

Economic Contribution of the Music Industry to South Australia, 2022/23

A report for MusicSA

5 July 2024

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Abbreviations

ABS	Australian Bureau of Statistics
AMCOS	Australasian Mechanical Copyright Owners Society
APRA	Australasian Performing Right Association
fte	full time equivalent
GSP	gross state product
I-O	Input-Output
RISE	Regional Industry Structure & Employment
SA	South Australia
UNESCO	United Nations Educational, Scientific and Cultural Organization

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27 Music	Fresh 92.7
Adelaide City of Music	GA Entertainment
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Adelaide Fringe	Moshtix
Adelaide Venue Management	Music Development Office
AJ Sound	MusicSA
APRA AMCOS	Novatech Creative Event Technology
Beer and BBQ Festival	South Australian Tourism Commission
Clarity Records	Semaphore Music Festival
Crown and Anchor	The Note
Elder Conservatorium of Music	Three D Radio
Festival City Adelaide	UniBar
Five Four Entertainment	Womadelaide

Executive summary



\$490 million GSP contribution

\$490 million in GSP was contributed by the music industry in South Australia in 2022/23.



5,000 fte jobs in South Australia

5,000 fte jobs were supported across the South Australian economy in 2022/23 by the music industry.



2.5 GSP multiplier

For every \$1.00 contributed directly by the music industry, an additional \$1.50 is contributed to GSP from flow-on effects.

Adelaide, celebrated as a UNESCO City of Music since 2015, has music embedded deeply in its cultural core. South Australia (SA) encompasses every stage of the music supply chain. From the forefront activities such as writing, rehearsing, recording, and mastering, to publishing and performing, Adelaide thrives in its musical endeavours. Supporting these are behind-the-scenes businesses, including instrument and equipment manufacturers, educators, retailers, repair and hire shops, artist services, broadcasters, and media agencies. The city also has a vibrant events sector, featuring promoters, event technology services, and nationally renowned music venues, solidifying Adelaide's status as a hub for musical excellence.

The estimates in this report are intended to form a baseline of the level of activity in the music industry that can be used to compare it with other industries in SA and with the music industry in the future as it develops. This will provide up-to-date economic information to advocate for the industry in SA.

BDO undertook a study of this nature in 2017 in a pre-global pandemic world (EconSearch 2017). Now in 2024, not only has demand for the creative arts not returned to pre-pandemic levels, but artists and businesses are facing significantly higher costs to write, produce and sell music. Compounding these challenges are consumers faced with lower discretionary spending and not being able to afford to consume music in the same way they used to.

The study drew upon several sources of aggregate data to determine the size of the music industry on several dimensions such as number of venues licenced for music, number of attendances, ticket revenue and number of working musicians and royalty income of musicians. It collected data on the activities and relationships within the industry and linkages to the broader economy through a survey of consumers and businesses (205 respondents) and 26 interviews with key industry stakeholders.

Overall music industry contribution

The study found that the overall employment contribution of the music industry (all elements including live music) to SA in 2022/23 was just over 9,200 jobs (or 5,000 fte jobs¹), an increase from 6,300 jobs (or 4,500 fte jobs) in 2015/16 (EconSearch 2017). This included almost 2,400 (or 1,900 fte jobs) from flow-on effects (Table ES-1). Flow-on effects are the effects of the broad economic activity that begins with the music

¹ Adding the total hours worked each week by the 9,207 workers and dividing by the number of hours in a full-time week (assumed to be 37.5 here) calculates the number of fte jobs (around 5,000) (see Section 2.1.1).

industry and spreads out across South Australia as businesses supply one another, pay their employees and sell consumption goods to households.

Gross state product contributed by the music industry was around \$490 million, including \$293 million from flow-on effects. This was an increase from \$375 million in 2015/16 (EconSearch 2017). Around one quarter of the direct contribution to GSP was due to related expenditures made when consumers attended music events. The other three quarters were contributed by the activities of musicians, venues and other music businesses.

Table ES-1 Economic contribution of the music industry to SA, 2022/23

	Contribution			Type II
	Direct	Flow-on	Total	Multiplier
Employment (total)	6,830	2,377	9,207	1.3
Employment (fte)	3,089	1,904	4,993	1.6
Household income (\$m)	125.2	170.7	295.9	2.4
Gross state product (\$m)	196.8	293.3	490.2	2.5

Source: BDO analysis

Live music contribution

The overall employment contribution of live music to SA in 2022/23 was around 6,000 jobs (or 3,100 fte jobs), an increase from 4,200 jobs (or 2,900 fte jobs) in 2015/16 (EconSearch 2017). This included almost 1,500 (or 1,200 fte jobs) from flow-on effects (Table ES-2). GSP contributed by live music was around \$292 million, including around \$181 million from flow-on effects. This was an increase from \$254 million in 2015/16 (EconSearch 2017). Almost half of the direct contribution to GSP was due to related expenditures made when consumers attended music events. The other half was contributed by live music activities of venues, musicians and other music businesses.

Table ES-2 Economic contribution of live music to SA, 2022/23

	Contribution			Type II
	Direct	Flow-on	Total	Multiplier
Employment (total)	4,479	1,482	5,961	1.3
Employment (fte)	1,958	1,176	3,134	1.6
Household income (\$m)	82.6	103.4	186.0	2.3
Gross state product (\$m)	111.4	180.6	292.0	2.6

Source: BDO analysis

Sentiments of the South Australian music industry

The South Australian music industry has faced significant challenges since the last study published in 2017. These opportunities and challenges are reshaping the SA music industry in significant ways.

Impact of the COVID-19 pandemic

Interviewees felt that although there were grants to help mitigate the impacts of COVID-19 pandemic restrictions, many small to medium sized venues closed due to a lack of targeted support. Some interviewees felt that although artists lost significant income from the cessation of live shows, it allowed them to pivot and concentrate on enhancing their online presence. It was observed by many interviewees that artists also

took advantage of this period to work on new music, leveraging platforms like Spotify. They felt that although artists generally earn less for their music on these platforms, they have provided opportunities to reach a wider audience.

Post COVID-19 challenges

Interviewees from all aspects of the music industry described the immense pressure they are feeling with the increase of operating costs, with many noting the worst increases being fuel and transport, infrastructure, and insurance. Interviewees also described losing much of the workforce to more stable employment. This was particularly noticed in transport where drivers and logistics moved to larger supermarket chains with consistent work contracts.

Attracting artists

Some interviewees noticed that interstate and international artists are preferring to do larger shows with more theatrics and staging, and have performances that are not impacted by the weather. This not only requires more transportation, but also enclosed venues that are able to support such infrastructure and shows which Adelaide does not have. Their major concern is that these factors lead to artists weighing up the cost of the transport to Adelaide, the additional travel time required, and a smaller venue. Artists compare this against the possibility of selling out a larger venue that accommodates all their needs without adding the stress of travelling to another city.

Several interviewees suggested the creation of a regional live music hub to be placed between Adelaide and Melbourne. They feel it could help with smaller touring artists who may want a stop along the way, while also boosting the regional town's economy.

Cultural shifts and digital platforms

All interviewees have noticed the significant cultural shift from pre to post-pandemic with the way in which society consumes music, as well as society's values in general. As of recently, they feel there is a growing disconnect between younger generations and the live music scene. They have noticed this generation is less likely to prioritise attending more casual, smaller live music performances. They are also more health conscious consumers, therefore are less likely to drink alcohol when they do. This has impacted smaller venues who, as described by interviewees, traditionally relied on younger crowds attending live music and spending money at bars.

Interviewees have seen a shift where younger generations are now more dependent on digital platforms like Spotify and TikTok for their music, rather than traditional avenues such as radio or music TV. They feel it is also harder for consumers to discover new music as their algorithms may not show them locally made, new music. Interviewees did note that streaming services and algorithms has meant consumers have access to more music at their fingertips and are shown music they may not have organically found.

Music industry and advocacy

Within SA, interviewees noted that there is a gap in the market for job opportunities and growth within the music industry. There was a call in the interviews for an increased focus in retaining mid-high level skilled people within South Australia and growing its status in the national music industry to foster the growth and retention of local businesses.

There was a significant concern in most interviews regarding Adelaide's late night atmosphere. The only exception they felt to this trend is in March. This is when Adelaide becomes livelier through the multiple festivals occurring, the presence of street performers, and establishments stay open later. All of which

encourages an influx of tourists. Interviewees suggested it would be beneficial for not only the reputation of Adelaide's live music scene, but its venues, artists and tourism in general, to foster this atmosphere all year long.

There was acknowledgment throughout the interviews of successful grants and investment strategies. Despite this, there is a call for government supported, long-term, plans and strategies that are focused on the whole supply chain.

Development opportunities

Based on the interview findings and economic analysis, we have identified several opportunities that warrant further investigation to support the music industry through the current changes and to grow into future:

- Support musicians to adopt and leverage digital technologies to strengthen revenue streams and reach new audiences
- Support music venues to develop and adopt new business models to diversify revenue streams away from alcohol sales
- Develop knowledge and literacy of insurance options for live music and festival businesses, including exploration of relationships with insurance providers that understand the industry
- Take a 'whole of supply chain focus' to industry development to maintain the incubator venues and businesses that support the grass roots emergence and growth of local musicians
- Undertake market research to identify opportunities to leverage the new preferences of younger music consumers (such as digital platforms, superstar focus, strong environmental and health values) to support grass roots emergence and growth of local musicians.

1. Introduction

Adelaide, celebrated as a UNESCO City of Music since 2015, has music embedded deeply in its cultural core. South Australia (SA) encompasses every stage of the music supply chain. From the forefront activities such as writing, rehearsing, recording, and mastering, to publishing and performing, Adelaide thrives in its musical endeavours. Supporting these are behind-the-scenes businesses, including instrument and equipment manufacturers, educators, retailers, repair and hire shops, artist services, broadcasters, and media agencies. The city also has a vibrant events sector, featuring promoters, event technology services, and nationally renowned music venues, solidifying Adelaide's status as a hub for musical excellence.

MusicSA has commissioned BDO to undertake an economic contribution analysis of the music industry in SA. The estimates in this report are intended to form a baseline of the level of activity in the music industry that can be used to compare it with other industries in SA and with the music industry in the future as it develops. This will provide up-to-date economic information to advocate for the industry in SA.

BDO undertook a study of this nature in 2017 in a pre-global pandemic world (EconSearch 2017). Now in 2024, not only has demand for the creative arts not returned to pre-pandemic levels, but artists and businesses are facing significantly higher costs to write, produce and sell music. Compounding these challenges are consumers faced with lower discretionary spending and not being able to afford to consume music in the same way they used to.

Comparing the music industry in 2022/23 with that in 2015/16 and with other industries requires describing it in the same terms. Therefore, this report estimates the economic contribution of the music industry in terms of gross state product (GSP), employment and household income. The report does not estimate the intangible value (e.g. culture or traditions) of the music industry so should be interpreted as one component of its total value to South Australians.

The remainder of this report is structured as follows:

- Section 2 methods of analysis and data
- Section 3 economic contribution analysis results
- Section 4 sentiments of the SA music industry.

2. Method

2.1. Economic contribution

Determining the economic contribution of an industry requires data on the aggregate size of the industry, the activities and relationships within the industry, the linkages between the industry and the broader economy, and the characteristics of the broader economy itself. This study drew upon several sources of aggregate data to determine the size of the music industry on several dimensions. It collected data on the activities and relationships within the industry and linkages to the broader economy through a survey of consumers and businesses and interviews with key stakeholders.

The main components of net direct economic contribution to SA are:

1. surpluses made by the music industry businesses in SA
2. wages and drawings² paid to South Australians
3. surpluses and wages associated with expenditures made by those businesses into other South Australian industries.

Additionally, the spending of consumers related to attending live music events (on items such as food, beverages, transport and accommodation) are attributable to the music industry economic contribution.

Transactions between business within the music industry (transfers) and payments outside of SA (imports) are not counted as net economic contributions to SA. This is why an understanding of these linkages is necessary to make a reasonable estimate of the economic contribution of the industry as a whole.

For example, when a live music promoter pays a musician for performing at an event, this is a transfer within the industry. The original ticket sale is the economic contribution as it is new money entering the industry. Counting the ticket sale and the payment to the musician, as well as payments to event technology services, audio engineers, and venue hire fees, would result in double-counting. Therefore, these transactions are only counted once in the analysis.

If the promoter printed promotional materials interstate but distributed them through an agency in SA, the printing expenditure is considered an import and does not contribute to SA's economy. However, the local distribution fee does contribute because it is a domestic expense outside the music industry.

Similarly, expenditures in SA by the venue, such as with beverage suppliers, contribute to the economy, while those outside SA do not. Additionally, when attendees spend money on beverages or other items at the venue, it also contributes economically to SA.

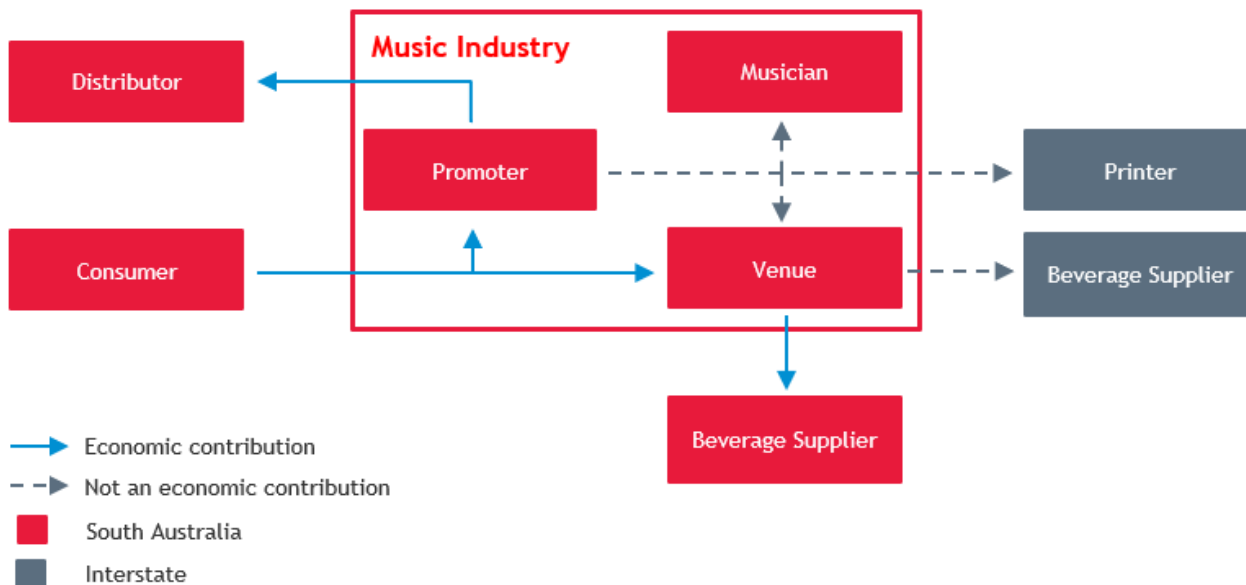
These examples are illustrated in the Figure 2-1. Importantly, the arrows in Figure 2-1 represent *payments* between agents, the economic contribution is the *surplus* that results from these payments, not the payments themselves.

The music industry is more difficult to delineate than more traditional industries (e.g. agriculture or manufacturing). While it is relatively easy to determine whether a business is part of the agriculture industry or the steel manufacturing industry, for example, many music industry businesses carry out activities that cross traditional industry boundaries. For example, the Adelaide Symphony Orchestra can be considered to

² Drawings are income drawn by business owners from their business' operating surplus.

be entirely within the music industry, but the Adelaide Festival Centre puts on music and non-music shows, so only part of its activities can be attributed to music.

Figure 2-1 Concept of economic contribution



To delineate the music industry, this study follows a similar concept to the *satellite accounting* method currently used each year by the Australian Bureau of Statistics (ABS) to estimate the economic contribution of tourism to the national economy (ABS 2023a). Tourism is a similarly difficult industry to delineate. The ABS also applied the method in a context closer to the music industry when they estimated the contribution of *cultural and creative activity* to the national economy for 2021/22 (ABS 2024). The method adopted for this study incorporates into the music industry the activities of:

- Specialist workers - workers who produce music outputs within music businesses
- Support workers - workers who produce non-music outputs within music businesses
- Embedded workers - workers who produce music related outputs in non-music businesses.

Where data were not available on how many workers within a non-music business produce music outputs or where this categorisation of workers did not make sense for particular business activities, the proportion of business activities included for non-music businesses was determined by a proxy. The proxy was selected on a case-by-case basis but was usually attendance numbers, expenditures, or revenue.

2.1.1. Indicators of economic contribution

The economic contribution of the music industry is conceptualised in this report as the economic activity that occurs within the music industry as it exists and the activity that occurs outside of the music industry as a result of this activity. This is conceptually different to *economic impact* in that *impact* refers to a change or shock. For example, estimating the economic impact of starting up or closing down a music festival would have to take into consideration the way that consumers will react and how affected prices and resource allocations within the economy might change because of the marginal change in activity in the industry. The focus of this report is the contribution of the music industry to the economy of SA as it exists so changes are not relevant. The key economic activity indicators considered in the analysis are employment, gross state product (GSP) and household income (a component of GSP).

Employment units: Employment numbers are usually reported in either full time equivalent (fte) jobs or total job units defined as follows:

- *fte:* is a way to measure a worker's involvement in a project or industry activity. An fte of 1.0 means that the person is equivalent to a full-time worker, while an fte of 0.5 signals that the worker is only half-time. Typically, different scales are used to calibrate this number, depending on the type of industry and scope of the analysis but the basic calculation is the total hours worked divided by average annual hours worked in full-time jobs.
- *Jobs:* is used to refer to the number of workers employed in an industry or on a project at any point in time. It typically refers to either:
 - the *maximum* number of workers required at any point over the analytical period or the duration of the project; or
 - the *average* number of workers required over the analytical period/duration of the project. This can be calculated on a daily, weekly, monthly or annual basis.

In this report employment has been reported in terms of fte and total number of jobs.

Gross state product (GSP): is a measure of the contribution of an activity to the economy. GSP is measured as value of gross output (business revenue) less the cost of goods and services (including imports) used in producing the output. In other words, it can be measured as the sum of household income, gross operating surplus and gross mixed income net of payments to owner managers and taxes less subsidies on products and production. It represents payments to the primary inputs of production (labour, capital and land). Using GSP as a measure of economic contribution avoids the problem of double counting that may arise from using value of output for this purpose.

Household income: is a component of GSP, it is the payments to the labour input of production described above. Household income is reported separately to GSP in this report in order to indicate the contribution of the industry to South Australians who derive income from labour (employees), rather than through ownership of land and capital.

2.1.2. Categories of economic activity

A useful way to think about economic activity and economic contribution (as measured by employment, GSP, etc.) is using the concept of a 'supply chain'. Broadly speaking there are four categories of employment and GSP along the supply chain.

1. *Direct employment and GSP* - this is employment and GSP in those firms, businesses and organisations that are directly engaged in producing music goods and services.
2. *First round employment and GSP* - refers to employment and GSP in firms that supply inputs and services to the 'direct employment' businesses, i.e. those categorised under point 1 above.
3. *Industrial-support employment and GSP* - is the term applied to 'second and subsequent round' effects as successive waves of output increases occur in the economy to provide industrial support, as a response to the original expenditure. This category excludes any employment and GSP associated with increased household consumption.
4. *Consumption-induced employment and GSP* - is the term applied to as those effects induced by increased household income associated with the original expenditure. The expenditure of household income associated with all three categories of employment and GSP (direct, first round and industrial-support) will generate economic activity that will in itself generate jobs and GSP.

Flow-on (or indirect) economic contribution is the sum of categories 2, 3 and 4. In this analysis direct and flow-on employment and GSP generated by the supply chain have been reported. *Total contribution* is the sum of direct and flow-on contribution. In this analysis direct, flow-on and total employment, GSP and household income generated by the supply chain have been reported. A more detailed breakdown of results is presented in Appendix 1 with flow-on effects broken down into production (2 and 3) and consumption (4) induced.

2.1.3. RISE economic model

BDO has developed an extended I-O model known as the RISE model. BDO updates the RISE model annually for use by the Department of the Premier and Cabinet, Government of SA (BDO EconSearch 2023). A RISE model based on the 2021/22 financial year of SA was used to make economic estimates.

I-O models are widely used to assess the economic contribution of existing levels of economic activity and the economic impacts of shocks. The models are based upon I-O tables that describe the interdependencies between industries within the regional economy and with the economy outside of the region. This makes the comprehensive economic framework provided by the RISE model useful for disentangling the direct and flow-on effects of activity in a regional economy.

2.2. Survey

2.2.1. Interviews

Twenty-six semi-structured interviews were carried out by BDO with key industry stakeholders between April and May of 2024. Stakeholders were selected based on their active role in the music industry and their knowledge of their section of it. Most interviews were conducted face-to-face and took between 15 minutes and 2 hours, depending on the variety of activities that the stakeholder was involved in. A full list of interviewees appears in the Acknowledgements section of this report. Roles covered by interviews included:

Artist services	Media duplication	Music retailer
Education	Major festival promotion	Policy maker
Event technology services	Musician	Recording studio
Event promotion	Industry association	Rehearsal studio
Equipment manufacture	Music focused media	Venue operation
Mastering studio	Music focused radio	

The intention of the study, concept of economic contribution, and reason for selection were explained to each stakeholder at the beginning of the interview. They were informed that their individual responses would not be published in any way that could be personally identifiable, but all agreed to be acknowledged by name in the report. Regarding their role, each stakeholder was then led to explain their:

- business activities
- employment activities
- income and expenditures for the 2022/23 financial year
- other areas of economic contribution
- interstate and overseas expenditure and income
- degree to which their business activities are attributable to music

- understanding of other businesses operating in their section of the industry.

2.2.2. Online survey

An online survey was carried out over 4 weeks in April and May 2024. The intention of the survey was to collect further detailed data on businesses in the music industry as well as to understand the related expenditures that consumers tend to make when they attend live music events.

A single survey was designed based on the 2017 study survey. This survey was used to capture the various business activities, together with consumer data, for each individual respondent accounting for those who had multiple roles in the industry while also being a consumer. The questionnaire first asked each respondent which roles they played in the music industry, including business and consumption activities, then presented the respondents with questions related to their selected roles.

Questions relating to business activities captured the same information as the interviews but were customised to the type of activities that the respondents carried out. For example, venue operators were asked about the number, type and attendance of music events at their venue and musicians were asked about their time spent and income earned from performing and writing music. These additional data aided imputation of incomplete data during analysis.

Questions relating to consumption activities captured data on live music attendance and consumption of recorded music, music equipment and instruments for consumptive uses (as opposed to business use as a musician). Age of respondent and personal income was also captured.

Regarding live music consumption, the questionnaire captured the number of music events each respondent attended in the last year, by genre, and by whether or not each event was free. Respondents were asked to indicate where the events were and the proportion that were by South Australian performers. To understand the kind of expenditures each respondent tends to make when they attend a music event, respondents were asked about a memorable event (such as a concert or a typical night at a music venue) that they attended in the last year. They were asked about the name, genre and location of the event, as well as whether they attended with interstate friends or relatives. They were asked how much money they spent on the ticket (if any) and on other items in relation to the event.

Regarding recorded music, music equipment and musical instrument consumption, respondents were asked how much money they spend on each in a typical year (or month for recorded music) as well as how much of that expenditure occurred within SA.

2.3. Data

2.3.1. Consumers

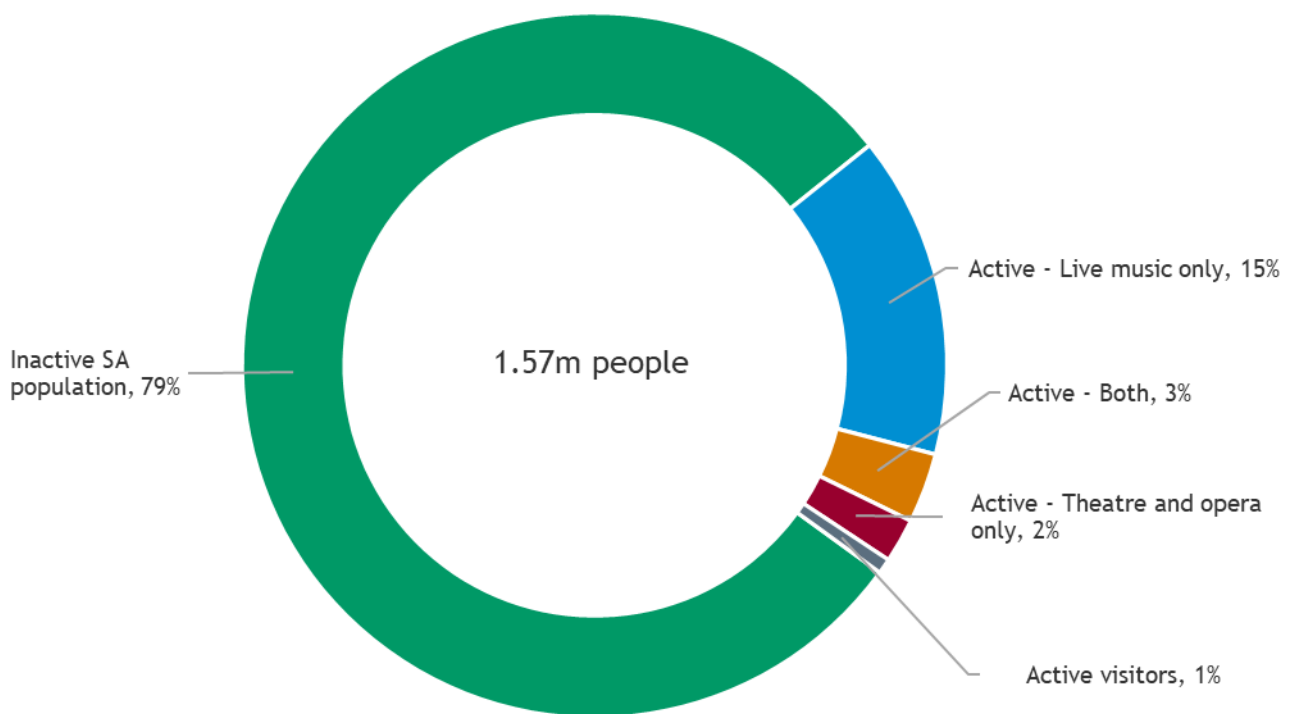
Data used to estimate the aggregate activity of music consumers in SA included:

- Total population of SA - 1.9 million (ABS 2023b)
- Age distribution of South Australian population (ABS 2023b)
- Income distribution of South Australian population (ABS 2022)
- Proportion of South Australians (15 years and over - as reported) who attended live music (15 per cent) and musical theatre or opera events (4 per cent) in 2021/22 (ABS 2023c)
- Ticket sales and revenue for live music (698,417 tickets, \$60.4 million) and musical theatre and opera (233,673 tickets, \$20.4 million) in 2022 (Live Performance Australia 2023)

- BDO SA music survey data were used to estimate number of free event attendances per paid attendance for live music (0.7 per paid attendance) and musical theatre or opera (0.2 per paid attendance)
- Fringe 2023 number of visitors to SA - 45,214 (Adelaide Fringe 2023) was used to impute proportion of attendance to music events by visitors (around 5 per cent).

Figure 2-2 illustrates the population used in this analysis. The population is all South Australians 15 years and over, plus visitors from interstate or overseas who attend live music in SA (a total of around 1.57 million people). Assuming that the proportion who attended music events in 2021/22 is the same as in 2022/23: around 79 per cent of this population did not attend any music events in 2022/23; around 15 per cent attended live music events only; around 2 per cent attended musical theatre or opera events only; and around 3 per cent attended both types of event.

Figure 2-2 Population for benchmarking purposes, proportion who attend by genre



Source: ABS 2023b, ABS 2023c and Live Performance Australia 2023

2.3.2. Musicians

The aggregate number of APRA AMCOS writer members, royalty payment deciles and the number of live performance returns (LPRs) from South Australian APRA AMCOS members in 2022/23 were provided under confidentiality by APRA AMCOS. These data were used as benchmarks to weight the musician responses to the online survey.

2.3.3. Venues

A list of South Australian venues licenced by APRA AMCOS to perform live music or recorded music for dance use was provided under confidentiality by APRA AMCOS (2024). This list was supplemented by including 28

venues which were captured by the 2017 study and were identified to still be active in 2022/23. This supplemented list was treated as a census of venues in SA and was matched with the BDO SA music survey responses to estimate aggregate activity. This definition of venues captures a range of businesses, from large dedicated performance spaces to small bars and cafes with occasional music performances.

Venues which could not be directly matched to a survey response were benchmarked to employment activity modelled in the 2017 study. Some venues were not modelled in the 2017 study. For these, benchmarking was supplemented with liquor licencing capacity information as described in Section 2.3.4.

2.3.4. Bridging data gaps

Unpublished data was required to produce census level estimates of the economic activity of venues and other music businesses in SA. In the 2017 study, total venue economic activity was estimated using employment data on venues located in the Adelaide CBD and North Adelaide (provided by the City of Adelaide) and music performer expenditure data on venues in SA (provided by APRA AMCOS). For other music businesses, sufficient data was received from surveys and interviews allowing robust estimate census level activity.

For the 2024 study, some data sets used in the 2017 study were unavailable. This, along with a smaller sample size, required modifications to be made to our modelling approach. An outline of these modifications to estimate census level economic activity for venues and other businesses are outlined below.

Venues

For this study only venue names were provided by APRA AMCOS (due to confidentiality constraints). Accordingly, data was insufficient to produce census level estimates for 2022/23 using the same approach as in the 2017 study. From the 2023 list of venues (APRA AMCOS 2024 pers. comm.) we identified 412 venues as a census target to estimate economic activity. The approach used to estimate this activity was as follows:

1. From the 2023 list of venues (APRA AMCOS 2024), 160 of the 412 venues were identified in the 2017 study. Of these, five venues provided data via the online survey and interviews. Employment for the remaining 155 venues was benchmarked to estimates in the 2017 study. Some new businesses, or those trading under a different name, were identified in the 2023 list on the basis of venue location.
2. For the venues not in the 2017 study (being 252 of the 412 venues), one venue provided data by interview, and five were identified as inactive and were excluded from this study. The remaining 248 venues were then modelled based on either venue capacity (208 venues) using the consumer and business services liquor licence database (Government of SA 2024) or as employing only one fte (38 venues) if no venue capacity information could be obtained.
3. Employment coefficients relative to capacity for different venue types³ were calculated from employment estimates in the 2017 study. Capacity information for venues in the 2017 study were supplemented by the business services liquor licence database (Government of SA 2024) where required.
4. Employment for the 208 venues was estimated by multiplying venue capacity values with the appropriate coefficient.
5. A further 31 active venues not on the 2023 venue list (APRA AMCOS 2024) were included in this study. Of these, three venues provided data via the online survey and interviews, and 19 were identified

³ Venue types were summarised from types listed in the list of APRA licenced venues (2024). These were described as “Brewery / Winery”, “Café / Restaurant”, “Club / Bar”, “Entertainment Venue”, “Hotel / Pub” and “Other”. Separate coefficients were used for metropolitan and regional venue types (except “Entertainment Venue” and “Other” due to limited sample sizes).

from the list of venues in the 2017 study. Including these locations result in a total 443 venues being modelled in this study (versus 446 in the 2017 study).

Some care must be taken when comparing the economic contribution of venues in this study with those in the 2017 study. There were 175 venues in the 2023 venue list (APRA AMCOS 2024) which were considered active during the time of the 2017 study but did not appear in the APRA AMCOS data at that time and were therefore not included in that study. Differences in economic contribution can be biased due to differences in information captured between the two studies.

Other Businesses

Due to limited participation in the online survey, the data collected was not considered robust enough to produce a census level estimate of other music related businesses. The survey and interview data collected in this study were supplemented by modelling activity of additional businesses. The approach used to estimate total direct economic activity of other businesses was as follows:

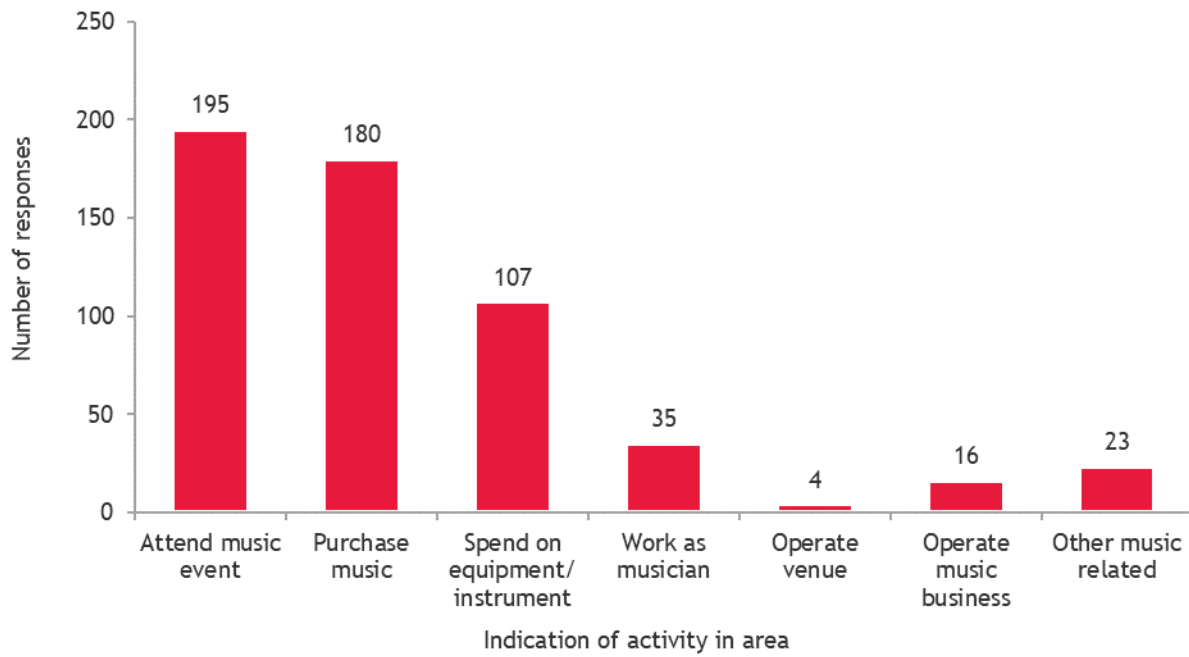
1. A list of 203 businesses was sourced from the MusicSA business directory (MusicSA 2024) and from the 2017 study.
2. The status of businesses on the combined list were then identified as either active (124 businesses) or inactive (79 businesses) in 2022/23, using the ABN lookup (Australian Government 2024). Inactive businesses were excluded from this study.
3. Of the remaining 124 supplementary businesses, one business provided data by interview and 39 were matched and benchmarked to the 2017 study employment estimates. Businesses which could not be benchmarked to 2017 study data (84 businesses) were modelled on the basis of an average one fte per business.

Similar to venues, some care must be taken when comparing the economic contribution of other music related businesses in this study with those in the 2017 study. We have identified 80 businesses modelled in this study which were active during time of the 2017 study but were not identified at that time and therefore not included in that study. We are unable to state whether this captures the same business activity from the 2017 study, as a significant number of survey responses in 2017 did not provide business names. Differences in economic contribution can be biased due to differences in information captured between the two studies.

2.4. Description of the sample

The online survey captured 205 unique, usable responses, and a further 26 interviews were conducted with key industry stakeholders. Figure 2-3 presents the activities that respondents indicated that they carried out 'over the last year'. The most frequent activities of respondents were consumption activities, i.e. attending events, purchasing music, and purchasing equipment and instruments. Venues were the least well represented in the survey, but this was supplemented by interviews with key stakeholders.

Figure 2-3 Activities of survey respondents^a

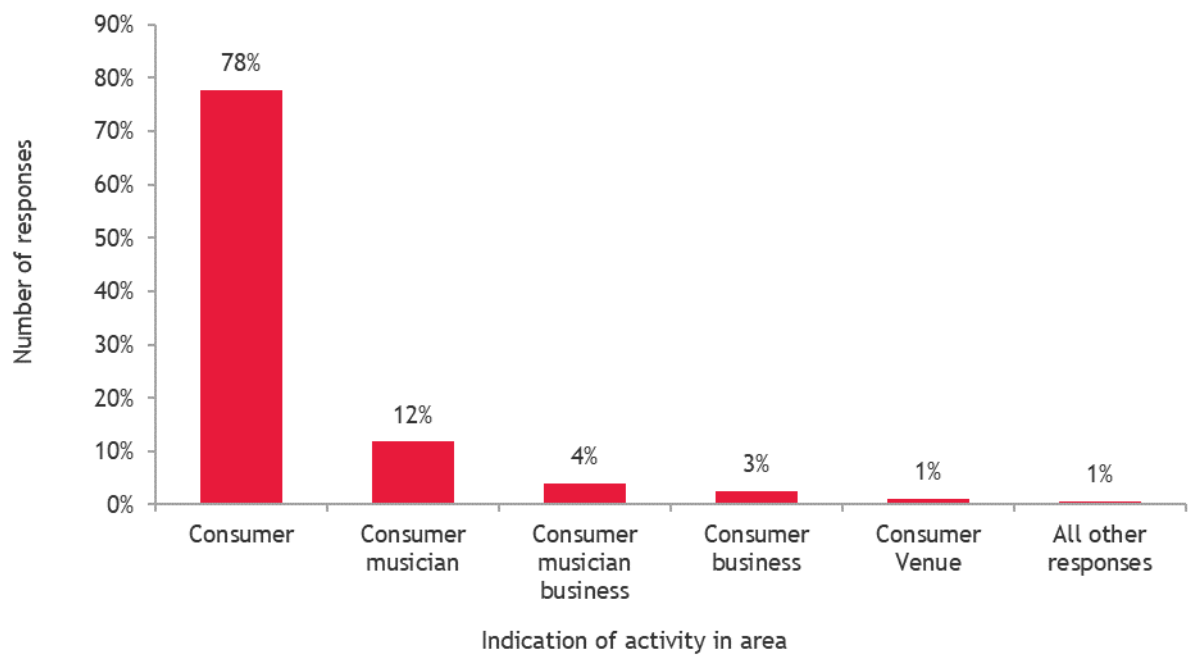


^a Respondents may be involved in more than one activity

Source: BDO SA music survey

Figure 2-4 categorises the survey responses into mutually exclusive groups. Most responses (78 per cent) were from consumers, 12 per cent were from musicians who were also consumers and 4 per cent were from musicians who operated a music business and were consumers of music.

Figure 2-4 Categorisation of survey respondents

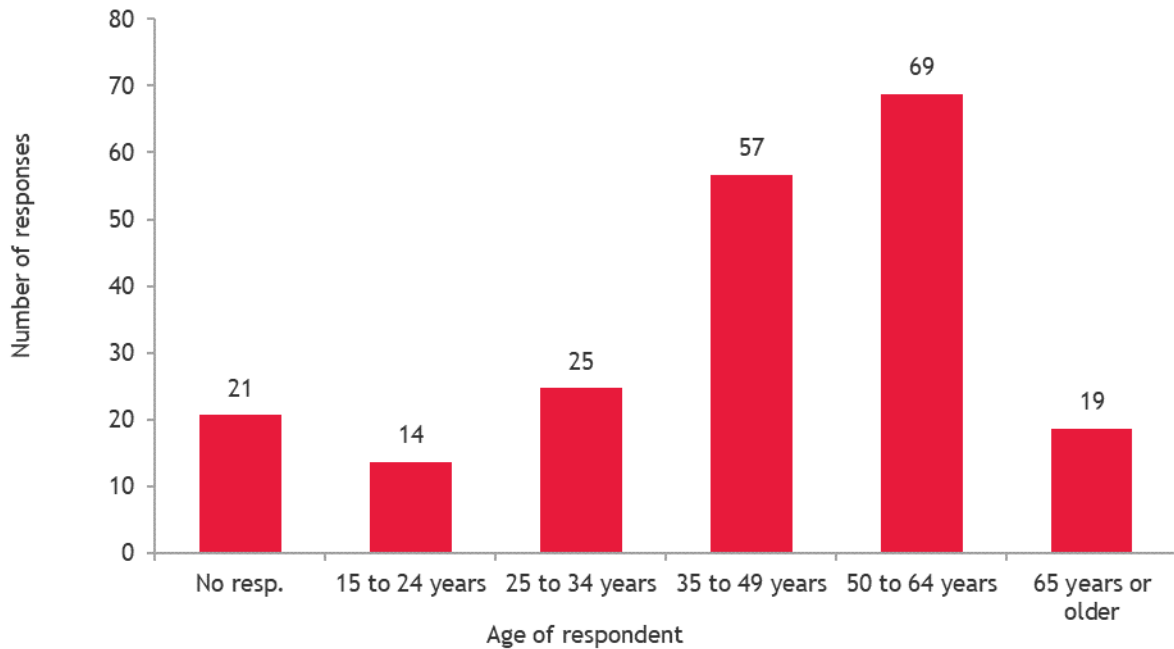


Source: BDO SA music survey

2.4.1. Consumers

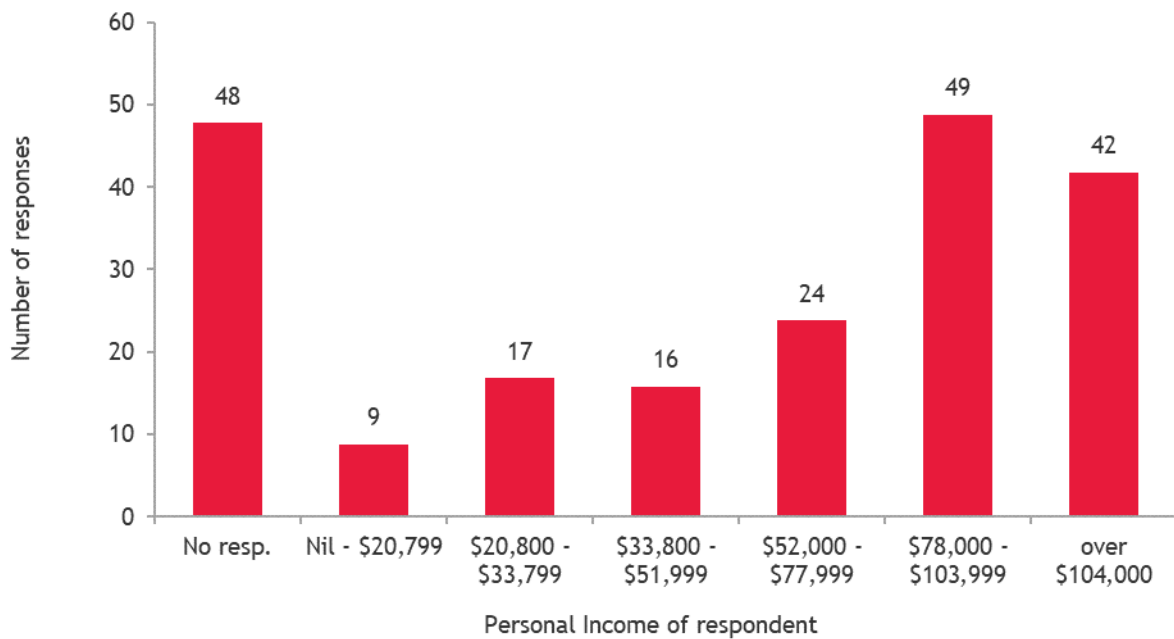
Most consumers who responded to the survey were around 50 to 64 years old (Figure 2-5), the most frequent income range of consumers was \$78,000 to \$103,999 (Figure 2-6).

Figure 2-5 Age distribution of survey respondents and population (consumers)



Source: BDO SA music survey

Figure 2-6 Income distribution of survey respondents (consumers)



Source: BDO SA music survey

Consumption activities were split into three categories in the survey: live music, recorded music, and equipment/instrument expenditure. Respondents were asked to recall a memorable music event that they attended ‘in the last year’ and to indicate how much they spent on the ticket and any other items in relation to the event. Table 2-1 presents the proportion of the total expenditure per event spent on each related item. On average across paid and free events, tickets and food and beverages received the highest spend (31 per cent), followed by merchandise (12 per cent) and transport (10 per cent). For ticketed events, tickets were the most expensive item (42 per cent). For free events, expenditure on food and beverages made up nearly half (44 per cent) of consumption expenditure related to events.

Table 2-1 Expenditure profile for event attendees in SA

Item	Proportion of total expenditure on event		
	All events	Ticketed or events with paid entry	Free events
Ticket	30.8%	41.8%	0.0%
Food & beverage	30.7%	25.8%	44.4%
Merchandise	12.3%	10.3%	17.8%
Transport	10.1%	8.5%	14.5%
Clothes	9.4%	7.9%	13.6%
Accommodation	4.8%	4.0%	6.9%
Childcare	0.3%	0.3%	0.5%
Other	1.6%	1.4%	2.4%
Total	100.0%	100.0%	100.0%

Source: BDO SA music survey

Survey respondents reported total expenditure on music equipment over the last year of just under \$764,000 (approximately \$372 each) with around 63 per cent of these expenditures occurring at South Australian businesses. After weighting the responses, the total expenditure on equipment was estimated at almost \$83.5 million across the state (an average of around \$141 per person).

Respondents reported consumption expenditure on instruments over the last year of almost \$1.2 million (an average of \$577 per person) with 57 per cent of these expenditures also occurring at South Australian businesses. After weighting, we estimate a total consumption expenditure on music instruments of over \$39.2 million across the state (an average of around \$66 per person).

Respondents reported a total annual spend on recorded music over the last year of just over \$146,000 (approximately \$710 per person), including 41 per cent on vinyl, 25 per cent on streaming, 15 per cent on CDs, 11 per cent on ‘other’ and 8 per cent on downloads. This average spend is considered high and is likely biased upwards by the interest that participants have in music. Weighting the sample compensated for this bias. After weighting, we estimate a total expenditure on recorded music of around \$96.0 million (an average of around \$162 per person) with around 67 per cent of these expenditures occurring at South Australian businesses.

Regarding their ‘memorable event’, several key stakeholders were visitors from interstate or overseas who attend music events in SA. The questionnaire asked respondents to indicate how many friends or family from outside of SA attended the event with them. This question resolves the problem that analysis of ticket sales data fails to capture the visitors for which South Australians purchased tickets.

Table 2-2 shows the proportion of respondents who were accompanied to their ‘memorable event’ by friends or relatives from interstate or overseas and the average number accompanying all respondents, by venue

type and by genre mix. The results suggest that outdoor mixed-genre events tend to attract a higher proportion of attendees from interstate or overseas. On average, 14 per cent of respondents indicated that they were accompanied by friends or relatives from interstate or overseas and the average number of them accompanying respondents was 0.4.

Table 2-2 Interstate and overseas visitors to music events in SA

	Count of responses	Proportion accompanied (%)	Average accompanying (persons)
Venue type			
Major outdoor festival	41	33%	0.8
Brewery / Winery	5	20%	0.4
Other	11	18%	1.2
Hotel / Pub	47	15%	0.4
Concert hall / Theatre	27	11%	0.2
Nightclub / Bar	11	9%	0.1
Entertainment venue	38	3%	0.1
House of worship	1	0%	0.0
Genre			
Live music + DJ + Other	1	100%	2.0
Live music + Opera + DJ	4	75%	2.3
Live music + DJ	24	30%	1.0
DJ	7	14%	0.3
Live music	138	12%	0.3
Live music + Opera	2	0%	0.0
Live music + Other	4	0%	0.0
Opera	1	0%	0.0
Other	1	0%	0.0
Average for all events		14%	0.4

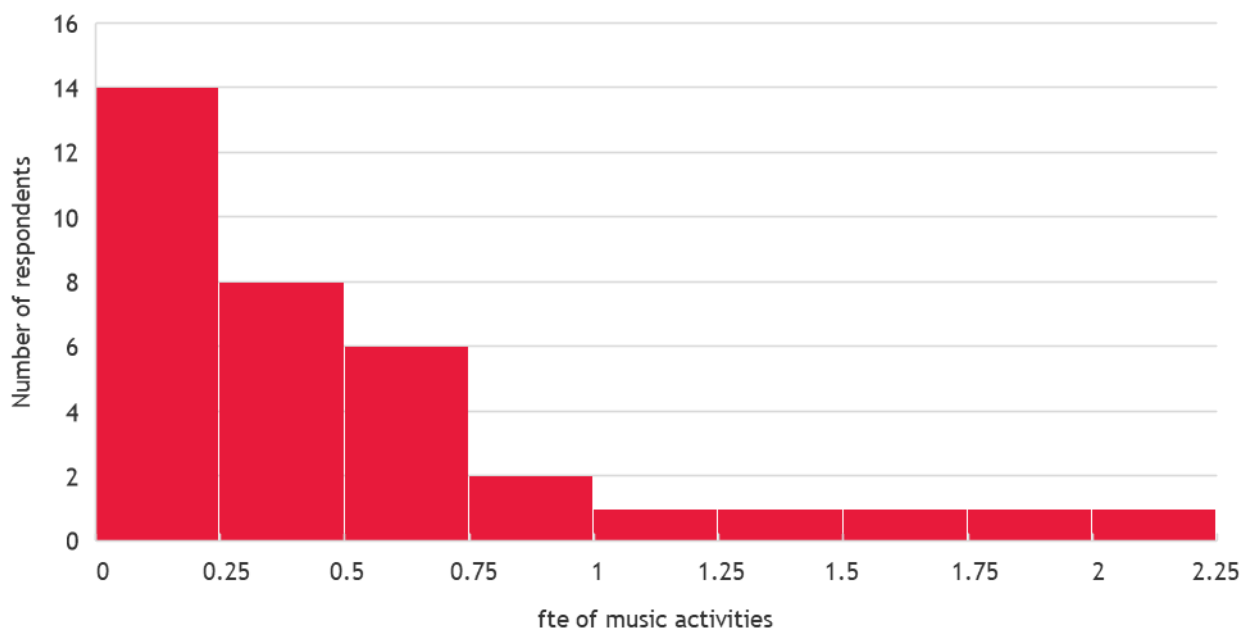
Source: BDO SA music survey

Respondents indicated the number of free and paid events they attended over the last year. Around 60 per cent of reported attendances at live music events and 81 per cent for musical theatre/opera events were ticketed.

2.4.2. Musicians

Figure 2-7 shows the distribution of time spent by respondents on musician activities expressed in full-time equivalent jobs. Around 83 per cent of musician respondents reported working on musician activities part-time, the rest working full-time or longer hours.

Figure 2-7 Distribution of hours worked by musician respondents (measured as fte jobs)



Source: BDO SA music survey

Table 2-3 shows the musician activities reported by musician respondents and the average fte jobs worked within each activity group. The most common response was from musicians who write music and perform live, followed by musicians who perform but do not write and musicians who write but do not perform. Musicians who spend their time solely on live performances tend to spend around one third more time on musician activities in a typical week compared to those who do not.

Table 2-3 Musician activities and average fte jobs of respondents

Activities	Count of responses	Average fte jobs for group
Other / unknown	2	1.1
Live performing only	8	0.8
Writing and live performing	17	0.5
DJ only	6	0.4
Writing only	1	0.3
Total	35	0.6

Source: BDO SA music survey

The musicians who responded to the survey earned, on average, around 20 per cent of their income from live performance, around four per cent from writing music, one per cent from DJ performances and about 55 per cent from other sources such as music education. Around 80 per cent of this income was earned within SA. Table 2-4 presents the average expenditure profile reported by musicians who responded to the survey.

Table 2-4 Expenditure profile for musicians in SA

Item	Proportion of annual expenditures
Office and administration	35.6%
Cost of goods sold ^c	17.7%
Instruments	13.7%
Capital expenditure ^b (music)	7.9%
Music services	7.5%
Other	6.4%
Travel and accommodation (in SA)	5.6%
Imports ^a	4.8%
Capital expenditure ^b (non-music)	0.8%
Total	100%

^a Imports are all goods and services purchased outside of SA.

^b Capital expenditure includes equipment, hardware, vehicles and buildings used to carry out business activities.

^c Cost of goods sold includes merchandise, CDs and other stock sold.

Source: BDO SA music survey

2.4.3. Venues

Nine survey responses included some information about a venue in SA. The venues that responded to the survey or were interviewed as part of the study reported their expenditures for the 2022/23 financial year. The proportions of these expenditures that occurred on various key items are reported in Table 2-5. The greatest expenditure was on wages and drawings by owners (38 per cent), followed by imports and other costs (21 per cent).

Table 2-5 Expenditure profile for music venues in SA

Item	Proportion of annual expenditures
Wages	37.9%
Imports ^b	20.9%
Other	20.9%
Cost of goods sold ^a	15.9%
Office and administration	12.7%
Capital expenditure ^c (non-music)	3.8%
Musicians / performers	3.6%
Professional services	1.9%
Capital expenditure ^c (music)	0.1%
APRA AMCOS fees	0.0%
Total	100.0%

^a Cost of goods sold includes food, beverages and other stock sold.

^b Imports are all goods and services purchased outside of SA.

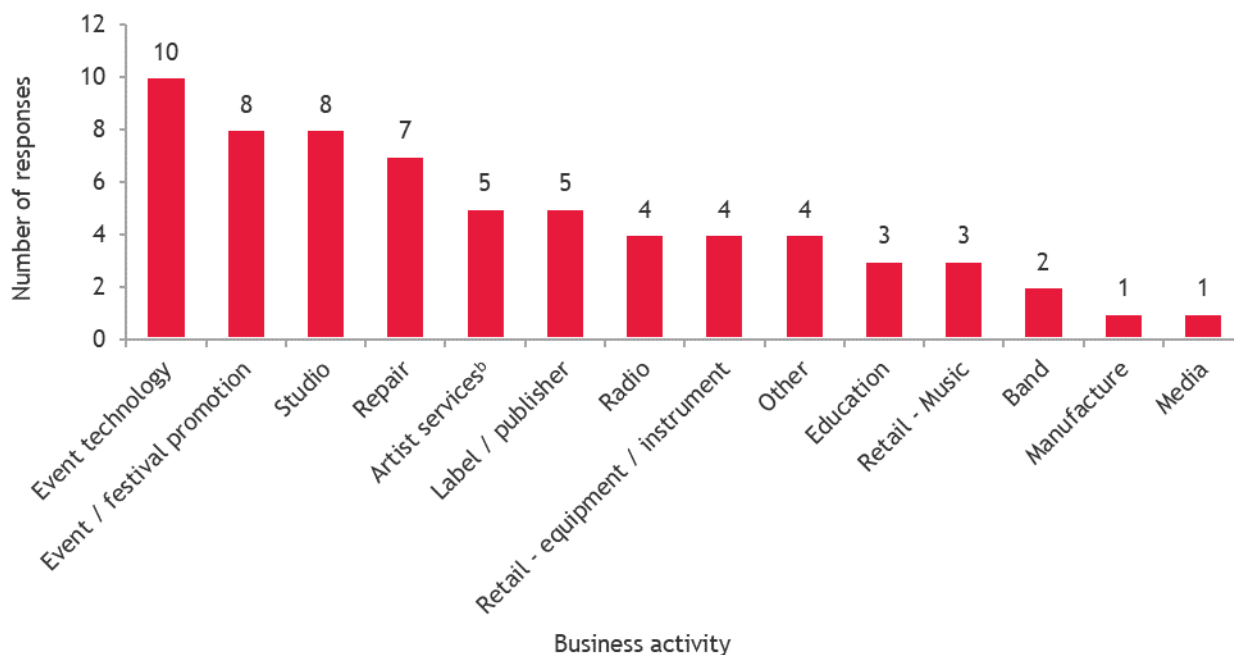
^c Capital expenditure includes equipment, hardware, vehicles and buildings used to carry out business activities.

Source: BDO SA music survey

2.4.4. Businesses

A total of 14 music businesses responded to the online survey and an additional 21 were interviewed directly. Figure 2-8 shows the number of businesses in the sample that carry out each business activity. The categories are not mutually exclusive and most businesses carry out multiple business activities. The sum of the categories is, therefore, greater than the number of responding businesses.

Figure 2-8 Business activities of sample of businesses



^a Includes all businesses that indicated recording, rehearsal or mastering studio activity

^b Includes artist managers, publicists etc.

Source: BDO SA music survey

The businesses that responded to the survey or were interviewed as part of the study reported their expenditures for the 2022/23 financial year. The proportions of these expenditures that occurred on various key items are presented in Table 2-6. The greatest expenditure was on combined other business running costs (just over 34 per cent), followed by imports (24 per cent) and wages (21 per cent).

Table 2-6 Expenditure profile for music businesses (excluding venues) in SA

Item	Proportion of annual expenditures
Other	34.2%
Imports ^a	24.0%
Wages	21.0%
Office	13.7%
Capital expenditure ^c (music)	3.3%
Music services	1.6%
Musicians	0.7%
Performers (non-music)	0.6%
Professional services	0.6%
Capital expenditure ^c (non-music)	0.2%
Communications	0.0%
Cost of goods sold ^b	0.0%
Road transport	0.0%
Total	100.0%

^a Imports are all goods and services purchased outside of SA.

^b Cost of goods sold includes merchandise, CDs and other stock sold.

^c Capital expenditure includes equipment, hardware, vehicles and buildings used to carry out business activities.

Source: BDO SA music survey

2.5. Survey analysis

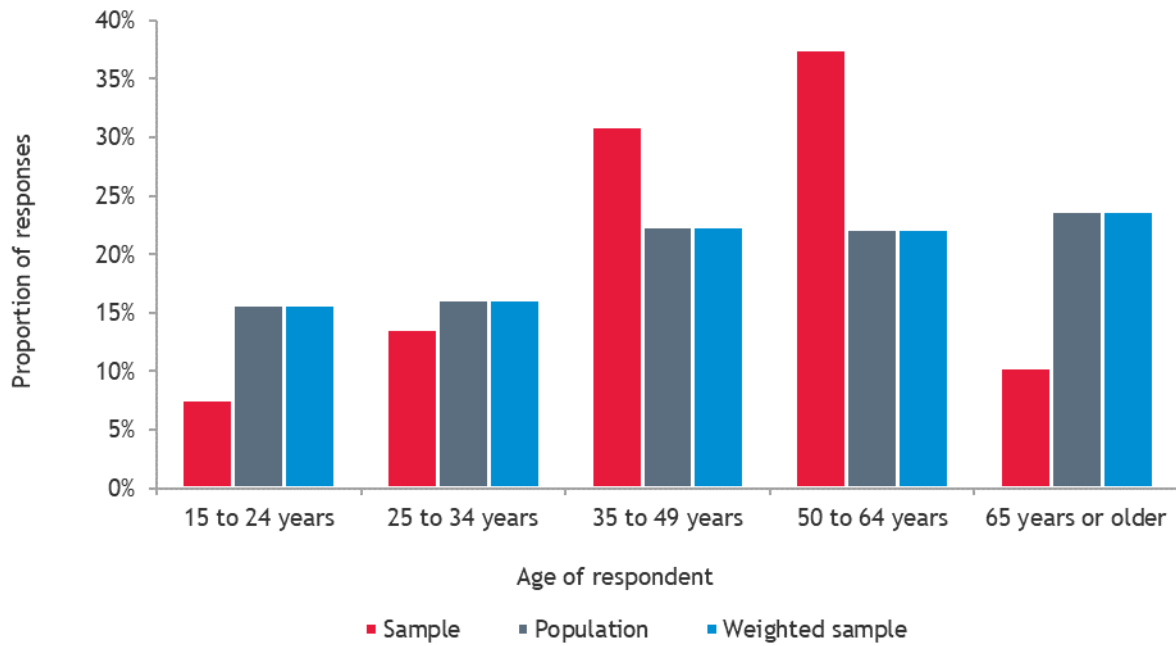
2.5.1. Survey weighting

Sufficient aggregate data were available (see Sections 2.3.1 and 2.3.2) to weight the survey sample of consumers and musicians to be representative of the population. An iterative proportional fitting approach was used to weight each dataset as described below. This method determines which characteristics are under or overrepresented in the sample (compared to the population) and weights each record in order to compensate for all characteristics simultaneously. The result is a survey sample that represents the population in each relevant characteristic.

Consumers

Figure 2-9 shows the sample age distribution compared to the population. Ages 35 to 64 were overrepresented in the sample and the other age groups were underrepresented.

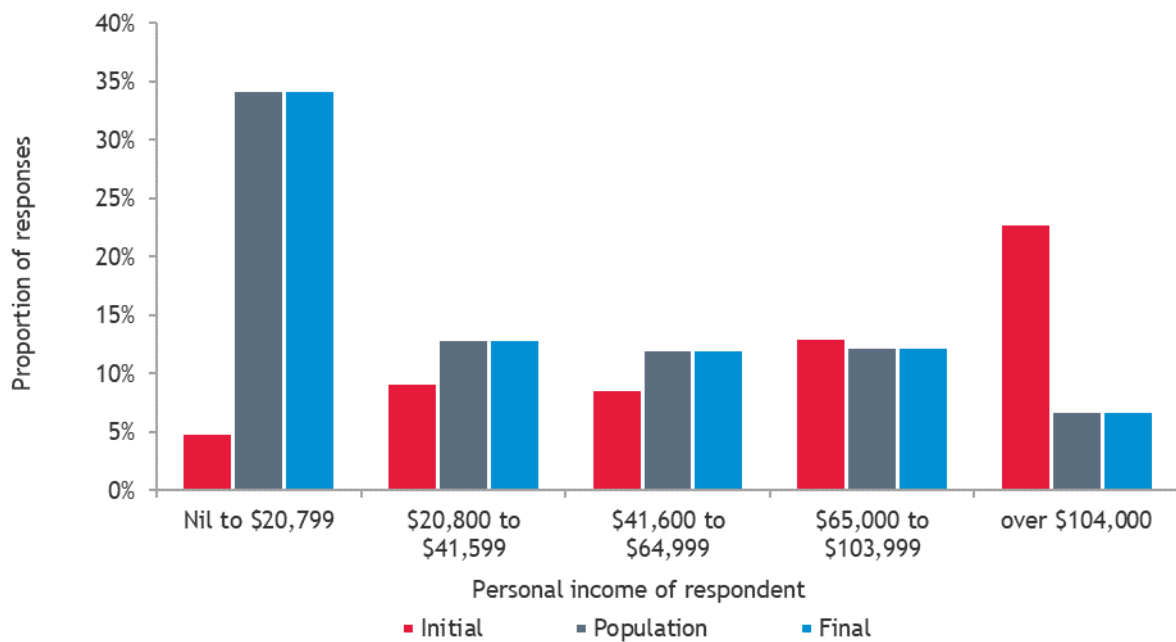
Figure 2-9 Sample, population and weighted sample age range



Source: BDO SA music survey

Figure 2-10 shows that higher income groups were overrepresented in the sample but that sufficient responses were collected to allow a complete weighting, as with age groups.

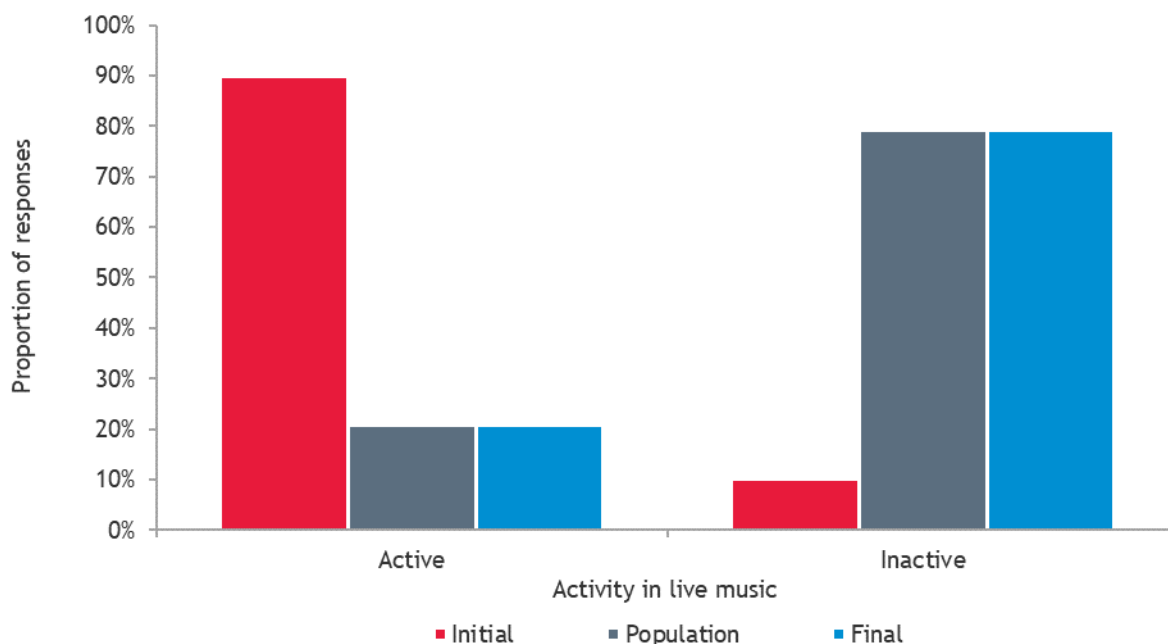
Figure 2-10 Sample, population and weighted sample personal income range



Source: BDO SA music survey

Figure 2-11 shows that a higher proportion of respondents to the survey attended a music event in the last year compared to the population of interest, this was also controlled for successfully by the weighting method.

Figure 2-11 Sample, population and weighted sample live music activity level



Source: BDO SA music survey and Figure 2-2

Musicians

As with consumers, musician responses were weighted to match aggregate data. The survey and aggregate distributions used for the weighting process are not published here to preserve the privacy of APRA AMCOS members. The distributions used were royalty income quintiles in 2022/23. Using APRA AMCOS data as an indicator of aggregate activity is a conservative approach as any working non-APRA AMCOS member musicians are excluded from this analysis. The analysis likely underestimates the economic contribution of musicians by an amount dependent on the number of non-APRA AMCOS member musicians working in SA. Comments from key stakeholders suggest that the number of working musicians may be double the number of APRA AMCOS members as there is little incentive to register as an APRA AMCOS member for musicians who do little or no writing.

2.5.2. Benchmarking

Consumers

Weighting the consumer sample to age, income, live music attendance and population count data, corrects for these variables and any other variables that are correlated with them. It does not correct for how active each individual is in live music. Further, consumers were asked to describe a ‘memorable event’ in the survey and this was multiplied by the consumers’ total number of attendances in order to estimate their annual expenditure at music events. Each of these factors were expected to cause an overestimation of expenditure due to a self-selection bias where respondents are more active than the average South Australian and the event they recall is likely more expensive. These biases were each observed in the sample. To correct for this expected bias, the weighted total attendances at paid events and the weighted total expenditure from the sample were scaled down to match reliable aggregate attendance and ticket revenue data from 2022, published by Live Performance Australia (2023). This means that data for each respondent were used to describe the *relative* amounts that they spent on different items and the types of events they attended while the overall spend was described by reliable aggregate data.

The same scale factor as for expenditure at live music events was adopted as a proxy for music activity in general and applied to scale down the weighted total expenditure by consumers on recorded music, music equipment and instruments. No aggregate level data were available for this kind of consumption expenditure, so this was adopted as a solution to correct for self-selection bias.

Musicians

As with consumers, the weighted survey responses from musicians were scaled together to match aggregate data from APRA AMCOS (2024) on total royalties paid in 2022/23. Live performances in 2022/23 were also benchmarked. This was done in line with the number of live performances in the 2017 adjusted for attendance rates in 2022/23. These aggregates are left unpublished for privacy reasons.

3. Results

3.1. Overall music industry

The overall economic contribution of the music industry to SA in 2022/23 is reported in Table 3-1. This includes the activities of musicians, venues, music businesses and related spending by consumers. The total employment contribution was around 9,200 jobs (or 5,000 fte jobs⁴), an increase from 6,300 jobs (or 4,500 fte jobs) in 2015/16 (EconSearch 2017). This included almost 2,400 (or 1,900 fte jobs) from flow-on effects⁵.

Gross state product (GSP) contributed by the music industry was around \$490 million, including \$293 million from flow-on effects. Household income (one component of GSP) contributed from the music industry was around \$296 million, including \$171 million from flow-on effects. Both total GSP and household income contributions increased from \$375 million and \$249 million respectively in 2015/16 (EconSearch 2017).

Table 3-1 Economic contribution of the music industry to SA, 2022/23

	Contribution			Type II Multiplier
	Direct	Flow-on	Total	
Employment (total)	6,830	2,377	9,207	1.3
Employment (fte)	3,089	1,904	4,993	1.6
Household income (\$m)	125.2	170.7	295.9	2.4
Gross state product (\$m)	196.8	293.3	490.2	2.5

Source: BDO analysis

The right hand column of Table 3-1 shows the type II multipliers for the music industry. These multipliers are calculated by dividing the total contribution by the direct contribution. For example, for every fte job contributed directly by the music industry, an additional 0.6 fte jobs are contributed from flow-on effects, making a total contribution of 1.6 fte jobs. For GSP, each \$1 million contributed directly by the music industry leads to an additional \$1.5 million contribution to GSP from flow-on effects.

Table 3-2 focuses more closely on the contribution of the music industry to GSP. The table shows that around one quarter of the direct contribution to GSP was due to related expenditures made when consumers attended music events. The other three quarters were contributed by activity within the music industry. The table also shows that the consumption induced effects were almost double the production induced effects. This means that most of the flow-on effects in the total economic contribution were generated by households spending income earned as a result of music industry activity. Table 3-3 presents the same detail for employment on an fte basis and can be interpreted in the same way.

⁴ Adding the total hours worked each week by the 9,207 workers and dividing by the number of hours in a full-time week (assumed to be 37.5 here) calculates the number of fte jobs (around 5,000) (see Section 2.1.1).

⁵ Flow-on effects are the effects of the broad economic activity that begins with the music industry and spreads out across SA as businesses supply one another, pay their employees and sell consumption goods to households (see Section Error! Reference source not found. for an explanation and Appendix 1).

Table 3-2 Economic contribution of the music industry to SA, GSP (\$m), 2022/23

	Gross state product (\$m)			
	Direct	Flow-on (production induced)	Flow-on (consumption induced)	Total
<i>Venues</i>	48.1	29.9	53.7	131.7
<i>Musicians</i>	7.1	8.2	12.0	27.3
<i>Other businesses</i>	93.0	45.5	72.2	210.7
Combined music industry	148.1	83.6	137.9	369.6
Consumption related to live music	48.7	24.0	47.9	120.6
Overall contribution of music	196.8	107.6	185.8	490.2

Source: BDO analysis

Table 3-3 Economic contribution of the music industry to SA, employment (fte), 2022/23

	Employment (fte)			
	Direct	Flow-on (production induced)	Flow-on (consumption induced)	Total
<i>Venues</i>	723	278	301	1,301
<i>Musicians</i>	1,039	62	67	1,169
<i>Other businesses</i>	794	357	404	1,555
Combined music industry	2,556	697	772	4,024
Consumption related to live music	533	168	268	969
Overall contribution of music	3,089	865	1,040	4,993

Source: BDO analysis

3.2. Live music

The overall economic contribution of live music to SA in 2022/23 is reported in Table 3-4. This includes the activities of venues, performing musicians and supporting music business activities as well as the related expenditures by consumers. The total employment contribution was around 6,000 jobs (or just over 3,100 fte jobs), an increase from 4,200 jobs (or 2,900 fte jobs) in 2015/16 (EconSearch 2017). This included almost 1,500 (or around 1,200 fte jobs) from flow-on effects.

GSP contributed by live music was \$292 million, including around \$181 million from flow-on effects. Household income (one component of GSP) contributed from live music was \$186 million, including \$103 million from flow-on effects. Both total GSP and household income contributions increased from \$254 million and \$162 million respectively in 2015/16 (EconSearch 2017). The type II multipliers for live music are similar to those for the overall music industry.

Table 3-4 Economic contribution of live music to SA, 2022/23

	Contribution			Type II Multiplier
	Direct	Flow-on	Total	
Employment (total)	4,479	1,482	5,961	1.3
Employment (fte)	1,958	1,176	3,134	1.6
Household income (\$m)	82.6	103.4	186.0	2.3
Gross state product (\$m)	111.4	180.6	292.0	2.6

Source: BDO analysis

Table 3-5 focuses more closely on the contribution of live music to GSP. The table shows that almost half of the direct contribution to GSP was due to related expenditures made when consumers attended music events. The other half was contributed by activity within the music industry including venues, musicians and other businesses involved in live music. The table also shows that, like the overall music industry, the consumption induced effects were almost double the production induced effects. Table 3-6 presents the same detail for employment on an fte basis and can be interpreted in the same way.

Table 3-5 Economic contribution of live music to SA, GSP (\$m), 2022/23

	Gross state product (\$m)			
	Direct	Flow-on (production induced)	Flow-on (consumption induced)	Total
Music industry ^a	62.7	39.8	68.9	171.4
Consumption related to live music	48.7	24.0	47.9	120.6
Overall contribution of live music	111.4	63.8	116.8	292.0

^a This includes venues, musicians and other businesses involved in live music.

Source: BDO analysis

Table 3-6 Economic contribution of live music to SA, employment (fte), 2022/23

	Employment (fte)			
	Direct	Flow-on (production induced)	Flow-on (consumption induced)	Total
Music industry ^a	1,425	355	386	2,165
Consumption related to live music	533	168	268	969
Overall contribution of live music	1,958	523	654	3,134

^a This includes venues, musicians and other businesses involved in live music.

Source: BDO analysis

4. Sentiments of the SA music industry

The South Australian music industry has faced significant challenges since the last study published in 2017. These challenges include the impact of the COVID-19 pandemic and the rising cost of living. While these obstacles have proven insurmountable for some, others have found opportunities emerging from challenges such as the rise of digital platforms, which offer new ways to discover music and connect with wider audiences. These opportunities and challenges are reshaping the SA music industry in significant ways.

This section summarises the key changes, challenges and opportunities felt by those who participated in the survey and interviews.

4.1. Impact of the COVID-19 pandemic

The COVID-19 pandemic triggered travel restrictions and lockdowns during 2020 and 2021, which had a significant impact on music venues and the live music industry. Interviewees felt that although there were grants to help mitigate the impacts, many small to medium sized venues closed down due to a lack of targeted support. Musicians were described to have faced many challenges during this time, most significantly of those mentioned was the loss of income from the cessation of live performances. However, some interviewees felt that this period allowed them to pivot and concentrate on enhancing their online presence. They felt artists adapted quickly to the digital landscape, posting videos daily on platforms, like TikTok, to maintain audience interest. It was observed by many interviewees that artists also took advantage of this period to work on new music, leveraging platforms like Spotify. They felt that although artists generally earn less for their music on these platforms, they have provided opportunities to reach a wider audience.

Once restrictions began lifting in late 2021, interviewees noticed there was a surge in live music performances. They worked with many artists who had been forced to postpone tours which they could finally restart or had new music they wanted to promote through tours. Interviewees noted an increase in ticket sales for all live music performances, and tickets were selling faster than they had prior to the pandemic. However, they have seen that this initial increase in ticket sales has slowed and is starting to return to pre-pandemic levels, and some feel that this has contributed to the cancellation of music festivals and events.

4.2. Post COVID-19 pandemic challenges

Interviewees from all aspects of the music industry described the immense pressure they are feeling with the increase of operating costs, with many noting the worst increases being fuel and transport, infrastructure, and insurance. Event insurance appears to be a significant issue amongst interviewees. Many reported the increase in cost and are finding it increasingly difficult to have a successful claim. Some interviewees reported that they feel they are being made to choose between the safety of their staff, artists and attendees, and not ending up in debt. Alongside this, businesses are seeing increases in spending as other requirements have changed, such as the increased level of security required by law to host events.

In terms of labour, there was a noticeable exit from the industry. Interviewees described losing much of the workforce to more stable employment. This was particularly noticed in transport where drivers and logistics operators moved to larger supermarket chains with consistent work contracts. With an increase in costs, and reduction of labour, the cost of putting on an event has significantly increased, therefore resulting in higher ticket prices.

Interviewees were also concerned about climate change and unpredictable weather which may also have a significant impact on festivals and outdoor events, including those held at stadiums without roofs. Severe weather can cause events such as these to be cancelled. However, as described by interviewees, even if an

event is not cancelled, the weather can still have a significant negative effect. They explained that the ticket buying culture within SA is known for its last-minute purchases, with some events selling the majority of tickets in the last few weeks. Therefore, many potential attendees take the weather forecast into account, and can be deterred from purchasing tickets if there is a possibility of undesirable weather. Many events outlined their heavy reliance on food and beverage sales. If there is poor weather, event organisers noticed that attendees spend less time at an event, or simply miss the event all together, resulting in a significant decrease in food and beverage sales. Several interviewees detailed their experiences due to unexpected heatwaves that have hit Adelaide, most recently in 2023 and 2024. They saw lower total attendance compared to tickets sold, and the majority that did attend, only attended after sunset when it was cooler. These events saw a decrease on attendees' food and beverage spend compared to a normal year.

4.3. Attracting artists

Interviewees acknowledged that costs have increased significantly in respect to putting on events around the world. However, in comparison to the eastern states of Australia, they have noted venue hire and other costs in Adelaide are much more affordable. Despite this, some feel that Adelaide continues to miss out on many interstate and international artists. The interviews highlight two leading factors: transport and a change in artist's preferences.

As previously mentioned, interviewees noticed that fuel and transport costs have increased, along with all other costs. Additionally, they mentioned there are less drivers available as many moved to more stable employment through the pandemic, leading to a reduction in availability and extending the time in travel between each city.

Alongside this, some interviewees noticed that artists are preferring to do larger shows with more theatrics and staging and have performances that are not impacted by the weather. This not only requires more transportation, but also enclosed venues that are able to support such infrastructure and shows. It was noted by interviewees that previously large acts have played at Adelaide Oval. However, interviewees are concerned that if artists request an enclosed arena, the only option in SA is the Adelaide Entertainment Centre which has a significantly smaller capacity. Their major concern is that these factors lead to artists weighing up the cost of the transport to Adelaide, the additional travel time required, and a smaller venue. Artists compare this against the possibility of selling out a larger venue that accommodates all their needs without adding the stress of travelling to another city.

Several interviewees suggested the creation of a regional live music hub to be placed between Adelaide and Melbourne. They feel it could help with smaller touring artists who may want a stop along the way, while also boosting the regional town's economy.

4.4. Cultural shifts

Interviewees have noticed the significant cultural shift from pre to post-pandemic with the way in which society consumes music, as well as society's values in general. As of recently, they feel there is a growing disconnect between younger generations and the live music scene.

Interviewees felt that going to see live music when people were younger was commonplace and a rite of passage. However, the pandemic prevented many people from having the opportunity to see live music, and interviewees feel like this has had a flow-on effect on the younger generation. They have noticed this generation is less likely to prioritise attending more casual, smaller live music performances. They are also more health conscious consumers, therefore are less likely to drink alcohol when they do. This has impacted smaller venues who, as described by interviewees, traditionally relied on younger crowds attending live

music and spending money at bars. Some interviewees mentioned their venues or events relied almost entirely on alcohol sales to allow for free or low cost ticket events. Interviewees mentioned that many venues and organisers are having to reshape their business models and events and increase ticketing prices to accommodate this shift. There are opportunities in this space to provide guidance and support for those who need to transition.

The pandemic encouraged the move to a more online and digitised society. Interviewees have seen a shift where younger generations are now more dependent on digital platforms like Spotify and TikTok for their music, rather than traditional avenues such as radio or music TV. Interviewees described how their radio stations have had to pivot their business models and invest in online streaming services and social media to engage with younger music consumers.

It has been noticed by interviewees that there is a shift in consumer interest towards larger, big ticket events, such as Taylor Swift, and away from smaller shows or festivals. It was acknowledged in the interviews that larger international artists result in significant spikes in consumer spending in the local community. This is due to attendees to larger events spending money on travel, food and accommodation. Therefore, they are seen as a positive for the State. However, several interviewees felt these larger events overshadow the impact they have on smaller touring artists and venues. They explain that these smaller venues and shows are the grass roots of the local music industry, where artists can promote themselves, engage with and grow their fan base. Those interviewees feel that these opportunities are becoming harder to come by as consumers prefer to see one or two “big ticket” artists who are able to put on large, exciting and intricate performances instead of seeing multiple smaller, simpler shows.

Another shift interviewees have begun to see is that artists and consumers alike are becoming more conscious about their ecological footprint and sustainability. They have noticed that artists are being more careful with their transportation emissions and in some cases, are asking for carbon emission offsets. They also described how their festivals have been considering more sustainable options in areas such as toilets and drinkware. Interviewees feel that there is an opportunity to expand in this space, by marketing events, festivals, and venues as being environmentally friendly, and working with companies such as Green Australia. It was suggested this could put SA on the front foot compared to other states and encourage more events to be held here with increased attendance.

4.5. Digital platforms

As previously mentioned, there has been a cultural shift in the way that younger audiences discover and consume music.

Interviewees described how artists previously worked with radio stations, some of which were dedicated to the promotion of new and local music, to promote new music or get their “big break”. However, interviewees explained that with the rise of streaming services and social media platforms, it has made it much harder for local artists to be found. This is because they are competing against artists from all over the world on these platforms. They feel it is also harder for consumers to discover new music as their algorithms may not show them locally made, new music. On the other hand, interviewees did note that streaming services and algorithms have meant consumers have access to more music at their fingertips. They also can be suggested music they may not have organically found. They feel that this has contributed to traditionally obscure music genres being able to increase their traffic and presence in the industry.

Interviewees explained that festivals have recently found it harder to pick successful line ups as there is a much broader range in popular music genres, and a shift in consumer artist preferences. Traditionally, they explained that when they were putting together a line up for a festival, they would only have a handful of larger international acts, with the rest being small to mid-sized artists from around Australia. They would

pick artists from radio shows promoting local music as they represented consumer preferences and trends. Interviewees have noticed consumer preference in artists are shifting. They feel this is related to consumers being fed predominately international artists through online platforms and are not being exposed to as many local artists. They see this resulting in either unexciting line ups or increases in ticket pricing to accommodate the cost of having more international artists attending, which have both played a part in the recent fall in festival interest and ticket purchases.

Interviewees feel that the move to digital platforms has had both positive and negative impacts on artists. They highlight that the move has allowed for emerging artists to produce, release, and promote their music from their homes, saving the costs of hiring a recording studio and alike. However, they are concerned that it has now become an unspoken expectation that artists have a near daily social media presence. This requires them to upload videos and pictures to multiple social media platforms despite their current capacity. Those interviewees who work in the touring world have noticed the increased exhaustion of artists as they are expected to produce music more quickly, tour more often, and release “on trend” videos and posts to stay current and popular. Interviewees feel that this could lead to a decrease in health and quality of music and a more realistic balance or some form of assistance needs to be found.

4.6. Music industry and advocacy

Many interviewees felt that the music scene in SA has declined over the past decade, with a lack of opportunities for emerging artists and other music related roles.

Within SA, interviewees noted that there is a gap in the market for job opportunities and growth within the music industry. It was celebrated that the State has lots of learning and low-level job opportunities here to begin a career not only as an artist, but also as sound technicians, producers, and managers. However, they noted that many mid-level employees are lost to other states who offer more opportunities for both personal and professional growth. There is a similar story outlined in the interviews for local businesses, who miss out on opportunities as interstate/international businesses tend to overlook South Australian businesses. There was a call in the interviews for an increased focus in retaining these highly skilled people within SA and growing its status in the national music industry to foster the growth and retention of local businesses.

There was a significant concern in most interviews regarding Adelaide’s late night atmosphere. That Adelaide as known for being sleepy compared to other states, with many establishments in Adelaide closing early, which is not conducive to a lively nightlife or cultivating the live music industry. They feel the atmosphere works against fostering a vibrant music scene. A vibrant music scene helps to stimulate tourism. Interviewees commented on how tourists often look for places where they can go for a walk from their hotel and happen across restaurants and music playing, without time constraints. They highlight the contrast with other states, where restaurants and music venues are open late into the night, regardless of the day of the week.

The only exception they felt to this trend is in March. This is when Adelaide becomes livelier through the multiple festivals occurring, the presence of street performers, and establishments stay open later. All of which encourages an influx of tourists. Interviewees suggested it would be beneficial for not only the reputation of Adelaide’s live music scene, but its venues, artists and tourism in general, to foster this atmosphere all year long. With the recent announcement surrounding the possible closure of the Crown and Anchor, interviewees were concerned that the government prioritises international investors and accommodation, over the local live music scene and general vibrancy of Adelaide.

There was acknowledgment throughout the interviews of successful grants and investment strategies. Despite this, there is a call for government supported, long-term, plans and strategies that are focused on the whole supply chain. Many of the current approaches were felt to address one issue at a time, which was

recognised may have been appropriate given the unprecedented circumstances of the pandemic. However, moving forward it was suggested it would be more useful to adopt a vertically integrated plan, with a stronger focus for funding on not only local artists and venues, but local organisers, promoters, and businesses.

Some areas suggested in the interviews for future funding focus included:

- Rehearsal spaces
- South Australian exclusive events
- Hosting national awards
- Music production and recording studios
- Music related technicians and infrastructure
- Local manufacturing of music equipment, instruments and staging
- Developing a regional location for touring artists
- Live music specific small to medium venues.

4.7. Development opportunities

Based on the interview findings and economic analysis, we have identified several opportunities that warrant further investigation to support the music industry through the current changes and to grow into future:

- Support musicians to adopt and leverage digital technologies to strengthen revenue streams and reach new audiences
- Support music venues to develop and adopt new business models to diversify revenue streams away from alcohol sales
- Develop knowledge and literacy of insurance options for live music and festival businesses, including exploration of relationships with insurance providers that understand the industry
- Take a 'whole of supply chain focus' to industry development to maintain the incubator venues and businesses that support the grass roots emergence and growth of local musicians
- Undertake market research to identify opportunities to leverage the new preferences of younger music consumers (such as digital platforms, superstar focus, strong environmental and health values) to support grass roots emergence and growth of local musicians.

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Appendix 1 Detailed economic contribution results

Appendix Table 1-1 Economic contribution of the music industry to SA, employment and household income, 2022/23

	Employment (total)				Employment (fte)				Household income (\$m)			
	Direct	Flow-on (prod.)	Flow-on (cons.)	Total	Direct	Flow-on (prod.)	Flow-on (cons.)	Total	Direct	Flow-on (prod.)	Flow-on (cons.)	Total
<i>Venues</i>	1,910	381	375	2,666	723	278	301	1,301	37.5	20.8	27.2	85.6
<i>Musicians</i>	2,887	77	84	3,048	1,039	62	67	1,169	7.1	6.0	6.1	19.1
<i>Other businesses</i>	1,314	430	504	2,248	794	357	404	1,555	44.8	33.7	36.5	115.0
Combined music industry	6,112	888	962	7,962	2,556	697	772	4,024	89.4	60.5	69.8	219.7
Consumption related to live music	718	193	334	1,245	533	168	268	969	35.8	16.2	24.2	76.2
Overall contribution of music	6,830	1,081	1,296	9,207	3,089	865	1,040	4,993	125	77	94	296

Source: BDO analysis

Appendix Table 1-2 Economic contribution of the music industry to SA, output and GSP, 2022/23

	Output ^a (\$m)				Gross state product (\$m)			
	Direct	Flow-on (prod.)	Flow-on (cons.)	Total	Direct	Flow-on (prod.)	Flow-on (cons.)	Total
<i>Venues</i>	114.5	57.0	93.5	265.1	48.1	29.9	53.7	131.7
<i>Musicians</i>	23.1	15.0	20.9	59.0	7.1	8.2	12.0	27.3
<i>Other businesses</i>	215.2	90.1	125.7	431.1	93.0	45.5	72.2	210.7
Combined music industry	321.9	162.1	240.2	724.1	148.1	83.6	137.9	369.6
Consumption related to live music	98.8	48.8	83.3	231.0	48.7	24.0	47.9	120.6
Overall contribution of music	420.7	210.9	323.5	955.1	196.8	107.6	185.8	490.2

^a Total output for combined sectors is lower than the sum of output for individual sectors as it excludes transfers between sectors to prevent double counting.

Source: BDO analysis

Appendix Table 1-3 Economic contribution of live music to SA, employment and household income, 2022/23

	Employment (total)				Employment (fte)				Household income (\$m)			
	Direct	Flow-on (prod.)	Flow-on (cons.)	Total	Direct	Flow-on (prod.)	Flow-on (cons.)	Total	Direct	Flow-on (prod.)	Flow-on (cons.)	Total
Music industry ^a	3,761	474	481	4,716	1,425	355	386	2,165	46.7	28.2	34.9	109.8
Consumption related to live music	718	193	334	1,245	533	168	268	969	35.8	16.2	24.2	76.2
Overall contribution of live music	4,479.2	667.2	814.6	5,961.0	1,957.8	522.6	653.7	3,134.1	82.6	44.3	59.1	186.0

^a This includes venues, musicians and other businesses involved in live music

Source: BDO analysis

Appendix Table 1-4 Economic contribution of live music to SA, output and GSP, 2022/23

	Output ^a (\$m)				Gross state product (\$m)			
	Direct	Flow-on (prod.)	Flow-on (cons.)	Total	Direct	Flow-on (prod.)	Flow-on (cons.)	Total
Music industry ^b	114.5	76.0	120.0	310.5	62.7	39.8	68.9	171.4
Consumption related to live music	98.8	48.8	83.3	231.0	48.7	24.0	47.9	120.6
Overall contribution of live music	213.4	124.8	203.3	541.5	111.4	63.8	116.8	292.0

^a Total output for combined sectors is lower than the sum of output for individual sectors as it excludes transfers between sectors to prevent double counting.

^b This includes venues, musicians and other businesses involved in live music

Source: BDO analysis

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