's Creative and Cultural Industries and Institutions – "Australia – a Music Powerhouse and the Path to Become a Music Industry Powerhouse"³. Jenny Morris, the Chair of APRA identified our priorities for music export and the economic value of our culture at an address at the National Press Club earlier in the year:

"Australia should have a vision to become a net exporter of music. This won't happen overnight and it could well take a decade but you need a clear vision in order to start change now. Aussies have never backed away from a challenge - we need to back ourselves. The potential reward is nation defining."

Sounds Australia background

In 2009, the Australia Council for the Arts created an International Music Market Development Initiative, with the intention of advancing Australian music export. APRA AMCOS, as the peak music industry body partnered with the Australia Council and took on

² findings from the 2016-2019 Australian Research Council Linkage project *The Economic and Cultural Value of Australian Music Exports* from partners University of Newcastle, Monash University, Australia Council, Sounds Australia and APRA AMCOS.
<http://www.soundsaustralia.com.au/index.php/export-research/>

³ https://www.aph.gov.au/Parliamentary_Business/Committees/House/Communications/Arts/Submissions

custodianship, providing the strategic, administrative and management support required to deliver the export project.

The national export program was named 'Sounds Australia' and was established to provide a cohesive and strategic platform to assist the Australian music industry access international business opportunities at key showcase conference events including The Great Escape in the UK. This involves participation in industry conferences, organising and promoting showcases such as the Aussie BBQs and business networking for Australian acts and their management.

Sounds Australia exemplifies a whole of government, whole of industry partnership made up of federal and state agencies. In addition to the Australia Council for the Arts and APRA AMCOS, varying degrees of investment have been made by the Department of Communications and the Arts, DFAT, Creative Victoria, Arts SA, Arts Queensland and Create NSW, whilst the industry organisations include AIRA, the Phonographic Performance Company of Australia Limited (PPCA) and the Australasian Music Publishers Association (AMPAL).

APRA AMCOS believes the Free Trade Agreement with the United Kingdom to be of great interest and importance to the Australian music industry. The UK is already our second most important market in terms of trade in music copyright royalties and our key territory for member activity and touring. Our UK affiliate remitted over AUD\$8m in performing right royalties to APRA in the last financial year (representing mostly the writer share of performing right income only).

Reported international tours by our members have increased more than three times over the five years prior to the pandemic, with attendant increases in the value of that sector of our business. The importance of international touring to economic returns and soft diplomacy is elaborated further in the report *BORN GLOBAL*.⁴ In the financial year preceding the pandemic, our members reported nearly 15,000 performances on tour in Europe. This included nearly 6,000 in the UK alone. The European summer touring circuits are very important in market penetration, as are the major festivals such as Glastonbury. Having effective copyright regulation and enforcement in those territories is key to our members' success. This would be underpinned by the ability under agreements to address any market access issues relating to mobility of people and barriers to entry, including free visas for touring and overseas based members 'going global'.

Copyright and creative industries are a significant contributor to the Australian economy. The PWC report commissioned by the Australian Copyright Council and elaborated using the WIPO framework, *The Economic Contribution of Australian Copyright Industries 2002-2016* shows that our copyright industries employ more than 1 million Australians, generate the equivalent of 7.1% of GDP and \$6.6 billion in exports, around 2.7% of total exports⁵. Despite the devastation of COVID-19, a Goldman Sachs report into the international music market released in May 2020 estimates global industry revenue will soar to around US\$140 billion by

⁴ Supra no 1

⁵ https://www.copyright.org.au/acc_prod/ACC/Research_Papers/PwC_Report-Value_of_Copyright_Industries.aspx

2030⁶. Australian artists, publishers and creators have the potential to earn at least a 5 per cent market share of this if we get the policy, investment and industry settings right.

Australia enjoys a regulatory environment that facilitates legitimate use of copyright materials, where content is made available and rightsowners are fairly compensated. Such a regulatory environment fosters investment in local creation and provides export opportunities for our creative industries, and for APRA AMCOS to develop and participate in multi territory digital licensing models, especially in our key markets such as the UK and the EU. It also provides an opportunity to leverage our regional expertise and relationships to represent UK rightsowners in licensing and enforcement in the Asia Pacific.

The copyright framework in Australia is like that in the UK, although the UK has had an overlay of provisions in the various EU Directives seeking to harmonise and regulate the single market. In particular, provisions relating to enforcement of rights in the digital cross border environment, those regulating collective management organisations and addressing the 'transfer of value' from the creative industries to the ICT industry. Many of these provisions also embrace the objectives of our obligations under the UNESCO Convention on Cultural Diversity⁷. APRA AMCOS would be very supportive of any text in the FTA which addressed these policy positions as well. We would be comfortable with and support any provisions promoting transparency and accountability for collective management organisations.

Over the last decade we have partnered with Sounds Australia in their vision to fast-track the global success of Australian music by assisting with research, policies and activities in developing and established markets. For example, APRA AMCOS has organised international co-writing programs for our members called SongHubs.⁸ These include several SongHubs in London. Other export focused initiatives of APRA AMCOS from a membership perspective include our biennial Professional Development Awards⁹, which support emerging songwriters working in a broad range of genres by providing funding to attend workshops, music education courses, composer seminars, co-writing sessions and other relevant international and local activities.

Sounds Australia has had the following recent market activity in the UK, prior to the pandemic. They have attended and promoted 21 events, including The Great Escape, Brighton, Sound City, Liverpool, THE AUSSIE BBQ, London and Showcase Scotland, Glasgow. 280 Australian artists have showcased with Sounds Australia in 31 events and 267 unique performance opportunities produced by Sounds Australia. Sounds Australia has delivered thirty Networking events and has managed two trade stands at key conventions, organising

⁶ <https://www.goldmansachs.com/insights/pages/infographics/music-in-the-air-2020/>

⁷ <https://www.cisac.org/Newsroom/Articles/CISAC-and-UNESCO-address-creators-remuneration-at-Paris-conference> The UNESCO operational guidelines “recognise and value the work of creators in the digital environment, by promoting equitable and fair remuneration for artists and cultural professionals”
https://en.unesco.org/creativity/sites/creativity/files/sessions/6cp_11_do_numerique_en.pdf

⁸ <http://apraamcos.com.au/songhubs/>

⁹ <https://www.apraamcos.com.au/about/supporting-the-industry/awards/professional-development-awards-2021>



**APRA
AMCOS**

twenty Australians to speak on industry conference panels and coordinated 289 Australian key industry delegates participating in Sounds Australia's export market activity in the UK.

APRA AMCOS also has membership representatives working with our writers who are touring or living in our major markets. Our first and most important overseas representative and office is based in London. In that London office our members can now also access recording/writing rooms in the legendary [RAK Studios](#), where artists including Adele, Arctic Monkeys, Radiohead and Midnight Oil have recorded. Just prior to the cessation of international travel, APRA hosted its first "APRA Global Music Awards"¹⁰ in London in 2020 to raise awareness of the phenomenal success of Australian music, to recognise and promote our members' work and acknowledging the importance of the UK market to our membership and our international success. A number of our very high profile members are based in the UK, such as Nick Cave, Kylie Minogue, 5 Seconds of Summer and it is interesting to note that Tame Impala took out the Best International Act at the 2016 Brit Awards.

Sounds Australia and APRA AMCOS have participated in and contributed to the Creative Industries Working Group to contribute to the Services Export Action Plan being promoted by the Government, being "consistent with our Economic and Commercial Diplomacy Agenda" which advocates for an open global economy, seeks to secure commercial opportunities, support Australia's commercial interests, and maintain and strengthen our competitiveness.

Apart from touring and performances, music as a service also includes music in audio-visual products and music in the evolving and lucrative gaming and on-line multi-media sectors¹¹. Digital disruption has transformed the music and creative industries – to a new level in the context of lockdowns due to the pandemic. Digital services allow our members' music to access important markets in Europe and elsewhere directly and to leverage their social media networks to support their success. Ensuring effective regulation and enforcement of rights exploited by digital services provides the industry the ability to effectively recognise the value of these uses. APRA AMCOS has launched a new "1,000,000,000 List"¹² which is awarded to APRA AMCOS members who have achieved extraordinary success by accumulating over one billion streams globally for an original song. The explosive growth of streaming video on demand services globally is reflected in the importance of music used in audio-visual makes up nearly half of APRA AMCOS' international revenue.

Increasingly, music listening is becoming a digital-first experience. 89% of people who listen to music do so through on-demand streaming services like Apple Music and Spotify. These platforms are introducing music fans to artists from all across the globe and conversely, more Australian music is being consumed by listeners internationally. It is imperative that any music export strategy has a strong and agile digital component to ensure the continued growth and success of Australian music. Editorial playlists, which are curated by the music streaming services themselves, are influential in introducing new music to audiences, so it's

¹⁰ https://www.apraamcos.com.au/about/supporting-the-industry/awards/global-apra-music-awards-2020#_56419

¹¹ <https://www.apraamcos.com.au/about-us/news-and-events/high-score-highlights-watch-dan-goldings-keynote-and-panels-about-music-in-games>

¹² <https://www.apraamcos.com.au/about/supporting-the-industry/awards/the-1-000-000-000-list>



vital that Australian artists are routinely featured there. Sounds Australia has taken its showcasing activities on-line, promoting the global digital showcases such as SXSW Online taking place this week.¹³ Sounds Australia became a global curator on Apple Music¹⁴, which reaches people in over 110 countries. This raised the profile of our suite of playlists and positioned Sounds Australia as a voice of authority on the platform and made it easier for Apple Music customers to listen to and discover Australian music.

APRA AMCOS is grateful for the opportunity to make submissions on the proposed agreement. We believe it to be very important to the on-going success of Australian music globally, given that the UK is our most important touring market with a strong emphasis on the importance of the creative and copyright industries. We look forward to further updates on the progress of the negotiations and to the conclusion of the agreement.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Scot Morris", with a long, sweeping underline.

Scot Morris
Director International Relations

¹³¹³ <http://www.soundsaustralia.com.au/index.php/news/>

¹⁴ <https://music.apple.com/au/curator/sounds-australia/1435624892>