

Economic contribution of the venue-based live music industry in Australia

Australasian Performing Right Association (APRA)

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1. Executive summary

1.1 Background

Many claims are made in relation to the importance of the live music sector to Australian music in general, including its role as an ‘incubator’ of local talent and as artist training grounds for international success. However, live music activity has been primarily researched from musicians’ and musician management perspectives. As such, there is limited data available on the value of the venue-based live music industry in Australia.

To this end, there is a need by industry stakeholders to understand the economic value of the venue-based live music industry in order to ensure future policy decisions consider the true value of the industry.

Ernst & Young has been engaged by Australasian Performing Right Association (APRA), in conjunction with The Australia Council, Arts Victoria, Arts NSW and Live Performance Australia, to measure the contribution of the venue-based live music industry nationally from a venue owner and managers’ perspective. The study provides an estimate of the venue-based live music industry’s economic contribution in terms of gross output, value add and employment for the 2009/10 financial year.

1.2 Approach

Figure 1 below summarises our approach to the study.

Figure 1: Overview of our approach to the economic value of the venue-based live music industry



A brief description of each of the above elements is provided below. Refer to section 3 for further details.

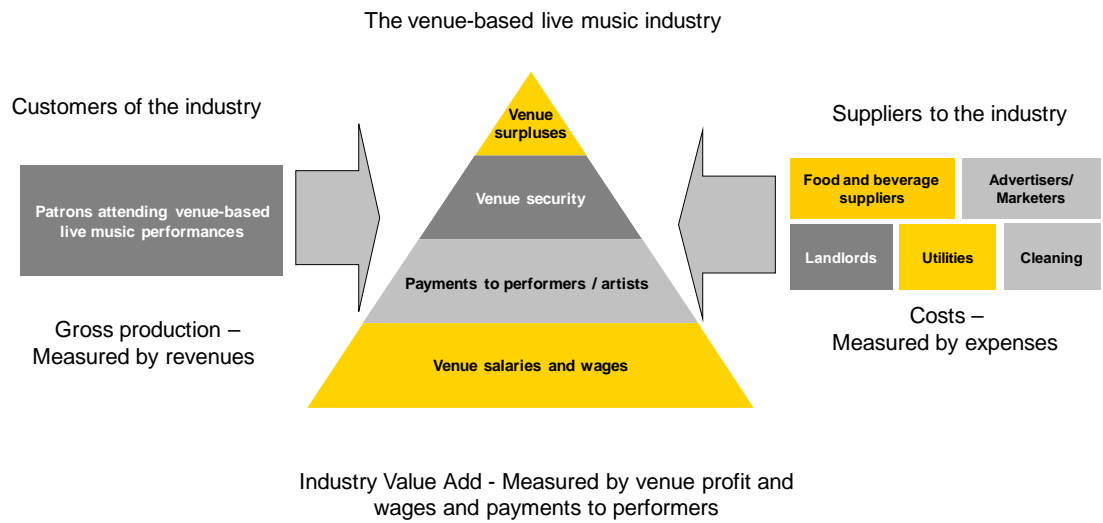
Define key measures

The study focuses 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 have been 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.

Define the venue-based live music industry

For the purposes of the study the venue-based live music industry is defined as those hotels/bars, clubs, restaurants/cafes and nightclubs licensed with APRA that stage live music. Figure 2 over the page illustrates the venue-based live music industry lifecycle.

Figure 2: Venue-based live music industry lifecycle



Data collection

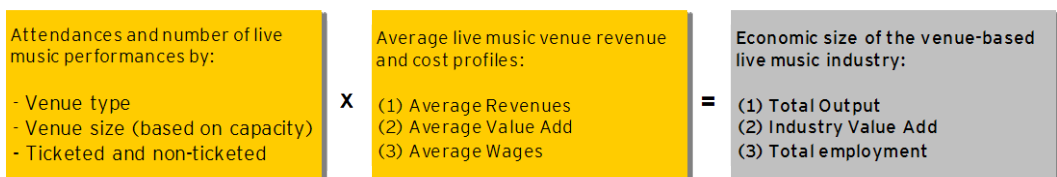
The sources of primary data for the study were as follows:

- ▶ On-line surveying of live music venues conducted by Ernst & Young;
- ▶ Consultation with venue owners/operators; and
- ▶ Information provided by APRA.

Estimation process

The approach to estimating the industry output (revenue), industry value add and industry employment of the venue-based live music industry is summarised in Figure 3 below. Essentially it estimates these economic measures by focusing on the number of venue-based live music performances and attendances at these performances (by venue and performance type).

Figure 3: Summary of estimation approach



1.3 Size of the venue-based live music Industry in Australia

In terms of its economic importance, the venue-based live music industry¹ in Australia generated revenues of \$1.21 billion during 2009/10 financial year (i.e. “industry output”). The revenue of the venue-based live music industry is driven by patron spend at live music performances, of which 16.7% was generated from ticket sales to live music performances, with the remaining 83.3% from patron spend on food and beverage. These revenues were generated from an estimated 41.97 million patrons attending a total of approximately 328,000 venue-based live music performances at 3,904 live music venues across Australia.

¹ For the purposes of the Study the venue-based live music industry is defined as those hotels/bars, clubs, restaurants/cafes and nightclubs registered with APRA that stage live music, representing a total of 3,904 venues across Australia.

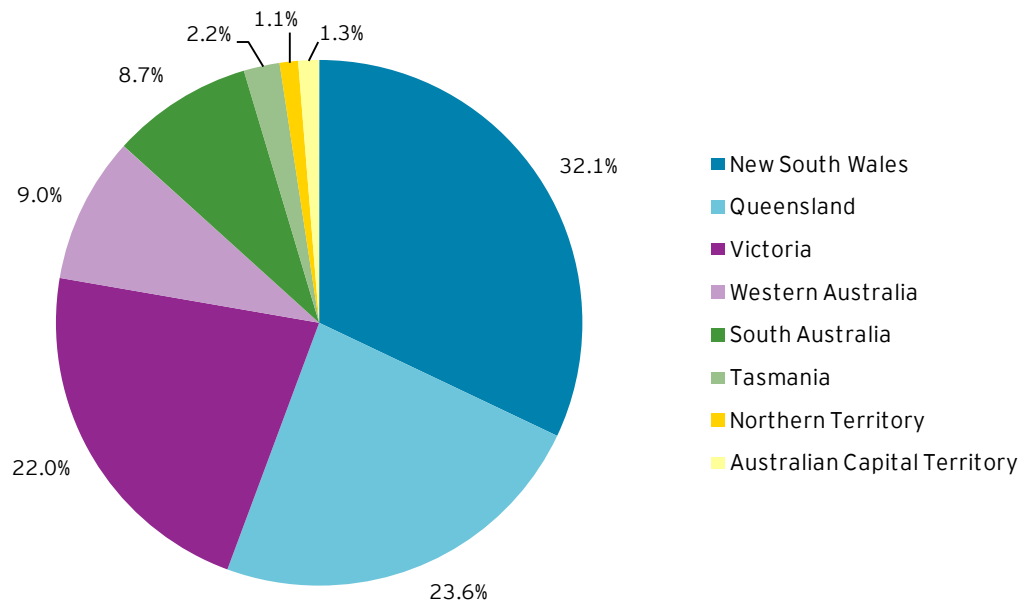
Total profits and wages generated by the industry (i.e. the “industry value add”), amounted to \$651.9 million, while overall, the venue-based live music industry supports employment of approximately 14,866 full time equivalent positions.

Table 1: Economic contribution of the venue-based live music industry in Australia (2009/10)

Industry output (gross)	\$1,211.1 million
Direct industry value add	\$651.9 million
Direct industry employment full time equivalents (FTE)	14,866

Furthermore, based on a high level allocation² of the measures depicted in Table 1, on a State by State basis, New South Wales (32% of industry output) is the largest contributor to the venue-based live music industry, followed by Queensland (24%) and Victoria (22%)³.

Figure 4: State by State allocation of industry output based on live music venue numbers



1.4 Other key metrics for the venue-based live music industry in Australia

While industry output, industry value add and industry employment are three common indicators of an industry’s economic size, other measures sought during the venue surveying and consultation process have been developed by APRA in consultation with Ernst & Young for this study to help provide a broader measure of the size and importance of the venue-based live music industry. A summary of these key metrics follow.

- ▶ Venues surveyed have on average been staging live music performances for approximately 13 years, with the main reason for staging live music being to generate patronage (65.8%) and to invigorate other parts of the venue’s business (50.8%).

² For the purposes of this analysis and due to restrictions with sample sizes, we have provided a breakdown of each economic indicator measured in section 4, by applying the number of live music venues by type and location as a percentage of total venues. 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.

³ As advised by APRA, the order of magnitude from this analysis is consistent with the state by state distribution of performer payment data collected by APRA.

- ▶ The most popular genre of live music staged at the venues surveyed was rock/pop, accounting for 38.5% of respondents, followed by “all styles” with 31.4% and blues/roots/country with 13.9%.
- ▶ It is estimated that 3,904 live music venues in Australia staged approximately 328,000 live performances in the 2009/10 financial year, equating to approximately 6,300 performances per week. This equates to 84 performances per live music venue per year (or 1.6 per week), of which 14 were ticketed performances and 70 were non-ticketed.
- ▶ With regard to the nights of the week that live music is staged, the most popular nights are Friday (77.3%) and Saturday (75.1%) nights.
- ▶ 36.6% of venues book the services of artists/musicians directly (i.e. in-house) compared to using the services of an agent (22.4%), while 38.5% of venues use a combination of both.
- ▶ The venues surveyed were also asked *what they saw as the barriers to owning/operating a live music venue*. The impact of the current regulatory environment for live music venues (69.1%) and the cost of talent (61.7%) are clearly the biggest issues facing the industry. Of the 12.8% of respondents that selected “other”, the most common reasons given were music licence fees and the cost of security.
- ▶ Venue-based live music acts as an incubator for emerging artists/performers. The ability to perform and trial new material with smaller audiences assists artists’ with their development. While new technologies are providing 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. Venue-based live performance is often the first step in furthering an artist’s international career⁴.

⁴ APRA

2. Introduction

2.1 Overview

Many claims are made in relation to the importance of the live music sector to Australian music in general, including its role as a primary platform for the presentation of live music, an 'incubator' of local talent and as artist training grounds for international success and providing opportunities for income generation and audience development. However, live music activity has been primarily researched from musicians' and musician management perspectives. As such, there is limited data available on the value of the venue-based live music industry in Australia.

To this end, there is a need by industry stakeholders to understand the economic value of the venue-based live music industry in order to ensure future policy decisions consider the true value of the industry.

2.2 Scope

Ernst & Young has been engaged by Australasian Performing Right Association (APRA), in conjunction with The Australia Council, Arts Victoria, Arts NSW and Live Performance Australia, to measure the contribution of the venue-based live music industry nationally from a venue owner/managers' perspective (the study).

The study provides an estimate of the venue-based live music industry's economic contribution in terms of gross output, value add and employment for the 2009/10 financial year (FY 2009/10). The venue-based live music industry includes live music performances staged in hotels, bars, clubs, restaurants/cafes and nightclubs that are licensed with APRA to stage live music (as defined in section 3.2). The study also reports on other important industry metrics identified by APRA.

APRA is a not for profit association established in 1926 and administers the performing and communication rights of approximately 67,000 composer, songwriter and music publisher members in Australia and New Zealand. Public performances of music generally include music used in pubs, clubs, fitness centres, shops, cinemas, festivals, whether performed live, on CDs or played on the radio or television.

2.3 Limitations of the study

The following limitations exist for the study and should be taken into account when analysing the results:

- ▶ As noted in section 2.2, the scope of this assessment is limited to live music performances in pubs/bars, clubs, restaurants/cafes and nightclubs in Australia. While live music performances also occur in other venues such as performing arts centres, concert halls, open public spaces and sporting stadia/arenas these have not been considered as part of the study;
- ▶ The venues included in our analysis are limited to those live music venues that are registered with APRA and stage live music. There are also likely to be other pubs/bars, clubs, restaurants/cafes and nightclubs in Australia that stage live music and are not clients of APRA. These venues are not captured in the analysis;
- ▶ This venue-based analysis does not include revenue generated by performers/artists outside the walls of a live music venue. That is, revenue such as royalties earned from recordings, payments for non-venue based appearances, and merchandise sales. Our

analysis is restricted to performers' earnings from venue-based live music performances only;

- ▶ The study also considers feedback from a range of venue owners/managers on the revenue and cost profiles of venue-based live music performances. Ernst & Young has not independently verified, or accept any responsibility or liability for independently verifying the accuracy of information received from this consultation process. Nor do we make any representation as to the accuracy or completeness of the information;
- ▶ Given the scope of our engagement, that is, to measure the contribution of the venue-based live music industry nationally from a venue owner/managers' perspective, we have not interviewed or consulted directly with live music performers as part of this study;
- ▶ Our work in connection with the study is of a different nature to that of an audit. We have relied on information and data gathered from discussions with owners / managers of live music venues and from surveying of selected live music venues (as detailed in section 3.3). We have not independently verified, or accept any responsibility or liability for independently verifying, any information nor do we make any representation as to the accuracy or completeness of the information. We accept no liability for any loss or damage, which may result from your reliance on any research, analyses or information so supplied'
- ▶ It is important to note there may be some cross over with the venue-based live music performances included in this study with those included in Ernst & Young's report on the *Size and Scope of the Live Entertainment Industry (2008)* undertaken for Live Performance Australia. That is, live music venues that outsource the ticketing of their live music performances to ticketing agencies included in the above mentioned report (such as Ticketek or Ticketmaster). Based on APRA's review of the above list of venues, we understand there are very few venues where this is the case. As such, the potential for the inclusion of live music performances in both studies is minimal.

Any commercial decisions taken by APRA are not within the scope of our duty of care and in making such decisions you should take into account the limitations of the scope of our work and other factors, commercial and otherwise, of which you should be aware of from sources other than our work.

2.4 Disclaimer

This report, dated 14 September 2011, has been prepared by Ernst & Young for APRA in accordance with our engagement agreement dated 12 August 2010. Any use of this report by third parties is subject to our disclaimer contained in section 7.

3. Approach

Figure 5 below summarises our approach to the study. Each key element is discussed in further detail in the following sections.

Figure 5: Overview of our approach to the economic value of the venue-based live music industry



3.1 Defining key measures

The two key focuses of the study are economic measures and other key venue-based live music metrics (as stipulated by APRA). These are discussed below.

3.1.1 Economic indicators

Three common indicators of an industry's economic size or value are:

- ▶ *Industry output* - the market value of goods and services produced by an industry, often measured by industry turnover/revenue. Industry output is also referred to as 'gross economic contribution'. While gross economic contribution provides an indication of the amount of revenue generated by businesses within an industry, it does not capture the amount of revenues retained in a region;
- ▶ *Industry value add* - the market value of goods and services produced by an industry, after deducting the cost of goods and services used; and
- ▶ *Industry employment* - the number of workers directly employed by the industry, expressed in terms of full time equivalent employees.

All three measures are valuable in their own right. Industry output is a measure of *production*, value add is a measure of *wealth generation*, and arguably, employment is a measure of the *distribution of income*.

In comparing an industry's size against others, it is generally accepted to discuss this in terms of its industry value add. Industry value add measures net of the costs of production (inputs sourced from other sectors) from the industry's outputs. This avoids the inclusion of revenues to other industries and any associated double counting. In practice, industry value add largely comprises wages, salaries and the operating surplus of an industry (i.e. the industry's income). The study looks at all three measures, but attention should be placed on industry value add measures when making comparisons to other industries. The value add measure is commonly put forward as the most appropriate measure of an industry's contribution to the national economy.

It is important to note the economic indicators measured as part of the study are based on the direct output of the industry only and do not include the application of multipliers. Generally, when comparing the contribution of industries, it is standard practice (by reputable statistical agencies such as the ABS) to focus solely on industry value add from direct output (i.e. without multipliers). This enables meaningful comparisons of industry size to be made between industries and ensures there is no overlap with other industries.

3.1.2 Other key metrics

While industry output, industry value add and industry employment are three common indicators of an industry's economic size, other financial and non financial metrics have been developed for the study to help provide a broader measure of the size and importance of the venue-based live music industry to Australia. These key metrics were developed by APRA in consultation with Ernst & Young and focus on various aspects of the industry including:

- ▶ Attendance to live music performances;
- ▶ Number, type and frequency of live music performances;
- ▶ Why venues stage live music; and
- ▶ Barriers to operating a live music venue.

Together the economic measures and other key metrics will enable an estimate of the size of the venue-based live music industry in Australia.

3.2 Definition of the industry

In examining the size of an industry, it is necessary to place boundaries around what the industry is, and what it isn't.

For the purposes of the study the venue-based live music industry is defined as those hotels/bars, clubs, restaurants/cafes and nightclubs licensed with APRA that stage live music⁵.

We acknowledge live music performances also occur in other venues such as performing arts centres, concert halls, open public spaces, sporting stadia/arenas, etc, however these do not form part of the study.

As provided by APRA, Table 2 displays the number of venues by type and location that are licensed with APRA and provide live music⁶ (i.e. they pay a license fee to APRA).

Table 2: Number of live music venues by type and location (as at September 2010)

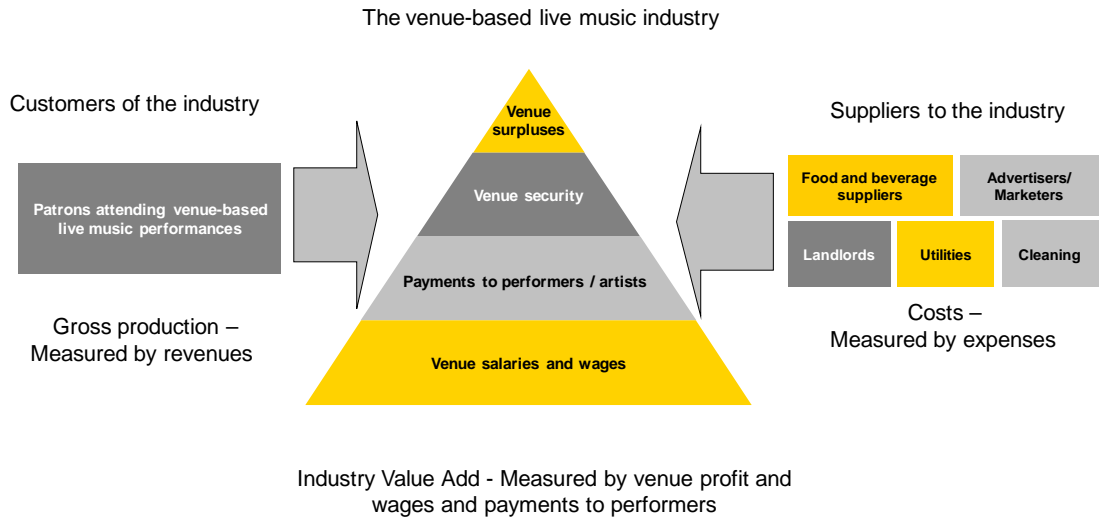
State & Territory	Hotel/bar	Clubs (Registered, Sport & Cultural)	Restaurants & cafes	Nightclubs	Total live music venues	
					No.	%
New South Wales	491	703	96	6	1,296	33.2%
Queensland	495	321	147	10	973	24.8%
Victoria	477	195	119	32	823	21.1%
Western Australia	227	56	39	9	331	8.5%
South Australia	193	74	33	12	312	8.0%
Tasmania	58	16	7	1	82	2.1%
Northern Territory	19	19	6	1	45	1.2%
Australian Capital Territory	12	23	3	4	42	1.1%
Totals	1,972	1,407	450	75	3,904	100.0%

⁵ While there is no standard industry definition of what constitutes a hotels/bars, clubs, restaurants/cafes and nightclubs, it should be noted that live music venues self select the most appropriate venue category when they are licensed with APRA to stage live music.

⁶ The definition of live music for the purposes of this study does not include music played by DJs. Further, based on discussions with APRA, it is recognised that there may be a small number of hotels/bars, clubs, restaurants/cafes and nightclubs that are not licensed with APRA and stage live music.

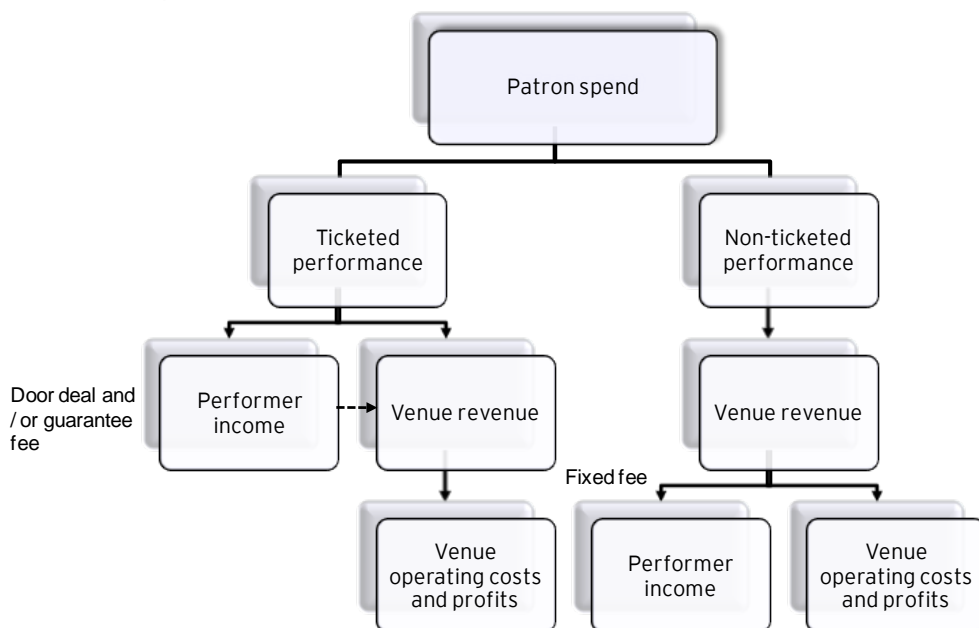
Patrons attending live music performances at these venues are effectively customers to this industry as they provide it with a source of funding with their expenditure on tickets and food and beverage. This patron spend is effectively split between the live music venue and the performer/artist depending on the type of performance (ticketed or non-ticketed) and the performer payment arrangement in place (as discussed further below). The other industries that provide goods and services to the venue-based live music industry such as food and beverage suppliers, advertisers and utilities are treated as being outside of this industry. Revenues to these suppliers are not counted again as this would constitute double counting. Figure 6 below summarises these linkages between the customers and suppliers to the venue-based live music industry.

Figure 6: Venue-based live music industry lifecycle



The revenue of the venue-based live music industry is driven by patron spend. The patron spend for the purposes of the study includes spend on tickets (where applicable) and food and beverage, which is shared between the venue and performer depending on the type of performance (ticketed or non-ticketed) and the type of performer payment model agreed (as illustrated in the figure below).

Figure 7: Industry revenues flows



It is important to note there may be some cross over with the venue-based live music performances included in this assessment with those included in Ernst & Young's evaluation of the *Size and Scope of the Live Entertainment Industry (2008)* undertaken for Live Performance Australia. That is, live music venues that outsource the ticketing of their live music performances to either Ticketek or Ticketmaster. Based on APRA's review of the list of venues included in Table 2, we understand there are very few venues where this is the case. As such, the potential for the inclusion of live music performances in both studies is minimal.

3.3 Data gathering

To gather the primary data required to address the key measures of the study the following processes were undertaken by Ernst & Young.

3.3.1 Survey of live music venues

On-line surveying of live music venues were conducted by Ernst & Young based on the following approach:

- ▶ A standard live music venue questionnaire was developed in consultation with APRA, The Australia Council, Arts Victoria, Arts NSW and Live Performance Australia. Using this questionnaire an on-line survey was conducted using Survey Monkey (on-line survey tool). The key data sourced from the survey included:
 - ▶ Venue location, type and size (i.e. capacity);
 - ▶ Total number of annual live music performances and average attendances;
 - ▶ Other qualitative data such as genre of music, nights of the week live music is staged, reasons for staging live music and barriers to operating a live music venue; and
 - ▶ Capital expenditure on live music venues⁷.
- ▶ An email containing a link to the on-line survey was sent by APRA to 2,260 live music hotels, bars, clubs, restaurants and cafes and nightclubs across Australia on 29 October 2010. This sample was established by APRA based on the available email addresses contained in their database of registered live music venues.
- ▶ A number of follow-up emails and communications were also sent by APRA and other related industry bodies encouraging participation in the survey. The on-line survey process was closed on Friday 17 December 2010.
- ▶ In total 366 venues responded to the survey, the results of which were primarily used in our reporting of the other key metrics of the venue-based live music industry. However following our review of the data relating to venue capacity, attendances and number of live music performances, a number of the surveys were either incomplete or contained outliers. After removing these surveys from the sample, the total number of completed surveys by venue type used to estimate the economic measures is shown in Table 3 below.

⁷ We note that limited responses were provided to the survey question regarding capital expenditure. As such this information has not been reported on in the Study.

Table 3: Number of live music venues by type and location

Venue type	Total no. of responses used to determine economic measures	Total population	Percentage of population
Hotel/bar	91	1,972	4.6%
Club	135	1,407	9.6%
Restaurant/cafe	36	450	8.0%
Nightclub	13	75	17.3%
Total	275	3,904	7.0%

- It should be noted that based on the total population of each venue type, the number of surveys of hotels/bars and clubs falls within the acceptable range of 95% confidence level and 5% confidence interval (high), and 90% confidence level and 10% confidence interval (low)⁸. This is not the case for restaurants/cafes and nightclubs and therefore the results of the survey of these venue types may not be considered representative. Overall results of the study should therefore be analysed taking this into account.

3.3.2 Consultation with live music venue owners/operators

A consultation process was also undertaken by Ernst & Young to understand the revenue and expense profiles of the types of live music venues subject to this study. This involved a combination of face-to-face and phone interviews with a selection of venue owners / operators of hotels, bars, clubs, restaurants and cafes and nightclubs across Australia. These venues were selected by APRA given the strong industry knowledge and experience of the venue owners/operators. A total of ten consultations were undertaken as part of this process. From this, Ernst & Young was able to establish assumption estimates of the revenues, expenses and profits of live music venues associated with live music performances (as detailed in Appendix A).

⁸ Partnerships Victoria, Public Sector Comparative: Appendix E: Statistical probability techniques and sample distributions - "It is not possible to obtain an estimate of probability that is 100 percent correct. An appropriate trade-off between mathematical accuracy and meaningful estimate therefore needs to be made. Generally, a confidence interval of 90 or 95 per cent is considered statistically robust."

3.4 Estimation process

In determining the most appropriate estimation approach for the economic contribution of the venue-based live music industry, the following elements directly relating to the venue-based live music industry have been considered:

- ▶ Attendances and number of live music performances;
- ▶ The number, type and size of live music venues;
- ▶ Ticketed versus non-ticketed live music performances; and
- ▶ Performer payment methods.

Each of these is discussed in further detail below.

3.4.1 Attendances and number of live music performances

As described in section 3.2, the economic activity of the venue-based live music industry is driven by patron spend. As such the number of live music performances and the level of attendances at these performances are the primary drivers in determining economic contribution of the venue-based live music industry.

By focusing our approach on the level of attendances at live music performances, the estimated economic contribution is limited to revenue generated by live music performances only and therefore effectively excludes any other revenue generating activities of a venue that are not specific to the live music industry.

3.4.2 The number, type and size of live music venues

As discussed, this study focuses on four categories of live music venues, being hotels/bars, clubs, restaurants/cafes and nightclubs. As these venues intuitively display different revenue and expenditure characteristics, we have undertaken our analysis by venue type. Further, given our attendance based approach (as discussed in the previous section), we have categorised each type of venue into small, medium and large based on capacity (where adequate sample sizes allow⁹) to help ensure that venue size and attendance levels are considered in our analysis. The venue size categories were established in consultation with APRA and industry stakeholders.

3.4.3 Ticketed versus non-ticketed live music performances

Live music performances can be ticketed or non-ticketed, resulting in different venue revenue profiles and different performer payment models adopted. As a result of these differences, our estimation approach distinguishes between ticketed and non-ticketed performances.

3.4.4 Performer payment models

There are two types of performer payment models that are mainly used in the live music industry:

- ▶ *'Door deal'* - the performer is paid from ticket sales/entry fee with a share of the fee going to the venue to cover overheads. Under this model, the performer effectively takes on the income risk, although some door deals are also structured to include a fixed top up fee component; and

⁹ Given the small sample sizes achieved for each venue size category for restaurants and nightclubs, data for these venue types were aggregated.

- ▶ *'Guarantee' or 'fixed fee'* - the performer is paid an agreed amount by the venue regardless of the level of attendance at the performance. This fee effectively transfers the income risk to the venue.

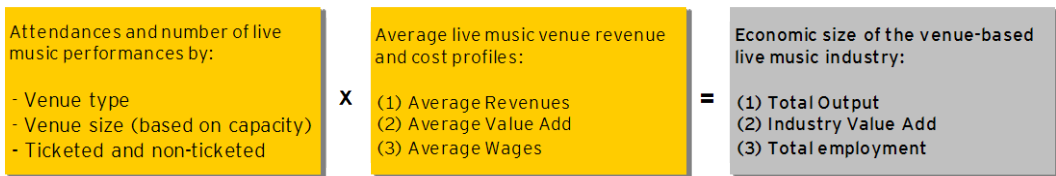
For our estimation approach and for the purposes of simplicity we have utilised the 'door deal' model for ticketed performances and the 'guarantee' or 'fixed fee' model for non-ticketed performances. This approach was determined based on:

- ▶ Discussions with APRA;
- ▶ Consultations with venue owners/operators; and
- ▶ Given our approach to treat ticketed and non-ticketed performances separately (as previously discussed in section 3.4.3).

3.4.5 Overview of estimation approach

Given the above mentioned elements of the venue-based live music industry, Figure 8 summarises schematically the estimation approach for the study.

Figure 8: Summary of estimation approach



Details of the number of performances (by venue type and size), average attendances at live music performances and average live music venue profit and loss profiles of performances staged in these venues are contained in Appendix A.

It should be noted that with regard to live music staged at restaurants and cafes, it is often the case that these venues choose to stage live music to add to the experience of dining out and to create a point of difference. That is, the live music is staged to create atmosphere at the venue, rather than as the primary focus of the dining experience. As such we have taken a conservative approach in estimating the value of live music associated with non-ticketed performances at restaurants and cafes by utilising a cost recovery approach. That is, we have only included the portion of revenue generated from the non-ticketed performances at restaurants and cafes equivalent to the amount paid to performers.

4. National economic contribution

As discussed in section 3.1, industry output, industry value add and industry employment are three common indicators of the economic size of an industry. The following sections of this chapter provide an estimate of each of these indicators for the venue-based live music industry in Australia for the 2009/10 financial year.

4.1 Industry revenues and expenses

As described in section 3, the estimation methodology for the study is based on the development of a series of live music venue revenue and cost profiles (by venue type and size); to which the population of total live performances and average attendances were applied. From this, estimates of the revenues and costs for the venue-based live music industry were established and are summarised in Table 5.

Assumptions underlying the estimation approach are detailed in Appendix A and have been developed based on the following:

- ▶ *Attendances and number of live music performances* - based on surveying of live music venues as detailed in section 3.3.1; and
- ▶ *Live music venue revenue and cost profiles* - based on consultation with venue owners/managers as detailed in section 3.3.2.

Applying the methodology for the study, Table 4 below details the number of live music venues, performances and attendances (for FY 2009/10) by venue type, while Table 5 over the page summarises the combined total revenues and expenses of the venue-based live music industry. This data is used to derive the industry output, value add and employment indicators of economic contribution.

Table 4: Summary of number of live music venues, performances and attendances

	Hotels / bars	Clubs	Rest's / cafes	Night clubs	Total
Number of live music venues	1,972	1,407	450	75	3,904
Number of venue-based live music performances (ticketed and non-ticketed)	184,895	103,592	28,737	10,512	327,736
Total attendance at venue-based live music performances (ticketed and non-ticketed)	24,281,324	12,859,099	2,136,585	2,689,096	41,966,104

Source: live music venue surveys

Table 5: Estimated industry revenues and expenses

	Hotels / bars (millions)	Clubs (millions)	Rest's / cafes ⁽⁵⁾ (millions)	Night clubs (millions)	Total (millions)	
Revenues (i.e. patron spend)						
Tickets sales revenue ⁽¹⁾	\$99.6	\$83.5	\$2.1	\$17.1	\$202.3	
Food and beverage revenue ⁽²⁾	\$607.0	\$321.5	\$13.1	\$67.2	\$1,008.9	
Total industry revenues	\$706.6	\$405.0	\$15.2	\$84.3	\$1,211.1	
Less payments to performers (i.e. performer income) ⁽³⁾	\$146.4	\$104.4	\$10.1	\$16.7	\$277.6	
Net venue revenue	\$560.2	\$300.6	\$5.1	\$67.6	\$933.5	As % of net venue revenue
Venue expenses ⁽⁴⁾						
Salaries and wages	\$168.1	\$90.2	\$1.8	\$20.3	\$280.3	30%
Security	\$56.0	\$30.1	\$0.0	\$6.8	\$92.8	10%
Cost of sales	\$196.1	\$105.2	\$2.0	\$23.7	\$327.0	35%
Other expenses	\$112.0	\$60.1	\$1.0	\$13.5	\$186.7	20%
Total expenses	\$532.2	\$285.6	\$4.8	\$64.2	\$886.8	95%
Venue surpluses (i.e. net venue revenues less expenses)	\$28.0	\$15.0	\$0.3	\$3.4	\$46.7	5%

Figures may not equate exactly due to rounding. Refer to Appendix A to C for detailed assumptions and calculations regarding the above estimates.

- (1) Calculated as the number of performances by average attendances by average ticket prices.
- (2) Calculated as the number of performances by average attendances by average food and beverage spend per patron.
- (3) Performers' share of ticket revenue and performer fixed fees.
- (4) Expenses are calculated as a percentage of net venue revenue.
- (5) As noted in section 3.4.5 we have taken a conservative approach in estimating the value of live music associated with non-ticketed performances at restaurants by utilising a cost recovery approach. That is, we have only included the portion of revenue generated from the non-ticketed performances at restaurants equivalent to the amount paid to performers

4.2 Industry output

The total size of the venue-based live music industry for the 2009/10 financial year was \$1.21 billion, based on total revenues generated from patron spend at venue-based live music performances. Of this amount, 16.7% was generated from tickets sales while the remaining 83.3% was generated from food and beverage turnover.

Table 6: Industry output of the venue-based live music industry (FY 2009/10)

Industry output	Total revenues (millions)
Total tickets sales revenue from venue-based live music performances	\$202.3
Total food and beverage revenue	\$1,008.9
Venue-based live music industry output	\$1,211.1

Source: Table 5

4.3 Industry value add

Industry value add is defined as the sum of all wages, income and profits generated by the industry. For the purposes of the analysis, the following items from Table 5 have been included as part of our estimate of direct industry value add:

- Payments to performers (net of any amounts paid to or shared by venues to avoid double counting). We recognise that of the payments to performers estimated in Table 5, a portion of this is used by the performer to incur costs associated with their

live music performance and is therefore distributed to other sectors of the live music industry such as technicians, band managers/booking agents, other band members, etc and potentially other industries such as advertising. As such we have assumed that 83.6%¹⁰ of payments to performers contribute to industry value add, equating to \$232.1 million (based on total payments to performers of \$277.6 million multiplied by 83.6%);

- ▶ Venue salaries and wages;
- ▶ Venue security services/wages; and
- ▶ Venue surpluses.

On the basis of these assumptions, total industry value add to the venue-based live music industry in Australia is estimated at \$651.9 million for 2009/10. Provided in Appendix C is a breakdown of the value add by venue type.

Table 7: Industry value add of the venue-based live music industry (FY 2009/10)

	Total (Millions)
Payments to performers (net of any amounts paid to or shared by venues and less costs)	\$232.1
Live music venue salaries and wages	\$280.3
Live music venue security services/wages	\$92.8
Live music venue operating surpluses	\$46.7
Total direct value add of the venue-based live music industry in Australia	\$651.9

4.4 Industry employment

Direct industry employment is approximated by converting the industry wage amounts estimated above into full-time equivalent (FTE) workers by applying an average labour cost for each full-time employee. We have estimated the industry employment separately for performers and venues, as detailed in the following sections.

4.4.1 Performer related employment

Typically, many live music performers engage in their practice on a part-time or casual basis and as such are required to supplement their live music income from non-live music related sources¹¹. This adds complexity estimating the number of performer related FTE employees.

We have estimated performer related FTE employment by dividing the total payments to performers calculated in Table 5, by an average FTE labour cost for performers and performer related employees¹². The estimated average annual FTE earnings of a musician is \$43,409¹³. Applying this estimate, total employment associated with amounts paid to performers is estimated to be 6,395 full-time equivalent workers.

¹⁰ Source: David Throsby and Anita Zednik (2010). *Do you really expect to get paid? - An economic study of professional artists in Australia, for the Australia Council for the Arts*. This is based on information in this report relating to a musician's creative income and mean expenses incurred in earning this income. We have assumed 49% of the costs reported to be incurred by musicians on their 'creative practice' are considered part of the industry (includes costs such as agents fees, subcontracting, training, etc).

¹¹ Based in industry consultation and further supported by comments contained in the report by David Throsby and Anita Zednik (2010). *Do you really expect to get paid?*

¹² Based on the assumption that all payments to performers are assumed to be in the form of wages or income for the purposes of the study.

¹³ Source: David Throsby and Anita Zednik (2010). *Do you really expect to get paid?* The estimate is calculated by dividing the 'creative income' component of the average annual income of a musician (\$19,300) by the percentage of time spent (47%) on earning this 'creative income' (inflated to 2010 dollars).

Table 8: FTE industry employment related to payments to performers (FY 2009/10)

	Total
Total payments to performers (millions) as per Table 5	\$277.6
Estimated average annual earnings of performers per FTE	\$43,409
Industry employment from payments to performers (FTE)	6,395

It is important to note that while the measure of FTE employment is commonly used in industry wide studies, in reality due to the part-time nature of many live music performers, the industry sustains a greater number of employees on a part-time or casual basis. To estimate the total number of performer related employees of the industry (i.e. full-time and part-time employees) we have applied the venue based live music component of the average annual earnings of performers to total payments to performers. Based on this varied approach, there is estimated to be 22,677 workers associated with amounts paid to performers, as detailed in Table 9 below.

Table 9: Industry employment (including full-time and part-time) related to payments to performers (FY 2010)

	Total
(A) Estimated average annual earnings of performers per FTE	\$43,409
(B) Time spent by musicians on earning music related income ⁽¹⁾	47%
(C) Music related component earned from live music venue subject to this study ⁽²⁾	60%
(D) Estimated average annual earnings related to venue-based live music performances ⁽³⁾	\$12,241
Total payments to performers (millions) as per Table 5	\$277.6
Total estimated employment related to payments to performers (all workers)	22,677

(1) Source: David Throsby and Anita Zednik (2010). *Do you really expect to get paid?* Table 23, mean portion of time spent by musicians on creative work.

(2) From *A snapshot of Victorian Grassroots Musicians for 2009*, Arts Victoria, it was estimated that 74% of a musicians music related income came from live performances. Given that not all of these live performances would have been staged in venues subject to this study, we have assumed the lower percentage of 60%.

(3) $D = A \times B \times C$

4.4.2 Venue related employment

Venue related employment is approximated by converting the venue related wages and salaries (including security) as estimated in section 4.1, into full-time equivalent (FTE) workers by applying an average labour cost per FTE worker. The average weekly earnings of a FTE worker in the hospitality industry was \$847.10¹⁴, which equates to an annual full time equivalent (FTE) salary of \$44,090.

Applying this estimate, total venue related employment in this industry amounts to around 8,471 FTE workers.

Table 10: FTE industry employment related to venues (FY 2010)

	Total
Live music venue security services/wages (million)	\$280.3
Live music venue salaries and wages (million)	\$92.8
Total venue related wages (millions) as per Table 5	\$373.1
Average annual FTE wages	\$44,090
Industry employment from venues (FTE)	8,471

Figures may not equate exactly due to rounding.

¹⁴ Australian Bureau of Statistics (May 2010). *Employee Earnings and Hours, Australia*, (63060D0001_201005).

4.4.3 Total industry employment

Based on the above analysis the total FTE employment of the venue-based live music industry is 14,866, as detailed in the table below.

Table 11: Total FTE employment of the venue-based live music industry (FY 2010)

	Total
Industry employment from payments to performers (FTE)	6,395
Industry employment from venues (FTE)	<u>8,471</u>
Total direct industry employment (FTE)	14,866

4.5 Comparison with other Industries

This study estimates the total size of the venue-based live music industry at \$651.9 million in value add and \$1.21 billion in output, supporting a total of around 14,866 full-time equivalent positions. Provided below is a table containing a comparison of the value of the venue based live music industry to other industries¹⁵.

Table 12 Comparison with other industries

Industry	Industry Value Add (millions)	Industry Output (millions)	Source
Publishing; recorded media and publishing	\$4,882	\$7,736	ABS (2008) 4172.0
Libraries, museums and the arts	\$3,900	\$7,606	ABS (2008) 4172.0
Motion picture, radio and television services	\$3,887	\$14,078	ABS (2008) 4172.0
Live Entertainment Industry	\$1,010	\$1,888	Ernst & Young (2008)
Film and Video Productions	\$886.0	\$2,028	ABS (2007) 8679.0
Venue-based live music industry	\$651.9	\$1,211.1	Ernst & Young (2010)
Sports and physical recreation clubs, teams and sports professionals	\$705.2	\$1,815	ABS (2006) 8686.0
Book Publishers	\$482.2	\$1,493	ABS (2004) 1363.0
Horse & Dog Racing	\$285.3	\$1,556	ABS (2006) 8686.0
Video Hire Industry	\$282.0	\$595	ABS (2000) 8562.0
Performing Arts Operations	\$281.5	\$733	ABS (2007) 8697.0

¹⁵ Any comparison to other industries should take into account the potential differences in methodologies used in calculating the value of other industries.

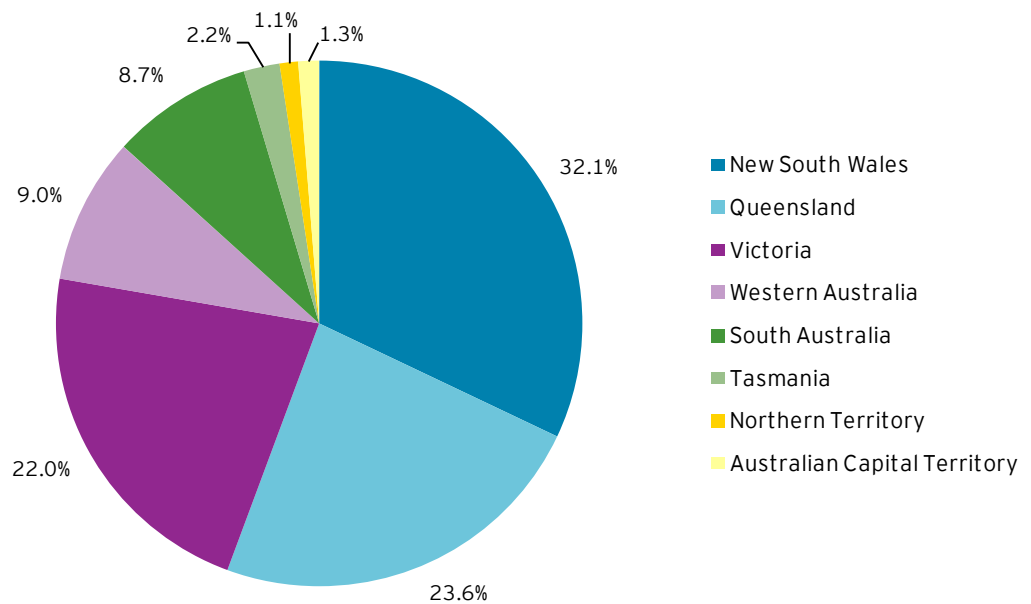
5. State / Territory analysis

While the primary purpose to the study was to estimate the size of the venue-based live music industry in Australia, the stakeholders of the study were also interested in understanding the contribution of the industry by location, i.e. by state or territory. For the purposes of this analysis, we have provided a breakdown of each economic indicator measured in section 4, by applying the number of live music venues by type (i.e. hotels/bars, clubs, restaurants/cafes and nightclubs) and location as a percentage of total venues by type (as previously detailed in section 3.2). 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 detailed in section 3), 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.

Results of this analysis indicate that New South Wales (32% of industry output) is the largest contributor to the venue-based live music industry, followed by Queensland (24%) and Victoria (22%) as shown in the figure¹⁶.

Further details are provided over the page in Table 13.

Figure 9: State by State allocation of industry output based on live music venue numbers



¹⁶ As advised by APRA, the order of magnitude from this analysis is consistent with the state by state distribution of performer payment data collected by APRA.

Table 13: Economic indicators by State/Territory (FY 2009/10)

State & Territory	Hotels / bars	Clubs	Rest's / cafes	Night clubs	Total
Industry output (000)					
New South Wales	\$175.9	\$202.4	\$3.2	\$6.7	\$388.3
Queensland	\$177.4	\$92.4	\$5.0	\$11.2	\$286.0
Victoria	\$170.9	\$56.1	\$4.0	\$36.0	\$267.0
Western Australia	\$81.3	\$16.1	\$1.3	\$10.1	\$108.9
South Australia	\$69.2	\$21.3	\$1.1	\$13.5	\$105.1
Tasmania	\$20.8	\$4.6	\$0.2	\$1.1	\$26.7
Northern Territory	\$6.8	\$5.5	\$0.2	\$1.1	\$13.6
Australian Capital Territory	\$4.3	\$6.6	\$0.1	\$4.5	\$15.5
Totals	\$706.6	\$405.0	\$15.2	\$84.3	\$1,211.1
Industry value add (000)					
New South Wales	\$93.2	\$111.2	\$2.2	\$3.6	\$210.2
Queensland	\$94.0	\$50.8	\$3.4	\$5.9	\$154.1
Victoria	\$90.6	\$30.8	\$2.8	\$18.9	\$143.2
Western Australia	\$43.1	\$8.9	\$0.9	\$5.3	\$58.2
South Australia	\$36.7	\$11.7	\$0.8	\$7.1	\$56.2
Tasmania	\$11.0	\$2.5	\$0.2	\$0.6	\$14.3
Northern Territory	\$3.6	\$3.0	\$0.1	\$0.6	\$7.3
Australian Capital Territory	\$2.3	\$3.6	\$0.1	\$2.4	\$8.4
Totals	\$374.5	\$222.6	\$10.5	\$44.4	\$651.9
Industry employment (FTE's)					
New South Wales	2,126	2,536	51	81	4,794
Queensland	2,144	1,158	78	135	3,514
Victoria	2,066	703	63	432	3,264
Western Australia	983	202	21	122	1,327
South Australia	836	267	18	162	1,282
Tasmania	251	58	4	14	326
Northern Territory	82	69	3	14	168
Australian Capital Territory	52	83	2	54	191
Totals ⁽¹⁾	8,539	5,075	239	1,013	14,866

(1) Totals allocated based on split of industry value add.

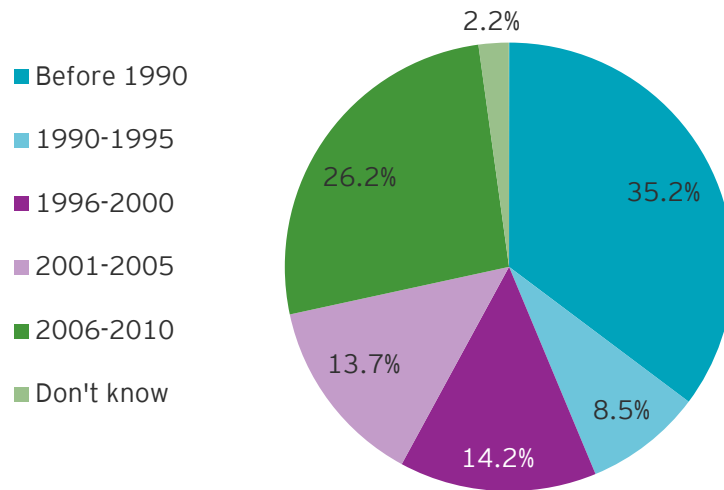
6. Other venue-based live music measures

While industry output, industry value add and industry employment are three common indicators of the economic size of an industry, other measures sought during the venue surveying¹⁷ and consultation process have been developed for the study to provide a broader measure of the size and scope of the venue-based live music industry.

6.1 Why live music?

Based on the venue survey results, live music venues have on average been staging live music performances for approximately 13 years, with the main reason for staging live music being to generate patronage (65.8%) and to invigorate other parts of the venue's business (50.8%). A breakdown of these results is depicted in the following graphs.

Figure 10: Approximate year venues began staging live music (n=366)



¹⁷ As previously noted, the number of surveys of hotels/bars and clubs falls within the acceptable range of 95% confidence level and 5% confidence interval (high), and 90% confidence level and 10% confidence interval (low). This is not the case for restaurants/cafes and nightclubs and therefore the results of the survey of these venue types may not be considered representative. Overall results of the Study should therefore be analysed taking this into account.

Figure 11: Approximate year venues began staging live music (by venue type) (n=366)

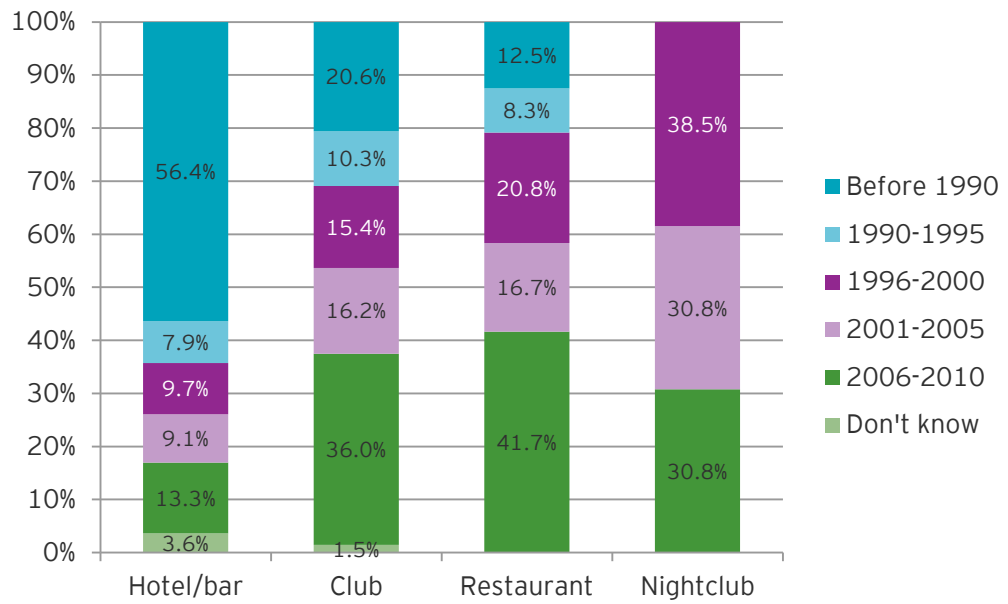
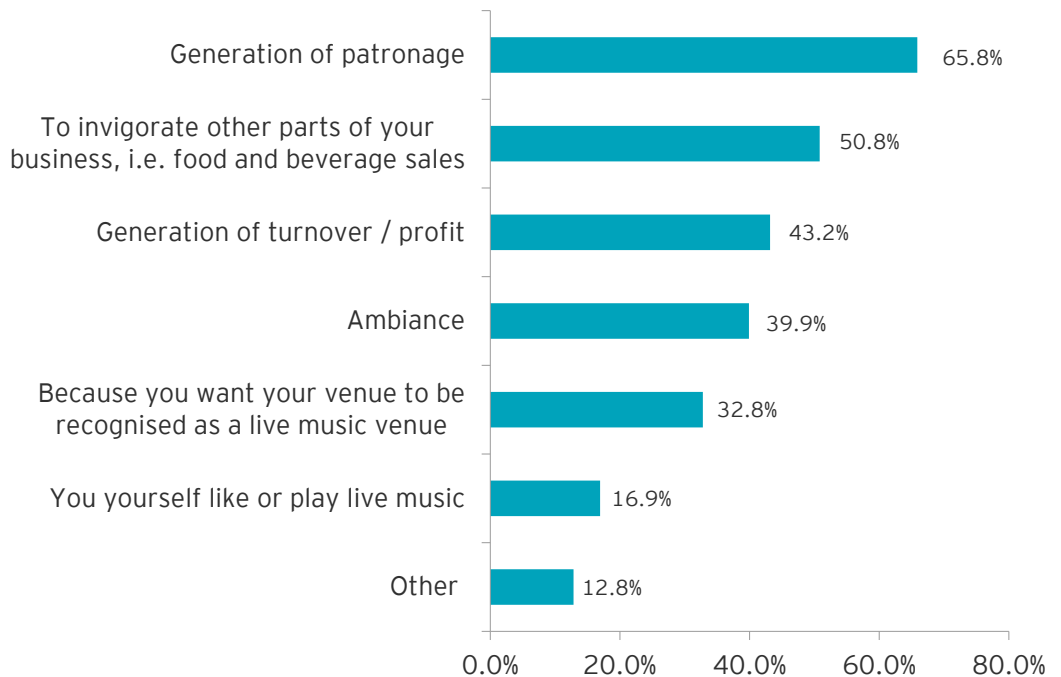


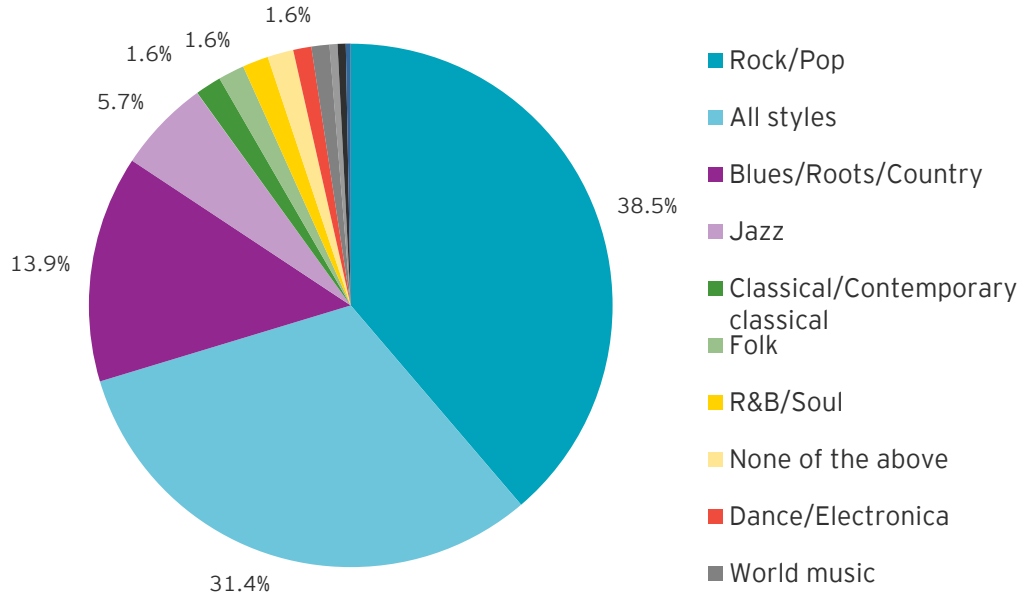
Figure 12: Reasons for venue staging live music (n=366)



6.2 Genre

The most popular genre of live music staged at the venues surveyed was rock/pop, accounting for 38.5% of respondents, followed by “all styles” with 31.4% and blues/roots/country with 13.9%.

Figure 13: Genre of live music staged at venues (n=366)



6.3 Venue-based live music performances

On average, live music venues staged 84 performances per year (or 1.6 per week) in 2009/10, of which 14 were ticketed performances and 70 were non-ticketed. This varied significantly depending on the type of venue, as shown in Figure 14 and Figure 15 below.

Figure 14: Average number of venue-based live music performances per year by venue type (n=275)

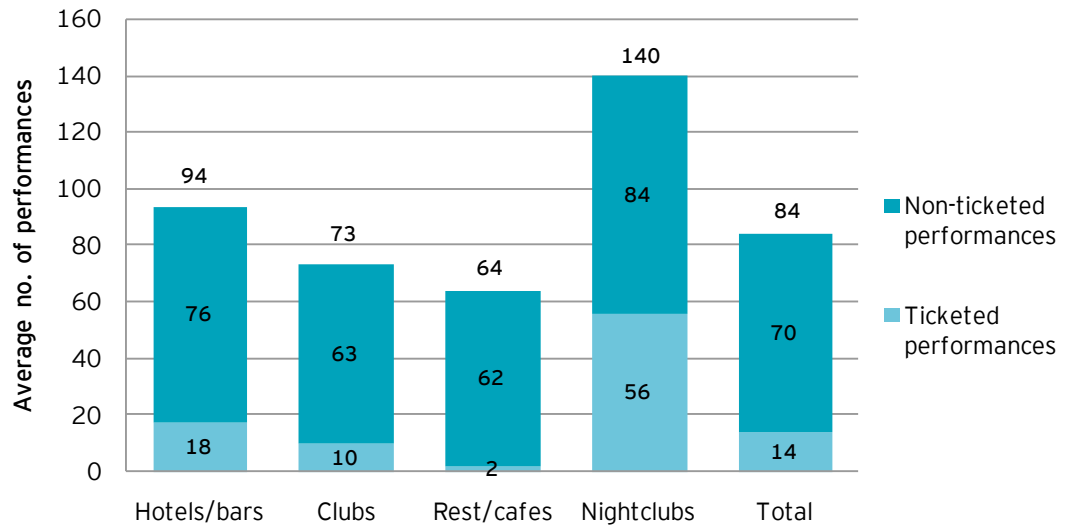
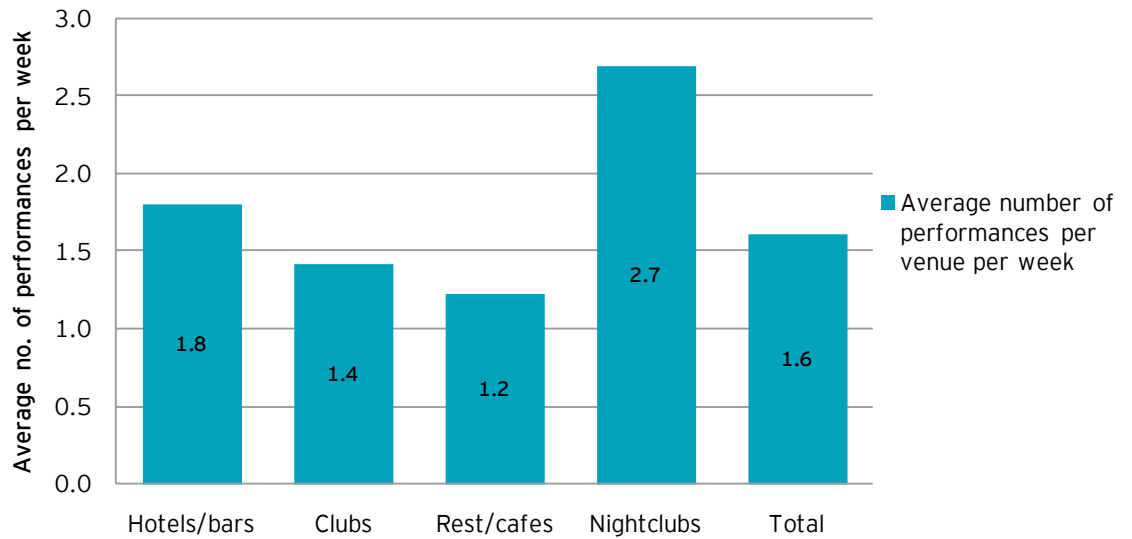
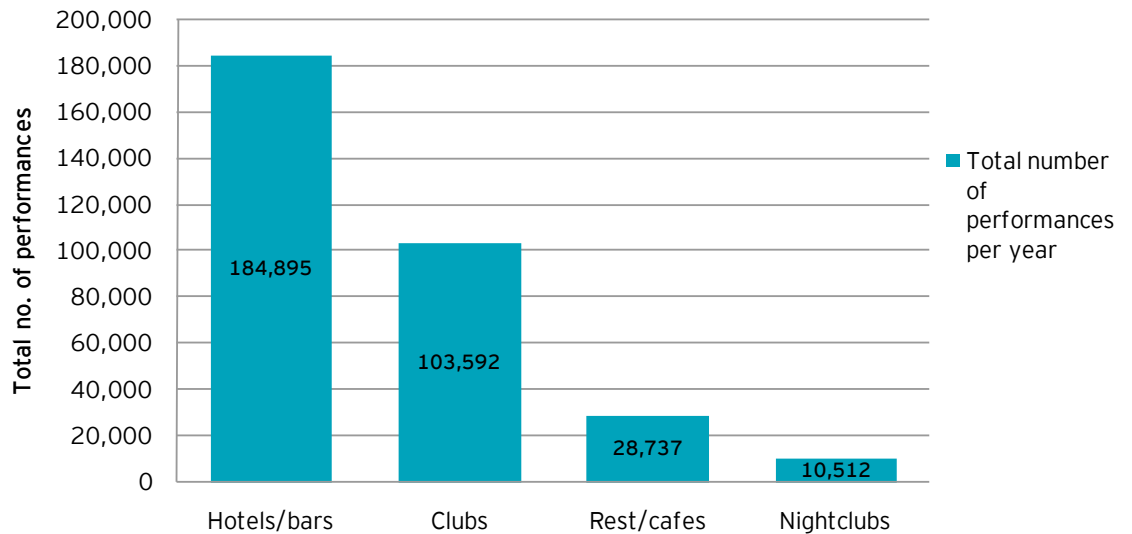


Figure 15: Average number of venue-based live music performances per week by venue type (n=275)



Based on the extrapolation of the survey data across the venue population it is estimated that 3,904 live music venues in Australia staged approximately 328,000 live performances in the 2009/10 financial year, equating to approximately 6,300 performances per week. A breakdown of the number of performances by venue type is provided in Figure 16.

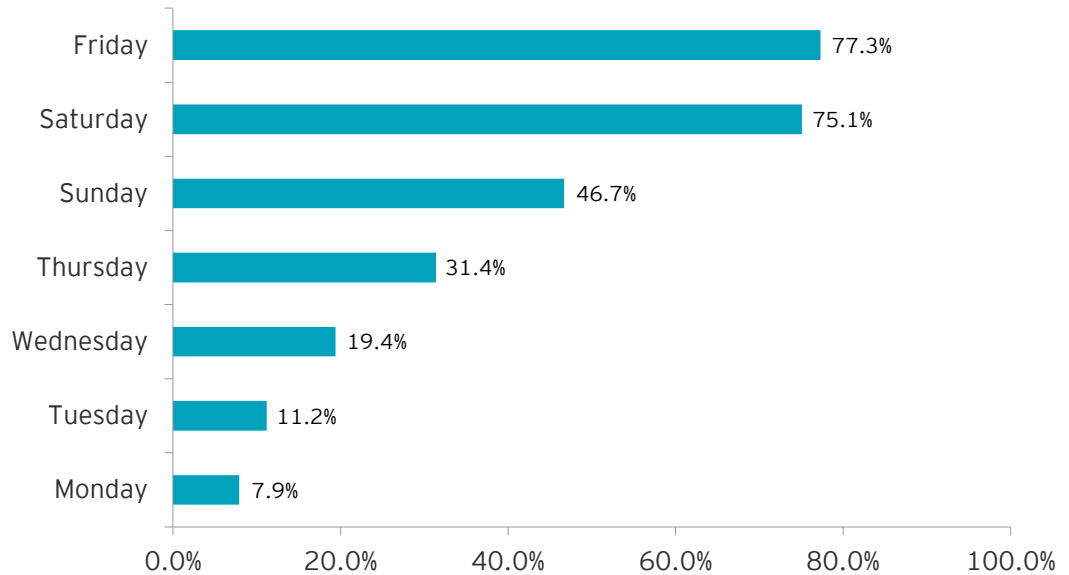
Figure 16: Total number of venue-based live music performances in 2009/10 by venue type (n=275)



6.4 Nights of the week venue-based live music is staged

With regard to the nights of the week that live music is staged, the most popular nights are Friday (77.3%) and Saturday (75.1%) nights.

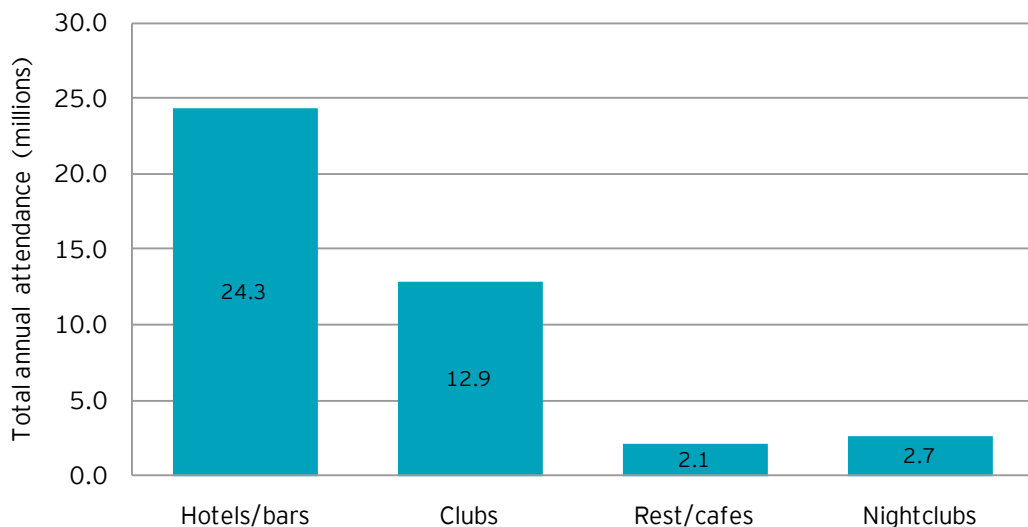
Figure 17: Nights of the week live music is staged (n=366)



6.5 Venue-based live music attendances

Applying the number of performances and average attendances per performance from the survey data to the live music venue population, total attendances to venue-based live music performances in Australia of approximately 42.0 million is estimated for 2009/10. Figure 18 below provides a breakdown of these attendances by venue type.

Figure 18: Total annual attendance in FY 2009/10 at live music performances by venue type (millions) (n=275)

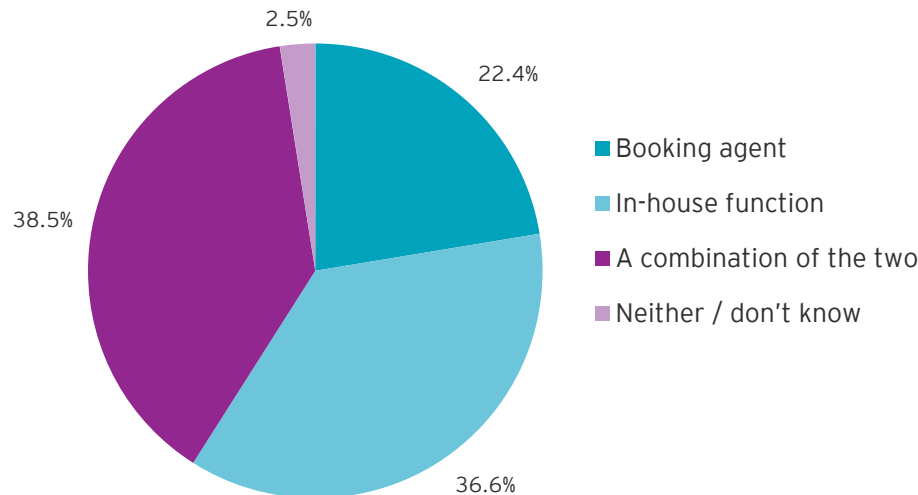


6.6 Performers

Stakeholders of the study were interested in understanding how live music venues booked musicians/artists to perform at their venues and the how they were paid.

The survey data indicates that there appears to be a preference for venues to book the services of artists/musicians directly using in-house resources (36.6%) compared to using the services of an agent (22.4%), while 38.5% of venues use a combination of both.

Figure 19: Method used by venues to book the services of artists/musicians (n=366)



Further, from the consultations with venue owners the following was ascertained regarding the method by which venues pay the musicians/artists:

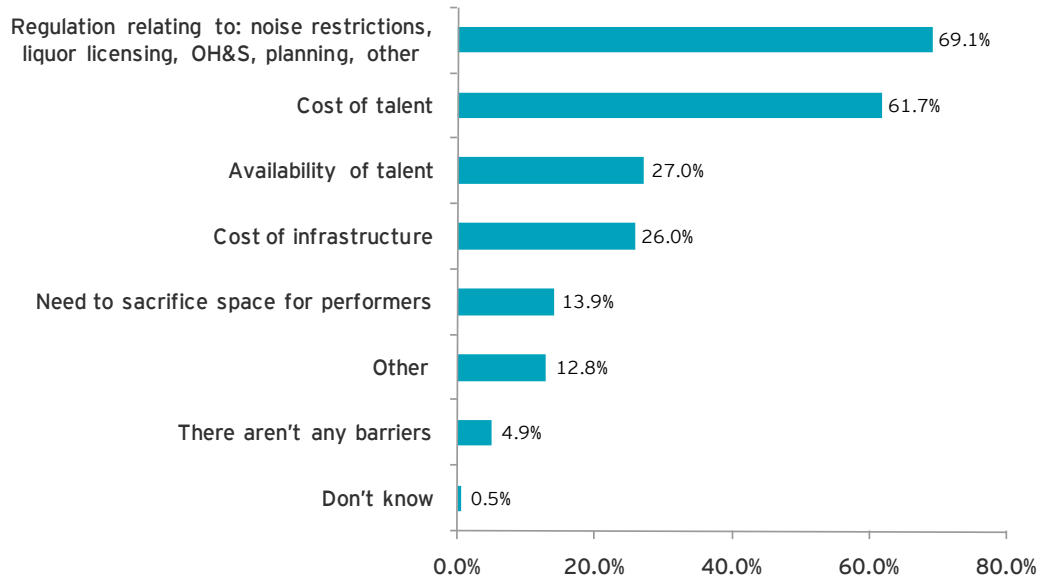
- ▶ For ticketed performances the most common arrangement is where the performer is paid a percentage of ticket sales or entry fees. In this case either the performer collects the revenue from patrons and distributes a percentage of takings back to the venue, or the venue is responsible for collection and distributes a share to the performer. Further, often a venue also pays a guarantee fee or retainer to the performer in addition to a share of ticket sales or entry fee. Other arrangements such as share of beverage sales or no fee are rarely used.
- ▶ For non ticketed performances a fixed fee is the most common method of payment to the performer. The level of fixed fee generally depends on the nature of the performance and capacity of the venue.

6.7 Barriers to entry

The venues surveyed were also asked “*what do you see as the barriers to owning/operating a live music venue?*”. As shown in the following figure, the impact of the current regulatory environment for live music venues (69.1%) and the cost of talent (61.7%) are clearly the biggest issues facing the industry. The results for the current regulatory environment are not surprising given the myriad of state and federal regulations we understand are enforced on live music venues.

Of the 12.8% that selected “other”, the most common reasons given were music licence fees and the cost of security.

Figure 20: Barriers to owning/operating alive music venue (n=366)



Note that respondents could provide more than one response

6.8 Platform for emerging artists

Venue-based live music acts as an incubator for emerging artists/performers. The ability to perform and trial new material with smaller audiences assists in artist development. While new technologies are providing 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. Venue-based live performance is often the first step in furthering an artist's international career¹⁸. While this benefit has not been measured as part of the study, we understand, based on feedback from stakeholders, that this is significant.

¹⁸ APRA

7. Disclaimer

Ernst & Young was engaged on the instructions of APRA ("Client") to estimate the venue-based live music industry's economic contribution in terms of gross output, value add and employment for the 2009/10 financial year (the "Engagement"), in accordance with the engagement agreement dated 12 August 2010 including the General Terms and Conditions ("the Engagement Agreement").

The results of our work, including the assumptions and qualifications made in preparing the report, are set out in this report dated 14 September 2011 ("Report"). You should read the Report in its entirety including any disclaimers and attachments. A reference to the Report includes any part of the Report. No further work has been undertaken by Ernst & Young since the date of the Report to update it.

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Appendix A Detailed assumptions

Inputs	Hotel/bar			Clubs			Restaurants & cafes	Nightclubs
	Small	Medium	Large	Small	Medium	Large	All	All
Ticketed performances								
Attendance and number of performances								
Total attendance (# patrons)	0	1,681,668	3,506,361	190,920	1,525,593	2,044,131	136,948	1,141,442
Total no. of performances	0	18,303	16,283	2,434	7,543	4,531	966	4,240
Average attendance per performance	0	92	215	78	202	451	142	269
Tickets/cover charge (\$ / patron)								
<i>Ticket Price (\$ / patron)</i>	\$ 10.00	\$ 17.50	\$ 20.00	\$ 10.00	\$ 20.00	\$ 25.00	\$ 15.00	\$ 15.00
Venue's share of ticket (\$ / patron)	\$ -	\$ 2.00	\$ 2.00	\$ -	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Share to performer / door deal (\$ / patron)	\$ 10.00	\$ 15.50	\$ 18.00	\$ 10.00	\$ 18.00	\$ 23.00	\$ 13.00	\$ 13.00
Other Revenue (\$ / patron)								
Food & Beverage	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 35.00	\$ 25.00
Performer top up fee (\$ / gig)								
Top up fee (\$ per performance)	\$ 400.00	\$ -	\$ -	\$ 400.00		\$ -	\$ -	\$ -
Expenditure (% of net venue revenue)								
Wages	30%	30%	30%	30%	30%	30%	35%	30%
Security	10%	10%	10%	10%	10%	10%	0%	10%
Cost of sales (F&B)	35%	35%	35%	35%	35%	35%	40%	35%
Other costs (rent, overheads, etc)	20%	20%	20%	20%	20%	20%	20%	20%
Profit / (loss)	5%	5%	5%	5%	5%	5%	5%	5%
Non-Ticketed performances								
Attendance and number of performances								
Total attendance (# patrons)	1,074,295	8,243,630	9,775,370	2,370,964	5,378,632	1,348,859	1,999,637	1,547,654
Total no. of performances	20,563	82,562	47,183	33,955	42,777	12,352	27,771	6,271
Average attendance per performance	52	100	207	70	126	109	72	247
Other Revenue (\$ / patron)								
Food & Beverage	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 35.00	\$ 25.00
Performer fee (\$ / performance)								
Fixed performer fee (\$ per performance)	\$ 200.00	\$ 300.00	\$ 600.00	\$ 200.00	\$ 300.00	\$ 600.00	\$ 300.00	\$ 300.00
Expenditure (% of net venue revenue)								
Wages	30%	30%	30%	30%	30%	30%	35%	30%
Security	10%	10%	10%	10%	10%	10%	0%	10%
Cost of sales (F&B)	35%	35%	35%	35%	35%	35%	40%	35%
Other costs (rent, overheads, etc)	20%	20%	20%	20%	20%	20%	20%	20%
Profit / (loss)	5%	5%	5%	5%	5%	5%	5%	5%

Appendix B Detailed outputs

Output - detail	Hotel/bar				Clubs				Rest & cafes	Rest & cafes	Nightclubs	Nightclubs	GRAND TOTAL
	Small	Medium	Large	TOTAL	Small	Medium	Large	TOTAL	All	TOTAL	All	TOTAL	
Ticketed performances													
Performer Income (\$'000)													
Share of tickets	\$0	\$26,066	\$63,115	\$89,180	\$1,909	\$27,461	\$47,015	\$76,385	\$1,780	\$1,780	\$14,839	\$14,839	\$182,184
Top up fees	0	\$0	\$0	\$0	\$974	\$0	\$0	\$974	\$0	\$0	\$0	\$0	\$974
<i>Total performer income</i>	\$0	\$26,066	\$63,115	\$89,180	\$2,883	\$27,461	\$47,015	\$77,359	\$1,780	\$1,780	\$14,839	\$14,839	\$183,158
Venue Income (\$'000)													
Venue's share of ticket	\$0	\$3,363	\$7,013	\$10,376	\$0	\$3,051	\$4,088	\$7,139	\$274	\$274	\$2,283	\$2,283	\$20,072
Food & Beverage	\$0	\$42,042	\$87,659	\$129,701	\$4,773	\$38,140	\$51,103	\$94,016	\$4,793	\$4,793	\$28,536	\$28,536	\$257,046
Total venue revenue	\$0	\$45,405	\$94,672	\$140,077	\$4,773	\$41,191	\$55,192	\$101,156	\$5,067	\$5,067	\$30,819	\$30,819	\$277,118
less Artist top up fee	0	\$0	\$0	\$0	\$974	\$0	\$0	\$974	\$0	\$0	\$0	\$0	\$974
<i>Total venue revenue less artist fee</i>	\$0	\$45,405	\$94,672	\$140,077	\$3,799	\$41,191	\$55,192	\$100,182	\$5,067	\$5,067	\$30,819	\$30,819	\$276,145
Estimated Expenditure as a percentage of total revenue (\$'000)													
Wages	\$0	\$13,622	\$28,402	\$42,023	\$1,140	\$12,357	\$16,557	\$30,055	\$1,773	\$1,773	\$9,246	\$9,246	\$83,097
Security	\$0	\$4,541	\$9,467	\$14,008	\$380	\$4,119	\$5,519	\$10,018	\$0	\$0	\$3,082	\$3,082	\$27,108
Cost of sales (F&B)	\$0	\$15,892	\$33,135	\$49,027	\$1,330	\$14,417	\$19,317	\$35,064	\$2,027	\$2,027	\$10,787	\$10,787	\$96,904
Other costs (rent, overheads, etc)	\$0	\$9,081	\$18,934	\$28,015	\$760	\$8,238	\$11,038	\$20,036	\$1,013	\$1,013	\$6,164	\$6,164	\$55,229
Profit / (loss)	\$0	\$2,270	\$4,734	\$7,004	\$190	\$2,060	\$2,760	\$5,009	\$253	\$253	\$1,541	\$1,541	\$13,807
Key impacts (\$'000)													
TOTAL CONTRIBUTION	\$0	\$71,471	\$157,786	\$229,257	\$6,682	\$68,652	\$102,207	\$177,540	\$6,847	\$6,847	\$45,658	\$45,658	\$459,303
TOTAL VALUE ADD	\$0	\$42,228	\$95,376	\$137,604	\$4,120	\$41,498	\$64,149	\$109,766	\$3,515	\$3,515	\$26,276	\$26,276	\$277,162
Non-Ticketed performances													
Performer Income (\$'000)													
Total performer/artist fees (fixed)	\$4,113	\$24,769	\$28,310	\$57,191	\$6,791	\$12,833	\$7,411	\$27,035	\$8,331	\$8,331	\$1,881	\$1,881	\$94,439
Venue Income (\$'000)													
Food & Beverage	\$26,857	\$206,091	\$244,384	\$477,332	\$59,274	\$134,466	\$33,721	\$227,461	\$8,331	\$8,331	\$38,691	\$38,691	\$751,816
Total venue revenue	\$26,857	\$206,091	\$244,384	\$477,332	\$59,274	\$134,466	\$33,721	\$227,461	\$8,331	\$8,331	\$38,691	\$38,691	\$751,816
less Artists' fee	\$4,113	\$24,769	\$28,310	\$57,191	\$6,791	\$12,833	\$7,411	\$27,035	\$8,331	\$8,331	\$1,881	\$1,881	\$94,439
Total venue revenue less artist fee	\$22,745	\$181,322	\$216,074	\$420,141	\$52,483	\$121,633	\$26,310	\$200,426	\$0	\$0	\$36,810	\$36,810	\$657,377
Estimated Expenditure as a percentage of total revenue (\$'000)													
Wages	\$6,823	\$54,397	\$64,822	\$126,042	\$15,745	\$36,490	\$7,893	\$60,128	\$0	\$0	\$11,043	\$11,043	\$197,213
Security	\$2,274	\$18,132	\$21,607	\$42,014	\$5,248	\$12,163	\$2,631	\$20,043	\$0	\$0	\$3,681	\$3,681	\$65,738
Cost of sales (F&B)	\$7,961	\$63,463	\$75,626	\$147,049	\$18,369	\$42,571	\$9,209	\$70,149	\$0	\$0	\$12,884	\$12,884	\$230,082
Other costs (rent, overheads, etc)	\$4,549	\$36,264	\$43,215	\$84,028	\$10,497	\$24,327	\$5,262	\$40,085	\$0	\$0	\$7,362	\$7,362	\$131,475
Profit / (loss)	\$1,137	\$9,066	\$10,804	\$21,007	\$2,624	\$6,082	\$1,316	\$10,021	\$0	\$0	\$1,841	\$1,841	\$32,869
Key impacts (\$'000)													
TOTAL CONTRIBUTION	\$26,857	\$206,091	\$244,384	\$477,332	\$59,274	\$134,466	\$33,721	\$227,461	\$8,331	\$8,331	\$38,691	\$38,691	\$751,816
TOTAL VALUE ADD	\$13,674	\$102,306	\$120,905	\$236,885	\$29,296	\$65,465	\$18,037	\$112,798	\$6,966	\$6,966	\$18,138	\$18,138	\$374,787

Appendix C Output summary

Output summary	Hotel/bar TOTAL	Clubs TOTAL	Rest&cafes TOTAL	Nightclubs TOTAL	GRAND TOTAL
Total ticketed and non-ticketed performances					
Performer Income (\$'000)					
Share of tickets	\$89,180	\$76,385	\$1,780	\$14,839	\$182,184
Top up fees or fixed fees	\$57,191	\$28,009	\$8,331	\$1,881	\$95,413
<i>Total performer income</i>	\$146,372	\$104,394	\$10,112	\$16,720	\$277,597
Venue Income (\$'000)					
Venue's share of ticket	\$10,376	\$7,139	\$274	\$2,283	\$20,072
Food & Beverage	\$607,033	\$321,477	\$13,125	\$67,227	\$1,008,862
Total venue revenue	\$617,409	\$328,617	\$13,398	\$69,510	\$1,028,935
<i>less Artist top up fee / fixed fees</i>	<i>\$57,191</i>	<i>\$28,009</i>	<i>\$8,331</i>	<i>\$1,881</i>	<i>\$95,413</i>
<i>Total venue revenue less artist fee</i>	\$560,218	\$300,608	\$5,067	\$67,629	\$933,522
Estimated Expenditure as a percentage of total revenue (\$'000)					
Wages	\$168,065	\$90,182	\$1,773	\$20,289	\$280,310
Security	\$56,022	\$30,061	\$0	\$6,763	\$92,845
Cost of sales (F&B)	\$196,076	\$105,213	\$2,027	\$23,670	\$326,986
Other costs (rent, overheads, etc)	\$112,044	\$60,122	\$1,013	\$13,526	\$186,704
Profit / (loss)	\$28,011	\$15,030	\$253	\$3,381	\$46,676
Key impacts (\$'000)					
TOTAL CONTRIBUTION	\$706,590	\$405,002	\$15,179	\$84,349	\$1,211,119
TOTAL VALUE ADD	\$374,489	\$222,564	\$10,482	\$44,414	\$651,949

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