

**Submission
No 757**

SYDNEY'S NIGHT TIME ECONOMY

Organisation: Live Performance Australia

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Joint Select Committee on Sydney's Night-Time Economy
Legislative Council
Parliament House
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SYDNEY NSW 2000

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Dear Committee,

Inquiry into Sydney's Night-Time Economy

Live Performance Australia (LPA) welcomes the opportunity to make this submission to the inquiry into Sydney's Night-Time Economy.

LPA is the peak body for the live performance industry. LPA was established over 100 years ago and is registered as an employers' organisation under the *Fair Work (Registered Organisations) Act 2009*. LPA has over 400 members nationally. We represent all sectors of the industry, including music promoters, music festivals, live music venues and service providers (such as ticketing companies and technical suppliers). We also represent commercial and independent producers, performing arts companies, arts centres and commercial theatres and arts festivals. Our membership spans from small-medium and not-for-profit organisations to large commercial entities. LPA has a clear mandate to advocate for and support policy decisions that ensure industry sustainability and future growth.

We are pleased that the Committee is conducting an inquiry into Sydney's night-time economy and seeking to integrate harm reduction strategies and risk management approaches in regulations to maintain and enhance community health and safety. We strongly support proper industry consultation to ensure that regulatory arrangements are appropriately balanced and serve to enhance the value and vibrancy of Sydney's night-time economy, while addressing concerns around public safety.

By working collaboratively with our members who collectively have decades of experience in running safe and successful cultural venues in Australia and overseas, the Government could achieve industry support for better safety measures that are practical, achievable and do not undermine the financial or operational viability of the venues that are integral to a vibrant and diverse night-time economy. LPA notes that there are relevant lessons to be learned in other parts of NSW and this Sydney-focused inquiry could be informed by the development of the night-time economy in other major cities, such as Newcastle and Wollongong.

This submission provides background to Sydney's night-time economy and outlines key issues and recommendations for consideration by the Committee.

BACKGROUND

Rightly or wrongly, Sydney is developing a reputation around Australia, and internationally, as being ‘closed’ after dark. The lockout laws, in particular, have contributed to this perception, which in turn affects Sydney’s reputation as a vibrant destination for cultural activities and inhibits the development of a diverse and dynamic night-time economy that welcomes locals and visitors alike, as well as creating jobs and economic activity.

Sydney is regarded as one of the most liveable global cities. Culture and innovation are acknowledged as a key driver for liveability and vital to investment and a productive economy, as well as quality of life, social cohesion and community wellbeing.¹ To maintain its global appeal and remain competitive on the Global Liveability Index, Sydney must continue to develop and grow its cultural and creative industries.² Indeed, Sydney’s position as the leader of the live performance industry in Australia is now under threat from Melbourne, which is staking a claim as Australia’s capital for live performance and cultural activity, supported by a 24-hour economy and government recognition of its importance to supporting economic, cultural and social well-being.

A series of Deloitte reports, *ImagineSydney*, emphasise the importance of a renewed focus on innovation to best shape a thriving, prosperous city and contribute to the future wellbeing and cohesion of Sydney’s growing population.³ A hallmark of a thriving, prosperous city with a healthy night-time economy is a city that champions diverse arts and cultural activities, which are supported by appropriate and accessible venues and spaces for creative expression. In order for Sydney to maintain its reputation as a city defined by innovation, collaboration between the NSW Government and the live performance industry is crucial, and anything less is a threat to the livelihood of its night-time economy and reputation as a liveable global city.

Live performance is an integral part of NSW’s cultural DNA and a key driver of a healthy, safe and thriving night-time economy. Sydney’s night-time economy is estimated to be worth more than \$27 billion and supported over 234,000 jobs in 2017.⁴ In 2017, almost seven million people attended a live performance event in NSW, which made a significant economic contribution to the state: contemporary music, musical theatre and contemporary music festivals were the three largest contributors to ticket sales revenue (totalling nearly \$450 million out of a total \$616 million in revenue) in NSW. However, for the first time since 2010, the live performance revenue share for NSW decreased from 37.1% in 2016 to 32.7% in 2017 and, in a telling sign, Victoria surpassed NSW in both live performance attendance and revenue.⁵

LPA urges NSW to invest in Sydney’s cultural infrastructure and preserve the city’s cultural heritage. Continued over-regulation and poor planning laws will potentially cause the closure or relocation of long-established and well-run venues that contribute tens of millions of dollars to the NSW economy, in addition to job losses in those businesses that support the night-time economy both directly and indirectly. LPA wants to ensure Sydney continues to host and establish events that thrive and attract local, interstate and international audiences to help stimulate the local economy, increase patronage and benefit the state of NSW.

1 Department of Planning & Environment NSW Greater Sydney Commission. (2017). A Liveability Framework for Sydney. Arup. p. 4

2 NSW Department of Planning and Environment. (2018). Culture, Value and Place 2018. The Business of Cities Ltd. p. 6

3 Deloitte. (2017). *ImagineSydney: Create*. Create NSW. p. 3

4 Deloitte. (2019). *ImagineSydney: Play*. Create NSW. p. 29

5 Live Performance Australia. (2018). Ticket Attendance and Revenue Report 2017. Ernst & Young. p. 9

KEY ISSUES AND RECOMMENDATIONS

Cultural Infrastructure – Theatre

Infrastructure – particularly cultural infrastructure – is central to any city. Sydney has over 3,100 cultural infrastructure assets, which include buildings and spaces that support the creative development of the arts, such as community and cultural centres, production studios, live music venues, and theatres.⁶ However, there are currently not enough cultural assets to accommodate a vibrant night-time economy, growing population and thriving live performance industry, further obstructing the passion and talent of small business and home-grown creatives.

Limited cultural infrastructure is particularly apparent in relation to commercial theatre venues, which are insufficient to accommodate existing and future demand for musical theatre. LPA acknowledges that the NSW Government has committed to reopening the Theatre Royal and to building a new 1,500-seat lyric theatre venue at the current Powerhouse Museum site in Ultimo. These developments will assist in addressing the lack of commercial theatre venues able to host major musical theatre seasons, although the timing of both theatres opening remains unclear. Currently the only viable venue options for presenting long-running major musical theatre seasons in Sydney are at the Capitol Theatre or the Sydney Lyric, both with a capacity of 2,000 seats. This remains in stark contrast to the six venues in Melbourne that are equipped to regularly stage musical theatre. The reopening of the Theatre Royal, in particular, needs to be a priority to generate new night-time economy opportunities related to live performance in the central CBD area, which is otherwise devoid of vibrancy after dark.

The lack of sufficient viable commercial theatre space available to stage long-running major musical seasons results in a loss of economic opportunity and activity not only for NSW, but limits Australia's ability to tour major commercial productions nationally. The 2017 Ticket Attendance and Revenue Report indicates that NSW experienced a decrease in musical theatre revenue (-6.5%) from \$125 million in 2016 to \$117 million in 2017, despite a 6% increase in attendance and performances of major musicals taking place, including *Beautiful: The Carole King Musical*, *Kinky Boots* and *Muriel's Wedding The Musical*.⁷ In contrast, Victoria generated the highest, and growing, market share of revenue (49.3%) and attendance (47.6%) in musical theatre in 2017.⁸ While there is demand for major musical theatre shows in NSW, there is a lack of appropriate commercial theatre space available to meet this demand, resulting in a lost opportunity for the state.

Recommendation:

1. LPA recommends that a new Lyric Theatre is built in Sydney to meet the demand for musical theatre productions.

Cultural Infrastructure – Small-Medium Sized Live Performance Venues

Sydney's cultural infrastructure is lacking affordable and appropriate small to medium-sized live performance venues, which limits potential of both home-grown creatives and the growth of a diverse night-time economy. Small to medium-sized live performance venues historically receive little public funding, but it is these same venues that support emerging artists and early career artists, who are unable to access established or major cultural centres. Emerging artists and early career artists require space to experiment and trial their work, gain performance experience and build a new audience. With no alternative, home-grown artists will move interstate, or even overseas, to pursue their craft and unwittingly contribute to the cultural drought in Sydney.

⁶ Deloitte. (2019). *ImagineSydney: Play. Create NSW.* p. 12

⁷ Live Performance Australia. (2018). *Ticket Attendance and Revenue Report 2017.* Ernst & Young. p. 76-7

⁸ Ibid.

In particular, Sydney needs more live music venues, which are able to meet current and longer-term demand. LPA notes that the demolition of the Sydney Convention and Exhibition Centre in 2013 and its redevelopment into the mixed-use International Convention Centre has resulted in a reduced capacity of at least 3000 seats. The loss of a dedicated major live entertainment venue limits Sydney's capacity to host major concert events and seriously compromises Sydney's standing as a liveable city and cultural tourism destination.

There also needs to be a greater effort to integrate live performance spaces into all major state infrastructure projects in Sydney. This will involve regulatory reform to rationalise licensing and approval requirements, which currently prohibit cultural activity and enterprise opening and operating in most available buildings and impose undue financial and regulatory burden. Low-impact cultural and creative spaces could also easily be accommodated into major infrastructure, much like cafes and small retail stores are commonplace in new developments.

Recommendations:

LPA's recommendations to enhance cultural infrastructure in Sydney are two-fold:

2. LPA recommends that the NSW Government invest in the small to medium-sized live performance sector and offer venues that are well-equipped for both rehearsal and performance, and accessible and available for artists to hire.
3. LPA recommends regulatory reform, as well as amendment of planning laws to offer planning concessions, to incentivise inclusion of live performance spaces and cultural infrastructure into all major state infrastructure projects.

Transport Infrastructure

Integration of public transport with the night-time economy is particularly crucial to community safety and the wellbeing of both patrons and workers. Transport infrastructure continues to improve in Sydney, including greater availability of rideshare options, although it does not account for a growing population and urban sprawl.

Recommendation:

4. LPA strongly supports continued improvement of Sydney's transport infrastructure and recommends running trains and other forms of public transport for 24 hours on Friday and Saturday nights, which has been introduced to great effect in Melbourne.

Regulation

Regulatory restrictions are significant obstructions to cultivating a thriving live music industry. Live music businesses in Sydney are restricted by convoluted and cost-prohibitive regulations including, but not limited to, liquor licensing, lockout laws, development planning and approvals, land use conflicts, environmental protection, noise pollution, event permits and licensing, crowd and emergency management and security. Following the introduction of lock-out laws in Sydney in February 2014 that required CBD live music venues to close early, it was reported that 418 licensed premises had closed in the Sydney CBD and Kings Cross and there was a net loss of 176 venues.⁹

⁹ Sydney Morning Herald (2018) 'What the hell is going on in Sydney?' 176 venues disappear, <https://www.smh.com.au/national/nsw/what-the-hell-is-going-on-in-sydney-176-venues-disappear-20180527-p4zhst.html>

LPA notes that the introduction of lockout laws was in response to legitimate public concern surrounding alcohol-related violence in Kings Cross and the Sydney CBD. While live performance does not rely on alcohol sales as a primary driver for patronage, the industry has suffered collateral damage from lockout laws that have been applied broadly across a large district, impacting a wide range of business and venue types without regard to their cultural activity or safety history. The closure of venues affected by the lockout laws in turn detracts from the overall vibrancy and diversity of Sydney's night-time economy, contributing to a perception that the city is 'closed' and lacks a range of cultural or creative activities for people to enjoy and support.

Recommendations:

5. LPA recommends that the NSW Government consider strengthening the management of liquor licences to provide incentives, such as reduced licence fees, for good operators with positive compliance records and introduce penalties or individual conditions for poorly managed venues.
6. LPA also recommends that live music venues are not highly concentrated in Kings Cross and the Sydney CBD to help avoid a recurrence of alcohol-related violence and to also generate economic activity within the broader Sydney community.
7. Finally, LPA encourages the NSW Government to continue working with expert organisations, such as The Live Music Office, to champion change and reduce red tape for venues.

Conclusion

The importance of the live performance industry to the night-time economy cannot be overstated. LPA acknowledges the passion and commitment of individuals, businesses and stakeholders to support Sydney's night-time economy, stimulate cultural tourism, and maintain and enhance community health and safety. As the peak body for Australia's live performance industry, LPA would be pleased to facilitate your government's engagement with our industry on these important issues, to engage in meaningful discussion and work cooperatively towards our shared objective of growing a vibrant, safe and diverse night-time economy in Sydney.

Should you have any queries regarding our submission, or would like to discuss these issues further, please do not hesitate to contact LPA at any time.

Yours sincerely,



Evelyn Richardson
Chief Executive

ABOUT LPA

LPA is the peak body for Australia's live performance industry. Established over 100 years ago in 1917 and registered as an employers' organisation under the Fair Work (Registered Organisations) Act 2009, LPA has over 400 Members nationally. We represent commercial producers, music promoters, major performing arts companies, small to medium companies, independent producers, major performing arts centres, metropolitan and regional venues, commercial theatres, stadiums and arenas, arts festivals, music festivals, and service providers such as ticketing companies and technical suppliers. Our membership spans from small-medium and not-for-profit organisations to large commercial entities. LPA has a clear mandate to advocate for and support policy decisions that benefit the sustainability and growth of the live performance industry in Australia.