



THE POWER AND THE PASSION

(OR IT'S A LONG WAY TO THE TOP IF YOU WANT TO ROCK N ROLL)

OCTOBER 2003

REPORT

THE AUSTRALIAN CONTEMPORARY MUSIC WORKING GROUP

*This report was prepared on a volunteer basis by:
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EXECUTIVE SUMMARY

The Australian music industry has been presented with a rare opportunity to collaborate for its collective good. The Australia Council sponsored “Round Table” meetings were a vital preliminary step in investigating the particular challenges and opportunities of this industry and whether they can be better met by collective action.

The participants in these meetings indicated overwhelming support for further investigation and action. In this document, the challenges and opportunities raised in the meetings are summarised and four possible options are identified for meeting these issues.

It is suggested that the most beneficial options for the industry (such as a Federal Music Commission) will involve a long-term vision and commitment. We are at the very beginning. As always though, there are a series of cumulative steps that could be adopted to achieve an ultimate goal.

It is the recommendation of this group that a consultant be retained by the industry to progress this process. It is potentially too important to do otherwise. It is suggested that, broadly speaking, the consultant be retained to:

- investigate and establish an industry based information service (IBIS) to facilitate further and better communication within the industry on this process and other matters; and
- investigate and establish a mechanism by which the other longer term but more substantial options (such as a music commission) may be explored and implemented;
- undertake specific research and consultation with the industry and government in relation to those options; and
- produce a final report identifying what steps, costs and timeframes need to be adopted to achieve the recommended goals in light of the research and consultation undertaken.

This suggestion has been supported by APRA, ARIA and the Australia Council. Depending upon your feedback we shall prepare a more detailed brief for the consultant by mid-December. It is at this stage that we propose to liaise in greater detail with State and Federal government.

It has also been suggested that, while the meetings have focused on *contemporary* Australian music the largest benefits to the contemporary industry would come from widening the scope of this project to encompass Australian music generally.

What is required of you is some feedback on this report and, in particular, the IBIS model and if you support that model, suggestions as to:

- Who might be an appropriate consultant;
- The brief for that consultant; and
- What financial and other support you or your organisation would be willing to provide.

We kindly ask that your valued feedback be provided before the end of November. Your feedback should be directed to Paul Bodlovich by email at paul@wam.asn.au. Postal or fax feedback can be sent c/o PO Box 171, Northbridge, 6865, Fax: 08 9328 7711.

THE ROUND TABLE CONTEMPORARY MUSIC WORKING GROUP REPORT

Introduction

The last round of the contemporary music industry meetings was held in Melbourne in early February. Broadly speaking, these “Round Table” meetings have sought to identify problems and opportunities within what may loosely be called the Australian contemporary music industry.

The Melbourne meeting was the last of six meetings sponsored by the Australia Council. While the Australia Council has expressed an interest in remaining involved and continues to support this process, the responsibility of progressing the efforts to date now lies firmly with the industry itself. On behalf of the participants we would like to thank the Australia Council for not only facilitating and sponsoring these meetings but also for giving the industry a unique opportunity.

Over the six meetings there were approximately 82 representatives from a wide range of music industry organisations¹ including the two principal industry associations, ARIA and APRA. While not everyone who could have or should have been involved was there, the group was largely representational of the varied interests of the industry: If it were to act in concert, the group would wield significant political, cultural and economic influence.

It may be that there is not the impetus to drive matters further. In the writers’ opinion that would mean the loss of a remarkable opportunity for this sector that is so important to the creative, cultural and economic life of so many Australians.

The congregation and commitment of high-level music industry representatives who have participated has been remarkable. Even so, it has been a difficult process, not least of all because of the varied interests of those involved. If there is progress from this point it is not likely not be easy, quick or cheap. Great achievements never are.

At the end of the last contemporary music industry meeting in Melbourne it was agreed that a small working group² would, on a volunteer basis and in their spare time, prepare a preliminary report identifying possible options for progressing the work of the Round Table process. This is that report. It is not at this stage a public document and it does not purport to be wholly representational of the interests involved. Given the diversity of interests represented unanimity is highly unlikely but is not necessarily required to move forward.

This report seeks to identify possible paths that may be adopted to assist and develop Australian contemporary music. The four paths identified in this paper have been based on a review of what this group saw as the majority views expressed by participants in the six meetings.

¹ A list of participants is attached.

² Adam Simpson (Simpsons Solicitors), Paul Bodlovich (WAM), Ian Harvey (AMRA) and Julie Owens (AIR)

Our first step was to summarise the principal challenges facing Australian contemporary music.

Identifying the Challenges to Australian Contemporary Music

In the six round table meetings, the participants expressed a wide range of challenges facing the industry.

While the round table meetings were not an appropriate forum to detail the challenges, the following themes were consistently raised:

- **Local content** – raising the exposure of Australian music most particularly on Australian radio;
- **Indigenous issues** – supporting indigenous music;
- **Live performance** – supporting live music and venues;
- **Cultural sovereignty** – identifying, protecting and developing music that is culturally significant to Australia (particularly in the face of U.S market dominance);
- **Export initiatives** – assisting Australian music reach critical overseas markets;
- **Intellectual Property** – protecting Australian music by using existing laws and lobbying for changes;
- **Statistics** – improving the information available about the Australian music industry (particularly in relation to airplay and sales) to allow for more informed decisions;
- **Industry Skill Development**- assisting individuals and organisations develop skills to develop Australian music;
- **Investment** – financially assisting currently under-funded Australian music projects;
- **Tax** – providing incentives through the taxation system to encourage investment and participation in the contemporary music industry.

When considered as a whole, it appeared that the majority of challenges originated from or were compounded by difficulties of integration or co-operation within the industry. These could be characterised as demonstrating a need for greater:

- **integrated communication within the industry;**
- **integrated and representational communication outside the industry** (to government and the community – nationally and internationally);
- **integrated information** (particularly in terms of local industry statistics); and
- **integrated planning** (particularly in terms of setting industry goals and developing a vision).

Identifying Possible Solutions

The lack of an integrated approach appears to be a systemic issue. While the more particular issues or opportunities raised were not necessarily ones that were important to all participants, the view we adopted was that an integrated approach was likely to be the most effective way of addressing the majority of them.

We were asked to identify options for moving forward. From the problems and opportunities expressed by the Round Table we have identified four. In summary, these are to develop:

- an **Industry Based Information Service (IBIS)** that co-ordinates information sharing and activity and acts as a mechanism to explore the other options in more detail;
- an **Industry Action Agenda (IAA)** which is a process whereby the music industry and government would work together to identify priority areas of change with the intention of lifting the growth potential of selected sectors within the industry;
- a **Non-governmental Representative Organisation (NGRO)** dedicated to developing Australian contemporary music which may include providing industry advice and views to government, centralising funding and information sharing as well as providing a forum for greater industry co-operation; and
- a **Statutory Agency (SA)** that may perform a music industry equivalent role as that played by the Australian Film Commission (AFC) but more specifically, a Federal government body dedicated to developing Australian contemporary music.

All of the options raised in this preliminary report will need to be explored in great detail. Full, open-minded participation of industry and, government, is essential.

While our focus was to identify goals that could meet the challenges and opportunities enounced in the Round Table, we were acutely aware that more information and consultation would be required to properly evaluate these (or other) goals.

With this in mind we have set out the various options in more detail.

THE FIRST OPTION: AN INDUSTRY BASED INFORMATION SERVICE (IBIS)

Two of the four categories of challenges identified in the Round Table process related to a lack of integrated communication and information within the Industry.

An Industry Based Information Service (IBIS) could seek to address these two problems by facilitating information exchange amongst existing organisations.

More importantly perhaps, the development and operation of the IBIS could provide a useful mechanism by which the other options could be further explored and a stepping-stone to their implementation. In other words, while IBIS may be, in itself, a valuable service it will also facilitate a more in-depth exploration of the other options.

Accordingly the goals of IBIS could be:

- to identify, collate and disseminate information on issues relevant to its participating organisations;
- to facilitate greater communication within the industry on such issues; and
- to co-ordinate the research and development of the other options in consultation with the industry and government.

More particularly, the IBIS could, amongst other things:

- Coordinate and facilitate distinct area sub-committees convened to examine the other options;
- Provide regular reporting on the progress of these sub-committees to the wider Round Table; and
- Act as a depository for key policy and other documents for sharing throughout the industry.

An IBIS might consist of a principal consultant with secretariat support reporting to a subcommittee comprising music industry representatives.

In its favour, the IBIS would be, in comparison to the other options, easy and cheap to establish. It could provide a short-term result (an information service) and long-term goal (evaluating and progressing the other options) for resolving the principal problems.

However, in itself, the model does not satisfy all the principal issues these models seek to address. Most notably, it will not be a representative body and it will not provide any industry strategy. It is a most likely a short-term project.

The IBIS would require commitment from the industry not only in involvement and co-operation but also administrative and financial support. It would require a dedicated individual in a professional capacity to drive and administer the process.

As one of its purposes would be to investigate other, longer-term options, the principal investigator would need to conduct substantial research and engage in wide spread industry and government consultation to evaluate and progress the other options. It may be that this becomes the IBIS' principal purpose.

Action Required

In order to progress this option we would need to identify:

- An appropriate person able and willing to take on the responsibility of driving the process with the support of the Round Table participants;
- A definitive role for the IBIS including set goals and timeframes for both the information service and progressing the other options; and
- The necessary budget including a salary for that person and administrative support (as a preliminary estimate the first 12 months of IBIS may cost \$80,000).

This option is expanded on below.

A SECOND OPTION: DEVELOP AN INDUSTRY ACTION AGENDA

Industry Action Agendas (IAA) are processes by which industry and government work together to determine priority areas for change with the intention of lifting the growth potential of important industry sectors.

IAs are driven by industry but with government facilitating the process. The government's model for IAs is not prescriptive, ensuring flexibility appropriate to the needs and characteristics of the particular industry. IAs are an invaluable tool for informing the broader policy development process, for example on issues such as regulatory reform. IAs are not just about identifying problems and opportunities. They are focussed on developing practical solutions and ensuring results are achieved, within a preset timeframe. Since 1996 27 IAs have been initiated.

The goals of an IAA would be to:

- seek to strengthen the capacity of the Australian music industry to compete globally;
- identify and address impediments to growth in the music industry, including ensuring effective action at the industry and firm level to ensure the lifting of competitiveness and achievement of growth;
- clarify the balance of responsibility between government and business enabling both parties to pursue the removal of impediments to growth in the music industry;
- seek to increase productive investment in the Australian music industry;
- seek to expand market access for the Australian music industry;
- seek to maximise the national benefits of innovation in the music industry; and
- seek to build long-term global sustainability within the Australian music industry.

An Industry Action Agenda is a recognised mechanism that would ensure that the needs of the music industry were examined in detail across all relevant government portfolios. This enables the development of an effective policy focus. It will necessarily result in the development of a collective knowledge base as the result of the pooling of the ingenuity and talent of the industry with the research and policy capability of the government sector. A result of this knowledge and understanding is the opportunity to influence outcomes.

Further, the nature of the process ensures that both government and industry are engaged with the actions and outcomes subsequent to the completion of the formal process, thus giving them a lasting legacy. This would largely be achieved through the flexibility of the process, which will be focussed on the specific needs of the music industry.

One related factor very pertinent to this paper that would be addressed by an IAA is the efficient development and delivery of industry policy.

When compared to the other long term options such as a Statutory Agency, in its favour, the IAA would not require such massive industry funding nor would it be so prone to the dangers of lassitude.

An IAA would not however be without its challenges. An IAA is an intensive process that will require the commitment of time and resources from both the industry and government. Further, the IAA needs to be selected by government and is therefore not a definite prospect - there is an initial commitment required from the industry with no definite resultant outcome. This process requires ongoing commitment from the industry at all levels, throughout and beyond the time frame of the IAA process.

There would be a need to be a clearly expressed communal interest to warrant the undertaking of an IAA albeit in broad terms. This may be more easily (and less expensively) achieved by focussing on a particular key "sub-sector" (eg the recording industry, the live music industry) with recognition of the flow on effects for other aspects of the industry. This would require an initial period of industry consultation to determine the most effective scope for the IAA.

Action Required

An Industry Action Agenda for the music industry would require lobbying of the Department for Communication, Information Technology and the Arts. It would then be this Department that could hold primary responsibility for the government role in the process.

Action Agendas for specific industries will be considered where:

- a "whole of government" approach is required in addressing impediments to growth in the particular sector;
- the industry represents, or may in the future represent, a substantial aggregation of economic activity or is a driver of growth in other sectors;
- significant opportunities or market impediments exist;
- there are substantial pressures for structural adjustment; and
- the industry has some demonstrated comparative / competitive advantage.

On this basis, there would need to be an initial assessment by the music industry of the music industry, or more specifically the particular sector to be focused upon within the music industry, in terms of these requirements. Obviously there will need to be a commitment from the industry to undertake even this early step. It may be that the IBIS dovetails with this first step.

The Australia Council in its summary report of the Round Table process to the Arts Minister, Mr. Rod Kemp, has recommended that the government assist in further research and development and advised the Minister that he should expect correspondence from the industry in this respect.

A THIRD OPTION: A NON-GOVERNMENTAL REPRESENTATIVE ORGANISATION

In terms of representative organisations, if a statutory agency is not practicable, an alternative structural option is a company limited by guarantee. APRA and the Country Music Association are examples of a companies limited by guarantee.

It is the most preferred corporate structure for a not-for-profit organisation that obtains its funding principally from government grants, donations and membership fees. "Limited by guarantee" means that if the company is wound up and its debts exceed its assets, the liability of its members would be limited to the amount that members agreed to pay upon joining (usually between \$20 and \$100).

The organisation would seek to represent a significant number of organisations and individuals whose interests are focused on developing contemporary music in Australia. It would act as a representational body for the contemporary music industry, once properly defined. In doing so the organisation would:

- Be the representative voice of contemporary music to Government (including government agencies such as the Australia Council) and the community;
- Undertake the function of developing a strategic direction for the contemporary music industry;
- Undertake a range of developmental, training and advocacy activities (including those issues listed in this document) on behalf of its membership; and
- Develop a range of statistical services suitable for use by the membership.

The benefits of such an organisation are that:

- It can be established privately (i.e. it is not necessarily dependant on government);
- a company is a separate legal entity from its members. It can sue or be sued it can enter contracts in its own name and can own property;
- member's liability is limited;

- it is more autonomous than many other not-for-profit structures (such as co-operatives or incorporated associations) in that it will be less restricted as to when, how and what it may do;
- a company's constitution (rules of operation) can be changed by members relatively easily;
- the creation of the company itself is relatively simple; and
- Places the control of the contemporary music agenda in the hands of the industry.

The challenges are:

- In comparison to the statutory agency, the principal difficulty with the company limited by guarantee is that it will be another applicant for funding in a long line.
- Great effort would need to be ploughed into receiving substantial ongoing funding, from either membership, government or corporate sources. To be effective the financial resources of the entity would need to be in the hundred's of thousands of dollars per annum. Without sufficient resources and support to effectively take on and make a difference to one or more of the identified issues it simply becomes a piece of questionable industry bureaucracy.
- This option requires leadership support from its industry members to act in the role of directors; and
- This option places the control of the contemporary music agenda in the hands of the industry.

The value of such organisations are measured by their ability to represent and act on key issues. Their effectiveness is limited by their resources, both in human and financial terms. Unfortunately, the available evidence suggests that similar such entities both within the music industry and external to it rely too heavily on the efforts of a small number of individuals and are forced to function on too small a financial base. Too often the constituents, while seeking benefit from the organisation, fail to recognise that to be effective the organisation needs to be resourced and that that requires a more significant contribution than they are prepared to exercise.

Organisations such as this also tend to work best when there is a single or small number of issues that need to be dealt with that are common to all potential members. The diversity of need and opinion evident amongst the Contemporary Music Round Table is a potential barrier to this option being firstly effectively implemented and secondly kept sustainable.

Action Required

As many of the participants are aware, the Music Council of Australia is such an organisation as described by this option (for those who are not, its website is www.mca.org.au). Some participants expressed the view that the MCA does not meet the particular needs of the Australian *contemporary* music industry. Other concerns have been

expressed. That considered, we suggest there would need to be a very good reason to recreate the MCA.

If this option is supported by the industry, then it is suggested that the MCA is first reviewed. It may be that the MCA needs to be revived and reinforced.

In the first instance Round Table participants need to be canvassed as to whether the organisation they represent is prepared to invest in such a body in terms of membership fees.

Individuals from member organisations need to be canvassed regarding participation on the entity's Board or Executive Committee.

Additional sources of funding may need to be sought from Government and industry.

A FOURTH OPTION: A FEDERAL STATUTORY AGENCY

A Federal statutory agency is a creature of parliament. It is a distinct legal entity capable of entering into contracts, suing and being sued. The AFC and the Australia Council are examples of existing statutory agencies. Rather than having a company constitution, its rules of operation are set out in an act of parliament (e.g. the Australian Film Commission Act 1975).

Broadly speaking the goal of establishing a statutory agency could be to create a stable and centralised body to assist and develop the Australian music industry.

To many a Federal statutory agency is an ultimate goal in meeting the challenges and opportunities identified.

The specific functions of such a body would, of course, need to be explored in great detail. For sake of an example, if one were to adapt the AFC's principal functions to relate to music, such functions might be expressed as:

- To encourage, whether by the provision of financial assistance or otherwise, the making, promotion, distribution and broadcasting of Australian music;
- To promote and assist in the distribution of Australian music;
- Subject to the approval of the Minister, to provide financial assistance to a State or an authority of a State for the purchase by it of:
 - Australian music that is of an educational nature and of national interest or importance; and
 - Rights in respect of any such music; and
- To encourage, whether by the provision of financial assistance or otherwise, the proper keeping of recordings in archives in Australia.
- In the performance of its functions, the Commission shall give special attention to the encouragement of:

- The making of experimental music and music of a high degree of creativity; and
- The making and appreciation of Australian contemporary music and other music as an art form.

These functions are merely provided to indicate the type and scope of functions that a statutory agency may adopt for the music industry. They are based on the AFC's functions as enunciated in its founding Act of Parliament.

There are two primary benefits of establishing a statutory agency. Firstly, these agencies are an arm of Government. Once funded it can be harder to withdraw funding as they have their own direct line of funding (rather than through the Australia Council). Secondly, they tend to be stable. Both benefits are due to them being established by parliament and supported by their government department.

Clearly, such a statutory agency can only be established by the Commonwealth government and parliament. One would have to motivate the incumbent or incoming government to go to the considerable trouble of creation and ongoing administration of the creature. The Arts Minister (currently Senator Williams) and his department (Department of Communications, Technology and the Arts) would have to actively support and drive its creation. It would also have to be supported by other relevant departments such as the Department for Foreign Affairs and Trade.

Action Required

This option requires research and development to identify the proposed role of the agency and, in particular, what problems or opportunities it would address. To pursue this option would require substantial political commitment. It may require a professional lobbyist supported by committed industry representatives.

THE OVERSEAS EXPERIENCE

Integrated support for contemporary music activity is not a new idea. There are a number of examples in other countries where a variety of models have been employed to bring the industry and government together with the goal of protecting and growing their local output.

Most widely referred to is the Canadian model, and in particular an organisation called FACTOR. Originally funded to the tune of \$200 000 in 1982 through a consortium of commercial broadcasters, independent record producers and music publishers, FACTOR today is a partnership with government and currently provides over \$11.5 million annually to support the Canadian music industry through over a dozen separate programs. In its 21 years, FACTOR has provided over \$71 million in funding to assist in the development of the Canadian independent music industry. Of this, \$33.2 million was offered to assist with the production of sound recordings for commercial sale. In turn, these projects have sold over 13.6 million copies in Canada and 10.1 million internationally. The over 23.7 million units sold worldwide have generated over \$487.5 million in retail sales. The Canadian government also supports the music industry through other strategies such as comprehensive local content quotas.

New Zealand has a number of organisations in place that serve to develop the local music industry. In particular, the New Zealand Music Industry Commission and New Zealand On Air provide assistance and funding.

The French Music Export Office (Bureau Export de la Musique Française) is a non profit organisation created in 1993, based on the initiative of record producers, with the support of public authorities and the professional music industry organisations. From 1992 to 2000, French record sales abroad rose from 1.5 million copies to 39 million copies. The French Music Export Office maintains offices in Paris, London and Berlin.

A variety of other models exist in a number of other countries such as Denmark, Ireland, Scotland, The Netherlands, Norway and Finland. All demonstrate benefits to a broad cross section of the music industry, and the particular nation in general.

CONTEMPORARY MUSIC AND AUSTRALIAN MUSIC – WIDENING THE FOCUS

The series of meetings has centered on what was called Australian *contemporary music*. Broadly speaking, the term *contemporary music* the group appeared to refer to current commercial popular music. A precise definition is difficult³.

The round table group has identified many issues that are particular to contemporary music but also many that are shared by other musical genres such as classical music. It may be that while contemporary music should remain the focus, there may be greater benefits to contemporary music in broadening the scope of this project to incorporate the music industry generally. For example, it is possible that an Industry Action Agenda or a Statutory Agency restricted to contemporary Australian music would not receive Government support.

By expanding the scope of this project resources, influence and support may be combined. This issue will undoubtedly be controversial to many. It will need to be explored in greater detail.

³ The Western Australian Contemporary Music Taskforce actually settled on a definition for contemporary music which may be of future use: "Music that is currently being written and recorded and/or performed by resident Australians with priority being given to music that is broadly understood as being popular".

WHERE TO FROM HERE?

The Round Table meetings have been a valuable tool for the industry. They have provided a rare opportunity to come together and evaluate whether there are problems and opportunities that can be met collaboratively.

At the end of the last meeting, there was marked support for a national representative body. This is not to say there were not those who dissented or that there were not serious reservations, indeed, this should be expected - we are a diverse group embarking on a complex process.

If a national representative body is to be established or an Industry Action Agenda pursued, we are demonstrably at the very beginning of a substantial and long-term process. There is much to be done.

Arguably the most valuable of the options for long-term development of the industry is the Statutory Agency. This option received wide support during the Round Table process. It is also the option that could take the longest and the most commitment and investment to implement.

The four options can be considered in two different lights. The Statutory Agency and Non-Governmental Representative Organisation are both potential final goals whereas the Industry Action Agenda and the Industry Based Information Service are parts of the process to get to those (or other appropriate) goals.

In light of this, it is suggested that some of the options described could be viewed cumulatively – where one option can act as a “stepping stone” to another. For example, the Industry Based Information Service may provide a good means by which to further garner industry support and input in preparation for an Industry Action Agenda.

Similarly, if the Statutory Agency is the industry’s ultimate goal then the Industry Action Agenda may be an essential part of achieving that goal. Given that the Statutory Agency can only be achieved with Government initiative and understanding, the Industry Action Agenda provides an in-depth means for Government to collaborate with and foster a deeper insight into the needs of the industry.

In the following table, we show a cumulative “stairway” from the IBIS through an Industry Action Agenda (IAA) to a Non-Government Representative Organisation (NGRO) or Statutory Agency (SA) (e.g a music commission). Each progressively being more capable of meeting the challenges and opportunities of the industry but requiring greater investment in time and money.

| | IBIS | IAA | NGRO | SA |
|--|-----------------|------------------|--------------------|--------------------|
| Funding/Government Policy/Regulation | | | | Yes |
| Representation | | | Yes | Yes |
| Industry Issues | | Yes | Yes | Yes |
| Statistics, Communication And Research | Yes | Yes | Yes | Yes |
| <i>Est. Budget p.a</i> | \$80,000 | \$400,000 | \$2,000,000 | \$4,000,000 |
| <i>Est. Timing</i> | 2004 | 2005 | 2006 | 2008 |

The IBIS model is a process that could be implemented comparatively swiftly and would facilitate the development of research into the other options. It may be that the IBIS first function is to continue the Round Table process and research and develop the other options. That said, in the absence of any further development the IBIS model may prove a sustainable and useful service in its own right.

Even such a preliminary task as establishing an IBIS is too important and too onerous to be adopted by volunteers. The time taken to compile even this initial report underlines this fact. It should be delegated to professionals. The IBIS model could, in the short term, provide this professional facilitation.

It is suggested then that, broadly speaking, a consultant be retained to:

- investigate and establish the IBIS to facilitate further and better communication within the industry on this process and other matters;
- investigate and establish a mechanism by which the other longer term but more substantial options (such as a music commission) may be explored and implemented;
- undertake limited research and consultation with the industry and government in relation to those options; and
- produce a final report identifying what steps, costs and timeframes need to be adopted to achieve the recommended goals in light of the research and consultation undertaken.

The intention ultimately being to provide the report to Government as a template for discussions and ideally support in advancing those options that require Government involvement.

One of the roles of the consultant will be to review existing structures and services to avoid unnecessary duplication and seek synergies. To be effective, the consultant will need your support. We suggest that a small core group from the industry liaises closely with the consultant on a volunteer basis. A more detailed brief for the consultant will be prepared upon consideration of your feedback on this report.

A preliminary estimate of the likely costs of establishing and operating an IBIS in the first 12 months has been tentatively cast at \$80,000. This includes the consultant's fee, administrative support, a basic web-page and travel costs. Some of these costs could be reduced through in-kind industry support.

A number of bodies have been approached, on a preliminary basis, to consider lending financial support to the IBIS model. The APRA (Australasian Performing Right Association), the PCCA (Phonographic Performance Company of Australia) Trust and the Australia Council for the Arts have indicated they will consider financially supporting the model. This support is dependent not only upon a detailed consultant's brief being prepared and a the right person being found but also the industry continuing to demonstrate a collective interest, commitment and responsibility in the process.

It may also be that the Government is able to provide further financial assistance in conjunction with such seed support. It is intended that this document be passed to State and Federal Government representatives so as to keep them abreast of the process. The Australia Council has kindly agreed to assist in this respect.

The most important step will be to select the consultant. This is a critical juncture. The wrong person could be the project's death knell, the right one its guiding light. The person will need to drive and communicate the industry's vision. The role requires that the person is a highly respected, influential, dedicated and motivated individual. The position should be advertised publicly.

Action Required

Input on these proposals is required from those who have participated in the Round Table and other interested parties. While at this stage this document is not a public document we suggest that it should be. It should be open for comment by all interested parties. In this way the widest comment and support can be garnered.

In particular but without limiting the views or reservations you might like to express, feedback is required as to whether you or your organisation:

- supports the development of an IBIS?
- supports the development of an IBIS with a primary initial goal of researching and progressing the other options?
- wish to suggest an appropriate consultant?
- are willing, in principle, to provide financial support to retain the consultant?
- Whether you have any objections to this document being made public and if so why?

We kindly ask that your valued feedback be provided before the end of November. Your feedback should be directed to Paul Bodlovich by email at paul@wam.asn.au. Postal or fax feedback can be sent to PO Box 171, Northbridge, 6865, Fax: 08 9328 7711.

If the feedback received from this initial report indicates that the IBIS model is sufficiently supported by the industry and, in particular, sufficient funds are sourced to make it possible, then:

- A detailed brief for the consultant will be prepared outlining roles and goals;

- The necessary funds and commitment from the industry (and perhaps government) will need to be obtained; and
- A consultant will need to be retained.

We propose the following timetable:

| | |
|---------------|-----------------------------|
| October 2003 | Release of Report |
| November 2003 | Feedback on Report |
| December 2003 | Finalise Consultant's Brief |
| January 2004 | Retain Consultant |
| June 2004 | Consultant Delivers Report |
| July 2004 | Functioning IBIS |

We look forward to your comments.

20 October 2003

Adam Simpson (Simpsons Solicitors)

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