

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

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INQUIRY INTO THE MUSIC & ARTS ECONOMY
IN NEW SOUTH WALES

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Who is Keep Sydney Open?

Keep Sydney Open (KSO) is an advocacy group concerned with Sydney’s night-time economy and cultural vibrancy. The group was originally formed by music industry stakeholders in response to the Liquor Amendment Act 2014.

KSO’s constituents include those that work in the live and electronic music industries, performance venues, art spaces, cultural organisations, bars, restaurants and food outlets, retail, the taxi and rideshare industries, entertainment industry stakeholders and residents who are concerned about Sydney’s nightlife and culture.

We recognise that a vibrant and diverse nightlife is a safer and more welcoming one and advocate for a more holistic approach to managing Sydney after dark with a suite of interventions across public health, transport, law enforcement, creative industries, licensing and planning. An approach that respects data, expertise, genuine consultation and good governance.

The KSO campaign has resulted in a minor relaxation of the ‘lockout laws’ and cease of service times; a minor relation of last bottle shop sales around NSW; lockouts being lifted on the night of the Mardi Gras parade; changes to ‘small bar’ regulations; opposition to the lockouts becoming mainstream and, with that, a notable shift in tone in state and local government interventions on nightlife.

We are looking forward to an exciting period ahead as we step up our efforts to promote changes in regulation, policy and governance to propel Sydney towards being a vibrant, welcoming and smart 24-hour city.

Summary of recommendations

KSO urges the committee to keep front of mind the synergies between live music and nightlife. A rising tide lifts all boats and Sydney's live music industry will be a key beneficiary of a stronger more vibrant nightlife. But to take full advantage, it must free itself from the distortionary regulation and incentive structures, and poor governance that restrict its cultural and economic output.

A more vibrant and diverse nightlife is a safer and more welcoming one. KSO seeks to replace the lockouts with pro-growth, pro-culture and pro-safety policies to foster a stronger and more vibrant nightlife - one that is less dependent on alcohol (and pokies).

Unshackle the live music industry

- Develop a state government vision statement to set out its aspirations for live music.
- Introduce a new distinct class of liquor licence for venues providing cultural service with lower costs and favourable exemptions from restrictions on liquor-only licences.
- Provide new incentives to invest in the live music industry through direct business grants, favourable tax treatment and innovate public private partnerships.
- Introduce 'agent of change' laws to embed a greater awareness of culture into the process of gentrification. These would save our pubs and clubs - the lifeblood of the live music scene - by shifting the responsibility of soundproofing onto new developments/residents arriving within 100 metres of a venue.
- Loosen planning controls to encourage the conversion of non-residential spaces to small-scale arts venues without development applications.

Towards a stronger, more vibrant nightlife

- A feasibility study into 24hr transport options bringing together state and local governments with transport authorities, rideshare companies, and resident and business groups.
- More frequent and reliable travel options between Sydney's villages.
- Review the regulatory barriers and compliance costs that prevent Sydney's night economy from diversifying away from alcohol towards culture, entertainment, retail and hospitality; a more inclusive nightlife.
- Expedite the implementation of existing recommendations by the NSW Government Night Time Economy roundtable.
- Create a dedicated NSW Office of the night-time economy (or 'Night Mayor') to improve accountability of and proximity to policy making concerning the night economy.

Live music, nightlife and lockouts

Live music and nightlife are symbiotic. Dull nightlife weighs on the music scene just as a vibrant, celebrated nightlife needs a pumping live music scene. A fair treatment of Sydney's music scene over the past four years cannot gloss over the effect of the lockouts on the industry – how changes to liquor licensing (targeting violence on the street) spilled over to the live music scene and beyond.

Keep Sydney Open urges the committee to keep front of mind the broader dynamics of nightlife as it considers the outlook for live music.

Sydney has had a questionable approach to managing its live music scene and culture after dark. The **introduction of poker machines** in the 1990s saw many pubs convert their live music spaces into gambling lounges and **regulatory constraints** made it difficult for independent operators to fill the gap. Place of Public Entertainment obligations were particularly burdensome for prospective music venues. **Expensive commercial leases** have further stifled innovative and niche business models, with underwhelming foot-traffic failing to justify the cost.

State government legislation has further discouraged people to participate in their own city at night. This leads to a shift away from socialising in public towards stay-at-home culture. A City of Sydney report observed that there was a 58% decrease from 2012 in pedestrian traffic in Kings Cross at 11pm after the introduction of the 'lockout laws'. That suggests the laws had resulted in a **decrease in foot-traffic** before the 1.30am curfew.

With live music overwhelmingly consumed at night, it is hardly surprising that it too has been affected by the lockouts. The federally funded Live Music Office reported a 40% drop in ticket sales between January 2013 and

February 2015. Over that period, venue attendance dropped by 19% and spending on performers by 15%.

Such trends mark **diminished opportunities for artists to build audiences and sustainable careers** and a **depleted pipeline of musical works** by NSW-based artists compared with previous generations. With the continuing decline in recorded music revenue, artists globally are increasingly dependent on live events for their livelihoods. But in Sydney, the sharp drop in ticket sales has forced many artists to forego any expectation of living off their craft. Many have chosen to do so elsewhere.

Venues and the live music scene bore the brunt of these curfews with devastating consequences. In the last few years, **over thirty venues have closed** in what was already a scant scene. With the rate of venue openings far-outstripped by closures, pressures from gentrification are intensifying. In an inhospitable regulatory climate for venues and licensed premises, businesses are often sold for their land to residential property developers. Those remaining are then exposed to an **increased likelihood of noise complaints**. This all results in precincts formerly enjoyed for their late-night vibrancy being stripped of their ability to service Sydney's entertainment and cultural needs after dark.

KSO has been advocating tirelessly for the lockouts to be replaced by a suite of policies that are pro-growth, pro-culture and pro-safety. We know that **greater diversity after dark makes for a safer and more welcoming nightlife** - one where culture, entertainment, restaurants, pubs, clubs and retail coexist till dawn. Just as it was at the coalface of the lockouts experiment, Sydney's live music scene will be a frontline beneficiary of a vibrant, welcoming and smart 24-hr economy.

10,000 conversations later, a fresh perspective on the issue

Over the past six months, Keep Sydney Open has been canvassing support on the streets of Sydney for our next move into the political sphere. In seeking opinions on the current night-time culture and impacts of lockout laws, we had over ten-thousand face-to-face conversations with locals. We inadvertently undertook one of the most holistic and pertinent qualitative research studies on live music and the night-time sector that we're aware of.

These one-on-one conversations took place in the traditional night-time strips of Oxford Street, Crown Street, George Street and King Street — among others. They took place in dozens of establishments in and around the city's CBD. They took place at music festivals, community-based cultural festivals, local weekend markets and at mainstream gigs in The Domain. They included conversations with people at the city's main train stations, bus stops and with hundreds of taxi drivers and their passengers at cab ranks.

The people we spoke to came from all over Sydney and sometimes the wider state and overseas. There was also a broad spectrum of age, but with most people being in their twenties and thirties. Our conversations coalesced around some key themes:

A lack of cultural choice and diversity: We had consistent feedback that 'it's just become boring'. Tourists spoke of their disappointment in Sydney's night-time offerings often in contrast with Melbourne and intentions to spend fewer days in Sydney. It appears that Sydney's night-time brand is now more synonymous with 'banality' than 'excitement'. There is a sense that Sydney is no longer brave, that it's not allowed to take risks. Having a healthy number of venues means that on any given night, you can have

spaces dedicated to rock, punk, house, disco, dubstep, metal, salsa, swing, jazz or any other genre, servicing those local communities in the process. Instead, venues must program more commercially viable options.

Kings Cross: Sydney's traditional night-time cultural precinct has been neglected and suffocated. This has led to a noticeable reduction in live music venues. A majority of nightclubs in this space have closed their doors due to a critical reduction in foot traffic — a further strain on Sydney's already flailing night-time economy.

Noise complaints: The public seems aware that live music venues have to constantly watch their backs. Encroaching urban gentrification is leading a noticeable rise in noise complaints.

Development is more important than culture: Most individuals we spoke to felt that developers' interests were prioritised over the needs of the cultural precincts they permanently alter. Venues are barely protected enough to survive let alone be brave and take risks.

Eerily quiet streets: People could *feel* the drop in city foot traffic in parts of the city that used to bustle. Higher foot traffic is not just a generator of atmosphere, it also makes people feel safer. Large public spaces are not utilised and lay dormant.

Patronising curfew: There appears to be a universal anger about them in the segment of the electorate we spoke to. The lockouts are seen more as a curfew rather than a public health policy. Young people see them as patronising rather than protective. They are seen by most as the cause of most of Sydney's current night-time woes.

Memories: Nostalgia was a recurring theme in conversations as the people who could remember what Sydney was like before the

lockout laws recalled its vibrancy. This was discussed with a sense of disappointment and sometimes embarrassment.

Casino: There is still much resentment towards the casino for being exempt from the lockout laws and the decision not to amend this is no doubt damaging the reputation of government in the electorate. It was often remarked that Sydney's younger cohorts have never experienced a night out where the Casino dominates late night entertainment.

Melbourne: There appears to be a growing envy. If Sydneysiders want a good night out, the feeling is that you can't have this in Sydney anymore and a weekend trip to Melbourne is called for. Plenty of people told of friends who had moved there and many were considering it themselves — purely because of the impact the lockout laws have had on Sydney's livability and cultural vibrancy. There is a growing sense that Sydney is being culturally leapfrogged.

Cultural brain drain: There is a sense among many musicians, artists and other creative professionals that their skills and passion aren't valued or appreciated in Sydney. This puts our city in danger of losing creative talent to other cities, contributing their expertise to the global marketplace elsewhere.

We also met with venue owners and managers. Key issues raised by this group were:

Foot traffic decimated: For bars, clubs and venues operating in or around the lockout zone, business has noticeably dropped. Most small bar owners know someone else who has gone under. Less business means a reduced capacity to hire staff — all a drain on the night-time economy.

Displacement of the problem: Bar owners talked about Newtown and Bondi being the

new Kings Cross. The lockouts have simply moved the foot traffic and the same issues out of the centre and into other precincts that have not been designed to handle them — just as Kings Cross was unplanned and uncoordinated in the lead up to the lockouts.

Business confidence rocked: Venues simply cannot take the same risks that they once could. Not just a financial decision, there is also a fear of reprimand for what are mostly minor infractions. This means that licensees are perpetually on the back foot, rather than focusing on managing the safety of their venues, keeping customers happy and taking cultural risks.

Intimidation and heavy-handed policing: Many bars feel intimidated by the police force, rather than seeing them as partners. We have received dozens of independent updates from venue and bar owners in and around the lockout zone that have been stung with enormous, business-jeopardising fines for minor or dubious infringements. There is a perception among venue operators that they have been targeted after complaining about unfair treatment.

Taxi & rideshare drivers: Many of our members come from this industry. These are the people on the frontline of the night-time economy who experience the shift in activity first hand. A 20-50% reduction in night-shift revenues were regularly cited by taxi drivers while rideshare drivers were able to adjust their working hours to account for the decline in night-time activity. The interaction between rideshare services and the taxi industry was front of mind for cab drivers. There is a general acceptance that ridesharing is here to stay, the lockout laws, however, were seen to exacerbate the shock of disruption by shrinking the overall pie rather than increasing it at a time when it was divided amongst more players.

Policies to support a diverse and vibrant music & arts culture in NSW

The committee has no doubt been made aware of the substantial economic, social and cultural value of the live music scene. Tens of thousands of jobs supported and tens of billions in spending suggest an important constituency to consider and consult. But when doing so, the committee must keep front of mind the symbiotic relationship between live music and nightlife. These are common bedfellows.

A depressed nightlife is a headwind for live music – a natural limit to its potential. Conversely, **a vibrant nightlife allows music venues to prosper** and increases the return on investment in live music.

A rising tide lifts all boats and Sydney's live music scene will be well placed to benefit. But to take full advantage of a larger and more vibrant nightlife, Sydney's live music industry must be free from distortionary regulation and incentive structures, and poor governance (see '1' below). But the ultimate effectiveness of policies targeting live music is dependent on the broader state of nightlife. We outline a pro-growth, pro-vibrancy and pro-safety strategy to reboot Sydney's night economy at '2'.

1. Unshackle live music

Live music vision and strategy

The State Government should consult widely to develop **a vision statement** setting out its aspirations for live music in Sydney and across the state. **Operationalised by a short-medium strategy** subject to regular review, a clearly articulated vision would improve policy coherence and provide a benchmark against which the government can be held accountable.

Licensing

We call for the reform of liquor licensing to account for and incentivise venues offering live music/cultural events and propose a **separate class of licence for such venues**. Drinking rates are slower in licenced venues with cultural activity; Reduced alcohol-related risks along with social and public-health benefits of live music justify lower fees and compliance costs for such licenses.

Diversification of night-time activity is beneficial to vibrancy and safety. The freeze on liquor licenses in inner Sydney has had the counterproductive effect of preventing diversification of Sydney's nightscape. Live music venues are barred from entering the area on account of their liquor licence. A more nuanced approach to licensing via a new class of licence would **encourage the entry of venues providing cultural entertainment and exempt them from the freeze**.

New incentives to invest

Live music is a good investment: for every 1 dollar Australians spend on live music, 3 dollars circulates back into the economy. Yet the the public purse has traditionally offered little investment support to the contemporary music industry.

Grants

Initiatives such as City of Sydney's new business support grant support live music performance and night-time diversification. We applaud these first steps and would call the state government to match them and go further: what other innovative ways can the state and local governments work together with the local industry to foster an **investment friendly climate in live music**?

We encourage the committee to canvass not just direct investment opportunities (such as grants) but other innovative funding structures that could be adapted from the

entrepreneurial world. It would be refreshing to see public private partnership that is community and small business driven, and unrelated to toll roads.

Tax concessions

Although seldom used, tax concessions for live music revenues are amongst the most potent tools to stimulate the sector. **Targeted tax offsets** for live music are found to be revenue positive, generating additional spending and tax revenue for government (see [Ernst & Young and APRA AMCOS](#)). They are a proven and cost-effective tool to stimulate creative and economic output, and give the live music industry the shot in the arm it desperately needs.

The NSW Government's generous treatment of income from pokies offers a valuable template. Pubs are untaxed on pokie takings under \$200,000 and registered clubs enjoy tax free profits up to \$1,000,000. Successive state governments have justified concessional treatment for registered clubs by citing their immense social contribution. Less clear is the rationale underlying favourable treatment for pubs' pokie takings. With these concessional thresholds in mind, **what would commensurate settings look like for the live music industry**, with its undisputed, substantial and wide-reaching social benefits?

Planning

The inquiry will have heard from a diverse constituency on planning regulation that is out of date and at odds with community expectations. In many circles, frustrations have reached a tipping point. Sydney, is a relationship critically strained.

*I never despaired,
despite gentrification,
archaic planning regulation,
over-policing, plummeting venue stock,
low incomes,*

*lock out laws,
increased commercial rents,
increased outgoings,
a big end of town mentality,
lack of funding, lack of appropriate
venues,
lack of 'vibe'
I persisted and did not despair.
Kerri Glasscock¹*

Agent of change laws

Planning controls need a significant rewrite and 'agent of change' laws offer some low hanging fruit. We would like to see **any new development within 100 metres of a live music venue responsible for the cost and installation of soundproofing.**

Melbourne's success in protecting cultural vibrancy through gentrification offers a worthy template. These laws should be implemented across the Central District to protect venues of cultural interest from noise complaints by residents of new developments.

This will mean that pubs and clubs, the foundations of Sydney's music scene, will not be forced to close due to noise complaints from a couple of new arrivals to the neighbourhood. Let's do gentrification differently. Rebalance the social contract.

Planning controls

Planning controls should be loosened to encourage the conversion of all kinds of non-residential premises into small-scale arts venues, without the need for development applications.

¹ CEO/ Festival Director at the Sydney Fringe Festival and Director at Venue 505 & Old 505 Theatre. Source: <http://www.artshub.com.au/news-article/opinions-and-analysis/public-policy/kerri-glasscock/sydney-youre-killing-my-optimism-255309>

2. Towards a truly vibrant and welcoming nightlife

The public response to the tragedies that took place in Kings Cross was a vociferous call for something to be done. Rather than take stock and learn from what was a collective failure of policing, planning, transport, education and regulation, we landed in a narrow conceptual dead end of lockouts vs no lockouts. Costs were painful and felt unequally, particularly by creative industries and workers of the night economy.

Lockouts need not be served up as binary choice. There always were and always will be many other less damaging and more effective options. All the evidence suggests that a more vibrant, diverse nightlife is a safer and more welcoming one. KSO would like to replace the lockouts with a suite of pro-growth, pro-culture and pro-safety policies to foster a stronger and more vibrant nightlife, one that is less dependent on alcohol (and pokies).

Transport

Modelling shows that extending late night **public transport is more effective in reducing alcohol-related harms than venue lockouts.**² In Melbourne they responded with 24 hr public transport. Get people off the streets, where incidents mostly take place, and to where they'd rather be.

Coordinated 24-hour public transport

An open, public feasibility study into 24hr transport options for Sydney would be a good

² Scott, Nick et al. (2016), 'The effects of extended public transport operating hours and venue lockout policies on drinking-related harms in Melbourne, Australia: Results from SimDrink, an agent-based simulation model', *International Journal of Drug Policy*, Volume 32, 44 - 49.

place to start. We envisage a state government run study guided by consultation with transport authorities, rideshare companies, local councils, businesses and resident groups, and anyone with relevant data.

Getting around Sydney's villages

Improved travel options between Sydney's villages for residents, visitors, revellers and late-night workers would be a boon for the night economy and, by extension, live music. **Upgrades to safety and accessibility of the transport and wayfinding systems** offer further quick wins. Examples include clear and integrated signage, increased busking and better information/tools to plan a night out.

Business environment for late-night trading

Diversity and balance make for a safer, more welcoming nightlife. Removing regulatory barriers that are preventing food outlets, retailers and cultural/entertainment services from opening late at night is a top priority.

The City of Sydney's recently-announced review into late-night trading is commendable and we look forward to participating. A narrow focus on trading hours, however, risks falling short of a full **review of the the regulatory barriers and compliance costs of running a late night business**. We call for the a state government review that builds on the City's work on trading hours and considers state regulation, compliance costs, heavy handed enforcement and other issues being raised by many small businesses operating after dark.

A more supportive business environment, especially for small creative businesses, is good for vibrancy and so the live music industry. A larger and more diverse late night trade will help Sydney pivot away from nightlife dominated by pubs and clubs, to one

where late-night culture, shopping and eating is enjoyed by a broader population.

Governance

The design, implementation and monitoring of policy relating live music and the night economy fall under multiple jurisdictions, making leadership and coordination from the NSW Government all the more important. No amount of political goodwill or talk can be a substitute for good governance. Indeed, progress on the past roundtable agreement on the night economy has been disappointing, especially alongside the ongoing malaise in Sydney's live-music industry.

What became of the NTE roundtable?

The previous NSW government roundtable on the night-time economy was an important exercise and developed some valuable ideas with endorsement from diverse sectors of the economy and society. KSO calls for the **expedited implementation of the roundtable's initiatives.**

Focal point for coordination & accountability

We propose the creation of a **dedicated NSW Government office** tasked with promoting a vibrant and welcoming 24r Sydney. As a focal point for leadership, coordination and accountability for live music and the night time economy, the office would:

- Facilitate dialogue and trust between stakeholders by convening regular roundtables. Minutes of meetings would be published online.
- Help businesses navigate regulation and minimise compliance cost; and
- Improve accountability of and proximity to policy making.

Night Mayors, playing a similar role, are beginning to find their way into government parlance in cities across the world. Amsterdam, London, Paris, Zurich, Toulouse,

Cali and others offer a wealth of information on how such a role can be integrated into the broader governance architecture.

A musician's perspective

It is the voice of the musicians that arguably matters most in this discussion. Included here are a selection of testimonies - valuable insights and perspectives from those who launched their careers in a once pulsating Sydney music scene.

Nina Las Vegas — music producer, DJ, radio host & founder of NLV Records

“There is a definite lack of venues in Sydney that can allow young performers to take the risk on their first show, without massive pressures from the venue to make a profit. The declining number of venues, particularly since the lockout laws, has meant that regular club nights have drastically dropped. Meaning that emerging artists are expected to promote or ticket their own show.

Those venues that are small enough, often aren't open at the appropriate times for the emerging artists. For example, an electronic artist who could have previously played a venue like Phoenix bar at 1am, has to promote their own show in a venue like the Chippendale before midnight. This is not the nature of the genre.

The leading (and surviving) venues seem to be driven by 'bro' heavy, EDM music. This sadly is an unwelcoming environment for young female performers. Likewise, queer performers within this genre. There is also a similar problem when it comes to writing, producing and collaborating music outside of venues. There is a lack of free or subsidised music studios which create a neutral environment or safe space.”

Dave Rennick — musician (Dappled Cities, Light Pressure), art director and web developer

“As an artist whose band emerged during a time when Sydney was experiencing somewhat of a renaissance of live music — circa early 2000's — I've seen first hand what a positive impact a flourishing arts scene has on a city. Unfortunately, I've also seen the utter destruction of that scene since the introduction of former Premier O'Farrell's lockout laws.

To many, the 'live music scene' is nothing more than a bunch of lowlifes growing their hair long and moshing to very loud noise. Those individual opinions don't need to change — let them eat cake — but an appreciation of what it may mean to others is what has been neglected. For a musician, live music is an individual pursuit of mastering an art form and building a career driven by passion. For a fan, it's a source of happiness, inspiration, collectivism and an exchange of ideas. For businesses, it's a genuine source of income and livelihood as well as a categorical contribution to the greater economy.

If we truly want a vibrant city, then let's have a vibrant city. Let's have restaurants that serve food at 2am to the sounds of a live jazz band. Let's transform dilapidated warehouse spaces into safe alternative arts venues. Let's have our alleyways alive with small bars all throughout our hot summer nights. Let's embrace different cultures and different needs and get people talking to each other, exchanging ideas, being inspired and even, dare I say, cheersing a few drinks. People respond to personal freedom and mutual respect, and a truly vibrant and open city will see a sidelining of the anti-social behaviour that has sometimes tainted Australian culture. Tightening the noose amid an air of hypocrisy

and godliness just makes people angrier and sadder.”

Flume's ARIA acceptance speech

In November 2016, Sydney's most successful musical export of the last decade, **Flume**, spoke of the importance of music venues in his acceptance speech for Best Dance Release at the ARIA Awards. He went on to win another seven on the night:

“I also want to say a big thank you to the venues, especially the small venues and the small parties that are doing what they're doing because that is where music evolves, that where all the exciting stuff happens — and that is what is getting shut down right now.

So, to our policy makers and our politicians: please keep Sydney open, so that the young artists, so that the next generation can have the same opportunities that I had.”

Rainbow Chan — Sydney-based singer, producer and multi-disciplinary artist

“I am writing to express my full support for Keep Sydney Open and live music venues. Music has been my lifeblood for the last eight years, during which I've worked as a touring/recording artist, producer and DJ. I've travelled around Australia and internationally — as far as Iceland — to perform my music. Over time, the scope of my practice has evolved from club-focused popular music to an interdisciplinary form that explores the socio-political significance of music in relation to mass culture. My practice has theoretically and materially expanded into performative and sculptural works within large-scale installations. They often include public programs that aim to activate various social spaces in Sydney through song and dance.

My practice is deeply embedded in live music culture. I am inspired by the generative potential of music, performance, and dance. Live music venues are not merely a place of entertainment, but a dynamic site of soft power and economic exchange. Live music needs no translation — it is a shared, embodied language in its own right. Clubs and venues have historically been spaces of both personal intimacies and important social/political change. At a time when our world stands increasingly divided, I see music, art and live music venues as providing a unique junction of ideas, voices and communities. We need to maintain the livelihood of Sydney!"