

REPORT ON PROCEEDINGS BEFORE

PUBLIC ACCOUNTABILITY COMMITTEE

**NSW GOVERNMENT'S MANAGEMENT OF THE COVID-19
PANDEMIC**

CORRECTED

At Jubilee Room, Parliament House, Sydney, on Friday 18 September 2020

The Committee met at 9:25.

PRESENT

Mr David Shoebridge (Chair)

Ms Cate Faehrmann

The Hon. John Graham

The Hon. Trevor Khan

The Hon. Mathew Mason-Cox

PRESENT VIA VIDEOCONFERENCE

The Hon. Natalie Ward

The CHAIR: Welcome to the tenth hearing of the Public Accountability Committee's inquiry into the Government's management of the COVID-19 pandemic. The inquiry is intending to provide ongoing parliamentary oversight to the Government's response to the unfolding pandemic. Before I commence I acknowledge the Gadigal people who are the traditional custodians of this land and pay my respect, that of Committee members who are here and that of our witnesses to the Elders past, present and emerging and extend that respect to other Aboriginal people present.

Today we will hear evidence from peak bodies, industry associations and venue operators of the live music, arts and night-time economy gaining important insights into what is happening on the ground as the pandemic continues to evolve, as does the Government's response. Today's hearing is being broadcast live via the Parliament's website. A transcript of today's hearing will be placed on the Committee's website when it becomes available. I remind media representatives to 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 the hearing so I urge witnesses to be careful about any comments they may make to the media or to others after they complete their evidence as such comments would not be protected by parliamentary privilege if another person decided to bring an action for defamation. The guidelines for the broadcast of proceedings are available from the secretariat.

All witnesses have a right to procedural fairness according to the procedural fairness resolution adopted by the House in 2018. There may be some questions that a witness can answer only if they had more time or with certain documents to hand. In those circumstances witnesses are advised that they may take a question on notice and provide an answer within 21 days. I remind everyone here today that Committee hearings are not intended to provide a forum to make adverse reflections upon others under the protection of parliamentary privilege. I therefore request that witnesses focus on the issues raised by the inquiry's terms of reference and avoid naming individuals unnecessarily. I now welcome our first witnesses, James Hulme, who is the Director of Advocacy for the Committee for Sydney for whom we are having some small technical difficulties getting him online and Councillor Linda Scott, who is the President of Local Government NSW and who is living the alfresco life at the top of the Museum of Contemporary Art [MCA].

LINDA SCOTT, President, Local Government NSW, before the Committee via videoconference, affirmed and examined

JAMES HULME, Director of Advocacy, Committee for Sydney, before the Committee via videoconference, sworn and examined

The CHAIR: Thanks very much. Do you have a brief opening statement that you wish to give to the Committee?

Ms SCOTT: I do, thank you. I thank the Committee for giving me the opportunity to speak at the hearing today. Like you, I acknowledge that I am coming to you today from Gadigal land on Eora territory and pay my respect to their Elders, past present and emerging. I am coming to you from the top of the MCA because I am also participating in the Government's Summer Summit to talk about how best to handle and kickstart our State economy. Thank you for being able to hear from me remotely. Obviously, I appear in my capacity as President of Local Government NSW.

Councils are working very hard to lead a locally led economic recovery from bushfires, large droughts and now of course COVID. We recognise that the success of our partnership with the New South Wales Government to support jobs growth and local businesses that contribute to the social and economic vibrancy of our communities will determine the success of the State's recovery. With respect to our cultural institutions and the arts-led recovery, we know that that 75 per cent of small and medium cultural institutions have local governments as their primary source of funding. Councils own and manage the public space where potentially more live activations and events can occur and they also stimulate the night-time economy via planning provisions, such as trading hours and zoning.

Councils have done an extraordinary job to step up and assist local businesses, cultural organisations and artists with grants right across the State—from quick response grants, for example, in Wollongong through to the Parramatta City Council's grants program to support cultural and creative entrepreneurs as part of their \$785,000 package. Providing assistance, though, has been more difficult for local government in the light of the Federal Government's decision not to provide councils with access to JobKeeper and not to allow councils a seat at the National Cabinet table. We welcome the State Government's \$395 million stimulus package for local government in April and of course the recent announcement about access to arts and cultural funding.

Yet we still see the work in the cultural space that councils do in their support. For example, the Wagga Wagga Civic Theatre has had to refund almost 7,000 tickets and cancel dozens of performances. They have had no theatre hires since March and, as you can imagine, this has led to a jobs loss of more than 20 casual staff as well as a huge income loss. The theatre was able to reopen for performances in August. The council spent enormous resources developing COVID-safe reopening plans but only able to host around a third of its usual capacity of 500 people. We know and welcome that the New South Wales Government would like to work with councils on the Sydney 24-Hour Economy Strategy. We would like to see the strategy extended to become statewide because we know that as well as Sydney's fabulous night-time economy we want to have and night-time economy across the State.

Through my involvement in the music festival roundtable we have called for regulatory requirements for festivals to be mapped to identify gaps and overlap and how we can work better with our outdoor spaces that councils own to ensure that they are activated with cultural events. We previously have supported many of the sensible proposals put forward by the New South Wales Government in its draft Liquor Amendment (24-hour Economy) Bill. We particularly support moving out of adding licence conditions on entertainment and if there are clear-cut cases where we can support live music at cultural lifestyle communities without adverse impacts on amenity, we should act quickly.

We know that State and Federal governments have released, as I have said, creative recovery packages but they have limited eligibility and in many cases come very late. The per capita investment by councils in arts, culture and creative industries has increased by 11 per cent in the last decade. This contrasts to an increase of only 4 per cent by State Governments and a decrease by the Federal Government of 19 per cent. In post-pandemic recovery it is absolutely vital that State and Federal governments create a much better investment in local government to restore cultural activity and vibrancy back into communities.

Chair, I would just like to end with a quick note on outdoor dining, outdoor green spaces and performance spaces. We have seen a great initiative this week from the Victorian Government—an \$87.5 million package for councils and businesses to make widespread outdoor dining space practical and [inaudible]. This includes nearly

\$30 million for councils to implement swift and streamlined permits, enforcement and monitoring. We would like to see a package of \$100 million from the New South Wales Government so that councils can undertake similar work to ensure our open spaces are utilised safely, cleanly and for the public good as our summer approaches. Thanks very much.

The CHAIR: Thanks very much. I am now going to check if Mr Hulme can hear us. James?

Mr HULME: I can, yes. Apologies for the technical difficulties. I hope you can hear me okay.

The CHAIR: Yes. You are coming through nice and clear. Ms Scott, can you hear Mr Hulme?

Ms SCOTT: Yes.

The CHAIR: Terrific.

Mr HULME: I can hear you fairly well. You are still a bit faint. You might need to talk just a little bit closer to the microphone.

The CHAIR: No worries. We will all speak up. On behalf of the Committee for Sydney, would you like to give a brief opening statement?

Mr HULME: I do, and thanks very much for the opportunity to give evidence to this important inquiry. Today I am speaking on behalf of the Committee for Sydney, which is an urban policy think tank that represents over 150 major organisations across Sydney. I should also declare that I am a board member of the Night-Time Industries Association but today will be speaking on behalf of the Committee for Sydney.

The COVID-19 pandemic has tested every level of government in most if not all countries around the world. In unprecedented circumstances of both a global health crisis and a global economic crisis it is unlikely that any Government is able to say that it just got every decision right or that it would not change some decisions in hindsight. That said, the response to COVID-19 generally by the New South Wales Government can be commended on many fronts. There has been strong and clear leadership and the mindfulness to balance economic and health interests appropriately and, in particular, a desire to keep as much of the economy open as possible whilst reducing the risk of infection, which has been a tough but correct decision.

It is worth noting that the Government's response has had the support of many of our members. Earlier this month we published our 2020 leadership survey of our membership which found that 85 per cent are satisfied with the New South Wales Government's handling of the health crisis and 78 per cent are satisfied with its handling of the economic crisis. This inquiry focuses on live music, arts and the night-time economy—all areas that have been severely impacted by the pandemic. There has been support for these sectors from all three levels of government but there is always more that can be done to protect those industries that bring so much benefit to the New South Wales economy, to our brands and image, and to our collective cultural fabric. We know that many operators in this sector are only kept afloat at the moment by JobKeeper and face an enormously difficult future. There has been welcome action and support from New South Wales Government but there is also scope to do more. I am happy to expand on some of those options during the session.

The Hon. JOHN GRAHAM: Thank you for those opening statements; they are both very useful. I will turn first to the question of outdoor spaces, because that is crucial in other cities around the world to allow people to socially distance and spread out during the pandemic. Councillor Scott, you are coming to us from the summer summit where outdoor dining is under consideration. You have touched on outdoor performance as well. That has not been discussed so much publicly. Isn't it also crucial to be able to actually spread out for outdoor performance? Do you have a view on that question?

Mr HULME: Yes, very much so.

Ms SCOTT: It absolutely is crucial. For example, we know from research from the Australian Music Industry Network that 25,000 workers lost important income opportunities, losing more than \$11 million within the first week of the Government restrictions on public gatherings. We know that this industry is absolutely vital and an enormous amount of jobs growth can be seen if we get this industry back on its feet. We know that one of the best ways to do that is through outdoor performances. We have written to the Premier and to Minister Rob Stokes to ask for two things with respect to supporting this, whether it is in open spaces on our beaches or on our green spaces generally. The first is a strong, united public education campaign to help people understand what we all need to do to keep our open spaces open as we move into the summer season. The second is to provide some funding for councils for COVID safe marshals to help with the enforcement of social distancing, which we know is so vital to keeping these public spaces open.

We think that those steps will enable councils to better open up beaches, green spaces, parks and civic squares to enable performances and outdoor dining and for people to move around more freely. This is going to be vital to ensuring that we can get industries like the music industry and the performance industry up on their feet. It will also be vital to keep us all safe from COVID. We see numerous overseas examples of great outdoor performances. In Sydney we have the best city in the world, the best harbour in the world. What a backdrop for some stunning outdoor performances that would be if we can pull off this outcome.

Mr HULME: I absolutely echo many of the comments from Councillor Scott. One thing that we have really seen during the pandemic has been a reappraisal of the importance of outdoor, open and public space not just to exercise and to congregate but to put on activities that normally you might put on indoors. We are very supportive of the idea of utilising open and public space for outdoor dining and outdoor performance. We are certainly encouraged by some of the announcements that have been made this week by government around the outdoor task force and the CBD summit. Particularly going into spring and over summer, there is a real window of opportunity to utilise the fact that we have lots of open outdoor spaces and a fantastic climate—to not only get cafes, restaurants and bars to put tables and chairs outside, but also to put on live music and other live performance. One thing we have noted from a Committee perspective is that councils have played a leading role in this agenda. For the moment the State Government seems very responsive to working collaboratively with councils, which is really encouraging. But for this to work, it does require active collaboration between State and local government and some funding to be brought to the table.

The Hon. JOHN GRAHAM: I might just stop you there; I am just conscious that there are a range of Committee questions. Local government has called for a \$100 million package to allow widespread outdoor dining. That is modelled on Victoria. In addition, Victoria has provided specific funding of \$15 million to venues to keep them open. When the Government announced its night-time economy strategy at the start of the week it had a range of very welcome and very positive measures, but it appeared that there was a zero funding. Do you regard this as something that does need funding to actually make it happen?

Mr HULME: I am happy to answer that. I think the short answer is yes—always yes. Funding is always very helpful for initiatives. I do note the comments of the New South Wales Treasurer this morning where he encouraged ideas including applications for funding for things like outdoor dining. Obviously there are a huge number of asks on the State budget at the moment. But certainly we would be very encouraged if the Government was to come forward with some funding and additional resources for the night-time economy in general, but particularly for this window of opportunity for outdoor activities over the next six months.

Ms CATE FAEHRMANN: Thank you both for appearing today and for the work you are continuing to do in this space. Looking at the night-time economy strategy, the outdoor task force and things that the Government has talked about this week are all very welcome as my colleague John Graham has just said. It already looks like it is going to be a warm summer and people are very keen to continue eating out. People cannot get tables at restaurants as it is, from what I am hearing. In terms of getting this ready, do you think the pace at which the Government is working at the moment is enough? Do you think things will be in place for outdoor dining, rooftop dining, by Christmas? Are you hopeful that this is going to happen?

Ms SCOTT: Thanks for the question. I think there is absolutely time for this to happen. Of course we would have preferred that some of the support from the New South Wales Government came a little bit earlier. As I have indicated, theatres in regional areas like Wagga and in metropolitan areas have seen a sharp downturn since the closures in March. Nevertheless, there is always an opportunity to turn this around and create the jobs that we know can come from that. We established the Night Time Economy Councils' Committee in 2016. We have been working on these issues as a group of councils for a very long time and have been very engaged in creating a night-time economy, and more generally an outdoor economy, which can be resilient to the kinds of forces we are seeing from COVID.

There is enough time, there is enough space, but the funding is what will convert this. For example, enabling support for councils to quickly generate new planning controls and seeing those once approved by councils facilitated quickly through the Department of Planning, Industry and Environment, as they often have to be approved as well. We know that the strength of that relationship between the State Government and councils is vital at this stage. If we all work together and there is a bit of funding on the table, I am really confident we can deliver a lot of the activation of those outdoor spaces across New South Wales.

Mr HULME: I would just add that it is worth remembering that before the spike in Victoria we were working to a very different timescale and trajectory. I think we all hoped and perhaps anticipated that by this time of the year we would have larger public gatherings and would be able to have more face-to-face activities. Obviously what has happened in Victoria has set us back to quite a degree. I think there is an element of urgency

around this. There is a recognition that there will be a cliff edge if JobKeeper ends in March. There will be a lot of businesses, particularly within the experience and entertainment sector, that will be hit very hard by that, so there is a need to create more business opportunities in the lead up to that deadline. I think we have seen quite a lot of activity from government over the last couple of weeks. There are some prominent ministers who are making the right noises, but, absolutely, the more we can do as we go into the summer period the better.

Ms CATE FAEHRMANN: In relation to what the Government has announced in the last few weeks in response to COVID-19 and the impact on the night-time economy industries, are there any particular regulatory gaps within what the Government is proposing to do, that it is not responding to or could be responding to better or sooner, that you think need to be addressed?

Ms SCOTT: I do think that the Government has listened to some of the regulatory gaps that councils have identified. We have been talking to the State Government about trying to identify, for example, where a cafe has potentially an old consent that only allows it to open until 8.00 p.m., and in order to get an extension of those hours they have to go to the council and seek an individual approval. The City of Sydney has changed our planning controls so that we now encourage people always to apply for the maximum, even if they are not indicating at this stage of their business cycle that they are not going to use it. But we do need an easy mechanism to try to convert everybody to those longer opening hours and zones, where it is appropriate.

Again, the City of Sydney has done a lot of hard work to identify where those zones are that it is appropriate, but we sort of need the bulk change to get those hours converted because otherwise you would have to individually liaise for all of those. So we are definitely working with the State Government on some of those zoning and planning changes. I think it is also important on the flip side, though, to make sure that there is appropriate regulation to keep spaces safe and usable. We have seen some deregulation programs, and here I highlight the 24-hour loading of supermarkets, which was introduced over the top of council powers during COVID. While that was appropriate for an emergency situation where we were seeing stocking of supermarket shelves being a problem, we now are starting to hear a lot of community concern about that—about the noise, about the loading hours—and that makes places dysfunctional.

We need to get the balance right of deregulation where it is appropriate, and in the public good, and in the community interest, and retains community confidence in those spaces, but not a one-size-fits-all approach that will disadvantage some places and lead to a lack of community confidence and, indeed, community anger in the use of commercialisation of those spaces. I guess it is why we would also caution the New South Wales Government from removing powers about outdoor dining from councils. This can lead to really disproportionate levels of anger when that space is not used cleanly, in a way that is healthy, where social distancing is maintained, the noise levels are appropriate, and it can be done in the public interest.

Mr HULME: It is obvious that the 24-Hour Economy Strategy will have to evolve in response to the pandemic. It is a piece of work that began 18 months ago and a lot of the thinking that went into it was done pre-COVID. We think it is a really robust strategy, but it is obvious that it will have to pivot in certain ways given the economic impact of the pandemic. I think the role of the Coordinator-General will be really important, from a regulatory perspective. We have argued that you need to have a central figure within government who is responsible for the 24-hour economy, but also to act as a champion for the sector and somebody that the sector can go to if they have problems with regulation or other things, and ideally troubleshoot things before they become an issue. One of the challenges with regulation in this space previously has been that there has not really been one advocate within government, within a department, to really take on areas where regulation is not working. We really hope that whoever is in that role will be able to ensure that problems are fixed before they become really cumbersome on industry, but certainly this is the kind strategy that cannot just sit on a shelf and gather dust. It has to develop and bend as the impact of the pandemic becomes clearer.

Ms SCOTT: We also would like to see planning reforms [audio malfunction] in consultation with the local government to the National Construction Code to, for example, allow temporary use of all types of businesses and buildings for small-scale arts and cultural offerings essential to keep the sector practising. For example, pop-up spaces, where safe, in warehouses or things like that. We need some changes to the National Construction Code from that to get those activations be made legal and possible.

The Hon. MATTHEW MASON-COX: My question is on some of the feedback that we have received in relation to the consistency of the regulations around COVID. For example, the four square metre rule and the fact that at some venues you can have 300 people at a club, 150 people at a wedding reception, 100 people at a place of worship, 500 people at a non-ticketed event, corporate events are 150 people, and we go on and on. Do you have a view on the need for consistency and a pathway to easing of restrictions, particularly the four

square metre rule—perhaps moving to a two square metre rule—and trying to get some consistency across the board?

Ms SCOTT: As councils, we are not going to aim for anything that is against what the State Government is trying to do with respect to the health orders. We very much understand that our place is to do all we can to work with the State Government to ensure that those health orders are complied with and people are behaving safely. I guess, we would not be able to comment on a way out of the health orders. Rather, though, what we would like to see is a State Government-funded campaign about how to work within them so that we can safely keep these spaces open. Again, whether that is a campaign about the beaches, our parks or our open spaces more generally.

Councils are working very closely with police, and they are telling us that they are working hard but cannot possibly, for example, resource the policing of all our beaches open all the time. There have been some local conversations where local police are sometimes suggesting to councils that they should be closing their beaches in anticipation of crowds. None of us want that. None of us want to see beaches closed. None of us want to see open spaces closed because they are overcrowded. As I said, it is why I have written to the Premier on behalf of councils to ask about public education campaigns and COVID marshals.

Generally, though, on consistency, I think we have to recognise that places are different and the kinds of social distancing we might need to see in Wagga Wagga is very different to what we might need to see in my COVID-world in the City of Sydney. I think, again, allowing councils that local decision-making about how outdoor dining or how pop-up creative spaces occur gives us the benefit of maximising those opportunities in places where there have not been any cases for a long time and it is much safer to do so.

Mr HULME: It is an obvious challenge to not only maintain consistency across different size venues, but also with changing circumstances. To go back to the point I made earlier, I think we were on a journey where we were looking at potentially removing the one person per four square metre rule prior to the spike in Victoria. I think had the spike in Victoria not occurred we would be in a much better position by this time of the year. It is also worth noting the challenges that different states have different arrangements. From a consumer perspective and from an operator perspective, sometimes there can be an element of confusion about which rules apply to where. The one thing that we hear a lot from businesses and operators is that they just want the sense of the direction and the roadmap for where government wants to go.

Government has done some really important work in some areas around this, particularly around things like business events. The one thing we would be looking for the Government to continue and potentially do more of is to give people the certainty that this is the place we want to be in one month time or in three months time, appreciating that it is really challenging to make those kinds of predictions. That would help enormously in helping businesses to have that certainty, plus obviously encouraging and making it easier to operate outdoors, which would make a huge difference particularly to small bars, small cafes and smaller operators that might not have space to operate for many people within the current regulations.

The CHAIR: I have a question for Ms Scott in terms of the outdoor dining. Is it the view of at least some councils that a broad, permissive planning change to enable councils en masse to extend night-time dining hours is the preferable way forward rather than individual development applications [DAs]? Are you looking for a change to a development control plan or a local environmental plan?

Ms SCOTT: It would be helpful if the power could be extended to councils to have that broad change rather than having to do individual DA by DA, but I also stress that that power must rest with local governments.

The CHAIR: Yes.

Ms SCOTT: Having one rule for Martin Place and the same rule applying to Wagga Wagga is just not going to make sense, so local governments can bring that local knowledge to best activate local spaces. That bring along community confidence and also allows for the commercial views of the spaces. A change to enable councils to do bulk permissions to upgrade people to allow them the maximum hours without having to do individual applications would be a very useful thing to do. Again, we want our local businesses to succeed. We want people to be able to use their outdoor spaces and not have them so overcrowded that they have to be shut down. We really want to work very closely with police and the State government agencies to ensure this can happen but it is very tough to do that. We know it is going to be tough for the police and their resources. Councils do not have the resources to have marshals everywhere.

The CHAIR: You see both the funding for marshals and that empowering of councils going hand-in-hand and those two things having to come together?

Ms SCOTT: Correct.

The CHAIR: Can I ask you both again, in terms of activating places like beaches and public parks to allow live entertainment, do you also believe that is going to require some planning changes to provide a discretionary provision to be given by councils? Is that how you see that going forward?

Mr HULME: I would certainly say in some parks in particular would require some regulatory reforms or tweaks. I have to say, I am not in a position to talk to specifically about particular areas but I am happy to take that question on notice and come back with a more detailed response. Certainly, we would very much encourage the use of parks, beaches and other large open spaces, particularly for things like live performance, which is an enormous opportunity over the next few months.

The CHAIR: Before I go to Ms Scott, do you agree, given how diverse our cities and our State is, that rather than a one-size-fits-all State regime that gives that permissive power to councils who can then look at the localities more closely would be the preferred model?

Mr HULME: Yes, I can see the merit in and allowing that flexibility. Certainly, there are differences between some of the challenges faced by operators within the Sydney CBD or in Parramatta and regional areas. I think it is absolutely something that is worth looking at.

The CHAIR: Ms Scott, did you have a view about that as a regime?

Ms SCOTT: As I said, it is vital that councils maintain these powers because it will actually lead to more opening up in spaces where it is appropriate. What we would not like to see is a one-size-fits-all rule that might lead to public anger in spaces where it is not appropriate, and a one-size-fits-all rule that could cause community consternation where it does not need to be the case. We think these powers should continue to lie with council. Councils are very motivated to open up their public spaces and do it safely and in the public interest.

The Hon. TREVOR KHAN: Ms Scott, I get what you are saying. What I am interested in is, particularly in the light of some events that have occurred in the United States where there was some sort of motorcycle rally or something that has now been linked to hundreds of thousands of cases that have sprung from that one event, if the power and decision-making is devolved to councils, is there any potential legal implication for councils if an event proceeds and then becomes the source of a major outbreak?

Ms SCOTT: Thank you for the question, Mr Khan. I am unfortunately not familiar with that example of the motorbike rally in the US but more generally this power does already rest with council. Councils are already approving outdoor dining and a range of permissions for outdoor events and we have been again working very closely since 2016 in a very collaborative way across local government areas to try and activate our spaces and open up night-time economies, for example. This really is a continuation of the current powers that exist. Of course, we are absolutely aware of the risks: legal but also just to people's health. We want to not see an outbreak anywhere. That is why we are working so hard to ensure that there is the balance of appropriate regulation to ensure that people are safe combined with regulation to enable as much of the use of our outdoor space is as possible and safe and in the public interest.

Again, allowing councils to keep those powers, allowing them to use their skills and expertise to balance and weigh up all those different objectives for the use of public space is the best way forward. There is no doubt though that COVID has brought forward funding pressures for achieving those plans. Councils are now working very hard, for example, to make sure their beaches have COVID safe plans et cetera. There is no doubt that work that has always been done by councils has a whole lot of new funding pressures and constraints and is much more difficult. Nevertheless, we are very motivated do it and make sure that our public open spaces can thrive.

The CHAIR: We have run out of time but you could take the opportunity on notice to look at whether or not the existing good-faith defence in the Local Government Act would be sufficient to protect councils.

Ms SCOTT: I am happy to take that on notice.

The CHAIR: Thank you both. I think you both have taken a couple of questions on notice. I remind you that there is a 21 time period in which to provide those answers. Feel free to provide them within 21 days. Do not feel it necessary to wait 21 days.

(The witnesses withdrew.)

EMILY COLLINS, Managing Director, MusicNSW, affirmed and examined

NICHOLAS PICKARD, Executive Director, Public Affairs, Communications and Events, APRA AMCOS, affirmed and examined

JOHN WARDLE, Consultant, Live Music Office, affirmed and examined

JULIA ROBINSON, General Manager, Australian Festivals Association, before the committee via videoconference, affirmed and examined

The CHAIR: I welcome our next four witnesses. Thank you all for attending. Did any or all of you wish to make a brief opening statement? I will ask Ms Robinson first as it is often hard to contribute online.

Ms ROBINSON: The Australian Festivals Association [AFA] would like to thank the committee for the opportunity to contribute to the Inquiry into the New South Wales Government's Management of the COVID-19 Pandemic. The AFA was formed in late 2018 to represent the shared interests of members of the festival industry. AFA members include festival promoters from large touring music festivals to boutique niche local events. We are also proud to represent some of the critical suppliers and contractors to the industry, including sole traders such as production, site and event managers, security companies, production suppliers, event medical specialists, venues and local government areas, to name a few.

Festivals deliver considerable economic and employment benefits to this country. They also contribute important community, societal and mental health benefits, particularly with the local areas in which they operate. Tourism is a huge part of the industry. Festivals drive tourism, delivering patrons to both regional and metropolitan locations. For many, a festival can be a pinnacle of their social calendar, a chance to socialise with like-minded people and enjoy music and art in picturesque settings. In short, festivals make people happy. On 16 March this year festivals were among the first businesses to have forced restrictions against operating as a result of necessary health orders. Some actually saw the writing on the wall globally and cancelled prior to government restrictions being implemented. Others were left right in the middle of building their sites, and to cap everything off, leaving that whole year's profit behind.

For some, after the 2019 bushfires this will be their second year without any income. In 2019 festivals operated by the AFA members attracted audiences of over 2.5 million nationally. The stark reality of the season can be summed up by a few key numbers. There are usually some 90-plus annual music festivals in New South Wales. Nineteen took place in the first quarter of 2020 and just 18 have a confirmed date or line-up announced between December and July next year. There are normally 76 festivals in this time. The night industry has had long restrictions and considering that the support available for our businesses, particularly in New South Wales, does not match the inability to trade. We continue to seek targeted support for our festivals and relief when operations are able to recommence.

Ms COLLINS: Thank you for having me here today. I would like to acknowledge that I am on Gadigal land today. The music industry across Australia is in crisis. At the start of the COVID pandemic I worked with Ms Robinson from the Australian Festivals Association to track the impact of gig cancellations on the music industry through the I Lost my Gig website. Within just a few weeks it had tallied \$340 million of losses and the devastating levels of financial distress that music businesses incurred have only continued to increase. New South Wales, with its lion's share of the national industry, has the most to lose and if government does not step in to support venues, artists and music businesses soon, there will only be a fraction of our industry left.

With it will go billions of dollars of value, thousands of jobs and we will lose the very thing that gives us hope, reflects our spirit and identity and brings us together in times of crisis—music. Most of the music industry is made up of commercial businesses. They rarely get funding from government and rarely are they eligible for broad arts programs because they are for profit. Yet, these businesses provide New South Wales with an incredible gift; music, arts, culture, jobs, tourism, wellbeing and community, and they usually do it without government aid. But if we do not provide support for our industry now the investment required to get it started again in a few years will be tenfold and much too late.

There are a range of measures, aside from funding, that the Government can do to support its music industry, including reviewing the one person per four square metres rule—like we have seen for stadiums—late trading opportunities for music venues and improved outdoor entertainment provisions. Victoria has committed nearly \$20 million in specific COVID support for their music industry. South Australia, Queensland and the ACT have all provided financial support specifically for their music industries. If the New South Wales Government

wants to continue to reap the economic benefits of having a thriving music industry in its State in the future, it needs to invest. It needs to invest seriously. It needs to invest strategically. And it needs to invest now.

Mr PICKARD: I will make a very quick opening statement. Thank you to the Committee for this hearing today. I also acknowledge the traditional custodians of the land on which we meet, the Gadigal people, and acknowledge Elders past, present and emerging. To provide context for the Committee, APRA AMCOS is a collective management organisation providing collective music rights management services locally for almost all commercially available musical works. We have 103,000 songwriter, composer and publisher members across Australasia; 24 per cent of whom live in New South Wales. As a key function in supporting our members we have developed and invested in a number of core programs to support the career lifecycle of our members and, importantly, the broader music ecosystem. That specifically includes the Aboriginal and Torres Strait Islander Music Office, the Live Music Office and Sounds Australia, which is the music industry export body.

On 5 August the Chair of APRA, Jenny Morris, addressed the National Press Club in Canberra. In that speech she outlined the enormous potential of Australia's music industry against the disconnect of government policy. Nowhere is this felt more acutely than in New South Wales. COVID-19 in many ways has exposed this disconnect more than ever before. It is worthwhile considering that contemporary music, despite the millions, perhaps billions, of dollars and thousands of jobs it provides this State, has historically fallen through the gaps of government support. It is over-regulated to within an inch of its life and the people and businesses in our industry are faced with some of the biggest barriers to entry of any sector in New South Wales.

It is quite possible that New South Wales has the most regulation of contemporary music than any other jurisdiction in the OECD. There have been recent glimmers of hope for the industry. The work of the New South Wales Government to reform the licensing and regulatory framework is an important and vital first step to better support the presentation of live music. The work of the tourism Minister with big announcements like Great Southern Nights and the 24-Hour Economy Strategy are vital reforms for our sector. But at present there is no New South Wales Government support for contemporary music to ride out this pandemic. It is well known that our industry was the first to be hit by the necessary government shut down and will be the last to emerge.

All of our members are small businesses and a small handful have been able to access the small business grants, which were enormously helpful early on during the pandemic. The New South Wales Government did announce an important \$50 million relief fund for the cultural sector recently. It was an important announcement that will support many important not-for-profit cultural bodies, but contemporary music is not not-for-profit. Our industry relies on the hard work and investment of sole traders and entrepreneurs who write songs, perform songs, record songs and publish songs. In our chair's speech to the National Press Club, Jenny Morris said:

Music is a commercial activity trading in the power of song and Australia has the potential to be one of the few net exporters of music. So why are governments struggling with policy?" Maybe because music and songwriting demands the attention of so many parts of government and so many portfolios at both federal and state levels. There is the arts Minister, to be sure:

- but also the trade Minister for digital exports and tourism,
- foreign affairs for cultural diplomacy and touring,
- small business—every songwriter, musician and music business is a small business,
- State planning, for the laws that either support or kill off live music venues,
- and education, training and skills Ministers, given the limitations of the music syllabus resourcing and music activity in our schools.

I could add in health Ministers for the benefits of music to health and aged care, regional development Ministers for the social and economic benefits of live music, and youth affairs Ministers for social wellbeing. It is because of our cultural, social and economic impact against a siloed approach to policy that contemporary music falls through the cracks. COVID-19 presents an enormous opportunity. We need a whole-of-government approach to contemporary music before more venues disappear and more artists and music businesses leave the State. We need it because there is massive untapped potential and New South Wales can be a powerhouse of our national industry. Thank you.

The CHAIR: Thanks, Mr Pickard. That was quite sobering. Mr Wardle?

Mr WARDLE: We appreciate the opportunity to speak for our sector today at the inquiry. Music and live events have suffered an immediate and direct negative impact as a result of the Government's necessary and important response to the COVID-19 crisis. Accordingly, similar to tourism, airline and education industries, our sector urgently requires a government fiscal response, as well as coordinated whole-of-government support. Ensuring that as many venues, artists and industries as possible can be sustained through this time is critical for

the cultural life of Australia. We recognise some of the work that State Government has done through this time. This week we saw the 24 Hour Economy Strategy tabled for Greater Sydney. That is a really fundamental new framework and foundation to rebuild the city after a turbulent time. There has been good engagement with the State Government on a number of times. On 28 April, Minister Ayres' office convened a live music industry roundtable to hear directly from our sector. We also recognise the Labor team, which has also had sustained consultation and has stayed in contact.

There have been regulation responses from the State Government that have supported venues. We have seen liquor licence fees and risk loading fees waived for the 2020-21 period. There has been a flexible approach to licensed venues for home delivery and takeaway services. These are all helping to sustain venues through this time where those concessions would not usually be available. There has been funding support, as has been noted. The Great Southern Nights is a terrific initiative. I am seeing some activations that are going to come through in remote and regional New South Wales, as well as the major centres. There has been the \$50 million Rescue and Restart package for arts and cultural organisations, but those are not-for-profits. As Mr Pickard identified, our industry is private sector. There are Regenerate Regional Event Initiatives as well. But the challenges, as you are going to hear today, are major. Venues are operating on reduced capacity with increased costs, accruing debt and surviving on JobKeeper only with rent relief.

Ancillary music is happening in hospitality industry licensed premises, but the primary venues—the theatres and, particularly, the nightclubs—are not able to operate, specifically nightclubs. Operating capital is a priority here for these businesses. Festivals face an uncertain future. Freelance musicians are contract workers. They are casuals. They go from gig to gig—in informal situations. They pick up shows. The structures that would support these sole traders—they are falling through the gaps of many of the initiatives that we have seen from Federal and State support through this time. Agents, managers, crew, production, publicity, tour managers—some have secured JobKeeper but many have not. In the bushfire-impacted regions in regional and remote New South Wales like where I live down in the Shoalhaven, the artists and the venues lost all their work through summer, in the peak time. They were just looking to recovery and COVID hit. So it has been a sustained period for bushfire-impacted parts of regional New South Wales.

Music teachers have lost a great deal of work, particularly this term. I would like to speak to that if there is time. Regulation is a priority, which has been widely recognised. This parliamentary session we will hopefully see a series of long-awaited Better Regulation policies presented across liquor licensing, planning and other regulatory frameworks. All of these have been thoroughly considered and recognised, and we would like to have some reassurance across the political spectrum that these will be supported and progressed quickly. It is a time to be bold. It is a time to get things done. Australia faces grave uncertainty. I have a number of references I would like to table. One is an industry letter that we provided to the New South Wales Government on 19 August. There is some national research that the Live Music Office has done in partnership with MusicNSW and our State and Territory colleagues. There is a letter from music teacher Alex Masso, who is a leading thinker on music education, and also a document from Queensland on music education guidelines. I think if we had had that in New South Wales in the past month, we could have saved a lot of jobs.

The Hon. JOHN GRAHAM: Thanks for those observations. That is pretty confronting when it comes to jobs in this industry. I will first ask a question about outdoor performance. There has been plenty of talk about outdoor dining, and that is fantastic. There has been almost zero talk about outdoor performance, but presumably the same principles apply. It is just much, much safer. That might be one of the ways we can get music back. We have heard this morning from the Minister that despite the fact that Parliament passed urgent COVID legislation on 21 March this year, we might have to wait six more months before legislation changes in this outdoor space. Other cities have moved on this already. I would like to see this in place before daylight saving happens. How urgent is this for saving venues and keeping jobs? How quickly does action have to happen, particularly on this outdoor question, in order to protect people's work?

The CHAIR: We might start with Ms Robinson and then work our way through the panel.

Ms ROBINSON: While I think it would be [audio malfunction] immediate, as you pointed out, with daylight saving coming into the summer season, that is when the main bulk of events take place. We are under no illusion that we will be able to have a 50,000-person festival before the year is out, but there could certainly be some movement towards outdoor entertainment in some respect. We understand that there are issues with a mobile crowd and there are workarounds that we have seen elsewhere in Australia and around the world. So I would say immediate is the answer to the question—as soon as possible, if that is within the health restrictions, in the same way that sports are being able to be viewed, even though they do get broadcast rights. Obviously festivals and live music do not have a broadcast option to have income coming in, so we are doubly hit in that respect.

Ms COLLINS: I think outdoor entertainment is the perfect middle ground for a range of priorities: one, the health and safety of our people. Outdoor events are proven to be more—the health advice is that it is a safer experience. It also enables these businesses to get back on track sooner, so I would say it is urgent and it needs to happen as soon as possible because it is that perfect middle ground for a really complicated group of needs.

Mr PICKARD: From an APRA AMCOS perspective, and specifically our members, with the shutdown of the industry an important royalty mechanism for public performance rights of Australian songwriters' music disappeared. So any activities where we can get live music back on will kickstart again that important revenue stream for songwriters to start re-collecting the royalties that they get from such public performance.

Mr WARDLE: I think the question is: How quickly do we need this, or how quickly does a COVID cluster happen? For venues that have engaged artists and then are impacted by Health guidelines, if there was a street or laneway that that performance could transition to quite quickly, then those jobs could be saved, the community could maintain its cohesion and the venues can be sustained as well. The contours of the coronavirus will have peaks and troughs. How quickly are these things going to happen? I think that having these things in place very quickly to provide for safe and continued performance is really crucial to our industry.

The Hon. JOHN GRAHAM: Chair, I have just one festival-specific question, if that is okay. It is a question directed to Ms Robinson. I might ask you just comment briefly on the festival roundtable and whether that has been a success or not. There were concerns from the Government that it might not work. Has that worked? We have just read reports of the first COVID-safe festival to be run in Australia in Western Australia. How does that actually work? What might be the path through for festivals, which are obviously one of the more complex things to be running in this environment?

Ms ROBINSON: Certainly. Thanks. With respect to the first question, we have had three roundtables so far. The last one was held on 12 August. As tabled in the review of the Music Festivals Act it is very well supported by all sides of the membership of the roundtable as a mechanism for stakeholders to work together. It was really important to be able to have that forum on our second meeting, which was on 25 May, which had looked to postpone altogether due to COVID but it was agreed by all members that in this time it was a really great opportunity for us to all get together and discuss the crisis that we were all facing. Come August, we got to further delve into that opportunity and we were able to table things like our framework to have a COVID-safe event reopen, which NSW Health has provided feedback on. We found the opportunity to work with those stakeholders invaluable, I would say, and right now as we speak there is a side session happening regarding regulation of music festivals as a mapping exercise. It is taking place right now as a side to the roundtable. It just goes to show that it was a really needed part of our industry.

With respect to the event that you mentioned in Western Australia we are seeing different types of festival formats popping up across the world. Those formats popping up are including notably the platform concert series which was in the UK, which of course is now being re-restricted to not occur. I think there are lots of opportunities like that to investigate. I think it is important to note that settings such as the one we probably all have seen in Busselton that we may propose for 31 October will not work for every festival type and it will not work for every crowd or audience but it is an opportunity to investigate some of the ways in which we could operate a COVID-safe event, and particularly an event like that setting in regional areas. I would say that has a greater chance of operating just for a number of reasons like sound restrictions and things like that with staging around and also getting in and out of the site with so many entries and exits monitoring required about it.

But I feel that here you essentially can start making a festival commercially viable once you sort of hit 5,000 people. So anything that is operating with less than that, you know, you might be operating at a loss. At a time when incomes have been restricted for 12 months that would be hard to take on as a risk for a promoter. So I would say that there are plenty of great opportunities coming out. I guess the main thing to note is that there will not be one option for all. It is a time to be testing and trialling these things once it is safe to do so. What we have been asking for for a while now is a contingency fund of some description that might help alleviate some of the risks that are associated with putting something on during this time. If there were further cancellations to occur, there could be a fund to be drawn upon because at the moment we cannot get insurance to put anything on in a mid-COVID environment.

The CHAIR: Thanks, Ms Robinson. I will go to the Hon. Natalie Ward for questions.

The Hon. NATALIE WARD: Thank you, Chair. I am just checking: Can you hear me all right?

The CHAIR: We can.

The Hon. NATALIE WARD: I am a little bit scratchy.

The CHAIR: No. All good.

The Hon. NATALIE WARD: It must be just my husband saying he cannot hear me! I thank each of you for coming along and assisting the Committee about the great work you are doing in this very difficult time. We appreciate it. You spoke about support for the industry and your observations and experience. Could you assist the Committee by filling us in by what opportunities each of you had to contribute to Government policy and work with Government on this? It would seem from what witnesses have said today that there is not much going on, but I think that is not the case. I would like to understand your experience with working with Government, particularly with Minister Ayres' office—I think he has responsibility for this—and your ability to contribute, as well as how that process has been undertaken and its regularity?

The CHAIR: Who wants to kick this off?

Ms COLLINS: I can start. We have had a lot of fantastic support from Minister Ayres and his office. Yes. He arranged a meeting at the end of April and pulled together a wide group of music industry representatives to talk about the issues we were facing. And as part of the follow-up from that, he asked a group of us to put together a framework for support, which has been presented to his office. Yes, they have been very receptive to listening to our needs and taking that on. We just have not necessarily seen action as a result just yet, but Minister Ayres' office in particular has been very, very supportive.

The CHAIR: Mr Picard? Mr Wardle? Have you had engagement?

Mr PICKARD: Yes. I would echo Ms Collins' thoughts on that engagement with Minister Ayres' office. He has actually been outstanding in his understanding of our industry and really getting among the weeds and understanding how our industry works. That has been really commendable. The Australasian Performing Right Association Limited and the Australasian Mechanical Copyright Owners Society Limited [APRA AMCOS] was also invited to become part of the industry working group for the 24-hour economy. We provided regular feedback on that strategy which has been done by his department. That was released just recently. We came out commending that work which, really, as I outlined in my opening remarks, a terrific step forward along with the regulatory work that is coming out of Minister Dominello's department as well.

Mr WARDLE: We have had a very collaborative and constructive working relationship with Minister Ayres' office in particular, particularly through the development of the 24-Hour Economy Strategy and very thorough consideration from our desk of some of the issues that we really wanted a spotlight put on. That was really great to see that we were listened to and changes were made to that strategy on a number of regulatory items. You know, we have really felt we had good access and we were listened to through that time, and it is a really thorough strategy. Just to the letter that we provided in recent weeks across the Government: Minister Ayres' office is looking to convene some of the staff from those offices to look at progressing the direction of those items and that is really encouraging. It is a great thing to have good access and to be listened to.

The CHAIR: Ms Robinson, do you have a response to Ms Ward's question that you wanted to put on record?

Ms ROBINSON: Just that I would like to echo the rest of the panel. We have had great engagement with Minister Ayres's office as well as Minister Dominello's office. We have also been able to table some papers at the roundtable. But as mentioned, in terms of action as a result of those interactions, we are getting up to six months now since the restrictions so it is more about action as opposed to consultation.

The Hon. NATALIE WARD: I have two follow-ups, if I may. I understand festivals and small-scale music venues are on the agenda. Is that correct and can you just tell us a bit about that? I think that is being addressed or put forward to the events task force. Is that your understanding?

Ms ROBINSON: Actually, my understanding is that the events task force—I have sent letters to both Dominello's and Ayres's office to in some way be involved in that process but I have not been involved at this stage. I will not be able to comment.

The Hon. NATALIE WARD: I think others have, though, and that might be progressing or might be coming back to you. About the different event types, it was more if it is a one-fits-all strategy. I do not think that is the case. I just need a better understanding about how we are looking at different types of events with industry.

Ms ROBINSON: Do you mean my comments about that just now?

The Hon. NATALIE WARD: Yes.

Ms ROBINSON: That was just about looking at the different types of events that are happening across the country. There were general comments from our members that the event that is scheduled to take place in Busselton is a great prototype for that location in that context, but it will not work everywhere. It will not be a one-size-fits-all approach to finding a COVID-safe type of festival.

The Hon. NATALIE WARD: I think, in response to what you had submitted, that has been put to the task force. That has been communicated to you, hasn't it, that that has been sent on to the task force to be assessed? That is, that different types of events will be looked at as soon as possible.

Ms ROBINSON: Not specifically in response to my request to be hired by the task force, no.

The Hon. NATALIE WARD: You might take that on notice perhaps, if you can, about the progress of that. It would be good to see that. With the task force, I might be wrong. On the strategy in terms of outdoor dining, is it your understanding that there is progress in place to try and implement something by summer?

Mr WARDLE: There was a story in the paper today.

The CHAIR: Does anyone have particular fresh evidence on dining?

Ms COLLINS: I am not aware of any of the discussions of that events task force or where they are at.

Mr WARDLE: I have seen the story in *The Sydney Morning Herald* today but to the best of our knowledge our sector has not been engaged in that process.

Mr PICKARD: APRA AMCOS has not been involved in that process either.

Ms ROBINSON: Neither has the AFA.

The Hon. NATALIE WARD: Sorry, I am not trying to be disagreeable. We are all on the same page; we all want this to happen. I am just trying to understand. I think the 24-Hour Economy Strategy task force is dealing with that, isn't it?

Ms COLLINS: Not that I am aware of. Not that it is not happening, but I am not aware of it.

The CHAIR: I do not think this is the outdoor dining panel.

The Hon. NATALIE WARD: More importantly, we have spoken about support for industry through funding and through conditions for reopening. Can I ask you to comment on which is more important, getting the conditions for reopening in place or the funding, and how they would sit?

Mr WARDLE: We can have conditions for reopening but if no businesses are operational then there will be no activity, no jobs and no music. Operational capital is fundamental to these businesses now to sustain them through this period. There are lots of programs happening from the Federal and State governments but operational capital is critical at the moment. The Victorian Government have the \$15 million Live Music Venues Program that is specifically to provide immediate operational costs around insurance, rent and all of these things to keep the doors open. In South Australia, I was part of the panel for the \$1 million contemporary music industry support through their Music Development Office. That provided a range of support across a broad range of industry professions and activity. Queensland has had good funding. ACT have \$10,000 Homefront grants. These are the types of things that we really need in New South Wales. But primarily the venues need operational costs, absolutely. Otherwise they will not be with us for much longer.

The Hon. NATALIE WARD: So you would say funding is the priority over rollback of restrictions.

Mr WARDLE: I would be reticent not to prioritise both. There is a great deal of momentum on better regulation and this has a long tail that we have worked for for many years. Venues need capacity to adjust quickly to COVID contours. But if they cannot keep their doors open—and you will hear from some venues today, I am sure—they are in a critical situation for sustaining their operation.

Ms COLLINS: I will just echo Mr Wardle's comments that without emergency crisis funding, the regulation will not be that effective because there will not be enough businesses to enjoy the benefit.

The CHAIR: A great regulatory environment, but no-one will turn up.

Ms COLLINS: Yes.

Ms CATE FAEHRMANN: Thank you, everybody, for appearing today. I am sorry that I missed the first 20 minutes of this; I was in another committee hearing. I am going to ask this question and I hope that it has

not already been asked. I just wanted to get a sense from you around firstly the quantity of live music venues that have closed and how many are in danger of closing over the next few months. Do you have those?

Ms COLLINS: I can speak to that. I have recently done a survey of 47 music venues in New South Wales. 85 per cent of them say that if they do not see changes soon, both in the form of financial aid specifically and changes to restrictions to enable better viability for their businesses, we will lose about 85 per cent of them within the next six to nine months.

Ms CATE FAEHRMANN: Eighty-five per cent of businesses lost, live music venues, within the next six—

Ms COLLINS: This is venues specifically, not just music businesses. They really worry for their future if we do not see some immediate change.

Ms CATE FAEHRMANN: Just to explore the financial assistance a bit more, do you do things like survey them for how many of them are in debt?

Ms COLLINS: Yes.

Ms CATE FAEHRMANN: Can you talk to that as well?

Ms COLLINS: It is important to note the difference between debt and loss. The accumulated loss of the group of 47 venues that have answered this survey tallies around \$70 million of losses. The average level of debt incurred by some of those venues is around the \$130,000 mark. If you look to the Government's funding for small business, if you lose \$10,000 and earn \$3,000, you are really looking at quite a difference between the support and the need.

Ms CATE FAEHRMANN: Okay, that is very interesting. So if we got the regulatory environment right over the next few months with legislative changes and whatever is needed, and we could see that some venues are able to once again open their doors safely, you are suggesting that might be hard for some venues because they are already in debt as a result of COVID. Without the financial support, there are still going to be a lot that are going to struggle to open their doors. Is that right?

Ms COLLINS: Yes. There is so much uncertainty for these businesses that it is very hard to predict exactly when and how their businesses will have to make a call around when they stop incurring debt and close their doors permanently. I think most businesses just want to get back to normal, as I am sure we would all like to. Given the very necessary restrictions around COVID, they are looking down the pipeline of having reduced capacities at 50 per cent or lower for the next six to 12 months. Obviously if that changes, that is fantastic. But I have done a case study on 14 venues and they all say that with four metres square rules, their businesses are just not viable. They are getting 30 per cent of their capacity through the door. To break even, they are usually at around 60 or 70 per cent. To make a profit, they are anything above that. So, really, any business that is trying to open during these restrictions are, most of the time, opening and losing money, and their get-out-of-bed costs are not covered by opening their doors at all.

Ms CATE FAEHRMANN: I have not read what you provided to Committee members today.

Ms COLLINS: That was John Wardle.

Ms CATE FAEHRMANN: Thank you. I take it there is a level of base support, or relief funding or recovery funding that is needed, and then something going forward in the manner of ticket subsidies, or something, to keep venues alive. Would you care to talk about that?

Mr WARDLE: I think venues are looking at a range of options of what can be provided to them to ensure their sustainability. There is Federal funding available, there are Restarting Investment to Sustain and Expand grants for infrastructure for venues, and there are Live Music Australia grants for programming, but if you are a venue in New South Wales you do not have the operational funding that is available in South Australia or, particularly, in Victoria. So, these businesses here in this State are at some disadvantage to colleagues in other States, from that perspective.

Looking at a range of things that can be done, the State Government has some regulatory concessions around fees and takeaways—these things are really important. I think, looking at the partnerships with the Federal Government, there are issues that our sector have been seeking such as tax offsets—there was a lot of work done there. Some venues are saying "Well, what about excise? What about the wine tax?" If we are not working, then there will be no revenue for the Commonwealth. There is a list of things that can be done across the tiers of government to ensure that our industry can be sustained through this period.

Ms CATE FAEHRMANN: If the New South Wales Government does not provide financial support through these venues—firstly, to get back on their feet after the last six months, and then sustain reduced patronage—we will have a situation where, potentially, 85 per cent of our live music venues may shut down. Then the tickets that are available to people will really only be available to extremely wealthy individuals who can afford to pay big dollars for tickets because there are so few people there. Is that the future we are seeing for live music in New South Wales if we do not get some financial support?

Ms COLLINS: Yes. I think we will not see new artists emerging because the only people who will be able to sell a \$100 ticket will be established artists who have an existing fan base. I am really worried for the future of early career artists in the next couple of years. Their opportunities are very limited. I think also a huge risk is that once you lose a venue, the chance of it being permanently lost is quite high because there is an incredibly high replacement cost. There is a very limited stock of venues in New South Wales. Finding a venue with an appropriate size, infrastructure, licensing, and experienced and qualified operators to run these spaces—it is very difficult for new venues to start, and if they do they are usually small venues, which are great and we need lots of, but we really also need that medium-tier-sized room. If we lose those venues it will be years before we can find the people to get back in those spaces.

The Hon. MATTHEW MASON-COX: It is very interesting to hear your perspective because I do not get out enough—certainly in these times.

The CHAIR: None of us do.

The Hon. MATTHEW MASON-COX: My teenage children do, though, so I get constant feedback. They go out in the Australian Capital Territory, so it is interesting to hear some of the concerns you have, because obviously there are less limitations in the Australian Capital Territory. The regulatory regime in New South Wales basically closes down a lot of venues, or they are open with the four square metre rule. What regulatory regime would make most venues financially able to operate? What square metre rule? Would it be two per square metre? What sort of regulatory change are you seeking from the Government?

Ms COLLINS: One person per two square metres is definitely an improvement on one per four square metres because that just simply enables businesses to get more people in and most venues earn money off alcohol sales and ticketing. So, it is a combination there, but I think there is a range of other initiatives, including later trading to allow more people to come through the door and turn over more people in one evening, or outdoor entertainment to enable venues to increase their actual physical capacity and have people inside and outside. There are other measures as well that I am sure John Wardle can speak to, but they are the ones that I think will be really vital in the coming months in the context of COVID.

Mr WARDLE: Yes, capacity is fundamental.

The CHAIR: Numbers.

Mr WARDLE: Numbers, and for outdoors as well. I think there was some talk that if you got 50 per cent at capacity, 50 per cent of venues can open. 75 per cent capacity; 75 per cent of venues can open. Those type of benchmarks are being considered in discussions, but it does depend on the type of business. There is lots of music in pubs, clubs and restaurants that already have a hospitality industry consent, but for primary venues that do not have that ancillary income their primary purpose is to present entertainment. Nightclubs are still closed, as are festivals, under health regulations.

There is a range of types of presentation across the industry. It is the small bars, the restaurants, the hotels and the clubs that are presenting music at the moment. Where I am, down on the South Coast, I am encouraged to see that there will be 30 gigs across Friday, Saturday and Sunday, from Wollongong down the strip. That is great to see, but they are all in pubs, clubs and restaurants. It is the theatres and those primary purpose venues that do not have ancillary income. They are the businesses that underpin our industry.

The Hon. MATTHEW MASON-COX: From what I can detect, there is a level of frustration with some of the inconsistent regulatory regimes for different venues. It is incumbent on us as members of the Government to ensure as much consistency as possible, and indeed that is frustrating for everybody involved in the response to COVID-19. Obviously health regulations are health regulations, but clearly more should be done on that front. That tends to be the response we are getting from most stakeholders. From what you are saying, you are in strong agreement with that?

Mr WARDLE: Absolutely, but not just venues. Festivals, as well.

The Hon. MATTHEW MASON-COX: Yes.

Mr WARDLE: I have got the correspondence here from the Dashville festival between Singleton and Maitland. They have got an event that they are hoping to have in early August. They were a large festival, but they looked at what they could do and instead of having a three-day event they said "Okay, let's put on some concerts. Let's have some shows instead and we will livestream it. So from 2000 we will have 200 capacity. We will stream it and we will do it over a number of days." But they are still being considered as a festival, not as an event.

The Hon. MATTHEW MASON-COX: Yes. Okay. Some flexibility would be worthwhile.

Mr WARDLE: Right.

Ms CATE FAEHRMANN: Sorry, who was that Mr Wardle? Which was that?

Mr WARDLE: That is the Dashville Skyline event. They had to cancel their event earlier this year and then they are saying "Okay, so what can we do to transition our business to ensure we can be sustained, our artists can have jobs, and we are contributing to the local community." I have got six pages of correspondence in the last few weeks between the police and the council. I will not table them. It is just a—

The CHAIR: Frustrating.

Mr WARDLE: —frustrating time for these people because they are supposed to put the gigs on in two weeks and they still do not have a resolution.

The Hon. NATALIE WARD: Can you comment on the 1,000 gigs for the Great Southern Nights initiative?

Ms COLLINS: I can comment from a MusicNSW perspective. We think it is fantastic. It is a really fantastic initiative from the State Government to give confidence to a sector that is struggling to have confidence because there is so much uncertainty. It has been really vital for a lot of communities to have something to look forward to, to work towards, to employ artists, and to give venues the opportunity to open with an element of the financial risk covered by the funding from Great Southern Nights. We fully applaud the Government on that initiative and would love to see it continue.

Mr PICKARD: I will echo that. What is really terrific about Great Southern Nights is that there are so many gigs planned for regional and remote New South Wales. That is really terrific and it will give a level of confidence, if we can successfully pull it off, to the industry across the country. I really applaud the Government's funding of that.

The Hon. MATTHEW MASON-COX: That is where I wanted to go with my last question: regional New South Wales. Living in Queanbeyan, my kids go over the border to nightclubs in the ACT. They take it seriously and it is managed well with COVID-19 plans and the like. Do you see an opportunity to differentiate different parts of the State where there are different conditions? How would you see that operating?

Mr WARDLE: On 9 September we saw the Tamworth Country Music Festival cancelled. That is going to be a major loss to our industry and to those regional economies. Dashville as we can see is struggling at the moment, and bushfire regions have had a double hit. The 31 July NSW Bushfire Inquiry report, we provided a submission to that. It is a 466 page report and there is not one reference to music, arts or culture recovery in that response and yet the impacts on the music industry, hospitality industry were significant through that period last summer. I am pleased to see some gigs coming back. Our office is funded through the Australia Council to support some regional programs. We have some Live and Local precinct events happening in Orange and Lachlan Shire Council over the next 12 months. I was able to work with the Great Southern Nights team on accessing some agents in regional New South Wales. The feedback I have had is fantastic so I think that is hopefully going to be a terrific initiative for venues and artists in regional New South Wales.

Ms COLLINS: I want to quickly add that there is an incredible opportunity for regional music development at the moment, particularly with State borders and interstate travel being somewhat restricted. There are so many music communities that are crying out for regional development. There is a real opportunity for State Government to establish some regional touring networks and really focus on the opportunities for New South Wales artists to tour the State and really knuckle down and support some of those regional communities in the economic development as well.

The CHAIR: Local councils have been key players in that?

Ms COLLINS: Absolutely a key part.

The CHAIR: In having a funding pool where they can promote that sort of regional tours?

Ms COLLINS: Absolutely vital.

Mr PICKARD: There is a really big opportunity with the way that consumers are potentially likely wanting to have safe engagement with culture. They have a real hyper local approach to it and that is both regionally and outer metro. There is a lot of that reflected in the 24-Hour Economy Strategy that that could be statewide to reflect the demands of audiences and the needs of music makers and music businesses.

The CHAIR: Could I get to the nuts and bolts? We are now in mid-September. Would it be fair to say that what venues in particular need is the urgent opening of a round of grants or other financial support—low paperwork, rapid access—in order to stay afloat? Is that the urgent need?

Ms COLLINS: Yes.

Mr WARDLE: Agreed, yes.

The CHAIR: Mr Pickard?

Mr PICKARD: It is, yes. Just to allow businesses to be able to, at times, hibernate depending on the peaks and troughs of the pandemic is going to be critical for the long-term safeguarding of this cultural infrastructure.

The CHAIR: And quickly on that, the grant rounds that have come out so far in this space have all been for not-for-profits. This needs to expressly open up to those for-profit venues?

Mr PICKARD: Yes, correct.

Ms COLLINS: Yes, that is correct.

The CHAIR: What do you think should be the counter obligation on venues? Should it be to maintain the space as an entertainment space? Should there be a temporal connection on that or is it just a question of urgently funding to keep them open?

Ms COLLINS: It depends on whether you want to maintain and hold onto venue stock. If there is no investment now then we will lose those venues so if you are looking to, say, run a subsidised operational style funding round, which is linking money to delivering cultural outcomes i.e. gigs, then you would still lose quite a few operators who cannot get to that point.

The CHAIR: Basically what is needed now is some untied operational funding to simply ensure that these venues do not otherwise turn into yet another residential development, is that what we are facing?

Ms COLLINS: Yes.

Mr WARDLE: Particularly as JobKeeper transitions and rent and leasing concessions transition as well. Many venues are hanging on only because they have that support. As that support diminishes or is removed, so will the venues.

The CHAIR: And we are talking this calendar year, not next calendar year?

Ms COLLINS: Yes, urgently needed support.

The CHAIR: On behalf the whole Committee, thank you for the work that you do. This is an essential part of our society and an essential part of our greater economy, and you have given us a huge amount of urgent food for thought.

Mr WARDLE: If I could make one more further point: It is about music teachers and peripatetic music teachers in New South Wales. We have seen a very serious loss of employment and education opportunities in the recent weeks of the last month. I am a music teacher myself. One of my student's concert band for year 12 was cancelled. Many other music teachers have lost work in recent weeks. I have tabled a position paper by Alex Masso, who is a music teacher. And also, the work the Queensland Government has provided in recent weeks to ensure that woodwinds, reeds, brass and group singing in choirs can continue. There are other ways of doing this that can keep the jobs, keep the students engaged, and keep our music education system sustained.

The CHAIR: Is that in the bundle you presented to us?

Mr WARDLE: It is in the bundle that I have provided.

The CHAIR: We could have done this for another hour. I am really sorry we have to wind up now but thank you all.

Ms COLLINS: Thank you for having us.

(The witnesses withdrew.)

(Short adjournment)

NICOLE BEYER, Executive Director, Theatre Network Australia, before the Committee via videoconference, affirmed and examined

KATRINA DOUGLAS, NSW Coordinator, Theatre Network NSW, before the Committee via videoconference, affirmed and examined

PENELOPE BENTON, Acting CEO, National Association for the Visual Arts, before the Committee via videoconference, affirmed and examined

CHRISTOPHER TOOHER, Executive Director, Sydney Festival, before the Committee via videoconference, affirmed and examined

KERRI GLASSCOCK, Festival Director and CEO, Sydney Fringe Festival, affirmed and examined

The CHAIR: Do each of you wish to make a brief opening statement? Brief would be great so we have time for questioning. I can indicate that we have received communication from the Theatre Network Australia.

Ms GLASSCOCK: Thanks so much for having me. Of course, we would like to acknowledge the Government's strong leadership during this crisis to get us through. It goes without saying that the safety is paramount and our sector is here to support the pathway with best practice. Each year the Sydney Fringe Festival supports the work of over 2,200 local independent artists. We activate 70 venues across 25 post code areas of Sydney. We generate an economic impact to the city of \$12 million and pay \$750,000 in performance fees to local artists. This year the city and its arts workers have lost that investment. The small to medium part of the sector that I represent provides the bulk of the cultural infrastructure New South Wales enjoys, the majority of events on any given night, career pathways, audience development, new work investment and localised economic stimulus. We are vital to the economic success of the live arts industry. We are key to delivering the aims and aspirations of the Government's very welcome 24-Hour Economy Strategy and all existing cultural policy. Without the small to mediums we simply do not have an industry.

Unfortunately, we are also the most inadequately funded part of the sector. We do not have a safety net of philanthropy or additional income streams or significant corporate partnerships to get us through this crisis. This year has been financially and creatively devastating for this city without Sydney Fringe Festival and 2021 looks equally as grim. We currently have no clear line of sight for adequate support to reactivate for next year. I am imploring Treasury to back the 24-Hour Economy Strategy hard and fast to provide additional funds to Create NSW to distribute specifically to the small to mediums, including for profit venues and businesses because we cannot wait until next year. We will simply not be here. This is the third inquiry I have given evidence at in the past 24 months. Each time I demonstrate the importance of our sector to the health and wellbeing of this State, but instead of seeing strategic support we are called upon for further consultation. This is the moment where we need help. It is the moment for government to step up and seriously back our industry before me or my colleagues are simply no longer here to appear at the next inquiry.

Mr TOOHER: Thank you. I echo my colleague's comments. Just by way of introduction, Sydney Festival has been an annual celebration of arts and culture for probably 44 years, presenting the best of performing arts from around the world as well as showcasing what we call local talent. To date, being a January festival, the organisation has had only minimal impacts of the current health crisis, but as we head into January 2021 we are certainly facing a challenging time in getting the festival on. All stakeholders to date—government being a key stakeholder in the festival as well as the City of Sydney, City of Parramatta and other commercial stakeholders—have a strong will to see the festival happen in January and we are working with government and the Ministry of Health to ensure that if we do get on, we get on of course in a COVID-safe environment.

One of the key drivers for us to ensure that we are on is—to reinforce my colleague's comments—the industry is made up of a lot of freelance workers, be it artists, technicians and other support staff who have really struggled. The notion that the festival can provide a resource for that part of the sector is vital, hence the reason for us to be—even if we get the festival out to a reduced number of attendances because of the COVID restrictions. So we are working as hard as we can to get the festival happening and are getting great support from government in terms of guidance and what is possible in a COVID-safe environment.

Ms BENTON: First of all I would like to acknowledge the Gadigal people of the Eora nation and pay my respects to Elders past, present and emerging. As well as being an absolute health disaster, this last six months has been the most significant disruption to the arts industry that we have known. Despite being the State with the largest population and the biggest budget New South Wales commits one of the lowest per capita arts investments levels in Australia. The COVID-19 crisis is inspiring a great deal of rethinking and reimagining of the creative

landscape and it is so great to speak here to contribute to this important inquiry. The National Association for the Visual Arts represents about 4,500 individual and organisation members and a further 25,000 subscribers all over Australia. Our office is located in Sydney and more than 45 per cent of our members and subscribers are based across the State of New South Wales. This year has been the most terrible workload that I have ever been a part of. Our team has worked around the clock supporting artists, galleries and event organisers who are all struck with the loss of all expected self-generated income for this year as arts and cultural events across the State had to announce their closure and cancellations very early on.

New South Wales-based artists continue to be the largest cohort of applicants to the National Association for the Visual Arts [NAVA] Artists' Benevolent Fund. The postponement and cancellation of shows, group exhibitions, residencies, festivals, public programming, workshops and live performances statewide, nationally and internationally have had a disastrous impact, both financially and mentally. While JobKeeper has truly supported some of our arts organisations, a huge proportion of public galleries in New South Wales are owned by local government and universities and none of those have been able to access any kind of income support. This week the public galleries sector has been rocked further by the funding announcement from Create NSW, which has instantly put many struggling regional and western Sydney-based galleries in an even more precarious position. While the New South Wales sector is grateful that we were able to reopen in June, that announcement came really without notice—two days. There was no support or clear instructions. ¹We are still a far cry away from the level of visitation and activity that we are used to and as long as we need to keep distancing, the arts sector is just not going to be able to draw the funding that even comes close to the operating costs to keep open the door.

Ms BEYER: I am speaking to you today on the land of the Bunurong people of the Koolin nation in Melbourne, and Ms Douglas is on Gadigal land in Sydney. Theatre Network Australia is a peak body or a service organisation for performing arts. We focus on the small to medium sector and independents, but we do also have major companies and institutions as they want to see a stronger entire sector. I have three points. I want to make sure you understand the devastating impact that COVID has had on our sector. I want to talk about the problems with arts funding processes in New South Wales and the role of the Government going forward. First of all the impact. As you all know, we have heard in the media that arts and culture was the second hardest hit, more than 25 per cent job losses, and that will increase. There is massive impact at all levels.

With the major companies, they rely very heavily on box office. A few of them, most of them have less than 10 per cent of their income from government grants. So while they were doing well in normal times, right now they are devastated. It looks like 20 per cent of major performing arts companies might be insolvent, just from my rough numbers. We urge the Government to extend the 50 per cent capacity rule that was applied to stadiums yesterday. That would help a lot if all seated venues had that 50 per cent capacity rule. For many companies JobKeeper has been fantastic for them, but again like others were saying, when that finishes next year we are going to see some companies closing.

But also the important role with independents—independents in the performing arts are those who do not work inside a company structure. I had a little count of the Sydney Festival program. Just by my rough count of Australian work, close to half of that work was by independents. So they provide a big part of what is presented in Australian performing arts, and they have suffered significant losses. On average, independents had eight creative projects planned for 2020 and only 2½ are going ahead, including in digital form. That is 68 per cent of creative projects that have been lost. The problems with arts funding in New South Wales—we surveyed our members. You have got the member insight document there with you—three different surveys. In essence, the level of satisfaction by artists and companies in the New South Wales arts funding programs is extremely low: 47 per cent of respondents stated that their overwhelming experience was negative, and only 17 per cent had positive experiences; 80 per cent of respondents believe that the current decision-making processes are not transparent. The key issues are political interference and ministerial interference: 95 per cent are dissatisfied or very dissatisfied with the arts Minister's advocacy for the sector, and none at all were satisfied.

There is genuine sympathy for Create NSW staff; that came through in our surveys. But there is a feeling that the department is broken, with blown-out time lines, lack of transparency, poor communication and lack of feedback being the common complaints. Some people heard about their application outcomes after the project was due to start. Lastly, Government's role: The sector is desperate for leadership in how to reopen and how to

¹ In [correspondence](#) to the committee received 15 October 2020, Ms Penelope Benton, Acting CEO, National Association for the Visual Arts provided clarification to her evidence.

rebuild the sustainable industry, as we have heard from my colleagues. Consistent guidelines would help on how to develop a COVID-safe plan. They want a road map or, at least, the next step towards what COVID normal might be. People are calling for 50 per cent capacity by the end of October, but also definitions of what COVID normal is. The sector cannot do that and we are calling on the Government to set up art form industry roundtables, as one example of how the industry can help the Government get this underway. In closing, as we look towards a post-COVID world, arts and culture can play a huge role in helping young people rebuild their mental health, helping people mourn the old ways of the world, recreating community connections and helping us all come to terms with what our new world will look like.

The CHAIR: Thank you. Ms Douglas, I assume Ms Beyer spoke on behalf of you both, but did you have something specific to add at the outset?

Ms DOUGLAS: No, Ms Beyer covered all of it.

The CHAIR: Ms Beyer, do you want to formally table the report that you emailed to the Committee?

Ms BEYER: Yes, please.

The CHAIR: We will treat that as tabled.

The Hon. JOHN GRAHAM: Thanks for your submissions and evidence. I will start with a question about the move to 50 per cent. It is important to say up front that we have to be guided by the health advice. That is, I think, the view of everyone here. This is about how we can get to a position that might work for the sector within that health advice. Stadiums have moved to 50 per cent; I guess one of their advantages is that a lot of that would be outdoors. But is a combination of moving to 50 per cent, outdoor performance and maybe masks the sort of path through that might make a difference? It seems like a big step from where we are. How urgent is that action? We have already heard evidence today—

The Hon. TREVOR KHAN: You have asked about three questions.

The Hon. JOHN GRAHAM: How urgent is it? I will stop there.

The Hon. TREVOR KHAN: I am not stopping the question from being asked.

The Hon. JOHN GRAHAM: No, it was a fair editorial comment.

The CHAIR: The question is about the 50 per cent. We will start with Ms Glasscock and then work our way through the panel.

Ms GLASSCOCK: It is incredibly urgent. It is imperative that venues are encouraged to safely reopen at the moment, as you would have heard from the previous panel with the live music. It is the same across theatre. Many of our theatres across the State are independently owned small spaces. It is simply not viable to open under the current restrictions so the sooner that we can increase those, the better. For those who do not know, I own the Old 505 Theatre in Newtown. We have been open since July. We were the first space to reopen, under stringent restrictions. We have presented theatre there for the past two weeks; we did music prior to that with the Sydney Fringe Festival. We have had 100 per cent hit rate on our audience surveys of their feeling safe, so it is possible to do it and people are coming out. However, under the current restrictions we need to sell 100 per cent of our reduced capacity every night and everyone needs to buy a minimum of two drinks for us to break even while we have JobKeeper and rent reprieve.

The CHAIR: Even with JobKeeper and rent reprieve?

Ms GLASSCOCK: We are not making any money. But the benefit of encouraging venues to open means that artists are being paid something. My front-of-house staff are there. We are buying a little bit of drink from our suppliers. It keeps it ticking over and, more importantly, we are maintaining our audience engagement, which is a massive problem and a fear I have as people get more comfortable at home watching Netflix.

The CHAIR: I will go to the panel and just pick an order: Ms Beyer and Ms Douglas, then Ms Benton and Mr Tooher.

Ms BEYER: Ms Douglas, did you want to say something?

Ms DOUGLAS: I would just reiterate what Ms Glasscock said: It is absolutely urgent. It is a real priority. We really need venues open. People do want to go out. People are committed to going out and seeing live performance, even though it is not viable for, I think, all ranges of venue under the current guidelines. I also note that there are many international examples of theatres that have been open for months and doing it safely. I know Taiwan has been leading the way, and South Korea have had their theatres open for many months now.

Their audiences are entering safely and they have templates and systems in place that we could easily borrow and use and work with our health department to get those guidelines that we need to open venues.

Ms BEYER: Yes. We have heard from our members in New South Wales who have opened up. As long as they are communicating really well to the audiences what they are doing in terms of providing COVID-safe places, then the audiences feel really comfortable. They are all very comfortable. The inconsistency at the moment is after the show, when they might go to a restaurant, and there are different rules in place in terms of the restaurant or the bar. That is when audiences start to feel a little uncertain about "What is the right rule?" and "Am I safe here?" So consistency across all venues and spaces would help that a lot.

Ms BENTON: Just reiterating the words of my colleagues: Yes, it is urgent—particularly in regional areas, where the galleries serve as a very social space, not just for the viewing of art but space for people to get together. That is really lacking and people really need it. As I said, it is very difficult under the current guidelines to even make enough money to break even to open the door. So it is urgent.

Mr TOOHER: Just to concur, under the current rules the four square metre rules have been interpreted widely across different venues. The numbers that we as a festival can get into venues depends on the interpretation. So one thing that I think you really need to press forward with is a really clear direction in terms of what is doable, and 50 per cent of the house is a much clearer picture for venues. I have a range of venues that have interpreted the four square metre rules in very different ways: A venue that normally holds 550 people interpreted it so I could only have 100 people, while another venue that holds 600 people interprets it in a way that they can hold 200 people. There is no consistency. So a position that is consistent and consistently rolled out, I think, is really important.

I think it is really important that that 50 per cent rule is harmonised across venues in terms of the ways that we implement—i.e. the chequerboard seating that I am sure people have been aware of and that I understand the sports stadiums will be using. Every seat beside you is vacant and the seat in front of you is vacant because the chequerboard is in front of you. I think that people should maintain that chequerboarding regardless of whether they have come from the same household, so that there is a consistency and so that the public can see social distancing in action and understand that the theatres have made a response to it and they can feel safe in that environment. Some theatres are going ahead and allowing partners to book together and then leave a seat between them. That is going to lead to inconsistencies and is going to lead to people saying, "Why are they getting it? Why aren't we getting it?". But if you just implement a 50 per cent check for across the industry, it sends a clear message to make audiences feel safe.

The Hon. John Graham brought up the idea of outdoor and that sporting stadiums have some advantages. I just put back that while the aerosol factor in outdoors is better, in an outdoor stadium people are there cheering, shouting, and, you know, being very vocal and everything else. When you are in a theatre for the most part you are sitting next to your partner and the aerosol factor is a lot smaller factor. In fact we add in masks-wearing to all of that, we can address that. Even the facility is aware and is putting forward to the Ministry of Health now to get a festival on in 2021. I also think we have to consider—and this is where I am getting feedback from Health as well—the big issues about ingress and egress. Again, when we are talking theatres, we are talking about small amounts of people needing to get into the venues and out of the venues, using public transport and the other areas where they are of concern compared to 20,000 people going into a stadium. With 500 people or 250 people going into a 500-seat venue, we are not going to have any of those problems that ingress and egress will cause those other venues.

Ms CATE FAEHRMANN: I am just trying to get a sense of what the engagement with government has been around developing a consistent COVID-19 safety plan for venues, possibly particularly for the smaller venues. Some of your evidence suggests that it has been difficult to get consistency. Are you having consultation at the moment with Create NSW in relation to—

The Hon. TREVOR KHAN: I am sorry, but we end up in a monologue. Can we just ask the question?

Ms CATE FAEHRMANN: Was I not just saying, "Are you"? Did you hear the first two words of that last sentence?

The Hon. TREVOR KHAN: That is precisely the case.

The CHAIR: We have we have limited time. Points of order are best taken as points of order.

The Hon. TREVOR KHAN: I will take it as a point of order. Ask the question rather than make a speech.

The CHAIR: I think it was a question. Unfortunately we now are probably all a bit confused and we may have to start again. Ms Cate Faehrmann?

Ms CATE FAEHRMANN: Then I am going to do another monologue—no. Can I get a sense of what consultation you are having at the moment with government to develop a consistent COVID-19 safety plan for your venues in relation to small-to medium-sized arts venues particularly?

Mr TOOHER: We have been working quite closely with Create NSW particularly in establishing an outdoor venue that we are trying to get on our trajectory and playing to the strengths of—or in terms of being COVID-safe. Through Create NSW we have been working with the Ministry of Health and going through their concerns in terms of what we could do to be able to establish it as a COVID-safe venue. We are also putting forward to Create NSW a model of a presentation that we may well consider moving forward as we live with the virus for the next 12 to 18 months; that this could be a very good model in ways of getting large audiences. So we are talking about audiences up to 1,500 people in a COVID-safe environment, in front of live performers and it would be working closely, as I say, with Create in getting that underway.

Ms BENTON: Like the Theatre Network, we did a survey in the last few days this week in preparation for speaking here today. We also had the phone lines open and it has rung off the hook. Largely the feedback is that communications are really vague and unclear. Largely people have worked out across the galleries sector how to reopen. There has been an incredible amount of internal industry collegiality and sharing information and working it out together. There is very little consistent information coming from Create NSW.²

Ms DOUGLAS: I just would agree with what Ms Benton said. We have seen a lot of venues and a lot of our companies sharing information and guidelines among themselves as a way to get their doors open and that the communication from Create NSW has been minimal. I can point out that Ausdance NSW, who represent the dance sector in New South Wales, want to work more closely with the sports department to get guidelines that they could give out to their members about how they can open their workshops and how they can start living again as dancers. They really were not getting much from Create NSW and had to turn to Health and Sport, which was great but also a bit of an issue. That is probably just where I am at the moment.

Ms BEYER: I will just give you a bit of a national angle because we are a national organisation. There will be a real need for Create NSW to engage with the other State funding agencies because with the new COVID world there will not be much international touring for a very long time. There will be an opportunity for quite a lot of national touring and exchange of work across the country but what that is going to require again is consistency across State boundaries. So building a tour across several different State borders will mean that you will want to have the same COVID-safe definitions across the country. My members are saying that that will be needed before people feel confident enough to build a national tour.

Ms GLASSCOCK: I understand that many representative associations have had decent consultation and communication but, as Ms Beyer says, on a national level. Live Performance Australia, Performing Arts Connections Australia certainly worked very hard at the beginning to put some opening guidelines together. We pulled together a working group of small theatres in Sydney in May with legal and risk support as well to create our own reopening strategies, which is how we have been able to reopen this month. But, again, we need consistency. To Ms Beyer's point earlier, the inconsistency across all business levels is the problem at the moment. I would love to see government looking at running COVID-safe operations like we do responsible service of alcohol or food health safety. Why are we not having it through an agency that you can go and get your course, do it, and it is checked off by inspectors? It should be consistent across all businesses.

The CHAIR: Yes, or even an online qualification that you can do and get the tick.

Ms GLASSCOCK: Yes. Because I have customers coming to our door at our theatre at the moment saying, "This is fantastic. We feel really safe but we don't feel like that at the restaurant down the road," or you get a bit of pushback when they say, "But I didn't have to do this at the pub I was just at. Why do I have to do it now?" It will erode audience and customer confidence.

Ms CATE FAEHRMANN: Just to be clear on that, because my question is around Create NSW, it sounds like some of you have been told to go to NSW Health in relation to COVID-safe plans. Are there specific people within NSW Health who have been tasked with dealing with the arts community?

² In [correspondence](#) to the committee received 15 October 2020, Ms Penelope Benton, Acting CEO, National Association for the Visual Arts provided clarification to her evidence.

Ms DOUGLAS: I guess I raised that. They were not actually told to go to NSW Health. Ausdance NSW was seeking ways to get information so they were just calling everybody. They called NSW Health who also suggested calling Sport and that is how they got their information. As far as I am aware there is not anyone specifically in NSW Health looking at the arts.

The CHAIR: How about Create NSW? Is there a contact point for COVID-19? I can see nods.

Mr TOOHER: Yes.

The CHAIR: Ms Benton was shaking her head. We will go to Mr Toohar and then to Ms Benton. I could have been wrong.

Mr TOOHER: Rebecca Dean has been nominated for Health. It has been through Rebecca Dean and Create NSW that we have been working with the Ministry of Health because the outdoor venue we are proposing would require exemptions under the current Health guidelines. We are working with them to see whether or not we can get the exemptions as required to ensure the venue can proceed in January 2021.

The CHAIR: Ms Benton? I did not mean to verbal you, I am sorry.

Ms BENTON: It is fine. I do not know of anybody in Create who has sufficient information to be helpful.³

Ms GLASSCOCK: This is part of a larger systemic problem in that the bulk of our sector—the small to mediums and independents—do not have access or representation.

The CHAIR: Mr Toohar, no disrespect to your position, but you are one of the larger players. You know the people inside Create NSW and you have avenues to get the information. The rest of the operators do not really have a place to go. There is no front-facing element of Create NSW—or any part of the Government—to find this information. Is that a fair summary?

Ms GLASSCOCK: Yes.

Mr TOOHER: That would be correct to say. In terms of the industry, we are one of the larger organisations.

The Hon. TREVOR KHAN: On either a Create NSW website or some other website, is there either a page or a button to press that says to go here for information regarding what you should do? I know that might sound basic.

Ms BENTON: Actually, no. There are pages on the Create NSW website that have the word "COVID-19" in them. Largely they are very brief and they are about funding packages, with an email address that you can go to and ask questions. But there are no clear guidelines on opening, just a lot of information about grants that are available according to different parts of the sector.⁴

The Hon. TREVOR KHAN: That is great about the funding, but is there any "go and speak to X" on a webpage, for instance?

Ms BENTON: Not that I know of.

Ms GLASSCOCK: Not that I am aware of.

Ms BEYER: Just to reiterate, it is not a simple thing for Create NSW to actually have all of the answers right now. What they can do is be in contact with the sector more, and use the sector. That is why I mentioned in my opening statement the idea of round tables with the industry. It is really important to be in constant communication with the sector because the virus is changing and our response to it needs to change accordingly. Rather than static information on a page, what is actually needed is a way to have ongoing, deep and broad communication with the whole sector.

The Hon. TREVOR KHAN: I am not arguing the toss on that at all, but it seems to me that one of the problems for Create NSW is that they are not the masters of their own destiny because it is Health that fires the

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bullets. But I would have thought that there needs to be some way for people to be escorted through the system and perhaps have representatives—whether it be within Create NSW or the Office of Sport—who can make representations on behalf of the sector.

Ms BEYER: Absolutely, I agree with that.

The Hon. JOHN GRAHAM: I think that is a good point. In terms of dealing with guidelines and the response to the pandemic, there is a Government process where a range of more concentrated industries have been able to come to the table and work out a way to work. One of the biggest challenges here as I listen to what you are saying is that this is such a decentralised industry, particularly the small to medium sector, and that process which was set up is not able to cope with the sort of engagement you are talking about. Do you have a view about how that might happen? There is a process there. How would it be possible to coordinate with the sector to make this happen?

Ms BEYER: Sorry, can you clarify the question?

The CHAIR: How is it best to engage? It is quite a decentralised industry with lots of small to medium players. What is the best method to have that urgent engagement?

Ms BEYER: I would say art form based engagement is a good place to start, and round tables. Create NSW will have contact lists on different art forms and can pool people together for a round table. That can be online or it can be in person; you lucky people in Sydney can do that. They should be regular, as I said, so that you get new insight from the sector as the response needs to change.

Ms DOUGLAS: Just to add to that, there are some really great service organisations in New South Wales that have access to members and can reach their members relatively quickly, like NAVA, Ausdance NSW, MusicNSW, Regional Arts NSW and the museum and gallery sector. They have big memberships and they can get information out relatively quickly. They can also get people in to help on those round tables that Ms Beyer was discussing. The service organisations can play a really big role in that.

Ms BENTON: I agree with Katrina. We have been doing that all year. NAVA has been hosting weekly meetings nationally. We have been in contact with a great deal of the New South Wales sector and have been publishing information as much and as quickly as we can to help people through this very confusing time.

Mr TOOHER: I will echo the comments of my colleagues and just add that what is vital is actually that some solutions come out of this. There needs to be a road map forward. I have attended information sessions which again were targeted at the larger sector of the industry. They were very much information sessions about the status quo, what was happening, and more or less what was not possible. But it was the nature of the event; it was what you could do with \$500 million and all of that. You need that information so that is not a criticism. But it is absolutely time now, and it is critical now, that we quickly work out the road map forward or we will lose a whole section of the industry. We need a road map and we need one quickly.

Ms GLASSCOCK: Yes, I would echo Chris's urgency. I would also like to say that this needs to be a whole-of-government approach. Consultation with Create NSW is one thing, as long as there are representatives from other departments there and we know there is a clear line of communication. I also note that to date—and fair enough—Create NSW's communications tend to be with the funded organisations that they support. As we know, that is a very small percentage of our sector.

The Hon. NATALIE WARD: We have heard about the challenges. I understand that and appreciate your input on all of that. Thank you. But do you mind talking about your work and your engagement—with the existing consultation at Create NSW—with what I think is called Project Awake? Could you tell the Committee about that please?

The CHAIR: Who wants to kick that off?

The Hon. NATALIE WARD: Perhaps Mr Tooher? I think you are part of that.

Mr TOOHER: I am not aware of Project Awake.

The Hon. TREVOR KHAN: Project Asleep?

Ms GLASSCOCK: I have never heard of that.

The CHAIR: I do not think they are awake to Awake, but I am not criticising anyone for not being awake to Awake.

The Hon. NATALIE WARD: I understand that it is something to do with the festival. I am sorry, I am not across the detail of it but my understanding is that there is an engagement process with the sector to roll out the festival in 2021. That is headed up by Rebecca Dean and they are facilitating engagement with Health.

Mr TOOHER: Yes, we are very much working with Rebecca Dean in terms of getting the January festival on, particularly around the new outdoor venue that we are trying to establish at Barangaroo. If it is coming under a title, I was just not aware of it. We have been working closely with Rebecca Dean on that. It has been effective and we have been given the right context and the right advice from the Ministry of Health. They have given preliminary in-principle support to the proposal that we are putting forward. As I understand it, it has now moved to the new working group that the Premier established. That is headed up by the Treasurer, Mr Perrottet, Minister Ayres and Deputy Premier John Barilaro, who are looking at getting events under that model.

The CHAIR: Has that cooperation and approach been extended to the Fringe Festival, Ms Glasscock?

Ms GLASSCOCK: No.

Ms BENTON: I had contact about Project Awake from early June, but I have not heard anything about it since.⁵

The Hon. NATALIE WARD: Thank you for your input to each of the inquiries, Ms Glasscock. You were especially helpful during the inquiry into Sydney's night-time economy. I appreciate your persistence and patience with a number of things we are doing. Can you comment on the industry advisory group? I think you have been part of that. What are your views on the 24-hour bill and your engagement with that process?

Ms GLASSCOCK: We have been really happy to be part of the advisory group for the 24-hour plan. We have come out in strong endorsement of the plan. There are some great things in there. Again, as per my opening comments, I would urge the Government to move hard and fast on that to fund it adequately, but also to implement it. It was a plan that was drafted pre-COVID and so it is even more urgent now. I understand that the bane of government's existence is stakeholders coming to them in the middle of a crisis and re-requesting things we have been requesting for years, but what I would just note is that our sector has been in crisis for years. This has just propelled it further. The 24-hour economy plan really does create a good pathway that deals with a lot of those major issues around regulatory red tape, archaic regulation and conditions for our sector, and also encourages investment to nurture it. I am a strong advocate for it, and yes, the Sydney Fringe has had strong engagement with Minister Ayres' office on that.

The Hon. NATALIE WARD: I respectfully disagree. I do not believe it is the bane of anyone's existence. I think it is welcomed, and it should be the case, it is not just a stepping stone for everyone. Certainly it is not the case that government should be deciding on how these things should be done. It was part of our recommendations that we engage in an ongoing way with an industry group. I think the purpose of the industry group is to be an ongoing feedback mechanism, is it not?

Ms GLASSCOCK: Yes. I was cheekily referring to a number of comments I have received as we have been re-iterating the requests that have been put to government over a number of years during this crisis time and absorbing them into our requests for a way out of the crisis. It is important that we acknowledge that with this advocacy work and good engagement with government that has happened over the last few years, those items are still outstanding and are even more important now.

The Hon. NATALIE WARD: For the Committee's benefit, there is a landing page on the Create NSW website for how the sector can engage. There is a link on the right of the website with hundreds of resources. Maybe we should all go there on our lunch break and have a look at that.

The CHAIR: Ms Beyer and Ms Douglas, I found the results of your membership survey into the grants process in New South Wales quite damning, as was the lack of confidence amongst your membership in the transparency of it. Did either of you want to speak to that in a little more detail? One of the figures was: 80 per cent of recipients had no belief in the transparency of the New South Wales grants program.

Ms DOUGLAS: Theatre Network NSW did a survey in the lead-up to a submission, which we submitted with Regional Arts NSW, Ausdance NSW and MusicNSW. Theatre Network Australia have also been doing surveys. Yes, you are right, those surveys are reporting a real lack of confidence in the grants process at this stage.

⁵ In [correspondence](#) to the committee received 15 October 2020, Ms Penelope Benton, Acting CEO, National Association for the Visual Arts provided clarification to her evidence.

People are raising issues around transparency and time lines. More often than not, the time lines for announcements are delayed, to the point where projects and annual programs have started and they still do not know whether they have got funding.

In a recent round, the funding decisions were leaked to the press before companies were informed about their outcome. That caused a lot of concern within the industry. What has happened, and what is going on, is that a lack of distrust in the process is building up. That is a really major concern in that whole peer-assessment process. People believe in a peer-assessment process, but they want more transparency around it. People are very clear in saying that their engagement and discussions with Create NSW is improving and that the staff there are working really hard, but they feel like there is a disconnect between the ministry and the department itself.

The CHAIR: I will read one comment, which is repeatedly referenced throughout the commentary:

As mentioned, political interference in the assessment process. A lot of work goes into applying and assessing. To then have Ministers play favourites and impose political priorities is very poor form.

The Hon. TREVOR KHAN: I am going to take the point of order. You know I have to.

The CHAIR: My question is, given those kinds of comments, and the data that has only 4.6 per cent of respondents saying they had trust in the grants programs and two-thirds saying they did not, what needs to change?

The Hon. TREVOR KHAN: I am going to take the point of order, and I know I am making it to the Chair, but you would expect me to take this point of order. With respect, this is an inquiry into the COVID-19 response. The question that you are going to may well fit either within budget estimates or alternatively within the Powerhouse Museum and other bits and pieces. I struggle to see how it is directly relevant. Many of the questions asked today have been quite on point and critical of government, and that is fine by me, but there is actually a structure of doing it.

The CHAIR: It is in the context of what the previous two rounds of witnesses said. They said that there needs to be an urgent opening of grants for the sector.

The Hon. TREVOR KHAN: I am not arguing with that.

The CHAIR: What needs to change if we do have an urgent opening of grants so that we can re-establish trust? You would not want to revisit what has happened in the past.

Ms DOUGLAS: Just to be clear, are you asking what changes we think should be put in place?

The CHAIR: Yes.

Ms DOUGLAS: I definitely think that guidelines have to be kept and met, and there needs to be greater engagement in consultation with the sector around how those processes happen. There is a misunderstanding within the sector around the fact that it is the Minister's department, and he does have final say over those grants, so there needs to be a bit more clarity around that. I think with the recent COVID grant that is currently in process at the moment, there is no real transparency around why those decisions have been made, who is getting the funding and where that funding is going. In terms of COVID grants, that rescue package is still very unclear for the sector. Transparency and communication is the key.

Ms GLASSCOCK: And speed.

The CHAIR: I think we have heard that from everybody.

Ms GLASSCOCK: I think that the shuffle up with the Artform Boards has been positive to the whole process that recently happened. In relation to the COVID Rescue and Restart package, speed is imperative. Those organisations that were not deemed in need of rescuing, like Fringe, are now about to be needed to be rescued if we do not get the Restart money. The indication from the department for me has been: That will not come earlier than February. By then it will be too late. It needs to happen now and I think if you can speed it up and get it out into the sector, it will go a long way to earning trust.

Ms CATE FAEHRMANN: The money that you are saying is coming in February, how much are we talking?

Ms GLASSCOCK: I am obviously not across how internal departments have divided up budgets, but the understanding the sector has is that of that \$50 million pool half of it has been allocated to the Rescue tranche and half of it has been allocated to the Restart section. There are a number of key organisations that were deemed safe and not needing rescuing—Sydney Fringe was one of those—because we were able to trade until February.

The CHAIR: At best, you are going to get the Restart rather than the Rescue.

Ms GLASSCOCK: That is fine and tenable for us, but if we have to wait until February when all of our money runs out to get some Restart money then we will not be able to carry on. The organisations that have safeguarded themselves and are going to be okay, have not asked for government funds this year and are okay, they need injection of stimulus now from that second tranche to keep going and ensure that they will not need a handout later on.

Ms BENTON: The criteria for the COVID support funds have been very minimal and very unclear. A lot of people went through the time-consuming process of applying only to receive a call that they did not demonstrate enough need. On the point of the usual grant programs and the COVID grant programs, they all interlink. The problem, particularly with the regional galleries, this week only 22 out of 62 local government-run galleries received the announcement this week about multi-year funding and only half received multi-year funding. The other half received only one year of funding even though they had applied in the multi-year round. The announcement has come five months after Create NSW said it would be announcing it. They had already missed the boat to apply for emergency funding. The mystery around decision-making is really driving everybody crazy and having a huge impact on mental health and instability. A great number of people are looking to chuck it in. It is very bad.

The Hon. NATALIE WARD: On that funding, can I ask Ms Glasscock and any other panel members in the short time that is left to comment on the work and the make-up of the art form advisory boards? Are they advised on this funding and the strategic issues facing the sector? Any comment about those?

Mr TOOHER: Yes, just to confirm that I do sit on one of the advisory panels and I am also an active member. To touch on Ms Benton's point that she made clearly, there was a recent announcement. The big decision moving forward is the level of funds that are available to this community, or investment I should say, in terms of reviewing applications. The level of excellence that we use as the measure is deep and long. The funding runs out well before we get towards applications that are not to be eligible for that investment. You have probably heard it one million times but there is a lack of funding available to distribute to ensure that all that excellence is kept.

The Hon. NATALIE WARD: I understand that. I am interested in the boards though. The purpose of the boards are to advise on this funding and process, are they not?

Mr TOOHER: Absolutely. The board's process is to review the applications, to rate them in order of merit and excellence, and then make recommendations to the Minister's office about how the funding should be allocated.

The Hon. NATALIE WARD: So there is a process that is clear and it is engaging with the sector. It is not perfect. Ms Glasscock, can you comment on that as well?

Ms GLASSCOCK: Yes. Like Mr Tooher, I sit on one of those art form boards as well and participate actively throughout the year. There is a thorough assessment process that is undertaken by those boards and I will just echo Mr Tooher, our feedback that we have given to the Minister's office at the end of every round that we have assessed since I have started working on those boards is that there is a lack of overall funding. We need to increase the funding pool. As Mr Tooher said, the applications are excellent and on many occasions we are sitting there torn where we can only fund the first couple of applications out of a round of 40 or 50 excellent projects. That is the reality of it.

The Hon. NATALIE WARD: It also advises on strategic issues as well, not just the funding; is that right?

Ms GLASSCOCK: Yes.

Mr TOOHER: Can you clarify that?

The Hon. NATALIE WARD: My understanding is that the boards are not just advising on funding issues but also on strategic issues; is that correct?

Ms GLASSCOCK: It is in the scope of the remit of the boards to be available to give strategic advice, yes.

The CHAIR: Just on the boards, I am reading from some of the comments from the survey from the Theatre Network NSW submission and a number of them make statements like this:

To have every art form board have a member of the Opera House skews the outcomes towards the Sydney status quo. I do not know how to compete - when I am standing so far away from anything they measure! Or let alone see! Or let alone can imagine because urban environments are not my 'centre' or 'apex' of achievement.

Do you think it is a fair criticism of the boards that they have a preponderance of the big players in it and therefore the small and medium players do not feel like they are visible, do not feel like they have an impact? Is that an unfair criticism of the boards that you sit on?

Mr TOOHER: The one I sit on regularly I think that would be an unfair criticism. It is actually well-balanced. All of the positions are public. It would be a fairly easy exercise to go through that. The panel I sit on I would say is a well-balanced one.

Ms GLASSCOCK: I would agree with Mr Toohier's statements. There is a fair distribution across the board that I sit on. I would also say to those in the sector who have those sorts of feelings that the deliberations that are undertaken in my experience are very mindful of an even distribution of funds across the State.

The CHAIR: It goes back to that point. Another comment is, "The lack of transparency in the pot means that far too many applications are being laboured over for a pool of money that is too small." Isn't that where the nub of the problem is?

Ms GLASSCOCK: Yes.

Ms BEYER: Putting those comments in there is not to say that they are all accurate statements. We wanted to show that actually there is a lot of hurt out there. That is what is good to read into those comments, how much the sector is hurting. As we have discussed in this forum, communication and transparency will help that. If people understand those processes and they understand who is on those panels and they understand what deliberations are happening behind the scenes, not in detail, it goes a long way to making them feel more confident.

The CHAIR: We have run out of time. On behalf of the Committee, I thank you all for your work, much of it is out of hours and outside any reasonable distribution of paid work. Ms Beyer, it is lovely to see you from Melbourne. It is a pity we could not have you here. Again, thank you for all the work you do. The sense of urgency has been thoroughly conveyed.

(The witnesses withdrew.)

MICHAEL RODRIGUES, Chair, Night Time Industries Association, sworn and examined

SEAN MORRISSEY, Deputy CEO, Australian Hotels Association, before the Committee via videoconference, sworn and examined

JOHN GREEN, Director, Liquor and Policing, Australian Hotels Association, before the Committee via videoconference, sworn and examined

KARL SCHLOTHAUER, President, Independent Bars Association, before the Committee via videoconference, affirmed and examined

The CHAIR: Thank you all for attending. Did you want to start with a brief opening address? Mr Schlothauer?

Mr SCHLOTHAUER: The Independent Bars Association [IBA] represents the small bars sector, including some of the most influential bars in Australia and the world. We thank the Committee for the opportunity to provide our statement today. Many of our members have reopened since the lockdown and are now operating with reduced trading hours and capacity. Our outer city venues are enjoying the work-from-home trade, but many, if not all, of our members in the CBD are doing it very tough due to the restrictions across many industries resulting in less people visiting the city for work and play. Throughout the pandemic the New South Wales Government has sought to understand the challenges facing the industry and has acted quickly to implement changes to provide timely support, and for this we are grateful. We understand each day brings a new set of challenges and the playbook is being written in real time.

This inquiry, as I understand it, is designed to tackle issues with the Government's processes and solutions in response to the pandemic and identify areas for improvement. Removing the regulations to allow takeaway liquor sales for small bars was a game changer and allowed many of our members to remain connected to their community during the lockdown. We applaud the New South Wales Government for acting on our recommendation to allow these sales. However, the IBA was not included in consultation regarding the reopening of the hospitality venues after lockdown. From my understanding we were originally marked not to reopen in Sydney, which was thankfully overturned due to a series of hurried discussions at the last minute. Small bars have largely complied with the relevant public health orders and—touch wood—have not been linked to any COVID clusters.

Government and parliamentary committees alike have both recognised that small bars are low impact and low-risk hospitality venues, a fact recognised by recent legislative and regulatory changes. Our five staff capacity ratios mean that we are uniquely placed to monitor patron behaviour and ensure social distancing rules are closely followed. With the size of the majority of our members' venues being under 200 square metres, the one person per four square metres rule means that our capacities have been reduced by 50 per cent to 75 per cent of our original approved capacity, resulting in revenue losses of a similar scale. This has left many of our members questioning their ongoing commercial viability. The majority of our members will be reliant on JobKeeper for as long as the social distancing requirements remain. If these requirements remain unchanged whilst JobKeeper ends, many small bars will be forced to close permanently.

Similarly, the initial relief provided by payroll tax deferrals has done little to offset the revenue decline. Small bars need a base level of staff to open their doors; however, this tax acts as a disincentive for job creation or extending our operating hours. The commercial tenancy relief, while welcome, does not give direction past October and members have indicated landlords are lining up for payment and not willing to offer extended support without government intervention. Additionally, many members are exposed to onerous conditions applied by landlords under commercial tenancy arrangements because small bars are not included under the small business friendly Retail Leases Act. The cost burden of full rent and staff wages in the context of operating to a reduced capacity will mean several businesses will be forced to close permanently.

During the pandemic many members have turned to government agencies as a source of truth to seek information to remain compliant and assist with business expansion ideas. Members have struggled to have these agencies provide this advice in writing and many feel this will lead to unnecessary complications once measures are wound back and trading returns to a new normal. I have also received regular feedback from members that authorities in charge of enforcement cannot provide the written advice on compliance and we are often encouraged to seek our own advice. The issue with this is that if our independent advice proves to be incorrect, we are the ones left wearing the fight. It has never been more important to provide small businesses with certainty and to remove the financial barriers to receiving timely advice to assist with compliance.

The hospitality industry is one of the State's great employers, offering flow-on employment opportunities for many other industries that have been negatively impacted by the pandemic, such as musicians and performers, the artists and [inaudible] and producers. In order to make it through to the other side of this pandemic, we need the blue sky thinking of the State Government, not to be hamstrung at the local level. Creative ideas to use underutilised space are often rejected by councils with a flat "no". We need more consistency in the application of health orders and regulation across the service industry. We are happy to comply with all the various new rules and be inspected by multiple regulators to ensure enforcement. We just want the same level of regulatory oversight to be applied across the service industry both day and night, because we know the battle against COVID won't be won if the focus is only on one side of the equation.

Most importantly, we need a clearly articulated road map toward more commercially viable and sustainable social distancing rules. Further, we need the assurance of financial support if the current restrictions remain in place beyond the end of the JobKeeper scheme to safeguard against the closure en masse of Sydney's small bars. I would like to thank the Committee again for the opportunity to share this experience today and we look forward to the support of the Parliament to ensure that small bars make through to the other side of the pandemic.

Mr MORRISSEY: Firstly, I would like to thank the Committee on behalf of the Australian Hotels Association [AHA] for the opportunity to appear on behalf of what are over 1,800 members across New South Wales hotels and accommodation properties. First of all, it is very important to acknowledge in the context of this inquiry that this global pandemic has presented public health and economic challenges for societies and problems for governments around the world, the likes of which we have not seen in living memory. Many hundreds of thousands of lives have tragically been lost as a result of that. In the context of the hotel and hospitality industry, whom we represent the interests of across New South Wales, and more broadly the association across Australia, and whom we represent today at this inquiry, I feel it is very important for this Committee that we do not mince our words here.

Our industry has faced and continues to face its darkest days as a result of this pandemic. Almost six months ago to the day, 15 March, saw the introduction of the first round of patron capacity restrictions on hospitality venues. On 23 March our industry was effectively shut down [inaudible] but very limited takeaway and delivery services and it remained that way for over two months. It was only on 1 June, when the patron capacity was limited to a total of 50 persons across the venue, that it became viable for a lot of venues to reconsider commencing or recommencing in-venue trade. As it presently stands, venues are subject to a range of very stringent compliance measures and total capacity restrictions that place an additional cost on business. That is significantly limiting their capacity to try to do business at levels anywhere near normal. These measures are, of course, critical to managing what is first and foremost a public health crisis.

We do acknowledge that, as an industry, and we do understand that this is the number one priority. However, it must be recognised that these restrictions that are in place on constant trading have had a devastating impact on the livelihoods of many of our members and, as a result of that, the many thousands of employees that are employed by our members in their venues. To give you a very brief example, 94 per cent of hotel employees across New South Wales were without work during that shutdown period. That equates to over 70,000 people and, of course, does not include the many supporting industries such as live music performers, who continue to face a lack of work as a result of the close-down and the current trading restrictions that are in place. While many of those employees have returned to work in some capacity, there is a looming job and debt cliff that faces our members and their employees as those various subsidy packages and support packages and grants are gradually wound down or are due to be wound down in the coming months.

In closing, the industry remains, as I said, fully committed to providing a safe and welcoming environment for our members. Public health is our number one priority as we hope to emerge from the worst of this pandemic. At the same time, we continue to look to Government to provide a measured, balanced and clear road map as we emerge, hopefully, from the worst of this pandemic and out of the current trading restrictions to allow our local industry to thrive once again. Thank you.

The CHAIR: Thank you. Mr Rodrigues?

Mr RODRIGUES: Thank you for the opportunity to appear in this inquiry. I am conscious that a number of Night Time Industries Association [NTIA] members are appearing as part of today's proceedings, so I do not necessarily want to duplicate a number of remarks that have already been made. I refer specifically to the Committee for Sydney's statement this morning. James is a board member of the NTIA and we work closely, as we do with the Independent Bars Association. Obviously, Mr Schlothauer has also given his opening address. I support the principles in those statements made already and echo some of the sentiments made by the gentleman

from the AHA. Like the AHA, we understand the balancing act between the economy and public health and, for the main part, are supportive of the manner in which New South Wales Government has handled the COVID crisis. I guess we have tried to contribute by identifying where people or businesses may fall through the cracks.

It is with some disappointment that we were not able to successfully persuade the New South Wales Government to follow the actions of, for example, Queensland in extending loans to small- and medium-enterprise hospitality businesses, in particular, due to their inability to seek bank debt—notwithstanding the Morrison loan guarantee scheme in which, if the name did not already give it away, there was a massive hole to the tune of 50 per cent. As a result, the fear there was really that the small to medium enterprise—the premium enterprise of the business of our sector; the stuff that we love shouting about in tourism and marketing campaigns—is under more significant threat. It represents a higher brand contribution to Sydney than other areas of the hospitality sector, if I am being frank. Inevitably, now we are starting to see early signs of insolvencies and business sales. As the AHA correctly identified, that is only going to increase into the January-March quarter, in particular as government support falls away.

The question quickly becomes how do you counter that? If you are not going to start extending further financial support, there is obviously the review of the one in four square metres rule. I am still unsure of the scientific basis for that. The rule does not impact all venues equally. For small bars in particular, it almost renders their business unviable and, in a moment of humour, sees them playing games of human Tetris as they try to position people across their bar in order to try and maximise the amount of trade. That is very difficult when you have a very small space. I would suggest, if I can, that there is a case to argue that the small bar scene, in particular, might be a good pilot for reduction of that ratio to one in two square metres. It moves to the question—I am sure that the AHA and others will echo the sentiment—that the hospitality sector and the night-time economy more broadly need a target to aim at or a road map out.

What does that look like? I do not know, but we are seeing reduced numbers of community transmission. For example, if there was an average of three cases of community transmission over 14 days, then perhaps venues might be allowed to have patrons standing. That is one example. Another 14 days with no further community transmission—a reduction to one in two square metres across the board. These are discussions that I think would help the sector as it comes into its one and only chance this year to make cash as we enter the summer. I am conscious, of course, of proceedings in other parts of the city today: the Summer Summit and the outdoor dining task force. It is scary to think what would have happened if we did not have the music and arts economy inquiry, the Sydney night-time economy inquiry and the lockout inquiry, because the ambition to open alfresco is only thwarted by the inability of the city and the State to allow it to happen. I will reserve my judgement in terms of how the task force comes out of this, but what we are hearing from members is that to get to meaningful levels of alfresco dining in the current regulatory landscape is going to be very challenging in a way that is going to make any meaningful impact.

I do not have much more, other than to say two things. One is that I would support the position that masks on public transport become compulsory. If we are looking for plans to move people into the CBD, it is one simple thing that could be done. In that vein, much of the conversation—both in this inquiry and in the public domain—is all about the supply side of the equation, which is all fine until, for example, there is an outbreak in Victoria or New Zealand and everyone cancels their bookings in restaurants. What we need to talk more about is consumer confidence generally. That is why the NTIA has launched a campaign called "Check. Check. Check." You may have heard about it. It is a straight rip-off of "Slip! Slop! Slap!"—that fantastic eighties campaign that taught Aussies about new ritual behaviours they should adopt before going out in the sun. It is "Slip! Slop! Slap!" for indoors.

The reason I say that is that we as a society want to be together, and in these circumstances we need new rituals to allow that to happen safely. This is no more relevant than, particularly, to the 18 to 35 demographic, who at that stage in their lives are being disproportionately affected by the impacts of physical distancing. It is fine for me, at age 45, to sit in my luxury pad in Annandale and down single malt whisky by myself, but it is not the same for people who are needing to be socially active, meet people and understand who they are and how they fit into a complex world. I just make the short observation that, as yet, we are yet to receive any support from the New South Wales Government in funding that campaign, although we have received some support from the City of Sydney and the membership base, which has no funds to trade at the moment.

The CHAIR: Thank you to all of you. I will go to the Hon. John Graham first, then Ms Cate Faehrmann and then the Hon. Natalie Ward.

The Hon. JOHN GRAHAM: Thank you for those opening statements; they are very useful. I want to put to you some of the calls we have heard earlier in the hearing and get a reaction from you about the various

sectors you are representing. There has been a recognition that there is now a discussion about outdoor dining. The calls we have heard this morning are that it has to be soon, that it should include performance and, crucially, that there has to be some money for the sector. You have touched on that. The \$87.5 million in Victoria for outdoor dining has been referred to. The \$50 million for, specifically, music venues in Victoria has been referred to. I am interested in your reaction to those calls. Do you support them? Crucially, how urgent are those things?

The CHAIR: We will start with Mr Schlothauer, then we will go to the AHA and then we will go to Mr Rodrigues.

Mr SCHLOTHAUER: Yes, I think they are critical. A lot of our members have sort of tucked-away venues that sit up the laneway, so opening those spaces soon, and sort of free of charge and free of—or less of the restrictions involved would benefit us hugely.

Mr GREEN: I think that obviously the time is now. We have been extremely encouraged. We have seen the release of the 24-hour strategy. We have seen the introduction of the liquor bill. We have seen today's Summer Summit down at The Rocks and of course here with you. I think it is spring. There is an opportunity for us to act on what has been said to date, if not an opportunity for us to get moving in relation to activating our public spaces and outside venues—utilising that space in and around venues—so we do it in a COVID-safe way. I say that spring is here. The time to act is now.

Mr RODRIGUES: I do not know if I have much more to add. I think it has been well expressed. There is just this gulf between the idea—we all know what needs to be done. How quickly can we get it done?

The Hon. JOHN GRAHAM: Well, can I just press that point to say that when I have talked to venue operators one of the things they say on outdoor dining is in normal times an application to do this is just never going to happen, particularly for outdoor performance. It is just not possible to make it through the thicket of regulations between State and local government. How possible is it to crash through this quickly? How important is that?

Mr GREEN: You are absolutely right. Obviously we have red tape hurdles to get through in relation to planning laws, et cetera, to even gain approval. We have reached the sort of situation we are in down at The Rocks. They halved George Street and utilised that area. They are able to use that for outdoor dining along half of George Street in The Rocks because it is under the control of Place Management NSW. There are hurdles in place that are part of the planning laws. What we saw during the beginning of this—and Mr Schlothauer mentioned it before—we actually saw Liquor & Gaming use a statement of regulatory intent that allowed venues, who could not otherwise serve takeaway, to serve takeaway and pretty much serve right through the shutdown period.

I would be interested in investigating whether we could do something similar in relation to planning laws that would allow expediting that utilisation and quicker approval for the outdoor areas that the task force is talking about. Now, the Government and agency task force and Liquor & Gaming and police that was announced earlier this week, hopefully that will be something that they will be able to get done. I hope that the roads Minister is involved. That is the agency that needs to be associated with it. Under the Roads Act, that is the section that approves for outdoor dining, informal dining.

The CHAIR: Mr Schlothauer?

Mr SCHLOTHAUER: I do not have too much to add other than that it is a real burden to get through any of the regulations. A lot of our members just do not bother because it is so onerous.

The CHAIR: Yes. Mr Rodrigues?

Mr RODRIGUES: Yeah. Look, it is not my area of expertise, but as I understand it there are currently no guidelines on using Transport for NSW roads for public dining so, you know, I do not know where you sort of start with that. I do not know if I can ask myself to take the question on notice.

The CHAIR: Would you mind taking that on notice, Mr Rodrigues?

Mr RODRIGUES: Yes, I will take that one on notice.

The CHAIR: Thank you.

Mr RODRIGUES: I am hoping to submit a letter to the inquiry, if I am allowed to do that afterwards, with a case study speaking specifically to this issue.

The Hon. JOHN GRAHAM: Great.

Mr RODRIGUES: And the level of frustration and time and cost involved under the current regime for what should be a relatively simple matter.

The CHAIR: One thing that Local Government NSW said in the opening session was that if we are going to have to rely on having individual businesses putting individual DAs to extend their opening hours that that is just not going to work.

Mr RODRIGUES: Yes.

The CHAIR: Local Government NSW was supportive of changes to the planning regime that empowered local councils to extend opening hours without requiring individual DAs. I assume that is something that the industry would support.

Mr RODRIGUES: I think that is fair but, again, it is not my area but it does seem to me to be—and this task force, hopefully, will come to this conclusion—that there needs to be some general exemption and then you start retrofitting the restrictions as opposed to, "Let's try and unpick every restriction", because it is going to take some time across all those different Government departments who have a say.

The CHAIR: Yes. Mr Schlothauer or Mr Morrissey or Mr Green, what do you think about that proposal?

Mr MORRISSEY: As Mr Green mentioned in his earlier remarks, it is a very unique time. In the ordinary course of affairs you would have blanket planning controls being eased across the board that would be otherwise something of a controversial proposition. We say that, given the situation we find ourselves in, as Mr Green has said, some sort of blanket process that then can be assessed and analysed on a retrofitted basis is something we absolutely support, particularly as we have been saying along with checks of outdoor dining, utilising those outdoor spaces. Clearly, and again the favourite saying everybody has been using quite a bit—I am not an epidemiologist but we are hearing that the evidence does suggest that outdoor spaces must have the spaces and we do really need to focus on utilising those outdoor spaces with a minimum—a degree—but a minimum of regulatory restraints in that regard.

Mr GREEN: I had the conversation with Linda Scott previously when we were looking at the level of local government's [audio malfunction] when we first had the issue and that is that individual councils have control. That is where it has got to be a collective or a higher order that actually looks across the board and allows the venues across New South Wales to address that individual application.

The CHAIR: Mr Schlothauer?

Mr SCHLOTHAUER: Yes. I agree. A blanket process is needed and I also want to comment that many of the operators get the situation we are in now and would comply or not try to go outside COVID conditions if it was to be put through in a blanket process.

Ms CATE FAEHRMANN: I just wanted to touch on the complexities around noise complaints, if you like, now in terms of we will see more outdoor dining, rooftop dining and balancing that with the expected increase from residents around some of these businesses. I heard from a number of business owners after the lockdown laws were relaxed on 1 June that quite soon after opening and having people back in courtyards, and what have you, in bars and pubs that the complaints started rolling in again. From a personal perspective, given the huge numbers of job losses in the hospitality industry, I feel we have all had to sacrifice a little bit. Potentially people who are thinking that there is a noisy courtyard can think about that as well. But would you confirm that that is been the case from your members? Have people relaxed a little bit in terms of accepting that we need to keep things going, or have they clamped down because they are at home a lot? What is your experience? I will go to Mr Rodrigues.

Mr RODRIGUES: I do not have any strong anecdotes or specific cases but one thing I would observe is that—and you have struck the right question—it is this balance piece.

The CHAIR: Yes.

Mr RODRIGUES: The thing is that you can always frame things in terms of Sydney property prices. What we are seeing is generally communities wanting to support each other. In any neighbourhood in which you live a cafe alongside the park is a good thing. If you want the cafe to survive, it may be allowed to serve a glass of wine occasionally and a bit of noise is okay. It is something you can live with. The point I am trying to make is that consumer sentiment is changing rapidly at the moment around this. I would like to encourage government to be more proactive, really, and put the onus back onto the complainant again.

The CHAIR: Yes, roll with it a bit.

Mr SCHLOTHAUER: We have not received any direct feedback about noise complaints. I think there is a general attitude that everyone is supporting their local community and going along for the ride. I can take it on notice and further investigate if you like.

Ms CATE FAEHRMANN: That is actually good to hear, though. It is good for members to hear that people are potentially relaxing a bit around it. That is good from my perspective.

The CHAIR: And we are not asking you to hunt for complaints. It is not necessary. Mr Morrissey and Mr Green?

Mr GREEN: Obviously if COVID had not hit, then in the last 12 months we have seen the work of the upper House inquiry. Obviously Ms Ward and Mr Graham have been heavily involved in that, Labor over the last five years, Ben Franklin—all sides of Parliament came together and pretty much said that we are in a new age here where if you live near a licensed venue, of various designs, then people will go to the venue. They will go away from the venue. They will be at the venue. They might listen to a band. They might be in the beer garden. People might actually enjoy themselves and talk about their day. There is a level of sound that is associated with licensed venues, and people living in and around licensed venue should expect a reasonable amount of noise.

That is the work that we have done and we were just coming out of that planning. The future liquor bill identifies and removes a level of music-related conditions et cetera from liquor licences. We pretty much have the road mapped out; now we just need to implement what is in that liquor bill. We need to acknowledge the fine work of Government and Parliament in saying that now is the time to act. People need to acknowledge that at licensed venues there will be a level of noise. You need to expect reasonable sound from those venues and the sound of people laughing and having a good time is the cost of living near a venue. Enjoy it.

The CHAIR: For the record I acknowledge the work of my colleague on behalf of The Greens, Cate Faehrmann, in that process as well.

Ms CATE FAEHRMANN: Appearing later today we have the Alliance for Gambling Reform. I have to take this opportunity to ask the AHA—after 1 June, statistics showed that quite a few people flocked into pubs and clubs to access poker machines, quite a few more than the previous year at that same time. Could you outline what are the COVID-safe plans for gaming rooms in pubs?

Mr MORRISSEY: I will just ensure that I have the relevant COVID-safe plan in front of me. There are a range of measures relating to hygiene, cleaning and physical distancing that effectively apply across the venue broadly, whether that be in the food and beverage service area, bathrooms particularly, or indeed in the gaming room. They principally relate to the key principle of social distancing, ensuring 1.5 metres between patrons within the venue. There is an exclusion within those safety plans relating to both contacts and household contacts. The measures include adopting hand hygiene practices and frequent cleaning of high-touch surfaces.

Ms CATE FAEHRMANN: Thank you. I am conscious that in COVID-safe plans being developed for theatres, stadiums, restaurants and even workplaces, there is a general expectation that people are really only in those places for, say, two hours. Most restaurant bookings I have been making, for example, are only two hours. We know that the potential for COVID-19 infection or transmission increases over time. Therefore, as a result of COVID, are there time limits for people using poker machines now? It is a genuine question; I am not sure if there are.

Mr MORRISSEY: Looking at the safety plan in relation to attendance in any area of the venue, including gaming rooms, there are no time limits. Indeed, looking at any COVID safety plan for any industry, I am not aware of any time limits. The only time limit that I am aware of that was in place in any jurisdiction upon reopening, as I understand it, was the Northern Territory when they first reopened. That was before everybody else. I believe there was a time limit on attendance at the venue in place for the first week or two. However, that has not been in place in any other jurisdiction or across any other industry, to my knowledge.

The Hon. NATALIE WARD: Thank you to all of the witnesses for your contribution, for coming today, but also particularly to your members for their persistence through this extremely difficult time. I have a couple of questions, but you just referred to another jurisdiction and that led me to a question about how we compare to other States. I note that we were able to reopen on 1 June and I just wanted to get some feedback. The State opened despite that Crossroads Hotel outbreak. I just wanted to ask how your members are going in terms of employment and revenue compared to their counterparts in other States.

Mr MORRISSEY: As I mentioned earlier and as you said, Ms Ward, the 1 June reopening was positive and was quite early in the piece compared to some other jurisdictions. We had that one to four square metre rule that was in place. Some other jurisdictions that had lower, for example Western Australia, moved to a two square

metre law rapidly. Again, as you mentioned, the staff infections across New South Wales in about mid-July did lead to the winding back of some of those measures and we did have a 300-patron cap imposed. The group booking limit which at the time was 20 patrons is now 10 patrons. We have seen that fluctuation, and in fact a winding back of some of those measures that were in place, in response to that spike in infections that occurred off the back of the Victorian outbreak.

The Hon. NATALIE WARD: I think that even with those changes and restrictions, that probably left venues in New South Wales in a better position than their counterparts in other States that have been unable to reopen as early or stay open during outbreaks. Would you agree with that?

Mr MORRISSEY: Yes, absolutely. One of the key aspects of that has clearly been the contact tracing process that has been implemented in New South Wales, which the Prime Minister in fact referred to as the gold standard. That is something that NSW Health and the Government are obviously to be commended for. I do need to give our members a plug in that regard, though, in the sense that they are at the coalface of that contact tracing process. I can inform the Committee—and I did make some inquiries in relation to this—that there are a number of QR code service providers, when you tap in at the venue, who are providing that service to our members. In hotels across New South Wales since 1 June, I am advised that there have been well over 6 million unique individual logins and registrations. These are time and date stamped and create a critical framework around that contact tracing process. We are extremely proud of the role that we have been able to play in that process.

The CHAIR: Mr Schlothauer or Mr Rodrigues, have you had any of those interstate comparisons that you could assist us with?

Mr RODRIGUES: If I can take this one on notice, I am positive I can come back with some good data from one of our members, Venue Co, that transacts across all States and Territories.

The CHAIR: That would be helpful, thank you.

The Hon. NATALIE WARD: It would be helpful, thank you, as a comparison for employment revenue and numbers. I am not sure if you are aware, but there is an alfresco task force which is currently in place to look at those outdoor dining issues. Hopefully they can act very quickly and come back with some clarity on outdoor dining. It is one of those wonderful things. Have the other forms of government support been useful? I am not looking for compliments for the sake of it, I want to understand how it has worked in terms of the economic support, like the waiving of licensing fees. Can you comment on that and other issues? Has that been helpful, and if not how can it be improved?

Mr RODRIGUES: I think that everyone has been positive about the ambition for the support. Accessing the support is, of course, a different matter. I think that, particularly for small-to-medium businesses that do not necessarily have the scale or sophistication, being able to apply for grants of small amounts is just not being time effective, particularly at the height of the crisis. I think that support has not manifested equally and, as I sort of remarked at the beginning, that will result in a greater level of insolvency at the small-to-medium end of things. It has been a good learning process for the smaller operators to better engage with various levels of government, and understand and develop the muscle set needed to try and access government support. I think that the better operators have been able to take advantage of things as a result.

The Hon. NATALIE WARD: [Audio malfunction] the grants and the licensing fees. You might want to take that on notice if it is easier.

The CHAIR: Ms Ward, we will just ask your first question to Mr Schlothauer, and then Mr Morrissey and Mr Green.

Mr SCHLOTHAUER: The feedback that we got on the grant from Service NSW was that the process was quite easy to navigate, but when looking at the grants from the local governments and councils a lot of the smaller members found the level of detail required too difficult to process and just gave up on it. Our licensing fees are only \$200 a year, so it is welcome, but it is a drop in the ocean.

The CHAIR: It is not going to keep you afloat, is it Mr Schlothauer?

Mr MORRISSEY: Again, I echo those earlier comments. The various measures at the local, State and Federal level, be it JobKeeper or the small business grants, and of course the license fee relief—for our members the license fee relief represents something in the order of about \$6 million just for hotels in New South Wales. That is obviously very welcome. However, the reality of the problems that I referred to in my opening remarks is that as those measures are wound back the rates still keep piling up. The land tax still keeps piling up. There is going to come a point, obviously, when the [audio malfunction] are certainly going to look a lot more closely at

the various member profiles and arrangements in place with businesses when those relief measures do eventually dry up. Very welcome measures across the board, however, very much measures which only go some way towards assisting venues keeping their head above water. I suspect and fear that will only grow as a challenge as time goes on.

Mr GREEN: Ms Ward, just in terms of ideas, obviously grants sometimes are cash in hand, but all our businesses, be it the small bar venues, AMA members or ours, they just want to do what is their occupation. They just want to be businesses operating. An idea that has been flagged by our Tourism Accommodation Australia Chair Michael Johnson in recent days across Australia is the concept of ours, rather than a grant it is actually a voucher for accommodation or food in areas that are being hit the hardest where you register and you get the money that is government-funded in those venues that is the kickstart to allow employment and those venues to kick along.

The Hon. NATALIE WARD: I think somebody mentioned that they would like to see more proactivity. I think one of you mentioned there is the Summer Summit, the 24-Hour Economy Strategy, the liquor amendment bill and the industry advisory group. Have you had a chance to have input to those with a suggestion like that?

Mr GREEN: Our CEO John Whelan attended that Summer Summit this morning and they have just come back so I will be talking to him about what he was able to put to that. My information is that he actually did get an opportunity to propose that to the Summer Summit this morning. It is a fairly new concept that we have been pushing and we will continue to push.

The Hon. NATALIE WARD: He is not exactly shy. I am sure he got a word in. It is good that if they have not had a chance, they should, and put it through us.

The Hon. MATTHEW MASON-COX: Regarding the commercially viable and sustainable social distancing rules, indeed the road map out of this, I presume the two person per square metre is obviously a first step that you would welcome.

The CHAIR: One person per two square metres.

The Hon. MATTHEW MASON-COX: Yes, one person per two square metres, but you also mentioned the loan support. Do you think Government should consider a different sort of pathway in regional areas as opposed to city areas?

Mr RODRIGUES: I think that one of the challenges is that a lot of venues are different, so coming up with an exact formula probably requires some discussion. Revenue models across venues, and the other gentlemen will speak to this, can vary depending on whether you are a cocktail bar, a fast takeaway, a large-style fine dining establishment—they are very different. There are these factors: there is low risk of community transmission; the sector, even though there will be losses, has been through a process of open, shut, open, shut, and adjustment. What this means is, we would say, in conjunction with good contact tracing, the sector has now built an ability to test newer models, and if it is not working then move back a bit from that if there is an outbreak.

The argument surely has to be that these businesses have been designed specifically to bring people together and in, and if we are not seeing rates of community transmission then that rule has to be further interrogated. I cannot necessarily speak to the regional matter, but I understand the principle. What venues need is the flexibility to allow their business models to trade the way they were designed to trade fundamentally. There are examples of different regions in Victoria being under different rules to the city, and I think that is a discussion that New South Wales would benefit from.

Mr SCHLOTHAUER: The one per four square metre rule is crippling and we would encourage the one per two square metre, but also given the size of our venues, if you did go to the one per two square metre, some venues still would not be able to put extra people in the venue due to social distancing. The feedback that we get from a lot of our members is they would be happy to continue to have everyone seated and the mingling not happening. Most of the patrons are adhering to those rules and they understand all the rules. I do not have the expertise to comment on regional versus the city.

Mr MORRISSEY: Yes, again, looking at the one to four square metre rule, certainly the experience of our members is that that creates an extreme hindrance in terms of their ability to trade at viable levels. Mid-July we did, as we discussed earlier, see that wind-back in the patron capacity in response to that spike in infections. Those numbers have not moved for some time. We have seen, thankfully, very low rates of infection. Mr Mason Cox, in response to your question about regional areas, our members in the bush are screaming out, naturally. It is a natural response. Many of them have not seen an infection, heard of an infection or heard of anybody who has had an infection.

There is absolute merit in terms of the Government looking to manage risks to have the flexibility and to look at it on a geographic basis, particularly in those areas west of the great divide where there is no rates of infection. We are certainly endorsing it and would encourage the flexibility across different areas and different regions and the one to two square metres is a good example. Another very good example that we did see, as I mentioned, was the reduction in group bookings from 20 down to 10. There are possible inconsistencies that are there at the moment. We see corporate events and corporate functions that can take place with up to 150 persons as long as people are seated at a table of 10 and that they do not commingle and they do not interact. At the same time, two weeks ago I could not have my mother-in-law's eightieth birthday [inaudible]. There is certainly an argument to be made for some flexibility and some consistency across the board there.

The Hon. TREVOR KHAN: My question again relates to regional areas. If I attempt to visit my mother-in-law in a nursing home, I cannot go in because of my contact in Sydney. I stand outside, regrettably, and talk to her over a fence. That is the nature of that. Being from Tamworth, I have to say there would be a lot of support of your proposition. I wonder if in supporting the relieving of some of those constrictions that there would be a desire to see continuing restrictions with regards to people from, for instance, out of Sydney from visiting those venues? Do you think there is actually more to it than that than simply changing what I will call the floor space ratio?

The CHAIR: In terms of the regions?

The Hon. TREVOR KHAN: In terms of the regions, yes.

Mr MORRISSEY: Mr Khan, absolutely. That is something needs to always be guided by health experts and public health experts around the logistics of that. It is absolutely a challenge and absolutely a reality, as you rightly point out. I would agree.

The Hon. JOHN GRAHAM: I just have one final issue that I want to touch on, perhaps particularly to the AHA. We have all got used to a fair bit of peace and quiet during the COVID period but the Parliament is about to debate the Liquor Amendment (24-hour Economy) Bill 2020, which will make some changes to noise regulation in two areas. It is the question about removing the bans and restrictions on music in licenses but not in development approvals, and also secondly changing the nature of Liquor & Gaming's role in regulating noise. I wondered whether there is a view about those changes, in particular in the impact they have on venues?

Mr GREEN: Thanks, Mr Graham. Obviously, the liquor bill in relation to has a lot of implications that arose from the upper House inquiry. We see that there are significant red tape issues I alluded to before where removing a range of conditions from your liquor license does not necessarily then remove them where they appear in your development consent that is approved by 147 or so local councils under planning laws or is sitting within a plan of management. A lot of venues have restrictions within the document that is a factor of licensing conditions under planning laws. There is definitely further work that needs to be done to really be able to activate recommendations from the upper house inquiry back through the liquor bill.

The other aspect of what you have mentioned is that we are removing Liquor & Gaming New South Wales from investigating in-venue noise complaints but they can still be investigating the sound that people will obviously make as they approach the venue or leave the venue. There is still a lot of roosters in the henhouse in relation to the lease, local council and the EPA still investigating noise. There is still a range of work to be done and, as you have identified, there needs to be an acknowledgement at this point in time that venues need to be allowed to have a reasonable amount of activity in and around their venues as we move forward, particularly during standard trading hours. That is completely imperative.

The Hon. JOHN GRAHAM: You did miss three of the agencies that also have noise regulatory responsibilities there but I will not hold it against you.

The CHAIR: Mr Rodrigues?

Mr RODRIGUES: I do not really have anything to add.

Mr SCHLOTHAUER: I would strongly agree with Mr Green's statements.

The CHAIR: Thanks, all of you, for your attendance today and your evidence. There is a repeating theme of urgency from every single participant in the hearings to date and that message is coming across loud and clear. Thank you very much.

(The witnesses withdrew.)

(Luncheon adjournment)

CAROLINE BUCKINGHAM, Owner, Butcher's Brew Bar, affirmed and examined

SAM NARDO, Chief Operating Officer, Century Venues, before the Committee via videoconference, affirmed and examined

MARK GERBER, Chief Executive Officer/ Founder and Licensee, Oxford Arts Factory, before the Committee via teleconference, affirmed and examined

TYLA DOMBROSKI, General Manager and Director, Crowbar Sydney, before the Committee via videoconference, affirmed and examined

The CHAIR: Welcome back to the afternoon session of the Public Accountability Committee hearing oversighting the Government's Response to the COVID-19 Pandemic. We are particularly focusing on the arts and creative industries today. Our next four witnesses all have deep experience in operating venues. I invite you each now to give a brief opening statement.

Mr GERBER: As stated, my name is Mark Gerber. I am the CEO, founder and licensee of the Oxford Arts Factory. We are a dedicated and purpose built, small to medium live music and performance venue situated in the basement of 38-46 Oxford Street, Darlinghurst. Over 13 years of operation we have seen upwards of 20,000 live music performances take place to an estimated audience of more than one million people, showcasing acts from across Australia and the globe. Oxford Arts Factory is an essential part of Sydney's cultural fabric and night-time economy and a hugely important venue in any artist's career. The effects of COVID-19 are felt by all businesses, none more so than the independent live music venues such as ours as we rely solely on live performance for our income stream.

The collective of live music venues who are before you today plays a significant role in the music industry of New South Wales and Australia, a multi-million dollar drive with far reaching economic and social benefits to the people of this State and Australia as a nation. Live music as an industry is run by passionate people, people like us. We provide and give back more than we make and always place the interests of others above our own. We want to assist the New South Wales Government in making the pandemic recovery work as it should for the people of Sydney and this State. Still, we cannot get there alone. Our hands are currently tied in such ways that we are facing insurmountable hurdles in the coming months if COVID-19 restrictions continue to curtail our working business models.

We congratulate the New South Wales Government on its recently announced 24-Hour Economy Strategy for Sydney. Your recognition of the cultural values it brings to people and the global cities like Sydney is now firmly ready for action. We ask you to help us in this time of crisis for our industry. We want to continue to play the much-needed roles that will be asked of us when life wants to return to some semblance of normality for the people of New South Wales and the envisaged 24-hour economy. Please help us help you help all of New South Wales.

Ms DOMBROSKI: My name is Tyla Dombroski. I am a director and the General Manager of Crowbar Sydney. We opened in late 2018 with our flagship venue in Brisbane opening in 2012. We host an average of 700 bands in each city each year, over 7,000 bands across both venues in the last eight years. [Inaudible] events ourselves and a long public network of artists, promoters, booking agents. Supporting Australian live music is at the core of Crowbar, providing a platform for emerging local and national acts and showcasing growing Australian and international talent. Prior to COVID-19 we were hosting three to six live music events each week, contributing over \$500,000 a year in staff wages, subcontractors and security working our events, and a further \$800,000 generated in ticket sales going direct to artists. In March we lost 40 shows over a three-month period in a matter of days, with the remainder of our 2020 calendar clearing. Through March and April we were trading at 0 per cent to 3 per cent.

Thankfully with live music slowly returning in August, we are preparing to increase to between 10 per cent and 20 per cent. We understand and respect the restrictions in place and we are doing our part to contribute to safe events and a safe environment, but our industry is going to take a long time to return to a glimmer of normality. We need assistance to recover from the closures [inaudible] this recovery [inaudible]. We see the recent increase for stadiums to 50 per cent capacity with less than the 1.5 metre spacing between seats and have to wonder why, with such smaller capacities and easier to manage crowds, we cannot also be considered with a reduction of these regulations. JobKeeper and the small business grants have been a welcome help for our venue and many others. Without these initiatives we would not have been able to reopen.

The small grants available like Live Music Australia may help us put on events but at reduced capacities we are alerted to what revenues these create. They do not help us recover massive lost income, pay our operating

costs, rent debt or repay loans we have had to take to survive closures and kick start JobKeeper. Live music venues are a vital element to the ecosystem of the music industry. Providing space for artists to connect with their fans, providing thousands of jobs and contributing to the New South Wales economy each year. Australia and New South Wales in particular is at great risk of losing hundreds of live music events. We need our Government to do more. We need other State governments to help save our stages so that we can be here at the end to support the industry that supports so many others in times of crisis.

The CHAIR: I would urge everybody if they could put their devices on mute when they are not speaking. The secretariat can assist anyone on Webex, but we cannot on the phone. If people can mute their devices when they are not speaking, that will be very helpful.

Mr NARDO: Thank you to the Committee for hearing from us today. I am Sam Nardo. I am the Chief Operating Officer at Century. We run a group of live dedicated music and performance venues that include the Enmore, Metro and Factory theatres. We are operating a family business that began in 1984 reviving the Enmore. We have reinvested in smaller venues. We now have thousands of events per year for more than one million audience members; however, currently these venues are in crisis. Our venues are fully reliant on live music and performance. Unlike pubs and clubs, we are not able to open to generate revenue through gaming, bistros and bottle shops. These live music venues are long established touring circuit rooms. They can only operate if the hall is open. The Enmore and Metro theatres, for example, provide 50 per cent of the shows from international touring and a further 30 per cent from interstate artists.

As a direct result of the public health order in March, these venues lost 100 per cent of their revenue and with the current 20 metre restrictions in place it means they are either unable to reopen or with such a limited capacity they are running at a loss. As a group of dedicated live music venue operators from all around the State we stand collectively to state the need for a lifeline similar to that provided in Victoria to extend their live music purpose-built venues. We commend the direction that points to our cultural businesses assisting in the recovery of the economy in Sydney, recently [inaudible]. The 2017 year study on the economic impact of the Enmore certainly supports this, finding that the theatre alone generated more than \$39 million-worth of additional revenue spend than 2016.

Unlike many other important cultural institutions like the Sydney Opera House and Sydney Recital Hall, these independent venue businesses meet the cultural imperatives important to our State without any form of funding and as such go under the radar. However, without financial assistance now if restrictions remain in place, borders shut, JobKeeper dropping and the significant overheads that our business needs to happen, these venues will be forced to let staff go and ultimately fold as we continue to accumulate debt. There is a great opportunity now for the New South Wales Government to save these venues and generate not only the economic benefit but provide a considerable value as well. Thank you.

Ms BUCKINGHAM: My name is Caroline Buckingham. I am the licensee and owner of Butcher's Brew Bar, a small bar and live music venue in Dulwich Hill, inner west Sydney. Butcher's Brew presents high calibre live music across multiple genres, including jazz, blues, funk, indie, reggae and world music, with an emphasis on original content. While we host many well-established artists, including the occasional international touring artist, we also prioritise the support and nurture of emerging talent. Butcher's Brew is a well-run, intimate and inclusive venue with excellent acoustics and sightlines, disabled access, clean facilities and a premium drinks list that showcases many excellent products from local craft breweries and distillers.

I am proud of the colour and life we have brought to our community, as well as the playing opportunities we have given thousands of artists since opening in 2018. Prior to opening I invested over \$200,000 of my own money to create a space that is a great room to play, as well as to see and hear great live music. We treat all our artists well, with musicians receiving 100 per cent of ticket sales and being paid quickly and in full, sometimes personally topped up by me if it has been a quiet night. When Sydney went into lockdown in March, Butcher's Brew was the first venue to set up a professional live streaming program to adapt and we established a safe new revenue model for musicians, production crews and ticketing agencies all hit by the pandemic.

Our live stream for lockdown series has six key aims: to keep music lovers in the habit of paying for live music; to prevent the mental wellbeing of musicians who have just lost all their work for the foreseeable future by keeping them safely connected with each other as well as with their audiences; provide artists with high-quality recordings of their performances that they could then use to promote their work and secure other gigs; keep high calibre Australian live music accessible to local, regional, national and international audiences; retain the live music infrastructure for post COVID; and keep a little cash flow optimism percolating through the industry. We achieved all of these aims.

Pre-COVID, we presented eight or more events a week across seven days, with a 50-patron capacity. We reopened to the public in early June and currently present five gigs a week, Thursday to Sunday, with two events on Saturdays. As well as our reduced opening hours, we have a double whammy of our maximum capacity being reduced by 60 per cent, in line with current public health orders, to around 20 patrons. From a potential maximum capacity of 400 or more patrons passing through our doors each week pre-COVID, we are now down to a potential maximum of about 100 patrons—a drop of 75 per cent. Even 100 under present conditions is an exceptional week, requiring every event to sell out, and is highly susceptible to events beyond our control. For example, since COVID spiked up again in Victoria in July, we have had several nights with great bands playing to around four people, due to public nervousness exacerbated by strong messaging about staying home and avoiding any non-essential activity.

While we totally understand and support these public health measures, this has obviously been devastating for us in terms of being able to cover our overheads from bar sales, which is our only source of revenue given that the musicians retain 100 per cent of the door and we do not have or want poker machines or other gambling facilities on the premises. We have adapted by increasing admission prices from pre-COVID costs of \$10 to \$20 per event to our current pricing of between \$25 and \$60, which now includes the addition of a bar tab based on a one- or two-drink minimum to help us stay viable and still pay artists properly. Pre-COVID, we could afford to take more chances with unknown artists, in the comfort that a quiet night early in the week could be offset by a raging full house on another night. This is no longer possible. For us to break even, we currently have to rely on every act we book to not only draw a fairly solid 20 patrons, but for each and every one of those patrons to then spend at least \$30 over the bar, which rarely happens.

I run the bar with my son Frankie. Between the two of us, Frankie and I work around 150 hours a week. Our workload has increased significantly, due to our stringent attention to hygiene plus additional COVID marshalling responsibilities, such as managing the proper sign-in of all patrons and ensuring patrons stay compliant with recently introduced restrictions on dancing and so on. Meanwhile, we have had to let two casuals go, as I simply cannot afford to pay more staff in the current climate. As an ethical business owner, I strongly support fair pay and I have always paid full award rates, as well as penalty rates. As well as cleaning and sanitising bar surfaces throughout the night, Frankie and I also thoroughly clean the entire bar after closing and we rarely get out before 2 a.m. on trading nights. I am blessed that my son is so supportive and so willing to work such long hours with me to keep the venue running and COVID safe. But despite all our efforts, we have no shot of being sustainable while the current COVID restrictions are in place, without the continuation of JobKeeper and other subsidies.

JobKeeper has enabled us to stay afloat, along with the \$13,000 received in New South Wales Government COVID assistance for small business. Inner West Council has also been generous and supportive, with a \$10,000 grant in July for us to install our own professional-level in-house livestreaming facilities that can kick in immediately if we go back into hard lockdown and that also offer potential to develop new audiences and revenue streams. This government assistance has been further supplemented by \$20,000 pulled from my already modest and shrinking superannuation since May to help me cover my other miscellaneous business and personal costs. I am also grateful for the moratorium on evictions, which enabled us to negotiate a temporary reduction in rent with a resistant landlord. However, since this moratorium has ended, we are again vulnerable. This would be another crucial area to address in the immediate term so that COVID-affected tenants and landlords both have protection and can come to fair agreements on ongoing, sustainable rents as we all ride out this crisis.

I applaud initiatives such as the New South Wales Great Southern Nights program and the Federal Live Music Australia program, which are both set to reboot the live music sector from November. This is money very well spent, as this type of targeted funding not only helps venues stay afloat in the short and medium term; there is also a direct and immediate flow-through to artists, production crews and other subgroups of the sector that have all been devastated by this pandemic. If these or similar cash-for-gigs awards with straightforward, inbuilt guaranteed minimum payments for artists and venues could be expanded into a more regular feature of arts funding, it would go a long way towards saving the sector. I will finish by thanking John Wardle and the team at the Live Music Office for all their assistance and advocacy over the past few years, as well as more recently the much appreciated support we have received from the office of MusicNSW. Thank you.

The CHAIR: Thank you all for that fairly sobering evidence, which adds to what we have heard already today.

The Hon. JOHN GRAHAM: Thanks for that evidence. It is pretty confronting to hear. Thanks for everything you are doing for the city. It would be a very different city without your venues. I talk to a range of venues in the course of my work, but it is still upsetting every time to hear just how tough it is at the moment. We

heard evidence this morning that as it has got tougher, there is a risk that we might lose 85 per cent of our music venues over a six- to nine-month window if there is not assistance, if something does not give, if there is not a change in the regulations or if there is not some sort of fiscal assistance. Thinking about your own venue, does that reflect what you are seeing on the ground?

The CHAIR: We know and acknowledge that this is tough to talk about.

Mr NARDO: Yes, we have the answer to that question: The answer is yes, it is inevitable. Unfortunately, there are many factors as to why that is the case. It does vary from the different representations that you have here today, from something like what Ms Buckingham operates to some of the touring venues that we operate. As I already stated, we have a huge reliance on borders being open and acts being able to tour, but also the operating costs of the venues—especially if they get larger, with the current four square metre rate in place. Those two things together mean that it is just not viable to operate and plan. There is a series of steps that happen within a workflow of getting a concert up and running and delivered, from the time of booking the show, marketing the show, preproduction for particulars and then hosting the show on the night. As the venues get larger, that time span increases.

But if you do not have any certainty and you are unable to plan that, it means that the further and further time goes along, we are unable to forecast when we can expect revenues back in because we do not know when touring is going to be back. We do not know what capacities et cetera. So the answer is yes, it is inevitable. Especially the point that Ms Buckingham raised in regards to rent and the moratorium on rent—I think that is one of the biggest challenges we all will be facing in the very short months ahead. I might leave it to some of the others to contribute here as well.

Mr GERBER: I concur with and support everything that Mr Nardo has said. If current restrictions continue, Oxford Arts Factory is facing a very grim future: one of possible closure and running into receivership if we cannot trade as normal. That is definitely on the cards. With the current restrictions, we can only operate to 17 per cent capacity, which is just not workable. At the moment, we are running shows and we will be running shows but, effectively, we are running them at a loss. Our occupancy costs and outgoings are not covered by this. We are doing it manually to continue to support the industry, support artists, and keep the industry alive and keep the public focused on it so that we can prepare ourselves as best we can for when restrictions do ease.

As Mr Nardo said, it is absolutely impossible for us to gauge when that will be, or how the future unfolds. I have bookings confirmed for the end of September with very limited capacity. As Ms Buckingham said, we banked on it being full capacity of 70 people at two shows. But there is no guarantee that everyone is going to show up. COVID restrictions and public Government announcements are such that people should stay safe and stay at home. So it is one thing we need to try to get people to follow through with their commitment to live music; but on the other hand, we are also very much in line with the Government—that we want people to be safe.

But it is an uncertain future. It also one that I have to, you know, trial and see how these limited shows will pan out. If we end up running desperately more into the red it may be a case of, you know, having to cancel certain shows. But, once again as Ms Buckingham said as well, I think the Great Southern Nights initiative is a fantastic initiative. We are certainly playing a large role in that. I am sure other venues are as well. But how it will actually pan out in terms of our fiscal budgeting and our survival is another thing. It will certainly put the live music industry in the limelight but whether it supports the venues from an economic point of view is yet to be seen because we are working with very, very limited capacities.

The CHAIR: Mr Gerber, did you say 17 per cent?

Mr GERBER: Yes.

The CHAIR: Okay. Ms Dombroski?

Ms DOMBROSKI: I would just echo what Mr Nardo and Mr Gerber have said. Even with the hope of restrictions lifting somewhat, we are at these reduced capacities where our revenue is limited. It is also to be considered that patron and night-life culture has changed through COVID. I think a lot of people are choosing to stay home for a variety of reasons and their usual drinking and eating habits have changed. That is what we have seen with our turnover and what percentages we are at, even though we are at least 70 capacity events in our spaces. Also we have to consider the 1.5 metres between each table or group, which is looking at the stadiums lifting their capacities and having one empty seat next to people. That is a lot closer than 1.5 metres.

For us, if we are to have restrictions from the four-metre square rule reduced to two-metre squares as a trial period, for instance, the 1.5 metre distance in a venue setting would also need to be considered. As Mr Gerber said, we are booking shows through to the end of this year and into 2021 but some of these events we are booking

for the fifth and sixth time. A lot of the agents or artists are unsure of when capacities will be getting back to our closer regular capacities, particularly if the artist is one of the main sources of income. It is really hard. We are doing our best but some artists as well are scared to return to live shows. They do not want to be seen as the source of an outbreak. It is the cost that they have to put on an event with such minimal income coming from ticket sales.

I think it is inevitable you will see a lot of venues closing in the next six to nine months if there is not some sort of support. The current grants are quite different in that we have to use those on specific things, like our events or upgrading production and training staff, which is great, but it is more helping our operating costs and debts that have been incurred through our closures and this recovery.

Ms BUCKINGHAM: I totally agree with all the points that were already made. I guess for us it is things like the continuation of JobKeeper. Once that starts getting wound back, that is quite scary for us. Also, as I mentioned, the moratorium on rents is a big thing for us. As Ms Dombroski just mentioned there too, if there is any possibility of having the social distancing reduced slightly, that would be a big help to us as well.

Ms CATE FAEHRMANN: Thank you all appearing today and for the hard work that some of you have put in over many years in contributing to the cultural fabric of our city. I am sorry that you are going through what you are going through at the moment. It is truly awful. We have heard of course about the relaxation of physical distancing rules for the stadiums that many of you and other witnesses have mentioned and the increase to 50 per cent capacity. Have you had any conversations with Government agencies about reducing the square metre rule to one person every two square metres, for example, or increasing capacity?

I just want to get a sense because clearly this Public Accountability Committee is looking at Government response and making recommendations to Government. How has the engagement been so far? What engagement has there been around trying to develop a COVID-safe environment and looking at how to reopen your venues COVID safely and asking them if you could look at reducing the per square metre rule, which you are all advocating for here today?

Mr NARDO: Thanks for the question. Personally, Century has not had any direct consultation or has been reached out by any body that represents the arts for consultation. However, we were aware of the indications of that potentially happening in New South Wales prior to the second wave in Victoria and the spike in New South Wales. Essentially we decided to host shows at the time when the curve was diminishing in New South Wales and prior to the second wave. It was potentially with the intention and the hope that the two-square metre rule would come into play. We have done models along the way in the hope that two square metres would come in place because that starts to open up the idea of getting close to, hopefully, something like 50 per cent of capacity for some, albeit that we are nowhere that at the moment. We are running similar to Mr Gerber—between 15 and 20.

It is not going back into operation is the short answer but it is something that we would be very interested in looking at. We have taken additional measures that I know our peers would all be taking additional measures to not just what is in the COVID case plan but to ensure that people do feel safe coming out. It is imperative to us that audiences feel safe and that they know that we are taking the measures required to keep them safe. We have taken that extremely seriously in the policies that we have adopted in our plan but I know that others here today have as well. I think if that conversation could start, we would love to be able to hear about that.

Ms BUCKINGHAM: Personally, we have not had any body directly contact us to outline what COVID measures we should take, so it has basically been asked proactively seeking that information out—implementing that ourselves.

The CHAIR: Where did you find it?

Ms BUCKINGHAM: Online mostly. With the live streaming, I made sure that was okay to do. I went through the legislation surrounding public health orders at the beginning of April and saw that live streaming was specifically excluded. Elsewhere I have gone on to the New South Wales Government site. Is it Government NSW?

The CHAIR: Yes.

Ms BUCKINGHAM: The one with the little waratah?

The CHAIR: Yes.

Ms BUCKINGHAM: Basically I just keep myself updated that way.

The CHAIR: You have been a proactive hub from link to link on New South Wales Government websites.

Ms BUCKINGHAM: Yes. I just follow the links and fill in the forms.

Ms DOMBROSKI: I echo again that it has not really been very clear who we can contact or that we can have input as to the restrictions lifting slightly. It seems like it is quite a statewide restriction that seems very above us in decision-making. We again have gone through NSW Health websites, which we found initially a bit confusing at the start. Our first measurements for our brand new space were just of standing space for patrons, which was quite a lot smaller. Upon our second look at the New South Wales site, it said the full room capacity, wall to wall. That helped us get to the point of realising we could reopen. But again, it would be at about 15 per cent of our regular capacity. MusicNSW have been a great help to us and many other venues in providing information. But at this stage, bands have been supporting any options for how we can lift these restrictions or capacities.

Mr GERBER: In direct answer to the question from Cate Faehrmann, no, I have not been directly contacted by any Government agency in terms of any relaxation that moves it to one per two square metres. In light of that though I have to say that feel—and I probably speak for most of us—that the music industry or the live music venues tend to be kind of ignored. I get most of my information from the AHA, the Surry Hills Liquor Accord and online. There is no direct consultation or anything directed at us. We are kind of an anomaly that behaves and acts differently. It feels like most of the decision making that is recorded or given out is directed at hotels, pubs and clubs. With that in mind, you have to think on your feet. Most of what that I did to plan for the Oxford Art Factory to open back in July was from information through the AHA and the Surry Hills Liquor Accord, whatever I could get online, and some public announcements as well. There was no direct contact made.

In terms of the one per square metre rule, we need to take into consideration that we are talking about limited space. When we are talking about live music venues, we are not talking about stadiums. We are talking about small to medium spaces that offer stages for up-and-coming and emerging artists and national and international headline acts as well. The social distancing that we need to afford our limited capacity is 1.5 metres. If I move from one per four square metres to one per two, it is not going to make much difference to me in terms of having to afford people the 1.5-metre distance between different groups. We will need to take into account that we are dealing with people coming from different areas and people unknown to each other so we need to respect the fact that we want to keep social distancing at the forefront of all of our operations. Oxford Art Factory from the get-go has implemented COVID-safe house policies and ensured that it was always playing by the rules and implementing the required operations into every facet and every aspect of our COVID-safe operation.

The Hon. TREVOR KHAN: Good afternoon to you all. Firstly, can I just express to all of you my deepest sympathy for what you are going through. Secondly, from all the witnesses including yourself, I have been overwhelmingly impressed at your attitude to accepting that this is a public health problem that cannot be avoided. The hearing has developed in quite a different way than perhaps I was expecting, so I am grateful to you. It makes it a lot easier. This partly picks up on what Mr Gerber just said. One of my concerns is what we can call the Tattersalls Club problem. That is where you have—I will call them patrons although they obviously were not in that context—patrons from a very diverse area over Sydney.

I know that in terms of Mr Gerber's club, because it is just up the road from my unit, you do get them from everywhere. My concern is that if an outbreak occurs in any of your establishments, with people drawn from over all of Sydney, that is probably our worst nightmare occurring. I absolutely accept that none of you want that. If we are looking at—which I think will come out of this Committee—some invitation for the Government to look at the four square metre or two square metre restriction, do you have any other suggestions as to how we can avoid the uncontrollable spread in the unfortunate event that one of your places is hit? Is there some other area of restriction or supervision that you think might be capable of implementation that might counterbalance the risks that we are all talking about?

Mr NARDO: Our approach is following the health advice. I think that it is difficult to ask music venue operators to come up with health advice on how to do that.

The Hon. TREVOR KHAN: That is fair.

Mr NARDO: Of course we can follow the measures. We are a very agile group of people. Especially in New South Wales, we have seen through some very difficult regulatory times in the past five to 10 years. It is great to see some of those things being addressed in the recent announcement. However, we have been focusing on following all of the health advice in the measures we did take. Some of the things that we have been doing that have been helpful include sanitising the venue and swabbing after the shows. We have been using alternative entrances for people coming into the venue so that audiences would not overlap if we were running more than one session. We rigorously clear all of the surfaces. But in regards to additional measures beyond that, it is difficult

for us to say what will mitigate against spreading. What I can say, however, is that we have the best opportunity to control patrons when they come in.

Unlike a pub or club, where everyone just comes in and sits somewhere, we have access control. They come in in an orderly way in which we identify them at entry through multiple properties. We were temperature checking every single patron when they came in. They also registered through the QR code and we are scanning their details as they go in to see the band. One of the things that was very successful with us when we started was communication with patrons in advance, via text message and email, about all of the expectations that we had for them as a live music audience. We were very pleasantly surprised to see them adhered to. We also did a survey of patrons who came. It gave us a very high ratings—99 per cent gave us five-star ratings—that they felt safe because of measures that we were taking, like how our staff were wearing masks and those other measures that I mentioned. I think there are a series of best practice things that we can do. They may not apply to every single venue footprint, but could apply to some rather than others. In most circumstances, some of those things that I mentioned certainly help.

But from a contact tracing and control perspective, it is somewhat easier. If people are coming in for a specific period of time and then leaving, they are not coming and going. We are not having audiences share spaces when they are seated at the moment. It is very controlled. We allocated everyone to their spot and we knew where they were. It was very easy from that perspective to control the social nebulae. But we needed a lot of resources to do it. Yes, we could do it, but we needed the sort of resources to do that that would be required to run somewhere like the Enmore Theatre or the Factory Theatre. There are a myriad of problems with that but the main thing is that if you look at what other places are doing—stadiums, pubs, clubs—we are very, very equipped to control the contact tracing element of it and also where patrons go if they are there to see a performance. They are not there to go to this table, that table, et cetera. From that perspective, I think, we are probably best placed to be able to mitigate against those risks.

The Hon. TREVOR KHAN: I think David is going to allow me to intervene before the others are asked, but let me just make this observation. Mr Nardo, you are probably speaking to the converted in a sense. But if I go into a restaurant, which I will frequently do, the quality of the recording of the patron details is variable at best. I am certain that in some of the places that I visit, principally in the Darlinghurst area, some of the details recorded are either very limited or actually false. It is actually in that contact tracing area where I wonder what the best practice is. What do you think about acquiring some additional form of identification or the like to ensure that if something goes wrong it can be traced very quickly?

Ms DOMBROSKI: We are following health advice from NSW Health and the COVID-safe policies that we have created in our venue. It can be quite unclear. There was one thing on NSW Health's site which stated the four metre square rule with 1.5 metres between groups or people where possible. What does that "where possible" mean? I think having a set of regulations for venues that help more venues do the right thing. We can say we are doing everything we can and appropriately, but the pub down the road may not be and we are noticing that, especially in the inner west. I have seen a lot of venues, pubs more so, getting fined for not following the regulations. We can put our own procedures in place, communicate with patrons, as Sam Nardo has said, encouraging table orders and things like that, but I do think that it is maybe above what we are able to do ourselves, and creating a better guideline that all venues should be able to follow.

The CHAIR: From my own experience, I run a bushwalking club and I have used this opportunity to get a QR code for the bushwalking club. It has made sign-on much easier and it also gives out our health and indemnity statements much easier.

Ms BUCKINGHAM: I echo what Mark Gerber was saying. The way our model has changed now is that before we did not use to use that much pre-booking and now every event is pre-booked. Essentially we have a pre-existing list of people who have booked for tickets through Sticky Tickets, and then we also have people registering with the QR code as they arrive at the venue. On top of that, as far as hygiene measures go, an additional measure that we do that is not necessarily required, but we do it anyway, is that we double wash all of our glasses, and cutlery and so on.

Mr GERBER: I concur and support all of the comments that have been made. The thing that my music has always presented is that there are many steps that have to be taken and have to be crossed off—t's have to be crossed and i's have to be dotted—in order for a live music performance to go ahead. This is even before COVID-19. During COVID-19 it is even more stringent and we are an industry that takes on board everything that the Government tells us and we execute it to the nth degree. We have been implementing contact tracing since day one, when it needed to be. Not only that, our ticketing vendor does the same thing as well. At the front door we measure people's temperature, we take their identities etc. As Sam Nardo said previously, we are actually an

industry that is focused on the stage. There is not a matter of moving around. You could not have a better industry to actually show the way forward in terms of safety.

I would feel safer going to a music venue than I would anywhere else. That is not taking away anything from anybody else, but I am just suggesting that this is why we are here today. We are asking you to save us, but we can help you save others. It is imperative that live music is there when we are working through this pandemic, when we are working through this recovery. We are the people that know how to operate groups of people. We know how to operate large groups of people. We know how to operate and crowd control small lots of people. We are operating at a loss with a 17 per cent capacity. It shows how diligent and how versatile we are at adapting to change. I think there are many things that can be learned from the way that live music is adapting itself to the COVID-19 pandemic.

The CHAIR: It seems to me that there is a very distinct set of issues purely relating to live music and theatre venues. There seems to be an obvious benefit in a representative group of venues, together with your representative group of bodies, which might be MusicNSW and/or the Live Music Office, getting together urgently with Create NSW and NSW Health and working through these issues very urgently. The best way of saving you all seems to be getting you back safely to the largest possible audience you can safely accommodate. Would you support that concept of an urgent roundtable with that as your goal?

Ms BUCKINGHAM: It sounds great to me.

Mr NARDO: I would like to say yes. We are already contributing to the live Gig-Ready Dashboard for the country with the Australian Live Music Business Council. We are opening our organisations. We have already begun, with the support of MusicNSW, to collectively discuss these issues at venues. Collectively, there are more than 50 of us that have come together, and we do have a list of priorities to help us get out of this. It is not just about stimulus and a handout, but it is needed. There is a survival part of this that we need to look to, and Victoria did it early on, and we are in the exact same position.

Absolutely, there is a sharing of knowledge in that way. To go back to your other point, we collect all of that data in advance, and we have been doing that for a very long time. The relationship we have with people, because they absolutely love coming to our venues, is very strong, and they do listen to our recommendations. We were providing that prior to COVID, as Mark Gerber was saying, in terms of information [audio malfunction]. That has shifted as well. I do think that would be valuable, as well, to have that collective roundtable.

Ms DOMBROSKI: Yes, I agree. As Sam Nardo said, it is something that we have started discussing with the help of MusicNSW. There are different components to that and it is not just helping with lifting restrictions. It is stimulus and support in the financial world to help us through the closure period and the recovery period.

The CHAIR: I do not want it to be said that we have ignored this slew of evidence that we have had today, that there is a desperate need for some financial operating assistance before the end of the year. As the Chair, I think that I have heard that in a united way.

Mr GERBER: I concur with everything that has been said. It is a bit difficult to hear everyone and to have a good time. I want to repeat what I was saying before. The live music industry is about others. It is not about us. Live music is something that presents something to others. It benefits others. It has been proven that children exposed to music are going to be better off than if they were not exposed to it. So this is about the future. It is not about safeguarding businesses as such, but it is when you are talking about immediate assistance, but what I am talking about is actually the future. If you lose us, we are gone for good, and if you lose us then you are going to lose the culture of Sydney and potentially going to lose a massive slice of the economy as well. This is about utilising an industry that is run on the passion of what people bring to it, but with the execution that is equivalent to sending somebody to the moon. We need to take this on board, and I totally concur with what David Shoebridge has just said. It is important that the live music industry be taken in, spoken to and asked for advice. We can offer advice. We are here to help.

The Hon. NATALIE WARD: Thank you very much for coming along and assisting with the Committee. I echo my colleagues in that we feel for the industry and you can see that we are all here to try to help. Thank you for everything you are doing. I wanted to ask about that issue of input and to explore that in the brief time that is left. Obviously, Great Southern Nights is a great initiative and some of you have commented on that. I want to understand the avenues for input that you are having to the Government, particularly through MusicNSW. Unfortunately, we cannot be every single individual group and there has to be industry bodies. Are you communicating with MusicNSW and is that effective? Are they conveying and having discussions? Is it a useful mechanism and have you had the opportunity to put things forward to MusicNSW?

Ms BUCKINGHAM: Yes. MusicNSW has contacted me directly. They have been very proactive with that. I have had long-standing advice and advocacy from the Live Music Office as well. If I do have any questions I will quite often call them and say, "Can I do this or should I do that? How should I do this?" They have also been really helpful.

The Hon. NATALIE WARD: This is a way forward. We are talking about setting up another task force, which is probably good too, but the work with the existing ones is ongoing and giving the opportunity to put those submissions for opportunities?

Ms BUCKINGHAM: Yes, MusicNSW have contacted me in the last week. I am not sure about the relationship with other people here but that is a developing relationship there.

The CHAIR: In the last week, did you say?

Ms BUCKINGHAM: Yes, in the last week or two.

The Hon. NATALIE WARD: Any others?

Mr NARDO: Yes, we have been in contact with MusicNSW as well and they have been helping us put together some objectives to move forward and connect the venues in the main. A lot of these businesses stand alone and, as I mentioned in my earlier address, we are kind of overlooked, and that is okay because commercial businesses, but this situation is dire because most of us rely on that circumstance [inaudible] capacity to break even because the lion's share of ticketing money goes back to artists and to pay the associated industry, so agents, managers, production crew, tour managers and the like. It is important that we are coming together now. Connecting through MusicNSW has been effective but we do need to move very quickly and that is something that we were keen to address today as well. There is definitely a need for a similar package like in Victoria and we are putting together a body to present that forward. It is just whether that comes through MusicNSW or through another mechanism, we will see, but we are talking with them. They have been really helpful with connecting and supporting what the needs are because [inaudible] there is no platform for artists so their broad approach support is what we are looking at.

Ms DOMBROSKI: I agree. MusicNSW has been great in helping us come together as a body of venues. As Mr Nardo said, we do kind of survive on our own and reach out for support throughout the music industry when we need to. MusicNSW have been really great and we have had meetings and lots of Zooms together. We have been able to discuss our hardship with landlords and insurance and revenue in general; the grants as well in helping assist us with that. It is really great having a body like them to help pool our ideas together and have a bit of a voice.

Mr GERBER: Our relationship with MusicNSW obviously goes back some years during the dark years of the lockout laws. I have had a long-standing relationship with MusicNSW and the Live Music Office. They have both been extremely supportive and helpful in steering Oxford Arts Factory and helping us navigate a lot of regulatory changes that have come our way. Yes, MusicNSW has certainly been very helpful during the COVID pandemic and we look forward to working ongoing. Without them I certainly would be in a different place.

The Hon. NATALIE WARD: Before the Committee mute me, I want to ask if they are feeding the process back to you, that they are taking that forward, so feeding that process back to you about the events taskforce?

The CHAIR: Sorry, Ms Ward, before I put that question to the witnesses, the reason that the secretariat has been having to mute you is because there is a lot of feedback and squeaking when you are not muted while we are getting answers.

The Hon. NATALIE WARD: Sorry. I did not realise I was muted.

The CHAIR: The question is: Has there been feedback from MusicNSW to different venues about the work that is happening at the task force? Have you had that feedback?

Ms BUCKINGHAM: I am not sure. I do get a lot of emails, which I do not always get a chance to read due to my work hours.

The CHAIR: Join the club, Ms Buckingham.

Ms BUCKINGHAM: I have certainly become a lot more aware of MusicNSW in the last couple of weeks.

Ms DOMBROSKI: We are aware of the task force that MusicNSW have helped bring together with the venues and what we are putting together to want to present. It is a work in progress and, as Mr Nardo suggested, it is something that we do need to hurry along. It is time-consuming as we are all busy running our own venues and keeping our heads afloat, but yes.

Mr NARDO: Yes, we are certainly aware of that, more so in terms of what our priorities need to be as part of that, less so in regard to other parts of the industry that the organisation needs to represent because we have needed to formulate that together. Yes, we have been sharing and working with MusicNSW to get them to understand what our needs are and also be able to present that.

The Hon. NATALIE WARD: That is very helpful, thank you.

Mr GERBER: I just wanted to concur with everything that has been said. I want to support everything that has been said about MusicNSW. They certainly upped the ante. They realise, obviously, the distress that we are all in. They have been extremely supportive and vigilant in bringing people together to find solutions and work through them and come up with solutions like the ones that we have been talking about today. Let us hope that we can bring something to the table for the Government that will see us through this recovery and that we can lead the way for the people of Sydney in New South Wales.

The CHAIR: They say one of the great benefits of a task force is it makes your Committee feel much more impressive if you call it a task force. There has been some quiet discussion between some of the members. We have all agreed on a resolution regarding today's transcript. We will try to get it urgently from Hansard and provide it to Create NSW, amongst other agencies, with an endorsement from the Committee as to the urgency of the matters. Thank you all for the work you do. Thank you for keeping the pulse of culture alive in our cities, towns and regions. Your evidence has been compelling and I am sorry we have to go onto the next session.

(The witnesses withdrew.)

CATERINA GIORGI, CEO, Foundation for Alcohol Research and Education, before the Committee via videoconference, affirmed and examined

KATE DA COSTA, NSW Campaigner, Alliance for Gambling Reform, before the Committee via videoconference, affirmed and examined

BENJAMIN HAMILTON, Lived Experience Advocate, Alliance for Gambling Reform, before the Committee via videoconference, affirmed and examined

The CHAIR: Ms Giorgi, did you want to start with a brief statement?

Ms GIORGI: Now, more than ever, we are all going to be doing what we can to keep our families and communities healthy and safe. For many of us the COVID-19 pandemic has created a lot of bitter uncertainty, financial strain and social isolation. All of these factors increase the risk of harm from alcohol products in our homes, including family violence, alcohol fear and use disorder, poor mental health, anxiety and suicide. If we are not paying attention to these harms then it is easy to miss them. But they are happening. In fact, even before COVID-19 restrictions the home is where most alcohol products are abused. But the alcohol companies sell about 80 per cent of their products through bottle shops and online.

In May the Foundation for Alcohol Research and Education [FARE] and Women's Safety NSW reached out to people working on frontline family violence services. More than half of them said they had noticed alcohol is involved in more family violence incidents than before the COVID-19 restrictions came into place. Data from the Australian Government's National Alcohol and Other Drug Hotline shows that calls have doubled in the months of March to April and Hello Sunday Morning's Daybreak app has also experienced increased demand with people using the app increasing by more than 50 per cent in April and high rates continuing. The data from some of the biggest alcohol retailers tells a similar story. Woolworths controls about half of the alcohol takeaway market in Australia. In the most recent quarter of April to June total alcohol sales increased almost one-quarter from the year before. Woolworths has also seen an increase in online alcohol sales by close to 30 per cent, while their rapid alcohol deliveries have increased by 161 per cent.

Given these changes in how alcohol retailers are pushing their products out into the community and into our homes, it is important that the standards that we set for how they operate keeps pace. Our community expects alcohol companies to operate responsibly and that means ensuring that alcohol is not sold to children or to people who are intoxicated and that companies selling alcohol do all they can to minimise the harm from these products. Many of these community expectations are not being met by companies selling alcohol online and delivering it. Just prior to the pandemic, FARE's annual alcohol poll found that 15 per cent of Australians had purchased alcohol online in the past 12 months and almost one in four of these had alcohol delivered at least weekly. Of those who had alcohol delivered within two hours, 70 per cent drank at risky levels with 38 per cent who drank 11 or more standard drinks.

Delivering a message with us coming before the New South Wales Parliament provides an opportunity to close these loopholes and this includes commonsense measures like verifying age online for people who are buying alcohol to ensure that it is not sold to children, making sure that companies are not selling alcohol to people who are intoxicated, ensuring that they have a certified responsible service of alcohol training, making sure that alcohol is not sold into the home very late at night and introducing a two-hour delay between when alcohol is purchased and delivered. These commonsense measures will help to keep families and communities healthy and safe by reducing and preventing harm from alcohol now and into the future.

Dr DA COSTA: I will be speaking and making an opening statement on behalf of myself and Ben Hamilton. I would like to thank you for giving me the invitation. I am Dr Kate Da Costa, NSW Campaigner for the Alliance for Gambling Reform. The alliance is a registered mental health charity that advocates national and for systemic change that will reduce and prevent harm from gambling. Ben Hamilton is with me. Ben is a lived experience advocate. I have over 70 people now working for the alliance sharing their experiences of gambling harm, whether through their own or another's gambling. We believe the community may be interested in this evidence base.

The alliance contends that the flaws in the informed choice responsible gambling, individual responsibility industry model in relation to gambling in New South Wales have been exposed by the pandemic and a public health approach would have dealt with the issues that have arisen in a way that would not have exacerbated harms. We believe that there has been a wasted opportunity to use the reopening to create safer venues emphasising live entertainment, to rebuild social connections and reduce reliance on gambling revenues. We wish to note specific issues relating to the management of the five star reopening and concessions the industry received, including approvals to expand gambling rooms before submissions or applications closed; deferral of fees based

on applications from poker machine manufacturers; and note evidence of fixture support during the shutdown or at the restart for those most impacted by poker machine use, including venue staff.

Given that Clubs NSW, rather than the Chief Health Officer or any government Minister made the announcement that poker machines would restart on 1 June, and they boasted that they had convinced the Chief Health Officer to lift the number of people who could attend at a venue, we hold concerns about the sources of information available to the Chief Health Officer in the lead-up to poker machines restarting. In particular, we asked the Premier and Health Minister whether the Chief Health Officer considered factors which make gambling rooms high risk for transmission. These include the behaviours when using poker machines like uncontrollable compulsive touching of hard surfaces, sweating or crying and other palpable signs of distress, using more than one machine at a time, possessive attitudes to machines—aggressively not allowing others to touch machines, including staff attempting to clean. The risk factors of frequent gamblers fitting with that risk is severe complications if they contract COVID-19 are that they are more likely to be over 60, more likely to be overweight and more likely to smoke. We received no reply. We still hold these concerns while the virus remains in the community.

New South Wales, like every other State that has reopened, certainly snapped back in terms of gambling losses. In the first week with around less than 60 per cent of machines back on and fewer people out, losses were higher than in the first same week in June 2019. In clubs \$8 million was lost every day in the first week, and \$4.6 million every day in hotels. This \$12.6 million gaming loss compares to \$11.7 million in June 2019 with maximum machines in [inaudible]. We want to place on the public record also alternative evidence of gambling-related influences in place. South Australian research shows that \$1 million invested in food and beverages creates 20 jobs, whereas \$1 million lost through gambling creates only [inaudible]. The Productivity Commission is equivocal on gambling-related employment boosts and recent Victorian research estimates the social cost of gambling in that State to be \$7 billion a year. Thank you.

Ms CATE FAEHRMANN: Thank you all for appearing today and for the important work that you continue to do. I put this question to Mr Hamilton. We had the AHA appear earlier today and I asked them about whether there was a separate COVID-19 plan for gaming rooms and whether people could only go into gaming rooms in pubs for a particular length of time. That does not appear to be the case. People can go in and play the poker machines for quite a long time. Did you want to speak about your experience with poker machines? I do not know what these rooms are like. Is that your experience or somebody in your family?

Mr HAMILTON: Yes, it was my own lived experience with gambling harm. I spent the better part of a decade suffering from poker machine addiction. In 2018 I tried to suicide because of that addiction. Thankfully, I was not successful and I am still sitting here today. Since that day, I have made a promise to myself and my loved ones that I will change my own behaviour and also try to help people who suffer from the gambling addiction. I started my own social movement at the start of this year to help people and we have now moved into advocacy, working very closely with the Alliance for Gambling Reform and other organisations. We have since started to take a really close look at the industry and how it conducts itself.

As far as the gaming rooms are concerned, most people who gamble there actually struggle with a gambling addiction. They are there for huge periods of time—hours and hours. As far as my own personal issues with the gaming rooms at the moment post-COVID—I walked through a big RSL the other weekend and there was, in my personal opinion, clearly breaches in regards to COVID. Multiple people were touching the same machine and people were jumping on machines without any cleaning or anything happening. It seems pretty washy, in my opinion, with how these venues are operating at the moment. I do not understand how some industries can be so stringently targeted with COVID health messaging, and for a good reason, but when it comes to the gambling industry, particularly poker machines, they are playing by a different set of rules.

Ms CATE FAEHRMANN: That is the hygiene side of it. There is also the financial hardship side. People are suffering financially. Some people are able to keep themselves afloat with JobKeeper, but at the same time—as Dr Da Costa said earlier—this June, the week after reopening, more people were playing the poker machines than the previous year. From your experience, what was that financial loss like for you? I am assuming it can be significant. We hear stories of people losing so much money and losing their houses, ultimately.

Mr HAMILTON: The financial implications are huge. It crippled me financially. It is close to a year since I last gambled and I am only just starting to recover now. It takes everything. The financial implication is one thing; it takes so much more than that. Through doing my own work with my own movement, I speak to many people who are still gambling and they are suffering. The machines are designed to condition these people; that is the truth of poker machines and they do it well—particularly when people are vulnerable. Most people, post-COVID, are very vulnerable at the moment. People have lost their jobs. There is a lot of stress at home. You

do not know when the money is coming in. A lot of stuff is up in the air at the moment, with the assistance and everything else, so people are vulnerable. People are going and gambling. It is a recipe for disaster, in my opinion.

I nearly lost everything to the pokies, like I said—not just my money; I nearly lost my life. I speak to a lot of people who are still struggling. I have spoken to thousands of people since I started my movement at the start of this year, and I work very closely with a lot of people at the moment who are acutely at risk of suicide because of the machines. They see it as an option out of—you know, they have lost their job, they are stressed at home, they cannot put food on the table, so they see that as an avenue of trying to pull themselves out of that hole. It is just a disgrace, in my opinion, and it needs to change. The industry needs to start playing by the rules that everybody else plays by.

Ms CATE FAEHRMANN: Thank you. I will suggest what the Australian Hotels Association and venue owners with poker machines potentially would say at this point: that given the financial hits that they have taken during COVID, the income from poker machines is an essential component—or the component—that is keeping many of them afloat. I will also throw to FARE because, in a similar vein, we are hearing from music venues and theatres that for them to stay afloat, there has to be a minimum sale of two drinks. It is as though pokies and alcohol sales are keeping various venues afloat. Dr Da Costa, what do you say about poker machines keeping pubs afloat at this point?

Dr DA COSTA: It is, we concede, a wicked problem but it is a wicked problem that has developed from decades of poor business plans in New South Wales. We have a perfect example to contrast New South Wales with and that is Western Australian pubs and clubs do not have poker machines. They too are having to reopen after COVID close-downs. I am not sure of the extent in Western Australia, but certainly in South Australia, where there are far fewer poker machines, again there was a close-down and then a reopening. Most of those venues are still reopening. I am sure they are doing it tough but they are managing to reopen without the subsidy of poker machine losses.

It is particularly in New South Wales where business models of venues have made poker machines currently intrinsic to survival and that is unsustainable, in our view. As I pointed out in my opening statement, the claims of employment—that every job in hospitality is dependent on 92,882 poker machines coming back online as quickly as possible—can be challenged. If that money was not being lost in poker machines but being spent on live entertainment or more food and beverage sales—I heard, too, the discussions this morning from restaurants and cafes and the music and theatres industries. It is not easy and it is not a simple solution as we come out of COVID. But that money creates more jobs being spent in those industries than going down the throat of a poker machine.

Ms CATE FAEHRMANN: For the Committee, what was the figure of daily losses to poker machines in New South Wales?

Dr DA COSTA: It is a bit hard to tell now, because we have had three months after restart and the data does not come out very regularly in New South Wales. But in the first week the daily losses were \$12.6 million. That is every day. In New South Wales the normal loss every day in a normal year is \$18.7 million. So I put that that is not really the result of harmless flutters and that it is not just people who we like to stereotype as people who have very low incomes and cannot make good decisions; that is patronising. It is also young football players on \$100,000 or \$200,000 a year getting themselves into trouble through machines that are designed to make you addicted when you are at your most vulnerable and least resilient.

The CHAIR: Thank you for your evidence in that regard. Obviously there are deeply troubling impacts of the poker machines coming back online. Could I ask you to reflect upon those few short months that we had when the poker machines were all offline? What was the effect of taking poker machines out of the mix, socially? Did you have any reports to that effect?

Dr DA COSTA: Unfortunately, as far as we understand there has been no New South Wales research directly on this, but we understand that Deakin University undertook an online survey to test the experiences of people during COVID. Anecdotally, we have had had a lot of reports that people felt safe. Many people said they felt safe for the first time in years because the temptation was not there. Whether they wanted to or not, they simply could not play poker machines. A woman who contacted us early in the process said that for the first time she was able to buy Easter eggs for her kids because she had money at home; she had not been spending it on poker machines.

The available evidence thankfully shows that predictions of a big shift onto online gambling did not happen. Online gamblers seem to have slightly increased their gambling but there was not a big shift from people who were accustomed to using poker machines to online gambling. There was about a 10 per cent increase in new

accounts in the shutdown period but it has not been that massive shift that we did fear. So, for a lot of people this was a respite. But in New South Wales, because the shutdown was so short, it has been too short for many people to reset their behaviour patterns.

The CHAIR: Mr Hamilton, did you have anything to add?

Mr HAMILTON: Yes, I do. As Dr Da Costa said and I have said this, the first ever meeting I did with the alliance was ABC Radio. I said on the radio, "This is the first time in my entire adult life"—I am 30 this year—"that I have felt safe." I cried because it is the truth. Admittedly pre-COVID I was doing really well with my recovery from my gambling addiction, but it was the first time in my adult life that I could take a breath because the temptation was not there. As I have said before, I speak to many people that still struggle with gambling and that brief period where the machines were switched off—people just started living again. They had money to do things. They had money to take their kids places. They were able to pay their bills on time. They started getting their self-esteem and their pride back because that was not there.

Now there is an argument to say that people will go online. My personal view on that—I am an expert by experience and I speak to many other experts by experience—it is not true. There is a whole suite of things that go into poker machine addiction and to try and substitute that addiction with an online version of a poker machine—for most people that I have spoken to, including myself, it does not stack up to the real thing. My understanding is that it is illegal in this country to use the online slots et cetera. It is very difficult to get your money even if you do win online. These companies are set up out there. They say, "Wait another seven days. We need this proof and we need that." Before you know it the money you have won has already been crunched back through their software.

Yes, there are arguments to say that people will just shift. The New South Wales Government had a perfect opportunity to really help people like myself when the machines were forced to be switched off. My understanding was that ClubsNSW really had an impact on public health policy. They chose to turn the machines back on, which in my opinion is just insane. It was the first time that people could actually take a step back and realise what they are doing and how they are destroying their lives. They rushed the whole process to turn the machines back on and most people just fell back into what they were doing before. You are four times more likely to suicide with a gambling addiction. Again, more needs to be done with this stuff. I just hope that something really positive comes from this. More people are speaking up about this and I am going to continue to speak up about this until something changes.

The CHAIR: Thanks, Mr Hamilton.

The Hon. JOHN GRAHAM: I was keen to ask a question of Ms Giorgi and the Foundation for Alcohol Research and Education. FARE has talked about the lack of alcohol sales data in New South Wales, unlike most other States. What would you be able to tell us about alcohol sales in a State such as Victoria that you cannot tell us about in New South Wales? What data is missing that the Parliament might like to have scrutiny over that simply is not available because that is not the case in New South Wales?

Ms GIORGI: Thanks for that. New South Wales and South Australia are the only two States that do not collect sales data. What sales data allows us to do is understand how much alcohol is being sold at a level that is a little more detailed so that we can have a local government level, we can have a look at different regions, and then we can have a look at other data like ambulance data, hospital data or police data. We can use all of those different data sets to get a good understanding of what is going on on the ground. We do not have that capacity in New South Wales at the moment. We are relying on more population-wide data—so, surveys. Industries themselves have this data available to them, but we do not have it to inform policymaking. Policymaking can be more targeted if we do have that information available. So, it is a big blind spot in our capacity to be able to keep people healthy and safe.

The Hon. JOHN GRAHAM: You referred to the Government's 24-hour economy bill. One of the good things about this bill was that it was put out first as a draft exposure bill and then is being reintroduced now as a final bill. That is quite unusual in the New South Wales Parliament and I actually think it was one of the very good things—that that process was being used. There has been debate, though, about whether some of the online sales measures in that bill have been weakened in the move from the draft to the final bill. Do you have a view on that now that the bill has been introduced?

Ms GIORGI: Yes. There is a huge loophole in our current liquor Acts around online alcohol sales and delivery. It is a huge area of growth. The data that used on Woolworths was a good indication of that because they control so much of the market. Things like checking for ID at the point of sale—that would mean that when someone jumps online their ID is checked and verified to make sure that they are 18. There are some really simple

plug-ins that can be applied to do that, in the same way that a PayPal account is applied. In the previous draft of the bill there was a requirement to do that and now that has been watered down and has been pushed back to the regs. The argument is that we need to take more time on this, but we can do this and it is something that makes a lot of sense. None of us want alcohol to be sold to children. It is one of the areas where there has been some watering down. A lot of public health, children's and community organisations are saying that this should be something that happens. It happens in bricks-and-mortar establishments so it should happen online.

The Hon. JOHN GRAHAM: Thank you for that.

The Hon. NATALIE WARD: Thank you, all of you, for assisting the Committee today and coming along. We are very appreciative of your input. My question is to Ms Giorgi. Thank you for your submissions. We have met and discussed some of the concerns you have. The Hon. John Graham did cover some of the ground that I wanted to. I just wanted to ask about the exposure bill and your comments on the bill, particularly home delivery issues. Could you comment on those?

Ms GIORGI: Yes, absolutely. The bill as it stands at the moment still includes a requirement to make sure that alcohol is not being sold to people who are intoxicated through online delivery. That is really great, but there has been a weakening of that age verification measure. It also still has quite weak provisions around responsible service of alcohol. So, it allows the industry to create their own training or information around this, rather than requiring them to do the accredited Responsible Service of Alcohol training that all other alcohol producers, providers and people who sell alcohol have to do across New South Wales. The other thing about the bill is that it allows for alcohol to be sold into the home really late at night. The time was up until midnight in the draft bill and now that says that between midnight and five a.m. there will not be sales.

That means between five a.m. and midnight alcohol can be sold through online delivery. That is a vast majority of the day. That, we know, will create and contribute to greater levels of harm because we know more harm is likely to happen later at night. That includes increased risk of mental health concerns like suicide, as well. We have been proposing a commonsense measure of stopping that between nine p.m. and midday. That would mean that people can still order a bottle of wine with their dinner or can plan to have alcohol delivered, but it stops that super-rapid delivery late at night. Rapid delivery is another huge thing. We know that rapid delivery is associated with more risky alcohol use. Rapid delivery is where you can phone a company like BWS or Dan Murphy's and have them deliver to your house within 30 minutes. We know that that type of delivery is associated with high-risk use.

And so, what we propose is a two-hour delay between when the order is made and the delivery comes to somebody's House. That means it will not be used to top up and it will not be used to contribute to greater levels of intoxication and harm. What we are talking about here are commonsense measures to help to keep families and kids safe. To be completely honest, when I saw the sales increase by 86 per cent in that first week of lockdown in March, these alcohol retail sales, I felt sick to my stomach thinking about how we were coming into an Easter weekend and holidays are already really hard for people who have an uphill battle with alcohol, and just thinking about what families and people would be going to with that increase in alcohol. And so, having these controls in place can make a real difference to reducing violence and harm.

The Hon. NATALIE WARD: Just being the devil's advocate here, what would you say about the inconsistency of that proposal? For example, at the moment, bottle shop hours are longer than what you have proposed in cutting it up from 9.00 p.m. until midday, but people could still go to a bottle shop. Some might say that that is inconsistent, what would your response be to that?

Ms GIORGI: So this direct pushing of alcohol into people's homes, and particularly about rapid use, we have had information telling us the way it is getting used. The information before us that says that 38 per cent of people who are using that kind of delivery service are having 11 or more standard drinks, and with the information we have that says later at night it is higher risk, we know that that is happening with this target alcohol sale into the home. With that information available, we need to look at reducing harm. When it comes to takeaway alcohol as well, those hours have been extended. The extension of those hours does contribute to increased harm and we know that. That was something that health groups and health professionals, groups like the Royal Australasian College of Surgeons, advocated quite strongly against. We know there is harm associated with that as well, so why would we continue to open that up to the home when we know that harm exists?

The CHAIR: Ms Giorgi, assuming that online alcohol sales will not disappear, if there domestic violence orders or apprehended violence orders being made, would it make sense to have an online register where an address could be added to that to also prohibit the alcohol sales to that address?

Ms GIORGI: The thing to think about here is that online sales were increasing before COVID, and this has just meant that that increase has been exponential now. That increase in that market, around online delivery, was happening before then. What we have seen with alcohol sales is that they have stayed higher. What we are waiting to see now is, as pubs and clubs start to go back to normal, will people go back to drinking in that way and also keep these takeaway sales and online sales higher as well? The sorts of habits that people are adopting now is that they are more likely to drink daily, they are more likely to drink early in the day, and those sorts of things are hard to shake once this is over. It is not something that people can just turn off.

In relation to people self-selecting to be out of the sorts of services or having it in place for particular people, what we are talking about here is prevention. We are not saying stopping anything. We are saying that if we put these sorts of commonsense measures in it will prevent some of these things from happening in the first place. We can prevent it being used in the particular way that we are seeing it being used, in a harmful way. That is why things like having those hours in place and having that two-hour delay, it just means that people are less likely to be using it when they are intoxicated, which means that there is less likely going to be harm in the first place. We have information to tell us that this is something that could work to prevent that harm.

The Hon. JOHN GRAHAM: I have one question on the gambling side of things. The research from AlphaBeta about the proportion of funds that had been gambled as people withdrew their superannuation was really quite astonishing. It was the second-highest use of that. We had people withdrawing from superannuation and the second biggest category of things they put it into was gambling. Have you had any other information on top of what was quite a significant sample of data of 13,000 people?

Dr DA COSTA: Yes, I can take that. I think immediately since the close-down of poker machines, the AlphaBeta data showed a jump in online gambling expenditure. That is alarming, there is no doubt about it. But the expenditure on online gambling is still significantly less in order of magnitude than the losses through poker machines. That does not mean we should not be concerned about online gambling. The AlphaBeta data we discussed with their managing director. As you know, they have been working with illion, which is a credit card checker, so anyone who seeks credit has to provide evidence of their spending habits over the past two months. That is anonymised and sent to AlphaBeta to do these checks. What we established from their categories was that was also capturing gambling on illegal online sites. Online gambling is more of a matter for the Federal Government than the State Government and the Australian Communications and Media Authority have been acting on this where they can to close down illegal gambling sites.

We cover both registered bookmakers [audio malfunction] and sports and racing bookmakers are mostly registered in the Northern Territory. The cowboys who are offering the illegal casino sites and illegal slot machine sites will mostly take all your money. It is almost impossible to get more money back out of those. It is hard enough to get your money back out of legal bookmakers but it is almost impossible with the illegal sites. It is alarming that the superannuation drawdown, such a large proportion of that went into online gambling. If we were to put the total losses of online gambling together against poker machine losses, they are dwarfed. It is the fastest growing category of gambling but still, particularly in New South Wales, the losses are less. They are a poor proxy for harm, I admit, but the regulation of that is more a matter for the Federal Government.

The Hon. JOHN GRAHAM: Thank you.

The CHAIR: We have run out of time. Ms Giorgi, Dr Da Costa and Mr Hamilton, thank you very much for your evidence today. I know it has been of significant assistance to me and I think for every member on the Committee. We appreciate the work that each of you do in the community.

(The witnesses withdrew.)

The Committee adjourned at 16:03.