

REPORT ON PROCEEDINGS BEFORE

**PORTFOLIO COMMITTEE NO. 6 – PLANNING AND
ENVIRONMENT**

THE MUSIC AND ARTS ECONOMY IN NEW SOUTH WALES

CORRECTED

At Macquarie Room, Parliament House, Sydney on Friday, 24 August 2018

The Committee met at 9:20 am

PRESENT

The Hon. Paul Green (Chair)

The Hon. Shayne Mallard (Deputy Chair)

The Hon. Catherine Cusack

The Hon. John Graham

The Hon. Taylor Martin

The Hon. Penny Sharpe

Ms Dawn Walker

The CHAIR: Good afternoon and welcome to the eighth hearing of the Portfolio Committee No. 6 – Planning and Environment Inquiry into the Music and Arts Economy in New South Wales. The inquiry is examining policies to support music, arts and culture and is considering whether local councils are setting realistic noise abatement and environmental impact targets in their consideration of development applications from cafes, restaurants and live music venues. Before I commence, I acknowledge the Gadigal people, who are the traditional custodians of this land. I pay my respects to the elders past and present of the Eora Nation and extend that respect to other Aboriginal people who may be present today. Today we will here from streaming services, live music venues, artists, community radio and other industry participants.

Before we commence, I will make some brief comments about the procedures for today's hearing. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I remind media representatives that they must take responsibility for what they publish about the Committee's proceedings. It is important to remember that parliamentary privilege does not apply to what witnesses may say outside of their evidence at this hearing, and so I urge witnesses to be careful about any comments they make to the media or others after they complete their evidence, as such comments would not be protected by parliamentary privilege if a person decided to take action for defamation. Guidelines for the broadcast of the proceedings are available from the secretariat.

There may be some questions that a witness can only answer if they had more time or certain documents to hand. In these circumstances, witnesses are advised that they can take the question on notice and provide an answer within 21 days. Witnesses are advised that any messages should be delivered to the members through the secretariat. To aid the audibility of this hearing, several seats have been reserved near the loudspeakers for persons in the public gallery who are having difficulties hearing. I ask everyone to turn their mobile phones off or turn them to silent for the duration of the hearing.

JANE HUXLEY, Managing Director, Spotify Australia and New Zealand, sworn and examined

The CHAIR: Welcome to the hearing. Do you have an opening statement you would like to present?

Ms HUXLEY: I do. I thank you for inviting me to this hearing. My name is Jane Huxley and I am the Managing Director for Spotify Australia and New Zealand and have occupied this position for the past year. I am delighted today to be able to talk to you about Spotify, particularly the benefits of our service to both consumers and the music sector and our ongoing passion and commitment for the domestic music industry here in New South Wales and more broadly across Australia. First, a little background. Spotify is a Swedish company, created in Stockholm in 2006. Our service launched for the first time in 2008 and was made available in Australia six years ago in 2012. Our mission was and remains to unlock the potential of human creativity by giving a million creative artists the opportunity to live off their art and billions of fans the opportunity to enjoy and be inspired by these creators.

More than 10 years on, music streaming is a global success story. Spotify is now available in 65 markets and we have more than 180 million listeners on our service every month, of which 83 million are paying subscribers. We are driving the music sector to recovery. We can explain the success of our model through four core reasons. First, choice: we provide consumers with an incredible amount of music they can listen to across every genre and language. We offer both local and international repertoire, with more than 35 million songs available in our service. This is what is known as "on demand"—the music listeners choose available when they want it. Secondly, freedom: our consumers can listen to music on Spotify in multiple ways. They can search and pick any song, artist or album that they like and listen immediately. They can create their own playlists of songs and even share them if they wish. Our listeners can also access playlists curated by either our Spotify editors or other Spotify users or playlists created by our algorithms based on their own taste.

Thirdly, there are multiple access options. Users can access our free service, which includes ads, or subscribe to Spotify Premium to access exclusive features including offline mode; improved sound quality; Spotify Connect, which allows listeners to connect to their smart television or home speaker; and ad-free listening. Our premium and ad-supported services live independently but thrive together. We believe this business model has allowed us to achieve scale with attractive unit economics and is a critical part of our success. Fourthly, expanding the music experience through discovery and personalisation is core to what we do. Our service is focused on allowing consumers at an individual level to discover more music than ever before. We strive for a balance between algorithmic and human created tools for discovery, which include personalised recommendations based on every consumer's tastes through playlists such as "Discover Weekly", "Release Radar" or, my favourite, "Daily Mix". Listeners can also access human-curated playlists from our team of local editors such as the "Local List", "Throwback Thursday" and "New Music Friday", or mood-based playlists such as "Chill Out" and "Front Left", which is our independent showcase.

Beyond our success with consumers, we are deeply committed to artists. As mentioned, a core part of our mission is to enable musicians and artists around the world to be able to make a good living from their music. As such, we are immensely proud of our positive impact on the music sector. 70 per cent of Spotify's global revenues are paid to rights holders. So far, Spotify has paid out more than €8 billion to the music industry globally. Not only is the global music industry back to growth, but locally the continued resurgence of the recorded music industry was confirmed in April with the Australian Recording Industry Association [ARIA] announcing a 10.5 per cent increase in the value of the Australian recorded music industry for 2017. This was the largest annual wholesale figures since 1996, with much of that growth attributed to streaming. Following on from that, 2017 was the first year that revenue from music streaming services accounted for more than half of the overall market. That is a remarkable performance, given the revenue from this segment was negligible just five years ago. We are indeed looking at a good news story.

We also have a keen focus on empowering artists and work hard on building out our two-sided marketplace to facilitate this. We have created tools for artists to better understand their fans, get closer to them and help them maximise their revenues and exposure. Our "Spotify for Artists" product gives artists access to the same data that we have regarding their performance on our platform and this service is free. Artists can use these tools to understand who and where their fans are and how their music is performing. Locally, we provide master classes for artists to understand how to access and best leverage this data to create more opportunities. I would like to touch specifically on Spotify in Australia and in New South Wales. Over the past six years, Spotify has invested heavily in Australia, expanding our office here to more than 50 employees. Our office is right here on Sussex Street in Sydney and includes our ad sales and operations team, marketing and public relations, business development, label services and a small team of music curators.

We also invest heavily in marketing and localising the service to be aligned with Australian music lovers' tastes. The last year has seen our largest ever investment in local artist off-platform marketing initiatives, including social, digital and out-of-home advertising formats for artists such as Gang of Youths, Angus and Julia Stone, Cloud Control, DZ Deathrays, Alison Wonderland, Touch Sensitive—the list goes on. They are all artists who have successfully charted on platform in ARIA Charts, as well as being heavily awarded throughout the year. I am sure those artists are all familiar to you. I have got a few more for you to hear about today as well.

We support local artists in a myriad of other ways. One of these is via our event series known as Fans First where we take a domestic artist and bring them together in a meaningful way with their most engaged fans as identified on our platform. This year we have been delighted to work with many artists locally, including an artist called Jack River, who we took to an ice rink in Alexandria with her fans and she sang her new releases to those fans. We took an artist called Starley and hosted her at the Home bar down in Darling Harbour. We even hosted an intimate evening with 5 Seconds of Summer with their top 20 fans in our office here in Sydney. That was a sight to behold, I can tell you, as the artists sang their new release songs but importantly spoke about the inspiration around those songs directly to their fans.

In addition to these events we work with artists to provide prerelease tickets to their shows, again targeting their most engaged fans on our platform via emails. This year some of the artists we have worked with include Skegss, Gang of Youths, Vera Blue, Glades and many more to come. Due to the global nature of our business we also work with many domestic artists to build audiences in the international or export market. We have had some very notable success with exports in the past year, which can be illustrated by our work with Dean Lewis, who launched his debut single in 2017. Since then, Dean has garnered over 200 million streams on Spotify across his limited catalogue, amassing over 11.6 million fans on the platform. Germany, the United Kingdom and Canada have been particularly receptive to his music. He released his latest single in June and it has already been streamed over 40 million times on Spotify.

Finally, I would like to touch on the work we are doing locally, with the creators and artists of Aboriginal and Torres Strait Islander heritage being a core focus for Spotify locally over the last couple of years. In addition to creating our Reconciliation Action Plan we have been working with First Australian creators to showcase Aboriginal and Torres Strait Islander artists through key playlists. Deadly Beats, Black Australia and Original Storytellers all launched in NAIDOC Week earlier this year and are supported by us through social media and on the platform. Over the next couple of months we will be running an event called Sound Up Bootcamp here in Sydney to increase Indigenous Australian voices and storytelling in podcasts through an education program of how podcasts work in creation and production terms. Then we will work with selected creators to bring their stories to our platform.

We know that many of the local Indigenous languages are at risk of becoming lost forever and we know that many of these languages still live on in music. We are committed to ensuring we can preserve as much of this heritage as possible by enabling these voices to be heard on our platform in song and in words. We know there is much more to do and we are continuing to heavily invest in our local business and the local industry to make this happen. We welcome an open dialogue with industry stakeholders on how we can continue to support a thriving Australian music economy, particularly here in New South Wales, and recognise that it requires all stakeholders to participate. That concludes my remarks.

The Hon. JOHN GRAHAM: Thanks for that presentation. You touched on an issue at the end that I know is close to the Parliament's heart, which is preserving some of those Indigenous languages. You started out on some of the optimistic story for the music industry. Some of that is really being driven by streaming. The issue this Committee is looking at is the contradiction between that optimistic story about the industry growing and the pressure that is on it because of the venue crisis across New South Wales. We are interested to know how the streaming services and that positive side of the story interact with the evidence we have, which is that there is a problem with the grassroots music industry in Sydney and New South Wales.

Thanks for attending. I think we welcome the open dialogue with the streaming services. It is very welcome to see Spotify here. We will hear from some other streaming services. I note that not all the streaming services are appearing at these public hearings, but I really welcome the fact that you are here. You have talked about Spotify's subscriber numbers. Just give us a quick sketch of your best estimate of the market share of the key players in streaming in Australia.

Ms HUXLEY: It is actually very hard for me to estimate market share at all. You would be aware that there are not numbers reported publicly, particularly around the global streaming organisations, on an Australian basis and so it is very hard for me to estimate market share.

The Hon. JOHN GRAHAM: You must have some idea though. You are one of the leading streaming services. Can you give us a rough idea of at least the batting order?

Ms HUXLEY: I am happy to be one of the leading services. Honestly, I do not focus a lot on what the other streaming services are doing. I think we are very clear in the mission that we have for our company which we think differentiates us significantly from the other streaming services. As a result of that, I honestly could not tell you what the order was.

The Hon. JOHN GRAHAM: Those figures are not readily available. Are you able to tell us in public today how many subscribers you have in Australia or Australia and New Zealand?

Ms HUXLEY: We do not report numbers on a local basis, so I am unable to share that data with you today.

The Hon. JOHN GRAHAM: That is quite unusual really. If you pick up a newspaper you can see the circulation figures for that newspaper. There is some debate about that, but it is very difficult to tell what is going on with Australian streaming services at the moment.

Ms HUXLEY: It is and that is the difference between national and multinational companies and operating within the guidelines for my organisation.

The CHAIR: Would you be of a view that it would be helpful if we had some real-time reporting opportunities, without giving commercial advantage, so we are able to gather the evidence of what the major providers are doing in the way of Australian music and the take up?

Ms HUXLEY: I am not clear what the question is that you are asking me.

The Hon. JOHN GRAHAM: I know you cannot do this unilaterally, but would you be open to all the companies moving towards a more transparent mode of reporting the number of subscribers they have in the Australian market?

Ms HUXLEY: We would be open to having a discussion around what that would mean, and that would be a decision that would be taken by our headquarters in Stockholm.

The Hon. JOHN GRAHAM: Are there other places around the globe where there is more transparent reporting?

Ms HUXLEY: We have the same reporting in every location where Spotify is operating.

The Hon. JOHN GRAHAM: How much Australian music is streamed by Spotify listeners in Australia?

Ms HUXLEY: Again, it is very, very hard to tell for a few reasons. Firstly, it is very hard to identify what Australian music is. The definition is very broad and conflicting depending on how deeply you look at the data.

The Hon. JOHN GRAHAM: We are able to work it out for commercial FM, so it should not be too hard. I understand there are some grey areas.

Ms HUXLEY: There are a lot of grey areas when you go down to things like the songwriter level, the production level, the creation level. All of these individuals have a hand in the creation of music.

The Hon. JOHN GRAHAM: But you have quite detailed information about who is streaming what in Australia. You must have some idea of how much Australian music is being streamed?

Ms HUXLEY: Again, it is not as easy for me to answer that question and say that is the case. We rely on the metadata that we receive from the aggregators and labels that put music on our platform, and that metadata is often incomplete in terms of the catalogue of people that are involved in the creation of music. So it is not as easy as just saying we know how to identify it and how much Australian music is streamed. We have a focus on Australian music which is evident by our investment here in Sydney and Australia with an office of 50 people and local curation.

The Hon. JOHN GRAHAM: That is very welcome and it goes to the heart of the question that I think we are interested in, which is: What is the way we can have our artists working with Spotify achieving their potential on a global stage? I will ask about some of the proposals for driving local artist interaction. What is the view of Spotify to the sorts of suggestions that have been made such as making a voluntary commitment to make available on the Spotify platform firstly local playlists such as a Sounds Australia playlist? I assume you would be very open to that. In fact, you would have those on Spotify.

Ms HUXLEY: We do. Any of the bodies are welcome to have a playlist and host it on our platform and many of them do, from very large broadcasting, right down to small, individual companies and they are able to communicate the availability of their playlist via marketing or whatever.

The Hon. JOHN GRAHAM: It is a tick for that one. What is your view on the suggestion that has been made that there is a voluntary commitment to include a minimum of 25 per cent local content in locally curated playlists?

Ms HUXLEY: We feel that imposing that level of commitment would be contrary to the purpose of an on-demand service. We have tried very hard to create a platform that responds individually to the listeners and we are not prescriptive around the taste of the individuals who listen on Spotify.

The Hon. JOHN GRAHAM: That is a no to that one. I will not debate that now, given the time. I would like to put another suggestion to you. What would Spotify's view be to allowing customers to choose to emphasise local music—an option, a setting, a button—that would allow a user to say: Look, I do want 25 per cent Australian music. I do want to choose music that reinforces the vibrancy of my local music scene. Why not put the customer in control and allow them to choose more local music coming through in the algorithm through the playlists? Is that a possibility?

Ms HUXLEY: The nature of an on-demand platform is that the customer is always choosing what it is that they want to listen to. That is the very definition of what on-demand provides.

The Hon. JOHN GRAHAM: That is not strictly true though. I do not have time. I want to listen to music that makes my local music scene vibrant. I want to listen to Australian music. I do not have time to work out which of this new music is from Sydney, from Melbourne, from New Zealand, from around the world. It is a market information asymmetry. I would love to say: I want to emphasise local music. Why can I not choose some option within Spotify that says the algorithm will help drive some local music towards me?

Ms HUXLEY: We have more than 100 playlists that are curated locally that you could choose to listen to, such as Aussie BBQ, Aussie Rock Classics. There is ample choice there for any individual who prefers to just listen to Australian music. Secondly, in terms of product functionality, which you referred to before as a potential switch that people could select to have more domestic music, it is a suggestion that we are very happy to take back to the teams in Stockholm and have a conversation around how that may come into effect.

The Hon. JOHN GRAHAM: That is very welcome, thank you.

The Hon. PENNY SHARPE: I am interested in your work with new artists and how they work with Spotify. Someone who is currently making music in their lounge room, they might have a small following on YouTube or something like that, how do they come to work with Spotify?

Ms HUXLEY: We accept music from a lot of different sources; the labels, the independents, but also the aggregators of music. An individual artist at that level would likely upload their music to that platform, then they can use the aggregator to push the music on to Spotify.

The Hon. PENNY SHARPE: I do not understand how it all works, and I know it is complicated. When you have aggregators coming to you, and people obviously want to be on Spotify because that is where they can be found, do they pay to come on to the platform? I know that the artists receive money every time that they are streamed. Can you take me through the process of an aggregator wanting to get a new artist on? Without going into the commercial details, how does it work?

Ms HUXLEY: An individual songwriter, singer, creator or group of creators would, as I said, upload their music to an aggregator platform. There is usually a charge by the aggregator for doing that. That music is then pushed on to Spotify. There are no additional commercial transactions that take place at that point. As the music is streamed on Spotify we pay royalties as per the engines that we have running across our business.

The CHAIR: Can you tell us what the aggregator would charge on average for such a service?

Ms HUXLEY: I do not know. I wish I did now. I wish I had uploaded some music to actually go through the process.

The CHAIR: You can take it on notice.

Ms HUXLEY: We will take it on notice.

The CHAIR: It is important that the Committee understands. We are trying to get young artists up and going.

The Hon. PENNY SHARPE: Part of the reason for this questioning is understanding the potential around streaming. As we are already seeing, people are able to find audiences that they could not find before. We obviously have an interest in Australian artists being supported and being able to do that. The Committee has also heard much evidence from artists, basically about their inability to pay their rent. I am interested in the various ways they are paid for their work, what steps they have to go through. Tell me about how the algorithm works? I use Spotify, I am very familiar with your playlist. I get served up a range of different playlists on a daily basis based on my previous listening history across a range of different genres. That is a powerful tool. For the older artists, it is quite straightforward. For new artists emerging, how do they find their way to the top of the pile? What are the ways in which you choose to feature? You have curators but could you take me through the various ways in which a very new artist can be found on Spotify?

Ms HUXLEY: The new artist can be found the same way as all artists can be found on Spotify, which we covered in those remarks; searching, listening directly to that artist.

The Hon. PENNY SHARPE: People often do not know what they do not know.

Ms HUXLEY: As you say, also served up through the algorithms. Each individual has algorithms that work specifically based on their individual taste. If your individual taste indicates that that type of music might be something that you want to listen to, we would serve that music up in playlists such as Release Radar, Discover Weekly. They are some of the ways that artists can be discovered on Spotify. We also now have a team of curators that work through a music submission process globally and also showcase artists in lists such as New Music Friday. So, there are a number of ways that artists can get served in Spotify. It applies equally to the major artists as well as the emerging artists.

The Hon. PENNY SHARPE: Do people pay Spotify fees to be featured in the playlists?

Ms HUXLEY: They do not.

The Hon. JOHN GRAHAM: I come back to the issue we were just dealing with. I welcome the commitment to look at that option of emphasising local music. To make one point; this would not be about emphasising Australian music, it would be about allowing Spotify listeners, wherever they were, to emphasise music in their local music scene. In Australia it would mean Australian music, elsewhere it might mean music from that local music scene.

Ms HUXLEY: Your point is taken, and it would be on that basis that we would forward that request to our engineering team.

The Hon. JOHN GRAHAM: That is very welcome. The issue that you were just talking about regarding the data that goes back to artists is potentially very powerful. We have already had evidence from artists saying, "This is quite remarkable. We know for the first time who is streaming our music in places around the country or around the world. It enables us to tour to where our fans are for the first time in music history." Does Spotify feel that the data that is available to artists is being fully used, or is it something that New South Wales artists, Australian artists, could make more of? Is it being used to its full potential?

Ms HUXLEY: At an optic level, I would say no. I think it is the education and awareness around the data itself; not necessarily the availability but the insights that might be inferred from that. We are talking about musicians who are not always completely savvy with the tools they have at their fingertips. I think there is more that can be done very broadly around bringing an awareness and an education to some of the artists who are starting out, and also the teams they have around them. They often have managers, promoters and labels. An education is for the broader ecosystem around those artists about those tools.

The Hon. JOHN GRAHAM: If the Committee is looking at recommendations—specific things that might give our artists a leg up—one might be that we find a way to supply them with training about how to make use of this data, which is available for the first time, and to make the most of it in building their careers.

Ms HUXLEY: We would be delighted to put our master classes on steroids.

The Hon. JOHN GRAHAM: Would Spotify be open to partnering with local New South Wales artists, potentially with support from the Government, to work out how we can make the most of that data?

Ms HUXLEY: We would love to participate in an exercise around that.

The Hon. JOHN GRAHAM: Great. Again, that commitment is very welcome.

The Hon. SHAYNE MALLARD: Thank you for appearing before the Committee. Some of your answers about what you can tell members with regard to market share and the number of subscribers in Australia

suggest a sensitivity. That is information the Committee would like to have to guide it in terms of an increasing focus on Australian content. Why is the streaming industry—a new arrival in the marketplace—so commercially sensitive at the moment?

Ms HUXLEY: I think it is probably similar to other digital pure plays and on-demand services. We are multinational organisations, so we operate in many territories where we need to be sensitive around the differences between what countries require. At the same time, we must follow the remit of our local office. The Australasian Performing Right Association/Australasian Mechanical Copyright Owners Society [APRA/AMCOS] and other organisations and bodies are receiving data from across the industry as opposed to the streamers, who really have an insight only into our own data.

The Hon. SHAYNE MALLARD: It is so different from what we were used to in the past. We knew the top 10 records being sold in record shops; we knew what was going on and it was all fairly transparent. Do you see more transparency ahead? Do you think this is just the early stages of the industry?

Ms HUXLEY: I do not have a view necessarily on that. A short five years ago, the numbers coming out of streaming were negligible. I would hate to take a view on where it is going, other than to say it is rapidly evolving. It could go anywhere

The Hon. SHAYNE MALLARD: Would you classify streaming and Spotify as disruptors in the traditional model of the music industry?

Ms HUXLEY: There are so many models in the music industry. The music industry itself is not a model; it is a set of organisations that serve their stakeholders. In some respects, we could be considered a disrupter. We consider ourselves to be a marketplace aggregator in the centre that enables fans and creators to come together in a way that provides a benefit to both. We talked about our company mission earlier. It is very clear in our mission that is what we are here to do. Streaming services really fulfil that need of the creator and their fans coming together on an extraordinary scale globally. We could be considered as a disrupter by some parties in the industry, but other parties welcome the service. But we feel we are fulfilling a need in the market that was previously unfulfilled.

The Hon. SHAYNE MALLARD: It is reasonable to say that. The Committee has been looking at the demise of live venues, particularly in Sydney. It is not unique to Sydney, but the scale is greater here. Spotify and other streaming services have a relationship with artists. You talked about some of the artist events you have had and directly connecting thousands of fans, if not more, to artists. Are you filling a gap for artists because there are no longer those old-style venues with the advent of the online world?

Ms HUXLEY: We do that with recorded music, but it is only one revenue stream for an artist. Other revenue streams may include the sale of merchandise, performing at live events, or product they want to bring to their fans such as videos, podcasts or the new offerings that we are now seeing expanding. The facilitation of the connection between the artist and the fan is the secret sauce of what we do. Once an artist identifies a fan, a fan is more likely to put their hand into their pocket and pay as a patron of the art to that musician than a casual listener, for example. By facilitating that connection we believe we are able to open the door to a number of sources of revenue for an artist, not only from recorded music.

The Hon. SHAYNE MALLARD: At what level would you get involved with facilitating a direct connection between an artist and their fans? At what level do they break through to your attention?

Ms HUXLEY: Again, it depends on the artist. The data on our platform gives us an indication of who we feel is garnering in the local market. We are interested in working with artists in their nascent stage as well as those who are on cycle later in their career, all the way up to the major artists. Artists are brought to our attention by a label, by an independent source or by our own data. Our content team—our label relations and music curation team—selects the artists we work with.

The Hon. SHAYNE MALLARD: What is the data point?

Ms HUXLEY: The streams.

The Hon. SHAYNE MALLARD: What is the figure?

Ms HUXLEY: We do not have a particular figure because we work with artists of all sizes. It might be someone starting, such as Odette or Didirri; it might be somebody who is breaking through, such as Dean Lewis; or it might be somebody who is on the global stage, such as Five Seconds of Summer. We work with a multitude of artists, but we do not have a magic number that goes "ping" showing the way. It is part of the science and the art that goes into curation and editorial. That is why I am not an editor.

The Hon. SHAYNE MALLARD: I have a left-field question that relates to the inquiry. Have you had trouble with the council with any of the events you have held, such as the ice-skating event in your office?

Ms HUXLEY: Not at all.

The CHAIR: Do you sponsor any festivals like Splendour in the Grass? What part do you play the festival area?

Ms HUXLEY: We are not what you would call a headline sponsor of those events. We are normally a media partner working with those festivals. It is a mutual agreement where the promotion of the festival, either through media, playlists or content on our service, helps to build not only the festival but also the emerging artists appearing at the festival. We also attend those festivals. Often we will have an activation such as a handout to fans or we provide some kind of service to fans at the event. We also capture live content at those events—filming artists, not only performing their music but coming back to the human behind the music, their inspiration, the reason they are writing and what goes into the production of a particular song. We use that content ourselves, primarily on our social platforms and increasingly on the platform itself.

The CHAIR: One of the advantages of the digital age is that you are getting the story long before you get the song. They are together in one package on day one rather than having to wait until they get on the ARIA charts before a TV crew will film them and tell their story.

Ms HUXLEY: It is that incredibly human connection that generates word-of-mouth, which is probably the most powerful tool in the digital age. We were recently at the Barunga Festival in the Northern Territory. We were able to film the grandson of Gurrumul who, himself, is a musician and a very powerful voice in the First Australian culture. Actually, it makes the hairs on my arms stand up when I think about how extraordinary that content is, and what that voice can do on a platform like ours in helping people to understand the power of that music and why culturally it is so significant in Australia. It is that human connection that you point to that is the most powerful underpinning of music.

The CHAIR: I just want to come back to something that a colleague said. You talked about sensitivity of the streaming markets to give us their percentage of the market. I have never met a global business that has not known what its share of the market is. We are not dumb. You just do not have multinational markets that do not know what their share of the market is, even if it is out by 1 or 2 per cent. They have that data, so can you—

Ms HUXLEY: As we discussed, the data is not released.

The CHAIR: But it is there.

Ms HUXLEY: The data is not released by the streaming services at a country level, as far as I am aware, for any of our competitors or—to your point—we would be all over it like a rash. It is not that I am trying to question your intelligence.

The CHAIR: I meant no disrespect to you. I merely want to make a general statement.

Ms HUXLEY: Yes. The data does not exist.

The Hon. CATHERINE CUSACK: Can I look at differently?

The CHAIR: Please do.

The Hon. CATHERINE CUSACK: Do we know how much ARIA reimburses artists?

Ms HUXLEY: I do not have that data directly. I think it is probably a question best for ARIA.

The Hon. CATHERINE CUSACK: If you compared your costs with how much they are reimbursing that would give you some idea of your market share.

Ms HUXLEY: We have not looked at that data.

The Hon. JOHN GRAHAM: On that point, I agree with the Chair, the Deputy Chair and the other members of the Committee. We really welcome you coming on behalf of Spotify and talking. This has all happened in five years. It is a pretty extraordinary change in the music industry. It is important that there is a public discussion about it so that the public understands what is going on. That is why we are very glad you are here. A message not just to Spotify but all the streaming services: There will be further public scrutiny of those figures.

I know the Federal Parliament has launched an inquiry into these areas. They probably have more regulatory responsibility in this area than we do. I think there will be an expectation publicly that it is clear—

given the extraordinary data that you all hold about what is being streamed, when it is being streamed, what Australian music is being streamed—that there is able to be a public discussion about that. That will not be the responsibility of any one company, because you cannot move without the sector moving, but there would be a legitimate public expectation that we are able to have that discussion with streaming services generally. Today is not that chance. It has been very helpful, though, to talk about the interaction with our local music scene, but I think those questions are coming down the line.

The CHAIR: Thank you for that comment.

The Hon. SHAYNE MALLARD: It sounded like the chairman's report.

The CHAIR: I will finish on a high. In light of what is happening in Canberra can you tell us if there is a pollicie play list on Spotify?

Ms HUXLEY: I have not looked today. I think it is being played out on Twitter more than Spotify.

The Hon. SHAYNE MALLARD: I think the problem, Chair, is the number of different playlists going around.

The Hon. TAYLOR MARTIN: How about *Burning down the House*?

The CHAIR: I may suggest that we start with *Midnight Oil* and *Short Memory*.

Ms HUXLEY: I am looking forward to the memes.

The CHAIR: Thank you for presenting today. There were no hidden agendas today. We really sit around this table representing the consumers of New South Wales. That is all we are trying to do and help the young artists up. We appreciate your feedback on the sensitivities of this market, given how fast it is growing. We just want to make sure that there is the transparency that the consumer is entitled to, given the fact that they are paying for a product. We really welcome what you are doing and how you are helping young artists. In light of your evidence there might be some further questions. You will have 21 days to answer those. Kate and the team will help you with that, if that is so. I did ask you to do some research on the cost of aggregators. Thank you very much. We really appreciate your presence today.

(The witness withdrew)

MAT LEVEY, Manager, International Public Policy—Australia/New Zealand, Amazon, affirmed and examined

The CHAIR: Do you have an opening statement?

Mr LEVEY: I do. I would like to thank the Committee for the opportunity for Amazon to appear today. I am the head of Public Policy for Amazon in Australia. We appreciate the invitation from the Committee and believe it is a very important inquiry into the music and arts economy on New South Wales. We certainly believe that a vibrant cultural sector is tremendously important to the life of our cities and regions. We commend the Committee for focusing on the sector's economic drivers. Within a much bigger picture, we are happy to talk about the role that Amazon can play as an outlet for Australian musicians to reach audiences around New South Wales, Australia and the world. Since our launch we have taken numerous steps to ensure that Australian artists are prominently available to our customers. We are excited about the service that we have built for our Australian customers, and I am pleased to share that story with you today.

It is a very recent story. Amazon Music in Australia is in its early days. The service launched in Australia and New Zealand on 1 February this year. The service offers unlimited, ad-free music streaming with access to over 50 million songs. It is available for off-line playback on mobile devices anywhere at any time without an internet connection. Customers using the service can search for artists, songs, records and genres, and listen to any track in the catalogue at any time that they want. They can listen to Amazon's curated playlists and stations or create their own playlists, incorporating their top artists, their favourite songs, genres and albums. They can discover new picks of songs, playlists and artists suggested by Amazon's celebrated recommendations engine.

The service is accessible via Amazon Music as an app on iPads, iPhones and Android devices, and also online at Amazon.com.au/music. Currently in Australia, Amazon Music comes with a 30-day free trial after which it costs \$4.99 a month to use on Amazon Echo devices, \$11.99 for an individual membership, or \$17.99 for a family membership. In addition to top hits by the world's hottest artists, we are proud that Amazon Music is a destination for fans to discover and rediscover music from Australian artists. For our launch we worked with more than 20 Australian artists to cover iconic Australian songs from the very first Amazon original Made in Australia playlist. It was a collection of newly recorded covers available exclusively on Amazon Music. At the time of the Made in Australia launch, the playlist and participating local musicians were heavily promoted and marketed across the United States and Australia. This playlist was the cornerstone of our launch in February of this year.

Every day of the week we highlight Australian artists through various promotional banners on our service. These banners appear at the top of our apps and on the web, and they are the very first items visible to any Australian user opening Amazon Music on their chosen device. We offer more than 150 playlists and stations featuring popular and emerging artists from this region. These playlists are tailored by Amazon music experts. Examples of playlists that we launched with were Women Crush Wednesday, showcasing talented female singers from Australia and New Zealand; Australian Rock Royalty, featuring five decades of music from local rock legends; and Australian Made Hip Hop, featuring Australia's greatest 100 per cent home-grown hip hop talent. These home-grown playlists are continuously updated with music made exclusively by artists from Australia and New Zealand, spanning various genres including rock, country and pop.

At launch 35 of Amazon's 150 playlists featured exclusively Australian content. In total 75 per cent of Amazon's playlists contain Australian music. In addition to making Australian music available to our Australian customers, we also love being able to share new and emerging Australian artists with global audiences. We are working with our global programming team to push Australian music to our global market colleagues in the United States of America [USA], the United Kingdom [UK], Germany, Canada and dozens of other countries. As one example, Amazon Music recently released our first ever global playlist, simultaneously launching across more than 35 countries. That playlist is called Country Heat and includes music from established and emerging country music artists, including a song from Newcastle-born artist Morgan Evans.

Amazon Music promoted the playlist and Evans' music to tens of millions of Amazon Music customers globally at launch. This does highlight one of the fundamental benefits of streaming services like Amazon Music. The global nature of the Internet does make it easier for Australian artists to export their work and connect with new audiences abroad. We are really excited by the Amazon Music service we have launched for our Australian customers. We know we have a long way to go and for Amazon it is about working over the long term and focusing on our customers here in Australia. We do know that Australian artists will be central to that effort and we thank you again for the invitation and attention to this topic today.

The CHAIR: You mention you have 50 million or was it 90 million songs?

Mr LEVEY: Over 50 million songs.

The CHAIR: Others are saying 35 million. Where are the extra 15 million songs coming from?

Mr LEVEY: Chair, I could not tell you. I am told that there are over 50 million songs. The way it works is that any artist who has made their music available to an Australian label for streaming is in our catalogue.

The CHAIR: We will now move to Government members for questions. The Hon. Catherine Cusack?

The Hon. CATHERINE CUSACK: I do not have any questions, Chair.

The Hon. JOHN GRAHAM: Thank you for appearing today. You would have heard the evidence that has just been given. Do you want to comment about Amazon's current market share or the transparency around market share generally for streaming services?

Mr LEVEY: I am not aware of our Australian market share. I understand that we have tens of millions of customers globally. I do not have a figure on our Australian market share.

The Hon. JOHN GRAHAM: How many subscribers do you have for Australia?

Mr LEVEY: That is not a figure we would release.

The Hon. JOHN GRAHAM: Essentially the reason why you take the position not to release it is that none of your competitors are willing to release it?

Mr LEVEY: I understand that it is commercially confidential and that it is not an unusual position.

The Hon. JOHN GRAHAM: Yes, well, it is not unusual in streaming; it is unusual in, say, the print industry. If I pick up the *Daily Telegraph* I know how many subscribers they have or what the circulation is. There is a bit of argument on the margins about that in the print world but that is not the case here in the streaming world, is it?

Mr LEVEY: Sure. Look, I appreciate your question but it is not data we release.

The Hon. JOHN GRAHAM: Part of that is driven by the fact that this is such a new industry. That incredible growth that has been described has really come in the last five years; it is one of the optimistic stories but it is the fact that this is a new and emerging industry that is driving that position on behalf of each of these companies. Would you say that is fair?

Mr LEVEY: It is certainly a new business for us in Australia. As I say, it is about seven months old. I do not think that is necessarily related to commercial confidentiality. It is simply a position that it is not data that we release.

The Hon. JOHN GRAHAM: But is Amazon open to taking a different view about that if your competitors did?

Mr LEVEY: I am not aware of us having a view on that. I am happy to take away questions on notice but it is my understanding that it is not data that we release publicly.

The Hon. JOHN GRAHAM: Understood. We were told about a UK digital dashboard that allows some comparison for information. I do not know the details of it. I wondered if you were aware of this development?

Mr LEVEY: No, it is not something I am aware of.

The Hon. JOHN GRAHAM: Okay, thank you. I now have a set of questions about local content and the interaction with our local Australian or local New South Wales artists. This has been the subject of some real debate in the music industry. I am interested in Amazon's approach to that. There have been calls for a voluntary commitment by streaming services to certain amounts of Australian music. How open is Amazon to that discussion?

Mr LEVEY: I have not seen the specific proposals but to go back to what I emphasised in my opening statement, local artists are, in many ways, the cornerstone of the service we have brought to our Australian customers. In fact, our first employees on the ground here were music curators working on the ground in Sydney. We are meeting with labels on a weekly basis; we are meeting with talent managers and touring promoters to ensure that the clear appetite of Australian customers for local music is available through our service.

The Hon. JOHN GRAHAM: You say you have not seen those specifics. Let me put some of those specifics to you.

Mr LEVEY: Sure.

The Hon. JOHN GRAHAM: One of those calls is for a voluntary commitment from streaming services to include local playlists such as, for example, a sounds Australia playlist. I presume you would be open to that?

Mr LEVEY: Absolutely. I am happy to go away and have a think about it. As I said, there are a large number of local playlists already and that is reflecting a customer appetite for that music. Any discussion about levels of local musicians is a discussion that we are very comfortable that we are already playing a role.

The Hon. JOHN GRAHAM: So yes to that; that is very welcome. How many Australian playlists would you have at the moment?

Mr LEVEY: As I indicated, I believe there were 35 of 150 at launch that were exclusively Australian but across all of those playlists 75 per cent contained at least some Australian music.

The Hon. JOHN GRAHAM: The second call that has been made is for a voluntary commitment to include a minimum of 25 per cent local content in locally curated playlists. What is Amazon's attitude to that?

Mr LEVEY: Again, it is something we would be happy to go away and consider but is not something that has been brought to my attention previously.

The Hon. JOHN GRAHAM: I am putting it to you now: Can you see any practical problem with doing that from an Amazon point of view?

Mr LEVEY: I could not respond to that now. I think the first thing we would do is go away and have a think about what is the objective here because our objective is obviously to be a customer-driven service and it is very clear to us that our Australian customers have a significant appetite for Australian music, historical hits and also current and emerging artists and so from day one we have been setting about meeting that appetite. If the objective is to have great promotion and accessibility for Australian music, we are pretty confident we are doing that already.

The Hon. JOHN GRAHAM: So that is not a yes today but I welcome the commitment to go away and have a think about it. I think what would help the Committee, because we will consider making a recommendation on this issue, is if you were able to come back on notice and indicate within the time frame Amazon's attitude to that specific proposal. Thank you for that. Lastly, I ask about the data that is available to artists via Amazon. We have taken evidence from Spotify about their data that is available to artists. Give us your view about what information is available through your platform or what you consider local artists might use?

Mr LEVEY: I would have to take that question on notice.

The Hon. JOHN GRAHAM: Okay. Thank you.

The Hon. PENNY SHARPE: Can you take us through your curation team on the ground in Australia; how many you have, what they do, how often your playlists turn over—I assume some are daily and some are weekly?

Mr LEVEY: I cannot tell you the exact number but I do know that our first employees on the ground were music curators. They are based on the ground here in Sydney. As I said, the way they work is they are meeting on a weekly basis with labels; they are meeting with touring managers and they are meeting with talent managers. I think that is to ensure that the service is not just reflecting Australian content but in a deeper way is part of that cycle from release through to touring as artists move through major festivals and their own national tours that we are actually playing a role and reflecting that.

The Hon. PENNY SHARPE: The idea being that if someone is doing a tour, you want to basically have them featured in your playlists as they are doing that?

Mr LEVEY: Yes, absolutely. Certainly the aim is to be part of that broader ecosystem of the Australian music industry. A great example would be when Triple J celebrated 25 years of the Hottest 100 earlier this year. We were absolutely thrilled to help celebrate that by including the hottest 100 playlists going back to 1993, recognising that was an absolute icon of Australian music. It is about being aware of that, but not only aware of it, ensuring that our service is part of that dynamic and is reflecting it and, as I say, that is through weekly conversations, through updating playlists, through updating stations and essentially being part of that wider music community.

The CHAIR: We have received evidence from streamers about the way they have been trying to do a couple of things with Indigenous or Aboriginal artists. Do you have any initiatives along those lines?

Mr LEVEY: Again, I will have to take that on notice. It is super early days for us. They are questions I can come back on.

The CHAIR: There are other disadvantaged groups out there that have immigrated to Australia and we would like to give those youth a hand up as well so they can establish their craft in a new country. I do not want to say which particular group.

Mr LEVEY: Sure. I appreciate the question.

The CHAIR: I have seen an artist in the past who came from somewhere in Africa and created some good stuff in their craft. But for socially disadvantaged groups, is there any capacity in what you are doing or likely to do to help them?

Mr LEVEY: I appreciate that question. I will come back to you.

The DEPUTY CHAIR: Thank you for coming in today, Mr Levey. I was interested in the general outline you gave of the focus on Australian content when you gave your presentation in respect of Australian subscribers seeing options on the screen to go to Australian lists. Is that unique to Amazon? Whilst you cannot talk about market share of your competitors—I come from a commercial background and everyone knows their market share, or has an estimate. You all subscribe to competitors. Do you feel that Amazon is innovative and at the front of trying to promote Australian content to its subscribers?

Mr LEVEY: For us, it is about being entirely customer focused. We certainly would not have come to Australia with Amazon Music in February this year if we did not think we could offer exceptional service to meet customer needs. That is what we are working hard to do every day. We see Australian artists, both established and new ones, that we are promoting who are meeting those customer needs. I cannot comment on approaches taken by other services. For us, there is an incredible appetite from Australians to hear great Australian music—music they are familiar with and also music they might not have discovered yet. The fact that we have those levels of Australian content and that we are in discussion with the wider industry on a daily basis is a reflection of meeting our customer needs.

The DEPUTY CHAIR: You referred to the Australian teams pushing Australian music to your overseas teams. Can you talk us through how that works? That is an important asset, if that is what you are doing.

Mr LEVEY: Certainly it is the case that Amazon Music in Australia is one country where we operate the service, but there are others that I have referred to. We have opportunities, as I said, on the site. We launched the Country Heat playlist globally in 35 countries, which gave us the opportunity to have an Australian artist and have that playlist published at the same time.

The DEPUTY CHAIR: Was that called Country Heat?

Mr LEVEY: Yes. Morgan Evans was the name of the Newcastle-based artist who featured in that. That is one example. To be fair, there are also examples that go beyond our service. Amy Shark, is well known. I would not call her emerging anymore but an established Australian artist. On our side, we were able to interview her for our YouTube and Twitter channel and push that out, not only in Australia but also in the US.

The DEPUTY CHAIR: How do you push it out?

Mr LEVEY: Push it out via social media. For example, we interviewed her. We created our own interview and put it on YouTube. We made it the song of the day in the US by social media. We are in very large countries promoting Australian musicians, not just on our service but obviously in the wider marketplace.

The DEPUTY CHAIR: When the Australian teams identify someone who is hot through streaming, either emerging or established, do they pick up the phone to ring the Americans and say, "This is really happening", or do you pump the data through and they pick it up?

Mr LEVEY: There would be conversations happening regularly between the team here and teams in other countries.

The DEPUTY CHAIR: And vice versa, I imagine?

Mr LEVEY: Yes, absolutely. An example might be South by Southwest, the US event where people come together and discover new artists. I know we made recommendations to US colleagues that they check out Aussie artists who were performing at that event that they may not have heard of. There is definitely an ongoing conversation where we are doing all we can to bring people's attention to the fantastic music that we are seeing here.

The CHAIR: Are you aware if Amazon contributes to festivals?

Mr LEVEY: I am not aware that we have done that at this point. As I said, we set up shop on 1 February, but I am happy to take that on notice.

The CHAIR: There is a lot of good Australian talent going to those festivals and we know from evidence that those festival organisers are trying to give Australian artists a leg up. It would be a good place for you to find some original artists.

Mr LEVEY: I know that our music team attends festivals—

The CHAIR: So do my six kids.

Mr LEVEY: —but whether there is a more formal relationship beyond that, I could not say.

The CHAIR: You have taken questions on notice. You will have 21 days to answer those. In light of your evidence, we might ask some further questions. The secretariat will help you with that. We appreciate you coming along today. There is no doubt that streaming is a fast-growing industry. As I said to the previous witness, it is in the best interests of consumers in New South Wales that there is transparency around the product they are buying. That is why we are having this inquiry. Secondly, we are trying to give emerging artists an opportunity to play their craft and live their dream. We appreciate you coming today to give evidence.

Mr LEVEY: Thank you for inviting us, Chair. We appreciate it.

(The witness withdrew)

JOSH LANDIS, Executive Manager Public Affairs, ClubsNSW, sworn and examined

ANTHONY TRIMARCHI, Manager, Policy and Government, ClubsNSW, sworn and examined

The CHAIR: Do either of you or one of you care to make an opening statement?

Mr TRIMARCHI: Yes. Good morning. Thank you for the invitation to appear before the Committee today. ClubsNSW is the peak industry body which represents the interests of 1,348 not-for-profit registered clubs, half of which are located in regional New South Wales. I think it is fair to say that clubs have had a long and proud, if often understated connection, with the music economy in this State. Clubs have been incubators for Aussie talent for generations, supporting artists such as Midnight Oil, Cold Chisel, AC/DC, INXS, Powderfinger, Johnny Farnham and even the Whitlams. It is not just about big names getting their start in clubs. The industry provides a range of opportunities for artists at all levels at all stages of their career from the tribute bands to stand-up comedians to Elvis impersonators—clubs cater for them all.

As social hubs, clubs by their very nature provide some form of music and entertainment amenity to their members, ranging from the very large multipurpose entertainment facilities such as performing arts centres and exhibition halls to smaller auditoriums and dance floors. This is especially important in regional areas, where clubs are often the only providers of such amenities to their community. The contribution clubs provide to the live music industry is substantial. As our submission indicated, a 2011 report by Ernst and Young found that the New South Wales club industry directly generates \$202.4 million in live music revenue, adds \$111.2 million in value and employs 2,536 full-time staff as a direct result of live music. It is our longstanding view that without clubs, many artists simply would not have the opportunity to cut their teeth, kickstart their careers, further their musical pursuits, fine-tune their skills, grow within their field and, of course, earn a living.

ClubsNSW itself is proud to be the major sponsor of the Talent Development Project, a program which discovers and develops talented young musicians from New South Wales public schools, preparing them for a career in the music and entertainment industry. Each year more than 100 students go through that program and ClubsNSW provides \$200,000 per annum in funding. The club industry also supports the arts, both through the provision of facilities such as performing arts centres and theatres as well as direct financial support. For example, \$12.5 million in ClubGRANTS Category 3 funding has been allocated over the course of this term of government towards the building, renovation and fit-out of arts and cultural infrastructure in local communities across the State—particularly in regional, remote and disadvantaged areas.

With regard to the regulatory environment, it must be acknowledged that the removal of the Place of Public Entertainment, or the POPE, licence by the New South Wales Government in 2009 has led to reduced red tape for clubs seeking to offer live music, and that has helped. However, impediments remain. For example, the current framework around how noise complaints from hosting music and entertainment should be handled is, in our view, complex and duplicative. As it stands, Liquor and Gaming NSW, as our primary regulator, has the responsibility for noise complaints for licensed premises, and it has the power under the Liquor Act to investigate and impose conditions on clubs and other venues. However, local councils also impose noise controls on licensed premises via their individual planning instruments and development consents and, as you can imagine, different councils have different standards.

The New South Wales police also regularly attend licensed premises and they can give directions on noise reduction and can apply to the regulator to have licence conditions imposed. As you can imagine, each party has their own approach, their own standards and their own rules, and, as a result, complainants have the effective ability to "jurisdiction shop" to any or all of those parties to seek the most favourable outcome in their eyes. Further, although the Liquor Act requires that the order of occupancy between venues and the complainant—that is, who was there first?—to be taken into consideration, there is no effective deterrent to serial complainants or complaints that are vexatious or frivolous in nature, nor is there any real onus on the complainant to attempt to resolve the issue with the venue directly prior to making a complaint.

It is often said that the process is effectively the punishment, and clubs are often forced to spend considerable time and money on responding to complaints and being subject to investigation, often being required to carry out acoustic testing in the venue, at the club's expense, which is, in and of itself, quite an expensive process. We would welcome consideration of a streamlined approach to noise complaints to remove that duplication and that regulatory overlap. Another such impediment to hosting live music, as we flagged in our submission, is the requirement for 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 deems entertainers to be "workers" for the purposes of workers compensation if they perform on a club premises, even if the performance is provided to patrons for free. No other licensed premises type—not pubs, not restaurants nor anyone else—is subject to this requirement, nor is it, as far as we are aware, duplicated in any other State or Territory. The effect of this is that clubs pay significantly more than other venues to host entertainment and it places them at a disadvantage competitively.

For example, some Committee members may be familiar with the Twin Town Services Club in Tweed Heads. It is a large club that features a 1,500-seat showroom, which is regularly used for large acts. This is in addition to their standard "lounge acts", which many other clubs provide and feature. That club reports to us that their additional workers compensation premium, when you factor in the additional payments as a result of the Workplace Injury Management Act, is more than \$3 million per annum. To our mind, there is no logical basis or benefit why entertainers should be deemed workers when they perform at clubs as opposed to other venues, given that most are already covered by their own insurance arrangements and, if they were not, they would certainly be covered by the club's public liability insurance. In our view, it simply serves as a deterrent to clubs putting on more entertainment, and we think that clubs should be placed on a level playing field in that regard and we would welcome further consideration of that. That concludes our submission and we welcome any questions.

The DEPUTY CHAIR: Thank you. That is a very comprehensive opening statement.

The Hon. JOHN GRAHAM: Thank you, firstly, for appearing and for your submission; it is very welcome. Those figures you gave are quite striking. Your submission states that 2,536 full-time staff are employed in clubs as a direct result of live music. Those figures are seven years ago; so I presume those figures about the benefit and maybe even the number of staff might be higher seven years on.

Mr TRIMARCHI: That is correct; that is our view. Unfortunately, we do not have more recent figures available, but we conduct a census of the club industry every four years with KPMG and we did one in 2011 and one again in 2015 and what we saw in that period was an increase in club memberships by over a million. So clubs are becoming more popular. We now have 126 million annual visitations into clubs.

The Hon. JOHN GRAHAM: Those figures, very significant in here, could be even higher, and I think a crucial part of the story in this sector is really the point you have made: Sydney versus the regions. People think about some of these music issues as being Sydney-centred, but really when you come to getting out into the regions, it is your clubs providing the stages, dealing with the issues that we are talking about. This is not just a Sydney issue, is it?

Mr LANDIS: Absolutely not. In the regions, clubs are typically for the big venue. It is hard to find large auditoriums, large stages for hosting live music, for hosting significant tour events. We have even seen Bananas in Pyjamas and other shows go and tour in clubs in the regions because there is nowhere else to do it. So clubs really perform that venue in the bush, and when big acts comes into New South Wales and want to go out into the regions they will be at clubs.

The Hon. JOHN GRAHAM: I want to come to one of those examples that you refer to in your submission in the regions. In the Hunter region, a bowling club—I think there has been some publicity around this; I understand it might have been the Lowlands Bowling Club, an excellent bowling club in Newcastle—received a noise complaint and it shut down the music that was going on. It was an outdoor ukulele music class, people in the class with an average age of 65, it was on the club's outdoor bowling green, the time was 5.30 in the afternoon on a Monday, and this was shut down. Can you tell us some more about that example?

Mr TRIMARCHI: We included it in our submission; it might be a more left-of-field example of the type of complaints that clubs receive, but I think it highlights the issues and the people that make these complaints that clubs have to respond to. I have a copy of the *Newcastle Herald* article here that I am happy to share with Committee members; I have made several copies. But your summary is correct. The club has an outdoor bowling green, which was underutilised; they were approached by a local music teacher who sought to have alfresco music classes with an average age of 65, with a very small amp—by all accounts it was not doof doof or invasive music. A local who, I think, was well-known to the club and, as the article suggests, has made complaints before, lodged a complaint.

The Hon. JOHN GRAHAM: And the result of that was class cancelled—they were not able to proceed.

Mr TRIMARCHI: It highlights for a lot of clubs: once bitten twice shy. The hassle of having to deal with these complaints, taking them into consideration and responding, when you balance against do we want to provide music or, in this case, a ukulele class, sometimes it is easier and less stressful just to shut it down.

The Hon. JOHN GRAHAM: So the class was cancelled, there was no work for the music teacher and—I am not going you to describe them as promising ukulele players—people who wanted to engage in this sort of recreation and get out with members of the community had their class cancelled after one complaint at 5.30 on a Monday afternoon.

Mr TRIMARCHI: Correct.

The Hon. JOHN GRAHAM: I think you are right—it is one example but it goes to the heart of what the dynamic is. You have described the regulation of noise as "complex and duplicative." In questions to the agencies, the Committee discovered that there are seven agencies in charge of regulating noise in New South Wales. I think you have made some very good suggestions about there being some sort of recognition of serial and vexatious complaints and mediation—I think they are two quite serious suggestions. You talked about acoustic testing. That can be very testing. Can you talk us through that point, because it does not sound unreasonable to turn up and say, "Well, we think you should test what the acoustics are like"? How much does it cost?

Mr TRIMARCHI: You are required to find an audio engineer who is going to come in—they are a professional. They bring their own equipment and it takes some time. I have spoken to several clubs and the cost does vary but we are talking \$1,000, \$2,000 or potentially thousands of dollars to conduct the tests. They have to be conducted from different parts of the clubs and clubs are very large premises. They need to be done at different times of the day with different levels of music or volume. It is a complicated process. It is also important to note that often the requirement to undertake acoustic testing is the rule and not the exception. It is quite a common response to deal with a complaint. I understand as a decision-maker who has limited facts available, often the best way to ascertain is to do an acoustic test.

The Hon. JOHN GRAHAM: It is an easy option and it sounds reasonable.

Mr TRIMARCHI: It sounds reasonable but it is expensive and time consuming.

The Hon. JOHN GRAHAM: The Committee has taken evidence elsewhere that it certainly costs thousands of dollars, but might cost \$10,000 or \$20,000 even for small venues.

Mr LANDIS: It can do.

Mr TRIMARCHI: Absolutely.

The Hon. JOHN GRAHAM: The final issue I want to ask about is the restrictions that are in place on liquor licences about entertainment and live music. This is definitely an issue for hundreds of venues across the State. It is probably slightly less of an issue in clubs, but in a number of clubs the conditions on the licence indicate that there can be no entertainment and no live music. That is not about the noise. All these places have to stick within the noise regulation, but it is really a ban on musicians being employed. Have you got a view that you would like to put to the Committee about those sorts of restrictions?

Mr TRIMARCHI: Those restrictions often arise as a result of a complaint or trigger, whether it is from the police or a complainant. I can give you several examples of clubs that have been taken through the process of a decision under section 81 under the Liquor Act in relation to noise disturbance complaints, some of which have had those restrictions placed on them. These clubs are not what one would consider to be big entertainment venues—the Palm Beach Bowling Club, the Warilla Bowls and Recreation Club and the Bundeena Bowling and Sports Club. Without having trawled through their programs, I hazard a guess and say that these clubs are not hosting big entertainment events. Those restrictions exist and once they are placed on a club's licence the club has to abide by them and that means no music.

The Hon. JOHN GRAHAM: I understand being told you have to keep the noise down—I think that is very explicable and there has to be a balance there. I am struggling to understand why there is a ban on work for musicians. If they keep within the noise restrictions, why can these clubs not employ someone to entertain people?

Mr LANDIS: I think it is a question you probably should and will put to regulators. In our view, sometimes it is an easier option to apply a ban than it is to try to identify certain limits that might be applied. We agree—we think it is an unreasonable approach that limits the opportunities for the clubs to provide live entertainment, which people enjoy, and for people to work in clubs in that particular way. The issues of noise can be managed in other ways.

The DEPUTY CHAIR: And not all the clubs are thriving. The bowling club you referred to before probably is trying to diversify its product for the community. In regional and rural towns some of the small clubs are struggling and this restriction restricts their ability to diversify and survive.

Mr TRIMARCHI: Absolutely. Not every club is a big RSL or leagues club. Of the 1,348 clubs in the State, just under 900 are what we consider to be "small clubs", which means they earn less than \$1 million per annum. Those earnings are not predominately from gaming; they could be from membership subscriptions, food and beverages and entertainment. They are small and a lot of them are struggling to survive financially and have serious financial—

The DEPUTY CHAIR: We see that even in the city with the bowling clubs closing.

The Hon. JOHN GRAHAM: I have one final question about the entertainment condition. That restriction comes under the liquor licence. Are there additional restrictions on live music or entertainment that councils might apply under a development application [DA] and, if so, are they in addition to the hundreds of venues told they cannot have music?

Mr TRIMARCHI: My understanding is that that is correct. Councils will have conditions in their local environment plans, which will apply when someone submits a DA. They are not retrospective in that they do not apply to clubs, but if a club were to conduct a renovation or an any way need to submit a DA it would be assessed under that noise policy.

The Hon. JOHN GRAHAM: What you are telling us is that we know there are hundreds of venues banned from employing musicians on their liquor licence but there could be many more through their DA?

Mr TRIMARCHI: I could not tell you the number. Unfortunately, we do not have that visibility of councils. But those conditions exist and when clubs put a DA up and run the gauntlet they would attract those.

The DEPUTY CHAIR: It is interesting to tease out the issue of over regulation. Part of our work is to review and streamline the regulation and I am torn. Local councils represent local considerations and the local communities' views around clubs. The local community is the community of the club venue so there is no conflict of interest—there are compliments there. The State regulator looks after liquor licences but it seems to have got very involved in the minutia at a council level. Where would you see the ability to strip out some of this over regulation? Are you suggesting pulling council away from that role?

Mr LANDIS: We have not declared a preference one way or the other. In our view Liquor & Gaming NSW is an expert agency when it comes to dealing with licenced venues and we deal with Liquor & Gaming for most of the issues that arise when it comes to clubs. The agency is in a position to apply conditions on a licence in an ad hoc way, whereas a council is able to only when it comes to a DA process. We think that if the community is mindful to ensure that noise issues are dealt with as they arise, then the regulator at a State level is best placed to do that. We would also recognise that many of the issues that arise when it comes to music are in licenced venues.

Unlicensed venues do not typically have, in our experience, live music going on. It could make sense for the liquor regulator to be the primary operator. Certainly when it came to Place of Public Entertainment [POPE] licences, the streamlining that occurred there was to remove some of those powers from planning and from councils and they went to Liquor & Gaming. However, there may be other views and we do not think it is for us to determine one way or another who the primary regulator should be.

The DEPUTY CHAIR: I can imagine from what we have picked up on from pubs and other venues that clubs are reluctant to put in development applications to councils because it can open up the issue of noise emissions from the venue if they put in a DA for only a new disabled bathroom or something. I turn to the ClubGRANTS. Obviously a huge part of your revenue—I do not know what percentage—is gaming, but you do the ClubGRANTS, which is a good thing. Are aware of the matter that would go to live music, the music industry or festivals?

Mr TRIMARCHI: There are three categories of ClubGRANTS funding. The scheme itself provides just under \$120 million per year in donations to sporting teams, charities, community groups. Of those categories, one and two, which are administered at a local level by clubs, music festivals would not be an eligible category. The purpose of the scheme is to provide funding to disadvantaged local groups, primarily social, as well as fund grassroots support. However, as I indicated in the statement, in category three, which is administered statewide by the government, \$12.5 million over four years goes directly to arts and culture which includes music, it includes theatres, local libraries, pop-up galleries. It is quite a diverse field.

The DEPUTY CHAIR: How much is in one and two?

Mr TRIMARCHI: Just over \$100 million, \$108 million or thereabouts.

The DEPUTY CHAIR: Over four years?

Mr TRIMARCHI: No, per annum. There is \$120 million per annum in the scheme and \$12.5 million over four years for category three, to arts.

The DEPUTY CHAIR: The \$108 million is for local ClubGRANTS administered by local clubs but only towards social disadvantage and sporting groups, which I acknowledge are important?

Mr LANDIS: You should keep in mind some of the category two grants can be contributed to music. There are a number of band clubs around the State. There is a band club in St Marys, there is one in Broken Hill. Those clubs certainly do provide vast contributions to support the development of local music and talent and that sort of thing. The industry provides money separately from ClubGRANTS where they are not eligible to pay through ClubGRANTS to support a range of different live music. The club industry started the Elvis Festival in Parkes. We have been huge supporters of a range of different music festivals and community get-togethers around the State. Many of them either would not have started or would not have been able to continue without the support of clubs. That happens either through ClubGRANTS or separately from it and the industry has been proud to be supportive of all of those sorts of things.

The DEPUTY CHAIR: I mentioned Rooty Hill RSL. We were there for an inquiry recently and I was blown away by how much it has grown. The big entertainment venue they are building there, I think the *Herald* referred to it as the private sector responding as opposed to government to the need for a huge venue there largely paid for by gaming revenues. Do you want to comment on that facility and its future for Western Sydney?

Mr LANDIS: This is a club that determined on their own that there is a need for the western suburbs community to be able to enjoy access to quality entertainment. The people in the west really struggle to get to the Opera House. They struggle to get into the city where there are a number of—

The DEPUTY CHAIR: The Powerhouse.

Mr LANDIS: Exactly. The New South Wales Government has identified over an extended period that the west really needs more facilities but they are expensive. So this is a club that is investing \$100 million—it is a huge amount of money for any business—into a performing arts centre. They are doing it entirely on their own, yes funded by gaming, that is where the money comes from, but I guess for those who think that gaming kills live music, this is evidence writ large that the opposite is true because that club is providing a facility that really only government would otherwise pay for. It is hard to see financially how it will stack up on its own, so it is a community contribution that that club is making I guess for the benefit of its local residents. We think it is a great thing. It is the kind of thing that clubs should be doing. It is why we think we are a great addition in the New South Wales body corporate, body politic, and that it will be used by a number of different entertainers and be greatly appreciated by the people of the west.

The DEPUTY CHAIR: It would be great to see good local content in there too as well as the national and international stars that I imagine are going to roll through there.

The Hon. PENNY SHARPE: I was interested in your comments about the workers compensation anomaly. There have been quite a lot of changes to the workers compensation law over the last few years. In the changes that have happened in workers compensation, which I am sure you are much closer to understanding than me, how has that anomaly arisen? Has it been a hangover from previous law that has not been picked up? It is very odd.

Mr TRIMARCHI: It is a good question. We asked ourselves that. We rely on our members to tell us what these issues are to a degree and this was pointed out by some of our clubs. It is an historical hangover as far as we are aware. We believe the relevant agency is the State Insurance Regulatory Authority. We asked them and they had to think about it for a while as well because for a time no-one knew. It harks back to I believe the early 1950s when there was a need for such a requirement and clubs were effectively the only place where that type of entertainment could be provided. That is before there was ANZ Stadium, before we had a precinct in Homebush, before we had dedicated live music venues and before many people had their own insurance. It harks back to a time when there was a need for that and it seems like the type of thing that has just carried over and no-one has ever asked the question in this day and age is it fit for purpose, it is relevant, is it needed?

The DEPUTY CHAIR: I might suggest you make a submission about that anomaly to the inquiry into the workers compensation scheme that is held every two years and that I used to chair. It has not come up in the time I have been on that committee. It is a valid concern.

The Hon. PENNY SHARPE: It seems to me that clubs provide incredible infrastructure for live music and what we are looking at. We heard some evidence yesterday from Bulahdelah that some of your clubs are really struggling to get people in, as you would know. There is a mismatch between the older membership who

joined it as a bowling club and the interest in the community for live music which is perhaps not what the older bowlers would like. Can you point us to some clubs that are trying to meet that mismatch? The ukulele one is a fairly obviously and quite funny one, but I am assuming that it is not unusual that you have membership that is ageing and declining. Even though I acknowledge you say your numbers are going up, I suspect in some areas they are declining greatly. Do you see there is something beyond noise regulation and those kinds of things that the State could assist with in encouraging greater partnerships to use that infrastructure for a new audience?

Mr LANDIS: One of the issues that we have seen that we have not raised in the submission has been the decline in clubs of nightclubs. Nightclubs have been determined over a period of time to cause more problems than they are worth, particularly with police, and so clubs have closed them down. We can give you numerous examples of clubs which used to operate a nightclub not because it generated revenue but because they felt it was an important facility for young people who might not have had options otherwise in the area. The issues that arose in terms of violence, in terms of police attendance at the venue and, as you rightly raise, interactions that might not have been what the club wanted with some of their older members caused the clubs to determine to close those nightclubs down.

Typically in clubs we try to cater for everybody. We like to say that the industry is family friendly. Not all clubs are, and certainly the ones that struggle on that front are the ones we think are more likely to close. The challenge for clubs is to have a broad demographic to make themselves relevant to as many people as possible. That means providing options including live entertainment and different forms of music. As you will appreciate, people have different views about what is good music.

The Hon. PENNY SHARPE: Very strong views.

Mr LANDIS: Very strong views. Clubs will have challenges around what sort of music they put on in the background at different times of the day and who it is they are trying to make feel comfortable by that music. These are challenges that clubs grapple with differently from other venues. We have a much easier sense as to who their target market is. We see clubs that struggle with those issues but certainly our big clubs with multiple different areas are able to use those to appeal to different demographics. It is the case that big clubs typically are getting bigger and small clubs are struggling. We are not going to suggest for a moment that music is the reason but certainly the ability of bigger clubs to broaden their demographic and make them all welcome and comfortable is a factor and music is one element in that.

The Hon. PENNY SHARPE: I have been interested in the evidence from artists and music lovers who talk very fondly of the smaller clubs in regional areas like Swansea, Palm Beach, Avalon, Bombo and Wollongong that had been live music venues. Noise seems to be the major issue. Is there anything else that makes it harder for regional clubs in terms of recommendations that this Committee could make that would enable those clubs to be the kinds of vibrant live music venues that they have been in the past? Noise is obviously the big one, which is changing neighbourhoods. Is there anything else?

Mr LANDIS: There has been an issue—not raised here—where when a club is doing a DA they can be restricted by council in regards to how many people they can fit in an area, and so that venue capacity can be a hotly contested issue. Some bands are much better when you are standing up and people are packed in a little bit and people can really enjoy that experience. So long as the venue in our view has the appropriate strategies to be able to manage that capacity, then we think that some of the natural restrictions which might be placed on a venue capacity by a cautious council officer might be managed in other ways.

The DEPUTY CHAIR: That is another sliding scale. We are nearly out of time. The Hon. John Graham would like to ask a question as well. It may have to be put on notice.

The Hon. JOHN GRAHAM: Taking the Deputy Chair's point about specific proposals to deal with some of these issues, I wanted to get your reaction today—or feel free to come back on notice—to the idea of this no entertainment or no live music provision that might be in a liquor licence or, as you now say, might also be in a DA. Do you have a view about the specific proposition that the South Australian Government chose to tackle this? That was to simply say: We are striking this out as a matter that government or agencies or local councils should have a view about, this is simply not a matter for regulation. We will have noise regulations, but we will not have a ban on work for musicians. Do you have a view about that specific proposition?

Mr TRIMARCHI: We will take it on notice to find out a bit more about the approach in South Australia. We support and encourage more live music and where those conditions are effectively placing a bar on that, that should be reviewed.

The DEPUTY CHAIR: Thank you for coming in today. You have 21 days to respond to the questions on notice. There may be some other questions lodged by the Committee.

(The witnesses withdrew)

(Short adjournment)

JESSICA DUCROU, Co-Chief Executive Officer, Secret Sounds, affirmed and examined

The CHAIR: Do you have an opening statement you would like to read?

Ms DUCROU: Yes, I do. Secret Sounds is an Australian-grown diversified music company operating in Australia with interests extending into New Zealand and Asia. We employ more than 80 permanent music staff year round and have offices in five key locations; Sydney, Melbourne, Byron Bay, Brisbane and Lorne. When we do run events our contracted staff are in the thousands. We are arguably Australia's largest full-service music business with interests and partners comprising of three music festivals: Splendour in the Grass; the Falls Festival, operating in four different locations; and the Download Festival, which will be operating in Victoria and New South Wales.

We have: Two record labels, Create/Control and Dew Process; a booking agency, Village Sounds; a touring company, Secret Sounds Touring; a management company, Secret Sounds Management; a commercial rights business selling sponsorship and brand partnerships; a public affairs [PA] company; and a publishing business. We also have interests in three music venues around Australia. We have an 800-capacity music venue in Brisbane called The Triffid. We are also shareholders in North Byron Parklands in Byron Shire, which I am sure you are familiar with. We are in the process of opening a 3,000-capacity venue next year in Brisbane.

I would like to take this opportunity to speak frankly about my experiences running a music business in today's economic climate. I will talk first to the lock-out laws. Having been a Sydney resident for many years, I left Sydney 19 years ago and moved up to Byron Bay. I lived up there for 17 years. Before I left Sydney my career was inspired by Sydney being a vibrant town with plenty of music opportunities, it was an exciting city to live in. I come back 17 years later—I have been back now for 18 months—and what Sydney has to offer as a city is, frankly it is so hard to recognise the city that it once was, certainly in terms of opportunities for young people, and for being a leading city in the world it does not offer what it used to.

The New South Wales Government lock-out laws have had an enormous impact on the Sydney nightlife. A once thriving live music scene, it now resembles a ghost town. Live music revenue in areas affected by the lock-out laws is reported to have declined by 40 per cent in Sydney, and New South Wales is in danger of being taken over by more progressive States. It is my belief that we need to carefully consider evidence-based policies that ensure a safe and diverse city. The statistics that are being used to justify the effectiveness of the policies are somewhat misleading. Less people frequenting the once popular nightlife locations will obviously result in fewer reported violent incidents. The underlying behavioural issues have not necessarily disappeared, they have just moved on. Obviously, it is a key issue in this inquiry and I am sure you will have questions regarding that after.

I wanted to talk to the economic impact in government funding, and speaking from experience there is significant commercial risk involved in running music festivals. When it comes to government funding, contemporary music is often overlooked in favour of fine arts. Despite contemporary music in festivals compromising 40 per cent of the live music industry, which is \$577 million, there is not necessarily the support. I would like to see more seed funding for new business initiatives and grassroots support for artists. The contemporary music industry contributes significantly to the Australian economy, generating revenues of \$1.5 billion to \$2 billion annually. More Australians are reported to attend live music events than sport. Expenditure associated with live music is estimated to generate more than 64,000 jobs, half of which are full-time.

I want to take this opportunity to talk about North Byron Parklands. We purchased the venue in 2007. We were looking for a permanent home at which we could purpose build a venue that managed all of the impacts that result from holding a music festival. It has been a long road and we still do not have approval. We went to Byron Shire Council for consent, and we got approval for only one year. Then the objectors—there are only a handful—took us to the Land and Environment Court and the approval was overturned.

We took the festival to Queensland for a couple of years and then the New South Wales Department of Planning and Environment took it on as a State-significant development. We are still going through the process. We were granted a five-year approval and had it extended for a further two years. We still do not have approval. What is particularly important at the moment is that we are going through the final process with the department now, but we need a decision on permanency by the end of this year, at the absolute latest. We are concerned about how slowly the department is moving. I am seeking some kind of support in trying to put pressure on the department to process this application before the end of the year. We need it approved before the end of the year because it will allow for the growth we need to survive. If we do not have it this year, we will be treading water for another 12 months. It has been a very frustrating process.

The total economic output from the two events held at the parklands venue was measured at \$1.26 million. Byron Shire Council accounted for \$34.6 million. In 2016, the creation of 246 equivalent full-time jobs represented 2.25 per cent of the local workforce. We need to find a home for the festivals. We are an integral part of the northern New South Wales region. We are experienced operators and there is no reason for the approval to be withheld. If we cannot get approval, we will need to look for alternative sites. We are committed to New South Wales, but there are not many options for us. We need to resolve this situation sooner rather than later.

Currently in New South Wales there are a number of areas where bureaucratic red tape and inflexible planning laws inhibit a smooth process. I would like to see more practical and consultative processes that support the music and arts industry, allowing for growth and longevity rather than creating obstructions. In our experience, the political regulatory and compliance environment in New South Wales makes it significantly more difficult to do business than is the case in other States—Queensland, Victoria and Western Australia in particular. New South Wales is already under threat from other States and it is at risk of becoming even less relevant if recent policies are retained.

I would like to see government policies that adopt a more consistent approach to compliance and regulation in line with other events throughout the State. That is, policies which recognise the significant economic, social and cultural benefits that the music and arts sector provides to New South Wales; which encourage and maintain the establishment of new and existing music and art venues across New South Wales; which support music and arts venues and which reduce the likelihood they will move to other States and Territories; which provide clear operating guidelines that are uniform across events and the State covering a range of matters relevant to this important and growing industry; and which provide business certainty to the operators who invest millions of dollars in this sector. Thank you for your time and for the opportunity to speak freely.

The CHAIR: Thank you. You are welcome. That is why the Committee exists—so that you can speak freely. Can you tell the Committee about the impact of not having approval? What does that mean for your business in securing artists?

Ms DUCROU: Splendour in the Grass and Falls Festival—but particularly Splendour in the Grass—sell out within the hour every year we go on sale. We have the ability to sell more tickets, but we do not have the capacity approval to do that. In reality, that puts constraints on what we can afford to do with the festival. We would like to add more stages; we would like to grow the experience of the festivals; and we would like more people to be able to attend and to experience the festivals. We cannot offer anyone that. In terms of timing, if we do not get approval this year, we cannot add the stages or an extra day to the program, which is what we would like to do because we do not have enough time to schedule the talent before we launch the show next year.

The CHAIR: Basically, New South Wales is making it too hard?

Ms DUCROU: Yes; correct.

The CHAIR: It is not only that situation in Byron, but generally the legislation or regulations are making it too hard for us to have a vibrant music and arts economy.

Ms DUCROU: I think so. We first started working with the Department of Planning and Environment—under a different government—and our application then moved to the Independent Planning Commission, and we went through its approval process. They understood nothing about events. We had some very effective objectors and they conditioned our trial approval. That is why we are still here eight years later. In most instances developments are approved as permanent. It has created enormous work for the Department of Planning and Environment and various other stakeholders because our operations are constantly under scrutiny. It is exhausting. It is absolutely exhausting.

The CHAIR: And the risks are far greater.

Ms DUCROU: We have stopped investing in the land because we do not know if we have permanency. If we did achieve permanency—and we should achieve permanency—we would reinvest in infrastructure on the property, we would provide more jobs.

The CHAIR: Can you give us a quick snap shot of the jobs that such a festival creates?

Ms DUCROU: Two hundred and forty-six full-time job equivalents for North Byron Parklands, which is significant in Byron Shire. We account for 2.25 per cent of the local workforce.

The Hon. JOHN GRAHAM: Thanks for your evidence. I think it is particularly helpful as we turn to look at the festival issues, which we did when the Committee was up, looking around the North Coast. I just want to turn to some of the approval issues that you are dealing with. One is the temporary nature of these approvals

that have been given. We have evidence from other festivals, as well. Some smaller festivals, in even tougher situations, are getting their approval weeks or months before they have to hold the festival. You are facing temporary approval or trials but you are having to invest in permanent infrastructure on the site.

Ms DUCROU: We spent \$30 million at North Byron Parklands.

The Hon. JOHN GRAHAM: With no real guarantee.

Ms DUCROU: No guarantee.

The Hon. JOHN GRAHAM: So the State and the local council have you on a trial, but you have to make those permanent investments to make this work.

Ms DUCROU: That is right. We are not in a great position. Speaking to other event promoters with much smaller events, I came from that place where you would need to apply to local council every year for your approval. We did not receive approval until probably six weeks before the event. I think there is a real lack of efficiency. Once you get to a certain point, surely you can have an ongoing approval.

The Hon. JOHN GRAHAM: You get that six weeks before, but you are investing in infrastructure or booking artists well in advance of that and taking a financial risk.

Ms DUCROU: Yes. Sorry, I was referring to pre-North Byron Parklands when I said that it was six weeks before.

The Hon. JOHN GRAHAM: Understood.

Ms DUCROU: But now we are absolutely investing substantially in property in terms of infrastructure and artists. The show is a \$30 million show. The property has had millions of dollars—

The Hon. JOHN GRAHAM: Yes, and you have to make those commitments upfront hoping that the planning process in New South Wales falls in your favour.

Ms DUCROU: That's right.

The Hon. JOHN GRAHAM: You have talked about the capacity. I just want to ask about a slightly different issue, which is not just the number of people you have on one day but the number of days you can run events on. One possibility would be to run a festival like you are running, or slightly bigger, but then run it again the following weekend. Can you do that under your existing approvals?

Ms DUCROU: No. But we have not applied for that. I think probably for Splendour in the Grass we would prefer to run an extra day to the program rather than an extra weekend.

The Hon. JOHN GRAHAM: Sure. Understood.

Ms DUCROU: We will be able to do that—

The Hon. JOHN GRAHAM: But you are heavily restricted on that site for the number of days you can run a festival.

Ms DUCROU: That is right.

The Hon. JOHN GRAHAM: How many days would it be?

Ms DUCROU: Twenty major-event days a year.

The Hon. JOHN GRAHAM: That is pretty extraordinary if you take a step back and think about any other industry in the State. I cannot think of another industry in the State where we would tell them they can operate 20 days a year and employ people, but they have to stand down for the other 345.

Ms DUCROU: It is hard to make a living from.

The Hon. JOHN GRAHAM: But that is really what you are being told.

Ms DUCROU: We have put that forward because we are trying to provide a palatable opportunity for the local area. We would love to run 365 days a year—

The Hon. JOHN GRAHAM: You are trying to help balance those things.

Ms DUCROU: —but it is just not a reality.

The Hon. JOHN GRAHAM: That probably would not suit the local area. However, taking a step back and looking at how we regulate these industries, it is still quite a remarkable restriction on what you are doing.

Ms DUCROU: It is.

The Hon. JOHN GRAHAM: You talked about funding. We know now that funding for contemporary music in New South Wales is \$1 million per annum. In Victoria it is \$27 million over four years. But you are making the case that some of that funding for contemporary music would help in the festival space.

Ms DUCROU: I think so. Not necessarily for us, but for other, smaller promoters it would really help. It is very difficult to make a festival profitable for less than 15,000 people. But the only way you start a festival is to go through those steps. It is a high risk. I think festivals are experiences that people want to attend, and it would be a great use of funds to support some young promoters.

The Hon. JOHN GRAHAM: Lastly, I just want to ask about one issue that you did not raise this morning but you did touch on in your submission. It is about the sorts of changes that festivals are making, including your festivals, to deal with antisocial behaviour. Do you have any views about things we could do or recommend, or things we could support, that help make these places safer spaces?

Ms DUCROU: We have an initiative called Your Choice. I do not know if you are familiar with it, but it came out of our experiences on the Falls Festival. It is about having a dialogue around behaviour. We have a platform for that. I would love to be able to provide some further information on that.

The Hon. JOHN GRAHAM: I think that would be really helpful.

Ms DUCROU: That would be great. At the moment it is not for profit; we are putting money in just to try and keep it rolling.

The Hon. JOHN GRAHAM: Thank you.

The Hon. PENNY SHARPE: North Bryon Parklands is a unique site. There are not very many of them around. If it falls over where are the other options?

Ms DUCROU: I have not even thought of that. I cannot bear to think of what that means to us. Byron Bay is a key part of what makes the festival successful. Immediately, we would have to consider going back to Woodford in Queensland, which is a 32,500-capacity event site that is not ideal for us. I am really not sure what we would do. At this point I guess the festival would cease to exist.

The Hon. SHAYNE MALLARD: We did have some of this evidence at Byron Bay. It was worthwhile going there to hear from the festival operators there. So thank you for coming today.

Ms DUCROU: Pleasure.

The Hon. SHAYNE MALLARD: I had not heard in Byron Bay—maybe I missed it—that the festival had approval overturned by the Land and Environment Court and you took it to Queensland for a while. Back in history, was that a council approval that was—

Ms DUCROU: —overturned at the Land and Environment Court?

The Hon. SHAYNE MALLARD: What happened there?

Ms DUCROU: They granted us a one-year trial approval. The objectors took council to court over the approval. We lost the case.

The Hon. SHAYNE MALLARD: On a process matter?

Ms DUCROU: Yes.

The Hon. SHAYNE MALLARD: Because you cannot tell the merit. You took it to Queensland and the State Government—I do not know whether it was Liberal or Labor at the time—took it in as a State significant event and gave it a five-year approval.

Ms DUCROU: Yes, a five-year trial approval through the PAC.

The Hon. SHAYNE MALLARD: And you are in the last two now.

Ms DUCROU: No, we have finished the five and we have an extension.

The Hon. SHAYNE MALLARD: I fully appreciate—as do other members of the Committee—the need for certainty for investment and for getting the artists. We heard about that up in Byron. You have to book

the artists well ahead. We feel that there might be an issue in the department not having an understanding of the uniqueness of the festival area. I think we were told in Byron that it was assessed under a mines process.

Ms DUCROU: I think we are an anomaly.

The Hon. PENNY SHARPE: It is challenging for Government because it does not fit any box that they can tick.

The Hon. SHAYNE MALLARD: That is right.

Ms DUCROU: No.

The CHAIR: Not yet.

The Hon. CATHERINE CUSACK: Can I ask it this way: Can you compare the development application process in New South Wales with the one that you went through in Queensland?

Ms DUCROU: Through local council in New South Wales?

The Hon. CATHERINE CUSACK: The application. Obviously there were differences in Queensland.

Ms DUCROU: The DA process is not part of our remit under the current trial approval. We do not have to put in a DA now, every year. So the DA was prior, when we were at Belongil Fields. We would put in our application, it would go to full council for a decision, and that would take months. We would spend lots of time providing to council the various supporting evidence and we would get approved six weeks before. That was at a local council level. When we went to Queensland, I think I had one meeting with council. We just had to make sure that we ticked our boxes with our Place of Public Entertainment Licence and so forth. It was very straight forward.

The Hon. SHAYNE MALLARD: Which council was it in Queensland?

Ms DUCROU: Now you are really testing me.

The Hon. CATHERINE CUSACK: Where was it in Queensland?

Ms DUCROU: Woodford, Morton Bay on the Sunshine Coast.

The Hon. CATHERINE CUSACK: Is that where they have the Woodford Folk Festival.

Ms DUCROU: Yes, the same festival. That said, I think Bill Hauritz and the folk festival already had done quite a lot of work with councils. We did turn up to a venue with some pre-existing approvals for how to operate an event. We were not walking into a green site that had never done a festival before.

The Hon. CATHERINE CUSACK: I have been camping at the Woodford—

Ms DUCROU: Folk festival?

The Hon. CATHERINE CUSACK: —but I can never get tickets to your event. I live at Lennox Heads and we would love to go.

Ms DUCROU: That is why we need bigger capacity.

The Hon. CATHERINE CUSACK: Yes, make it bigger. I am interested in the security requirements and cost overheads of operating the event in Woodford. I am sorry to focus on this but it is important for us to understand the differences, given that it is on either side of the border?

Ms DUCROU: Woodford's constraints for us are its venue.

The Hon. CATHERINE CUSACK: I know the constraints. Did you find the cost overheads different in Woodford compared to New South Wales; for example, security?

Ms DUCROU: No, but what was interesting is we had a great relationship with the New South Wales police in Byron Bay. Before we left we were paying \$20,000-odd in user-paid, which was fine. We went to Queensland and our bill for the two years there ended up at \$210,000 in user-paid and then when we came back to New South Wales the local area commander, who was new to the area, spoke to Queensland and we inherited the user-paid bill in New South Wales. So we have this very interesting situation with the police, the Tweed area command. We are in a good place with them at the moment but it is very expensive; it is 10 times what it was eight years ago.

The Hon. CATHERINE CUSACK: And the reason they gave for that was simply that they were transferring a Queensland requirement to New South Wales?

Ms DUCROU: They have not even said that. It is the only rationale that I can find because they adopted a few of the planning instruments from New South Wales or the control measures from Queensland.

The Hon. CATHERINE CUSACK: How does that work? Do you write to them?

Ms DUCROU: No, they just rang the local police command after we left Queensland and said, "How were they? What management strategies did you put around the events? What were their constraints around the liquor licence, around noise?" and we ended up with a lot of that same regulation from Queensland that has followed us back to New South Wales.

The Hon. CATHERINE CUSACK: So there is no transparent process for working out the formula with the police?

Ms DUCROU: No.

The Hon. CATHERINE CUSACK: You just have to take what they tell you?

Ms DUCROU: Yes. I have had some spirited conversations around user-paid numbers. Ultimately you do not have much negotiation. They have declared us a major event, high risk, and they are applying whatever their internal formula is to provide numbers.

The Hon. CATHERINE CUSACK: Does their formula have regard to security that you engage?

Ms DUCROU: No. Generally the security ratios sit in the liquor licence so it does not have a lot to do with police, though police do make recommendations. It is interesting that Glastonbury Festival went through a similar process where the police became overly involved in their festival to the point where they were trying to run it and the organisers said, "Hang on a sec. We've got hundreds and hundreds and hundreds of security. We know how to run our event. It's great to have a police presence and we want you here. You don't need to run it for us." Essentially, I think more for sheer growth, they had to reconsider the role the police were taking in the festival and to apply their resource to the community, to support the community outside of the festivals rather than try to manage the festivals for the festival. I have just suggested that recently to our local area command, that perhaps they need to rethink their role in festivals and what we really need is them supporting the local community and just letting us do our job. Please come and by all means set up a command and be there onsite for us but, for want of a better description, over-egging their involvement—

The Hon. CATHERINE CUSACK: There is no specialist person in NSW Police that you can deal with?

Ms DUCROU: There is NSW Major Events and the head of NSW Major Events also, I think, is the person you can go and speak to about your user-paid numbers. We are not in position to argue too hard about that at the moment because they put an objection in to North Byron Parklands about our increase in numbers.

The Hon. CATHERINE CUSACK: The NSW Police did?

Ms DUCROU: Yes, so we then went and spoke to them and provided solutions to all of their concerns and they have since changed their position on their objection but it has resulted in increasing our financial commitment to the police in terms of user-paid services, including dog operations and other bibs and bobs. Now I am okay with that because I want approval but it is onerous.

The Hon. CATHERINE CUSACK: And there is really no appeal because the police are just giving their opinion?

Ms DUCROU: I think their intentions are good. I do think their intentions are genuine and their concerns are genuine and we do want safe events. The costs are expensive; they are prohibitive. An event like Splendour can afford to pay those costs to a degree but a lot of other events cannot; it does set a precedent and it does have ramifications on smaller shows, which cannot afford that same sort of infrastructure.

The Hon. CATHERINE CUSACK: So it is 100 per cent user-pays?

Ms DUCROU: They do provide some officers free of charge.

The CHAIR: Thank you for giving evidence today. We may put some further questions on notice in light of your evidence. You will have 21 days to answer those questions and the secretariat will help you with

that. We appreciate your evidence, which will be very helpful to the Committee's recommendations. We are mindful of the impact on festivals and the opportunities that exist for festivals in New South Wales.

Ms DUCROU: Thank you for taking the time to be interested in contemporary music; it is refreshing.

The CHAIR: We love our music.

Ms DUCROU: No, it is great. Thank you very much. I will provide some more information on Your Choice.

The CHAIR: That would be great.

(The witness withdrew)

KRISTY LEE PETERS, Artist, KLP, affirmed and examined

GREG CAREY, Artist Manager, The Rubens, and Co-chair, Association of Artist Managers, affirmed and examined

SCOTT BALDWIN, Artist, The Rubens, sworn and examined

NICHOLAS PICKARD, Director, Corporate Affairs, APRA AMCOS, sworn and examined

The CHAIR: We normally give you an opportunity to rattle off a presentation or some of your views and then we will ask some questions. Does anyone want to go first?

Ms PETERS: I will go first.

The CHAIR: KLP.

Ms PETERS: Yes. Just call me Kristy; it is fine.

The CHAIR: I was trying to give you some advertising. We are live.

Ms PETERS: Good morning, my name is Kristy Lee Peters. I perform under my initials, KLP. Thank you for having me here today. I have grown up as an entertainer. My dad was a musician, so I was fortunate to have a creative upbringing. I have performed since a young age, singing television commercials at 10. I was signed to a major record deal at 13. I have travelled around Australia and sung with every form of band you can imagine—jazz band, rock band; you name it, I have probably done it. I am now a songwriter, having written not only my own music, but releases for Skrillex, What So Not, some K-pop acts in Korea, which led me to being signed internationally as a songwriter and artist with Universal Music and now BMG Music.

I host a radio show weekly on ABC's Triple J, called House Party. Plus, I travel around Australia playing live shows and DJ sets nearly every week. I kicked off my career post-school in Sydney thanks to a thriving night life, playing in venues such as Kit and Kaboodle, Goldfish, Hugos, and so many more. On Friday and Saturday nights I would play for hours and jump from venue to venue by foot, feeling very safe while doing so. It was a buzzing city with a community of creatives. Being a DJ not only allowed me to develop my skills as a performer but it also provided me with the financial investment to work on my artist project. I started DJ'ing and performing nationally before lockouts were brought in. Every city that I would go to would be abuzz. People would come out to see music without fail. When booking tours, there would be multiple options and venues that you could play in, and for every tour the fees would go up.

I now see venue after venue either shut down or struggling—barely managing to stay open. Venues have also had to start trading differently. They cannot afford to pay for acts. For example, they have a hip hop tribute night where they have an international's music playing. There is free entry and no act because they say they cannot afford to pay for one. I have watched the culture of the audiences change, too. Without the opportunity to go out and experience the type of night life that I grew up with and that was available to me, the next generation is being deprived of motivation, inspiration and the culture around pursuing a career in the music industry. It is not just the artists, it is also the hospitality staff, promotion, management, booking agents, production and design. Those jobs are few and far between.

Many successful musicians move overseas because there is not much left here to nourish a creative career. It is not only hard enough to make an income, but there is a lack of inspiration and support systems in place to progress so you can make a mark on an international level. Recently I travelled to Europe for a songwriting trip. I was shocked and a little embarrassed how Sydney's and Australia's lack of night life and the effect of the lockout laws is now known worldwide. People see no connection to being a creative and living in Sydney; it is hard for them to see that it makes sense anymore. People say, "I have heard things are really bad in Sydney now. What happened with the night life?" It is quite embarrassing.

For a musician, there is no clear pathway. There is no strict university degree to prepare for your career. The main way that people learn is by doing it, so forming bands, playing shows, going to shows, hanging out, talking to other musicians and being part of the community. It is getting harder for tomorrow's musicians to find this community in the current climate. We risk losing the next wave of creative talent through the lack of opportunity and support. I miss the culture of Sydney that I grew up in and I am sad for the next generation because they do not know what that is like. I wonder how the younger me would find enough work if I was starting again, the inspiration or a potential mentor coming up through the scene because you really cannot be what you cannot see. Besides being a musician, I am just as a 33-year-old Sydney-sider who has a birthday coming up this weekend

and I would love to go somewhere for a late dinner and a glass of wine after 10 p.m. I am optimistic and really hopeful that through these discussions we can somehow repair the damage to our creative night life and creative culture so it can return to its once internationally recognised level. I really miss being proud of living in Sydney. Thanks for having me.

The CHAIR: Thank you, that is a substantial contribution. We are right for lunch now.

Ms PETERS: I take it very seriously.

The CHAIR: You picked up some key things, which is the main message of the inquiry. Does anyone else want to contribute off the cuff about your experience because we are into hearing your stories?

Mr BALDWIN: I can go next. I want to reiterate what KLP has said. I play drums in The Rubens. I have been very fortunate to be doing that as a career. It is so enjoyable. It is a dream. As a young kid, to be playing drums in front of people, even if it was just a couple of friends, is pretty cool. Our first gig was at Candy's Apartment in Sydney, a place I would spend a lot of Saturday nights just partying with friends and having a good time. We also played at World Bar. Like KLP said, a lot of these venues are now changing how they are entertaining people and bringing people in. I used to pay \$25 to enter and now it is free. Like KLP said, they do not have bands to entertain. It is kind of disappointing because the live music scene is almost—well, it is definitely dying and it sometimes seems dead.

I used to teach drums as well. I used to use an excerpt saying to inspire them to dream big, and I hear my students say, "There is no point", that they would rather go into other fields. They are giving up their dreams to play music and their parents say it is a dying industry. It is quite upsetting to me. When we started touring, we were in a fortunate spot that these venues were open to us and we luckily got some support from Triple J and people started showing up at our shows. Then we went on to grow and go overseas. Again, we could be in small international cities and they are just buzzing. I have been on the road since 2011, and coming back to Sydney you can see how much the dynamic has changed. A lot of people talk about it overseas. It is a big thing. Again, creatives do not want to come here.

I look at Melbourne; they are doing some really good things down there. They have got public transport opened all night, it is buzzing all the time every day of the week. The Government puts a lot of money and effort into supporting art and live music, which is awesome, and you see people flock down there who are interested in that. Again, international people who are on that side of art and music and being creative, they would much rather go down to Melbourne. My main point is that, like KLP said, if The Rubens were starting out today I do not know where we would be or if that would even happen in the kind of environment that we have now. We had the support of venues and the Government. Overseas everything just really infiltrates all the businesses and what venues can do with their night and there is no red tape to jump through. When it is done well and it is a free thing it can really flourish. It has definitely helped us.

Now we play bigger, more established venues so it is not so much a big thing, but I feel for the people trying to start out and having places to go, even if it is dinner. It is not all just about music and art; it is where do we go for a drink or where is a good vibe? I would like to see something like The Tap Inn down at Melbourne or overseas—Canada, Toronto, Vancouver, it is just awesome over there, and it is embarrassing when you hear these stories. And I love it.

The CHAIR: That is really helpful. As I said, it is in line with a lot of other testimony we have taken from established artists. I think what you guys can all be proud of is the fact that you have come back to bat for the start of the dream not the end of the dream, so to speak. It is great that you have been able to give evidence. Does anyone else want to give an opening statement?

Mr CAREY: Yes. I am an artist manager. I am not too sure how many other artist managers have been part of this inquiry and if I am repeating stuff, sorry, but I thought it would be good for context on what a general artist manager's career path is and how that works in the UK system of the music industry. I will give a bit of a back story on how I became an artist manager and then give a bit of a real-time reflection on what the current state of affairs is in this State in particular.

I grew up in a little town on the South Coast of New South Wales called Narooma; it is a 5,000 people little surfing village. I used to run a little radio station down there and put on my own little all-ages gigs. I ended up going to uni in Bathurst and spent more time at the uni bar doing extra-curricular activities other than the degree itself, and booking bands into the bar and running a little festival out there. The big dream was a country boy moves to the city and I basically started promoting Little Nights down here back in the early 2000s. By

association I had quite success at that real grassroots level and a really important level of giving artists a platform to play on and develop their craft in a professional development environment and bring audiences in.

Through that osmosis process I basically overnight became a manager not really knowing what one is, which is a fairly typical story for a manager; they are suddenly helping bands. It was around about the same time as FBi Radio got their licence and started supporting a lot of local Sydney acts. That led to me basically having a career overnight. I had an opportunity to work at MusicNSW and met a great little family there that kind of grew myself up professionally, and I guess that was my real foray into the music industry, getting contacts and learning more about how the industry works. Then I had some success with some acts that got to play Jessie's Festival quite a few times and I have been doing it for 12 years now.

The real entry point for me was at that real grassroots level and I have now gone on to have a 12-year career in this position and run my own business. The way we articulate what we do as artist managers is we are effectively the CEO of the artist's business; they employ us predominantly, even though our businesses are separate. That is just to give a bit of context. The other points I wanted to raise are I am now the co-chair of the Association of Artist Managers [AAM]; we are a board who basically look after the best interests of artists and their managers in Australia. There are 220 members; we have everyone from John Watson, who manages Midnight Oil, down to the Greg Carey 12 years ago when I was first starting out. That is the scary thing that I am looking at—me 12 years ago trying to get that excitement of coming into an industry predominantly in Sydney because of the dying scene, to put energy into what I used to do 12 years ago in running those Little Nights and giving artists a platform.

I do not know if I now would be inspired enough to do it within that ecosystem because the venues are not taking the risk. It is expensive to live in this city and various other things that affect that with respect to small business operators like myself, who was a promoter and now an artist manager and having a career. It is something that I have been able to sustain myself for over a decade and now I have got a young family and am supporting them. We make fundamentally a 20 per cent commission on what the artist earns. So for us to be kind of looking at the barrel of taking on new acts—and I feel for the new managers coming through in this city—it is a really difficult career path and it should not be harder than what I had 12 years ago because young managers, whilst we have a certain level of naivety, that is the thing that is the spirit of the thing at that level: you take risks because you are passionate and you want to support these artists. It is a great marriage between the artist and manager and you literally grow yourself up with that artist and a lot of managers start out that way.

In comparison to what New South Wales offers, in a holistic way of supporting that fundamental ecosystem of an artist and their manager and all the peripheral team around that, at that grassroots level so many States are doing it better. I am so passionate about making this State—there is no reason why it could not look towards what Victoria is doing, look to do what South Australia is doing and Queensland and marrying some of those principles that support at that level. I will give a few examples that the AAM has been really at the forefront of driving opportunities for managers and, by default, bringing that skillset at a professional development level for those managers.

In Victoria, Creative Victoria, we developed this prop called Fast Forward, which is a pilot program where we are sending two managers overseas to reputable management companies to be plugged into those companies for a minimum of three months. So they are learning from companies who manage bands like Mumford & Sons, who are one of the biggest global bands. So a young manager in that ecosystem over there keeps building their networks, and that all points back to Australia at the end of the day. If we can build that skillset for managers it is only going to do better for the wider industry in how it all works and how the ecosystem works predominantly. That is pretty much it.

The CHAIR: You mentioned the UK. What was different in terms of your experience over there to here?

Mr CAREY: I guess in context what I was talking about is just that you are talking about the heart and soul of the industry, like New York, LA and London—they are the go-to in terms of having an industry that can really thrive. There are bigger populations over there, different laws, more opportunities. That would be my take on that.

The Hon. JOHN GRAHAM: Thank you for evidence. Hearing directly from artists has made a big difference to the Committee. It greatly assists and I think it will have a big impact on the report. I wanted to ask about a couple of things you have referred to. First, you have talked about those discussions you are having internationally about the view of Sydney. Can you give us some sort of flavour of what are the comments, what is the view around the world about where things have got to?

Ms PETERS: The view is that every knows the words "lockout laws". That is really prominent and people do comment that they know that a lot of venues have closed down and that it is very hard for people to go out and have some kind of nightlife culture. They feel it would be hard for international acts to come out here and play shows. I remember playing one gig with De La Soul, a big hip hop act, and their set got cut short. They were playing at Lo-Fi in Taylor Square—I think it is now called the Standard Bowl. In a period of about a month, someone had moved into a place across the road. This is a venue that I had been playing in for years and was a great venue and run really well. There was an international act there whose set was cut short because the person—

The Hon. JOHN GRAHAM: One of the best known acts in the world turns up in Sydney.

Ms PETERS: Exactly. Someone had moved in and started making noise complaints. This was a venue that you could not really hear from outside and it was a person who had just moved in.

The Hon. CATHERINE CUSACK: Into Taylor Square.

Ms PETERS: Yes, and this happened over the space of about a month. The set got cut short and the act was quite upset, understandably. I then went to DJ after them and the volume was so low. I was like, "What's going on?" That information then gets re-laid. The band goes back overseas and is like, "We are never going to come back to Australia again. There is a ricochet effect with the loss of reputation for Sydney.

Mr BALDWIN: My tour manager and front-of-house manager plays out here and has done so many gigs out here, and he has had people turn around to him to tell him to turn it down. More importantly, we are lucky enough to be on tour with Pink at the moment. We started in Perth and are making our way around. A lot of comments have come through to me from some of the crew and other artists to ask, "Where do you go out in Sydney? What are the suggestions? There is nothing open—it's dead." They say things like that. Contrary to that, down in Melbourne they had a great time and up in Queensland they had the best time. But in Sydney they felt stranded and did not know what to do, which is again really upsetting. I am really proud of Sydney—I love it—and I will probably never move, but we need to get the nightlife up and running.

The Hon. JOHN GRAHAM: Thank you for those comments. You have talked about venues that have closed that you have played at. You might want to take this on notice, but if could name some of the venues that have closed that you played at it would be very helpful.

Ms PETERS: Hugos Kings Cross, Kit and Kaboodle, Flinders Hotel and Goldfish. And it is not only the venues that have closed, it is also the venues that are open but are no longer live music venues because they have either lost their licences or have had to change. In the example I gave before, they inserted a bowling alley because they could not have live music anymore. Straight away, within the space of a month, that was the Standard Bar and they put a bowling alley up there. This was back when I was not even DJ'ing as KLP—I was just DJ'ing weekly gigs—and that was one venue gone for me, let alone all the international acts having that venue as a proper place to play a real show.

The Hon. JOHN GRAHAM: The last thing I want to ask about is artists moving to Melbourne. Mr Baldwin, I am pleased to hear that you are staying put—please do—but we have heard evidence about artists moving to Melbourne. In the circles you are moving in, is that a real thing?

Ms PETERS: Yes and overseas. If you were listing cities that you would want to move to be a creative and follow your dreams, per say, Sydney would not be one of them anymore. It is London, Berlin, and Amsterdam. Sydney is way down at the bottom. For myself, I have been here long enough and I have now had to start building other companies and working in other areas to get an income. I am starting a family here so I am sticking around. I am also a fighter and am very passionate about rebuilding Sydney, because I remember what it was like and I want the younger generations to experience that. It was such an amazing thing to be a part of and it is what lead me to being here.

The Hon. PENNY SHARPE: On a completely different note, one of the things we have been talking about is how the ecosystem hangs together. There is the role of radio—you have talked about triple j, FBi Radio and commercial radio—and we also been talking to the streaming companies. I think we accept the issues around the venues. I am interested in how important the streaming platforms are to you as artists and how you use them. I am interested in your interaction with them and what they mean for you in terms of getting you out there and getting more listeners if there are no venues for you to play in.

Mr BALDWIN: I love them. As much as I wished people would pay for music, Spotify is awesome. There is an events tab you can go on and you can set it up so that it is geographical to where you are. I use that a lot when I am overseas and that is my way of getting to gigs and finding artists that I like and where they are

playing. In Sydney, it is the big venues that you see—it is never really the small pubs and clubs where you can go and see a band.

Ms PETERS: With Spotify, as a musician, you do not just apply for a job and have that job for the next 20 years—you need to have different sources of income and really be flexible. Streaming is one source of that. It used to be that we would make the most money out of touring, but streaming is so important now. But if you are looking at the flow-on effect, if Spotify does give someone a break, where do they play their gigs? They will probably go overseas.

The Hon. PENNY SHARPE: Streaming companies have talked about the fact that artists get some data back. I am interested in how you have found that. Is it influencing the choices that you make in terms of where you play, if you can find somewhere to play?

Mr CAREY: Absolutely. Going back to before streaming was involved, to get information from your record labels or other aspects of the industry was almost impossible. Whilst there has been a transitional period from physical to digital and now to streaming and whilst streaming is still trying to find its way from an economic point of view, the transparency, the valuable insights and data have been extremely valuable for management teams and the artists. Apple Music has got a beta that it is testing as well. We planned to hold a 28-date global tour based on analytics for the Rubens earlier this year and I would say it was an 80 per cent success rate in terms of sold-out shows and—

The Hon. PENNY SHARPE: So it gives you more confidence that people are going to buy tickets where you turn up.

Mr BALDWIN: Yes, exactly.

Mr CAREY: Yes, absolutely. Anecdotally, when we are at concerts overseas and ask people how they found out about the band they will say, "Oh, we heard you on streaming." They follow the band. The Rubens have 100,000 followers on Spotify. We are trying to connect those dots and it is extremely valuable on that front.

The Hon. PAUL GREEN: I need some followers—can I do a duet with you or something?

The Hon. PENNY SHARPE: There would be some reputation damage to the band—do not do it.

Mr CAREY: The one comment I would like to make about streaming, and it is a disadvantage, is about the way that ARIA charts local artists. It has become a really difficult thing and I will give you an explanation as to why. Global play listing, which is 90 per cent American or European artists, is in all the top 20 spots, which makes it extremely hard for local talent. The Rubens were lucky enough to have a bit of crossover hit on their latest record and we were sitting at number 25 on the ARIA charts—five years ago it would have been a top 10 hit. It is all semantics and what does it really mean at the end of the day, but for overseas labels looking from the outside in and trying to get that, it does become a really valuable asset to get onto commercial radio. It broadens your audience as an artist, which is really important in a smaller territory like Australia. It is important because they still look at the charts.

The Hon. PENNY SHARPE: So you need some more transparency? We have been trying to get to the bottom of that—not very successfully this morning.

Mr CAREY: It is about ARIA and the way it—

The CHAIR: If you want to put forward some more stuff on that it would be really helpful for us because we have got the streamers in but it is a matter of knowing the right questions to ask them and you have just nailed one that we probably have not gone there on because we did not have that information.

Mr CAREY: A lot of managers—small managers and top managers—are talking about it.

The Hon. CATHERINE CUSACK: First of all, we have heard a lot of evidence about the important role that triple j has played in discovery and promoting local talent and how many other organisations—record companies—are factoring in what triple j is doing. Could you talk about how triple j does that, how they make those decisions?

Ms PETERS: To be honest there is a whole music team that takes care of that. My show is a very different vibe. It is not about discovering new music. It is called House Party, it is on a Saturday night, so it is just party vibes and I will sneak in a Prince song every now and again. I am not actually sure how they do that but I know there is a lot of importance placed on doing it. I got my gig at triple j through winning a triple j Unearthed competition. It provided me with an amazing platform. But then again there are all these things that support acts

but if I was starting again and I won that competition then being able to get out and play in front of audiences, there is a disconnect in that path that you kind of need to take as an artist.

Mr BALDWIN: The one thing that stands out to me with triple j is the national network that it has. It is something that is very good for Australia and for artists coming through and it creates this Australian community of music that is very powerful. When you go overseas to, say, America it is very hard to tour or it is hard to get through to radio because it is a whole bunch of different groups. But triple j does such a good job at harnessing new music, creating that vibe, creating awareness to everyone to go to festivals. They sponsor tours and things like that. But just again, unless you are a big act you do not have anywhere to play in Sydney. Triple j is doing a great job nationally. It would just be good to see the venues open in Sydney for some of the smaller Unearthed acts and things that come through.

The Hon. CATHERINE CUSACK: We went to Melbourne and some of the bands there talked to us about how they have to come to Sydney because it is such an important part of the music market. They said that it was a real struggle to come here. I wondered if you wanted to make any comments about the fact that, as difficult as it is, a band that wants to have a national audience needs to somehow get a foothold in Sydney.

Mr CAREY: I would say probably 70 per cent of the industry is based out of Sydney—your collection societies, your big media, record labels, those A and R scouts that might be looking to sign the next thing. It is important for bands to roll through, but it is challenging because of the opportunities from a live music point of view.

The Hon. CATHERINE CUSACK: We went to the Bakehouse, which was really interesting. I wondered if you would comment on why Sydney does not have facilities like that.

Ms PETERS: I wish I knew.

Mr CAREY: I would say rental prices on those sorts of things, high overheads. There is a great place, pretty different to Bakehouse, called Troy Horse, which is right near FBi. They basically shut down after 15 or 20-odd years as a rehearsal space for artists. Just because of property developers coming in and all those areas getting gentrified and creators getting pushed out. Those spaces are really crucial, not on that Bakehouse level which is multipurpose, but Troy Horse was still very rough round the edges rock'n'roll but it was really important in terms of spaces for artists to go and create, to rehearse. And what they employed there, back in the day they had a CD duplication place and I think they had some sort of merchandising thing too. It was not too dissimilar to Bakehouse but I think there is just more support from grants and infrastructure down in Melbourne and Victoria in general.

The Hon. CATHERINE CUSACK: Is there any space like that in Sydney now?

Ms PETERS: No, and we are really lacking those small venues. You do not automatically go to playing a few-hundred-person venue. You need those venues that have 100 people and then you sell that out and then you progress. At the moment there are these big gaps in how to do that and it is very hard to grow as an artist without those first opportunities to have that really intimate small rock'n'roll kind of venue that you would play in. I think it would be great to have those again.

The CHAIR: Thank you so much for your evidence. It has been really helpful. One of the delights of this inquiry has been hearing from the artists that have been there, done that. It is incredible for you to come back and try to make way for the new artists who are believing in the dream and have not lost their dream. Your evidence has been incredibly important. In light of your evidence we might have some further questions. You will have 21 days to answer those questions. The secretariat will assist you with that. Thank you very much.

Mr CAREY: No problem. We really appreciate you guys listening.

(The witnesses withdrew)

JOHN GREEN, Director, Liquor and Policing, Australian Hotels Association NSW, sworn and examined

CHRIS GATFIELD, Manager, Policy and Research, Australian Hotels Association NSW, affirmed and examined

The CHAIR: Do either of you have an opening statement you would like to make?

Mr GREEN: I will make a brief statement. I know you have questions that you probably want to get to. I realise that we put a submission to the inquiry and you would have read that submission. Thank you to the Committee for the opportunity of speaking to you today and congratulations on the work that you have done so far through this inquiry. I know that you have gone far and wide and intend to go far and wide, from Newcastle down to Wollongong, up to Tamworth and I think Byron Bay and Melbourne. You have actually done a lot of the work that we probably would have done today in ascertaining from regional New South Wales what the issues are.

As you would know, the Australian Hotels Association [AHA] is the peak industry body for hotels across New South Wales. We represent about 2,000 members—everything from mum-and-dad hotels in regional New South Wales to large multistorey venues here in the Sydney CBD. They support over 75,000 music acts every year and those music acts are diverse in their nature—everything from a bush band down at Jamberoo to a DJ up in the Cross, to international bands that come and perform. We like to support that and our members are very passionate about the industry. From an opening, that is the one thing.

We currently as the New South Wales AHA support an event called Rockin' the Pubs every year where we have new bands, people that play music in New South Wales venues, people that are over 18, that enter a competition seeking to find the best pub band in New South Wales. We are into the second year of running that this year. We have got over 150 applicants for that competition currently. It just shows what we are doing as an industry body in supporting live music.

The CHAIR: Some of the evidence that we have been taking across the board is about gaming machines. I note in your submission you talk about that. I draw your attention to the final sentence where you say:

In fact, it has been identified that the admission of electronic gaming machines into NSW in 1956 led to an influx of aspiring music performers in this State.

The year 1956 was a long time ago, but do you have the reference for that comment?

Mr GATFIELD: I believe it was probably before my time; however, I believe that was based on a report called "Vanishing Acts". Obviously that was before electronic gaming machines were introduced into the hotel industry. That would have been in reference to the registered club industry. I am happy to take that on notice and come back to you with the actual reference.

The CHAIR: Yes, if you could. If there is any recent evidence on that same topic it would be helpful given that it is one area we are looking at for subsidisation opportunities that may exist.

Mr GATFIELD: I am more than happy to make comment on that if you wish.

The Hon. JOHN GRAHAM: It is clear already in the evidence that the Committee has taken that hotels are one of the key venues where music is happening around the State. I want to ask about some specific instances that made the news, talking about the sorts of regulations that are applying to those venues. One of those is the Terrigal Hotel that was hit with this requirement, "no live/rock bands". That is a requirement telling them what sort of music to play. Can you tell us about that?

Mr GREEN: That was in 2015. One of the things the AHA does is support our members. I was involved in the discussions around that. The Terrigal Hotel was prosecuted for about 15 breaches of a licence condition that said "no rock bands". They were convicted in the lower court. At the District Court, one of the matters was upheld and that was one where they actually plead guilty, because it was a rock band.

The Hon. JOHN GRAHAM: That is quite an extraordinary thing to put on the parliamentary record, they plead guilty that this was a rock band. That is quite an extraordinary thing to have to plead guilty to.

Mr GREEN: Yes, and the District Court judge in the other 14 matters went through each matter and looked at the style of music that the bands played, from a cover band to a trio. He held that more than three persons was a band, and because three people were playing in that particular trio, they were not a band. That was one of the ones set aside. One was clearly a cover act rather than a rock band. And it went on through those 14 matters

that were all thrown out. I only wish they had plead not guilty to the one that they conceded was clearly a rock band.

The Hon. JOHN GRAHAM: What you are describing is that the matter went to court and then went to appeal. There is a member of the judiciary making a judgement about whether this is rock music or not, whether it is a band or not.

Mr GREEN: Yes, looking at the marketing material, looking at the style of bands, looking at the playlist. It wasted a lot of judicial time. It took significant resources and significant money for the hotel group that defended that matter. As you said, at the end of the day, we have a liquor licence that is dictating the style of music that a venue can play.

The Hon. JOHN GRAHAM: Tell us about another prominent example, the Harold Park Hotel. This pub—I am referring now to the publicity—has been in existence for a long time, maybe 100 years, playing music for a significant part of that and all of a sudden that came to a halt. Tell us that story.

Mr GREEN: In 2017 the Harold Park Hotel, as you say, they have every Sunday in their courtyard acoustic bands. They play them and I think they pipe through one speaker. So, it is a very warm afternoon, they sit there, people have a drink, listen to the music, families are there—it is a minor-authorised area. Then a new resident moved into a brand new development of townhouses in the near vicinity and complained to what was then the Office of Liquor, Gaming and Racing and was told there is no breach, it is Sunday afternoon, it is an acoustic band that is playing.

The Hon. JOHN GRAHAM: So the noise was not the issue?

Mr GREEN: The noise was not the issue but in the development consent conditions for the hotel there was to be no performance in the courtyard area. It had been buried there for quite some time. The venue had continued to play these acoustic bands on a Sunday afternoon for the enjoyment of their patrons.

The Hon. JOHN GRAHAM: In the liquor licence, or in the DA?

Mr GREEN: In the DA.

The Hon. JOHN GRAHAM: In the DA there is a ban on music in the outdoor area.

Mr GREEN: It was a clear condition saying that there were to be no performances in the courtyard area. They were allowed to have amplified music throughout the entirety of the venue, apart from the courtyard. The council drew that to the venue's attention. The new resident had found that development consent condition and brought that to the notice of council. After they had stopped them from playing, the next weekend I went out and met with the council. We went out there and we developed a simple solution that meant that the actual band was under cover and the people enjoying the music were in the courtyard. It was quite a simple fix that allowed the venue to comply. Following on from that, they have sought a variation in their development consent conditions.

The Hon. JOHN GRAHAM: They are lucky you turned up to craft this solution. You have got the law getting in the way, and then you have worked with the venue to find a way around this ban on musicians being employed in the outdoor space by moving them slightly indoors.

Mr GREEN: Just turning them around.

The Hon. JOHN GRAHAM: How far did they move?

Mr GREEN: Literally from one side of the courtyard to the other, and it is quite a small courtyard, smaller than this area that we are in now.

The Hon. JOHN GRAHAM: A matter of metres. The music was able to continue in the weeks that followed then, but the law was getting in the way of a sensible solution.

Mr GREEN: And more to that, in some examples we have a liquor licence that those conditions sit with, and in other times we actually have a development consent where those controls in relation to noise and performance sit. So it is quite confusing.

The Hon. JOHN GRAHAM: I ask quickly about a performance restriction; no entertainment provisions, as you say, either in the liquor licence or the DA, or no live music provisions. I can understand restrictions on noise, that there is a balance to be struck, but this is just a ban on employing musicians, this is just a ban on work. How common is that in your venues?

Mr GREEN: There are some weird and wonderful liquor licence conditions out there and development conditions. I have an example—and I have a number of copies—of a venue in regional New South Wales that has a range of restrictions; no live performance, no people on the verandah, no amplified music.

Mr GATFIELD: I can add to that. I have one in front of me which stipulates, not about the kind of music that is able to be played, but this one specifically says that, "Band members and crew can only load and unload through the ..."—I will redact that street because it will identify what the hotel is—though this one entrance. This is a hotel that has about 15 different entrances. It is not just the way that music can be played, it is the conduct of musicians and band members that will, if breached, create a serious problem for this venue.

Mr GREEN: In my example, as I said, this is an example of an actual liquor licence—

The Hon. JOHN GRAHAM: Where is this?

Mr GREEN: This is regional New South Wales in the central west.

The Hon. JOHN GRAHAM: Outside of Sydney.

Mr GREEN: Outside of Sydney, but there are other examples in Sydney where there is no amplified music to be played. There is normally a differentiation between amplified music, which may just be a guitar with a speaker attached to it, rather than the full issue of speakers. "There is to be no amplified sound emitted from the premises. There is to be no live entertainment." So the employment restriction that you talk about. Then it goes on, "No amusement devices. No pool table." I am surprised it does not say "no fun". Those conditions around New South Wales are, I would not say regular, but where there have been historical issues they impose those regulations.

The Hon. CATHERINE CUSACK: Why would a liquor licence prohibit a pool table?

Mr GREEN: That is the difficulty. Traditionally, what we have got is a liquor licence that should control the sale and supply of liquor and other measures that reduce alcohol-related harm or antisocial behaviour. Then you have a development consent that allows you to open the doors and trade, and the conditions that occur in that, and the two Acts often conflict with each other.

The Hon. JOHN GRAHAM: Returning to a question that was put earlier to venues; would you support the sort of approach that has been taken in South Australia where some matters that were to be regulated were taken away—for example when it comes to a ban on being able to employ people as musicians, we simply say that should not be a matter for regulation? Would you support that sort of approach?

Mr GREEN: Yes. I would say that a hotel, a pub, is actually a public house and there is an expectation that people go there to socialise and there should be a reasonable expectation that in a venue where people are enjoying themselves that there will be a reasonable amount of noise, and that reasonable noise may well be performance. If during standard trading hours or during a period of time that is set, that we should be able to have entertainment that is reasonable, rather than offensive and rather that is above that level.

The Hon. JOHN GRAHAM: I think it is important to say on the record that we obviously want safe venues, and there is a balance with noise, but when it comes to things such as telling people what music to listen to, whether it is rock music or not, telling people how to decorate their venues—we have had examples of venues being told they cannot have mirror balls, and I might invite you to comment on that—telling people that they cannot employ musicians. These seem like the sorts of things that are outside the original aim of either the DA process or the liquor licensing process. That is not really what we would imagine is supposed to be being regulated.

Mr GREEN: The more convoluted a liquor licence or development consent is, the more difficult it is to interpret. We also have multiple agencies which are looking at that document and which are able to enforce it. I think Assistant Commissioner Walton mentioned that outside of hours the NSW Police Force are normally the sheriff at the end of the road. They are the ones who respond to everyone who complains. You might have a liquor licence or a development consent that refers to reasonable noise. Police may attend—bearing in mind there are 17,000 police officers across New South Wales, so there will be 17,000 different interpretations—and they can issue an enforceable noise abatement order or a noise abatement statement. They can prevent noise, whereas people who have planned this during the daylight hours have looked at it in its totality.

The Hon. PENNY SHARPE: You refer in your submission to your concerns with pop-ups. Do you want to talk about that?

Mr GATFIELD: It is one of those interesting situations where bricks-and-mortar operators obviously have gone through the development consent process. There is a range of different actors who will necessarily have

input into how a large pub, for example, can operate. With a pop-up, that is not necessarily the case. For example, a very large Oktoberfest event in the Domain a few years ago had serious issues around the behaviour of patrons. Yes, there was live entertainment as well. Those are the kinds of issues that are usually sorted out during the development consent process for a hotel. Pop-up operators do not necessarily have that level of oversight. I would not advocate for additional red tape for any sector of the live entertainment industry.

The Hon. PENNY SHARPE: The Committee has heard a lot of evidence that people trying to do one-off events face extensive red tape. We are lucky that anything happens.

Mr GREEN: To add to that—it is probably a parochial view on the part of business owners—there are the people who have invested money and time in venues, they are paying rates and rent, and they are paying staff on a regular basis. No matter what that business type is—be it music, a food truck and so on—to have someone pop up and conduct an operation nearby when they have invested time and money in establishing a business and a clientele is sometimes problematic. I think there is enough space for everyone, but that is a consideration.

The Hon. PENNY SHARPE: The Committee is trying to get to grips with the agent of change and it has heard evidence that should be taken seriously. There might be a pub and a proposed development next door. We could say that the developer must triple glaze all the windows and so on. I am interested in a slightly different approach, which is that the developer could contribute to the venue in terms of upgrading its noise mitigation. That is, there could be a serious discussion about the problem and the best way to fix it. Do you have a mixed view about how that operates? Do you have thoughts about that model?

Mr GATFIELD: I am no expert in Victorian planning regulation, but the VC120 model—I am sure members have heard a lot about it—strikes a balance between the needs of residents and the aspirations of the music-loving community. It recognises that live music venues are not separate from the community. It fosters a lot of respect between developers and existing live music venues. It is not that venues are separate from the community or detracting from it, they are actually part of it. It is a really good model to follow, particularly in circumstances where sound, music or noise—whatever you want to call it—is recognised as a problem for either party.

Whoever comes to the table with that funding, the most important part is that regulations like that bring both parties to the table. Whether that becomes an onus on the venue, the developer or there is some sort of agreement between the two, all the better. As long as everyone can live side by side, I think a lot of our members would be happy. In circumstances like the Harold Park Hotel, where there has been extensive development within close proximity to a longstanding hotel, that would be a good outcome for the community.

The Hon. PENNY SHARPE: The Committee has heard extensive evidence about the one complainant who seems to be able to tip the entire business and venue on its head. Is anyone doing complaints handling better? We know there are about seven different agencies that regulate noise, for example. Can you point to a model that you believe is working better? Everyone complains about it, but I am not sure whether anyone has a fix that the Committee could recommend.

Mr GREEN: There are some complainants who agency shop. They are told by Liquor and Gaming NSW that there is no complaint and they are told by the police that there is no complaint. They will keep looking until they find somewhere. We educate our licensees when they put on performances and when they open new venues that establishing communication with local residents is vital. Should there be a complaint and a decision-maker in Liquor and Gaming NSW is determining it and looking at the order of occupancy et cetera, if the venue can demonstrate that it has been working or attempting to work with the complainant, that is far better. Is there a documented process, probably not, and definitely not in New South Wales. Should there be a tool kit for venues? The NSW Environment Protection Authority [EPA] website talks about dealing with complaints and—

The Hon. PENNY SHARPE: That is the EPA, not Liquor and Gaming NSW or the council. That is part of the issue.

Mr GREEN: Multiple agencies are looking at it: the EPA, the NSW Police Force, the local licensing police, the local council and so on. Part of the problem is that there are so many agencies. Having a one-stop-shop with the guidance I mentioned would help to establish rapport. There could be a 24-hour-a-day mobile phone number that people could ring if they had an issue. If they find out what the issue is, they could say, "It's not us. It is people walking from an open-air park 200 metres away." It is definitely something that should be considered.

The CHAIR: The Committee may have some further questions and you will have 21 days in which to answer them. The secretariat will assist with that. We appreciate your contribution to the inquiry. I believe you will be happy with some of the Committee's recommendations. Thank you.

(The witnesses withdrew)

(Luncheon adjournment)

MILLIE MILLGATE, Executive Producer, Sounds Australia, affirmed

The CHAIR: Do you have an opening statement?

Ms MILLGATE: I do. Thank you for the opportunity to speak today, and for including Sounds Australia in this important hearing. With respect to the terms of reference, I will be speaking to (e) any other related matter, and in particular about concerns for the lack of support and subsequent investment relative to the export of New South Wales artists and music industry professionals and businesses. As you would have heard constantly throughout these hearings, the Australian contemporary music industry is a dynamic ecosystem of many sectors, including live performance, recording, publishing, sync, radio airplay, digital, promotion marketing and so on and so forth. One of the things is that, more than ever before, in this current music environment and the area where they all unite and really intersect, is with respect to the importance now placed on export and the paramount need for global pathways, access and opportunities for Australian music.

With physical record sales almost entirely removed from the mix, a domestic market the size of Australia is no longer able to make, break or sustain careers for contemporary music, and it needs strategies and committed investment at all phases of an artist's life cycle to compete on the world stage. International success for our artists also leads to increased profiles back home, which significantly heightens their earning potential and the ability for them to derive a viable living from their music. For those Committee members who are not familiar with Sounds Australia I want to take a little bit of time to give you some background. We were set up in 2009 as a joint initiative of the Australia Council for the Arts and APRA AMCOS, who act as the custodians of the program. They provide strategic administrative and management support.

The initiative was devised to provide a cohesive and centralised support to Australian artists and music businesses through a dedicated whole-of-government and industry partnership, strengthening the available resources whilst reducing duplication. Presenting under this national umbrella really ensures a stronger sum-of-its-parts presence from Australia compared with Federal and State agencies, which undertook ad hoc and piecemeal activity in isolation. Often in that global market we are lucky to convince people we are not from Austria; they really do not need to know that we are from Western Australia or from Queensland.

Sounds Australia's mission is to fast-track Australian music success globally, and we do this by providing the best possible environment for artists to show case; we provide value-add networking and B2B initiatives for the Australian industry at these international showcase events; and we raise the profile and the visibility through creative marketing and promotion of the Australian music industry. And this is all balanced with a domestic strategy that creates capacity for our artists to export—undertaking masterclasses, training, providing resources and market intelligence. I have a hand-out that I would like to submit. It includes some statistics and information about the program to date. It gives some feedback from industry on their involvement with Sounds Australia and it also provides a list of some of the artists whose first endeavour—first outing—was through the Sounds Australia umbrella.

In addition to the Australia Council and APRA AMCOS we have been supported by the Federal Government and different State agencies and other peak bodies, including the Phonographic Performance Company of Australia [PPCA], Australasian Music Publishers Association [AMPAL] and the Australian Music Industry Network [AMIN]. So whilst funding has been made available sporadically over the last 10 years, it is important to note that, despite almost 35 per cent of the artists that are showcasing internationally are coming from New South Wales, Sounds Australia is currently not funded by the New South Wales Government, having been unsuccessful in the last two rounds through Create NSW.

There are a myriad of issues and concerns specific to our funding that we have addressed in our submission. I want to park that for now because I believe of far more importance and significance is the need to highlight the minimal amount of funding that is directly awarded to the contemporary New South Wales artists and the industry for their international activity. In 2015, the New South Wales Government launched its cultural policy framework and we were really excited by this, especially when we read that there was a focus on international connections included. Unfortunately, however, this ambition was not one that they were looking to achieve through supporting contemporary music.

On examining the Highlights Report from 2015-16, we learn that Create NSW supported showcases by New South Wales artists aimed at helping them connect with international producers looking to buy tour-ready Australian performing arts works, and they were supported at the Australian Performing Arts Centres Association [APACA] and the Australian Performing Arts Market [APAM]. The report also celebrates the support that was provided to major performing arts companies, international tours of the Australian Chamber Orchestra to United

States and Hong Kong, Bangara Dance Company to Turkey and France, Sydney Dance Company to Germany and Hong Kong, Sydney Symphony to China and South Korea, Sydney Theatre to the United Kingdom and the Australian Ballet to China. Whilst we genuinely do encourage investment in the export of all art forms, and it is terrific to see this support delivered through the New South Wales cultural policy framework, glaringly absent is an inclusion of any contemporary artists or music companies. So what support has been provided to the contemporary sector for international export activity? If I may, I would like to table a breakdown of this support.

The CHAIR: Yes.

Document tabled.

If you look through it, when examining the amount of funding that has been granted to contemporary music artists and music businesses by the New South Wales Government, we note a grand total of \$65,600. This is the combined total for eight years of investment from 2010-2017. It has supported only nine groups and one industry professional music business. I am not going to go around the entire country but I do think it is important to illustrate to the Committee some comparatives. In less than that, in five years from 2014-18, the South Australian Government has invested \$307,969 to support 41 groups and four industry professionals in their international endeavours.

In an even shorter period of time, in just two years, in 2017-18, the Victorian Government has committed \$654,865 to contemporary music for the support of 60 groups and 10 international businesses. For a State with not even 1 per cent more artists showcasing internationally, they are investing 10 times as much funding in a quarter the amount of time and in doing they are supporting 567 per cent more artists and 900 per cent more music businesses towards export success than New South Wales currently is.

Sadly, we do not believe this lack of support for contemporary music in New South Wales is limited to just financial. More disturbing perhaps is the lack of awareness, understanding, perceived interest and pride in these incredible artists. There seems to be absolutely no value placed on the contemporary music sector coming out of our State and we believe it is time that the New South Wales Government recognised these musicians, their teams and the industry they work in as a legitimate business, significant earners and real trailblazers in their fields globally.

In closing, I would like to stress, though, that we are extremely heartened and hopeful, especially by this particular parliamentary inquiry, by the fact that Create NSW has engaged PWC to create an international engagement strategy, the delivery of the Arts 2025 Summit and that as part of the night-time economy task force Create NSW is developing a New South Wales contemporary music strategy. These are all extremely encouraging steps. The future looks promising and in the immortal words of Yazz, *The Only Way Is Up*. Thank you.

The CHAIR: Good on you. That was very comprehensive. I draw your attention to page 2 of your submission where you talk about the ARIA's where the Hon. Don Harwin, NSW Minister for the Arts, congratulated all the winners. But in the next sentence you said:

Sadly we don't believe this pride has been reflected in the level of support (or lack thereof) Create NSW is offering to its contemporary music sector, both locally, or abroad.

That is a fairly strong comment. A bit further you state:

SOUNDS AUSTRALIA should be involved in Create NSW's strategy for getting NSW artists and industry recognised internationally. As it stands, there is a disconnect between Create NSW's existing visions for progressing international success, and the criteria it outlines for Arts bodies to meet in order to access funds and have that vision realised.

You are pretty strong about Create NSW and we are trying to get Create NSW to appear before the inquiry. This is a good opportunity for you to put some things on the record that we can test them with Create NSW because it sounds to me that this is a missed opportunity.

Ms MILLGATE: Yes, and I guess the word "pride" there in the Minister's comment is that it really is about that word and about that valuing of the artists. As much as you can say and have a framework that references it, we are just not seeing that with contemporary artists. The figures that I have just handed you are really indicative of the level of support. When we talk about Create, specifically with regard to our involvement, it comes down to some really practical logistical administrative issues, things that are in the grants funding and trying to fit within a grants round, and I appreciate that we are a national initiative, so that always becomes harder when working with State partners.

However, it will be things like the priority areas. They have priority areas such as regional New South Wales, Western Sydney, Indigenous, disability and young people. I absolutely agree that they should all be there. The thing is that the way we run our program with respect to who gets supported and the artists that are selected,

it is not happening for anyone in Australia. These artists have to be invited and they are chosen by the international market. They are chosen by professionals and experts on the ground in the United States as a genre event, that are deciding our artists because they absolutely think there is a future, a potential career and an audience waiting for them.

The reason I think our artists have had so much success across the nation is because they are being chosen by the market. For us to then come back to this kind of square-box funding, we cannot say that we are going to support X amount from Western Sydney or Indigenous, because we just do not know. We very deliberately remain at arms-length to that selection process. That is just one example. The other one is peer assessing. Previously there used to be the art form streams and you would be assessed by other peers. Now everyone is in together. We have often found when people are assessing, not only ours but other contemporary artists, that it is peers that aren't in music; they are peers that do not understand what KLP and The Rubens are doing.

There is a real disconnect with even understanding the nature of showcasing events. We constantly have feedback that says that artists are not being paid for showcases. That is the showcase model. It is what everyone in contemporary music understands and if you compare it, it is like a wool company or a wine company going to an expo or a trade show. They are investing in their future and potential sales. That is exactly what a showcasing event is. They invest to be seen and to build partners. What constantly comes back is: You are not paying the artists. We never would.

The other issue we got in our last feedback from the peer assess panel—I clearly outlined what we do. We are very much a service organisation. We got told by the panel that we had not created any new work. We have a drummer in our team, but I really do not think anyone wants to see any work from us. That is not what we are. We are not an artistic group, we are not a performing group, so again, it is not understanding the service that an organisation like Sounds Australia provides. The difference in other States is that we have strategic partnerships. They recognise that we will not fit into this tick-a-box type grant funding, but rather—particularly in the global sense—this needs to be a strategic investment. Having alliance and partnership that the government recognises is of vital importance, and we will work with them to build initiatives, not only those that we are undertaking on behalf of the nation, but where is the gap for New South Wales? What things does New South Wales need that are different? We are doing that with every other State.

It is not a pick on Create NSW. There have definitely been times across the decade that we have existed that we have had that strategic report. That is how that operated from 2011-13 when Denise King was in the role. When music specialists have been in positions, be it Kirsty Brown, Yvette Myhill—and going way back to Victoria Owens—when you have someone with even a little bit of knowledge of how the music industry works, you can appreciate the whole ecosystem and all the different components. It is significantly and starkly different to comparing visual arts and theatre, et cetera.

The Hon. JOHN GRAHAM: Thank you for the statement and those submissions. It is really helpful. It goes to the heart of some of the comparisons, but also to some of the practical suggestions about what we can do. The other thing that is frustrating in the situation you describe is how Sounds Australia is regarded. Other countries would kill to have this sort of operation that you are running, exporting music. That is really the feedback from other music industries around the world. The work that Sounds Australia does is regarded as some of the best around the globe. I do not want to encourage you to get too carried away, but that is part of what the industry says.

Ms MILLGATE: It is something that has been acknowledged. We have been asked numerous times to speak to other governments such as South Korea, a number of the Latin American territories—Brazil and Chile. More recently I went to Spain and the Canary Islands. People are looking at the Sounds Australia model and recognising, I guess, in a relatively small time what impact our artists have had, and certainly through the showcase conference model. I would suggest that the biggest testament to our impact was when our funding was in jeopardy in 2015 at a Federal level. The amount of support globally and the letters that were written from music businesses and other governments around the world was incredibly overwhelming. It was great to have the support from our artists and our industry, but it just to hear people talking internationally, saying, "If Sounds Australia is de-funded, where does that leave us?"

The Hon. JOHN GRAHAM: It has a real impact.

Ms MILLGATE: Yes.

The Hon. JOHN GRAHAM: One of the frustrations is that so much of the industry is in New South Wales. Adelaide has some good music festivals. Melbourne has a lot of live music. Sydney is where the industry is. It should be a natural relationship.

Ms MILLGATE: Yes. They are here. I guess, when we talk hand in hand about the artist that is showcasing internationally, more and more of the music businesses are going. Agents, publicists and the labels are going, not only to source talent, but also to be there for their artists. The lion share at every event is from New South Wales.

The Hon. JOHN GRAHAM: The point about music specialists in CREATE is an important one. We have heard other evidence and had feedback that is part of the problem. CREATE does some good work, particularly in film. In music, it is a different art form, a different industry, a different ecosystem. How much of a problem do you think that is?

Ms MILLGATE: It is really significant. They have limitations, and without that skill set they do not have the impetus to talk about it. One of the most exciting things of my role is to talk to the different—I can pick up the phone to a music person in State Government in every other State and talk about music. They know who their artists are. They know who is working behind those artists. We can talk about, "What do you need? What is working for you?" In April, Victoria, this had a focus on LATAM. We worked with them to bring in five people from South America, build a program for them for Victorian artists only. The Stigwood Foundation, which is an initiative through the South Australian Government, has been fantastic. It recognised that South Australia had a problem with keeping their artists there; people were leaving. There was no industry as such and it has taken some assertive steps. A big part of that picture was how to support their artists internationally. What they are doing is Made in Adelaide and the Edinburgh Festival. We have worked with them the whole way to build that strategy. There are different needs in each State.

The Hon. JOHN GRAHAM: We are starting with a whole lot of advantages but then missing the coordination you are describing.

Ms MILLGATE: Yes, absolutely.

The Hon. JOHN GRAHAM: So far as the need for some sort of contemporary music plan, every other State on the mainland has got one, surely we need one here?

Ms MILLGATE: Yes. Part of the plan you want to see is that life cycle. We cannot do our job and bring New South Wales artists through at that global level if there is no robust foundation. It is a pyramid. You need the venues working. You need them to play at festivals. They need air play. All of that goes towards building this economy of artists. Then we get the easy job. We get to show them to the world, and that is the greatest pleasure. But if you do not have the bits here—it is completely fractured. We are seeing it more and more. It is the other States that are bringing their artists through.

The Hon. JOHN GRAHAM: Finally, the funding figures you gave us quite stark. We have had some general funding figures, but these are useful when it comes to that support for achieving that export potential. What you are saying is, on those figures, we are spending over \$8,200 per year to support this?

Ms MILLGATE: Yes.

The Hon. JOHN GRAHAM: To catch up to what Victoria has spent over the last couple of years, it would take us 80 years to catch up.

Ms MILLGATE: Wow. I do not know if I will be here then, but I hope I am. I think what you would probably see now without knowing the numbers of people applying—they are just not applying anymore. They would not even think of New South Wales as a place to get support. Fortunately, through the Australia Council for the Arts, they are able to access—in a retro fit they can look at the EMDG, Export Market Development Grant, and I am sure a lot of the savvy businesses are doing what they can at a national level. I knew it was bad, but until I went through that exercise, it is glaring. If you look at the last three or four pages, which is all the Victorian artists, it is the diversity of what is being funded. It is the metal bands to Europe, the female singer-songwriters. It is the absolute spectrum. New South Wales has that talent. Exporting is hard. International activity is hard. To have that little bit of funding, whether it is five grand, 20 grand to make that difference, that is where you see artists building a future and being able to sustain careers.

The Hon. SHAYNE MALLARD: Are you doing any partnerships or any work with Austrade?

Ms MILLGATE: No.

The Hon. SHAYNE MALLARD: What is the background there? Austrade should be—

Ms MILLGATE: Yes, and you are correct. I do not have an answer. I thought that when Sounds Australia was created, initial conversations with Australia Council included Austrade, but, weirdly, when Sounds

Australia was set up, Austrade pulled the minimal support it was giving to music through its music offices in Los Angeles and the UK. Both of those had disappeared by 2013 and it became about studying in Australia and visiting Australia—very inward looking. We have not been able to penetrate at an Austrade level. We get a lot of support for markets that are aligned with the agenda of the Department of Foreign Affairs and Trade [DFAT]. We did stuff in India during OzFest India. Everything we have done in South America to date has been, thankfully, because of DFAT and then it is recognising what we have been able to do there. Even when I pick up this New South Wales Trade and Investment Action Plan, and what they are looking at is fantastic, but there is not a single mention of arts and culture in that entire document. It is every other industry. If you look at what we are doing, and I do not speak just to music in that instance—there has to be a fabric of our arts and cultures embedded within these other portfolios. I believe there are opportunities, not only at a Federal level with Austrade, but also a State level, and that cross-portfolio mix for what we do.

The Hon. SHAYNE MALLARD: It does seem like a glaring omission. The focus on those trade bodies, the State one and the Federal one—I did some work on the Federal one a few years ago—shifts, losing power and the agenda of the government of the day. I think the expo at Shanghai had a lot of cultural material in that.

Ms MILLGATE: Yes, 100 per cent.

The Hon. SHAYNE MALLARD: I went to the opening of that. Austrade put a lot of cultural material into that. It is probably something we should pick up on.

Ms MILLGATE: Yes. I think you will find too in South Australia the Music Development Office has been—it may be changing—but it has been funded by both Arts SA and industry, so it very much sits under industry, and I think what they have been able to do because of that partnership, and certainly when you look at the new Victorian Music Development Office there are elements of investment and trade conversations that are going to happen there, the LATAM initiative came out of the Visit Victoria, which was the inbound visitor program bringing in people across forestries, coal and mining, and they managed to get that cultural and arts element, but it was to bring them in for the Grand Prix and bring them in for Fashion Week. But then we were able to build a music program within that context.

The Hon. SHAYNE MALLARD: It is not easy to do. It is easier today than it used to be, but the cultural offerings, particularly music—have you done some work or has someone done some work on a dollar value of our exports?

Ms MILLGATE: At the moment, Sounds Australia has initiated a three-year study. We are part of a recipient of an Australian Research Council [ARC] Linkage grant that has been conducted by academics from Monash and Newcastle universities. This is our third and final year. It is to examine the net export value of Australian music export. Those findings will be ready at the end of this year and we will be presenting. That is where we are at. It really took a study like that to find out the information because there has never ever been that kind of study. When we started in 2010 I did not have a benchmark on which to even determine how much impact is having an imitative like Sounds Australia is making. That very specifically will pull an economic figure, but it is recognising the cultural value.

If you look at the Department of Arts now and where they sit, and the funding we have from them sits alongside a cultural diplomacy and a soft power initiative as well, we do sit across a number of areas. You heard from Greg Carey earlier and the managers of small business. That small business investment, what clusters could we build around our music managers? I think there is a lot of opportunity and I do not believe this conversation about New South Wales State Government rests with Create and arts; I think it is a lot broader.

The Hon. SHAYNE MALLARD: I think there is also an argument to make—again, it is difficult to put a dollar value on it—to demonstrate we are a creative, smart nation to attract the smartest and brightest to come to the country, and to keep the smartest and brightest in this country is important.

Ms MILLGATE: One hundred per cent. You are not keeping them, they are going. KLP is leaving them, and I think as much as some are going to Melbourne, most are going overseas—a lot.

The Hon. PENNY SHARPE: The fundamental issue is that departments write criteria around grants funding that does not fit what is going on, and you have spoken about the issue of lack of specialist knowledge, which I think is an issue across the entire public sector, not just this area. In terms of the people that you have supported to go and showcase this, have you been able to do an analysis that would show while it is being driven and being selected by overseas markets that the diversity is there, it is just that you cannot predict it upfront? Have

you been able to look at that and go, "Yes, people want to see this, they want to see this female"? Were you able to reverse engineer the outcome?

Ms MILLGATE: We are trying.

The Hon. PENNY SHARPE: And get someone to hear that.

Ms MILLGATE: Absolutely. We conduct an evaluation survey after every market and we ask the artists "What kind of opportunities did you get as a result of it?". In the early days we did not have the demographics. We did not ask those questions. It just did not even dawn on us. Now we do. We know they are coming from Western Sydney, we know the gender split, we know if they are Indigenous or people from non-English-speaking backgrounds. So that is all catching up for us, but we absolutely see it at the other end. This year, South by Southwest we had 52 Australian artists showcasing; 56 per cent were female-led or female identifying in those bands. Similar results at the Great Escape, and I think that is a wider global conversation. I know the festivals that we are working with definitely have that as part of the fabric, and that is why we do support them. We are looking for those opportunities across the board with diversity.

The CHAIR: Thank you for that evidence; it is really helpful and it sounds like there is some more work to be done here. Budget estimates is coming around the corner and it sounds like a good budget estimates question for the Minister.

Ms MILLGATE: Excellent. Thank you for the time.

The CHAIR: In light of your evidence, we might have some further questions. You will have 21 days to answer them. The secretariat will assist you with that. Thank you very much.

(The witness withdrew)

KARL SCHLOTHAUER, President, NSW Independent Bars Association, affirmed and examined

CHAU TRAN, NSW Independent Bars Association, affirmed and examined

LUKE ASHTON, Treasurer, NSW Independent Bars Association, affirmed and examined

The CHAIR: Would anyone like to make an opening statement?

Mr SCHLOTHAUER: The Independent Bars Association [IBA] collectively represents operators under three different licence types. I am premised with PSA, known as a restaurant licence; a hotel sub-category general bar, which is a form of a hotel licence; and a small bar licence with capacities of 150 or less. We also allow for operators who fall outside of these licences to become members as individuals who display they are a genuine operator with a good trading history or show an intent to address operational issues facing small bars. As a new industry body we are in the process of qualifying our members' objectives, but there are some themes that are starting to emerge: there is not alignment or integrated compliance between regulatory bodies; there is too much red tape and processing times; and there is not one licence that represents us all.

The overwhelming majority of our members opened a bar for their passion of service, the creativity and innovation it provides through product and entertainment, and a guest experience. It was about delivering something that has been missing in Sydney, and commercial viability is important, however, not the driving force. Over the past 10 years of owning and operating bars and being one of the first to open a small bar with the initial liquor reforms, I have seen firsthand the landscape change and the regulatory framework get more and more complex. For example, my understanding is council uses planning controls and DCPs to make decisions, Liquor and Gaming use the Liquor Act to make decisions and police enforce those decisions. But what I have witnessed and continue to witness is that line now is completely blurred.

Councils are making decisions and enforcing conditions that fall outside of that; Liquor and Gaming are following this lead; then police are making contributions to both the council and Liquor and Gaming decision-making process rather than enforcing decisions already made. This results in a direct impact on the commercial viability of a venue. Conditions being placed on liquor licences and council development consents, which are not clearly and easily referenced in any legislation, make it almost impossible to get a clear understanding of how the system works.

This gives rise to such conditions as live music or live entertainment is not permitted on the premise at any time, entertainment shall be restricted to soloists, duos, trios and low background and/or amplified music where volume is controllable, the licensee must ensure that no live entertainment or DJ entertainment is permitted at the premise, the licensee must provide sufficient seating for persons consuming liquor, liquor is not to be served to any person when there is no seating available to them, and statements from council like, "If we approve you we will have to approve everyone else."

We have an abundance of creative entrepreneurs with amazing ideas to contribute to this city, two of which are here with me today. Chau Tran owns and operates a 60-person venue called Burrow Bar which is located on what police have dubbed the Angry Mile, situated right next door to Ivy. In three years of operating Chau has continually tried to differentiate her venue from the much larger establishment next door yet is consistently policed in the same way, so much so that a peer-to-peer relationship with the police does not seem achievable. Luke Ashton operates a 120-person venue on Oxford Street called This Must Be the Place. It is a general bar licence located within the liquor freeze precinct zone.

Luke will never be able to trade past midnight as his licence type is not deemed low risk, yet he has the support of residents, council and a great trading history. To enable later trading Luke would have to swap to a small bar licence which would be a substantial cost of losing 20 people from his capacity as well as a myriad of other unfavourable conditions, meaning it could never be commercially viable for him. He would have to lose business to try to gain more. It just does not make sense. The unfortunate reality would be that Luke would not change his business model at all, it would just merely be a licence swap. The night-time ecosystem depends on various types of businesses and in particular the arts and music contribute to the vibrancy of that night-time economy. We welcome this inquiry into the possibility of change.

The CHAIR: Just reading your submission, there is a lot of frustration that it is not one size fits all. Would that be right?

Mr SCHLOTHAUER: That is correct.

The CHAIR: Secondly, it seems that the licensing issues preclude you from operating at certain times and you can literally move next door to a pub, for instance. It seems that the licensing issue is alive. Thirdly, you talk about policing in your submission. Your comments are that if you have a good record why should you be punished, basically. Is that a fair summation of your submission?

Mr SCHLOTHAUER: That would be fair.

The CHAIR: You would request us to be mindful of the fact that it is not one size fits all, that we reward good operators rather than penalise them, and look at the policing of licensed venues appropriate to their service to consumers.

Mr SCHLOTHAUER: Correct.

The Hon. JOHN GRAHAM: I wonder if either Mr Ashton or Ms Tran want to jump in first with any statements.

Mr ASHTON: As I mentioned, I own a small venue called This Must Be The Place on Oxford Street. We are sort of 50 metres within the lockout precinct and subsequently subjected to all the licensing conditions and liquor freeze conditions that go along with that as well. My intention when I opened the venue was to fundamentally change the way that Australians drink. I think we have a really poor culture centred around heavy consumption of alcohol, drinking to get drunk. When we opened the venue it was focused on lower-alcohol cocktails, spritzers, wine and subsequently supported by premium snacks. We would definitely align ourselves more in line with a restaurant offering. It is all table service, guests are greeted, sat down, receive a menu and everyone is topped up with water throughout the course of the night. We really do operate much closer to what a wine bar or even a licensed café would operate rather than a cocktail bar or a general bar or anything like that.

As part of that we have gone through a number of different changes in terms of our security requirements. We were required to have security on Friday and Saturday nights. The way that we operate the venue is downstairs is a small bar and then we reserve the upstairs space just for private parties and functions and events. We saw that as being something that we could add to the community and the landscape, just to give people somewhere that they could come in a controlled environment to have engagement parties, christenings, whatever it might be. We have had a number of events there. We have had some security conditions wound back from there after having a very good relationship with the police.

The Hon. PENNY SHARPE: When you say wound back, do you mean you have had more put on you?

Mr ASHTON: In our last application for continuation of trading hours we are licensed until 11.00 p.m. and we can trade until midnight. We had a condition removed that said that we no longer had to have security on a Friday and Saturday night and it would only be when we had an event on in the upstairs space. But with that came a whole raft of new conditions. Whereas previously we had to have a security guard that was easily recognisable, which meant that they could dress nicely, have their security pass. The idea is that they are a host and they can welcome people in. Subsequently in these new conditions the security guards have to have "security" written across their front and back and be in full security outfits.

The Hon. PENNY SHARPE: What is the justification for that?

Mr ASHTON: Very good question. In going back to council and reassessing all of these things and speaking with the head of licensed venues within council, their intention was not for these new stringent conditions to be put on; it was a matter of a copy and paste from other conditions that general bars have.

The Hon. PENNY SHARPE: It goes to the same problem: there is no differentiation between venues and the type of service that you provide.

Mr ASHTON: Correct. Exactly. Obviously, when the liquor freeze was brought in 2010 it was to curb an increased number of venues opening up within these areas. Subsequently what we have seen is a lot of venues close but the conditions surrounding those venues are still being imposed on new operators such as myself that have a fundamentally different product in the market as well. Council acknowledged that those conditions were added in error and subsequently had removed them as well. For myself in terms of the viability of the business, my biggest issue is not being able to trade past midnight. What we find is that we have trade from 3.00 until 8.00, people then go out to dinner and then we do not get the later trade because people see it as being not really a viable option if they need to come in at 11.00 and they need to be out of the venue by midnight.

The issue with us not being able to trade beyond midnight comes down to the liquor freeze and at a State legislative level councils are not allowed to authorise extended trading hours on my venue licence type irrespective of how the venue is actually operated or used. This is a licence that we inherited rather than one that we had

applied for. I appreciate that whilst there were probably some operators in the area that were not doing a great job before, I think that we really need a review of the entertainment precincts within the city as well and be able to support the good operators. I think if we can take anything out of what the lockout has actually done, it has created a new culture of better operators that are smarter, that are a little bit more instinctive about what their product is and that are being a little bit more mindful of what their impact is on the community as a whole as well.

Ms TRAN: I own and operate Burrow Bar in the city. We are a 60-capacity small bar licence. We have been operating for close to three years now. Our business model is one member of staff per 10 patrons; all table service, all one-to-one service. We create a neighbourhood bar in an area that does not really have a neighbourhood kind of vibe, we are right in the heart of the city. When we first opened and we had all of our documentation submitted the local police met us and told us that we unfortunately fell within the Angry Mile. The Angry Mile was any venue that was in between Scruffy Murphy's and Jacksons on George towards Circular Quay. When we tried to describe the type of venue we were trying to open—actually if you went just one block the other direction those were the types of venues that we were trying to be part of, like a small bar, small restaurant, food and service focused kind of environment.

We were told, "Look, unfortunately we have to view you as trying to open a small nightclub right next to Ivy", because in the documentation they said we shared the street frontage with Ivy, which to the letter of the law is probably accurate. George Street is a very long street, so you could say Jacksons on George also shares the same. It has been a very hard process to try to convince someone who already has made the decision that you are there to open up something quite terrible for the environment. So much so that we spent a long time refuting a lot of the stipulations that were in our licence when we first opened and a few of them were we are not allowed—and we still are not—to have live entertainment and amplified music. We are not allowed to have a dance floor. We cannot have shots and shooters, which is fine, we agree with that but we do run a premium back bar, so we got it talked down to we are allowed to serve neat spirits if they are not designed to be consumed rapidly or shot. It is really hard to try to open a bar, your dream venue, when you are met with hostility or just not much support for trying to create something quite beautiful, in our mind.

The CHAIR: What are the avenues to appeal those conditions? What did it cost you?

Ms TRAN: We spent weeks probably, researching. Initially police gave their report and said they recommend not to support our application. We went line by line and read through a myriad of reports.

The CHAIR: When you say "we", did you hire a consultant?

Ms TRAN: No, it was myself and my business partner.

The CHAIR: It is important because people may hire consultants and it costs a lot of money. I am trying to get the balance on this.

Ms TRAN: We could not afford it,

Mr ASHTON: Which is the case with a lot of small bars.

The CHAIR: I am very aware of that, which is why I wanted the clarification.

Ms TRAN: Myself and my business partner, we read through a bunch of reports because one of the lines was that the amount of people who were living in the area was not enough to support the amount of entertainment venues in the area. We went through and looked at Transport for NSW data, train data and said honestly, if we are looking at people living in the Sydney central business district [CBD], I can understand that statistic. But we have looked at the amount of foot traffic, the fluctuation of Monday to Friday, then after hours you could probably assume people are going out to have dinner, go watch a show. If we are using that data, coupled with people who live in the area, by far we are fine in terms of the density of the establishments in that area if we compared it to say Glebe, residential versus people who are actually trafficking into the area. We were able to provide that argument but it was a painstaking process. It probably took two weeks of us being on site and getting the venue open to just deal with the red tape and make sure that we did the due diligence: We hear all of your concern, but we are not here to run a terrible venue, we are here to meet you halfway, hopefully, and open a venue that can benefit everyone and not try to break rules.

The CHAIR: Who did you work through with that, was it the council or the licensing officer?

Ms TRAN: It would be the licence. We responded to the letter from the police and we sent that to the police and also sent it to licensing because they took that as: We are going to attach these recommendations from the police as part of your licence. There were 26 issues and we were able to overturn 20 of them. So we are happy about that.

The CHAIR: They were obviously flexible to a degree because you would not have been able to turn around 20 if they were non-negotiable.

Ms TRAN: Yes, we were quite researched. I think if any other person, if I was in a different state of mind and opened a venue maybe five years earlier than I did three years ago, I probably would have said, "Okay, fine, I don't want to cause any ripples, I just want to open my dream bar." Then paid for it three years down the track.

The CHAIR: This is one of the challenges, if there is a new operator they do not know all of these things, sadly you only learn by experience and then the next time around you see the DA, you know that you can contest and challenge them and even win some changes. The first time around, you need all the money up front to open your dream business, not squandering it on challenges.

The Hon. JOHN GRAHAM: Thank you for your evidence, it has been very helpful. We have had some of the best operators in the city, some of the biggest operators come in and talk about how confusing it is operating in this environment where you are not sure what the licences are, what the laws are. You are doing it all by yourself as small businesses, individual operators, and as you describe it, really having to become licensing experts, planning experts, transport experts, it turns out as well. That has to be pretty hard to balance when you are trying to start up some of these very small operations.

Mr SCHLOTHAUER: You often give into the conditions at the start just to get the approvals through, then come back to it. An application time frame will be a minimum of three months for a DA, then we are looking up to nine months, then again for the liquor licence, and they do not run in conjunction. So more often than not you accept what they give you at the start just to get open, then say: All right, how can I work within this? And then start the challenge process.

The Hon. JOHN GRAHAM: I think you have captured one of the complexities, which is the development of small bars in Sydney has been one of the good things. Hopefully it is one of the things making the city safer with more diverse, different venues. That is a good thing. When we talk about small bars, what you have captured is a range of licences that sit behind that. They are not all under the small bar licence, it is pretty confusing under the hood.

Mr SCHLOTHAUER: Correct.

The Hon. JOHN GRAHAM: The no live music conditions, this is not about the sound, this is just telling you, you cannot employ a musician. Would some of your venues do that if you could, or do you already?

Mr SCHLOTHAUER: We do. We had to remove a condition, which I have here, that we could not have any amplified music at all, not even an iPod. We went through that and got that removed and got removed the no live rock bands but then had to give into the solos, duos and trios. Now we do have a program on a Sunday where we have buskers come in and get in-venue experience.

The Hon. JOHN GRAHAM: You run one of the venues in the State where you are told how many people can be on stage?

Mr SCHLOTHAUER: Correct.

The Hon. JOHN GRAHAM: It does not matter how much noise you make, that is not relevant, how many people you have got making the noise is the subject of regulation?

Mr SCHLOTHAUER: Yes.

The Hon. JOHN GRAHAM: In relation to security, when the Committee went to Melbourne we met with some of the venues there. They have some similar rules of thumb about how many patrons and how many security, although we talked to one of the biggest music operators in Melbourne, running hundreds of acts, a reasonably big venue, The Tote Hotel, and they were saying that when they put in their security plans, saying this is how we are going to manage security, they are able to have security on the big nights, but when they are pretty quiet obviously they do not feel they need to have security. You are running much smaller venues, in some cases much smaller, more intimate venues, do you have that sort of flexibility about how much security you have got to have out the front?

Mr ASHTON: For myself personally—and this goes back to what Mr Schlothauer was saying when you accept the first round of conditions that you are subject to—when we looked to open the venue it had not been open for two years previous to us taking it, so we had to go through the process of having everything updated. One of the conditions that came was that we had to have security, that was added in 2015. Previous to that there

was no security condition on the venue. We went through each year when we had to resubmit for the extended trading hours, we tried to make a case for reducing the need to have a security guard there, saying that the venue is all table service, we have clear line of sight from the front door to the bar everywhere, a self-moderating sort of environment as well, we do not have any people coming in that are intoxicated, if they ever do and we are unable to serve them we send them straight back out.

The requirement of having a security guard on a Friday and Saturday night for a four and a half hour period meant that we were never getting a quality security guard anyway. We were always getting the newest people or perhaps the people who had just started up as security, and subsequently were not doing a very good job in that either. They were consistently letting people walk out of the venue with alcoholic beverages. There were occasions when they let under-aged people into the venue. Having a security guard acts more as an inconvenience for people; it is certainly an inconvenience for operators. They are not in line; they do not have a shared vision with the staff, the owner and the guests. We were frequently asked why we had a security guard. It is a friendly and safe venue, and it makes the guests feel less safe.

When we finally had our security requirement removed, it was under the condition that we had security when we held a function or an event. It makes sense if we are operating close to our capacity of 120 guests to have someone on the door who is at least moderating if I need to spend my time running up and down taking care of people. That is central to what we do. It is hospitality and we want to take care of the people who come to our venues. Small bars are predominantly operated by the owners, and their livelihood is on the line if there are issues with compliance or intoxication. No-one is going to care more about the safety of their guests than these small bar operators. That security condition was non-negotiable for a long time, until this most recent application.

The CHAIR: That has been very helpful. I feel your pain in trying to make a buck and keeping your businesses going while moving through the red tape. That is the reason for this inquiry. Hopefully the Committee can address some of the issues you are facing. Unfortunately, planning laws and the interpretation of them by the authorising officer can be the difference between a good and a terrible experience. Members feel for you. We will take your evidence on board. Members may have some further questions, and you will have 21 days to answer them. The secretariat will assist. Thank you for telling your story and contributing to the inquiry.

(The witnesses withdrew)

JON BISSET, Chief Executive Officer, Community Broadcasting Association of Australia, affirmed and examined

ANDREW KHEDOORI, Manager, Australian Music Radio Airplay Project, Community Broadcasting Association of Australia, affirmed and examined

NIKKI BROGAN, Managing Director FBi Radio, affirmed and examined

The CHAIR: Do any of you wish to make an opening statement?

Mr BISSET: I convey Mr Phillip Randall's apologies. He is the President of the Community Broadcasting Association of Australia [CBAA], and Chief Executive Officer of Hope Media, the Christian community radio station. Thank you for having us here today. The Community Broadcasting Association of Australia is the peak organisation for community radio stations in Australia. The importance of the community radio sector to the Australian arts industry is significant, yet frequently underestimated. Community radio is Australia's largest independent media sector. It is the third pillar of broadcasting alongside commercial and public broadcasters, and an important public resource for information and cultural engagement. The scale of the sector is significant. In July this year, we reported our highest listening levels; that is, 5.7 million Australians tuned in each week to the more than 450 not-for-profit, independent, community-owned and operated radio services. That is up from 5.3 million, which was in our submission last year.

The CHAIR: Is that Australia wide?

Mr BISSET: Yes. No less than 36 per cent of music played on community radio is performed by Australian artists. Among the top reasons Australians give for tuning into community radio are the Australian music and specialist music, as well as local news and information. It is a common story that local artists get their first radio play on community radio. It can be the start of long careers with continued support from community broadcasters, including world-wide number one acts Gotye and Hermitude, who were first played on Sydney's 2SER, and Wolfmother was first played on FBi Radio. There is a list of other examples in our submission.

Community radio performs an important role in Australia's radio-landscape by supporting local music and the music industry. Because of its different business model, community radio not only fills gaps that the national broadcasters and commercials cannot but also actively champions local music and contributes to the health and vitality of local music scenes. This dedication and passion for local music and the local music industry is ingrained in a station's radio licence, which stipulates that community radio shall support local and underrepresented news, perspectives, music and culture. There is an inherent value placed on local and Australian music. Grassroots culture and community radio are intertwined.

As part of our commitment to creating an environment in which Australian music can thrive, 20 years ago the CBAA created the Australian Music Radio Airplay Project [AMRAP]. The service involves the CBAA distributing and promoting contemporary Australian music to community radio stations nationwide. The service reduces barriers to entry for upcoming artists. To date, AMRAP has hosted content from many thousands of artists via unsigned music providers, record labels, and music business enterprises.

Community radio is a vital layer in the New South Wales music and arts economy. More than 100 community stations provide an avenue for local musicians and artists to be broadcast on airwaves across the State. They also serve as a catalyst for building diverse and passionate music and arts communities. These communities support vibrant live music and arts scenes and the venues that host them across the State. Providing support to these stations to build their capacity and infrastructure is critical, as is a flexible and encouraging environment in which we can operate. Thank you and we look forward to answering your questions.

The CHAIR: You say that you would appreciate some support in building community radio stations. We have some great stations on the south coast that attract large audiences. In what ways can this inquiry contribute to local radio stations providing support to local music, arts and talent?

Mr BISSET: One of the key roles is to recognise community broadcasting. We are legislated and regulated federally; it is certainly not a State licence issue for us. Funding is also provided at a federal level. But what is really important is that there is an environment where local councils and the State Government support community broadcasters. Victoria has the new music hub in Collingwood, which I think members visited. One of the big community radio stations in Victoria, PBS, and other organisations are moving into that precinct.

The CHAIR: Are you saying that the State Government does not contribute any grants?

Mr BISSET: There are no direct grants that I am aware of for community broadcasting. I am sure some community radio stations access volunteer grants or other grants that exist. I do not have details of those specifically.

The CHAIR: If you were able to, I would be very interested if you could forward it to us, if you find that there is, in time for Budget Estimates. It is a good budget question.

The Hon. SHAYNE MALLARD: Hints to the Minister.

The CHAIR: Yes, the hints to the Minister are all on record.

The Hon. SHAYNE MALLARD: He may be listening now.

The CHAIR: How are you, Minister? We need some money for the local community radio stations, if you are listening.

The Hon. JOHN GRAHAM: Thanks for coming in. I think the Committee knows there is a problem with the grassroots music scene and we are looking for ways to help. It seems that, with community radio and the sorts of audiences you are talking to across Sydney or New South Wales, that is one of the ways we could really inject some life into the local music scene. The question is, if that is our goal, what can we do to help? What are the needs of the community radio stations that you represent, so that we can make sure that the grassroots music scene in New South Wales is thriving?

Mr KHEDOORI: Community radio stations around New South Wales are putting on their own events through their own resources. There is only so much that they can do, but if you look at a station like FBi or 2SER, where I have come from, they are putting on local music events quite a lot, but really scraping it to do so. There is no support whatsoever from the Government to make this happen or to make it flourish. 2SER had a live music program for four or five years and we got to the point where our gear was deteriorating so we had to stop that process for quite a period of time. It is always a challenge because it is always coming from within. Community radio struggles to scrape by every year.

Ms BROGAN: For a bit of context about FBi radio, as an example, we are a champion of Sydney music arts and culture. We play 50 per cent Australian music, with half of that coming from Sydney. We are a listener funded station. We do attract revenue through sponsorship, working with partners. Very little operational funding comes from the Government—it sits at less than 5 per cent—and that is through grants that we have the opportunity to apply for.

The CHAIR: That is not recurrent funding?

Ms BROGAN: No.

The CHAIR: You have to keep applying every year for those.

Ms BROGAN: Yes, and it is not guaranteed. As Andrew was saying, we put on a lot of events. We have development programs which really support artist development and help to foster audiences. We had a program called Dance Class, which was aimed at increasing the participation of young women in electronic music. We had another program called Tracks, which we did with Blacktown Arts Centre around contemporary music in Western Sydney. These kinds of programs are things that we do with very limited resources.

The Hon. JOHN GRAHAM: I compare that to some of the evidence we have taken from some of the other areas. We have talked to the commercial FM stations about how much Australian music they are playing and some of the issues that have been raised about that. That is well short of your 50 per cent.

Ms BROGAN: The 50 per cent is our remit, but we obviously try to go over and above that. Last year, of the top 100 tracks that we played 69 were from Australia, and 42 of those were from Sydney. Each week our music director adds 20 tracks to our playlist, and 50 per cent of those are Australian and from Sydney.

The Hon. JOHN GRAHAM: Just to compare it to the evidence we have taken about JJJ, it is doing a fantastic job supporting Australian music but one of the issues that has been raised is that since it has gone from being a Sydney or New South Wales operation to a national operation it is less focused on the New South Wales and Sydney music scene. Is that a fair comment?

Mr KHEDOORI: I think it is absolutely spot on. JJJ only add, for example, seven tracks a week. They are not necessarily Australian. They just cannot support and develop a grassroots culture in New South Wales because they have a national focus. They are doing a great job of presenting Australian music in the main, but they also have format issues where they cannot promote other things such as world music, jazz music or something

that does not fit into their format. So community radio really jumps in there with the diversity of its programming. It can get across 100 stations in New South Wales.

The Hon. JOHN GRAHAM: If we were to say that when Government is giving out money in this sector you might have to partner with a community radio station might that be something that we could look at?

Mr BISSET: I think that that would be a fantastic opportunity. I think there are other opportunities, too. We talked at a Senate inquiry last year into public interest journalism about government advertising spending and the possibility of ensuring that community radio is at least considered when Government is spending on advertising, which can help sustainability of community radio stations.

The Hon. JOHN GRAHAM: Good point. You raised the Collingwood Arts Precinct. The Committee has had a look at that. It would involve some of the music organisations and PBS community radio. Is that the sort of thing in Sydney that might make a difference to the vitality of the music scene?

Ms BROGAN: From our perspective at FBi we are an organisation that serves Sydney. We are watching the city change around us and seeing prices increase and we are working out how it is that we stay and exist in the city that we serve.

The Hon. JOHN GRAHAM: How much security of tenure do you have, for example, in FBi or the Community Broadcasting Association of Australia [CBAA]?

Ms BROGAN: Not a lot.

Mr BISSET: We are in the same building as FBi and there is a metro station going up directly opposite. The demolition clause has been put on our new leases, so it will not be long before we need to—

The Hon. JOHN GRAHAM: So "very little" really is the answer.

The Hon. SHAYNE MALLARD: The two radio stations you represent are institutions in our city. Thank you for the work you do. I was a volunteer announcer on 2SER when I was at Macquarie University; I declare an interest. I wrote a rap song and sang it on FBi radio. It was called "Inner City Libs with a Lot of Love to Give". I was running for Lord Mayor. There is a segue to that. You are innovators and risk takers—something that some of the commercial operators and the streaming people we have been talking really cannot do. You can engage with new music that might not be commercially viable, at least at the beginning. I am interested in the discussion around support that the Government could provide to you and other community radio stations. How many was it you said?

The CHAIR: One hundred. That is what Mr Bisset said.

The Hon. SHAYNE MALLARD: I am talking about small grants like \$5,000 and \$10,000. That can go a long way for community radio stations.

Ms BROGAN: We do a lot with very little. Anything, even at that level, which does not seem like a huge amount—

The CHAIR: It is a massive amount, isn't it?

Ms BROGAN: Yes. It has a real measurable impact on what we do.

The Hon. SHAYNE MALLARD: You would have reach into nearly every community in the State.

Mr BISSET: There are radio stations in pretty much every region around New South Wales—little stations all over the place, basically. A lot of those are very small, so \$5,000 would be absolutely significant. It would probably be a little less significant for a station like FBi but for some of those little country towns like Ballina, Coffs Harbour or Dubbo, it would be quite a significant support.

The Hon. SHAYNE MALLARD: In the context of our inquiry we would be looking to use the language "that it promotes in New South Wales Australian content"—new and emerging young artists or musicians. Would you be able to work around that?

Mr BISSET: I think so. There are lots of stations around New South Wales that are doing lots of things with Australian music. There are some examples in our submission. For example, Bellingen provided a broadcasting stage at the annual Bello Winter Music festival. There is 2BOB radio in Taree, which is doing a lot in that town. Byron Bay does a huge amount with Blues Fest and the Mullum Music Festival. So there are lots of things already happening that are connected to Australian music.

The Hon. SHAYNE MALLARD: I assume they are doing it—and I would encourage it—but the local stations are engaging strongly with their local representatives of Parliament. I am on the one up in Paddington—

Mr BISSET: Eastside.

The Hon. SHAYNE MALLARD: I have been quite a few times to Eastside and it is really important to do that to get advocacy for the good work you do to engage with local members.

Mr BISSET: Yes, a lot of stations build very close relationships with their local members. We find that happens particularly in regional areas because of the close relationships that can be built.

The CHAIR: How would you put forward the criteria for these stations that they are legitimate community radio stations? Is there a qualification?

Mr BISSET: Yes. Under the Broadcasting Services Act, the Federal legislation, a community broadcaster must be a not-for-profit organisation and must abide by the codes of practice, similar to commercial radio codes of practice but they are community broadcasting codes of practice that we put together.

The CHAIR: But they have to register?

Mr BISSET: They have to be licensed by the Australian Communications and Media Authority [ACMA].

The CHAIR: If you were doing a small grant for the purpose of mobilising further Australian content, could we be confident that the list of community broadcasters would be the numbers that we are looking at?

Mr BISSET: Yes, correct, could be.

The CHAIR: Would you be able to forward us such a list?

Mr BISSET: Definitely.

The Hon. SHAYNE MALLARD: That is a list of all the stations?

The CHAIR: Of the community broadcasters across New South Wales. You made an interesting point on page 4 of your submission where you talk about regional New South Wales community radios. You talk about fostering a viable touring network in regional and remote New South Wales under the heading "Supporting music and arts in regional NSW".

Mr KHEDOORI: That is actually something the Australian Music Radio Airplay Project [Amrap] can help engender insofar as, for example, we get Australian music out as a distribution hub to radio stations in those areas and the artists themselves can check where their music is being picked up and they can follow through. They can actually create a schedule for touring around when that airplay is coming and then be welcomed by those stations to promote those shows.

The CHAIR: I am thinking about a real time app for existing opportunities because this morning we talked about dashboards for watching streaming between the major streamers, trying to get data providing transparency in allowing consumers to know what is happening in the streaming context. A real time app for people throughout rural New South Wales would be really helpful to link up?

Mr KHEDOORI: The Amrap site can actually speak to that to an extent. We are looking to build upon that. We also have Amrap pages, which is a playlist function and a search function where any user can see which station or which presenter is playing which tracks. From that we have been able to glean through the 150 radio stations around the country that use Amrap pages that we are getting around 36 per cent to 39 per cent of Australian music played across-the-board at community radio, which is really strong, especially for those stations that do not necessarily have that particular remit; they just have a community remit with their licence.

The CHAIR: That is good; it is really helpful. You also speak about supporting regional councils in the development of council-specific music plans to stimulate local music economies. I remember we were trying to do something with our community radio and it was all about promoting council. It is a really good point, is it not, that councils can play a major part in supporting their local community radio with grants and opportunities?

Mr BISSET: Definitely, and we really encourage that. There are quite a few examples around the country where a council has provided the home for their local community radio station, whether that is on a long-term lease, a permanent lease or those sorts of things. There are lots of those opportunities. Because community radio is really about localism, I think that is our real strength; it is about building those relationships with local councils, other local organisations and local people.

The Hon. PENNY SHARPE: Ms Brogan, I listen to FBi Radio, which seemed to be doing regular gigs but they seemed to have dried up a bit—I do not know whether that is actually true—but I am asking you to comment on the closure of venues in New South Wales and what that has meant for the people you want to promote and work with at the station?

Ms BROGAN: That is definitely something we have noticed in two different ways. Through the partners that we work with there are fewer venues who advertise with us, spend with us and partner on events with us. Speaking to artists, it has become so clear that we really need to help develop these artists because there are not as straightforward pathways as there have been before where there is a small-capacity bar that someone can go and play at and they can see the next venue they would move along to. That has just completely changed over the past five years.

The CHAIR: Thank you very much. In light of your evidence we may have further questions. You will have 21 days to answer those questions and the secretariat will help you with that. We certainly appreciate the part that community radio plays throughout New South Wales. I do not think it is appreciated to the degree that it should be appreciated and it is extremely hard to get funding for it. We will look into that and hopefully have some positive news, Mr Deputy Chair?

The Hon. SHAYNE MALLARD: Perhaps some estimates questions.

The CHAIR: Yes, estimates questions for the Minister.

Ms BROGAN: We would also love to have the Committee come through our studios in Alexandria, if you are interested.

The CHAIR: I ask that you send us an invitation. We can send it individually and then individually make our way out there at the appropriate time. I would love to do it but I do not know when we would do that. I know we would all probably be interested to do so. That would be great. Thank you.

Ms BROGAN: Thanks.

Mr BISSET: Thanks for your time.

Mr KHEDOORI: Thank you.

The CHAIR: No, thank you.

(The witnesses withdrew)

(Short adjournment)

TYSON KOH, Campaign Director, Keep Sydney Open, affirmed and examined

The CHAIR: Do you have an opening statement?

Mr KOH: I do. Ask anyone to list the world's greatest cities for live music, art or night life and no-one will mention Sydney—certainly not with a straight face—and that is the harsh reality of what we are currently facing here. The questions that should be at the heart of not only this inquiry but also every person in this city is: Do we accept this or not? Is this what we want? Should we stand for Sydney's appeal to be limited to how we appear in a photograph as opposed to the living, breathing experience we offer to visitors and the people who call this city home? The tragedy is that it is not for a lack of talent or drive or ideas or desire. The musicians, artists, DJs, promoters, curators and venue owners have all that in spades. It is that we have a Government that has been, for the most part, indifferent to the communities that want to make Sydney a daring, relevant and culturally satisfying place that we are proud of.

When the lockout laws were introduced, the State Government and all who were determined to usher in and maintain the regime were adamant to gloss over our shortcomings. Former Premier, Michael Baird, described Sydney as more vibrant than ever while the current Premier describes her position on the laws as comfortable. All this, despite a barrage of evidence and testimony put forward by business owners, musicians and organisations such as the federally funded—or rather de-funded—Live Music Office. The Callinan report is littered with errors and blatant unwillingness to accept the consequences that closing venues early has had not only on the creative sector but also the entire urban and economic landscape.

One of the core issues at play is the battle for space—space in precincts in this city where people feel uninhibited to create, socialise and make a racket. High-rise towers are being built where clubs and performance spaces once entertained. Historic pubs are being converted to houses and it has led to a feeling among musicians, creatives, young people and many others that we are being edged out of Sydney. There is a perception that this was the intention all along, that laws such as the lockouts and other changes to planning legislation were specifically designed to benefit the interests of property developers and casino barons. I am not here to interrogate that perception, but I am here to bring it to your attention. So long as this is a commonly held belief among many people in the public, we have a major problem.

You will have heard numbers and statistics that suggest our music and arts sector is in trouble. What I believe is equally important is the confidence of these sectors and the willingness to participate among audiences. Those in government can tell us everything is okay, that there is lots to do and that this city is as vibrant as ever, but no-one will believe it while we have a law in place specifically designed to hurt venues. Keep Sydney Open was formed in response to the lockout laws and the concern among the music, creative and night-time industries that these laws would have a damaging impact on their livelihoods. The campaign grew to represent the concerns of everyday people about the vibrancy of Sydney. We made the case from the very beginning that transport, planning, arts, tourism and small business policies needed to be considered alongside health and law enforcement issues. We argued that the way to combat a negative culture was to overwhelm it with a positive culture, not to dispense with culture altogether.

We have had some successes, but the people in sectors we represent have told us repeatedly that change was too slow and that their businesses or their time in Sydney as a resident was in jeopardy. That is why we formalised our concerns and became a political party. In the way that we brought thousands of people together at our rallies, we have mobilised people to jump through the hoops of registering as a party. As you are aware, this process was devised with the intention of being difficult. That is how much support we have had based on this issue. People are angry and upset. People do not feel like they own their own home—literally and figuratively. They care about live music, electronic music, the arts and livability. They realise that a city that disregards its artists is not a true city. The Keep Sydney Open party was founded on the premise that Sydney can be better—it deserves to be and this greater concern with what kind of city we want will be an issue at the next State election.

I thank the Committee for hearing my testimony today and I would like to extend a special thanks to those responsible for setting up this inquiry. Asking these questions is an important step in addressing the issues that I and many others have raised before you. To answer my own question: Should Sydney be internationally recognised as a home of music and the arts? Yes, so let us make it happen.

The CHAIR: I draw your attention to your submission. You talk about the focal point for coordination and accountability, and the creation of a dedicated New South Wales Government office tasked with promoting a vibrant and welcoming 24-hour city. Can you speak to that and the second part where you talk about Night Mayors?

Mr KOH: It is all about creating a space within government. They are called Night Tsars in other cities around the world. It is all about taking responsibility for what goes on at night-time, because we all know, and a lot of people find this even sometimes as a resident, that when the sun goes down some people want to get to sleep but the best cities around the world tick over 24/7. If there is not someone somewhere within government responsible for making sure that it happens in as least an impactful way as possible while maximising the economic opportunities of the night-time economy, then it is too easy to disregard, and it means that there is an opportunity for job growth and creative output that is being lost.

The CHAIR: You have covered a little bit about the dedicated government office that I asked you about. Did I hear you say something about the Federal Government withdrawing money or funding that was allocated?

Mr KOH: It was for the Live Music Office, which is not really tasked with looking after the night-time economy. That is strictly to do with live music and how it is tracking federally. I have not personally, nor has Keep Sydney Open, devised a plan for what that office will look like because it can come in many different forms. That is something that needs to be part of a broader conversation. In Amsterdam, I know that that sits outside of government. The general consensus here seems to be that government needs to take some responsibility because there is a perception among the creative sectors that it has been responsible for a lot of the impasses that have taken place with the night-time economy. I am not sure whether that would sit within a Ministry that is already established or whether it would be a new department. That is another conversation.

The CHAIR: We took some evidence in Victoria that will be helpful in that regard.

The Hon. JOHN GRAHAM: Thank you for your evidence. In the course of your work to date you have organised some of the bigger mobilisations of young people around this issue. Presumably they feel pretty disconnected from government on this issue. Just talk us through what that perception is.

Mr KOH: Yes, that is right. There are a lot of pressures on younger people in general—not even just talking about musicians and artists. There is a feeling, particularly among people within my age bracket and younger that they are not being considered. It is a very bitter pill to swallow that not only do we pay more for education than our parents and grandparents and we are paying more for houses, more for rent on a weekly basis, but that we are also not allowed to go out until the same hours that our parents did. It is very difficult. I think a lot of younger people are quite incensed by that, and I think that is often unspoken, but I think that was a lot of the sentiment behind the energy that has gone into our street protests.

The Hon. JOHN GRAHAM: And you would acknowledge we need a safe city. Obviously, there are concerns about making sure that people do not get hurt going out.

Mr KOH: Absolutely, and I think that is something that was really lost very early on in the conversation, that the desire for safety is unanimous. The people who are being kept safe at night-time are the people who go out at night, which includes me and it includes all the people who have been at our rallies and who supported the drive for Keep Sydney Open to become a political party. We want to see some results there too. I think a lot of the frustration was that a lot of the mechanisms that ought to have been in place to ensure better safety without having anything to do with curfews and cutting hours just were not being looked at, and we are talking about 24-hour transport, we are talking about having more cops on the street. There is this really common perception that a lot of younger people or people in the music industry are anti-police, but I do not find that at all. I think there has been this desire to work very collaboratively with police to ensure that the city is being kept safe. But I think the frustration was that it was cast very early on as an either/or fallacy, and we do not think that is the case.

The Hon. JOHN GRAHAM: Why is it when the Committee went to Melbourne and we took evidence from the Melbourne music industry, they turned up and said pretty much with one voice, "We don't see music and safety as being at loggerheads, we see them as being related"? People are out doing something, like listening to music, that, particularly in smaller venues, inside venues, where they are in a controlled environment, is safer. Why is it that we have been unable to have that view in Sydney? It seems common sense.

Mr KOH: I think because the laws that we put in place to deal with the issue, which obviously was a very hot-potato issue in the media at the time, was very reactive and we were not able to devise any kind of plan in concert to be able to combat it. Of course you would get people in the room, of course you would get all the people who appeared before you at this inquiry together with law enforcement and other health professionals to devise some kind of plan, but that did not happen; none of the people who have provided testimony were asked for their opinion before the fact, only after.

I think Victoria, the reason they are able to say as a united front that all these interests work in concert with each other is because Melbourne is a city that has always defined and prided itself on its live music culture,

whereas I think little by little over the course of, I would say, decades, that has somewhat diminished in Sydney. We do not have a strong identity where we are able to say, "Okay, this is what we want, this is the end game here. So let us reverse engineer that with all of these departments working together". Instead, it is just putting out spot fires here and there and that is why we are where we are.

The Hon. JOHN GRAHAM: Just coming to that question about Sydney's reputation around the country or overseas, describe that to us. How is it regarded? You have referred to it already. What sort of feedback do you get in your current role or the other work you do?

Mr KOH: I think generally it is regarded that, certainly from a lot of acts, they are vying for stage space. I often notice that there are a lot of really interesting live music acts that skip Sydney simply because there are not enough venues that are able to provide a space for slightly more daring programming, and also in terms of Sydney acts that are really killing it on the world stage, a lot of those acts came into being at a time just prior to the lockout laws. Of course, you get the odd unicorn here or there, but I think the general feeling is that the success stories happen despite the climate of Sydney, not because of it. Also, when it comes to the lockout laws themselves, it has hit the headlines that you have all these massive acts, whether it is people like Madonna or Justin Timberlake or Prince or the Wu-Tang Clan, who have all commented about the lockout laws. People talk, and these are people who have social media followings of millions of people.

So it is one of those things where I do not believe that the city is dead; I believe that there is a lot that we can be proud of here, but those stories are not getting out there because of that issue of perceptions, and it is why I mentioned in my testimony that as long as we have a law that is specifically designed to hurt venues and to send people home early, it does not matter how hard the artists and the promoters and the venue owners and the record labels work, no-one is going to believe it, unfortunately.

The Hon. JOHN GRAHAM: It is a good point. It is not just that they have got large audiences; we could release a report saying Sydney has still got some great things happening, but if Madonna tweets about her view of what it is like coming to Sydney, I know which of those will carry more weight around the world. That is part of the issue here. That is a very damaging international discussion.

Mr KOH: That is right, and I think it is really damaging for self-perception as well. That is one reason why even though there are fewer venues to service all the different subcultures and genres around the city, often you will go to a night that a lot of promoters and people that organise events think that there are not as many things going on tonight so there should be a queue around the corner. But I think there has been an element of social engineering going on where people are starting to just stay at home out of habit.

The Hon. PENNY SHARPE: Your recommendations are really good, they are very specific, and I am very attracted to the idea of a night-time mayor, but I am interested in the comment around the implementation of the actions recommended by the night-time economy roundtable. I am not clear about where all that is up to. Are you able to tell us where all of that is up to?

Mr KOH: No, I am not.

The Hon. PENNY SHARPE: You have no better information than I do.

Mr KOH: No, that is right. I understand, being someone that has at times bristled against government and authorities, that maybe I am not so much in the loop, but it cannot be argued that I am a major conduit between what happens with government and also with people. So I would have thought it would have been in the Government's best interest to keep me informed of the progress that is going on there so at least I can relate to our followers.

The Hon. PENNY SHARPE: I am obviously aware of the process and I am aware there are some discussions, but you do not know either. It is disappointing but now we know.

Mr KOH: Agreed.

The Hon. PENNY SHARPE: The night-time mayor idea, I know it is not a new idea, is it a bit horses for courses? Amsterdam has got its outside government; where do you think it is working? Where is it worth us looking to and are you aware of where they have been able to chart the impact of the night-time mayors, particularly in the live music space?

Mr KOH: I certainly know that the Amsterdam Night Time Mayor was able to facilitate, in cooperation with their official city hall, 24-hour venues that could have live music, electronic music, right through on a 24-hour basis. That is something that is really positive. I know that there has been a movement in some cities. I do not think there is a night-time mayor in Paris at the moment. I know there is in Toulouse. But Paris is a city that closes

a little bit earlier as well, I think maybe about 3.00 a.m., but they have just announced that they now have a 24-hour venue too. I think what is happening with the establishment of these night-time economy offices is that there is a spreading throughout government that this is actually a lifestyle and a desire that people have. Yes, a lot of people want to go to bed at a respectable hour and wake up and go to yoga or do a few laps and go to work. Some people want to do that and they also want to go out late. Some people just want to go out late. The point is that there are multitude different lifestyles that people want to have in a city of millions of people and everybody should be facilitated in some way.

The Hon. SHAYNE MALLARD: It is good to put a face to the regular inhabitant of my Facebook and website.

Mr KOH: Absolutely, likewise.

The Hon. SHAYNE MALLARD: That I am regularly deleting on the issue of relevancy. We will not go into the background of the lockout laws.

Mr KOH: It does get boring.

The Hon. SHAYNE MALLARD: That only The Greens opposed it and what triggered it. I have lived in the Cross since the mid-1990s and I was a councillor for 12 years, so I know all the initiatives they tried to address the violence. We do know and we have taken evidence that it has impacted negatively upon small bars and live music venues to a point. We accept that. But there is a vibrancy still in this city if you go to Newtown and Marrickville. There is an emerging culture in Marrickville which we have been to see. The violence has not been displaced by and large; there is no proof of that. There is a really dynamic part of Sydney that has emerged more strongly after the lockout laws. Would you acknowledge that?

Mr KOH: Absolutely. I think there are different levels to that. There are not that many venues in that part of town. I think that you start to see queues around the corner because there are not that many venues.

The Hon. SHAYNE MALLARD: In Newtown and Marrickville?

Mr KOH: Correct. Because of that you do not see every single genre of music that people are into these days being catered for. You do have one or two jazz venues and you do have the odd live music venue, et cetera, but there is a feeling particularly with certain electronic styles of music that a lot of those venues that you would have seen in those precincts are not quite right for them, which is why there have been some illegal events happening both indoors and outdoors in that precinct and in other precincts as well. I am worried that over time we might potentially be heading towards a similar situation, maybe not exactly the same as Kings Cross but in that way in which a lot of residents will start to resent that new attention that those areas have had in recent times and that history might repeat itself.

The Hon. SHAYNE MALLARD: There is a little bit of that but I imagine that the three councils that cover that area are reluctant to go down the same path that was one of the factors in Kings Cross, which was the concentration of large licensed venues.

Mr KOH: Correct.

The Hon. SHAYNE MALLARD: They probably did not even have live music. There is quite a diversity there. I am concerned the Keep Sydney Open message is very negative when there is still quite a vibrant and dynamic part of our night-time economy.

Mr KOH: We do both. We are very aware that negative perceptions can also have a very powerful impact on people's desire to go out.

The Hon. SHAYNE MALLARD: It is self-perpetuating too.

Mr KOH: Absolutely, but at the same time it is not a reason to justify the negative pressures that come from governments that ought to be supporting those sectors more. We are very real about those pressures that come from legislative and economic forces while also encouraging people to go out. We have been in that space ourselves. We put our money where our mouth is. Aside from the rallies we have also put on events too and we have put them on in various venues in Kings Cross, in Darlinghurst and in the city as well. We believe that absolutely we should be also giving credit to ourselves where it is due.

But the problem with relying on a place that has always been quite an alternative neighbourhood like Newtown and Marrickville has been is that we are hearing that a lot of people particularly from more marginalised communities such as the queer and LGBT communities do not feel as at home there anymore because it is being relied upon by the whole city as being their playground, their place of fun, and so a lot of those communities have

now scattered off. A lot of weekly gay parties are now bi-monthly or they happen less frequently. It has had an impact on those communities, which often does not get discussed.

The Hon. SHAYNE MALLARD: What about Barangaroo and its emerging role as a cultural and nightlife precinct?

Mr KOH: There is a big issue that we have in Sydney of creating and synthesising entertainment precincts and it has happened several times. It has happened in the Darling Harbour precinct, it is happened in Fox Studios and the Entertainment Quarter where someone very high up decides, "This is place that you can culture."

The Hon. SHAYNE MALLARD: They are not good examples.

Mr KOH: No, they are not very good examples but we are in danger of creating that again. That is the interesting thing. If you want to avoid what happened in Kings Cross I do hear that there is more liquor licences that are being applied for within the Barangaroo precinct than almost anywhere else in the city. Are we going to repeat the same mistakes as before? What I certainly know is that a lot of people particularly in the taste-making quarters of the entertainment industry resent being put in a space, being told that this is where you can go, when Oxford Street, when Kings Cross, when the CBD and when areas close towards Circular Quay where places like Soup Plus and the Basement used to be—that is where they were.

They are the areas and the locations that they have picked out for themselves and they have taken years and decades to gestate. It remains to be seen. We certainly know that there is a lot of backlash against the casino and the Crown casino that will be present at Barangaroo. I feel like it will service some people's needs but not everyone's and certainly not the side of the sector that is the most forward thinking and the artists and the organisations that are most responsible for Australia's image internationally in terms of arts and music.

The CHAIR: Thank you for coming along and giving evidence. It is important, as you well know, because a lot of people are relying on this inquiry for all sorts of reasons. In light of your evidence we may have some further questions. You will have 21 days to answer those questions. The secretariat will help you with that if need be. We appreciate your time this afternoon.

Mr KOH: Thank you so much everyone.

(The witness withdrew)

CLIVE MILLER, Chief Executive Officer, Support Act Limited, affirmed and examined

LINDY MORRISON, Social Worker, Support Act Limited, affirmed and examined

The CHAIR: The Committee has been travelling and has heard of the good work you have been doing. We appreciate you coming today and giving some evidence on your perspective of what is happening with the industry. Would either of you like to make an opening statement?

Mr MILLER: Thank you for the opportunity and the invitation. Support Act is Australia's only charity delivering crisis release services to music artists and music workers. It was established in 1997 with support from its founding members, the Australasian Performing Right Association [APRA], the Australasian Mechanical Copyright Owners Society [AMCOS], the Australian Recording Industry Association [ARIA], and the Phonographic Performance Company of Australia [PPCA]. What Support Act does is mobilise support from within the music industry. We do not at this stage receive any government funding.

The services we provide fall into two key areas. The first is crisis relief. We help artists and music workers facing hardship due to financial stress, illness, mental health problems, injury or some other crisis. We help them to get back on their feet when they have hit a tough patch or they just need some breathing space. The kind of support that we provide can include assisting with paying the rent or the mortgage, buying a bed or a wheelchair, paying for car repairs, medical and dental bills, utilities such as phone and electricity, and of course, the ubiquitous credit card. We also provide referrals to other support services, as well as bringing comfort and dignity to people in the final stages of life. To that end, we also provide funding for funerals.

We support family and friends seeking to raise funds for an artist or music worker in crisis through our "Help a Mate" program. The grants that are provided are provided because of the contribution that our service users have made to the Australian music industry. We receive more than 200 requests for support each year, but that number is growing. Around 30 per cent of those users come from New South Wales, the rest spread across the other States. Fifty-four per cent of those are musicians, 20 per cent are roadies and around 25 per cent are from other areas of the industry, and that includes producers, artist managers, venue owners, techies and journalists, to name a few. We are pleased to report that 63 per cent of our service users are able to go back to work as a result of the support that we are able to give them.

A key point that we want to make is that many artists and music workers live in near poverty. Music Australia's statistical snapshot from March 2016 states that 56 per cent of all Australian musicians earn less than \$10,000 from their creative income, with only 16 per cent earning more than \$50,000. This means that there is a fine line between surviving and being in a crisis situation. If I can offer a personal opinion, and listening to the previous speaker, I guess I would reinforce the fact that it seems to us that the impact of the lockout laws and the ever decreasing funding for the arts certainly is not making life any easier for artists and music workers.

Access to affordable housing is another key issue. Our older musicians cannot afford to pay private rents when they move on to the aged pension. Roadies cannot afford private rents when their backs, knees and hips give out from carrying black boxes on their backs for so many years, and they move on to the disability pension. They cannot afford their car rego, to get the car serviced or insured, their power bills, vet bills, and the waiting time for public housing can be many, many years. The other major service that we provide is our Wellbeing Helpline. That is our new flagship service. It is a free, confidential 24/7 phone counselling service that is available to anyone working in Australian music who needs to talk to someone about any aspect of their well-being. It is staffed by professional counsellors who offer expertise in all areas related to mental health, including depression, anxiety, addiction, suicide ideation and feelings, as well as issues which can be mental health related. That includes loneliness, relationship breakdown, financial worries, illness and workplace conflict. That number, just for the record, can be accessed by calling, 1800 959 500 or through our website, supportact.org.au.

There has been a lot of discussion over recent years about the impact that mental health is having on artists and music workers and this has been prompted in part by a number of high-profile suicides. But there has also been a lot of anecdotal evidence from artists and music workers, managers, their friends and families about the disruption and devastation that mental health issues can have on careers, relationships and home life and overall health and well-being. It is an uncertain life working in the music industry and this initiates to the poor mental health that some experience. To that end, the New Zealand Music Foundation undertook a study in 2016 that indicated that musicians are five times more likely to struggle with depression and 10 times more likely to show symptoms of anxiety. A study commissioned by Entertainment Assist and Victoria University in 2016 suggested similarly high levels of anxiety, depression and other mental health issues, including suicide ideation

across all sectors of the entertainment industry. I can outline the key triggers leading to these heightened states of mental illness in the discussion time if that would be helpful.

These studies and our own experience have told us that artists and music workers are more likely to seek help from people who understand the particular issues that they face as part of their profession. To that end we have been very fortunate that Albert Music and Levis recognise the importance of providing such a service and have provided the initial funding to establish the Wellbeing Helpline. We have also been pleased to see that in Victoria the Government has recognised the higher than average impact that mental health issues are having on people working in the creative industries and the need for support and training are incorporated into their Creative State strategy. I know that you have been to Victoria recently and probably are very familiar with some of these initiatives. Support Act has also developed its own mental health first aid training workshop for artists, artist managers and music workers so they can identify the signs and symptoms of common mental health issues, learn how these can be managed, offer help to friends and colleagues in need and ensure their own self-care.

The CHAIR: That was very comprehensive. There were so many services you alluded to, how do you afford it all given that you do not have any grant funding?

Mr MILLER: We are lucky in that we have the support of those four founding members that I mentioned at the start of my presentation, ARIA, APRA, PPCA and AMCOS. They provide core funding to us. We run our own fundraising events, in fact our Music in the House event started its life in the Strangers' Dining Room here many years ago and we have celebrated many high profile Australian musicians over the years. I mentioned the Help a Mate program whereby we facilitate a process for artists and their friends to raise money for their mates in need. That generates a significant amount of income. We have a range of other activities.

Ms MORRISON: I wanted to add, throughout the country there are small groups of people having luncheons regularly or having small gigs who will make \$1,000, \$2,000, \$3,000 and they donate that to us. They are regular givers just doing small funding benefits. We always say in the music industry, it is all the little bits of money coming in that make a living. It is the same with the charity.

The CHAIR: How many people work for you on your outreach programs?

Mr MILLER: We are a very small organisation. We have six part-time people. None of us work full-time. Lindy is the national social worker and she has been in fact managing all of the service users and the crisis support that we have been providing to the service users for the past 20 years. Just recently, thanks to the support of Michael Gudinski and Frontier Touring, we have been able to provide our first social worker in Melbourne. We have four other part-time staff.

The CHAIR: That is incredible. It is a bit of a load.

The Hon. JOHN GRAHAM: Thank you for running through the figures demonstrating the extent of the problem. That is particularly useful and it makes sense. I am interested in your views about how much of that is due to the fact that people are doing this for love rather than money. Many of the artists we have talked to have made it clear just how little they are earning. That really puts the pressure on. How much of that is a contributing factor?

Mr MILLER: I think we would say that that is the contributing factor; that is the major trigger. The challenges and the financial hardship that people face underpin practically all of the requests we get for crisis support. The studies would show that when it comes to people's mental health and wellbeing, problems are caused by concern about their financial situation now and in the future. Our statistics show that only 3 per cent of our service users have superannuation and only 1 per cent have health insurance.

The Hon. JOHN GRAHAM: Sure.

Mr MILLER: That fine line I mentioned between surviving and then tipping over into crisis is very fine.

The Hon. JOHN GRAHAM: We are talking about work for musicians, roadies, sound people and others you are dealing with. If that goes well or badly, you are seeing the results of what that means at the human level.

Mr MILLER: Absolutely.

Ms MORRISON: I want to address the question of the love of music. Often people use that in a derisory way with regard to musicians. They say, "They love their job so it doesn't really matter." It takes an incredible amount of work to build the skills necessary to produce albums, to be on a live stage, not to make mistakes, to

have the right gear, to get a group of people together and to keep them together, and to make records. All of that is unbelievably expensive. We are small businesses. The cheapest rehearsal rooms for playing drums cost \$30 for two hours in this town. You are not rehearsing once a week; you are rehearsing three times a week. If you want to be good, you have to work very hard. We do not have a lot of rehearsal rooms; they do not exist. That is my first point: The fact that you love being creative does not mean you should not be entitled to have a good lifestyle.

Secondly, we see a lot of people as they get older. A man came to me yesterday who requires spectacles but he cannot afford them. He is only 50 years old. He works regularly with a jazz group at, I think, the RSL at Bondi Junction. It has been closed down for renovations and he now has no work. He does not have any money coming in and he is paying private rent. These are the problems. As they get older they cannot keep paying private rent. If you want to get someone housing in this town, they have to live in their car. That is the truth. That is based on my 20 years of experience trying to get people public housing so they do not have to pay high rent. If they live in their car, they will get public housing. They will not get it before that. It is impossible to get public housing. I was able to get it for a very old couple and a woman who was living in a boarding house by proving she was being harassed there. It is incredibly difficult.

The Hon. SHAYNE MALLARD: I did not pick up your background. Do you have a music background?

Ms MORRISON: I was a drummer in an Australian band called the Go-Betweens until 1990, when I had a child. Since then I have worked in community music and have directed shows around Australia. I have also taught copyright at TAFE, so I know a lot about the TAFE system, but that is another story. I was fortunate enough to do a social work degree in Brisbane before I went into music. My first job was in the Aboriginal and Torres Strait Islander Legal Service, which was set up by the Whitlam Government in 1973 and 1974. It was fortunate that the industry knew that and asked me to start with Support Act. I have worked three hours a week for 10 years and I now work 16 hours a week. I also still gig; I am playing with a young artist called Alex The Astronaut at the moment. I do other work as well.

The Hon. SHAYNE MALLARD: The industry is well served by your history and expertise. That is very good.

Mr MILLER: I also started my professional life in the music industry, working in public radio and then at triple j. I was then the manager of the Go-Betweens for a number of years. Then I moved out of the music industry and worked in the not-for-profit area. I worked for the AIDS Trust of Australia for a number of years. Then I went to work for the Yothu Yindi Foundation and was involved in setting up the Gamma Festival in north-east Arnhem Land. I also worked for the Fred Hollows Foundation for a number of years. For about the past 10 years, I worked for a global vision care organisation called Optometry Giving Sight, which is based at the University of New South Wales.

The Hon. SHAYNE MALLARD: I am glad I asked that question. That is amazing. Thank you for the work you do. We have heard about you from other witnesses.

Mr MILLER: Thank you very much. We welcome the opportunity to have input into the inquiry. We hope it is a great success and wish you well with the outcome.

The CHAIR: Your opening statement will be incredibly important for our report. The Committee has heard evidence about affordability, not having regular gigs, good years and bad years. It was refreshing to hear that people like you are there to catch people at their lowest and to help them up.

Ms MORRISON: It is thanks to the Australian music industry that we can exist. It is extraordinary. Thank you very much.

The CHAIR: It was very good that we heard about you and we appreciate your appearing at this inquiry. Members may have further questions, which you will have 21 days to answer. The secretariat will assist you with that.

Mr MILLER: Thank you very much.

(The witnesses withdrew)

DANIEL ROBERTSON, co-owner, Play Bar, affirmed and examined

SARAH VUONG, co-owner, Play Bar, affirmed and examined

The CHAIR: Do you want to make an opening statement?

Mr ROBERTSON: Yes. I thank you for the opportunity to speak in front of the panel. The inquiry is incredibly important for Sydney's night-time economy and your efforts are greatly appreciated. Sarah and I were owner operators of a small live music venue in Surry Hills called Play Bar. We took on a five-year lease for a DA-approved site. It took us five months to build ourselves and we opened in February 2013. Our mission was to create a fun and eclectic environment for easy-going and harmonious members of the Sydney community whether you are socialising with friends, colleagues or pursuing a romantic evening, Play Bar combines music, style and genuine hospitality to create a truly unique service.

Our vision was to become a renowned hospitality provider and be a contributing factor to the evolution of Sydney's night-time economy. It had always been a dream of ours to create and manage a space that really supported music, art and dance communities. We were determined to make it a cultural institution. Sarah and I both vacated full-time jobs to start the venue. We invested our life savings and sold our apartment to raise the capital to get it off the ground. During our time at Play Bar we programmed more than 750 live music gigs, an eclectic mix of artists from international acts to grass-root bands, live performers, live art, dance, DJs, across many genres from soul, funk, hip-hop, reggae, Brazilian samba, acoustic and many more. It was not, however, an easy ride. We did encounter many hurdles along the way mentioned in our submission—from vexatious noise complaints to dealing with considerable levels of policing and the greater impact of the lock-out. We would be happy to answer any questions you have of us from our experience over the past five years at the venue.

The Hon. JOHN GRAHAM: I declare up front that I have met a range of people who have appeared before this committee. I have been to this venue and I have met Daniel and Sarah some years ago running the venue. It really was regarded as one of the best new venues coming through. It was a small place. There were not many like it in Sydney when it was opened.

Mr ROBERTSON: Yes, that is correct. I am from Melbourne. I grew up down there and we wanted to create more a Melbourne style venue in Sydney. A bit more relaxed, a bit more music oriented. The music is there but it is not at the forefront all the time, but then it can be. We took that approach and it was unique. We found our niche.

The Hon. JOHN GRAHAM: It was a big risk. You sold your apartment and invested your life savings in this venue, which is a very bold thing to do in Sydney.

Mr ROBERTSON: That is correct, yes.

The Hon. JOHN GRAHAM: And then you started to hit some hurdles. Will you advise the committee the issues you faced around noise in the venue?

Mr ROBERTSON: The first hurdle was on our first Friday night of trade, when we got a noise complaint at 8.45 by the office upstairs.

Ms VUONG: On a Friday night.

The Hon. JOHN GRAHAM: Pretty early, and then it escalated from there?

Mr ROBERTSON: It escalated quite rapidly, yes. How do I put this? It went out in the media. We did not expect it to blow up like it did.

Ms VUONG: We had continual complaints from a Senator that was above us. What started it was that it was an election year. So she was there quite often. We did not expect her to be there quite as often as she was. There were ongoing council complaints. We had visits—lots and lots of visits.

Mr ROBERTSON: We had multiple visits but were never found in breach.

Ms VUONG: We had leased the site as a DA approved site. What was discovered was that there was an incorrect acoustic report which was approved by council. Upon discovering that, we started to speak to our landlords to try to resolve the problem. We always did try to create a good relationship with our neighbours, because that is what we have always wanted. But then unfortunately it did get a bit ugly. It had to take a legal

turn, given the nature of it. There were a lot of sleepless nights spent and a lot of money. I think we spent in excess of \$100,000 on legal fees in our first year of trade. We were probably a bit inexperienced. We probably gained some lessons from that experience.

Whilst we had a contingency fund, over \$100,000 in excess to use on legal fees was definitely not written in our budget. We probably would have wanted to spend that on lots of other things. It was a very difficult time for us because we had the opportunity to walk out. Basically, we were sold a site that was not DA approved. But that meant that the \$200,000 that we invested in the fit-out of the business would have been lost had we chosen to walk out. So I guess we were kind of bound and stuck. Also, we did want to continue with the business because it was something that we have always wanted to do.

Mr ROBERTSON: Yes, we believed in it 100 per cent.

Ms VUONG: It was very unfortunate because we did not feel the support of the city. We did not feel the support of a Senator who was supposedly for music and culture and for a vibrant city. But beyond that, to experience what we experienced lots of people would have given up. That is the sad reality of business. It gets too hard and people are burnt out and will not ever do it again.

The Hon. JOHN GRAHAM: We have heard some evidence from some other small venues today. They turned up and said, "Look, we've had to become experts in planning, the liquor laws and maybe in transport projections." That is really part of the story about what happened with you guys, isn't it? You really became experts in some areas that you never expected?

Ms VUONG: That is correct. Definitely.

The Hon. JOHN GRAHAM: What did you have to get your head around over those first couple of years?

Mr ROBERTSON: Like you said, everything. We became experts on sound insulation, sound meters, council process and how political it can be in council itself. It was a good learning experience, that is for sure.

The CHAIR: Unfortunately.

The Hon. JOHN GRAHAM: You can say that now.

Mr ROBERTSON: We can say that now, yes.

The CHAIR: Now you can consult to other businesses.

Mr ROBERTSON: That is true. That is a good idea.

The Hon. JOHN GRAHAM: Talk to us about the cost of some of that acoustic testing or some of the work that you might have had to do. You are running a small bar. It is not a big venue. What are the sorts of costs that you might have had to bear to get the venue tested or to fix it up?

Mr ROBERTSON: Because of the nature of the complainant it had to get escalated to one of the top acoustic engineers in the city. He recommended a few solutions for the treatment of the roof.

Ms VUONG: Before that, acoustic reports can cost from \$2,500 to \$5,000 or \$6,000 depending on the complexity of what they are testing.

Mr ROBERTSON: Just the reports.

Ms VUONG: Then the outcome was that we needed sound proofing.

Mr ROBERTSON: The problem was that the DA that was submitted said that there was a concrete slab between the tenancies. There was no concrete slab. So we had to put in sound attenuation to replicate that. That was multiple layers of foam and then double gyprock with the foam in between, then more and more layers. The cost of that was around \$93,000 just to do.

Ms VUONG: But what was more difficult was that we had to close the bar; after all the difficulties of trading that first year we actually had to also close the bar for a one-month period.

Mr ROBERTSON: For a five-week period after the whole year of the legal battle getting to that point.

Ms VUONG: So we were losing that trade at that peak time where we should be making sales during the summer period.

The Hon. JOHN GRAHAM: But you were able to keep going and run this venue for five years, is that right?

Mr ROBERTSON: Yes. After all the work had been completed, we thought, "Thank goodness. Now we can finally start trading the way we want to trade" and start—

Ms VUONG: Focusing on the business.

Mr ROBERTSON: —focusing on the music and bringing the acts in without having to go to everyone, "Guys, can you pull it down; it's a bit loud". It was fantastic that we could start doing that but a few weeks later, that is when the lockouts got introduced.

Ms VUONG: It was an immediate impact with the lockouts because there was media hype but then people stopped coming out. The impact of the lockout laws were quite evident quite soon.

The Hon. SHAYNE MALLARD: Are you in the lockout zone?

Ms VUONG: This is a quite interesting story too.

Mr ROBERTSON: Originally we were out when the development application [DA] got submitted; we were in the Surry Hills area.

Ms VUONG: Yes, when we were doing our business planning we were unable to get a grant because we were out of the CBD area. We were considered Surry Hills and then when the lockout laws came in, the first map that was sent out—

Mr ROBERTSON: —was that original CBD drawing.

Ms VUONG: So we were one street away from that.

Mr ROBERTSON: And then there was a revision, I think, on account of the Surry Hills Local Area Command just saying, "Hey, look, there's three bars down this area. Can we revise the map to include them?"

Ms VUONG: Yes, and then we were included, along with a few other bars along that one street.

The Hon. PENNY SHARPE: How late were you trading before the lockouts?

Mr ROBERTSON: Midnight.

The Hon. PENNY SHARPE: It was not an issue; it was just that basically the foot fall stopped; people stopped coming out was the impact rather than a limit on your trading hours?

Mr ROBERTSON: Indirectly it affected us. People at first were still going out; they were trying to beat that 1.30 a.m. rush to get into spaces.

The Hon. PENNY SHARPE: It was crazy, yes.

Mr ROBERTSON: Then over a month period people then thought, "Why bother? Why are we trying to get out. Let's just finish our dinner at a nice restaurant"—or whatever they are doing—"and then just go home".

Ms VUONG: I think in the area we were in, it was quite a new area; it should have been a precinct. It is near the Hollywood Hotel. It used to only be the Hollywood Hotel and Bar H, which was a restaurant. We thought it was a lucrative area because we could see the potential growth of a little pocket and again, having it in a more intimate precinct rather than these big clubs. But it was impacted because we were unable to extend our trading hours and all the bars around us were in the same boat so it never became a precinct area for people to go. People still go there but when they have dinner, they cannot go to a bar afterwards because we all close at 12.

Mr ROBERTSON: The second component to the lockout was the liquor freeze. Our original business plan was to trade for the 12 months, get a good proven track history and then go for 1.00 a.m. and 2.00 a.m., and so on, but that lockout prevented us from doing that, so we had to essentially work with the cards we were given.

Ms VUONG: Because our focus was music, when we first started planning it was always a part of the council to trade to midnight, trade well for a year and if there are no issues you can apply to extend but unfortunately because of the lockout we were unable to extend. That is actually one of the biggest reasons why we moved on from the bar after five years; because we had maximise what we could do in that space. It is quite disappointing because that was the perfect space. It was a very intimate space, there was never any trouble. Had we been able to trade an extra couple of hours we would still be able to continue with our business but unfortunately that was too big a risk for us.

The Hon. SHAYNE MALLARD: Thank you for your submission. You have had bad luck and harassment clearly—the bad luck being no fault of yours but the DA was not correct. If there had been a concrete slab there you might have had less trouble. The harassment, regardless of whether the person is a senator or any other person, a person can really cause hell for a business like yours. It is a concern that has been repeated to us many times. Can you outline what was the offensive noise abatement order that was put on you and then withdrawn?

Mr ROBERTSON: In my opinion it is the ultimate power law where a council officer could come in and say this noise is too loud, judged by him; there is no meter or set limit. They can just say, "I deem you to be offensive right now. You have to turn your system down otherwise we will shut you down."

Ms VUONG: It is subjective.

Mr ROBERTSON: Yes, it is very subjective.

The Hon. SHAYNE MALLARD: Is it a verbal order?

Mr ROBERTSON: It is a verbal order to do it.

The Hon. SHAYNE MALLARD: Followed up by a letter or something?

Mr ROBERTSON: If they get called back that night they can come back and have the power to close the business.

The Hon. SHAYNE MALLARD: The council officer can. The police can do the same thing?

Mr ROBERTSON: I believe the police can do the same as well.

The Hon. SHAYNE MALLARD: They can turn up at a party and say, "Turn it down"—and they do not have any meters; it is a bit different for you guys?

Ms VUONG: Yes.

The Hon. SHAYNE MALLARD: I cannot believe, based on your submission, that without any violence or issues you have had 230 visits from the police in your first three years of operation. That is more than one a week?

Mr ROBERTSON: Sometimes twice a week; sometimes multiple times a night.

The Hon. SHAYNE MALLARD: I will not go into what you allege about the police is that number of visits triggered by the complaints about the noise and then that escalated?

Ms VUONG: We believe it could have been possibly, but we are uncertain because by that stage lots of venues in Sydney were being harassed. We are a 120-person venue. There were four undercover cops—

The Hon. SHAYNE MALLARD: You said 120 people and 230 visits in three years?

Ms VUONG: Yes. There would be for police officers per night in one hit.

Mr ROBERTSON: Sometimes six.

Ms VUONG: Sometimes six.

The CHAIR: Were there any dogs?

Ms VUONG: No dogs. We never had dogs.

The Hon. SHAYNE MALLARD: But there was not an issue of violence?

Mr ROBERTSON: We had zero violence issues in our venue.

The Hon. SHAYNE MALLARD: So what do you put that down to?

Mr ROBERTSON: We have a few theories.

The Hon. SHAYNE MALLARD: But the complaints?

Mr ROBERTSON: There could be a link there but I am only speculating; I do not know if there is a relationship between the senator and the police and she said, "Go and give these guys a bit of grief." I don't know.

Ms VUONG: It definitely triggered something, I believe, but we cannot be certain that that was it. But during that time with all the visits, there was a massive increase of police presence in all venues and also extending

from just intoxication; they would be looking at your fire door, and going, "This looks a bit crooked". It was definitely harassment because it was not something that they generally would be looking at. That was the kind of level of scrutiny that all venues were under; in particular, we were.

Mr ROBERTSON: I have another theory that there are also venues that are deemed high risk and low risk and a new fee came into the venues when the lockouts came in. If any venue received any non-compliance fine, that next year you are deemed high risk and your fee would jump from \$500 to \$3,500.

The Hon. JOHN GRAHAM: Which fee was this?

Mr ROBERTSON: A risk assessment fee that was just thrown on all venues in the CBD.

The Hon. SHAYNE MALLARD: It came in with the lockout laws.

Ms VUONG: Yes, it came in with the lockout laws so all venues had to pay a fee but then they would rate you whether you are high risk.

The Hon. SHAYNE MALLARD: Not just in the lockout areas but across the State and all liquor licences.

Ms VUONG: Yes.

The Hon. SHAYNE MALLARD: What are you doing now?

Mr ROBERTSON: I am working for a company looking to introduce another music venue into the city.

The Hon. PENNY SHARPE: You are a sucker for punishment.

The Hon. SHAYNE MALLARD: You are talking to the right people.

Ms VUONG: I am actually working for Legal Aid. I had to take on the role whilst I was doing the bar as well because we were having all these issues and on a financial level it was smart.

The Hon. SHAYNE MALLARD: I have to congratulate you on your resilience in doing it for five years. I have owned small businesses and it is not the love life you think it is going to be when you go into it. You have gone through a lot and lost a lot of money through no fault of your own. I congratulate you on holding it together?

Ms VUONG: Thank you. I mean, it has been good. It has been a year now. We have finally de-stressed from it. We can look at things in hindsight and see the greatness. People come up to us and when are we opening another venue. They are the kinds of rewards, not monetary, but they are things we did.

The Hon. JOHN GRAHAM: What could have been done to make things easier? Looking back on the five years, what support could have been there or what would have made a difference to the sorts of problems you had to tackle? Other venues will hit some of this trouble. What are the things that might make a difference?

Mr ROBERTSON: Having the live music task force essentially saved our business. If those guys were not there—that was our first point of contact when we had those issues. John and the guys counselled us. They saved our business, otherwise we would have been finished in our first month.

Ms VUONG: Also differentiating what a small business and a large business is. It was like a blanket ruling for businesses of all sizes. A small business does not have the same budget that a large business with pokies has to subsidise their savings. It would have helped if there was not a blanket approach to businesses when they were regulating it.

The Hon. SHAYNE MALLARD: Do you want to expand on what John Wardle and the live music task force did to assist you?

Mr ROBERTSON: He came and met with us and said, "Look, everything is going to be okay", because we were properly freaking out at the time. He put us in touch with the right people in council, who to talk to, and say, "Look, there is an issue here. Let us start the conversation about who you have to talk to, how you can address it and what you have to do to fix it."

Ms VUONG: Mainly mentoring us, putting us in the right direction. You do not know who to speak to. You have no idea which areas to look at. Having certain points of contact was helpful, and really just being supportive, knowing it is going to be all right. There were nights when we thought we were going to lose

everything. We learnt a lot from it. Documenting everything was a good recommendation, which actually saved our business, I think. Little things like that that you do not know until you get into a situation like ours, I guess.

The Hon. JOHN GRAHAM: Thank you for turning up to tell the story. We know there will be other venues that face the challenges you have faced and hopefully we can find a way to make that easier.

The CHAIR: The first time is always hard because you learn the lessons, but that is how you become an effective business person. Shortcutting with some mentoring is really helpful. You cannot put anymore money to it. It is good to have someone to go to who has the knowledge to help you through it. That is something we can look at, because we have heard this story in different forms several times. We will continue to hear it in lots of different formats, whether it be inside music and arts or outside music and arts such as hospitality and other businesses. Sadly, there are lessons you learn as you start off with your big dream and that there are lots of hoops to jump through. We really appreciate you sharing your story. We will do what we can to ensure we address those relevant issues in our report and in our recommendations. You can take it today that you have invested in other businesses that have not yet been and be confident that maybe you will spare them some pain. We wish you well in the future for your new venture.

Ms VUONG: Thank you.

Mr ROBERTSON: Thank you very much.

(The witnesses withdrew)

(The Committee adjourned at 16:39)