

**Submission
No 418**

**INQUIRY INTO THE MUSIC AND ARTS ECONOMY IN
NEW SOUTH WALES**

Organisation: Apple
Date received: 30 April 2018



April 30, 2018

Honorable Paul Green
Parliament House
Macquarie Street
Sydney NSQ 2000

Dear Honorable Paul Green

Thank you for the invitation sent to Apple to provide information regarding Apple's experience in supporting Australian musicians. iTunes and Apple Music are happy to provide a written submission for the Committee's deliberation.

Apple understands that the objective of the Portfolio Committee No. 6—Planning and Environment is to examine “policies to support music and arts culture including permanent and temporary venue spaces, and policy and legislation options drawn from other jurisdictions.” With this in mind, we would like to share Apple's market driven investment that supports Australian Artists and exposes them to our users through subscription streaming and paid download delivery.

Since the introduction of the iPod and iTunes, Apple has continually demonstrated its commitment to music and artists. Apple's platforms - iTunes, Apple Music and Apple Retail - support and showcase local artists music in innovative ways. iTunes enables music fans to purchase their favourite songs with one click and have them automatically sync to their iPod, iPhone, iPad, iPod touch, Mac & PC. Apple's approach to engagement is unique to our company.

In 2015, Apple introduced Apple Music, a streaming service and app that puts the entire Apple Music catalogue at music fans fingertips across all devices. Subscribers can stream any song, album or playlist they choose including curated playlists created by talented music experts from around the world and Australia.

The Australian musical environment is strong and dynamic. As technology changes Artists need to successfully leverage traditional and new digital platforms to introduce and promote their music to fans.

Apple engages daily with of the local music labels and directly with artists to allow them to take advantage of the national and global market place provided by iTunes and Apple Music. Apple invests a high level of attention and effort to localise our offerings to the country we do business.

After many years of piracy damaging music revenue's, the industry as a whole has finally returned to growth, as shown by upward trends globally, including in Australia where ARIA (Australian Recording Industry Association) announced a 10.5% increase in the value of the Australian recorded music industry for 2017. The increase in value to \$391 million was the largest increase the industry has experienced in its annual wholesale figures since 1996. This growth was driven by continued consumer uptake of streaming music services.



Digital platforms provide low market entry barriers for musicians to introduce new music and trends. Low entry-to-market combined with global platforms, like iTunes & Apple Music, support users finding their favourite genre or being introduced to a new artist.

Retail

Between 2008-2011, Apple ran “Live from Sydney” in our Sydney and Bondi retail stores. “Live from Sydney” showcased Australian artists performing their music live. A total of 35 Australian artists performed at our Sydney and Bondi stores. It allowed emerging and established local artists to introduce their music to the local community. *See attachment 1.*

In 2017 we announced the launch of “Today at Apple”, which is being rolled out in various stages globally. “Today at Apple” will bring a range of daily in-store programming that will include learning opportunities from photo and video to music, coding, art and design, and more. When this programme is fully launched in Australia, we will work with local Australian artists and musicians in selected stores to showcase their work. “Today at Apple” will allow local talents to share their music and inspiration with the community.

iTunes

The iTunes Store is a software-based online digital media store operated by Apple. It opened in Australia in 2005, and has been one of the largest global music vendors in the world since February 2010. iTunes changed the way users interact to find new music, genres and artists. It has also changed how artists promote their craft.

iTunes provides an innovative platform for artists to access the global music market place. Australian artists have a strong presence on iTunes domestically and globally. Apple works closely with record labels and aggregators in Australia to feature and promote Australian artists on the store through hero banner placements and regular catalogue sales.

Apple Music

In 2015 Apple Music, a subscription only service, was launched to provide a deeper experience for users with over 45 million songs featured in, albums, playlists, and music videos. Apple Music serves as the home for Beats 1, original shows, concerts, and more. It allows users to explore trending music and create go-to-playlists based on user preferences.

Beats 1 is a 24/7 music radio station owned and operated by Apple.. It is accessible through iTunes and Apple Music. Beats 1 broadcasts a mix of music focusing on new music and artists. The aim of Beats 1 is to curate new music, whether it be new talent or fresh music from established artists. The station airs a mix of all popular genres.

Attached is a detailed summary of Apple’s support of local artists through our digital platforms. *See attachment 2.*

Apple works directly with artists to the benefit of artists and users to experience new music from their backyard. Musicians and platforms need flexibility to choose the business model that is best for their needs and creativity. Apple’s support of the local artists is driven by our desire to



ensure our users have the best experience possible using Apple devices and services. Based on Apple's experience regulatory obligations tend to restrict the ability of platforms to introduce innovative delivery models to showcase the latest trends in music.

The very best user experience using technology is the overarching principle at Apple. If users can't explore and enjoy the latest creative music, local or global, then we are not meeting their needs.

Thank you again for the opportunity to provide a written submission regarding how Apple supports Australian artists to the benefit of users and musicians.

Best Regards

Heather Grell
Government Affairs, ANZ

Attachments