



---

# **MEAA submission to the Parliamentary Inquiry into the Australian Music Industry**

Friday, September 21, 2018

## Submission on behalf of the Symphony Orchestra Musicians Association (a member section of MEAA)

The Symphony Orchestra Musicians Association (SOMA), as part of MEAA, represents musicians in Australia's full time orchestras: the Queensland Symphony Orchestra, Sydney Symphony Orchestra, Opera Australia Orchestra, Melbourne Symphony Orchestra, Orchestra Victoria, Tasmanian Symphony Orchestra, Adelaide Symphony Orchestra, and the West Australian Symphony Orchestra.

Symphony Orchestras are the epitome of our culture, helping make our cities vibrant, nurturing and sustaining communities, and representing our highest artistic achievements and aspirations. They perform and broadcast to millions annually, enabling our opera and ballet companies, supporting local composers and producers, representing Australian musicianship internationally, and playing a vital role in our education system. Symphony Orchestras and the musicians who form them are performers, producers, entertainers, educators, arts ambassadors, mentors and civic leaders.

Our orchestras perform to millions each year. Apart from serving citizens and visitors in each of the major cities, they have extensive regional performing schedules, playing in dozens of our smaller cities and towns. They are international orchestras, regularly performing to audiences in Europe, Asia, the USA and elsewhere as well as hosting international musicians for Australian performances. Orchestra musicians are part of an international community of artists, with orchestras drawing on and developing the talents of musicians globally. On the other hand, Australia's orchestras play a unique role developing and sustaining Australian musicians including by supporting the work of Australian composers and producers.

There is a full time symphony orchestra in each of our state capital cities and two opera and ballet orchestras, one each in Sydney and Melbourne. They directly employ hundreds of full time musicians and casuals and many more in artistic support, management and administrative roles. Through hundreds on performances, broadcasts, productions, recordings, educational and outreach activities each year they make an enormous contribution to overall music industry revenue, including export revenue. Investing in our symphony orchestras is fiscally and socially responsible and economically productive.

The principal factors necessary to sustain our orchestras are:

- Attracting and retaining the best available musicians
- Stable and consistent membership of the ensemble at its full compliment
- Artistic leadership from the best available conductors and guest artists
- Diverse and challenging repertoire.

MEAA's recommendations will grow reach and access to the orchestras, improving their ability to sustain performance schedules and to leverage orchestra stability and strength to improve educational and outreach activities and attract other investment.

Orchestras are high fixed costs operations, due essentially to the size of the ensemble and the time necessary to maintain artistic standards. The fact that the repertoire requires the same preparation

and rehearsal time and the same equipment, personnel and expertise now as it did 20, 50 or 100 years ago means intrinsic efficiencies are extremely scarce.

As players in an international market, Australia's orchestras face significant obstacles attracting and retaining musicians. Over the past 20 years full time employment in the orchestras has been eroded increasing their reliance on casual musicians. With the principal aim of maintaining artistic standards, full time positions have often been difficult to fill. Ultimately these pressures threaten the artistic integrity and sustainability of the orchestras. Orchestras in Hobart, Perth, Adelaide and Brisbane are further disadvantaged given historically lower salaries and associated funding that tend to entrench rather than alleviate disadvantage. It is a basic problem of inequality that audiences outside Sydney and Melbourne cannot rely upon the same level of support for their orchestras.

While philanthropy and sponsorship are important components of orchestra funding, they are not suitable sources of the base funding required to support full time orchestra employment. Rather, growth and sustainability of orchestras must be catalysed by an ongoing but relatively modest improvement in government funding. The consequential growth in audiences and orchestra reach will in turn assist orchestras improve sponsorship and attract more commercially driven investments.

### **Recommendations:**

- Grow audience and improve Orchestra reach and access by increasing and improving funding for full time orchestras to enable employment of the full compliment of permanent musicians. This will require a recalibration of funding allowing orchestras to compete effectively for musicians internationally and domestically.<sup>1</sup>
- Funding for orchestras should be indexed at a rate that properly reflects the fixed labour component of the orchestras' cost structures and their limited ability to offset with productivity increases. Funding should be adjusted annually by the periodic changes in the ABS Wage Price Index.
- The wage cost of Australia Opera and Ballet Orchestra and Orchestra Victoria should be calculated having regard to the rates paid by Sydney Symphony Orchestra and Melbourne Symphony Orchestra respectively as they are competing for musicians in the same city.
- For the other orchestras, the cost of living equivalent of the Melbourne Symphony Orchestra salary levels should be used to calculate their "normalised" cost base.

## Submission by MEAA on behalf of musicians generally

### Facts and findings:

#### *Music is important, profitable and extremely popular.*

- “Music has the capacity ‘to exalt the human spirit, transform the human experience and bring joy, beauty and satisfaction to people’s lives’”<sup>2</sup>
- Learning and performing music increases educational and social development outcomes, improving mathematical skills, written and oral communication, logical and interpretive reasoning, and our ability to work with others<sup>3</sup>.
- Music is our most popular art form: 97% listen to recorded music; more than ½ of the population attend live music performances; 15% of Australians create music<sup>4</sup>.
- 63% and 34% of primary and secondary schools respectively offer no classroom music education.<sup>5</sup>
- Music supports 65,000 Australian jobs, including approximately 6k full time musician jobs<sup>6</sup>.
- Music contributes 6 Billion dollars to our economy<sup>7</sup>.
- Australians buy 42 million tickets for music performances each year<sup>8</sup>.
- Australian licence fee collections from streaming services increased between by 127%, between 2016 and 2017 with collections of 62 million dollars in 2017<sup>9</sup>
- Australia is dominated by non-Australian music with terms of trade of 4:1<sup>10</sup>

#### *Musicians’ jobs are generally unreliable and extremely low paid.*

##### Key findings from MEAA’s 2018 musicians survey:

- ¼ of the gigs musician perform are unpaid.
- 35% say that they are paid less than the agreed fee at least 10% of the time.
- The average annual income of respondents, from all income sources, is \$55k, significantly lower than the workforce average. 65% of respondents earn 60k pa or less. 37% earn 30k or less.
- Respondents receive on average 50% of their total income from music (excluding teaching). The average hourly rate received for commercial musical practice is \$7.58. This is \$11.35 less than the minimum wage.
- Musicians spend 2/3 of their working week on rehearsing, management and marketing.
- They receive only 12% of their income from broadcasting, streaming, publishing and sales.
- Respondents are highly experienced, with average 25 industry experience; and they are highly educated with over ¾ of respondents having post-secondary school qualifications.

---

Musicians tend to lead precarious working lives, earning combined incomes below the Australian average, often not being paid for performances and regularly having contracts broken, while spending 2/3rds of their time simply managing their affairs and maintaining and improving skills.

Generally, musicians need 2<sup>nd</sup> and 3<sup>rd</sup> jobs just to keep up. While they trade on their artistic excellence and are essential to our music education system, they often cannot afford to live in the cities where the work is. Music is our most popular and productive art form yet it cannot sustain musicians in the economic mainstream.

Professional musicians rely upon two main sources of income: returns from original music compositions and recording, through broadcast, streaming, sales and publishing; and fees from performance.

The digitisation of music and associated production and distribution changes, including the increasing market share of streaming services, has radically undermined the value of recorded music for musicians. While APRA AMCOS report license fee returns from streaming of 62 million dollars annually with a 127% increase last year, average returns to musicians are negligible. The proportion of income received by musicians from all forms of returns from recorded music is on average only 12%. The musicians who sustain our musical culture, enliven our towns and cities, who teach our children and turn the wheels of the Australian music industry are not significant beneficiaries of the recording industry and the growing profitability of music streaming.

While regulation of music streaming is difficult, aggregate income from streaming as indicated by industry reports<sup>11</sup>, suggest an opportunity to assist musicians by reinvestment and support for live performance as the more sustainable platform for industry development.

Although a more stable and reliable source of income for musicians, the live music performance sector is also facing serious problems. Performance spaces in our cities and towns are disappearing as a result of poorly regulated residential development and other forms of social regulation, such as the Sydney and Newcastle lock out laws. These challenges have compounded problems in some large markets created by relaxation of gaming machine regulations some decades ago. The number of music performance spaces is reducing further due a complex mix of state and local government regulation which hinder live music businesses by restricting operating hours to unviable levels. Some studies report the decline of performance opportunities over the past decade at 50% or more in Sydney,<sup>12 13</sup> and while there are indications of some improvements in the night economy generally, music venue numbers are still reported to be falling.<sup>14</sup>

In other cities, such as Melbourne<sup>15</sup> and Wollongong<sup>16</sup>, recent sensible regulatory reform based on “agent of change” principles is helping maintain and possibly rebuild the live performance sector to world-leading levels. By requiring new entrants into a community or precinct to make reasonable accommodation of existing business, including live music, businesses and jobs are retained and performance opportunities are protected.

Reduced opportunity for live performance income exacerbates a set of problems making music employment fundamentally insecure. Low performance fees, unreliable contracts, obstacles to enforcement and undercutting are basic features of a poorly regulated and often dysfunctional sector. MEAA is currently working with musicians and industry to establish a professional code of practice to define a ‘floor’ of conditions and expectations. Government should recognise this code as a fundamental measure to help grow and sustain the industry and restore confidence.

Ultimately the consequences of trends that reduce and compromise our live music performance sector are cities with no endemic night-life, threatening over 1 million jobs nationally; degraded musical cultures opening the door wider to overseas mega-acts and further undermining unfavourable terms of trade of 4:1<sup>17</sup>. Culturally, we would cede more space to dominating and homogeneous voices while Australian content is lost. The loss of our musical cultures would threaten diversity and inhibit expression, local voices and jobs but it would not eliminate the noise and the musical sound in our lives. Our children would simply have no authentic musical culture to inherit and develop.

Instead, modest investment and regulation of the industry can help rebuild the live performance sector to sustain and spread the growth currently benefiting a few businesses and artists in music recording and streaming. Music is our most popular art form and recreation. It employs tens of thousands of us directly or indirectly and makes Australian cultures. The Australian music industry is growing, but growth is highly concentrated and the industry is dominated by imports. Government can best assist sustain and grow our music industry by adopting the following recommendations.

MEAA welcomes future opportunities to elaborate and add to these submissions.

## Recommendations:

- Governments should recognise an industry code of conduct for the music performance industry to lift confidence in the sector and help prevent exploitation of musicians. Recognition would inform relevant laws and regulation.
- Governments should reform planning laws to protect live music venues. “Agent of change” principles should underpin reformed regulation. The commonwealth should promote change and consistency through COAG and similar federal arrangements
- Music education is intrinsically valuable but also enormously beneficial for skills and cognitive development, especially numeracy and social/inter-personal skills. Music education is an obvious foundation for developing musicians and audiences. Through COAG, Government should aim to develop a national school music education plan with the goal of doubling school student participation in music education activities.

---

<sup>1</sup> The “Securing the Future” report (1999) is a foundation study and policy statement of Arts funding that should be revisiting and updated.

<sup>2</sup> Pascoe, R (2007) National review of school music education, Canberra ACT, in The Arts and Australian Education: Realising potential, Robyn Ewing, Australian Council for Educational Research 2010

<sup>3</sup> Ibid pg 38

<sup>4</sup> Connecting Australians: Results of the National Arts Participation Survey, June 2017.

<sup>5</sup> Music to our ears, Music Australia, 2013

<sup>6</sup> Arts and Culture in Australia: A statistical overview, 2014, ABS

<sup>7</sup> Statistical snapshot March 2016 Australian Contemporary Music Industry, Music Australia March 2016

<sup>8</sup> The Economic and Cultural Value of Live Music in Australia. University of Tasmania, 2014

<sup>9</sup> APRA AMCOS, August 2018

<sup>10</sup> National Contemporary Music Plan, pg 8 Music Australia, 2016

<sup>11</sup> Streaming a boon to music exports, Max Mason, Australian Financial Review, 12 September 2018

<sup>12</sup> Live Music and Performance Action Plan, City of Sydney, March 2014

<sup>13</sup> Sydney’s fun police have put out the light of the nightlife. The City’s a global laughing stock. Matt Barrie, The Guardian, 5 February 2016

<sup>14</sup> Measuring the Australian Night Time Economy 2016-17, Council of Capital City Lord Mayors, Ingenium Research, 2018

<sup>15</sup> Melbourne is the live music capital of the world, study says. ABC, Paul Donoghue, 18 April 2018

<sup>16</sup> Wollongong City Council, Live Music: Taskforce Action Plan, April 2014 and ‘Wollongong scene leads the way to save live music in Newcastle’ Kate McIlwain, *Illawarra Mercury* 4 March 2018