

**Submission
No 228**

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

Organisation: ClubsNSW
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The Hon. Paul Green MLC,
Chair of the Legislative Council Portfolio Committee No.6,
Parliament House,
Macquarie Street,
SYDNEY NSW 2000

Dear Mr Green,



Re: THE MUSIC AND ARTS ECONOMY IN NEW SOUTH WALES

ClubsNSW welcomes the opportunity to provide a submission to the Inquiry into the music and arts economy in NSW.

There are 1,348 not-for-profit clubs across NSW – 739 of which are in regional areas – serving as social hubs for 6.7 million club memberships. The industry is a major employer, with clubs in NSW supporting 62,000 jobs and utilising an additional 32,000 volunteers every year. Clubs make a combined economic and social contribution of \$5 billion per annum, pay approximately \$1.4 billion per annum in taxes and \$1.8 billion per annum in wages and salaries.¹

ClubsNSW submits that the club industry is the predominant, if an understated, player in the music economy in NSW.

By their very nature clubs have a large patron capacity and geographic footprint and, as a result, almost 90 per cent of clubs provide music and entertainment facilities to their local community², ranging from large, multi-purpose entertainment facilities such as performing arts centres and exhibition halls to smaller auditoriums and dancefloors. Importantly, in many regional areas of the State clubs are the only providers of such facilities in their community.

Clubs have long supported the music industry and have a proud history of hosting both local and international acts at their venues. In doing so, clubs have acted as the launching pad for many careers in the entertainment industry, providing work opportunities for performers as well as supporting staff such as audio technicians.

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¹ KPMG (2016), 2015 NSW Club Census

² Ibid

It is important to note that clubs are not by definition 'music venues', in that the core purpose of a licensed club is not to provide music but, rather, to promote the objectives for which they were established (eg, to promote the game of bowls for bowling clubs, or veteran welfare for RSL clubs). Music is utilised to provide ambience and atmosphere in a venue for the enjoyment of members and is largely incidental to other experiences. Outside of dedicated live music shows, music is not a major driver of club visitations.

Despite this, the contribution clubs provide to the live music industry is substantial. A 2011 report by Ernst & Young³ found that the NSW club industry generates \$202.4 million in live music revenue, adds \$111.2 million in value to the industry and employs 2,536 full time staff as a direct result of live music. These three measures indicate the importance of the live music industry to clubs in NSW and vice versa.

Although ClubsNSW does not have more recent figures, we believe this contribution has most likely increased since 2011 given that NSW club memberships have grown from 5.7 million to 6.7 million between 2011 and 2015 – and that the industry receives 126 million annual visitations from the public.⁴

The Ernst & Young report also found that nationally, clubs account for approximately 104,000 live music performances per annum, attracting almost 13 million patrons annually. This equates to 6,300 live music performances a week – one third of all live music performances nationally.

The contribution made by clubs to the live music industry is perfectly summed up by Mr Dean Ormston, Head of Member Services at APRA AMCOS, who has stated, "*clubs are incredibly important to the live music industry, particularly in NSW. They are happy to spend and invest in a live music act and understand the importance of it. Clubs employ thousands of working musicians and provide opportunities. The local club is a warm environment and space for emerging and established artists within the Australian landscape*".

Impediments to clubs hosting live music

ClubsNSW submits that, despite the existence of order of occupancy provisions under the Liquor Act 2007, the noise implications of hosting live music and the attitude of local residents and authorities towards such entertainment, continue to serve as an impediment to clubs to hosting such performances.

Often, such complaints are vexatious in nature and made by serial complainants. For example, ClubsNSW is aware of a bowling club in the Hunter region which last year received a noise complaint due to the club permitting a music teacher to conduct an outdoor ukulele music class – with an average age of 65 – on the club's outdoor bowling green at 5:30pm on a Monday afternoon.

Another such impediment is the requirement of clubs to include payments made to contracted entertainers in the calculation of their Workers Compensation Premiums. The *Workplace Injury Management and Workers Compensation Act 1998* (the Act) deems entertainers to be "workers" for the purposes of workers compensation if they perform in or on a club premises, even if the performance is provided to patrons for free.

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³ Ernst & Young (2011), Economic Contribution of the venue-based live music industry in Australia

⁴ Op Cit KPMG (2016)



This means clubs must factor wages paid to these performers into their calculation for workers compensation insurance and therefore pay significantly more than other licenced venues , which only have to pay workers compensation for ticketed performances . This imposes a significant cost on clubs in booking entertainers and places them at a competitive disadvantage.

ClubsNSW believes there is no logical reason why contracted entertainers should be deemed 'workers' when they perform unticketed events in clubs but not in other venues – and creating a level playing field in this space would incentivise clubs to book more entertainment.

ClubsNSW appreciates the opportunity to provide a submission to the Committee and looks forward to further consultation.

If you require more information on live music in clubs, please do not hesitate to contact ClubsNSW Executive Manager – Public Affairs on _____ or by email at _____

Yours sincerely,

Anthony Ball,
Chief Executive Officer

