

**Submission  
No 378**

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

**Organisation:** Sonos Australia, Live Nation and Time Out Australia  
**Name:** Mr Michael Rodrigues  
**Date received:** 12 March 2018

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To: The Honorable Paul Green, MLC, Chair  
Re: Submission to the inquiry into the music and arts economy in New South Wales

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28 February 2018

Dear Mr Green

### **The Centrality of Live Performance**

It is well documented that technology has disrupted the music sector, in particular as regards listening at home.

From the days of the wandering minstrel, live performance has always been the foundation of artist income. Communities have always gathered in the evenings in town centres to enjoy hospitality and entertainment.

Revenue streams diversified in the age of musical recording and public broadcast to include income from record sales. This model would peak in the late 90's / early 2000s, before piracy through illegal file sharing (services like napster) started to erode artist income.

Ever since, the record sales led model for artist income has been challenged. The advent of streaming services in the last decade has been a step towards remunerating artists through (essentially) a play-per-listen model.

This model has not yet fully evolved, and perhaps never will, to be a replacement for the halcyon days of record sales. This new era brings not only challenges, but opportunities, as streaming services and at-home listening devices give artists unprecedented access to mass audiences with few barriers to entry. There's also more competition for the entertainment dollar.

But as we have witnessed these market shifts, one thing has not changed, and that is the centrality of live performance to both artists' income and audience engagement with the artist.

### **Artist income in the modern era**

In light of these shifts, it has never been more imperative that local artists get to perform and engage audiences. Live music venues and public spaces are necessary for this to happen.

In addition to the intrinsic and cultural value of the art, live performance gives rise to:

- Income from ticket sales
- Income from performance fees and merchandise
- Exposure to alternative revenue streams as might exist with brands and endorsements

The depletion in the number of venues for live music to be played and experienced is therefore a major threat to the welfare of musicians as content producers. This is of concern to we, the undersigned.

The NSW government is currently falling short in its obligation to the electorate to provide the environmental conditions that enable live music to succeed. Here the current regulatory environment has contributed to a 40 per cent decline in attendance revenue in live music venues in the CBD in recent years.

## **The importance of local music, for locals, our identity and the economy**

Further, whilst streaming allows music from anywhere in the world, to be accessed from anywhere else in the world, we consider it imperative that NSW listeners be able to access NSW produced music.

Left unchecked, the decline in live music venues means less locally produced work. This means less music produced by locals, will be experienced by locals. Without a supply of local music, NSW residents are left with no alternative but to listen and engage with interstate or international alternatives.

If we don't sing our own songs and stories, it's not only a loss for our community and our identity, but also our economy.

## **Impediments to Live Music in NSW**

There are well known impediments to Live Music in NSW, in particular red-tape across 3 dysfunctional areas of regulation, namely:

1. Liquor Act
2. Protection of the Environment Operations Act (provisions relating to 'offensive noise')
3. Environmental Planning and Assessment Act - DA consent conditions

Approvals also sit across disconnected processes for town planning and liquor licensing.

## **Recommendations**

1. Live music is not attended in isolation. Transport, food and beverage and other amenities are all part of the live music experience. There is currently a lack of co-ordination between multiple sectors and government agencies including liquor, planning, policing and transport. This needs to be resolved to ensure that the broad environmental conditions to enable live music to succeed and flourish are in place in NSW. This is particularly so in the twilight and night-time parts of the day.

The solution we propose is in line with trends in Europe, namely the assignment of ministerial oversight to co-ordinate the "night-time economy" environment described in the paragraph above.

2. With reference to programs in other states of Australia (e.g. Victoria has the \$12.2m Music Works package and Western Australia has the \$3m Creative Music Fund) there would also be benefit in some government stimulus or incentives to help re-energise the sector in NSW.
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## **Signatories**

Each and all of the undersigned would be willing to elaborate in person should they be called to give evidence.

- **Rennie Addabbo**, Country Manager, SONOS
- **Michael Rodrigues**, Managing Director, Time Out Australia
- **Roger Field**, Chief Executive Officer, Live Nation Australasia