

LIVE MUSIC FUELS AUSTRALIAN ECONOMY TO THE TUNE OF **\$1.2 BILLION**

SUMMARY OF REPORT BY ERNST & YOUNG:
THE ECONOMIC CONTRIBUTION OF THE VENUE-BASED
LIVE MUSIC INDUSTRY IN AUSTRALIA



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THE VENUE-BASED LIVE MUSIC INDUSTRY entertains over 41 million patrons, contributes \$1.21 billion to the national economy, and almost 15,000 full-time jobs. These are the key findings of a 2011 National Live Music Research study commissioned by APRA|AMCOS [Australasian Performing Right Association, Australasian Mechanical Copyright Owners Society] in conjunction with the Australia Council for the Arts, Arts Victoria, Arts NSW and Live Performance Australia.

The research conducted by Ernst & Young measured the contribution of pubs/bars, clubs, restaurants/cafes and nightclubs nationally from a venue owner/managers perspective. The report provides an estimate of the venue-based live music industry's economic contribution in terms of gross output, value-add and employment for the 2009-2010 financial year.

APRA|AMCOS's Head of Corporate Services, Dean Ormston said: "The values reflected in the research support our understanding of the importance of venue-based live music for APRA members. These venues have become the breeding ground for local talent, providing them with a public stage and the opportunity to perform live and fine-tune their skills as artists."

"WHILE NEW TECHNOLOGIES PROVIDE DIFFERENT WAYS FOR ARTISTS TO REACH AUDIENCES, LIVE PERFORMANCE IS CRITICAL FOR ARTISTS' TECHNICAL AND CREATIVE DEVELOPMENT, INCOME GENERATION AND NETWORKING WITH FANS AND INDUSTRY.

The statistical results and direct feedback from surveyed venues demonstrate the significant economic contribution of the venue-based live music industry."

WHY MEASURE THE ECONOMIC VALUE OF LIVE MUSIC ?

The live music sector is widely recognised and appreciated for its contribution to our cultural identity, its role as an incubator for local talent and as artist training grounds for international success.

Music industry stakeholders, including hospitality sector associations, have recognised the need to measure the national economic value of the venue-based live music industry so that future economic policy decisions consider the cultural contribution, economic and growth potential of the industry.

It is proposed that this study will be repeated biennially to help track industry trends at a national and state level, and to promote the economic value and importance of the venue-based live music industry in Australia.

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KEY FINDINGS

- The live music industry generated **gross revenues of \$1.21 billion** during the 2009/10 financial year. This was driven by patron spend at live music performances which included ticket sales to live performances and food and drink.
- These revenues were generated from an estimated **41.97 million patrons** attending approximately **328,000** venue-based live music performances at **3,904** live music venues across Australia.
- **\$652 million total profits and wages**, or value-add, were generated by the industry.
- The venue-based live music industry supports employment of over **14,800 full time jobs**.
- A state by state view shows **New South Wales (32% of industry output)** as the largest contributor to the venue-based live music industry, followed by **Queensland (24%)** and **Victoria (22%)**.

(The percentages from this analysis are consistent with the state by state distribution of performer payment data collected by APRA.)

LIVE MUSIC VENUES - A SNAP SHOT

- On average, surveyed venues have been staging live music performances for approximately **13 years**.
- Venues stage live music to **generate patronage (65.8%)** and invigorate other parts of their business (50.8%).
- The **top 3 genres** of live music staged were:
 1. rock/pop (38.5%)
 2. "all styles" (31.4%)
 3. blues/roots/country (13.9%)
- **Friday night** is the most popular time for staging live music (77.3%), closely followed by Saturday (75.1%).
- **36.6% of venues book artists directly** compared to using the services of an agent (22.4%), while 38.5% of venues use a combination of both.
- According to the surveyed venues the biggest issues they face when hosting live music is the current regulatory environment for live music venues (69.1%) and the cost of talent (61.7%).



FURTHER INFORMATION

To read the full report, go to: www.apra-amcos.com.au

For further information, contact on (02) 9935 7900

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ABOUT THE STUDY

The Ernst & Young study focused on three common indicators of an industry's economic size or value, being industry output (revenue), industry value add and industry employment. Other financial and non-financial metrics were developed for the study to help provide a broader measure of the size and importance of the venue-based live music industry to Australia, including attendances at live music performances; number, type and frequency of live music performances; why venues stage live music; and barriers to operating a live music venue.

The venue-based live music industry was defined as those hotels/bars, clubs, restaurants/cafes and nightclubs licensed by APRA and which stage live music.

Data for the study was sourced as follows:

- Online surveying of live music venues conducted by Ernst & Young.
- Consultation with venue owners/operators.
- Information provided by APRA.

Estimating the industry output (revenue), industry value-add and industry employment of the venue-based live music industry was based on extrapolating the number of venue-based live music performances and attendances at these performances (by venue and performance type).

LIMITATIONS

In analysing the results the following limitations should be considered:

- The study was limited to live music performances in pubs/bars, clubs, restaurants/cafes and nightclubs in Australia.
- The venues included in the study were limited to those live music venues licensed by APRA that staged live music during the 2009/10 financial year.
- The study included only revenue generated from venue-based live music performances.
- The study considered feedback from a range of venue owners/managers on the revenue and cost profiles of venue-based live music performances.
- The study measured the contribution of the venue-based live music industry nationally from a venue owner/managers' perspective.
- The final report provides a high level breakdown of the contribution of the venue-based live music industry for each state and territory in Australia based on the total number of venues by location. This simplistic approach was undertaken rather than the approach utilised in calculating the national value of the venue-based live music industry (i.e. by venue size, number of performances and attendances), as the breakdown of survey data on a state by state basis resulted in sample sizes that were not considered representative. As such, this analysis should be treated as an indicator only and not considered as a detailed calculation of the economic contribution on a state by state basis.



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