

**Submission
No 12**

**INQUIRY INTO LIQUOR AMENDMENT (MUSIC
FESTIVALS) REGULATION 2019 AND GAMING AND
LIQUOR ADMINISTRATION AMENDMENT (MUSIC
FESTIVALS) REGULATION 2019**

Organisation: The Phonographic Performance Company of Australia Ltd
Date Received: 5 July 2019



5 July 2019

Committee Secretary
Legislative Council – Regulation Committee
Parliament House, Macquarie Street
Sydney NSW 2000

Dear Committee Secretary

Inquiry into Music Festival Licensing Regulations

The Phonographic Performance Company of Australia Ltd (**PPCA**) would like to thank the Legislative Council for the opportunity to make a submission to the Inquiry into the Liquor Amendment (Music Festivals) Regulation 2019 and the Gaming and Liquor Administration Amendment (Music Festivals) Regulation 2019 (the **Inquiry**).

PPCA is a national non-government, non-profit Australian copyright collecting society which was established in 1969. PPCA operates on non-exclusive basis and grants licences for the broadcast, communication or public playing of recorded music and music videos. PPCA represents the interests of recorded music copyright owners, recording artists and record labels. PPCA distributes the licence fees that it collects from the provision of such licences to the record labels and Australian recording artists that are registered with PPCA.

PPCA represents the interests of over 2,500 licensors and 4,000 registered Australian recording artists. PPCA's registered artists and record labels range from small independent artists and labels to world renowned artists and major label record companies.

PPCA would like to make some comments in relation to the recently implemented Regulations and surrounding issues which directly impact the licensors and registered artists that PPCA represents. Having reviewed the submission made to this inquiry by the Australian Recording Industry Association (**ARIA**), PPCA would like to confirm its strong support of the points made in the ARIA submission.

The hasty passing and implementation of the Regulations is an important issue to PPCA licensors and registered artists. In what has been a tumultuous era for the recorded music industry, live music events and venues play an important role in providing a platform for record labels and artists to find new fans, develop as performers and making a living. Although recent years has seen a gradual recovery, in 2018 revenues for the recorded music industry were still 40% lower than they were 2003. Rapid changes in technology, consumer behaviour and the ease of copyright infringement has significantly disrupted the industry and traditional business models. With declining sales from recorded music, PPCA licensors and registered artists, the majority of whom are small businesses, have become increasingly reliant on earning income from an

increasingly diverse range of sources. In particular, performances at live venues and music festivals has become a critical source of revenue.

For local labels and artists, the existence of a strong, vibrant live music scene is critical to their long-term viability, with music festivals an integral part of this ecosystem. Music festivals provide artists with the opportunity to be discovered by new fans, build brand awareness and engage with audiences in a meaningful way. Regulations which could potentially cause detriment to the sector, may cause music festivals to leave NSW. This will directly hurt artists and impact their ability to earn a living wage doing what they love.

The benefits of the music festival industry extend beyond record labels and artists to the wider NSW economy. Music festivals alone employ thousands of people across the state and provide an economic boost to the communities and towns hosting these live events, especially those outside of NSW's major cities. In 2017, Live Performance Australia (LPA) reported that music festivals in NSW generated over \$55 million in revenue. This represented a substantial increase over 2016 and was mainly attributed to higher attendance at major music festivals in regional areas such as Splendour in the Grass and Bluesfest (which are both held in the Byron Bay vicinity) and Groovin' The Moo in Maitland.¹ The 2018 Tamworth Country Music Festival is estimated to have contributed over \$50 million to the local economy while boosting tourism in the region.²

In light of the importance of the live music festival sector to the Australian music industry and its economic contribution to NSW, we encourage the NSW Government to continue to engage in thorough, ongoing consultation with the festival industry to consider the real impacts of the Regulations and discuss potential alternatives that will strike a fair balance.

Thank you for the opportunity to participate in this important inquiry. PPCA would be pleased to provide any additional information that may be of benefit to the Committee.

Yours sincerely,

Lynne Small
General Manager

¹ LPA 2017 annual report

² NSW Legislative Council The music and arts economy in New South Wales, p158

<https://www.parliament.nsw.gov.au/lcdocs/inquiries/2471/Final%20report%20website.pdf>