

REPORT ON PROCEEDINGS BEFORE

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

THE MUSIC AND ARTS ECONOMY IN NEW SOUTH WALES

CORRECTED

At Jubilee Room, Parliament House, Sydney on Monday, 26 March 2018

The Committee met at 9:04 am

PRESENT

The Hon. Paul Green (Chair)

The Hon. Catherine Cusack

The Hon. John Graham

The Hon. Shayne Mallard

The Hon. Taylor Martin

The CHAIR: Welcome to the first hearing of the Portfolio Committee No. 6—Planning and Environment inquiry into the music and arts economy in New South Wales. The inquiry is examining the New South Wales Government's progress in implementing its response to the Sydney Night-Time Economy Roundtable Action Plan, policies to support music and arts culture including permanent and temporary venue spaces, and policy and legislation options drawn from other jurisdictions. The Committee is also considering whether local councils are setting realistic noise abatement and environmental impact targets in their consideration of development applications from cafes, restaurants and live music venues.

Before I commence I acknowledge the Gadigal people, who are the traditional custodians of this land. I also pay my respect to the elders past and present of the Eora nation and extend that respect to other Aboriginals who may be present or listening online. Today we will hear from Create NSW; Liquor and Gaming NSW and Office of Racing; City of Sydney; Local Government NSW; APRA AMCOS; MusicNSW; the Lansdowne Fifteen; the Committee for Sydney; the Live Music Office; the Australian Recording Industry Association; the Media, Entertainment and Arts Alliance; Sydney Fringe Festival; and Century Venues to name a few. Following the lunch break the hearing will recommence in the McKell Room. Could members of the public who are interested in attending that session please speak to the secretariat staff to organise access to the McKell Room.

Today's hearing is open to the public and 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. In accordance with the broadcasting guidelines, members of the media may film or record Committee members and witnesses. People in the public gallery should not be the primary focus of any filming or photography. I remind media representatives that they must take responsibility for what they publish about the Committee's proceedings. It is important to remember that parliamentary privilege does not apply to what witnesses may say outside of their evidence at the hearing. 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 take an action for defamation. The guidelines for the broadcasting of proceedings are available from the secretariat.

There may be some questions that witnesses could only answer if they had more time or with certain documents to hand. In those circumstances, witnesses are advised that they can take questions on notice and provide answers within 21 days. Witnesses are advised that any messages should be delivered to the Committee members through the Committee staff. To aid the audibility of this hearing I remind Committee members and witnesses to speak into the microphones. In addition, several seats have been reserved near the loud speakers for persons in the public gallery who may have hearing difficulties. Finally, I ask everyone to turn their mobile phones to silent for the duration of the hearing.

TAREK BARAKAT, Director of Strategic Policy, Research and Projects, Create NSW, affirmed and examined

GRAINNE BRUNSDON, Acting Executive Director, Create NSW, affirmed and examined

PAUL NEWSON, Deputy Secretary, Liquor and Gaming NSW and Office of Racing, affirmed and examined

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

Mr BARAKAT: No.

Mr NEWSON: No, Chair.

The Hon. JOHN GRAHAM: I am keen to ask some questions about the State Government's support for music and also the progress on the night-time economy task force. Firstly, I recognise the good work that Create NSW has done across the board. Some fantastic work is going on. There have been some concerns raised about this particular area, but we have to put that in context with the very good work that Create NSW is doing across the board. How much money is allocated to support contemporary music in New South Wales?

Mr BARAKAT: We provided a number of different strategies to support arts and culture generally of which contemporary music is one. This year alone the Government is committing over \$639 million to support arts and culture in New South Wales. That includes \$52.7 million—

The Hon. JOHN GRAHAM: That was one of the issues I had with the Government's submission. I am asking about contemporary music. Much of the Government's submission was about support for culture generally. I acknowledge there is some good work going on there. For contemporary music in New South Wales how much support is Create NSW providing?

Mr BARAKAT: I will have take that one on notice. I do have some information here about the programs we run, but if you are after specific figures around contemporary music I would be happy to take that on notice and provide you with some detail.

The Hon. JOHN GRAHAM: That would be helpful. I might give you a hand now and just see if you can give us any more detail, but feel free to come back to us on notice. One of the things support is provided for is MusicNSW. Can you give us an idea of how much that funding is?

Mr BARAKAT: MusicNSW, as you probably know, delivers small grants to support contemporary music. That includes to young people to support live music events.

The Hon. JOHN GRAHAM: How much are we funding them?

Mr BARAKAT: In 2017-18 there was \$455,000 in funding for a range of different activities.

The Hon. JOHN GRAHAM: Is that over two years?

Mr BARAKAT: My understanding is that is for 2017-18 but I will confirm that.

The Hon. JOHN GRAHAM: It is one year?

Mr BARAKAT: Yes.

The Hon. JOHN GRAHAM: What about the Live and Local program, which is a new program?

Mr BARAKAT: Live and Local supports local councils in Western Sydney and regional New South Wales to stage small, family friendly festivals. In 2015-16 Create NSW committed \$150,000 to Live and Local in Western Sydney. In 2016-17, following that success, an additional \$100,000 was committed to Live and Local events in Western Sydney and \$150,000 was committed to festivals across regional New South Wales.

The Hon. JOHN GRAHAM: There is another program called Heaps Decent that I do not know the details of.

Mr BARAKAT: I would have to take that on notice.

The Hon. JOHN GRAHAM: It is a very small figure. That gives us a bit of an idea about the support for contemporary music in New South Wales. The Government submission did not have any details about what is going on in other States, even though that was one of the terms of reference. Do you know how much support there is in other States for contemporary music?

Mr BARAKAT: I do not have the exact figure. I know different States support contemporary music differently. I do not have the exact figures but, again, I can take that on notice and provide some information to the Committee.

The Hon. JOHN GRAHAM: I can tell you, because it is pretty well known across the music industry, that over four years Victoria is supporting its contemporary music industry by \$22.2 million. That is a figure that dwarfs what you have just described in New South Wales. It is probably five times what you have described at least, but feel free to clarify that on notice. Is that not part of the problem?

Mr BARAKAT: I think that is probably a question that the Government is best placed to answer.

The Hon. JOHN GRAHAM: Thanks for that comment, but if you could help provide us with some of the facts I think that would be of great assistance to the Committee. I want to move to the night-time economy task force recommendations. The Government's response has a lot of reviewing, a lot of investigating, and some reviewing and investigating. I want to get down to what has actually happened. This was reported in December 2016. The actions were due either three months later, six months later or 12 months later. We are now 16 months later. What has happened with these recommendations? How many of them have been implemented?

Mr BARAKAT: I think good progress is being made to continue to deliver on the recommendations. We understand, and I am sure the Committee understands, that this is a complex process with a range of—

The CHAIR: With all due respect, Mr Barakat, the question was how many of the recommendations have been implemented.

Mr BARAKAT: We are working with Planning to remove regulatory barriers in New South Wales. We are relaxing liquor law restrictions, and perhaps Mr Newson can speak more closely to that. We are working with the Small Business Commissioner to reduce red tape for an outdoor dining policy.

The Hon. JOHN GRAHAM: Let me be specific. The task force identified that if we are going to fix this problem we really need to deal with the planning culture, the transport for venues and the approach that is taken by the police on enforcement. What planning law has changed since this task force reported?

Mr BARAKAT: Work is underway to review what planning legislation we can change to make things easier.

The Hon. JOHN GRAHAM: There is a lot of reviewing, a lot of investigating. Has any planning law changed since this task force reported?

Mr BARAKAT: Not to my knowledge, no.

The Hon. JOHN GRAHAM: As of today, what transport has been added since the task force called for a major upgrade to transport after dark to get people home safely, particularly young people?

Mr BARAKAT: I can talk to the fact that Transport have indicated they will be introducing a range of new initiatives this year.

The Hon. JOHN GRAHAM: As of today, has any transport been added?

Mr BARAKAT: I think that is probably best directed to Transport, but I am happy to take that on notice and get back to you with some details as to whether anything has come on since February.

The Hon. JOHN GRAHAM: I do not believe any has been any added as of today. In addition, this was the one recommendation that the Government response did not support. To be fair, the Government was up-front at that point that that probably would not happen. If you could tell us, has any transport been added as of today. Where is the contemporary music plan?

Mr BARAKAT: The contemporary music plan is under development. We have commissioned research about best practice strategies from around the world. We have met with Music NSW, the Live Music Office, the Sydney Fringe to understand the key issues and challenges to that sector, and based on the findings of the research and further consultation, we will be looking to develop a strategy for Government to consider.

The Hon. JOHN GRAHAM: I am happy to hear there has been a lot of consultation, but this was due at least four months ago. Why is it overdue? Where is it?

Mr BARAKAT: I appreciate that. As I said before, this is a complex issue. These are complex issues—

The Hon. JOHN GRAHAM: It is not too complex. Every other State on the mainland has one. New South Wales is the only State without a contemporary music plan.

Mr BARAKAT: We are looking into the feasibility of rectifying that at the moment.

The Hon. JOHN GRAHAM: How far away is it?

Mr BARAKAT: Depending on the outcomes of this research, we would be hoping to have a strategy for Government to consider. Whether or not that strategy is released will be a decision for Government—

The Hon. JOHN GRAHAM: Sure, but how long are we going to have to wait?

Mr BARAKAT: I could not commit to—

The Hon. JOHN GRAHAM: It is already four months overdue. How much longer will the music sector have to wait?

Mr BARAKAT: I am happy to take that on notice and come back with a time frame. At the moment, I cannot commit to anything. We are waiting to review this research.

The Hon. JOHN GRAHAM: What is the hold-up? What is the blockage?

Mr BARAKAT: As I said before, these are complex issues. Despite the fact that other States have these in place, there are a range of people and stakeholders we need to talk to, and we have been doing that. We want to make sure we understand the issues that are faced by this industry in New South Wales, but also what has been done elsewhere, that is why I have commissioned the research.

The Hon. JOHN GRAHAM: The Western Australians have worked this out, the South Australians have worked this out. Can we not borrow what has been done successfully out of there?

Mr BARAKAT: And that will be part of the work that we do.

The Hon. JOHN GRAHAM: It has taken 16 months.

Mr BARAKAT: Sure.

The Hon. JOHN GRAHAM: Finally, the Government supported the development of a master plan for the night-time economy. Where is that master plan?

Mr BARAKAT: Again, we have been consulting and we have engaged a consultant and commenced discussions with that person about developing a master plan. In respect of time frames, we are looking to have something to the Government this year to consider, but, again, it is a complex process and the issues raised need to be considered thoroughly.

The Hon. JOHN GRAHAM: Some time in 2018?

Mr BARAKAT: I am happy to come back to you with a more exact date, but at the moment I can commit to this year.

The Hon. JOHN GRAHAM: Again, this was due at the end of last year, but it is not on the horizon yet. Hopefully by the end of the year, by Christmas, we might see something. The Government's submission says that the work of the night-time economy task force to implement the New South Wales Government response to the night-time economy roundtable's action plan forms the basis of the overarching master plan. You are not saying that this work you are here presenting is the master plan?

Mr BARAKAT: No. As I said, we have commenced discussions with a consultant to develop a plan. The work of the task force will obviously inform what is in that plan, so we have also developed an evaluation and monitoring framework. We want to look at which of these actions is having an impact and what that impact is, and that will also be used to inform what goes into this master plan.

The Hon. JOHN GRAHAM: You are going to confirm this, but what you are telling us this morning is that we are providing a fraction of the money that is going to Victoria, that no planning law has changed, that no transport has been added, that there is no contemporary music plan—it is overdue—even though everyone else has got one, and that there is no master plan at the moment, although hopefully we will get one for Christmas.

Mr BARAKAT: I think it is important to say that work is progressing on all of that. We are working as hard as we can to implement those actions. Yes, at this stage, while work is progressing, those do not exist at this point.

The Hon. JOHN GRAHAM: I want to put it in context. Create is doing great work across the board. In some ways, it is an unfair ask to have Create try to drive this agenda, which is really about transport, police, planning. These are big agencies in Government. I can understand the difficulty you might be having. Can you give us any insight into that dynamic?

Mr BARAKAT: I think we work very closely with all of the stakeholders. We are happy with the way the task force is going; it meets regularly, people are invested—

The Hon. JOHN GRAHAM: You cannot be happy with these results, can you?

Mr BARAKAT: We are happy with the relationship we have with the other agencies and the help that they are providing.

The Hon. JOHN GRAHAM: But it is not delivering at the moment, is it?

Mr BARAKAT: I think it is working very hard to progress some complex issues and find solutions to those issues.

The Hon. JOHN GRAHAM: But we need some results.

Mr BARAKAT: I appreciate that.

The Hon. JOHN GRAHAM: You can understand why groups such as the Committee for Sydney, which put out a good report in the last week, have said, "There is a need in Government to get this to someone who can drive this agenda." At the moment, I think it is fair to say that they are frustrated that this has not happened. We need to look at how this is structured in Government. Do you think that is a fair comment?

Mr BARAKAT: I think the report raises some interesting issues. We work closely with the Committee for Sydney and we will continue to do so.

The Hon. TAYLOR MARTIN: Your submission identifies the Live and Local Strategic Initiative as a policy that supports the development of arts and culture throughout New South Wales. Can you tell the inquiry some of the events that it has supported, particularly for regional areas?

Ms BRUNSDON: I can speak to that. Over the past two years, Create NSW has put \$400,000 into Live and Local. The first year, which was 2016, events were held in five Western Sydney council areas: Blacktown, Camden, Fairfield, Parramatta and Wollondilly. The following year there were an additional eight regional councils: Armidale, Campsie, Mudgee, Newcastle, Orange, Tenterfield, Tweed Shire and Wagga Wagga. Then another five Western Sydney councils were selected last year: Blue Mountains, Campbelltown, Cumberland, Hawkesbury and Liverpool.

By the end of the program in June 2018, events will have been held in 18 local government areas, with 59 different events reflecting multi-day programming in most local government areas [LGAs]. To date, there have been more than 570 musicians employed with four councils still yet to submit final numbers, so it is likely to be well over 600. To date, 183 individual venues have been programmed and that number is obviously set to increase by 30 June. This weekend alone there were four events: one in Newcastle, one in Orange, one in Cumberland Shire and one in Orange [sic].

The Hon. TAYLOR MARTIN: I note that there seems to be growth in festivals in regional areas as well—for example, the Falls Festival in Byron, Mountain Sounds, Groovin the Moo—that happen outside of the Sydney metro area. Does Create NSW have a plan for those types of events, or does it fit into any of the current policies?

Ms BRUNSDON: For the festivals?

The Hon. TAYLOR MARTIN: Yes.

Ms BRUNSDON: In relation to Live and Local?

The Hon. TAYLOR MARTIN: In general.

Ms BRUNSDON: Create NSW supports a number of festivals through its programming, through its Arts and Cultural Development Program. So a number of those festivals—for example, Boomerang Festival which is part of Byron Bay Bluesfest—receives funding through the Arts and Cultural Development Program, and a number of other regional festivals receive funding too.

The Hon. TAYLOR MARTIN: Is it as simple as subsidies and funding or is there also an advocacy aspect to the role of Create NSW?

Ms BRUNSDON: It depends on what the festival needs. There is obviously an open application process for funding. We also support with marketing and promotion in terms of relationship brokering—so for cross-marketing or introductions to other people who may be doing similar things or where we think there might be some synergies in terms of relationship building. It really depends on what each individual festival or event requires.

The Hon. TAYLOR MARTIN: The submission identifies New South Wales heritage grants as a policy that supports the development of arts and culture throughout New South Wales. Would you tell the inquiry some of the events that heritage grants have supported?

Ms BRUNSDON: I will have to take on notice the specifics of the grants, sorry.

The CHAIR: Is ClubGRANTS your area?

Ms BRUNSDON: No, it is not.

The CHAIR: Will you provide the Committee with a snapshot of what it is, how much is collected in a financial year and how much is given back to the community in terms of community grants?

Mr NEWSON: Certainly. I will not be able to speak to some of the detail around how much is collected and the like in this forum, but I can take that on notice.

The CHAIR: Yes, for 2016-17 because obviously in Create NSW it has from 2015 to 2019 that \$12.5 million was towards building, renovation and so forth. Will you provide the total sum for ClubGRANTS, not just a portion that is going out to any particular type of grant application but collected for the 2016-17 period?

Mr NEWSON: Sure, and I think that is an important point because that \$12.5 million you referred to is one form of funding round targeted specifically at arts, culture and venues for promotion and conducting events and the like. So that is \$12.5 million for arts and culture from 2015 to 2019. I will take on notice that broader remit and what the total figure is, and come back to the committee.

The CHAIR: My understanding is that about 2 per cent is returned to the community out of that whole system. Is that right?

Mr NEWSON: I would not like to comment on the percentage. Generally from a ClubGRANTS formula point of view it is 0.04 per cent of gaming and revenue, as I recall. I will check the correctness of that statement.

The CHAIR: I am happy to have the accuracy around it. Are you of the view that that is a small amount to give back to the community, given that it has come from gaming revenue and that the community should get a bigger slice of that for such initiatives as the arts and culture in local communities?

Mr NEWSON: I think that is a difficult statement to make unless it is benchmarked against some form of metric. I would need to tether that to where is the philanthropy or where is the generosity greater than the clubs industry? I am not here championing the clubs industry's generosity, but to make a meaningful comment on that I would need an example of where is there more generosity in corporate Australia? I know commentators in the media—recently there have been some articles in the Herald—have called into question, perhaps, the hundred or so millions that the clubs represent in their annual report that they contribute to the community. I think a fair-minded person would look at that as quite a significant contribution to the community. It is quite a significant giving to the community—\$100 million.

The CHAIR: So 2 per cent is being quite generous, with a 98 per cent retention?

Mr NEWSON: I do not think that is a correct representation, Chair. The industry incurs gaming machine tax. That is not an ordinary tax that is imposed on the majority of Australian industry beyond corporate tax. So I think it is an unusual circumstance. I think the clubs industry rightly represents that it makes a very significant contribution to New South Wales, whether that contribution is financial, supporting sporting teams and community events. It provides in-kind contributions to the local community. I think it is quite a fair representation to say, certainly in regional and rural New South Wales, that they play an integral part in the community. There is often little environment for community gathering and for community connection. So it is not my role to disparage what is a generous contribution to the community. I think they play an integral role in the community and I would want a benchmark where else in corporate Australia, recognising that clubs are not-for-profit, matches that generosity.

The CHAIR: For the record, I do share your wonderful words about clubs and what they do. The question is whether they can be more generous with that part of ClubGRANTS? Mr Barakat, earlier the Hon. John Graham asked you a question in relation to the recommendations of the task force. He asked how many of them have you completed.

Mr BARAKAT: Can I take that question on notice to be 100 per cent accurate with you, Mr Chair?

The CHAIR: Yes, that would be helpful.

The Hon. CATHERINE CUSACK: I apologise for not quite following the governance arrangements. Will you advise with which agency Create NSW is associated?

Mr BARAKAT: We are in the Department of Planning and Environment.

The Hon. CATHERINE CUSACK: Your most recent annual report would be in the Department of Planning and Environment's report?

Mr BARAKAT: That is a good question. We were in the Department of Justice until April last year.

Ms BRUNSDON: We are represented in both, Justice—

Mr BARAKAT: We are represented in both.

Ms BRUNSDON: Create NSW is the amalgamation of Arts NSW and Screen NSW as at April 2017. We will be represented in the annual reports from the Department of Justice which was our former cluster and in the Department of Planning and Environment for last year's annual reports.

The Hon. CATHERINE CUSACK: To assist the Committee, will you take a moment and talk about the governance journey in the past couple of years so that we can work out where you fit? At some point you were in Trade and Investment. Is that correct?

Ms BRUNSDON: Yes.

The Hon. CATHERINE CUSACK: Will you explain it? Is it because you are in a ministerial portfolio and you are going with other agencies where the Minister goes?

Ms BRUNSDON: I am not quite sure. That is a matter for government in terms of where our reporting lines lie. But yes, we were in the Department of Trade and Investment, and then we were in Justice, and now we are in the Department of Planning and Environment since last year.

The Hon. CATHERINE CUSACK: Is there an annual report to 2017?

Ms BRUNSDON: To 30 June 2017?

The Hon. CATHERINE CUSACK: Yes.

Ms BRUNSDON: That would be part of the cluster annual reports for both the Department of Justice and the Department of Planning and Environment. We were represented in both of those.

The Hon. CATHERINE CUSACK: Would we find that on your web site or on their web sites?

Ms BRUNSDON: On their web sites.

The Hon. CATHERINE CUSACK: I live on the North Coast. I am a Bluesfest tragic. I have been to the Deni Ute Muster and Woodford and I love going to those festivals. Do you work with Destination NSW on—I suppose people like me would love to see—a festival calendar for regional New South Wales?

Ms BRUNSDON: We certainly have been talking to Destination NSW about a calendar. We regularly work with the individual events to help promote them. We have 11 social media channels and e-newsletters and we are connected, obviously through the arts and culture sector across the State. We help to support those events through regular communications and eBURST and interviews and videos, and some of them share their marketing materials when we are working with them. We do not work with Destination formally on a calendar of events but we certainly meet with them regularly.

The Hon. CATHERINE CUSACK: Is National Parks part of that process?

Ms BRUNSDON: Not necessarily.

The Hon. CATHERINE CUSACK: There are some great events in national parks?

Ms BRUNSDON: No, that is not part of our remit. That is not something that we currently do.

The Hon. TAYLOR MARTIN: The submission identifies the Arts and Cultural Development Program as a government policy that supports the development of arts and culture throughout New South Wales. It supports arts and culture to the tune of more than \$44 million per year. Your submission states it supports more than 150 arts and cultural organisations., including regional arts touring and regional partnerships. Will you provide the Committee with some examples that it would recognise or some up-and-coming organisations?

Ms BRUNSDON: Of those regionally funded?

The Hon. TAYLOR MARTIN: As well as metropolitan.

Ms BRUNSDON: Okay.

The Hon. TAYLOR MARTIN: But I am particularly interested in regional.

Ms BRUNSDON: Certainly. We support the Regional Arts Development Organisations; there are 14 of them across the State. They are organisations that are funded in partnership with local government and Regional Arts NSW is their peak organisation. Their job really is to help to activate arts and cultural development in their particular areas and to be very close to their communities. They also run a number of devolved funding programs, such as the Country Arts Support Program, which offers small grants to local arts organisations and individual practitioners. We work with organisations, such as Screenworks in the Northern Rivers, which offers skills development in the screen sector right across the State for regional people.

We work with South East Arts on screen development. We work with the regional galleries and performing arts centres and we work on regional tours whether they are for regional organisations and regionally developed work to tour intra-regionally or for metropolitan touring to go out to the regions. We work with a whole host of different individual practitioners. The Young Regional Artist Scholarship supports 17 young regional artists every year to come together for professional development and to develop their own program of professional development.

The Hon. TAYLOR MARTIN: Would it be fair to say that it supports grassroots arts and culture rather than supporting larger acts to tour regional areas?

Ms BRUNSDON: It does both, really, and right across the range from emerging practitioners in their first developments but also in larger programs as well.

The CHAIR: Is there any further comment?

Mr BARAKAT: Just in terms of grassroots support: We have 10 \$50,000 regional fellowships. They are offered over the next four years, commencing this year. Those are in addition to the 25 Young Regional Artist Scholarships given annually. They are valued at \$10,000 each. Some of the recipients have come across regional New South Wales from Bathurst, Albury, Nyngan and Newcastle. Those artists are aged 18 to 25. They are supporting that younger cohort. The scholarships include two-day professional development training workshops at Carriageworks, which is another organisation for which the Government provides funding. We will be offering 100 of those scholarships over four years. If you combine them, these professional development initiatives see more than \$1.5 million being invested in ensuring there are opportunities for regional artists and arts workers.

The Hon. TAYLOR MARTIN: Thank you. The submission identifies that there is exponential growth in the Vivid Festival, with more than a 34 per cent growth in interstate and international visits in 2017, if I am correct, and an increase in spending by those visitors of around 30 per cent. How is it that Vivid has been so successful in recent years?

Mr BARAKAT: That is probably something on which we could get some details from Destination NSW, but ultimately that program, as you indicate, has grown exponentially and continues to grow. The support that the Government provides for that program is part of the reason for that growth.

The CHAIR: I want to draw your attention to page 10, paragraph (d) of your preliminary submission, which states:

d) Policy and legislation in other jurisdictions, and options for New South Wales including red tape reduction and funding options

This is a core pillar of what this inquiry is about. Can you give the Committee an indication of what is happening in regional and rural areas to reduce red tape and noise abatement orders for these quaint little cafés that are trying to get up but have all these red tape issues from local government? Do you have any comment on that?

Mr BARAKAT: Sure. Part of this work is finding out what the task force is doing. Obviously, the task force is focusing on the central business district [CBD] at this stage, but there are planning reforms that the Government is looking at that include investigating ways to establish faster and less costly approval pathways for low-impact arts and cultural uses. We are looking at the merits of seeking a variation of the National Construction Code to facilitate small arts premises. That is being evaluated. Obviously we have to consider things such as fire, health and safety as well in making those changes. We are also investigating alternative approval pathways for small arts venues and whether things like exempt and compliant development provisions could be developed to establish faster and less costly approval pathways.

We are investigating alternative noise management approaches to promote coexistence among music, arts and other uses. We understand that this regulatory overlap creates uncertainty for industry about an acceptable noise output and can be confusing for communities about how to have noise issues remedied. The responsibilities of the numerous different regulators can be confusing as well. We are looking at what opportunities might be available for us to simplify and clarify the application of noise regulation. We are also looking at making the planning system easier to navigate, I suppose—essentially, to cut red tape and streamline processes. We understand that it is a complex process. If it is feasible for us to make changes in that space to allow arts and cultural organisations and low-impact uses to become more accessible to people, we will do what we can make those changes.

The CHAIR: You would agree that it is pretty ridiculous that you can have accommodation above a café that is allowed to play a CD loudly and not be challenged by the authorities whereas if a café puts some sort of musician on at the same level they are pinged. They are pretty ridiculous laws.

Mr BARAKAT: We understand the issues the industry faces. That is why we are working with the Department of Planning and Environment to see what changes we can make.

The CHAIR: Given that this has been a long process and that businesses have been saying it has been unfair for a long time on the night economy, when will we see something from the Government? Will we see something before the next election?

Mr BARAKAT: I would have to take that on notice and speak to the Department of Planning and Environment and come back to you with an accurate response.

The CHAIR: Come back to us with a change. That would be helpful.

The Hon. JOHN GRAHAM: I want to go back to the funding issue. In my hurry to do my maths, I may have been too generous in adding it up. It looks like on my calculation about 10 per cent or 11 per cent of what Victoria is providing. I invite the agency to provide the figures. I think that would be very useful, but on the basis of the discussion before that it looks like about—

The Hon. CATHERINE CUSACK: Can you refresh my memory on which programs you are talking about?

The Hon. JOHN GRAHAM: This is about funding support for contemporary music, New South Wales versus Victoria. I am really inviting the agency to clarify that question. I take the Chair's point: this is not all about money. Actually getting out of the way of venues is crucial, but I think that gap, if it is that big, obviously is a concern.

Mr BARAKAT: If I may, yes, we will come back with some more detailed figures. I guess it is important to note that in addition to the 52.7, which is provided to organisations through the Arts and Cultural Development Program, in 2017-18 the Government also is providing more than \$300 million in operational capital grants to the cultural institutions. That includes the Opera House, the Art Gallery and the Australian Museum.

The Hon. JOHN GRAHAM: I think they are all good points. They are in a Government submission. I am asking about contemporary music.

Mr BARAKAT: A lot of those organisations hold contemporary music.

The Hon. JOHN GRAHAM: Sure. I accept that.

Mr BARAKAT: I am happy to provide a more detailed response on contemporary music specifically.

The Hon. JOHN GRAHAM: Ms Brunson, are you aware of the discussion overnight about the closure of the iconic music venue in Sydney, the Basement?

Ms BRUNSDON: No, I am not, I am sorry.

The Hon. JOHN GRAHAM: It was reported overnight and this morning it has been discussed reasonably extensively. The reports state that the Basement, the iconic jazz venue in Sydney, after 45 years of operation may close as early as this Saturday. That is a major problem, is it not, from the point of view of music in Sydney?

Ms BRUNSDON: I would need to take that on notice in terms of its impact on the music sector.

The Hon. JOHN GRAHAM: Sure. Just to give you some background, this is where Prince, Dizzy Gillespie, De La Soul, and Ben Harper—who played a fantastic gig there—all played. It is our oldest licensed music venue.

The Hon. CATHERINE CUSACK: Mr Chairman, through you, it is clear that the Hon. John Graham has information that is very recent, but the witnesses do not have it. Can I suggest it be taken on notice?

The CHAIR: Order! I take the point on board. The Hon. John Graham is merely giving some further information related to his concern. I do not think he is pinning the Government down for an answer on this right now. He is giving further information of the importance of this establishment. I think it is a fair comment.

The Hon. JOHN GRAHAM: Thank you, Chair. It is a fantastic venue. My question is: If this was London, which has had these types of problems with venue closures, this would be declared an asset of community value and protected. That is the way that they have dealt with these sort of mass venue closures.

The Hon. TAYLOR MARTIN: How do you mean "protected"?

The Hon. JOHN GRAHAM: It would be given a status so that it is protected under legislation. They have moved to protect existing venues.

The CHAIR: Like a heritage building, but for music.

The Hon. JOHN GRAHAM: Yes.

The Hon. CATHERINE CUSACK: Mr Chairman, through you, this is the problem we have. We really do not know what the member is talking about.

The CHAIR: The member has brought up how they deal with the issue in another country. That would be very helpful for the Committee in its consideration of how to deal with the industry and some of the problems that we are here to address. I think that is a fair point.

The Hon. CATHERINE CUSACK: I do not know whether that is analogous with what is going on with The Basement. I do not know why The Basement is considering closing. That is why—

The CHAIR: I understand that. The Basement might be a longstanding establishment that is of great value to the community.

The Hon. CATHERINE CUSACK: Yes.

The CHAIR: However, it is appropriate for the Committee to hear about the principle of the matter. I would certainly like to hear about it in respect of the full report.

The Hon. JOHN GRAHAM: Is this the sort of approach that has been considered in New South Wales? Have we looked at London and the approach it has taken? Can you provide any information about that approach?

Mr BARAKAT: I think we would have to take that question on notice. However, we would look at a range of other jurisdictions and best practice to inform the work we are doing now.

The Hon. JOHN GRAHAM: Taking the member's point and putting aside The Basement, in the City of Sydney area we have lost 61 per cent of venues over 10 years. This is not about one venue, although this is our oldest licensed music venue. It is described on its own website as the "beating heart of Sydney's live music scene". That stops next Saturday according to the reports. What can you tell the Committee about other jurisdictions and how they have been able to deal with this?

Mr BARAKAT: As I said, we can take that question on notice. This is the first we are hearing of The Basement potentially shutting down. We are more than happy to come back with some detail about what is happening in other jurisdictions.

The Hon. JOHN GRAHAM: Sure. However, on the general issue of venue closures, this would not be the first time you have heard about that.

Mr BARAKAT: No.

The Hon. JOHN GRAHAM: What can be done to tackle this problem? What is the Create NSW or the task force plan to make this better? There is a real problem here. This is the latest example, and there are many others.

Mr NEWSON: One of the difficulties the witnesses are having is that we do not understand; there is a curtain down on this issue. Just as it is ventilated around Kings Cross, it is very easy to deliver a sound bite and to make representations that X law or intervention has caused this venue to close. However, often when you peel that back a complexity of issues have caused difficulties for a venue for year after year. It might well be that the confluence of all of that has caused a decline in revenue or profitability and so on. It is difficult for witnesses to

make informed comments about a venue when the Committee would recognise that there is often, if not always, a complexity of variables that impact on it.

The Hon. JOHN GRAHAM: That is a good point, so let us talk about some of the specifics. The Committee has received submissions from organisations like the Sydney Fringe Festival talking about the conditions imposed on its operations. In response to the festival's application to operate, it was told that there were to be no DJs and no dancing. The letter to the organisers states that the venue is not to be used for entertainment that includes DJs and dancing. This is the radical Sydney arts festival and it is not allowed to have dancing. Is that not a barrier? That is a submission to this inquiry.

Mr NEWSON: Sure. To make an informed comment on that, I would need to understand what sat behind the reason for those conditions. We have regular, ongoing dialogue with the NSW Police Force, and ordinarily there is a key and clear reason for asking for specific conditions at certain venues. I am not speaking about The Basement specifically, but when the police advocate for controls, they have key concerns. Sometimes they relate to disorderly conduct, sometimes to intoxication and sometimes to narcotics. They request that the liquor regulator apply certain conditions—

The Hon. JOHN GRAHAM: This is one of Sydney's key festivals and it is reputable. It is getting a bit silly if it is not allowed to have a DJ or dancing.

Mr NEWSON: Is that the festival or The Basement?

The Hon. JOHN GRAHAM: This is a response to the application of the Sydney Fringe Festival in respect of its fringe headquarters.

Mr NEWSON: I would like to take that question on notice.

The Hon. JOHN GRAHAM: That would be helpful. I will turn to another incident that has been referred to in submissions to the inquiry. A Surry Hills venue's licence conditions say it is not allowed to have a mirror ball. I am not sure about the regulatory reason for that. Can you enlighten the Committee?

Mr NEWSON: No reason springs to mind.

The Hon. JOHN GRAHAM: I am pleased to hear that.

Mr NEWSON: There was some conjecture about that in the media. It sounds like nonsense on the face of it.

The Hon. JOHN GRAHAM: It does.

Mr NEWSON: I would like to take that question on notice. Again, I would like to peel back the reason behind that.

The Hon. JOHN GRAHAM: That would be very helpful.

Mr NEWSON: Often when we lift the veil we see that circumstances and issues have arisen previously and whoever imposed the licence conditions has grounded their decision in historical conduct or concerns.

The Hon. JOHN GRAHAM: If there is a reason for it, the Committee would like to hear what it is.

The CHAIR: Absolutely.

The Hon. JOHN GRAHAM: Let us hear it. It seems to be a waste of time and resources to regulate these things.

The CHAIR: My experience in local government land is that an authority might have some reason for imposing a condition, but that does not mean it is justifiable. We close down these venues and the organisers cannot operate, make a buck or realise their dreams. They have nowhere to go to get their dream off the ground and to enjoy what they are trying to create. It is nice to say that we will peel back the layers to see what is happening, but these poor businesses do not have the extra bucks to contest this red tape.

Mr NEWSON: I would like to suggest that any licensed venue can contact Liquor and Gaming NSW at any time. When I say "peel back the layers", I mean that we need to understand what power imposed that condition. It could have been a court, it could have been the Liquor Administration Board, it could have been the Independent Liquor and Gaming Authority [ILGA], or it could have been the secretary of the department. Different powers mean different issues and different causes. We need to understand why that condition was imposed.

The Hon. JOHN GRAHAM: I think that goes to the heart of the problem; that is, this is very complex. Venues are dealing with overlapping planning laws and overlapping licensing laws. That is what venues are struggling with, and particularly small venues.

The CHAIR: It is not lawyers who are taking on these issues. They are mums and dads who have a dream of starting a cafe and having live music, and these draconian layers are being imposed on them. They are not doing this for that reason; they simply want to realise their dream.

Mr NEWSON: I understand that. I can certainly acknowledge that we are aspiring to ensure further development in the alignment of planning and liquor laws. We want to realise more economy and more efficiency, and we are turning our minds to that in 2018. However, we do not know the circumstances of each venue you raise and we need to peel it back. A court may have imposed that condition, and we need to understand that. I do not say that tritely.

The Hon. JOHN GRAHAM: I will provide one other example. I am interested in peeling back this issue. This is a problem not only in Sydney. I should declare an interest: My youngest son won the meat raffle at the Lowlands Bowling Club in Newcastle about 18 months ago. A noise complaint was lodged about a ukulele lesson being conducted on the club lawn. The average age of the people attending the class was 65. The class was shut down at 5.30 p.m. on a Monday as a result of that complaint. This is getting pretty silly.

Mr NEWSON: I will not speak specifically to that issue because I do not have the details in front of me. However, I do not discount that bowling clubs can cause very significant disruption to the community. I cast my mind back a couple of years to the Paddington Bowling Club and the community outrage and concern around the difficulties and the social disruption caused by people urinating in the street. That is a very significant disruption caused by—

The Hon. JOHN GRAHAM: That is not the suggestion here. Sure, if there are issues like that they should be dealt with. Are there other issues with ukulele lessons?

Mr NEWSON: It is not something that causes offence to me.

The Hon. JOHN GRAHAM: I would not have thought so. I do not believe the ukuleles were amplified.

Mr NEWSON: To make an informed comment we would need to understand the facts and circumstances.

The Hon. JOHN GRAHAM: Sure.

Mr NEWSON: If I were to consider a *Daily Telegraph* headline, it might look inconsistent with good practice for someone to shut down a ukulele lesson. I am not saying it is true in this circumstance, but often when you peel it back there are different circumstances involved. It is often complex.

The CHAIR: Is it the same person making the same vexatious complaint all the time, every time? They get the benefit of the doubt and the poor business operators trying to make a buck do not.

Mr NEWSON: The Committee for Sydney report recognises that as there is increasing density within the CBD and other parts of New South Wales and that residents might have certain aspirations and expectations. That can often impinge on some of these venues. There is a competing tension there, a competing duty, and expectations need to be managed. I think the report probably had quite a reasonable view that for future planning some sort of sound dampening needs to happen at that very early stage because you can have this collision of new residents wanting peace and quiet and amenity and then you have got existing venues.

The CHAIR: I have had a representation made by a constituent that had a church near the city that was there long before the built-up environment was. Some of the residents in the built-up environment have taken exception to the church having their worship service at 6.00 p.m. and a little bit of noise at 10.00 a.m. That situation is arising, but surely in innovative ways it can be made part of the section 149 certificate that people in built-up environments realise that if they buy into an area with an establishment with a certain noise level they are unable to contest it because they came after that establishment. It is no good moving the airport because you do not like the airport noise. If you move near the airport you expect to hear noise.

The Hon. CATHERINE CUSACK: As to the multiplicity of agencies that have a right to impose a condition on somebody's licence, you said in an earlier answer that there is an aspiration to address that this year.

Mr NEWSON: I should clarify my remarks there. I did not mean to suggest that there was a multiplicity of agencies that can impose a condition on a licence. The Local Court can impose a condition on a

licence. The Independent Liquor and Gaming Authority can impose a condition on a licence. The secretary, often exercised under delegation, can impose a condition on a liquor licence. Where there is perhaps overlap—and I think it is only fair to acknowledge that we want to realise more efficiency and economy—is between the planning laws and the liquor laws. You may have conditions as part of a development application but there is not a multiplicity in the liquor environment. There is the Independent Liquor and Gaming Authority, there is Liquor and Gaming NSW and then there is the judiciary.

The Hon. CATHERINE CUSACK: But even within that you are consulting with a number of stakeholders. It could be the police that you are consulting with and there could be a requirement to consult with neighbours. Those people can propose conditions that you then take up and put into the licence. Is that correct?

Mr NEWSON: People that have standing, and certainly the Commissioner of the NSW Police Force would ordinarily have standing, as I think the Committee would agree is appropriate.

The Hon. CATHERINE CUSACK: The point I am making is that the police are not a regulatory agency but what they are saying is in effect being put into regulations. Even though they are not part of the multiplicity of regulators, they are contributing to the regulatory process. If the police said to you, "We really need this condition to be imposed", your agency would take up that recommendation and implement it as a regulation?

Mr NEWSON: The short answer is no. In fact, we met with a number of the senior members of the police hierarchy just last week at deputy commissioner and assistant commissioner level. I do not speak for police but certainly in my view they are a co-regulatory partner in their supervision of their Liquor Act and supervision of gambling. On one view they are a regulator. Not dismissing that they are a law enforcement agency, but they have regulatory roles under the Liquor Act. One of the challenges we have with police is they have a very appropriate focus on public safety.

We had an issue that we discussed at this meeting not too long ago where precisely the circumstances of what you are suggesting arose. Police had advocated for certain prescriptive conditions on a licence. Our view was that, looking at the risk profile of that venue and the antecedents involved, it was not appropriate to impose those licence conditions so we did not impose them. I think that is appropriate. There needs to be a level of attention or opportunity for disagreement between bodies that otherwise work very, very well together. The short answer is no. Anybody that has standing, like the police commissioner, can advocate for conditions on a licence. It does not mean that the regulator will ultimately impose those conditions.

The Hon. CATHERINE CUSACK: It just seems that the process is someone wants to sit down and have a drink and listen to some music, which is kind of a human activity that goes back for thousands of years, and then there is a whiteboard for everyone to have a crack at what the problem is with it. A vexatious neighbour like the Chair is talking about can write to the police and the Environment Protection Authority at no cost to themselves—because they can even cut and paste the same email and off it goes—and generate enormous regulatory angst, if I can put it like that. When I talk about multiplicity, it just seems quite overwhelming in terms of the range of agencies that can have a crack at constraining someone who is just trying to put on a bit of music. Is there a vision to simplify that so that the negotiation does not have to be with so many different agencies and so that there is somebody in the New South Wales Government championing success in terms of getting reasonable approvals through?

Mr NEWSON: Yes. I would separate the liquor licensing decision-making from the noise complaint issue. Focusing on the noise complaint issue, absolutely. We need to acknowledge that there is too much overlap and too much difficulty and too much tension in that environment. As much as it is an isolated person who is vexatious and has a grievance, that does occur. It would be silly not to recognise that. But there are also genuine concerns and complaints from the community that are rightly raised. I would like to acknowledge that yes, in the noise complaint space there is too much overlap and it is in that parcel of activity that we want to get some level of economy, some efficiency and rationalise between planning and liquor because much of the activity around noise complaints happens under planning laws with local consent authorities and the New South Wales police. It is only when it is very, very aggravated and there are very formal requirements that it gets elevated to the Liquor Act.

The Hon. CATHERINE CUSACK: Is that the project that you are looking at this year?

Mr NEWSON: That is one of the many projects that we are looking at this year, absolutely.

The Hon. CATHERINE CUSACK: What can we hope to see in this space?

Mr NEWSON: I do not want to pre-empt. I am being very candid in saying—

The Hon. CATHERINE CUSACK: I hear what you are saying. Everyone is looking at lots of things, and "looking" is a pretty general word. Is it a priority to try to simplify this process and is that what the 2018 project that you talked about will be encompassing?

Mr NEWSON: It is one of many efforts that we are focused on. I will hand over to the Committee at some point our strategic plan and our regulatory priorities. I think that speaks to it rather than me reading it out here. It is certainly one of the activities that we are focused on and where we recognise there can be better alignment between planning and liquor legislation.

The Hon. JOHN GRAHAM: I think Create NSW is going to put in another fuller submission on behalf of the Government and I expect as normal we might invite you back at the end to respond to views that have been put on the table as we go through the inquiry. You will have a right of reply at the end. I wanted to ask you if you wanted to exercise a right of reply to an issue that has appeared in many of the formal submissions, including from people who we will hear from later in the day. They are saying that someone needs to be in charge of this in government. Someone has to coordinate this and drive it through government. You are in charge at the moment. I think you are doing great work elsewhere, but that is the view that is going to be put to the Committee. Is there anything you want to put on the record about that question now? Feel free to come back at the end, but I think it would help the Committee if you had anything you wanted to contribute on that question now.

Ms BRUNSDON: I think who leads on this is really a matter for Government.

The CHAIR: Thank you very much for coming to give evidence this morning. You will have 21 days to respond to questions you have taken on notice. The secretariat will be glad to help you with that. We look forward to the supplementary submission from Create NSW. This concludes your evidence. Thank you very much.

(The witnesses withdrew)

BEN PECHEY, Manager, Planning Policy, Strategic Planning and Urban Design Unit, City of Sydney, affirmed and examined

LISA COLLEY, Manager, Cultural Strategy, Strategy and Urban Analytics, City of Sydney, affirmed and examined

JESS SCULLY, Councillor, City of Sydney, affirmed and examined

The CHAIR: Does anyone have an opening statement they would like to make?

Ms SCULLY: Yes, I do. As representatives of the City of Sydney, we are very pleased to be here today. It is wonderful to see the creative economy being treated with the respect it deserves. This is such an important part of Sydney's economy and Sydney's culture because it has huge impacts and implications for New South Wales. As you would have seen, our submission focuses on regulatory barriers to cultural activity and the reforms that we have proposed at the City of Sydney through our Open and Creative City discussion paper. Today we would like to take you into the rationale behind those reforms and proposals. As local government, our focus really is on the spaces where art, music and culture is created, and where that activity occurs. As it currently stands, there are a lot of different layers of complication and different sorts of impediments to those spaces.

There are barriers that take the form of property prices, which everyone in Australia knows a lot about, planning and regulation, and, of course, how rapidly our urban environment is developing. If you follow the Crane index, Sydney is very high on that ranking because there is so much development going on. Unfortunately, a lot of that development is coming at the cost of creative production spaces. To illustrate that point, I would like to show you a graph, which I will pass around. This work is by Professor David Throsby. Once you have a look at this graph, you will see that we have compared artists' income with property prices over the past two decades. Artists' income rose by 5 per cent, whereas property prices rose by 270 per cent. As such, property prices have fundamentally shaped who can actively participate in our cultural life. This is an issue, of course, that goes beyond the purview of Government, but we need to take it into account as we look at how we can adjust those levers to accommodate what the market is not providing in our cities and in our regional areas.

Professor Throsby has noted that as artists have become older they are more reliant on family income and they are from a narrower demographic. We are seeing that trend across the cultural sector quite broadly. I also mentioned that all cultural spaces have been impacted significantly by urban redevelopment. There are so many. Sydenham to Bankstown is a huge one for us to look at, which is outside the City of Sydney, but the Bays Precinct, Waterloo and Central to Eveleigh. These developments happening in the City of Sydney are going to have a big impact, as well Alexandria and Green Square, and the huge work we have been doing there.

If you look at the recent reports by University of Wollongong and Western Sydney University, they found that rezoning of former manufacturing precincts have reduced space for music rehearsal and artists' studios, as well as creative industries like industry design, fashion and craft. As someone who has worked in the creative industries for 20 years, I never thought I would be so passionate about planning, zoning and land use, but these are things that are impacting where creative work is made, who gets to make creative work and who gets to see and experience creative work. In simple terms, the spaces in which people can make culture have been largely replaced by apartments, which very few creative workers can afford to live in.

It is a real shame to see this tension between the need for affordable housing and the need for productive work space, but that is something that we need to deal with at a State and Federal level. This is evidence of a substantial and ongoing disconnection between cultural and urban planning policies. We would like to highlight three things: the prohibited impact of property prices; the complexity of building, planning and liquor licensing law; and the decline of suitable and affordable building stock. None of these issues has been within the remit of traditional arts policy. It is great we are seeing a focus on planning here and it is great that we see this broader approach. Accordingly, we would like to suggest that the solution is an integration of cultural and planning policies, built on the principle that culture is not a deliverable, but a product of the people of New South Wales and it relies on the removal of barriers to their participation.

The Hon. JOHN GRAHAM: Thank you, Councillor Scully. You have described yourself as a supporter of creatives. I would also say over time you have been a supporter of Create NSW. Do you think that is a fair comment?

Ms SCULLY: Absolutely. There are some really positive moves afoot from the New South Wales Government. The creation of the CIPMO, the Cultural Infrastructure Program Management Office is a great thing. I think Create NSW is doing the best that it can. One of the challenges we have always faced—we heard

about it earlier—they have moved around a lot. They have been shifted from department to department. They are benefiting from having a strong and engaged Minister at the moment, and that is a fantastic development for New South Wales. It is also hard when you have a siloed approach. I think they are constrained by the fact that this is looked at as cultural and arts policy when, really, it is economic policy. It is land use, it is transport.

The Hon. JOHN GRAHAM: That goes to the heart of the problem, does it not?

Ms SCULLY: Absolutely.

The Hon. JOHN GRAHAM: Unless we get Transport, Planning, Police lined up on these issues—

Ms SCULLY: Liquor and Gaming.

The Hon. JOHN GRAHAM: Liquor and Gaming, we are not going to get anywhere. It is difficult for Create to drive that agenda in Government, given everything else they are doing.

Ms SCULLY: Yes. They have got fantastic staff. They are doing the very best that they can, but they are constrained and there is a political component here where you need a policy direction. I hate Sydney versus Melbourne, but hearing the \$22 million that is being invested in contemporary music in Victoria versus what I added up, which is less than a million for contemporary music in New South Wales—that is shameful.

The Hon. JOHN GRAHAM: Yes, and we need a contemporary music plan, do we not? That is one of the basics.

Ms SCULLY: Absolutely.

The Hon. JOHN GRAHAM: Western Australia has managed it, South Australia has managed it. How would that help?

Ms SCULLY: One of the things that would help is establishing that this is a priority, and having a coordinated approach for looking at live music, creative production and the night-time economy. At the moment, what we are seeing, really, is this sort of fragmented approach and while the task force is a welcome step, and I know the City of Sydney has worked closely and collaboratively with the task force—we actioned most of the actions that are within our responsibility—there is only so much they can do when transport is not being provided, when police may not be on the same page.

The Hon. JOHN GRAHAM: Let us come to those specifics that we have heard about this morning. I do not want you to point the finger; I just want you to comment on progress. We have heard this morning no planning law has been changed, probably no new transport and no contemporary music plan, no night-time economy master plan. Without pointing the finger, that progress is not good enough, is it? It is four months overdue already, some of this is even more overdue. We have to do better if we are going to get a result.

Ms SCULLY: We do. I think this is a positive step. To sit in this room, to hear these topics being discussed is a huge step forward. To see it in the media is a huge step forward. What needs to happen now is that this needs to be elevated, ideally to the Department of Premier and Cabinet, for this is to be one of those things that has a cross-government, cross-departmental approach, and that it is looked at not only as a matter of cultural policy but also as economic policy, cities policy. The creative sector is a huge driver of the future economy. If we are looking at Jobs for NSW, for example, nothing is going to drive the future economy like creative production.

The Hon. JOHN GRAHAM: I want to ask some questions specific to the city. I refer to the foot traffic figures that you have for the city of Sydney. You may take this question on notice. Do you have information on the recent foot traffic in various areas of the city? I think we have some discussion in relation to Kings Cross but would be useful to see figures for elsewhere.

Ms SCULLY: We will come back to you with some of that. But what I do know is Newtown, for example, we talk about the lockouts have been a problem and were not well implemented. We could talk all day about that. Lockouts aside, the city is much bigger than that. Greater Sydney is much bigger than that. Newtown, for example, has been a beneficiary, to an extent, of the spill over and the shift. So they have seen a 300 per cent increase in foot traffic in Newtown since the introduction of the lockout laws. They have dealt with it remarkably admirably. What they have done is actually have a local coordinated approach, a really strong local chamber of commerce, and intent for all the venues to police themselves and to act together more effectively, and that has been a great outcome.

But what we need to do as local government then is adjust our trading hours. So we are looking at a development control plan [DCP] for late-night premises at the moment. To give you some indication of the public interest in this, in the past three weeks we have had 7,200 submissions from the public on our late-night

DCP. Now that is just remarkable. That is because people care about where late-night entertainment and culture happens in the city, but they have not been given the entry points to have that conversation. Newtown has changed; Redfern has changed; Green Square, we have 61,000 people moving in.

The Hon. JOHN GRAHAM: I want to ask about a specific piece of information which would be very helpful for the Committee. The City of Sydney produced some figures about how many venues were lost over a decade. In the City of Sydney area we lost 61 per cent of venues up to 2013, I believe. Does the City of Sydney have figures about what has happened since then?

Ms SCULLY: We will take that on notice because there is a lot of work that needs to be done to record that. It is a very tough thing to pin down.

The Hon. JOHN GRAHAM: It would be very helpful for the Committee's consideration.

The Hon. CATHERINE CUSACK: I went to a great exhibition in London on Pink Floyd which talked about the growth of the underground music industry, which is basically that artists had no money and they were going into basements where none of the music was regulated because its music was all new. Everybody has subsequently been regulated to the point where, you would probably have to agree, it is not possible to do that any more today?

Ms SCULLY: Absolutely. People always say that great art comes from constrained circumstances—for example, Manchester in the 1980s and 1990s and many other great examples. But we cannot just keep pushing back onto artists to keep finding those loopholes. What we have to realise here is that there is a kind of a complement, a perfect storm, of economic conditions that are happening that are pushing people not just to Melbourne but to Europe, Asia and other cities where there is a lower cost of living and there is less regulation. If Australia wants to continue to be competitive in the knowledge century and in creative production in particular, it has to adjust some of those levers and take some action that the market is not providing.

I am really pleased that the committee is looking at planning law. It is something that is really important in this context. I know the city has done some really remarkable work on, for example, new uses for old buildings. I would like to talk to you more about that. There is a bit of confusion around the building code and what would be the most useful intervention that the State Government could make and I would love to have some conversations with you about that too.

The Hon. CATHERINE CUSACK: The City of Sydney owns a lot of historic, beautiful buildings.

Ms SCULLY: Yes.

The Hon. CATHERINE CUSACK: Have you been looking at any of those?

Ms SCULLY: The City works constantly on adapting space. If you look at the Eternity Playhouse, for example, which was the old Burton Street tabernacle that has been adapted into the most remarkable venue. We are just about to open the Joynton Avenue Creative Centre, which is one of the most beautiful buildings I have ever seen. It was the former nurse's quarters at the South Sydney hospital. That is now going to be a space for makers, a co-working space, performance rehearsal, you name it. The City of Sydney provides 50 per cent of all of the arts space that is available in the Sydney local government area. We are carrying more than our fair share. With respect, this is something that the State Government does need to step up and also provide space. But it is not just about providing subsidised space from the Government, it is about making sure that we provide the incentives for the private sector to also contribute because the reality is the private sector benefits and developers benefit when there is active, social and creative economies within the neighbourhoods that they create.

The Hon. CATHERINE CUSACK: I refer to events and events management. We have to take care of the safety of the patrons attending those events, I refer particularly to crowd crushing and the death at the Big Day Out concert. Do you have any comments to make in terms of regulating those incredible outdoor festival events that we hold in Sydney?

Ms SCULLY: With my day job hat on, for the past nine years I was the director of Vivid Ideas which is the creative industries component of Vivid Sydney. My day job is as a curator and festival director, so I know about this. I do not think that a lack of regulation is a problem in Sydney and Australia.

The Hon. CATHERINE CUSACK: Would you repeat that?

Ms SCULLY: We have enough regulation. We are probably one of the most over-insured, over-risk managed places in the world.

The Hon. CATHERINE CUSACK: Does that have a suffocating effect?

Ms SCULLY: Absolutely. I think it is there for a reason. Of course it is there for a reason.

The CHAIR: We are in a day and age of terrorism and terrorism threats—

Ms SCULLY: Yes.

The CHAIR: Do you think your comment would line up with those thoughts in place as well?

Ms SCULLY: I know every time you put on an event the thought that goes into it, the management, the coordination with police, particularly when events reach that level where police and all the State agencies work together. I do not think that is a huge challenge. But I think the big challenge here is—

The Hon. CATHERINE CUSACK: I want to interrupt because this really interests me. It is not the fault of even organisers that ISIS has gone rampant in the Middle East.

Ms SCULLY: No.

The Hon. CATHERINE CUSACK: But they have to pay all the costs of public safety that are being generated by something that has got nothing to do with their own festival. In terms of some of those provisions which benefit the public, should they all have to be privately borne by the organiser?

Ms SCULLY: With respect, actually it is the public that is paying for it because the only people who can afford to put on large-scale events are New South Wales government departments. For example, Vivid is put on by Destination NSW. All of the big public events that happen in Sydney and in New South Wales are funded by New South Wales taxpayers. They are the only ones who can afford the project management, the logistics and the huge costs to close roads and block off things and get the police involved.

The CHAIR: Risk averse really is killing our communities?

Ms SCULLY: The only people who can afford to put on culture is from the top down and not the bottom up. This goes right back to our point about where we can afford to have space, who can afford to access that space and what gets made there. That is being crushed and pushed even further. The sorts of industries, the sorts of creative ecologies that we are seeing cannot just be picked up and moved to Eastern Creek or other places, even regional areas, because they are complex networks of inter-connected industries and sectors that take time to evolve organically in place, and contribute much more to their local urban ecologies than can be quantified in a lot of ways. That is why a lot of that research of the University of Wollongong is really interesting.

I think we do need to note that actually a lot of the good things that happen in New South Wales at the moment are because of top-down festival funding which can be really successful. There is great marketing spend and there is great control of logistics. We are not going to see the big risks—we can see the big risks managed, is what I should say. But who produces work for those events? Who comes and performs and exhibits the art and plays the music? We are going to have to start importing them.

The Hon. JOHN GRAHAM: If we could ease up on some of those regulations, from your knowledge of the festival space in particular, would people run events if it is a little easier? Would it let loose a whole lot of creative activity?

Ms SCULLY: One hundred per cent. From a local government perspective, that is the sort of thing we need to see. I worked really well with Destination NSW for nine years. I think that what they do is really solid and really helpful. But because the focus is so much on creating these big events that are about large-scale international attraction, we have not seen any part of the New South Wales Government stimulating local economies and showcasing what is here 24/7, 365 days a year.

Ms COLLEY: I would like to add to that because I think the issue of more permanency is actually a critical issue here. We need to be developing the organisations and the infrastructure that is there, which potentially can provide that stuff on an ongoing basis. You look at organisations like the Fringe. To actually be able to sustain that activity and to have a venue and a location that is there in a consistent way over a period of time is what creates some of those things. We end up being at risk of a kind of festivalisation of our culture, which is that we have these great big bang events, and then we do not have the consistency underneath.

Ms SCULLY: I have just one thing to add to Ms Colley's point. Festivalisation and then pop-up culture—those two things go hand in hand. I love festivals. I worked in them for 20 years. I love pop-ups. I think they really add, but you cannot have a sustainable sector without stability.

The CHAIR: That is true, but it is much more likely to be sustainable in Sydney than it is in rural and regional communities. Like you say, you have one good event, but then you have five without any pedestrianisation and you are virtually sunk. It is a little harder for regional areas that are trying to build their

original art galleries and their regional arts economy, but they are not underwritten long enough to be able to be successful.

Ms COLLEY: That is correct.

Ms SCULLY: To go back to that point about only the Government really being able to fund these big events, it would be fantastic to see some support go to those more local and grassroots experiences and events. We know that in the city of Sydney, for example, we have these fantastic initiatives by local chambers of commerce or local groups who want to, say, make an Eastside Festival or focus on Newtown in some way. That actually does help with bringing tourism and extending stays in New South Wales, for example, but it also helps with people who live here and work here all the time. It is about supporting what is already here.

The CHAIR: It is like local government: it is not one size fits all. That is the issue here. Ms Colley or Mr Pechey, I know we are running out of time, but you have heard a bit of our hearing. Is there anything that either of you wants to add, based on your expert knowledge, before we carry on further?

Ms COLLEY: I think it would be good for Mr Pechey to briefly touch on some of the critical stuff we have been addressing on the regulatory stuff.

The CHAIR: Yes, if that is helpful while you are here. I do not want to waste your time. It is very important.

Mr PECHEY: Some of the work we have been doing is largely captured in our open and creative discussion paper, which is a precursor to a change in our planning controls. We will hopefully be progressing that later this year. There are a few things there. We are looking at reducing red tape and exempt development for small-scale cultural uses. We are changing the way we deal with entertainment noise from music venues to provide more certainty. In particular, we are looking at the agent of change principle in our planning framework which, rather than putting the onus of managing the problem on the person who makes the noise in each circumstance—

The Hon. JOHN GRAHAM: Can you tell us a little bit more about that, because that really goes to the issue raised by the Chair earlier?

The CHAIR: Yes.

Mr PECHEY: Typically we manage noise by saying that the person making the noise or the business making the noise has to bear the costs of managing those impacts. The agent of change takes a different approach and says that we have an existing situation and the person making the change to that situation bears the costs of managing the impacts of that change. If it is a new venue coming into an existing area, they have to manage the noise they create. If it is a new residential building being built in an area that already has light music venues, that residential building needs to be built to protect the new residents from the noise already in the area.

The CHAIR: That is very good.

The Hon. JOHN GRAHAM: That is actually working. That is the case in Victoria at the moment.

Mr PECHEY: That is right. San Francisco also has a similar approach.

Ms COLLEY: Berlin.

Ms SCULLY: Chair, there is just one thing, if Ben could speak to adaptive reuse. We have heard a lot about the Building Code of Australia, which is very important, but my understanding is that it does not actually apply to the kinds of buildings most creative practitioners use, which are existing buildings. One other point is that light industrial uses, such as making jewellery, fashion or even pottery, are things that we are not even allowed to permit in town centres. As you can see, that is kind of nonsensical and also very restrictive on the creative economy.

Mr PECHEY: First, I will address the building code issue. The problem we find there is that artist and creative producers want to use existing buildings. If that use is focused on providing some sort of performance or entertainment, it might be classified as a 9B building, which is a public assembly building. That may involve considerable cost in bringing that up to code. It is possible, but the difficulty is finding a cost-effective solution under the current framework.

In the work that we have done we have tried to do what we can within our current remit, our jurisdiction, but we can only go so far with the building code because, obviously, the implementation is through the New South Wales planning system and the Council of Australian Governments [COAG] oversees the building code across Australia. That is something that government really needs to take up. There are a number of solutions out there. South Australia had a solution. We have a partial solution in New South Wales. There is

also a partial solution in Victoria. We need clarity and certainty in terms of the building code so that small-scale, low-risk cultural uses can take place at a lower cost. That would be beneficial.

Ms SCULLY: And there is also the upgrading of old buildings rather than just the new buildings.

Mr PECHEY: That is right.

Ms SCULLY: One final comment from me is that the New South Wales Government is undertaking so much large-scale urban redevelopment from the Bays Precinct, Sydenham to Bankstown and Redfern-Waterloo being Central to Eveleigh. What is the provision for creative and cultural production in those developments? Is there a plan? Is there some kind of coordinated approach to make sure that we are building in the spaces that we are not going to need for creative production in the future?

The CHAIR: That is a very good thought. On that note, we will conclude this part of the hearing. Thank you for your very helpful information in terms of those grassroots considerations. The Committee will look closely at that.

Ms COLLEY: Certainly, we will provide some of that extra information to you through the questions on notice, but if there is anything else in terms of that that you want to follow up, that is fine.

The CHAIR: In the light of your evidence, which has been very helpful, we may put to you some further questions on notice. You will have 21 days to answer those. Of course the secretariat will be pleased to help you. Thank you very much for your evidence.

Ms COLLEY: Thank you.

Ms SCULLY: Thank you.

(The witnesses withdrew)

LINDA SCOTT, Councillor, Council of the City of Sydney, and President, Local Government NSW, affirmed and examined

MARGARET KAY, Strategy Manager—Social and Community, Local Government NSW, affirmed and examined

The CHAIR: In what capacity are you appearing before the Committee?

Ms SCOTT: I appear in my capacity as the President, Local Government NSW.

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

Ms SCOTT: Local Government NSW is the peak body for all 128 local governments authorities in New South Wales. We advocate on behalf of and provide services to all councils and other local government organisations, such as county councils and regional organisations of councils. We thank the Committee for the opportunity to appear this morning and we welcome the attention that this inquiry has drawn to the arts sector. A vibrant arts and cultural economy, particularly a night-time economy, relies on all parts of the community working together—artists, businesses, local and State governments—not only of course in the Sydney CBD but also in greater Sydney and regional and remote areas.

I note that at least 13 local government authorities have made submissions to this inquiry, many of them outside Sydney. This is clearly a key interest for local government. Today I will highlight four key aspects of our submission that centre on the theme of the submission and our key message for the Committee today. We need an easy-to-do approach to culture. For local government, the four priorities relate to having a master plan with one key agency in which all stakeholders have a clear role; simplifying the State planning approval process so that councils can allow vacant spaces and private spaces to be more easily used for cultural purposes; streamlining regulations to make it easier for councils and businesses to do culture together; and supporting local government to create and to maintain public spaces where culture can thrive.

The local government sector has identified the following top priorities to create a thriving arts and music economy. First, we need a master plan. At the moment there exists no master plan for how the New South Wales Government would like to create an environment in which cultural and night-time economies can thrive. While the Government's night-time economy roundtable has an action plan, it focuses on Sydney's CBD and it does not relate to any overarching strategy. We call for a statewide strategy that engages not only Sydney's CBD but also regional and remote areas to think about how we can do culture across New South Wales. We think that having an overarching plan will make it easier for all involved to work together and to do their bit.

We need both a master plan and a strategic action plan to identify priorities for planning and investment together by local and State governments to demonstrate how investment in the night-time economy will help to reach the Government's target of increasing attendance at cultural venues and events. They should be prepared jointly with local governments and be accountable and publicly reported. Local government applauds the New South Wales Government's \$100 million regional cultural fund, and the overarching strategic plan could assist with decisions about where to invest and to enable other stakeholders, such as venue operators and performers, to plan events and to commit to resources more effectively.

Secondly, we would like to talk about a better use of vacant spaces. Existing planning regulations currently hamper the approval of permanent and temporary spaces. We have seen only today reports of The Basement, which is in the Sydney CBD, threatening to close after 45 years of operation. That will be a devastating loss for Sydney. Definitions of the standard instrument do not allow art space, live performance and cultural activities in as many planning zones as they should be permitted. Councils are seeking reforms to planning legislation to provide more flexibility for the approval of creative uses, such as temporary approval, permanent approval, and for the adaptive reuse of existing buildings.

Reform of planning controls is needed to promote and to protect permanent venues and also to create more temporary venues and spaces. Exempt and complying provisions should enable creative activities to be located in under-utilised spaces with suitable zoning. More flexibility is needed for councils to permit small-scale cultural uses without development application consent where there are very minor impacts. Further flexibility is needed for councils to approve multiuse developments, such as restaurants, which can also accommodate art galleries, live music or market space. I highlight the good examples that local governments have put in place around the State. The former town hall in the Goulburn Mulwaree Council area has been converted into a performing art centre. The Upper Hunter shire is turning an old court into a theatre space. We know that councils across the State are looking to utilise their community venues for temporary cultural

purposes. However, we hear that these projects are difficult and that they often come up against red tape barriers.

Thirdly, we identify a requirement for compliance with State and Federal regulations, including liquor licensing, noise control, and crowd, traffic and emergency management requirements to be simplified. Currently these are overly complicated. The local government sector is calling on the State Government to prioritise the harmonisation and streamlining of regulation across multiple government agencies. We would like to see liquor licensing, building codes and noise regulation addressed in a more coordinated way. That is an easy-to-do culture initiative rolled out to encourage businesses and operators to offer events that bring people to a local area and to support the economies.

I add a footnote: There has been a lot of talk about the need for the concept of a champion—one champion—which we strongly support. As members can imagine and coming from the local government sector, we do not support the naming of this person as a "night mayor"—including because it is a terrible name when put together. We have many esteemed mayors around the State who do not think there is a need for a another mayor.

The fourth and final point relates to supporting local government. We think there is little point in investing in infrastructure if there is no funding to operate and to maintain it. That is particularly an issue for our regional councils. We have venues that could be used, but councils do not have the necessary funding to pay for maintenance. Local councils are the main players in managing local cultural infrastructure. They need support in the form of recurrent funding to manage and to run events, to maintain the infrastructure and to create cultural precincts and place-making within which this infrastructure sits.

New South Wales councils spent \$422 million on recurrent cultural projects in 2015-16 and \$97 million on cultural capital projects. Local government's investment in New South Wales is 33 percent—one-third—of all cultural infrastructure in New South Wales. That is more than any other State spends. I repeat: Local government is making the largest investment of any State in cultural infrastructure. Local government's investment should be nurtured so that even the smallest rural and remote community can have a vibrant cultural economy. With limits on how councils can raise revenue, it is important that efforts made by councils to build cultural facilities are supported.

The CHAIR: Have you completed your opening statement? If not, you can table the rest.

Ms SCOTT: I will table it.

The CHAIR: Members have questions to ask you, and that is why you are here. Page 7 of your submission states that exempt complying provisions should enable creative activities to be located in under-utilised space within suitable zones. Which zones are you suggesting? Are you referring to any particular zonings, or would you leave that up to local environment plans and the local community to determine?

Ms SCOTT: It is more that the zoning is constrained by State regulations at the moment.

The CHAIR: I understand that.

Ms SCOTT: It would be best if councils were allowed the freedom to choose. It is best done at a local level.

The CHAIR: Your submission states that zoning definitions in the standard instrument need to be revised to ensure that art spaces, live performances and cultural activities are permissible in relevant zones. Are you saying that there is nothing in that regard in the standard instruments now?

Ms SCOTT: The standard instruments are often constrained in an unhelpful way and stop cultural activities from occurring.

The CHAIR: In regional and rural areas where they have moved away from manufacturing, the arts economy is incredibly important. That needs to be reflected in that changing economy.

Ms SCOTT: That is right. We would like to see councils given more freedom no matter what the zoning is to explore opportunities for cultural use of vacant buildings, whether they be council or privately owned.

The Hon. CATHERINE CUSACK: How does that help the music industry?

Ms SCOTT: It gives players more choice about where they can perform. It gives more opportunities for councils, particularly in regional areas, to put on a festival with a particular specialisation and to handle a large influx of crowds and performers at a particular time. At the moment that is very difficult to do.

The Hon. CATHERINE CUSACK: Is this the empty building you are talking about?

Ms SCOTT: Yes, it could be an empty building, it could be an art gallery or it could be a range of different premises. It could be a council hall. However, under the current regulations, it is very difficult for councils to do that because the zoning is so restrictive.

The Hon. CATHERINE CUSACK: I really do not understand this. These bands and contemporary musicians need audiences, access to pubs and not to be harassed, and the venues need to be able to put on events. I do not understand this idea that vacant buildings controlled by councils will somehow be a solution to the crisis being experienced.

The Hon. TAYLOR MARTIN: Like a warehouse party.

The CHAIR: These buildings would be fantastic for the pop-up culture that we are in.

Ms SCOTT: Let me give you an example. We were recently in Parkes holding a tourism conference. You would know of their very famous Elvis Festival, which now brings in thousands and thousands of people into Parkes during January. They spoke about having in the first year of the festival some people come into one of the local churches to look at some gospel music. Now over several years it has reached the point where they have 8,000 people coming to that event alone. Parkes does not have a venue for 8,000 people. They are trying to build a stage in their local park to cater for that but it will not cater for much more. They just do not have the room.

Parkes all year round does not need an 8,000-person venue but it does for that period of time. It is a huge economic stimulus for the town. Whether it be a vacant warehouse, whether it be a park or whether it be a regional art gallery or museum, councils need the flexibility to be able to put on these kinds of cultural events bringing money into their areas and great music. At the moment it is very restrictive. The planning controls in New South Wales are very restrictive and stop people from being able to do that.

The CHAIR: We were talking about the fact that obtaining approvals for cultural events can be challenging and about the increased compliance with State and Federal regulations. We were also talking earlier about police expectations in terms of terrorism and other things pretty well killing our community events because community groups cannot absorb the costs. I note that you mentioned streamlining event approvals. Maybe that might help a little bit. What are you suggesting to streamline those approvals?

Ms SCOTT: I think having a single champion to look at the approval process at the moment and try to reform it so it is more streamlined is very important.

The CHAIR: It is going through too many agencies. It really needs someone with their finger on the pulse.

Ms SCOTT: That is right. My own council, the City of Sydney, gets lists each week of the development applications that have come in and the separate liquor applications. Often people are bounced back between the two agencies—and fire. There is a whole long list of things that people need to go through. They often get conflicting consents. We had an example, the Imperial Hotel in Erskineville had about five or six different consents that related to different rooms in the one building. It is an incredibly complicated regulatory set of controls for one venue.

The CHAIR: You could have a dual application to two agencies. One might knock it on the head and the other one might approve it. What would happen then?

Ms SCOTT: Or one might approve it until 5.00 a.m. and another might approve it until 1.00 a.m. I mean literally this is what happens. It is very, very complex and it does not work and the community gets very frustrated because they cannot understand when a pub across the road is actually allowed to operate until. It does not work for anybody. It is too complicated at the moment and needs to be streamlined.

The Hon. JOHN GRAHAM: Thank for your submission, particularly your comments about having a statewide approach and driving this in regional areas. I think you will find the Committee is very supportive of that approach. On page 8 of your submission you talk about two tranches of research that were conducted by Create NSW: mapping Western Sydney and mapping regional New South Wales conducted by SGS Economics and Planning. You have called for those to be released. They sound like the sort of thing that would be helpful for the Committee's consideration. Can you tell us any more about those?

Ms SCOTT: Obviously we believe they should be released because we think it is important that councils can better work with the State Government to plan for what kinds of venues are needed. We think this research would underpin that. Also because councils have done their own research and, frankly, it is just a waste of public money to have everybody doing research that is not in the public eye.

The Hon. JOHN GRAHAM: I want to ask you about progress on the night-time economy task force. We have heard this morning there are no changes yet to any planning law, no transport as of today, no contemporary music plan, and no night-time economy master plan in place. At least four months after the deadline that is not really good enough, is it?

Ms SCOTT: It is disappointing. We would like to see more action. We would also like to see that task force think not just about Sydney but about the whole State.

The Hon. JOHN GRAHAM: The whole point of doing this was to stop this being an inner city discussion and have the discussion about New South Wales.

Ms SCOTT: We would support this task force thinking about the whole of New South Wales and we would like to take part in it as the peak body for all 128 councils across New South Wales.

The Hon. JOHN GRAHAM: I have noted your comments about The Basement and the closure of our oldest music venue. I just want to ask about a couple of other places and the sort of trends you have seen. Another thing that hit the news a couple of months ago was plans for the Ivy. It is not strictly a music venue but it is probably the biggest entertainment precinct in Sydney and there are plans to turn it into a hotel. To look at small venues, one of our best small venues, Play Bar, closed at the end of last year. Have you got any views about those venues?

Ms SCOTT: I think it was referenced by the last speaker. We know that particularly in the city of Sydney we have seen a dramatic decline in the number of venues that are able to be used for music performance. Whenever a music venue closes, be it The Basement or Play Bar, it is getting closer towards the death of live music in Sydney.

The Hon. JOHN GRAHAM: Our oldest music venue, our biggest entertainment precinct and one of our coolest small locations are all closing. This is problem, is it not?

Ms SCOTT: Really it is a problem for so many reasons but critically it is a problem for our street activation in Sydney. If we do not have people coming out onto our streets attending live music and getting out and eating at our restaurants it is a huge economic barrier to us being a global, liveable city.

The Hon. JOHN GRAHAM: The Committee has received submissions that have talked about no mirror balls in venues. We have heard about no dancing and no DJs. At Sydney's radical arts Fringe Festival ukulele lessons on the lawn at 5.30 p.m. on a Monday afternoon are attracting noise complaints. This is getting pretty silly, is it not?

Ms SCOTT: It is quite ridiculous. We at the City of Sydney have looked at changing the onus of proof on our planning controls to explore the option for the venue to make a contribution to noise proofing so that some of those community concerns can be alleviated. But we cannot have a city, indeed we cannot have a State, where you cannot play a ukulele on a lawn or you cannot have a mirror ball turning in a venue.

The Hon. JOHN GRAHAM: Earlier in the day there was some quite interesting evidence from Liquor and Gaming talking about noise regulation being a problem. In regional areas overlapping noise regulation is particularly a problem, is it not, for existing venues? You have referred to some examples of regional difficulties. Have you got any other thoughts on that question?

Ms SCOTT: Often the concern we hear from regional areas is that the councils simply cannot afford to pay for either the new infrastructure for a venue or the maintenance for a venue. I think the Chair earlier made the comment about regional venues not necessarily needing a cultural venue that is open every day for the whole year but that having the ability to transform a vacant venue or a venue used for something else into a venue that can manage a regional festival is fundamentally important for attracting tourism and jobs to regional areas.

The Hon. JOHN GRAHAM: Some of these small regional venues, before you even get to fixing things up, cannot afford to do the sound testing that they might be asked to do. You might have to pay \$20,000 for that sort of sound and acoustic testing by any of the multitude of regulatory agencies that ask you to do it before they even get to the issues you are drawing attention to.

Ms SCOTT: Correct.

The Hon. TAYLOR MARTIN: Councillor Scott, you are on the City of Sydney council. Is that correct?

Ms SCOTT: Yes.

The Hon. TAYLOR MARTIN: I believe the mirror ball example that has been passed around is from the Goro's karaoke bar in Surry Hills. Do you have any detail on why it may be that the Goro's bar cannot have a mirror ball?

Ms SCOTT: I have only seen this reported in the media, but I am disappointed to see that. I understand from the media reports that it has been something that the police have raised concern about. It seems quite ridiculous.

The Hon. TAYLOR MARTIN: That might have been a good question for the Hon. John Graham to ask the City of Sydney, because they were here earlier.

The Hon. JOHN GRAHAM: We are working as a team though.

The Hon. TAYLOR MARTIN: Councillor Scott, you said we need a policy on how we do culture in New South Wales. We heard earlier from Councillor Jess Scully, who is also on the City of Sydney. Councillor Scully asserted it is for the people of New South Wales who create the culture to do that job. Councillor Scully went on to inform the inquiry that her belief is that we are overregulated and over-insured already. Dare I say it, Councillor Scott, instead of a policy to do culture, do we need to look at where policy stands in the way of culture at a local government and State Government level? Your example earlier about changing planning laws to create more local venues is certainly a nod towards deregulation. Are there other areas that you think deregulation can help get out of the way of grassroots culture?

Ms SCOTT: I am here as President of Local Government NSW. It is my job to represent 128 councils, not just to speak on behalf of the City of Sydney. We think there needs to be a statewide policy to better enable councils and the State Government to work together, because we think if 128 councils act autonomously from the State Government we will not get the best public policy outcomes. We definitely think we should be working better together and that an overarching statewide cultural policy would support that. We think that there are regulatory barriers that should be reduced during the approvals processes that are inhibiting the opening of venues, be they permanent or temporary, and that are also leading to the closure of venues, again, be they permanent or temporary, and this is not in the community interest. We think there is a need for a good hard look at the regulations that exist and a more streamlined process that may involve reducing regulation to create a cultural sector that is able to thrive in New South Wales.

The Hon. CATHERINE CUSACK: Can I push back against that idea of one cultural policy for the State? I come from the North Coast, and music is really important to us up there. If we were to have, say, one policy for busking, taking the rules and procedures that you have in the City of Sydney that have, quite frankly, almost eliminated busking and apply that to the North Coast, it would terrify us. Often when people say we should have one policy the most draconian rules float to the top and everybody has to apply. So it becomes a massive regulation, not a deregulation.

Ms SCOTT: I do not support the idea of a statewide policy on busking. That is not what we are talking about. We are talking about having a clear statement across the State from the State Government that supports a thriving cultural centre and some ideas about how State and local governments can work together to achieve those aims. It is very difficult when local councils do their local planning, which they should do, about their area to understand, for example, what kinds of considerations the State would like to see with their regional fund and how they might be successful in applying for that funding. We would like to see a statewide policy about the aspirations we can achieve together so we can better work together.

The Hon. CATHERINE CUSACK: Can I break in? I think our councils do a fantastic job.

Ms SCOTT: They do.

The Hon. CATHERINE CUSACK: And it is locally based. What works for us would not necessarily work in Western Sydney.

Ms SCOTT: Your council does do a fantastic job; all councils do. As I said in my opening address, New South Wales councils contribute 33 per cent of the cultural expenditure in New South Wales. It is significantly more than any other State. In Victoria, councils only spend 26 per cent; in Queensland, 18 per cent; in the Northern Territory, less than one per cent. So councils are doing a great job, and they are financially—via their own infrastructure—propping up the cultural sector in New South Wales. We need more funding, but we need a statewide vision—I am not calling for detail—from the State Government to enable councils to understand what the view is of the State Government and to better work with the State Government to achieve those outcomes.

The Hon. CATHERINE CUSACK: I have one more question relating to regional areas, and feel free to take it on notice. Particularly in the border areas we have enormous clubs and enormous bowling clubs, lots

of poker machines and the clubs are very dominant in respect of food and entertainment. Do you have any comments on the way that has evolved, particularly in coastal destinations? For example, the club in Ballina is very dominant whereas the club in Byron is less dominant and the smaller venues in the pub scene have more of a go at putting on events. If you have one big club in a town, it kind of sucks the—maybe on the other hand it is an opportunity to put events on. Some of them do a great job.

Ms SCOTT: We would probably take that on notice. We can have a talk to the council members and seek their views on those specific examples and get back to you.

The CHAIR: Ms Kay, is there anything we did not cover that you want to make a comment on?

Ms KAY: I would like to point out that Local Government NSW has been working with a number of councils on a night-time economy councils committee and that has really shown the appetite of local government to do more work in this area. Apart from the big metro councils, we have Lake Macquarie and other regional councils that are interested in working with the State Government to develop the night-time economy. There is a real appetite for local government to do more work in this area.

The CHAIR: Certainly in regional and rural areas.

Ms KAY: Yes.

The CHAIR: They will need a hand up because they do not have the resources to do such things.

Ms KAY: Indeed.

The CHAIR: You are to be commended on that. Is there anything else you want to add?

Ms KAY: That is the main point.

The CHAIR: Thank you. As Elvis says in Parkes, thank you very much.

The Hon. CATHERINE CUSACK: Is that still contemporary music?

Ms SCOTT: It is very contemporary.

The CHAIR: It is the very best of music. Thank you for your evidence. We may put some further questions on notice. Subject to that, you have 21 days to answer those questions on notice. The secretariat will help you with that. We thank you for your time today.

Ms SCOTT: Thank you.

(The witnesses withdrew)

(Short adjournment)

TIM LEVINSON, Artist, APRA, affirmed and examined

DEAN ORMSTON, Head of Member Services, APRA AMCOS and incoming Chief Executive Officer, affirmed and examined

DAVE FAULKNER, Musician, Hoodoo Gurus, affirmed and examined

BROOKE McClymont, Artist, The McClymonts, affirmed and examined

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

Mr ORMSTON: Yes. I thank the Committee for the opportunity of presenting today. We made a brief submission to the inquiry in support of the detailed submission made by the Live Music Office. Today I have brought along three highly accomplished and talented New South Wales based songwriters, artists and small businesspeople to join me: Dave Faulkner, songwriter and front man for the Hoodoo Gurus and small businessperson; Brooke McClymont, songwriter, member of The McClymonts and small businessperson; and Tim Levinson, songwriter, artist Urthboy and small businessperson.

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 more than 98,000 songwriter, composer and publisher members, 24 per cent of whom live in New South Wales. We have reciprocal affiliations with similar societies around the world. It is free to join APRA AMCOS and our effectiveness and efficiency are generally summarised and reported in our expenses to revenue ratio which is typically between 12 per cent and 13 per cent. As a key function in supporting our members, we have developed and invested in a number of core programs to support the career life cycle of our members and, importantly, the broader music ecosystem, and that specifically includes the Live Music Office.

I was recently asked if I thought things were getting worse for live music in Sydney and I answered very quickly, "Yes, but not just in Sydney, across the State." Over the weekend, as has already been mentioned today, I became aware of the news that the Basement will close later this week, a venue with a 45 year history. My understanding—and I stand to be corrected—is that the space is to be repurposed by the building owner, AMP Capital. Outside Sydney, just north of Wollongong, the Coalcliff Surf Life Saving Club's primary fundraising vehicle, the Bombie Bar, has held weekly Sunday concerts between 1.00 p.m. and 5.30 p.m. for the past five years, with local and well-known musicians. Noise complaints led to the weekly event moving to monthly and it has now been banned altogether. There are ongoing reports of small venues being subject to heavy handling by liquor licensing police, absent of any relevant context or basis. The prohibition in Kings Cross and Lazy Bones in Marrickville are recent examples I am aware of, and representatives from both those venues are in the room today.

As an example of the total lack of understanding or consideration for musicians as small business people, the Willoughby Council, as part of the forthcoming Vivid Sydney at Chatswood, has invited buskers to perform, which is great, but it is imposing a fee to busk of \$25 on week nights and \$50 on weekends. Helpfully, the invitation notes that collecting donations from the audience is strongly encouraged but with a reminder that they will need to have public liability insurance. I think these examples demonstrate the need for State-based strategic planning and investment, removal of arduous red tape, reduction in regulation and overpolicing by liquor licensing, and the need for greater communication between levels of government and government portfolios and agencies.

At a macro level the contemporary music sector as a whole is doing well. APRA AMCOS revenue collection has grown strongly over the past few years, largely on the back of increases in screening, with 127 per cent increase in licence revenue year on year. Our foreign revenue for the public performance of Australian music overseas has doubled in the past five years to 43 million. However, at a micro or individual music creator and local artist level, the picture can be somewhat different. While more music is being streamed than ever before, for a great many music creators and artists this means micro payments. Getting added to local or international screening playlists is very difficult but essential.

Radio is still a very important part of the marketing and revenue mix for career artists, and compliance with radio quotas to ensure Australian artists get a chance to be heard is very important, and an issue we are dealing with now. Opportunities to perform live have become fewer with fewer venues presenting regular live music. In some cases venues have moved to a venue for hire effectively oncosting costs to the performing artists. Of course, there is the ongoing undermining of creators' rights which I recognise is not the purview of this inquiry. For many of our members the ability to perform live is a critical part of the revenue mix. At the heart of the music industry ecosystem is the song, "No song, no music industry". Essentially the industry can be

considered in terms of music creation and music performance or distribution, and live performance is at the nexus of the music industry bridging creation and distribution.

We set up the Live Music Office in 2013 to look at the State-based regulatory barriers to presenting venue-based live music. Initially the Live Music Office was co-funded by APRA AMCOS with the Federal Government and the Australia Council. At the moment, other than APRA AMCOS funding, the Live Music Office has no other funding and is awaiting the outcome of an Australia Council grant application. Over the past five years the Live Music Office has not only worked on regulatory issues but also improving the opportunities to present live music. Eighteen months ago, with the assistance of New South Wales Government funding through Create NSW, we established the Live and Local initiative which specifically looked at educating and facilitating councils in Western Sydney to present live music events. It has been so successful that we have received repeat funding and widened the initiative to regional New South Wales.

In summary, we think the New South Wales Government must develop and invest substantially in a State-based contemporary music strategy, recognising both cultural and economic priorities. There needs to be a plan for growth and sustainability. There needs to be a champion in government to ensure that there is regulatory streaming and red tape reduction, and there needs to be cross-government and agency collaboration and cooperation. Specifically, we think there needs to be the development of a night-time economy master plan for not only Sydney but also other larger regional centres.

The Hon. JOHN GRAHAM: I think you have captured both the good news and the bad news in your opening statement. The contradiction is that exports and streaming are going well but we have issues with the local music scene and local performances. From your experience in this country and internationally does Sydney and New South Wales have a problem at the moment?

Mr ORMSTON: Absolutely. You can look at it on a number of fronts but even if you are just reading the media and listening to our community there is fatigue generally in the sector. I think people have tried for a long time, despite the regulatory and funding context. When you hear the individual stories of people putting their own money into starting a live music venue only to be confronted by what can be described as draconian regulation and enforcement of that regulation, it is no surprise that people give up. I think individual artists are constantly seeing the potential for them to make a living chipped away and eroded. You seldom meet artists now who can really make any sort of substantive living out of their career. So that is not good for us economically or culturally.

The Hon. JOHN GRAHAM: Dave Faulkner, you lead the Hoodoo Gurus but you were also the lead singer of the Perth band The Victims, which I should put on the record.

Mr FAULKNER: Absolutely.

The Hon. JOHN GRAHAM: How does the scene differ now to when you were coming through? Please provide us with a picture.

Mr FAULKNER: First, as an overview, musicians worldwide make more money out of playing live than they do out of recordings and other exploitations of their work. So even for the Rolling Stones or Adele playing live is where they make the majority of their money. The musicians lower down the tree, of course, that is the way they make their living, not just a lot of money. Very few of us get to make a sustainable living out of playing music alone. I am one of the few in Australia who has succeeded in doing that, and for a long time. Again even a vanishingly small number of people can do that. When we began there was a much healthier live scene in Sydney, of course. Factors were different for a lot of reasons but we could play seven nights a week to large crowds.

When we formed the band we were very much against the grain of what was popular music on radio at that time, and commercial record companies. We were not playing electro pop music like Human League and people like that; we were playing rock and roll on guitars and that was very out of fashion. However, we managed to attract fans. We would go out and play in other venues where we would support a better known act or someone who was popular locally and in a sense we gained their fans because we impressed their fans and they would come and see us play later on when we headlined that venue after playing there a number of times in support.

We built up our following gradually—a bit like door-to-door sales people—and eventually got to the point where radio, who hated us and the music we played because it was not what they liked, started to find that we were actually acceptable. When they would ring people and play a bit of music down the telephone and say, "What do you think of this song for radio?"—they would play 10 songs, 30 seconds each—they would hear something they recognised out of Hoodoo Gurus from having seen us. We started getting yeses more and more to the point where radio suddenly would allow us to be on their airwaves. Of course, now I have a career today.

The Hon. JOHN GRAHAM: Would that sort of journey be possible today at this stage of Sydney's music scene?

Ms McCLYMONT: Not at all, not at all. There are a lot of factors at play but there are no venues for us to do that anymore. That just does not exist so we cannot go and spread that word as we did door to door. Secondly, radio is even more hostile today than it was back then. As we heard just this week, there was a report of radio failing to meet its obligation under the conditions of its licence to play 25 per cent local content. Some of our major radio stations are playing only 11 per cent or 7 per cent. All of those stations—commercial stations that deplore something like triple j, which rates really highly in the very same marketplace playing 50 per cent Australian music and which is often beating them in timeslots that are very crucial to them, such as breakfast—rely on triple j to break us because they will not play an Australian artist before triple j already has made it acceptable to the air stations. There are a lot of obstacles to anyone having a breakthrough and a career in Australia, unless you happen to be, for example, a triple j style of artist, in which case you will get to a certain point. But for an Adele or an Ed Sheeran it is not possible.

The Hon. JOHN GRAHAM: On the question of venues, I must ask you about the latest news about potentially losing the Basement, which is our oldest licensed music venue. That is a devastating blow if it happens, is it not?

Mr FAULKNER: Absolutely, of course.

The Hon. JOHN GRAHAM: This is where Prince, Dizzy Gillespie, De La Soul and Ben Harper, who had a fantastic gig there, all played. It has been an institution in Sydney.

Mr FAULKNER: Absolutely, and that represents a microcosm of what is happening around the State and around the city. The city is dying as a cultural place. It is becoming empty of culture. When people come to Sydney they do not just go to see the Opera House and the Harbour Bridge. They also go to have a night out and to see music acts. That is what I do when I go to London or to New York. To have a city like London without Soho or New York without Times Square is ridiculous, but Sydney has been doing everything it can to destroy all those places of entertainment and turn them into apartment buildings.

The Hon. JOHN GRAHAM: We might hear from the other artists, if they want to jump in.

The CHAIR: I was going to ask the same question. We want to hear from the artists. David Faulkner has just given us his experience, which has been great, but maybe Tim Levinson and Brooke McClymont will tell us about their world and their experience. What I am more interested in is not just Sydney but the rural and regional side. If you can tell me if there is a difference in the red tape or complications of doing your arts in regional areas in New South Wales, I will be interested in that too.

Ms McCLYMONT: Yes, sure. That is actually great because I have written it down.

The CHAIR: Great. I asked that Dorothy Dixier just for you.

Ms McCLYMONT: Thank you. I am a third of a group with the McClymonts. We are into country music. That is our genre. But at the same time, we are supporting all music and everyone in Australian music. I am not only with my sisters, Sam and Molly, but also I am one half of a duo that I have just started with my husband, Adam Eckersley. I was born and raised in Grafton in northern New South Wales. I was signed to Universal Music and EMI Music Publishing in 1999. It is not called EMI Music Publishing anymore. It has changed to Sony/ATV. That is how old I am. I am very proud to say that I have made a living solely from writing, recording, producing and performing music since then.

There were two major factors that helped us get started and build a live fan base. One was the abundance of country music clubs throughout New South Wales that held weekly talent contests. We would travel throughout New South Wales and Queensland to compete in those competitions on mum and dad's hard-earned money. These clubs are largely gone now as attendances have dwindled and venues moved away from supporting live music. The other important factor was a lucky break we got in 2006 and 2007 when we were invited to support Lee Kernaghan on a major national tour. We were on the road with Lee for about 18 months, sometimes performing four or five shows per week. Vital opportunities such as those are non-existent. Like Dave Faulkner said before, there is no way of supporting acts or new artists to come through and do that anymore because there are just not enough places in which to play for people coming out.

At any given live performance, our business supports my sisters and me along with our manager, three band members, one or two production crew, a publicist, a booking agent, a promoter, a support act, and then there are other venue staff. We generally perform 30 to 40 shows per year with the McClymonts, which was mostly limited to weekends. Between 2008 and 2011 we were performing 80 to 100 shows per year. Unfortunately, it is now almost impossible to perform outside of Friday and Saturday nights as the risk of not

achieving attendance requirements is just too great. While we were lucky and we can still make a living from now doing only 30 or 40 shows per year, the flow-on effect is that the emerging artists, like we once were, are not getting the chance to do a 100-plus State tour as a support act, like we did, and build an audience.

I am very concerned that without those opportunities it will be almost impossible for new acts to break through in country music. That is all I can talk about and speak on behalf of, but I am also concerned about the cultural impact on the community. I have seen the positive effects of people coming together to enjoy music and this must be preserved. In conclusion, I have been on the road for years. I have seen the effects that music has on people. I have been involved in an amazing scene for years and have made a career out of it. It is incredibly important that Australian music is given a chance to survive and artists are able to continue to create and make it a living. This is my only job. It is not only us who need it but the general community needs it. Appropriate funding is an essential element of this along with legislation to protect and support the venues that help us deliver our music to the community. The End.

The CHAIR: We will probably have some further questions for you.

Ms McClymont: No worries.

The CHAIR: I want Time Levinson to place on the record his experience.

Mr LEVINSON: If you are talking about the situation in Sydney and the dire nature of venues supporting live music, it is just amplified whenever you go out into the suburbs or regionally because traditionally the city is where people come out to see a gig. They will come to town for the night. That is not the way it has always been. If there is trouble in the city, it is much worse elsewhere. I guess that is the simplest way of getting to the question that you are asking. I have been involved in music for 20 years. We have been running a label. We are artists. We have toured artists. We have reinvested in artists. We continuously take the successes of some artists and pour them into the careers of others. That has produced one act called Hermitude, who have spent 10 years just plying their trade until they cracked through and became an international act.

An example that goes to your question is another artist, who we recently signed three years ago, so I guess this is 16 years down the line, B Wise. One of the things that attracted his career to our label was the fact that he is a doer. He is an entrepreneur. He is an artist that goes and gets things happening. He comes from south-west Sydney. He and his friends when they were teenagers and in their early twenties would create events. They would not do things the right way. They would hire a town hall. They would not have security. They were just create something because there are a lot of young people out there who want to do things. He has got to the point with his career that there is nothing viable out in Western Sydney, so the only way he can do things is to come to the city, get a studio, tour from here, and try to springboard elsewhere.

The disconnect between the suburbs and the city is so profound that you do not even really want to talk about the disconnect between regional New South Wales and the suburbs, let alone the city. We are talking about people who make music and tour in music who just do not have any links there, unless they are moving here. We are dealing with the fact that the Basement has gone, the Hopetoun has gone, the Gaelic Club does not do music, and the Annandale does not do music.

One of the most important things to keep in mind here is that already musicians and venue owners are kind of on their own. We do not have superannuation. We do not have award wages. We do not have holiday pay. We do not have maternity leave. We do not have any job security whatsoever. We are talking about people who are always very close to the border when it comes to mental health issues. The suicide rates for artists are ridiculously high because you are dealing with all the anxiety that comes with such a lack of any kind of future career like Dave Faulkner was talking about. He is almost like the 1 per cent when it comes to professional musicians, yet he is a guy who has committed his whole life and understands the industry from the bottom to the top.

We are dealing with the fact that if venue owners are put under pressure and they do not get the support they need, that is passed down to these musicians, who are struggling even to ply their trade. Of course, they are not full-time musicians; we are all part-time musicians. We tour internationally and we are still holding down coffee jobs or doing whatever will allow us to keep writing the stories that make up Australian culture. I hope that is just as rich in 2020 as it was in 2000 or 1980 and that those threads link through. That will not happen if venue owners are thrown under the bus and if we do not have some advocacy to protect some of these people who are trying to be the vehicle for our culture. We must help them to stay alive in the city and in the State.

The Hon. CATHERINE CUSACK: I would like to ask Ms McClymont a question. I was at the Grafton Base Hospital centenary celebrations and you performed at the ball. Thank you for that. It was the pride of the Clarence and it was fantastic for the community. I want to emphasise how much this means to local communities and how much is given back. You mentioned the tour with Lee Kernaghan. These are artists

mentoring and bringing on other artists. Would you like to talk about people supporting each other and giving back to the industry? It is beyond the music; it is really powerful for communities.

Ms McCLYMONT: It is. Lee Kernaghan did that for us and put us on. We are at the stage where we want to promote emerging artists and give something to them so that they can be creative. They are singing in pubs—which is fine; it is a great way to make a living—but there is a big gap between that and being recognised as an artist. People need to have chance to sing their original music and to be like us. We are giving young acts the opportunity to keep doing that. Again, it is not much money. We do not have much money to give a support act, but we are exposing them to a few hundred people on a weekend. That is what we do; that is our job. If we love it, we do it. That is my mentality.

We do it because we are creative. Giving back to them is a huge way to encourage them to keep creating and writing music. You either sing in pubs or you work in another job to keep being creative and to keep writing until you get your big break and are a support act. As far as giving back to the community is concerned, we will sing for Grafton and for many charities. Obviously there is no money involved. The plumber gets paid, the electrician gets paid, and the sound guys get paid, but we do not. People seem to think we should just do it. Some Australians seem to think we do this for fun. No, this is my job; this is what pays my bills. I do not get paid to sit at home writing my songs; that is something I have to do on my own time. Of course you give back to the community.

However, I think the Australian mentality about musos should change; we are serious and this is our job. It is not all about the drinking and the rock-and-roll lifestyle. That is part of it and it is fun, but at the same time we need to get Australia behind us. People must realise that they need to pay for music when they go out. Even if it is a \$10 cover charge, we all need to get behind music as a whole and start respecting the industry. It is a great industry and we have great artists. We must change the way we see it. Music is not free. We all need it in our lives and it is really good to give back to the community in that way. If the soundtrack of our lives was dead, it would be boring. It is really important and I do not think a lot of people realise that. I hope I answered the question.

Mr FAULKNER: Besides music being artistic and culturally necessary, it is vital to a community that we enjoy something together rather than be locked in our house with the internet and a TV. It also should not be forgotten that music is a huge industry. An enormous amount is generated by giant touring concerts by Ed Sheeran or whoever in terms of employment. There are also the weekly pub, tavern and surf club gigs. They generate enormous economic activity. An Ernst and Young study done a few years ago indicated that New South Wales has 33 per cent of the music economy. It is a vital industry, but it is treated as a very poor relation by the Government and by councils. As I said, we are akin to sex workers; that is, we are to be shunned. We can do what we do but they do not want to help us; in fact, they probably hinder us because they see us as a bit of a nuisance. We employ so many people and we generate huge amounts for the economy, but we are treated very badly. The Government will spend billions of dollars building stadiums for professional sporting teams, but it spends lots of money trying to stop us doing what we do to create jobs. It drives me crazy.

The Hon. SHAYNE MALLARD: Mr Levinson, you referred to venue owners being put under pressure and being thrown under the bus. I think that will be a common theme in this inquiry. Do you want to expand on that? I welcome comments from other witnesses about venue owners being under pressure and being thrown under the bus. Who is throwing you under the bus?

Mr LEVINSON: I point out that I am not a venue owner. One of the conversations we were having before was about a venue in Marrickville called Lazy Bones. The area is exploding as far as young people are concerned. Marrickville needs to change as the suburbs changes. A venue like Lazy Bones presents an opportunity for a lot of live music performances. I get the feeling that the problem is that they are creating these opportunities not far from residential land. There may be noise complaints. I am speaking a little out of line here, but they are getting visits from the police. That in turn changes the nature of the business. They ask themselves what they can do at the venue on a Friday or Saturday night. What can they drive here and do they have to scale it back?

I will provide an example of some friends of ours who have been holding events around the country. They are subcontracting the venues, creating their events around the country and moving on. They have chased around Sydney looking for a venue that will support what is a really successful event. A huge number of people are attending these events, and they are bringing in a bunch of artists to these suburbs and venues. But because of the nature of the exits at the end of the night when people are leaving the venues after having a few drinks and they are in a residential area, the police are putting pressure on the venue to deal with that. It is about having a little bit of foresight to work with the council to address this problem. They will get to 11.00 p.m. and

there will be an issue in dealing with respecting the local residents while also driving the economy and creating cultural opportunities.

There has been no conversation, so the police are called in to apply a bandaid. The venue is running out of ideas because they are getting visits from the police. That is what I mean by pressure. Surely we can talk about this and create a safe way for people to experience a bit of fun while also being mindful of the fact that it is a densely populated residential area. We have a lot of people living in these areas now and there must be another way.

Mr ORMSTON: I would like to make a supportive comment. It feels like the context is combative rather than strategically developmental, nurturing or collaborative. Unless there is a serious State Government strategy to address this issue across the board—that is, people operating in silos—the messaging is lost across agencies and departments. That is a great example of how that is panning out.

The CHAIR: Time has expired. I declare that my dad was a great Slim Dusty fan. One of the inheritances he left me was a good bottle of wine signed by Slim Dusty himself. It sits in my cupboard as a hidden treasure. We know your time is very valuable but your testimony is incredibly important here. In light of your evidence, we may put some further questions to you. The secretariat will help you with that and you will have 21 days to answer those questions. It is extremely important that we hear from you. You are the grassroots and understand what it takes to get where you are. I am sure many other bands would be appreciative of what you have done today.

Mr FAULKNER: Thank you for listening to us today, too.

(The witnesses withdrew)

JULIAN KNOWLES, Chair, MusicNSW, affirmed and examined

EMILY COLLINS, Managing Director, MusicNSW, affirmed and examined

Mr KNOWLES: MusicNSW is the State peak body for contemporary music in New South Wales. I am also a professor of music at Macquarie University and have been a recording and performing artist for about 30 years.

The CHAIR: Thank you. Would either of you like to make an opening statement?

Ms COLLINS: Thank you for the opportunity to present to the Committee today. Both Julian Knowles and I really appreciate being invited to speak and be heard on this very important issue. We are very optimistic. The fact that this inquiry is taking place is heartening. We look forward to working closely with the State Government on these issues. MusicNSW is the State body for contemporary music. We are funded by Create NSW to deliver programs, projects and initiatives, to administer funding and to provide advice and support for musicians and the music industry. We receive \$355,000 a year from Create NSW and an extra \$100,000 to devolve for various programming initiatives. The funding that we receive covers program staffing and administration costs. Our programs are focused on professional and skills development, workshops, industry talks and youth programs. We are a tiny organisation. We have 2½ staff, including myself.

In the past four years we have seen a huge shift in the New South Wales contemporary music industry. The reputation of New South Wales as a creative, safe, viable, sustainable and thriving music community has taken a hit. The narrative being propagated and absorbed is alarming—Sydney is dying, there is nothing going on, it is all too hard. This narrative is having a devastating impact on the industry. Business confidence is low. Creative confidence is low. Morale is low. For an industry that brings in an estimated \$3.6 billion to the State economy and over 23,000 jobs it has been heartbreaking to witness the closing of venues, the erosion of performance opportunities and the migration of industry professionals and artists to other States that are more supportive of their careers and more affordable. What used to be seen as a hard slog is now seen as a near impossible battle.

While the statistics around reductions in violence from the lockout laws are significant, the fact is the music industry has been adversely affected by this blanket regulatory approach and as yet little has been done on a State level to curb the detrimental impacts on our creative community. The impact of the narrative borne out of the lockouts has spread far beyond Kings Cross, the central business district and Sydney. The State Government now has an excellent opportunity to invest in the passionate community of venues, artists, labels, festivals, promoters and fans who make up our industry. We are resilient, we are still here and support will see incredible returns for New South Wales.

We need a contemporary music plan to get the industry back on track. We need better regulation policy to support our venues, particularly small to mediums, and to streamline the currently complex and punitive regulatory environment. We need strategic programs that promote industry, audience and artistic development, we need support for emerging and big career musicians, we need support for regional music communities and artists, and we need to increase access to live music for young people. Without significant support and investment we are worried for the future of music in New South Wales. A lack of action on this will not impact just the music community; it will impact New South Wales as a whole. It will shape how we perceive the quality of our lives. It will shape our decisions around where we choose to live. It will impact the reasons why people visit and it will shape our reputation as a State.

The CHAIR: I note in your submission in response to the terms of reference the first point says that little or no visible progress has been communicated to the music sector or roundtable members about the Night-Time Economy Roundtable Action Plan. Do you want to make a comment on that? What is your understanding of where it is up to?

Ms COLLINS: As I said in the submission, our understanding so far is that not a lot has happened. We have not been communicated to about the progress. We have had one consultation with Create NSW on the progress of that and that was very early in the piece. As far as we are concerned, until we are notified otherwise we have not really seen any progress and our consultation has been very brief.

The CHAIR: The second point says that a contemporary music plan for New South Wales is essential to bring New South Wales into line with other States. What is New South Wales not doing that the other States are doing?

Ms COLLINS: We are not strategically investing in our industry and we do not have a contemporary music plan that really has a stated set of priorities or strategies to approach those priorities.

The CHAIR: For the layman, what exactly is the definition of contemporary music? Let us get a feeling for what it is so that everyone is on the same page.

Ms COLLINS: We define it fairly broadly as music that is being created and written now. It is a very broad inclusion of genres but it is about music that is happening now, created now, performed now.

The CHAIR: Elvis does not fit into that?

Ms COLLINS: Don't get me started on Elvis. I love Elvis.

The Hon. JOHN GRAHAM: Thank you for your submission. It captures some of the good news and vitality that is out there. We are actually doing very well internationally in some ways but you are raising some real concerns about the local music scene. What would a contemporary music plan allow? What do you think that would help with?

Ms COLLINS: I think in any kind of strategic vision for any industry what you are really doing is identifying priorities. Through a contemporary music plan process the State Government would be able to identify priorities, whether it is a focus on export or making sure that there is a really thriving ecosystem and looking at all tiers of that ecosystem. I guess it is about identifying the areas that we can focus on.

The Hon. JOHN GRAHAM: This is a complex area. Without that plan it is pretty hard to get started, is it not?

Ms COLLINS: Exactly, and it is such a diverse ecosystem. There are so many different players and operators within that space. Whether it is an independent artist or a record label that has incredible international exposure, it is really so diverse and you cannot actually say, "This is the music industry." It is so broad.

The Hon. JOHN GRAHAM: The other States have got them. This is now in place around the country. It is not the case in New South Wales, is it?

Mr KNOWLES: No.

Ms COLLINS: No.

Mr KNOWLES: If I can add something to that, it is about identifying the kind of chain of support that exists for artists for them to develop, to have opportunities to perform their music. One thing that is not often talked about with live venue infrastructure, we have heard about the economic side of that in respect of it is a vital way for musicians to develop sustainable livings, but the other thing is that it allows people to refine their craft and their live act. It is no surprise that if you look back through the history of successful bands from Sydney or from any State, there has been a thriving music scene and being able to play five or six times a week hones your live act to a high level. Rather famously, if you look at what Midnight Oil said about their early days in Sydney, they could play six times a week and develop an incredible live show as a result of that, but they had the venue infrastructure. It is not just a question of, yes, it is about the living you are making and the viability of that but also about developing your craft to be excellent.

The Hon. JOHN GRAHAM: Has that time gone or is it possible to have that in Sydney in New South Wales?

Ms COLLINS: It is possible to have it. Look at Melbourne. It is possible.

Mr KNOWLES: Look at Queensland, look at Brisbane. There has been a commitment in the city of Brisbane to have a music and entertainment precinct. That is one regulatory way to do it and venues are supported. You could probably play more frequently in Brisbane than you could in Sydney, if you were an emerging act, and I think that is ridiculous.

The Hon. JOHN GRAHAM: The issue that was touched on in the previous session was commercial FM radio playing Aussie artists essentially in the dead of the night to get their quotas. Have you got any views about how important that is to the music scene?

Ms COLLINS: We do a lot of work in regional New South Wales and often we will take an emerging or mid-career New South Wales artist on the road and it is almost impossible to sell tickets for an unknown band in a foreign town these days. Trying to get them on radio so that people know their music is really hard. Radio plays a really crucial part in that ecosystem and allows artists to go to new places and be supported by fans from that town. At the moment, community radio is doing an incredible job, but we would love to see commercial radio follow.

The Hon. JOHN GRAHAM: That is a good lead into the last issue I wanted to raise, which is about touring. The situation you are describing is that touring is becoming incredibly important to be able to live and

afford to play music. One view that is being put is that we are really at risk of losing some of the key touring circuit out of New South Wales, skipping towns like Newcastle. The view has even been put of skipping Sydney in favour of Canberra. What is going on with the touring circuit?

Ms COLLINS: I would say that that change has already happened. The touring circuit in New South Wales is really struggling.

The Hon. JOHN GRAHAM: That was the backbone of all those bands.

Ms COLLINS: Absolutely. It was not just about playing one gig in Sydney; it was about playing multiple gigs in Sydney on your way to Wollongong and then on your way to Canberra via Goulburn.

The Hon. JOHN GRAHAM: Maybe a country town or two.

Ms COLLINS: Yes, and there are other factors that play into that such as low-cost airlines, affordability of housing and petrol, all those things that play into the general economics behind an artist. Their fees have not gone up but their costs have, so playing lots of shows is less affordable.

Mr KNOWLES: There is the artist side of that and then the audience side. With the decline of the touring network, you are also depriving regional audiences of the opportunity to hear current and original Australian music being played, so they are left with commercial networks. It is an ecological issue. It is about putting this music in front of audiences as well as the opportunity for these people to play.

The Hon. JOHN GRAHAM: It would be quite incredible if Canberra was on the touring circuit and Sydney was not. That would be unbelievable, would it not, if that is where it got to?

Ms COLLINS: It would be unbelievable, yes. Newcastle and Wollongong are very fast overtaking Sydney in respect of playability.

The Hon. CATHERINE CUSACK: I want to ask you about the modern music scenes. People like me grew up with the Paradise Room, Gordon Pavilion, lots of bands playing on campus. There was no crowd control and we could drink, smoke, dance and party. It was a lot of fun.

Ms COLLINS: It sounds fun.

The Hon. CATHERINE CUSACK: There are lots of rules now. Sitting theatre style watching live music is not the same in my opinion. I want to hear from you about how technology has changed music and the role of DJs. I did not see that happening, but now DJs are famous as artists and that must be having an impact on the live music scene. I am saying this as a person who is no longer a young person, so to have insight into that would be helpful.

Ms COLLINS: I think the technological age has really changed the face of music and the way people engage with it. DJs and electronic musicians are live musicians. They are often not included in these conversations, but they make up a huge part of our industry, particularly in Sydney. In general, the way people see music is changing, but they still want to go out. Your question is about what happens now.

The Hon. CATHERINE CUSACK: The nature of contemporary music. The role of the album has changed. For example, to know the full story you would play the whole side. Nobody does that anymore; it is all your favourite songs cobbled together and technology makes that very easy to do. We could never have—

Ms COLLINS: There has been a change.

Mr KNOWLES: I am old enough to speak to that question too; I played my first gig in Sydney when I was 14. In my lifetime, from our lifetime, the big changes I have seen is a decline in venue infrastructure. You could play four to five times in Sydney, as Dave Faulkner was saying. Maybe in the late eighties it was not a problem and there was venue infrastructure available at each level, from almost your first show to quite mature and larger rooms. Then the rules changed. Introducing poker machines had a huge effect.

The Hon. CATHERINE CUSACK: Sorry to interrupt you, but I am focusing on the demand for music. This is all about demand.

Mr KNOWLES: From a venue operator, it is the chicken or the egg. If you are not putting music on you are not developing audiences. The more venues that tip over to offering poker machines as entertainment to their clientele, the less you are developing audiences for live music. It is difficult to separate out the two. It is an ecological view. Likewise, with new technologies and streaming, we have heard that there are new challenges for musicians now because, in a sense, the big influences are often the big streaming networks that are globally run and Australian artists have to get in that pocket somehow. There is still no substitute for developing a huge groundswell through a live show. This is the other way that people develop an audience: they play a lot, they

have a fantastic live show and they pull audiences to that. That baseline has not changed, although there are other ways in which people get notice from that. That has not gone. The difficulty is that to be able to play enough, as Dave Faulkner was describing earlier, there is an incremental process of winning audiences over and playing in bigger and bigger rooms until networks and bigger stakeholders take an interest in you and start to back you. That little pipeline that goes from the modest end through to very large venues is not a very clear pipeline now locally and that is a structural problem that we have.

The CHAIR: Do you have any evidence suggesting that gaming machines changed the goalposts on the matter of live artists? I imagine one brings you money and the other one you have to pay out, even though it brings you clientele?

The Hon. CATHERINE CUSACK: Can I suggest you broaden that to gambling, because you can watch the big screens with live gambling in pubs. They can do that for 24 hours.

The CHAIR: It sounds like that is a game changer.

Ms COLLINS: I am fairly sure there is evidence. We will take it on notice and get back to you.

The CHAIR: That would be helpful for us to note because we are trying to see what the change has been and where it was. That makes a lot of sense.

Mr KNOWLES: Anecdotally, when venues close what often takes over is the band rooms are replaced by rooms full of poker machines. Everyone has seen that.

The Hon. CATHERINE CUSACK: Which operate all day from 10 a.m. until midnight.

Mr KNOWLES: Exactly. There are probably less police issues and revenue is pretty good. So venue operators and pub owners probably see it as an attractive option.

The Hon. TAYLOR MARTIN: We heard from witnesses earlier, including Brooke McClymont, about the reluctance of Australians to pay for music. It is there; it is like air. They do not assign a value to it. Is that a topic Music NSW has engaged with at all?

Ms COLLINS: We often talk about the value of music and part of our policy is that we rarely do free events. We struggle with the idea of free events because you are training audiences to not pay.

The Hon. TAYLOR MARTIN: You should have signed a value—

Ms COLLINS: Yes, so we do a regional tour around New South Wales because the Indent tour had its last show in Byron Bay last night. That is paid gig. Even though it is for young people, and we are trying to encourage young people to come out, what we want is them to be prepared to pay \$10 to enter and see a band that they love. That is a shift that we are trying to facilitate and I think it is a broader industry—it is not just Sydney or New South Wales, it is an industry wide fairly global thing where we want to encourage people to pay for music.

The Hon. SHAYNE MALLARD: Does the revenue raised last night go to the performers or to the venue?

Ms COLLINS: No, we facilitate the tour so we take the profit and pay it back to the artists.

The Hon. SHAYNE MALLARD: And the venue is anticipating per head alcohol sales—

Ms COLLINS: No, it is an all ages tour so it is drug and alcohol free for that particular one, but normally venues would take a cut. There are many different schemes for which venues get paid whether it is a set fee or figure per head, it depends on how they have set it up.

The Hon. TAYLOR MARTIN: MusicNSW submission suggests implementing a better regulation policy that specifically supports particular venues and festival events. Will you explain what regulations you would like to see changed or removed that would assist?

Ms COLLINS: I think it is more about the complex environment that they are entering so it is not specifically one regulation.

The Hon. TAYLOR MARTIN: Simplification.

Ms COLLINS: It is about simplification. So rather than having many different regulatory bodies and then having to deal with police, even once you have got that licensing, it is about making that whole process less complex so that we can actually foster development.

The Hon. SHAYNE MALLARD: The committee has heard that audiences of live music have declined for many different reasons—venues and structures—but to satisfy their appetite where are the consumers of live music moving to? Are they moving to Facebook, Foxtel—

The Hon. JOHN GRAHAM: Melbourne.

The Hon. SHAYNE MALLARD: We have got a massive population growth.

Ms COLLINS: I think if you look at streaming rates you will see that there is a huge appetite for music consumption; it is just changing in the way—young people are huge users of streaming services, and how that translates to a live performance or a community event instead of just a solo engagement in a technology, that is something that we are looking at. But there is definitely a demand. There is no drop in the love of music of people. I think the Australia Council put out a study which referenced the participation rates in music and it was so high I did not include it because it was 100 per cent saturation. That is how much people engage in music.

The Hon. SHAYNE MALLARD: In many ways music is even more in use today than it was in the 1980s—just Apple TV or whatever is played—

The Hon. JOHN GRAHAM: Spotify.

The Hon. SHAYNE MALLARD: Spotify. Please provide the committee with a snapshot of Melbourne and why you think Melbourne's music infrastructure is there and is working compared to Sydney. Is it regulations, entrepreneurs—

Ms COLLINS: It is regulation in they have got the Agent of Change Principle down there but it is also about Agent of Change. They have also got a really strong music community and they really celebrate their venues and they support them. They tried to introduce lockouts down there and there was massive protests and it did not happen because people fought against it. We tried here as well but we were less successful. I think one thing that Melbourne does really well is it is really proud of its music culture. It celebrates it and supports it and that is seen in the \$22.2 million that the Victorian Government is investing in music, despite it already being really healthy. I think that is something for us to emulate.

The Hon. SHAYNE MALLARD: I remember from my younger days, Melbourne's live music venues and clubs are quite disbursed. You get a cab to go from one to another whereas in Sydney they are concentrated in the inner city of Oxford Street and Kings Cross. Is that a factor?

Ms COLLINS: It being disbursed?

The Hon. SHAYNE MALLARD: Yes, disbursal, reducing alcohol and noise impacts upon the broader community rather than hitting hard in one area?

Ms COLLINS: If you look at Brisbane's Fortitude Valley and the entertainment precinct that is the exact opposite of that but it is still working.

Mr KNOWLES: And I think there is a lot of debate about that because on the one hand Sydney is a city which is quite hard to get across. If you are living right out in Western Sydney it is a big trek into the city. So to my mind a healthy music ecology would include suburban based venues as well as a concentration in the city. Because I think ultimately we know it is a difficult city to get across and it provides an opportunity for a kind of a local scene or a local culture to evolve. At the very least Parramatta or those kinds of centres, offering people living in the west some opportunities that are close to them. I think a cluster is all well and good to a point in the central business district but I do not think it is the only answer. I think we need to have suburban venues as well.

The last thing is the city based branding, I think, the other thing in terms of what Melbourne does well is it has decided that it wants to be a city of arts and culture. Sydney I do not think has taken that kind of step. It is about the discourse, it is about the kind of conversation that is propagated around the city in terms of its visitation profiling and its branding but also around the sort of level of government support that is then put into mobilising this through specific funding initiatives to actually activate and mobilise.

The CHAIR: Why has gaming and the gaming sector not had the same impact on Melbourne as it has in Sydney? That is a question for you to consider.

The Hon. JOHN GRAHAM: I refer to women in the music industry. The industry is very male-dominated in New South Wales and around the country. On notice will you provide the committee with any research about where things are up to on that front or views of what is being done to tackle that?

Ms COLLINS: I can definitely provide more information on it. There is a lot of activity within the music industry and really positive action around making sure that women are included in the leadership around music. I know APRA AMCOS are doing really great work around encouraging women to sign up as APRA AMCOS members. MusicNSW does a lot of work around supporting women in non-traditional music roles around like women and technology. Across the country there is a really great selection of people who are forging ahead with this and Victoria is definitely leading the charge as well. It has got some really great programs around mentorships for women in music and it has also got a new taskforce trying to curb sexual violence in music venues.

The Hon. JOHN GRAHAM: Will you briefly tell the committee about that initiative?

Ms COLLINS: I can take it on notice, but I can give a brief overview now. It is a program that was initiated through the Creative Victoria agency. It has overseen the development of this taskforce to curb sexual violence and sexual harassment in music venues. It has been developing a course for security guards.

The Hon. JOHN GRAHAM: It sounds a very practical intervention.

Ms COLLINS: It is very practical. There are venues involved in the training program to make sure their staff are educated and ensuring that this is reduced.

The Hon. JOHN GRAHAM: If you were able to provide some of that research it would be very useful for the committee?

Ms COLLINS: I can definitely do that.

The CHAIR: The Committee has resolved that you will have 21 days to answer questions taken on notice. The secretariat will help you with those questions.

Ms COLLINS: Thank you for having us.

(Witnesses withdrew)

MICHAEL RODRIGUES, Managing Director, Time Out Australia, sworn and examined

JUSTINE BAKER, Chief Executive Officer, Solotel Group, sworn and examined

RENNIE ADDABBO, Country Director, Sonos Australia and New Zealand, affirmed and examined

Mr RODRIGUES: I am here representing the Lansdowne Fifteen, which is a broad-based group of signatories who came together to submit views to this inquiry.

Ms BAKER: I wrote a submission on behalf of Solotel, also as part of the Landsowne Fifteen.

Mr ADDABBO: I contributed to part of the submission into centrality of live performance, which I why I am here today.

The CHAIR: Does anyone have an opening statement they would like to make?

Mr RODRIGUES: We do. For the convenience of the Committee, we have a statement in three parts. I will segue into Justine and then round out with Rennie.

The CHAIR: That is all good, but just be mindful that around the 10-minute mark might be appropriate because we need to ask some questions.

Mr RODRIGUES: The Lansdowne Fifteen's submission references the demise of Sydney's ranking as judged by three surveys, one of which is the Time Out Sydney index. Typically, surveys measure different things, so I would like to give the Committee some context to what ours measures. As an organisation Time Out has 50 years globally and 10 years here in Sydney. We have worked hard to produce publications that inspire audiences to go out and enjoy their cities. Our city index does not contemplate such matters as air quality or design anaesthetics, like others might. It is a global benchmarking exercise, which really goes to the heart of how people feel about going out in their city.

Instead we ask questions like whether people believe there is good stuff happening in their city, how long people may spend on public transport to go out, and what people are spending in dollar terms on a night out. We are conscious that Sydney has fared poorly in the last two years that the survey has run. In 2017 Sydney ranked sixteenth out of 18 cities surveyed globally. In 2018 Sydney ranked 28 out of 32 cities surveyed. In comparison, Melbourne scored far better—second and fourth in the same timeframe. Chicago has come first on both occasions. Some of these observations are consistent with the recently released Committee for Sydney report, of which you might be aware.

Based on the above, we believe that there is a systemic problem in Sydney. Our desire to see that problem fixed, combined with our understanding of what fosters creative cities and vibrant cities—such as those that sit atop the index like Chicago and Melbourne—motivated us to go to a broad range of stakeholders across the city, as reflected in the signatories to our submission, which include among others property developers like Stanley Quek from Greencliff, the Sydney Fringe Festival, hospitality groups and arts institutions. We believe this gives us a good framework to obtain a holistic view of the problem. At this point I will introduce Justine Baker who has 32 venues spanning multiple postcodes across the city and include live music venues, bars, restaurants and pubs. She is better placed to comment on the impact of live music and the culture of policing that we believe is adversely impacting the city's vibrancy.

Ms BAKER: The lockouts, to us, are like a sledgehammer on our night-life. The perception of Sydney as a vibrant night-time economy stopped overnight. What took its place was a negative narrative of an out-of-control night-time, which was unsafe and needed not only regulation but actually should be stopped. Pubs, nightclubs and late-night bars became the pariah of communities and the scapegoat of the media. The lockouts not only affected Kings Cross and the central business district [CBD] but have actually affected our late-night business performance across the board. We run businesses from Kingsford, Parramatta into the CBD and into the North Shore.

The damage is still playing out. Kings Cross and the CBD were once thriving hubs of night-life and now are quiet. We have seen food and beverage businesses shut, adjacent businesses shut, and night-time employment down. Other areas, such as Newtown and Double Bay, have seen a displacement of the people traffic, but Newtown has been a pioneer. We took a proactive community approach to the diverse night-life and we have shown that the alternative to lockouts is not anarchy. Live music has not survived these changes. The venues that give the musicians their breaks, their exposures and sustainability of their careers have been overregulated and the negative perception of the night-life has directly impacted our performance and our ability to support live music. You asked before about DJs versus bands. To us, it is the same. We do not classify bands or DJs any differently. We often have performances of both and a mixture of both.

We believe that music and dance are a core expression of a city, and Sydney's expression at the moment is middle-aged and conservative. The inquiry is asking for an establishment of permanent and temporary spaces for music and the arts. We have them. We have got them. They are just overregulated, and some of them have closed. Kings Cross is a prime example. We run a safe venue there that had a 24-hour licence. Since the lockouts, our weekly DJ slots have gone from 34 DJs to 12 and our band slots have gone from 12 to zero. We used to trade seven floors of the hotel. We now trade two floors seven days a week and one floor three days a week. The employment of promoters, DJ bookers, lighting and sound technicians and security also have diminished dramatically. Identification [ID] scanners that have been put in place were just another layer of sledgehammer over the top.

We find the planning laws difficult and complex at State and local levels and that directly impacts business growth, diversification, development and innovation. It is widely known in hospitality that the development application [DA] process is one of the biggest risks to current business. The process is seen as an opportunity to add restrictive conditions to the venue and cut trading hours. The narrative of our unsafe city has led to police taking a firmer role in visible policing in our venues. The local area police do a great job in keeping communities safe, but we question whether this needs to extend to such a heavy and prolific role in our well-run venues. We regularly have drugs searches, with dogs, 16 or so police that visit our venues, and I am sure you would be aware of these venues that are not high risk: the Clovelly Hotel, the Golden Sheaf Hotel, and the Clock Hotel. We have 16 uniform police for drugs coming to search our customers at 7.30 p.m. or eight o'clock at night while they are eating a rump steak.

If drug use is such an issue, I do not see why police have to use our venues as the focus of this process. Should we not be searching people on the streets? This perception of visible policing adds to the perception of our venues being unsafe and out of control. We believe Sydney's reputation has become conservative and not the progressive fun and innovative Sydney we would all love it to be. We need a new narrative. We need positivity, diversity, and innovation to be a leading fun global city.

Mr ADDABBO: From my point of view and our perspective, if you do not know much about us, we are an in-home audio solution, tech based.

The CHAIR: I would like to have it all over my house.

Mr ADDABBO: A lot of people do and they are very happy customers. If anything, the more time that people spend at home, the more time they are on tech. The more time they love listening to music, the better things are for us, on the face of it. You might ask: Why am I here, given we are an in-home solution? From my point of view, there are probably three things I guess we want to share. I am happy to provide additional support for this now or at some point in the near future. There has never been a better time to enjoy content in your own home. With the proliferation of television movies we have things like Netflix—we have all seen that impact. Music is in there as well as sport and internet gaming. While there are amazing benefits, we also see the duopoly or the two sides of the coin—the dangers of isolation where too much time is on tech by itself.

We know that as we look at it from a music point of view that listening together and listening deeply actually have massive positive benefit as we speak through a music lens in the home. We know that that benefit transcends into everyone's definition of home, which is not just the four walls and the platform on which you live, the car park, the dog in the front yard and all that sort of stuff. It defines well outside your traditional home into the homes you enjoy outside of the traditional home in city and in suburban areas. I deliberately say that we know the power of music. We used to believe it had a benefit. We now know that. We conducted a worldwide survey of nearly 30,000 people a couple of years ago, including more than 4,000 Australians. We spoke to them about music being played out loud in-home and people who did not listen to music playing out loud.

As a result of that we saw more family time spent together for those who listen to music at home. For those who spend more time together, people feel happier when there are positive co-relations between listening to music in your home and feeling happy, expressing your happiness and love for each other in the home. There were more shared activities together. We can provide the statistics, if that helps, but we know that people who listen to music out loud in the home together do not just express their love for each other. They are absolutely happier together that they spend more time together in shared activities such as family meals.

On average, families that listen to music out loud in the home will spend one more meal together every week through the course of an average year compared to those families who do not. We know that they spend all manner of activities together when listening to music out loud. It just naturally occurs. I think we all instinctively believe it. Now we know that to be true. It is really important that we understand the benefit that playing music out loud and listening together has in the home. It absolutely trends into all definitions of people's homes when they leave their block or apartment and move into the city or the suburbs.

What has also been clear to us for the past 10 or so years is that technology has a way of disrupting industries and then transforming them and bringing positives. Music was not in a good place about 10 or so years ago because of the proliferation of piracy. But if you look through the lens of streaming now, music finally has some wind at its tail. The folks from the Australian Recording Industry Association [ARIA] will shortly show what the music industry and the paid music industry have done in the past 10 years. I believe they are continuing to grow at a rapid rate. We have seen growth in the paid music industry for the first time in nearly seven or eight years.

I want to answer one of the questions asked earlier—that is, are Aussies prepared to pay for music? Absolutely. When you give them an alternative model to piracy, which is streaming, we are seeing tremendous growth. In the past three years, streaming has grown by more than 100 per cent a year. No doubt we will hear soon from ARIA that there will be a similar growth rate this year. That provides a positive outcome for musicians and artists. At the same time, for them to live in a healthy ecosystem, they need to generate an income and to perform in places and spaces where they can tell their stories outside of streaming and streaming in the home. There needs to be available places and spaces for them to do that in an outward environment where they can engage with the public.

The business model for artists needs to be a healthy ecosystem of streaming platforms and also an ability to engage audiences through live performance, merchandising and other forms of engagement with their audiences. Anyone who looks at a technology platform today understands how important it is to build community through social platforms and to have a direct voice to an audience. Technology allows that, but by itself it is not enough. Artists and musicians need to be out there plying their trade directly to audiences in places and spaces where they can entertain.

The CHAIR: Did the study about music in the family home exempt grunge music?

Mr ADDABBO: It dealt with all forms of music.

The CHAIR: It does not create any unity in our house.

Mr ADDABBO: I have seen that power in the past two years working where I am. The universal appeal of music is not matched by any other form of content. It is just that every person on the planet loves the music that they get into. That is the powerful thing about music.

The Hon. JOHN GRAHAM: Thank you for your submissions; they have been incredibly helpful already. Mr Rodrigues, *Time Out* has been associated with Sydney for about 10 years. There could not be a better perspective of entertainment in this city. Tourists come here and use your publication to work out what is going on in the city. You have that incredible perspective over time. What have you seen? Is this a crisis for Sydney compared to other cities around the world where *Time Out* is published?

Mr RODRIGUES: I think someone described the difference as East Berlin versus West Berlin. In terms of what we have seen, we arrived in 2007 to a vibrant city with hopes about diversified entertainment. That accompanied the arrival of the small bar legislation, and we saw rapid innovation for the first time. That was all going along wonderfully well until about 2014. The situation changed as a result of the lockout laws. I think there were changes already afoot with things like the liquor freeze. We believe that Sydney as a city is atrophying. David Faulkner asked us to imagine London without Soho. It is fine to be able to find things to do in Newtown, which has been a real beneficiary of the lockout. However, tourists, visitors to the city and, indeed, the people who come here to live because it is meant to be an attractive place to live—

The Hon. JOHN GRAHAM: Is that at risk at the moment from your perspective?

Mr RODRIGUES: It is fundamentally at risk, and that is backed up by the surveys that have been conducted. Do people like living in the city and do they feel that it is a city they want to go out in? The survey was conducted across similar sized sample sets. There were about 20,000 people globally and about 1,500 here.

The Hon. JOHN GRAHAM: Fantastic. Ms Baker, you are operating a wide range of venues both inside and outside the lockout area. Are you finding that the music scene is in crisis in your venues in either area? Is that a fair comment?

Ms BAKER: It is absolutely fair. We are no longer investing in the venues that operate within the lockout area both in Kings Cross and the CBD because the business model is at risk. We have looked at shutting down those venues and putting in accommodation and co-work spaces. We are at that point because there is no—

The Hon. JOHN GRAHAM: As are others. We have heard of other examples.

Ms BAKER: We run five venues in the Newtown area, but we did not plan it to be a live music area. We have smaller footprints and we have tried to engage a band. We now have one room above the Bank Hotel that has live entertainment six nights a week, including comedy, DJs and bands. We have had experimental performances as well. It was not planned to be that; it was going to be a small bar. The Kings Cross Hotel was planned to be a music venue and we invested in the sound and lighting equipment. It has the ability to get a large number of people in and out quickly.

The Hon. JOHN GRAHAM: I understand from your submission that yours is one of the venues that has a mirror ball. We have heard about a number of venues that are coming under regulatory pressure for having mirror balls. That is a breach of some arcane planning law.

Ms BAKER: One of our venues in Surry Hills—

The CHAIR: Let us resolve this mystery of mirror balls.

The Hon. JOHN GRAHAM: What is going on?

Ms BAKER: We are not allowed to have a dance floor.

The CHAIR: On what grounds? The Committee is trying to find out about the layers.

Ms BAKER: That is what I am trying to find out. That is what I would like to ask the Committee.

The CHAIR: We are trying to get to the bottom of the layers and to find out why they have been rejected.

Ms BAKER: We bought a business that was operating under a very different business model. There were many band nights and the venue was very close to the college of music. There were many young student nights and the neighbours did not like it. Restrictions were imposed on the licence and there could be no dance floor. The symbols of the a dance floor were mirror balls and flashing lights. We have a lot of neon instead.

The Hon. JOHN GRAHAM: So it is mood lighting.

Ms BAKER: Yes, it is mood lighting.

The CHAIR: Can people wear mirrors?

Ms BAKER: Police regularly visit our venue questioning whether we are in breach of our licence because people are dancing.

The Hon. JOHN GRAHAM: That is shocking.

Ms BAKER: They would like us to turn off our lights. We have regular visits from the police telling our licensees and general managers that the lights need to be turned up because they cannot see the customers.

The Hon. JOHN GRAHAM: How do you police dancing? How do you know when someone has moved from having a good time to dancing?

Ms BAKER: There is good dance versus bad dance. I do not know.

The CHAIR: I am an example of a bad dancer.

The Hon. SHAYNE MALLARD: That is dad dancing.

Ms BAKER: You should be able to dance wherever you like.

The CHAIR: There are local government restrictions and they are normally policed by local government. What would the police be doing managing a local government issue? Surely that would be the responsibility of the environment officer.

Ms BAKER: That is the question. We do not understand. We have multiple layers of state and local regulations within our venues, and they are in conflict. I have had multiple managers in our venues who have left hospitality because of the compliance issues they face. They are highly stressed because of the responsibility and the continual visits from police, the local council and so on. They have lost the joy of hospitality.

The Hon. JOHN GRAHAM: It goes to the complexity of these regulations. But it is getting pretty silly if we are regulating something like that.

Ms BAKER: If you are regulating dancing, yes.

The CHAIR: Do those complaints come from vexatious people? Is it one person lodging complaints all the time, or is it a plethora of people who have moved into the area for quality of life reasons who do not like it?

Ms BAKER: We have varying examples. There have been huge apartment developments in Parramatta. The Cumberland Newspapers site and the site across the road now have 500 apartments. They did not realise that they were buying next to a venue that runs kids' days on Sundays and barbecues. We support the local football team. We are a true community business. But we also run a great club. We got voted best nightclub in New South Wales. We have had noise complaints from those new residents. The onus is on us to stop it, which means that at some point we will be turning our music down and shutting our doors earlier.

The CHAIR: You would support a recommendation talking about the agents of change where the last person in has to deal with it rather than the first person. Is that right?

Ms BAKER: Yes, and better planning of the precinct. The Parramatta CBD is a really vibrant precinct. It is not a quiet suburban area. I believe that there is a difference between what people should expect out of peace and quiet in their home when they buy a CBD apartment in Parramatta, Chatswood or the city compared with maybe a suburban house in Pennant Hills, which should have a different definition of peace and quiet.

The Hon. CATHERINE CUSACK: To take this one step further, there will be people buying across the road who want to be across the road so that they can just walk home at night. That is one of the attractive aspects of buying into an apartment there. My husband and I have always wanted to live within walking distance of a hotel so we never had the hassle. It is really great for people who like that lifestyle. I presume that you are visible from the apartment block when people go to inspections.

Ms BAKER: We are not a small pub. You cannot miss us.

The Hon. CATHERINE CUSACK: It is a complaints-driven system, but surely there are a whole lot of other people there who do not want that vibrancy to be diluted because it was one of the attractive features that pulled them there in the first place?

Ms BAKER: You are very right. We have customers who love that and who come to visit us five days a week for dinner or drinks or whatever it may be who just wander across the road and think life is fantastic because we are their neighbour.

The Hon. CATHERINE CUSACK: Do you capture IDs of people coming in? I suppose you are not allowed to analyse that.

Ms BAKER: No, that is privacy.

The Hon. CATHERINE CUSACK: But your sense would be that it is locals who are coming?

Ms BAKER: A lot of the time, yes. In Parramatta on Friday and Saturday nights obviously our circle of customers is a lot broader than walking distance, but Monday to Friday it is our neighbours. We are very much a community-driven venue.

The Hon. CATHERINE CUSACK: Maybe our regulatory system needs to not be so driven by complaints but try to capture a wider picture of what people in the area think.

Ms BAKER: Yes, and one person does have the ability to change your operating trading hours. We have had that in another one of our CBD businesses where one person took it as their mission to basically change our trading hours and complained to whoever would listen. That went on for years.

The Hon. CATHERINE CUSACK: They do not really have much obligation, do they, other than to be demons behind the typewriter? They do not have to prove what people think.

Ms BAKER: No, and the conditions are not consistent. There is a precedent that is set that the acoustic measurement should be within your building with the doors shut and the air conditioning on. That was set at Circular Quay with the Minus 5 precedent. It was a bar that opened called Minus 5 and the Toaster building above them took them to court, basically. The precedent was set to say if you have a new development you can shut your doors and windows and put your air conditioning on and see if you are disturbed. That is not a consistent condition across all development applications. That is done from a planning instrument. We have some of our businesses that have that precedent set on the conditions and some that do not.

The Hon. CATHERINE CUSACK: What are the requirements on developers of new buildings to soundproof those buildings?

Ms BAKER: We have just opened Barangaroo House down at the Barangaroo precinct. The condition is measured from the person's balcony. That is where we have to comply to. They have done a very good job in soundproofing with thick acoustic glass in the apartments. They were very cognisant of the fact that it was a mixed-use development. But for us, we have to comply to someone being able to stand on their balcony.

The Hon. JOHN GRAHAM: This is incredibly complex. You are a big operator; you know your way around the city and you have been operating these venues very professionally for a long time. How do small venues cope who do not have the back-up, skills, team and lawyers you have got? How do they cope?

The CHAIR: They have to virtually play underwater.

The Hon. CATHERINE CUSACK: They cannot get started, can they?

Ms BAKER: They do not get the break. I have multiple friends within the industry who are running small bars who are not going to spend the money on legal and planning advice and who do not understand that they do have a leg to stand on and that they need to fight it. They are told by the council or police or someone that they have to change and they just say okay. They just change.

The Hon. CATHERINE CUSACK: To me, this is part of our heritage and our character as a city. I wonder is there a role for heritage orders on some of our music venues so that the heritage can be protected?

Ms BAKER: I do. I agree. If the space is iconic or it becomes iconic we should protect that status. There is a love, whether you are part of that immediate community or broader community. We should be doing a better job at protecting that.

The Hon. TAYLOR MARTIN: Ms Baker, would you mind taking it on notice to get a bit more information on Mirror Ball Gate?

Ms BAKER: Sure.

The Hon. TAYLOR MARTIN: We have been discussing it all morning. We would like to know whether it was a local government or a State Government issue.

Ms BAKER: It is local. It is part of our licence. In my submission I wrote that there should be a mechanism for a new operator to challenge existing conditions that have been placed on them by an old operator. That was an acquisition that we took over but we have no mechanism except for a DA process that has a high risk of changing our 3.00 a.m. licence. We choose to operate under no dance floor conditions because if we put in a DA there is very little chance that we will keep our trading hours. We are caught in a cycle.

The Hon. SHAYNE MALLARD: I am having deja vu here. I spent 12 years on the City of Sydney going through hundreds of hours of development applications from hotels, particularly when smoking laws were changed and smoking rooms were created. Every hotel has a person nearby who makes it their mission to create hell for that hotel. I know that some hotels have bought properties to create a buffer around the residential area. I know the Imperial in Erskineville did that. Your new pub at Barangaroo is state of the art and has been purpose built for the noise, but older pubs have an issue with acoustics.

Ms BAKER: We have spent a lot of money on acoustic attenuation including acoustic glass and acoustic consultants. Again, how do small operators play in this space? At Green Park Hotel in Darlinghurst before Mardi Gras, because we had a big international community who loved the Green Park, we spent \$22,000 acoustically sealing our windows. We are actually able to operate to our trading hours, which is 2.00 a.m., the way that we want to.

The Hon. SHAYNE MALLARD: There is no mirror ball there, is there?

Ms BAKER: There is no mirror ball but we put multiple ones up for Mardi Gras.

The Hon. SHAYNE MALLARD: Council policing and enforcement of the regulations seem to be inconsistent. City of Sydney treats it one way and Parramatta treats it another way. Would that be your contention?

Ms BAKER: It would. I think it also changes depending on who is running the local area command at the time. You may not change, but one person changes.

The CHAIR: That is not unusual in local government. Depending on who the authorising officer is, how they feel goes.

Ms BAKER: I must say our relationship with the police is really strong. The officers that visit our venues completely understand our business model and that we run safe venues and are not the issue. I think it is way higher up the food chain in terms of their purpose and why they believe it needs strong policing.

The Hon. CATHERINE CUSACK: There are different people doing the drug raids. I have been in a venue when there was a drug trade. It is awful. You do not go back.

Ms BAKER: It is incredibly intimidating. I speak to younger people in our business. Thirty-four per cent of our 2,000 employees are under the age of 25. Obviously they are over 18 if they are working in our business. They find it incredibly intimidating. They just walk away, like you just said. They do not want to be involved in businesses that have that intimidation. They believe it is pretty ageist as well, that their voices are not heard and that people do not respect them.

The Hon. CATHERINE CUSACK: They go on for a few hours, do they not?

Ms BAKER: Yes, and they search people.

The CHAIR: The time for your evidence is up. We may send you some further questions. You will have 21 days to answer them and the secretariat will help you with that. We thank you for what you have done and for your evidence today. It will certainly be helpful for our report.

(The witnesses withdrew)

(Luncheon adjournment)

MICHAEL ROSE, Chair, Committee for Sydney, affirmed and examined

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

Mr ROSE: Not really. I thought perhaps I should mention, as I just did, that I am the Chair of the Committee for Sydney. The Committee for Sydney is an urban policy group that looks at social, economic and livability issues across greater Sydney and seeks to formulate and promote policy in relation to those issues. We have recently published a report on the 24-hour economy in Sydney. That touches on some of the issues that are before this Committee. I should also mention that I am the Chair of Trustees of Sydney Living Museums, which a State cultural institution. As chair of a State cultural institution, I am a member of the arts and culture advisory committee brought together by the former arts Minister, Minister Grant, and now chaired by the arts Minister, Minister Harwin.

Apart from that, of the things that the Committee has an interest in, they are mostly touched on to some extent by the report that I see that a number of you have in front of you, "Sydney as a 24-Hour City". If you do not have a copy in front of you, I have some copies here, if anyone would like to see it. I am very happy to comment on aspects of that report, if people would like me to, and to touch on some of the recommendations we made, if people would like those amplified. Apart from that, I do not need to say more.

The Hon. JOHN GRAHAM: Firstly, thank you for this report. For this exercise, it is incredibly valuable.

Mr ROSE: Good.

The Hon. JOHN GRAHAM: Essentially, you have been looking at the same issues with the breadth of business and civic society. You have really corralled that over a period of time and brought it to the table at exactly the time we are looking at it. In my mind, this report is really useful as a jump-start for the Committee to get to where we might take some of these issues. Firstly, thank you for the report. I describe it as really good. What you have done in this quite diplomatic document is capture a range of the reforms around which there is consensus. Most of the things you are now putting forward now represent a consensus view of those people you had around the table to take this forward—maybe with a few exceptions, but generally.

Mr ROSE: No. I think it is fair to say that it represents a consensus view of the various parties we involved in our work. They are listed on page 54 of the report.

The Hon. JOHN GRAHAM: Just give us a bit of a flavour about who was around the room because I think that is useful for our thinking.

Mr ROSE: As members of the Committee will see from the list on page 54, we brought together a variety of our members, all of whom come from different sectors within the Sydney economy. We also brought together a number of cultural institutions, organisations involved in the creative industries generally and the cultural sector in particular, representatives of the hospitality industry, representatives of the NSW Police—effectively all organisations that we thought touched to some extent on issues relevant to the night-time economy and organisations that are familiar with what is happening elsewhere in Australia and overseas.

The Hon. JOHN GRAHAM: This morning the Committee took evidence about progress on the night-time economy task force. It was four months after the final deadline and the evidence this morning was that there has been no change to the planning law so far; as of today, no new transport; no contemporary music plan; and no night-time master plan. You have called for the Department of Premier and Cabinet to be in charge of this to drive it through Government. I assume that reflects some of the frustration of some of the players you have been talking to by saying, "We're late. What's going on? Can we deliver this?"

Mr ROSE: I am not sure that I would say we have called for the Department of Premier and Cabinet to take responsibility for this. What we have said is that if you look at the night-time economy as a whole and you look at the city as a whole, what you have is overlapping governance systems, overlapping regulatory systems and a degree of difficulty for people to navigate those. We have suggested that in order for there to be a really vibrant night-time economy in Sydney, it would be really helpful, firstly, to have a statement of intent from the Government about what it wants to achieve in terms of the 24-hour economy and then to have a single coordinating point which allows people who have an interest in the night-time economy and who wish to invest in the night-time economy to effectively go to one point with issues that are affecting them, and a single coordinating entity which would be able to cut through some of the overlapping red tape. We were deliberately open as to precisely where that should be, but we have expressed the view that it would be ideal if the Department of Premier and Cabinet were sitting on top of that structure.

The Hon. JOHN GRAHAM: I think one of your other points is this: The Government's goal—really, I think, our goal as a body—is to have Sydney being the cultural capital not just of the State, not just of the country, but really of the region. That is the stated goal. We have a way to go to get there but you have outlined some of the paths that might actually get us closer to that goal.

Mr ROSE: I hope we have, yes.

The Hon. JOHN GRAHAM: You acknowledge that, if that is the stated goal, we have got to work harder to get there. That is really the tone of your report.

Mr ROSE: Yes. Our fundamental starting point is that Sydney does not achieve its potential in terms of its 24-hour economy. That is actually an issue for Sydney in terms of its economic performance, its livability, its competitive capacity when it comes to talent and investment, and for the amenity that the city offers its own citizens. We see a set of issues that affect Sydney as a whole. Many of them are issues that affect Sydney in the day and in the night but they have an acute effect on some parts of the night-time economy. That is why we think addressing that would help the city to achieve its full potential at night.

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The Hon. JOHN GRAHAM: I want to zoom in on two figures that really leap out of your report. I refer to the quite remarkable information that has come from Mastercard and reveals what goes on in the city after dark, and the spending patterns of citizens. This is not people theorising about what is going on but it is where the money is going. In Melbourne there is double the spending in restaurants and bars, 18 per cent compared to 9 per cent in Sydney. In Sydney the money is being spent in grocery and food stores, 47 per cent in Sydney compared to 13 per cent in Melbourne. They are jaw dropping figures.

Mr ROSE: Yes, and there is quite a distinction between the two cities. Just to be clear about this data, this is not Mastercard data in the sense that it reflects only purchases on Mastercard, it is data from the payments system so it is reflecting card based purchases during the night time and it strips out online purchases. So this is what people are using their credit cards for at night. The way we interpret the data which appears on page 14 of the report is that what you are seeing is there is a demand for night time activity in Sydney and a demand for a diversity of night time activity in Sydney, just as there is a demand for that same diversity in Melbourne. Where that diversity can be met and where that diversity is accessible then people spend their money. It turns out that in large parts of Sydney the accessible place that you can spend your money at night is a supermarket, and that is why you are seeing grocery spending and why you see the differential between Sydney and Melbourne.

The Hon. JOHN GRAHAM: The second figure was about live performance and entertainment in Sydney compared to London. In London 3.8 per cent of all the expenditure went to live performance and entertainment compared to 0.1 per cent in Sydney. Again it is a jaw dropping difference.

Mr ROSE: Yes it is but what is probably more interesting for me is the growth. The idea that in London it has grown by such a high degree.

The Hon. JOHN GRAHAM: Yes, so it is possible for us to turn this around?

Mr ROSE: It is, but being realistic we will never be a city which has a theatre district or theatre offering which is like London or New York. In absolute raw percentages I think we would be surprised if we could ever get it to where those kind of cities have it. That is why I wanted to draw your attention to growth because it is possible to grow if you focus on what demand exists. The other data that is in this report from polling that we did shows that more people would use the night, and more people would use the night for entertainment if a number of things were met. One is greater choice and greater accessibility.

The Hon. JOHN GRAHAM: We have got to be realistic but we might move to a position where half of us are not getting our entertainment night at the grocery store. That is a pretty damning statistic.

Mr ROSE: It is certainly possible for us to improve the performance of most sectors of our night time economy from where it stands now.

The Hon. JOHN GRAHAM: Those figures are remarkable. Is it possible to get on notice more detail on that live performance and entertainment comparison with Melbourne? It would be helpful to the committee. The committee has heard from people in Newcastle and Wollongong asking how our performance stacks up and they would be interested to get some of that detail about how this is working in some of those big regional centres in New South Wales.

The Hon. SHAYNE MALLARD: You touched on Sydney's competitive capacity and liveability factors. I know from my Committee for Sydney work some years ago on our competitive advantages to attract global headquarters to Sydney—and at the time Brisbane was very aggressively trying to court them to go to

Brisbane—our talented young people employees love Sydney and the lifestyle. Is there evidence that the 24-hour economy and the issues we are addressing here is undermining the attractiveness for young talented people to be in Sydney because that would lead to a weakening of our competitive advantage over the other cities in Australia.

Mr ROSE: I will answer that in two ways. First, I draw your attention to page 47 of our report which has on it a thing called a spider gram which comes from a report we published last year, a global benchmarking report, which shows the competitiveness and attractiveness of Sydney against 400 other cities which are part of the benchmarking study. The first thing that is really worth noting is that Sydney has an extraordinary profile as a world city. Everything on this graph performs very, very strongly compared to most cities in the world. What you can see is that between the benchmarking survey we did in 2016 and the survey we did in 2017 there are some areas where we have slipped.

One of those is visitor destination and appeal. When you drill into that data two things turn up: one is a perception that Sydney is not the night time place that it once was, or could be, and the second is an issue around accessibility of the things that visitors want to get to in Sydney; the idea that you can spend a lot of time travelling between the different things that you might want to see. In part our visitor and destination appeal is affected by our transport and infrastructure performance and you can see that that went backwards in the year as well.

The other two things which are affecting Sydney in global brand terms, both as an investment destination and a visitor destination, are business friendliness which is really a set of measures around regulation, business regulation, ease of doing business, ability to get started and get up and running quickly. We think that is a really important marker for small entrepreneurial businesses, particularly in the cultural sector. The second is wages and costs. We are a high cost jurisdiction by world standards. That is the first thing I would say that the reputation of Sydney is a complex mix of factors, and those factors are changing for all sorts of businesses at all times of the day but they do have an impact on the way in which our night time economy operates.

The second thing I would say in answer to your question is that we take a view at the committee that our success as a city in the future will be very dependent on the city's capacity to hold people who have grown up in Sydney and to have them participate in creative industries because that is where we think Sydney's competitive advantage will be in creative industries. That is an ecosystem really that runs from cultural industries at one end through to technology industries at the other. In a very real sense, TINtech for example has elements of creative industry in it.

We think it is really important to hold people in creative industries and also important to attract people. All of our research and our understanding and our benchmarking of other places tells us that a vibrant cultural and arts sector is critical to a healthy and attractive creative industries sector. It is important for Sydney to maintain its attractiveness as a cultural destination and that includes as a night time destination.

The Hon. SHAYNE MALLARD: Are these movements concerning?

Mr ROSE: "Concerning" might be a bit strong because I think there are lots of cities in the world that would still love to have what we have ended up with in 2017. My opening comment about this is we have a great story to tell. This 2017 data confirms what we have been saying in a number of other areas which is accessibility in Sydney is a critical issue, and that is something that the Greater Sydney Commission has really identified in its region plan, for example. Accessibility is critical not just for people who live here but also for the visitor economy and that regulation is critical, not just for businesses that want to invest in Australia but also for people who want to start up businesses. In our 24-hour report we touch on this regulation point quite a lot because we think that the overlapping of regulation, the complexity of regulation and the uncertainty of regulation makes it difficult for people in the cultural sector to create their news, create opportunity for artists and to create content and places for cultural audiences.

The CHAIR: In respect of the graph on page 46, it shows Los Angeles, New York, city of London, Paris. That is huge density, is it not it, compared to Sydney?

Mr ROSE: Yes, although this graph is not about density. It is an interesting idea, which is what is it you have got as a cultural centre and you will see that Sydney scores pretty highly on the assets that it has—it has great cultural assets. Then it is how much buzz do you generate, and that is buzz in social media. That is one measure. I think it is interesting if you compare page 46, which says, "How much buzz does Sydney generate?" It puts it at an underperforming level, if you compare that with some of the things on page 47 where Sydney sits as a destination that people want to visit during their lifetimes; it sits very highly. Social media buzz, I suppose,

is a better measure of attractiveness to a particular demographic and a particular age, and maybe a particular user of the city.

The Hon. SHAYNE MALLARD: When you say asset strength and that we rank high on assets, is that the harbour?

Mr ROSE: Yes, but not only that.

The Hon. SHAYNE MALLARD: That is a big thing that we rely on.

Mr ROSE: Sydney Opera House is the most recognisable cultural asset in the world. It constantly turns up as a place people want to go to all around the world.

The Hon. CATHERINE CUSACK: It is always getting destroyed in the disaster movies.

Mr ROSE: Yes. If you think about it, we have extraordinary assets like the Sydney Opera House, for example the assets that sit within a square kilometre of here: the Art Gallery of New South Wales, the botanic garden, the Sydney Living Museums, properties, the Australian Museum. These are all—I really do not like the phrase world-class but they are significant institutions on a world scale. The library next door is one of the great libraries of the world. We have extraordinary cultural assets. We have an incredible set of physical assets and great climate. You put all those together and we have a lot going for us. As we said in some of our previous reports, tying those things together is the critical thing for Sydney, increasing access to them, and that includes increasing access to them at night.

The CHAIR: Which brings me to the second point. On page 29 you talk about business improvement, districts, penalty rates and licensing. I note penalty rates in there. There are some comments whether that is unaffordable for after-hours trading.

Mr ROSE: Yes. Where we got to in our work in relation to penalty rates was really we did not feel that we had enough to make solid recommendations around it and, in particular, solid recommendations whether just changing penalty rates would result in significant employers keeping retail open longer. We have other recommendations in here about keeping retail open longer. We think that is an important thing to do, whether all retailers can afford it is another thing, but we certainly believe that all of the things you see on page 29, for example, and in other parts of this report, you cannot just take one and say, "That is the answer. Let us change liquor licensing", or, "Let us change penalty rates", or, "Let us put on some more buses." The whole thing is an ecosystem and it has to be considered in a holistic way, which is one reason we say it is important to go back to a single coordinating presence which is able to draw together all those strands and recognise that you can do great things in planning to enhance the night-time economy, but if at the same time you did the wrong things in transport, you are wasting your time on one hand.

The Hon. TAYLOR MARTIN: On that note, page 29 of the report states:

In the lead-up to Christmas 2017, the recently pedestrianised areas of George Street between King and Market Street were full of crowds taking advantage of late-night shopping in the area. It offered a glimpse of what might be possible once the Light Rail is running on George Street and the great opportunities for late-night activities in the CBD and other centres.

Does the Committee for Sydney see a fair amount of growth once that light rail comes into town and it offers people, particularly those who have consumed alcohol, a plan B in and out of the city?

Mr ROSE: That is really two questions, I think. If I take the first part, do we think that the light rail will have an impact on the part of the city that is adjacent to it? Absolutely we do, and not just an impact on retail. We think it will have an impact on amenity, what it is like to be in the city and on the attractiveness of the city for people who are in city. That is the first question. The second question is, is the light rail a solution or a plan B for people who have had too much to drink? The answer is, I think, if they live in Randwick, maybe; if they live in Penrith, no.

But it is the right idea, which is to have mass transit which is available to move people into and away from the precincts where they are spending time at night. That does not matter whether they are shopping or drinking or dancing or working. Do not forget a lot of people who are in the night-time economy are there because they are working or they have just come out of university, so they all need to move around. The other thing I would say in answer to your question is that it is very focused on the precincts of the traditional CBD. It is really important, particularly in light of what the Greater Sydney Commission and the Government have committed to in terms of regional planning, for everyone to start thinking about the night-time economy and the arts culture and entertainment economy across the whole of greater Sydney, because it is clear what the Government's ambitions are for the greater city and getting the night-time economy right is critical to the success of those plans.

The CHAIR: It is not only Sydney centric in respect of this. I have six young adults who are nearly over 18 and they travel from Nowra up to Wollongong. To get an easy ride up there and an easy ride home safely on the train is unacceptable. It is not only Sydney centric and with the de-centralisation of Sydney in the next decade with an expected growth of more than 800,000 people over the next 10 years, the same sort of transport issues need to be addressed outside Sydney.

Mr ROSE: I am sure that is right. Our report, of course, looks at Sydney because we are the Committee for Sydney, but we will in the next month or so be publishing another paper about connectivity issues between Wollongong, Sydney, the Central Coast and Newcastle, and what the implications of the three-city model is for what may be a six-city region.

The CHAIR: We might get you back on that report.

Mr ROSE: I am happy to come back and talk about that.

The Hon. CATHERINE CUSACK: One of the complaints I was getting when the lockout laws came in is that people were coming from those regions and public transport would stop. They were quite happy to stay in Sydney but there was nothing for them to do until the trains started running again. I want to ask about the property market. It has come up briefly in respect of the significant increases in prices. In respect of venues and the patronage of the committed individual owner, places like the Basement are now owned by companies such as AMP who really do not give a stuff about its heritage value. Secondly, property prices going up has made premium office space and residential properties have a higher return than entertainment venues, particularly when they are only being used at night. Thirdly, for young people, a lot of their money is being spent on higher rents and they have less disposable income and less disposable time. Has the Commission thought about that?

Mr ROSE: Absolutely. We made some comments about this in our submission. There are a couple of issues. First, housing affordability of itself creates difficulties for people working in the arts and culture because it becomes a very expensive city for artists to live in. One of the risks for Sydney is that it becomes a place where artists do not feel they can live. Getting housing affordability right is critical, not only to a whole range of other industries and sectors but also to arts and culture.

The second part of the land value issue is that there is competition for sites which can be used as venues and the conversion of sites which once might have been pubs or clubs into residential accommodation. That goes to some of the planning issues we have talked about. We need clarity on the part of planning authorities about what kinds of activities they want to encourage in different places. That is why we think it is important for there to be an overarching plan for the night-time economy which says, "We think these things are important." If there is such a statement, planning authorities can follow that.

The Hon. CATHERINE CUSACK: I do not know what planning law we could introduce to overcome these property market issues.

Mr ROSE: They could be really clear about the land use, what the permitted uses will be, and whether they will ever be prepared to change them. That could be done.

The Hon. CATHERINE CUSACK: Can you do that on existing sites?

Mr ROSE: I think you can. However, I am not purporting to give planning law advice to the Committee. We think there can be greater clarity around what the State Government and local government want to see in different parts of the city. The other thing, particularly for smaller organisations and smaller performing arts companies, is to make it easier for people to use existing spaces for more than one function. In our report we say, for example, that you could activate parts of the city at night by permitting commercial buildings to be used for exhibitions or performances. You could activate suburban high streets at night by allowing a shop that might be a cafe during the day to have live music at night. People could be a little more open to the idea that different things can happen in the same property at different times of the day. We think that would go a long way to creating a more hospitable environment, particularly in the arts and live performance space.

The CHAIR: Thank you for your evidence. Members may wish to ask further questions, and the secretariat will assist you in that regard. You have 21 days to reply to those questions. Again, thank you for your submission and we look forward to your supplementary submission.

Mr ROSE: Thank you for the opportunity to speak to the Committee.

(The witness withdrew)

JOHN WARDLE, Director, Live Music Office affirmed and examined

LUCY JOSEPH, Project Manager, Western Sydney and Regional NSW Live and Local Micro Festival program, Live Music Office, affirmed and examined

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

Mr WARDLE: We greatly appreciate the opportunity to appear before the Committee this afternoon. Our office was established in 2013 by the Federal Government through the Ministry for the Arts and the Australia Council. We are auspiced through the Australasian Performing Right Association and the Australasian Mechanical Copyright Owners' Society, which gave evidence this morning. We have two staff; I am the director and Lucy Joseph is the program manager for our engaging and successful programs through Create NSW with our micro festival program. We have some experience in this space and the Committee has received some submissions from our office.

In the past I have run campaigns on liquor and planning reform, the end of the places of public entertainment [PoPE] laws and the building code a decade ago. I chaired the City of Sydney Live Music and Performance Taskforce and worked with Wollongong, Leichhardt and Marrickville councils on their dedicated live music plan development, which included the Sydenham Creative Hub. I was on the night-time economy roundtable with Troy Grant in 2016, and was also part of the Committee for Sydney Night Time Economy Commission.

Lucy Joseph manages the Create NSW Live and local Micro Festival Program, which is a \$525,000 program funded by the New South Wales Government. We have provided submissions to the inquiry, and I have provided the primary sources. I am sure members have access to the electronic copies, and I would like to speak to them. It would be useful if members had a copy of the submission in front of them during our presentation. On the opening page there is a table of all the States and Territories. I carry this with me in my national role working with all the States and Territories in strategic planning and better regulation. With this one page we can communicate what the country looks like from an industry point of view and how governments interface with the music industry across States, Territories and local government areas.

It can be seen that some States have a strategic plan for their live music industry. New South Wales is one of the two that does not have a coordinated direction at this stage. Some States and Territories have better regulation roundtables. I am a participant in them in Western Australia, Victoria, Queensland and South Australia, and in the New South Wales discussion group. I bring with me that working knowledge in real time about what the other States and Territories are doing around building planning and liquor laws, not only the regulatory side but also the strategic planning side.

Members can see some local government references. Sydney, Brisbane, Adelaide and Melbourne all have capital city plans, and I work closely with them. As far as local government is concerned, in New South Wales we have plans for Wollongong, Leichhardt, Marrickville and, of course, Tamworth, and Newcastle has come on board in recent weeks, which is an exciting development. The other side of the page has the regulatory levers that have been discussed in various capacities this morning by some of the agencies, licensees and industry people in terms of the building code and the planning and liquor licensing framework. It is a one-pager that maps the country. We can communicate using this, and hopefully it is a useful reference for the Committee.

Our submission addresses the things we believe will make a constructive contribution to this discussion. It references best practice nationally and looks to the detail of some of the regulatory frameworks from an industry perspective. The Committee will be getting a lot of input from government around the detail, but from an industry point of view these are our positions on what we would like to communicate in terms of the regulatory framework. I refer now to the submission we provided on the building code and the commercial construction code in September last year. It references best practice around the country. The South Australians progressed their small arts venue on 1 May 2016. Venues are better off in South Australia. You are going to be better off running a business in South Australia if you are a small to medium independent arts venue.

The CHAIR: They said yes to everything, if you look at the table.

Mr WARDLE: That is right.

The CHAIR: They should be thriving.

Mr WARDLE: But, look, how did they get there? They got everybody together through the 90-day change process of which I was a part. In South Australia we had collaboration between the music industry through the Music Industry Council. We had collaboration between government agencies. The hotels were there,

the police were there. We had great communication between the State Government and the capital city that as these regulatory reforms were coming through the partnership was that whilst the regulatory change could come through the Liquor Act and the building code, operationally the capital city showed leadership to ensure the carriage of this and ensure that these policies were and continue to be chaperoned. That is so the aspiration of the regulation is delivered through the operation of these instruments on the ground.

Also there is a briefing on our Live and Local program, which Grainne Brunson spoke to this morning. This is exciting. It is about connecting with the suburbs and the bush. If we look to music industry policy nationally in my role, we can be very focused on inner city scenes but what is happening out in the suburbs and what is happening in the regions? This program that we are delivering in partnership with the New South Wales Government is some of the best things happening in the country.

There is also here the response from the Australian Building Codes Board to the submission that we provided to the review of the National Construction Code, which declined to endorse our submission for a national approach based on the South Australian example. The concern here for our industry is the building code is on a three-year cycle. Once we miss that 2019 deadline we are now looking at 2022. South Australian venues have had a six-year head start on the businesses that are in our community from a red tape reduction perspective.

The Hon. CATHERINE CUSACK: Can you tell us what the main changes are that you propose here?

Mr WARDLE: Let us have a look at this. For the South Australia model, and I have got the references highlighted on the second page, let us look at it like this: If you are a primary purpose theatre you would be considered not from a planning but from a building policy point of view as a class 9 (b) or an assembly building under the building code. That would mean you would need the type of fire safety provisions that really go back to flammable film in cinemas that do not scale risk well and that essentially put the same obligations on a small gallery as on a very large cinema complex where you are three floors up, you are in tiered fix-row seating, the rooms are dark, and the access and egress issues are totally different from what is described here. Whereas if you are on the ground floor, first floor or basement and you are up to 300 metres squared then you can be a primary purpose performance venue but your classification is as a retail consent. You are not a theatre; you are a shop.

The difference in the cost is going to be quite significant. Look at the types of air extractor fans, the hydrants and the hoses. The hydrants kick in at 500 metres squared. We speak to this in some detail. Kerri Glasscock is here as well. She is doing some leading work and she will speak to this. This is well understood by the department, I have to say. We have been making representations about this not only over the last two years but as I am working in South Australia, because these things take time to come through, to get a building code variation in South Australia to commence in May 2016 we have done extensive work prior to that. In my role we are able to communicate this in real time with our colleagues around the country and governments as well.

The Hon. JOHN GRAHAM: You are saying in South Australia up-front you ran a 90-day change project. A lot of the agreement about what had to happen happened in 90 days.

Mr WARDLE: Yes.

The Hon. JOHN GRAHAM: If we are sitting here in March, you are saying by July we might actually be able to get a consensus if we followed the approach of South Australia.

Mr WARDLE: Most definitely.

The Hon. JOHN GRAHAM: It would be a lot quicker than we heard about this morning.

Mr WARDLE: How the 90-day change happened in South Australia is we had done the building code reform, we had got the variation for the building code and we had removed all entertainment conditions off liquor licences in South Australia. Under the Liquor Act in South Australia, entertainment conditions, which are all of those crazy things that these businesses in this room have to experience around the conditions on their liquor licence, like Irish bars having to have only Irish music, no rock—

The Hon. CATHERINE CUSACK: I did not know that. Is that serious?

Mr WARDLE: These are individual conditions that we would find on specific venues. These things still exist.

The Hon. CATHERINE CUSACK: Where are these conditions coming from?

Mr WARDLE: I was a witness a couple of years ago for the Terrigal Hotel. The Terrigal Hotel has got no rock conditions on its liquor licence.

The Hon. TAYLOR MARTIN: That is my local. This explains a lot.

Mr WARDLE: I was the star witness for the defence on what is rock. This silliness continues. We were able to get rid of all of that in South Australia because the entertainment consent was in a particular line item in the Liquor Act. We were able to strike that out so all of those conditions had no effect. For businesses in New South Wales that have conditions like this that are out of date, they need to then go to council and have a variation on their licence. In South Australia we were able to do it in one fell swoop by changing the Act. What we learnt from that was that agencies are not communicating and the regulatory framework is not coordinated.

As it says in that work, there is much that can be done to ensure that red tape reduction can be delivered while still ensuring public safety and amenity. Okay, we got a couple of things done but it was not the whole picture. So the Premier said in South Australia that 90-day change is a process, it is a vehicle they use across many areas of public policy to say let us get everyone together, talk to each other, get on with the job and do it. But industry are there, police are there, the hotels are there. We are able to come to a consensus and then as a collective go to government with a united direction.

The Hon. CATHERINE CUSACK: I guess what you are saying is this significantly improved the profitability of these venues. You would end up with more of these venues and they would be more viable.

Mr WARDLE: In many ways they just do not exist because the metrics to establish these types of businesses in New South Wales are just too difficult. There are people in this room today who are experiencing ongoing issues. We talk about overlap. Let us talk about the overlap. This has come up a number of times. I do not know if you know what that looks like, but there is somebody in this room who is going through this right now. They wrote:

I've called Liquor and Gaming NSW about 5 times & their advice is inconsistent, eg following the confusion ... I was told by one person that if I either withdrew or amended the DA, the 2 day window starts anew, thereby negating the need for a CIS.

I was then told by someone else at Liquor and Gaming NSW that a withdrawing then resubmitting the DA will do, but an amendment would still require a CIS.

Other advice is that an amendment to the DA cannot be made until the DA is approved by IWC, then lodge a Section 96, but a notification of a slight change is something else, not an amendment ...

Louis was told by yet another person at Liquor and Gaming NSW to wait until the DA is approved, then apply for the liquor licence & the CIS would not be required. This is risky, because great if it works, but if the info is incorrect, we face adding at least 60 more days plus CIS preparation time to what is already looming to be a 96 day DA process.

Another suggestion from a town planner ... is that we can run concurrent DAs ...

I have a good command of English but I am finding this whole process so contradictory & confusing.

The Hon. JOHN GRAHAM: How do small venues cope with this?

Mr WARDLE: This is Carolyn. She is here. These are people looking at commercial leases on properties.

The Hon. JOHN GRAHAM: Sydney is pretty expensive to start with. It is hard enough as it is.

Mr WARDLE: You have got people who have great experience in local government here, the Chair and Shayne Mallard. You know about this.

The Hon. SHAYNE MALLARD: They hire town planners.

The CHAIR: And consultants.

Mr WARDLE: But then let us go back to the department. What is the advice that is being provided?

The Hon. SHAYNE MALLARD: It is never consistent. I have been there.

The Hon. CATHERINE CUSACK: What is the solution to that? A template?

Mr WARDLE: That is one of many challenges that we face. That is around the overlap between the application process between a liquor licence and a development consent. That is not the only overlap. How is agent of change going to work when you have got a noise complaint process under the Liquor Act, you have got a noise complaint process potentially on your DA and then you have got pollution laws that say that offensive noise means you are polluting and that is black or white?

The Hon. JOHN GRAHAM: That is at least three levels of regulation.

Mr WARDLE: There are three levels of overlap. If you are Luna Park, you will get a license to pollute. You will get an exemption from the pollution laws. But if you are a small venue—now, to agents of change: I have grave concerns that this particular instrument will deliver what we are looking for similar to Bankstown. Let us look at that. With the urban renewal corridor, we are looking at 60,000 units of infill there. I live at Belmore. I am very familiar with it. The only plan for a night economy in this whole urban renewal strategy is the Sydenham creative hub. That was voted out in the council a month ago by brand-new councillors who had not done their background and had no idea of what was happening. Agent of change—

The Hon. JOHN GRAHAM: Tell us briefly about the Sydenham creative hub.

Mr WARDLE: Right.

The Hon. JOHN GRAHAM: This morning we heard that venues are moving out of the city.

Mr WARDLE: Yes.

The Hon. JOHN GRAHAM: That is just where we are at. They are moving to somewhere.

Mr WARDLE: Right.

The Hon. JOHN GRAHAM: Either they will move out into the suburbs, or we can plan how that happens. Part of the plan was this Sydenham creative hub somewhere under the flight path on not great land but at least there was a plan.

Mr WARDLE: On a major transit hub.

The Hon. JOHN GRAHAM: At least there was a plan. How important is that to Sydney's music scene?

Mr WARDLE: What is the plan for the city? For our industry this is the one place in the city now where we have a naturally occurring character of venues, an ecology, such as the Camelot Lounge, Django Bar, the Marrickville Bowling Club, or the Gasoline Pony. There is a range of rooms there already happening. What we intended to do with that overlay—and we talk about using the planning system to set the ground rules—it is on a major transport hub. If we are coming from the Shoalhaven and the Illawarra, Sydenham station. If you are coming from the west, what is the plan for our city? We know the central business district [CBD] is in big trouble but even in Marrickville we have an interesting dynamic space where we can go any night of the week and we will see some great music, naturally occurring stuff, under the flight path.

We wanted to change the zoning from light industrial to include hospitality use and cultural spaces. This had support. Over five years of solid evaluation, it had the support of the administrator through that period and it had this in-principle support, gateway support, from the Department of Planning and Environment. It came to the council in December. People in this room spoke to this. Brand-new councillors did not know the background—lots of politics, but that is the game they are in. They did not know the background and they voted it down.

The Hon. SHAYNE MALLARD: That is the Inner West Council there.

Mr WARDLE: The mayor, who was a great champion of this, said "Okay, let's just bring it back so that the new councillors and the community can find some common ground, find a consensus, and start again." But that motion was voted down and gone. What is the plan for this city? Where are the jobs going to be? Let us look at the Council of the City Of Sydney. They are doing the late-trading development control plan [DCP] as is the Parramatta City Council. It is very challenging because the residential infill now is in such a state that to retrofit a night economy within this is going to prove pretty challenging once it comes to the nuts and bolts of acoustic privacy in residential development.

Particularly, if you are allowed to stand on your balcony and complain about urban sounds, when you are in the inner city you should be able to go inside and close the door. If people are having fun out at night, the regulatory framework has to align better in this. The DCPs of Parramatta and the Council of the City of Sydney are now being pulled back. Sydney is going for that review. Sydenham is gone. Where are the jobs going to be in the city for the future? Wollongong is doing some amazing work. Wollongong did very simple things by adjusting existing processes. Talk about the section 149 certificate: They set the ground rules there, and then they can align their acoustic privacy controls. The residential development specifications are designed appropriately to the CBD and the town centres and then they are passed on to the planning tribunals for an independent assessment. Anytime there is a complaint—with police, for example—it goes to a community safety meeting with the council.

It is this type of context that our industry needs. Yesterday morning I was driving towards Wagga Wagga from our shows out west to head back to town. My phone is ringing from a business that is in this room tonight. The licensing police had been through Thursday night, Friday night, and Saturday night. The week before they came through Thursday night, Friday night and Saturday night. This is a venue that has no violence on its register. It has no failed-to-quits. Why is it being visited by police in peak trading times when the peak numbers are in the room week after week? If there is some context, then we will start to see some fairer treatment.

I have councils coming to me and saying, "We've got police looking at putting no entertainment conditions on licence applications because we are concerned that they are going to morph into nightclubs." That is their rationale. But then we have the planning Minister in the *Sydney Morning Herald* last year, Anthony Roberts, saying, "Venues need no separate planning approval to have live entertainment." On the development application [DA], the law reforms of 2009, entertainment is ancillary to your hospitality industry consent. But then we have police saying, when those applications are coming through, saying, "No entertainment".

The Hon. CATHERINE CUSACK: Can I ask you for the name of that venue so that we can make our own inquiries?

Mr WARDLE: Is that room behind me—are you comfortable?

The Hon. CATHERINE CUSACK: You do not need to give it during the hearing.

Mr WARDLE: He is comfortable, it's the LazyBones lounge here. He is one of the ones with a mirror ball.

The Hon. SHAYNE MALLARD: It is interesting about the police because my recollection from my council days is that those development applications went to the police automatically for comment.

Mr WARDLE: Yes.

The Hon. SHAYNE MALLARD: I remember the first time I saw a lockout recommendation was a police recommendation in the city, which was extraordinary. They put it on as a condition that they had to have a lockout. That is where it started as a policing measure. That is something we really should look at—the relationship of police to venues. I want to ask Lucy Joseph a question because she has come in.

Ms JOSEPH: There is a lot to go through.

The Hon. SHAYNE MALLARD: I got Mr Wardle to take a breath when I interrupted him. He certainly is a font of information.

Ms JOSEPH: Absolutely.

The Hon. SHAYNE MALLARD: You run the Live and Local Festival with \$500,000 from the State Government. Is that what I heard you say?

Ms JOSEPH: Yes. I am the program manager. It's kind of extended across three rounds. The first round was for Western Sydney launched in 2016. As that was launched, another round was committed for the other Western Sydney councils who were not successful the first time around. Another round extended into regional New South Wales. It went from being five councils in Western Sydney to 18 councils across New South Wales.

The Hon. SHAYNE MALLARD: It sounds like it has been a success.

Ms JOSEPH: We are currently in the middle of rolling it out. In fact, just last weekend we had four on in the one weekend. There are still about 10 individual events to come by 30 June this year. Yes, as a pilot program, I would absolutely say it has been a success. The anecdotal feedback that we have had from all our major stakeholders—our venues, our musicians and the councils that we work with—have all said in varying degrees that this has contributed really successfully to activating more grassroots live music in local areas.

The Hon. SHAYNE MALLARD: Where does that funding originate from—which department?

Ms JOSEPH: This comes through Create NSW. We manage it on their behalf. At the moment there are 18 councils participating. We have so far employed about 500 different local musicians and these are local musicians who live in these areas or identify as Western Sydney or regional New South Wales musicians. It is based on an event model where local businesses adopt local musicians for a couple of hours. We work with local councils, in particular, because, as you have heard today, there are varying problems with musicians and with venues and with the policy work that surrounds this whole discussion. We get local councils to organise and deliver these events because it allows them the opportunity to see this kind of policy in motion.

For a lot of them, they get to meet their local musicians for the first time. They get to work with their local businesses in a way that is not restrictive. It breaks down a lot of stigma that local councils often have. It sets up assets for them like local musician databases and venue databases. These are local businesses, traditional and non-traditional, live music venues, who have said that they are willing to host live music on a regular basis. It is activating new venues and in the context of what we have heard today the problem is that venues are often regulated out of existence. This initiative is looking into where are some new venues that we can easily allow local musicians to perform on a regular basis. So far we think it has been a resounding success in that way. There is a store in Wagga that had about 300 people come through its doors because it had an amazing musician playing a guitar for a couple of hours. We had a small coffee shop in Orange over the weekend sell more coffees in one morning than they do over an entire day because they had a female soloist playing a guitar in the corner. It is a simple solution that we are seeing really gives back to the community as it is being rolled out.

The Hon. SHAYNE MALLARD: It sounds like it could be a business case for all of that investment too because it gives a return to the local economy.

Ms JOSEPH: Absolutely. We have spoken today about ticketed events. Live and Local events are free but the audience are paying for the coffee, or the beer or the lunch.

The Hon. SHAYNE MALLARD: Is the musician getting paid?

Ms JOSEPH: Yes. It is an enormous capacity building exercise for venue owners, for musicians and for council, but particularly for the venue owners. A lot of these venue owners have never programmed live music before. This is the first time they have experienced that. The idea is to show them that it is not such a mountain to climb over; it can be quite a simple exercise.

The Hon. SHAYNE MALLARD: How are you stepping around council's red tape? Council may have a will to let the local coffee shop play music but I also know about the bureaucracy in the council. I know they have to put in a development application and so on.

Mr WARDLE: This goes to the planning system and how we characterise development and we view this as an ancillary development. There is lots of discussion around exempted complying development. Again if you are in South Australia, low impact entertainment is exempt development, like if you want to put a shed in your garden and all those sorts of things. Again South Australia is far ahead of us. The city of Sydney has a policy looking at exempt development but we view a lot of the stuff already should be classified under "ancillary" use. Why is it that if you put a television in a clothes shop nobody thinks that that is development but if you put in piano council wants to say that is development?

The Hon. JOHN GRAHAM: Yes, someone is employed to play the music and they are against it.

Mr WARDLE: Right.

The Hon. JOHN GRAHAM: You get the same amount noise from a television, a radio or if you put on a CD.

Mr WARDLE: We are having these discussions with the Department of Planning and Environment right now. People are here from the department and you can see the real time discussions that we are having. I have got two pages about ancillary. The Government, if it wanted to, could provide some guidance right now. The city of Sydney is looking at an exempt development policy where they are saying, if once a fortnight you have got up to 50 people within particular parts of the city, we are going to classify that as exempt development. Is it not ancillary? If it was a television we would not even judge it. The Government could get a win on this right now just by getting some guidance from the Department of Planning and Environment. I have some case studies here. Kerri Glasscock is going to speak. We can do things here but we are not all getting it right.

There are a couple of things, before I forget and they fall out of my small mind, in relation to policing. Does this committee have the capacity to seek some statistical responses on licensing applications from policing, for example, because we do not understand how it works? Do police have a blanket refusal of variations on liquor licensing, variations for later trading or applications or exemptions from the lockouts just as a policy position or are they looking at the specific premises, what jobs they are providing, the metrics of the business and its risk history? In Wollongong the police are part of the process and we have seen big changes in responses and getting individual responses for policing. If we did a statistical analysis on lockout exemptions, for example, we will just see a blanket "no". How is it working? We do not know how it works.

The Hon. CATHERINE CUSACK: I think they are very risk-averse.

The CHAIR: I will give you one more minute to finish off.

Mr WARDLE: We are just not quite getting it right. I had an email from a musician Darren Heinrich last week who thanked me for the email and said that Willoughby Council are asking musicians, as part of their Vivid events, to busk." Now just a few years ago, the Sydney Jazz and Blues Festival at Darling Harbour provided jobs for musicians over three days. Now those same musicians are being asked to pay \$25 on a week night and \$50 on a weekend to busk in Chatswood as part of a major festival. Darren Heinrich stated:

As a professional musician with two degrees in music performance and 30 years' experience as a performer, it is extremely troubling that a large publicly funded festival is calling for buskers, and other unpaid performers to not only donate their [time] talent, but pay a fee for the privilege. Providing their own PLI [public liability] is an additional burden.

It is next to impossible to make a living as a musician in this city, and the state parliament currently has an inquiry into this very phenomenon. with the hearings commencing on Monday.

I suggest that Vivid support Australian performers and pay them a suitable fee in line with the conditions of the Live Performance Award 2010, which is all too often ignored these days.

We should add a caveat here—this is Willoughby council, it is not necessarily Stephen Ferris' great program.

The Hon. CATHERINE CUSACK: I wonder if that is to stop people like me going in and having a crack at busking.

Mr WARDLE: Why is it that we used to provide jobs for these musicians over three days and now they have to pay to busk?

The Hon. CATHERINE CUSACK: Yes.

The CHAIR: In light of some of your evidence, and the committee has further questions to ask, we will put questions on notice and you will have 21 days to answer them. The secretariat will assist you.

(Witnesses withdrew)

DAN ROSEN, Chief Executive Officer, Australian Recording Industry Association, affirmed and examined:

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

Mr ROSEN: I do. I represent the Australian Recording Industry Association which is the peak body for the recorded music industry in Australia, representing record labels and recording artists around the country. I thank you very much for the opportunity to comment on this very important issue for the local and national music industry. I would like to talk this morning about the opportunity that presents itself in New South Wales. Music is a big industry. Its contribution to the economy is significant. A recent PricewaterhouseCoopers [PwC] study found that the Australian music industry contributed more than \$10 billion to the Australian economy and employed more than 90,000 people. It is a part of our State's cultural fabric, particularly for local communities, and helps to define and reflect our unique character.

New South Wales performing and recording artists have demonstrated their world-class standing over the past few years—artists such as Flume, Alison Wonderland, Gang of Youths who have all experienced international sales and have been added to big festivals around the world. Such export success not only benefits the New South Wales economy but also helps to position Sydney and New South Wales on the world stage as a creative and vibrant place to visit, work and study.

Our recording industry has gone through massive change over the past 1½ decades since the rise of Napster back in 1999 which started the scourge of digital piracy. Thankfully over the past few years the industry has embraced new digital business models which has allowed us to return to growth over the past few years. The industry declined effectively from 1999 to 2014, but over the past few years it has started to return to growth by the embrace of streaming services. Our revenues are now made up from 75 per cent of digital services, the majority of which come from streaming services that did not effectively exist five years ago. It shows the pace of change in our business—the majority of revenues come from services that did not exist five years ago. These streaming services represent a classic opportunity threat for our local artists. The opportunity is they give our artists, for the first time in history, the ability to access global markets instantaneously.

To talk about the opportunity in that global market, the United States [US] market was up 16 per cent last year to almost more than \$9 billion. It is the first time since 1994 the US market has been up that much. These are the export markets that our artists can now get to. The threat is that that is the same for every other market around the world coming into Australia, so it is harder for our local artists to earn a living just through their local markets. That is why it is even more important if we are going to access those global markets and national markets that we have the infrastructure in place in Sydney and New South Wales for our artists to thrive. I think we can do that through targeted policies and a coordinated approach to ensure this is a place that can embrace these opportunities for our artists and the future that is global and digital.

The Hon. JOHN GRAHAM: Thank you for that presentation. I think you have captured the massive potential for Australia, for New South Wales, and a bit of the good news that this is a business model for an industry that has found its way back from some of those difficult days. What can we do to work with those streaming services in particular to ensure that Australian artists and New South Wales artists are being profiled and are being played here and overseas?

Mr ROSEN: It is an ongoing conversation that we need. We need the streaming service to localise playlists to make sure that local content is being represented on those streaming services, similarly with radio. I know it was spoken about earlier, but it is a program that we starting with commercial radio as well. It is also very important that we work with local artists to help them get overseas, help with international touring and export markets through Create NSW, through Sounds Australia and the Australian Recording Industry Association [ARIA] because the more people you have listening to your services around the world—the way the streaming services work, it is much easier to get higher in the algorithms if you are being heard not just in Australia but around the world. It is an ongoing conversation we need to have with the streaming services.

The Hon. JOHN GRAHAM: Given how quickly this change has happened, the sooner we plug into that discussion the sooner Australian artists will be in a better place.

Mr ROSEN: Absolutely. The industry as a whole is incredibly focused to embrace this new digital paradigm. That does not take away that you need the grassroots for our industry to grow. Canada has had a very strong focus at both a State and Federal level to look at their contemporary music industry. If I look at some of the biggest artists over the last few years who have come out, The Weeknd, Drake, Justin Bieber—whatever you think of these artists—the biggest artists in the world are coming from Canada. They do have the advantage that

they are close to the US, it is easier to travel, but there has been targeted policies from a provincial State and Federal level that have enabled them to do that.

The Hon. JOHN GRAHAM: You are looking at the export potential, but our job at a State level is to look at the music scene that produces the conditions for that.

Mr ROSEN: Absolutely.

The Hon. JOHN GRAHAM: If our artists take off, the potential is massive, but we have to look after the scene in Sydney and New South Wales to make sure the conditions are there.

Mr ROSEN: Absolutely. That export money then flows back to New South Wales, the businesses in New South Wales, to the labels. There is a great record label Future Classic who signed Flume, who is a local Northern Beaches DJ.

The Hon. JOHN GRAHAM: We are going to hear from him shortly.

Mr ROSEN: Great. They have set up an office in Los Angeles, they are generating export dollars, and signing new acts, and all of that is starting to generate income for the local economy and we want more of that. We want more local labels, more local artists to have global careers.

The Hon. JOHN GRAHAM: There is massive potential. Do you think there was a sense that there was a particular sound coming out of Sydney or out of Australia at one point as a range of these artists took off? Is there a sense overseas that there was a bit of a scene in Australia that was catching on?

Mr ROSEN: Whether there is a sound, we are uniquely placed. We have an ability to sit between the influences of the United Kingdom and the US with our own Indigenous culture and immigrant culture that gives us a unique voice. That unique voice has always been around and is starting to emerge. I certainly get a lot of comments in the US about more and more artists coming from Australia, because it is easier than ever before for them to be heard. That is something for us to capture and embrace before other countries get on the bandwagon.

The Hon. JOHN GRAHAM: In your submission you said Australia has the seventh largest recorded music market in the world, so it underlines how big this is.

Mr ROSEN: Yes. It is something we are good at. We have a history over many decades of Australian artists having domestic and global success. The rest of the world takes it very seriously. We can continue to embrace that, but we need to get the grassroots right, because if we do not have that next generation coming through, we will not be able to put those artists on the national and world stage.

The Hon. SHAYNE MALLARD: I am fascinated with the shift from download to streaming; I am still a downloader. I thought I was up to date.

Mr ROSEN: As long as you are paying, we are more than happy.

The Hon. SHAYNE MALLARD: I love the fact that you can share on so many devices. This is 101 for me, and maybe for other Committee members. Can you explain streaming? Is it one content coming from overseas, broadcast around the world, tailored to the markets such as Australia and how can we influence content without the legislation requiring a percentage of the Australian content? I am back in the days of television.

The Hon. JOHN GRAHAM: That is a really good question.

Mr ROSEN: There are effectively four major global platforms. Spotify is a Swedish company, but it is just about to launch its initial public offering on the New York Stock Exchange or Nasdaq—one of the two.

The CHAIR: Is it a good deal?

Mr ROSEN: I will let you make your own investments. There is Spotify, Apple, Google and Amazon just launched in Australia. There are four global platforms that effectively provide, via a prescription service—the majority of them are paid—\$10 to \$12 a month. Spotify also offer a free tier but pay back to the artists and to the labels. For that, you effectively have access to the entire history of recorded music at your disposal at any time, which is a pretty amazing value proposition for the consumer. Back in the days when I was growing up and you guys—I am not trying to age you—you would work into a JB Hi-Fi or record store because 25 per cent of the market is physical, it still exists, but you could in some way control some of that because some of that rack space had Australian artists on it. It is much harder in a global streaming context when you are competing against people listening to Beethoven and Beyoncé every day.

The Hon. SHAYNE MALLARD: And the consumer tailors their listening stream?

Mr ROSEN: The consumer tailors it, although the streaming services do have curated playlists, and we need to work with each of them to make sure that local artists are getting on these curated playlists.

The Hon. SHAYNE MALLARD: You can go to one of those and search for Australian music?

Mr ROSEN: You can. You can search for the Australian ARIA chart, but, again, it is giving them oxygen and getting them more heavily marketed towards the subscriber, so they are not going on global playlists.

The Hon. CATHERINE CUSACK: What is interesting is the playlists. If you have a song that is on other people's playlists, those playlists come up. It can be driven by these. If I put on a Sonny Boy song, then all the people who have playlists who have those songs on it will see that song—on Spotify, anyway.

Mr ROSEN: Potentially. It is an evolving area that we are all starting to get our head around. It is very important that we work with those services. We need to ensure that they are localising their playlist, but we need to make sure we have the right artists coming through and bubbling up and the labels here are making enough money back from recordings and their artists that they can reinvest.

The Hon. SHAYNE MALLARD: Do they have representatives in Australia?

Mr ROSEN: They do.

The CHAIR: It is like Google, the more you use a particular item, that lifts the rating up.

Mr ROSEN: Yes.

The CHAIR: So what happens to these artists that are not getting that rating, because it is disadvantaging them?

Mr ROSEN: It is a different kind of challenge to how it used to be. Unfortunately, it is certainly impacting local artists. Last year on our end of year ARIA chart, there was not one Australian song in the 30 most popular songs, and not one Australian album in the top 10, and that has not happened—

The CHAIR: Not even Hillsong?

Mr ROSEN: Not even Hillsong, but Justin Bieber was in there.

The CHAIR: He is part of Hillsong.

Mr ROSEN: He is.

The CHAIR: Indirectly.

Mr ROSEN: That is a challenge for us as an industry. We need to make sure that people are accessing the best local content. It is not that there is a shortage of world-class acts, but we need to make sure that the environment is there for them to flourish.

The CHAIR: Just having your family vote for your song is not enough now, is it?

Mr ROSEN: Probably not, unless you have got a very big family.

The Hon. CATHERINE CUSACK: Is it just my imagination or are more artists from overseas touring in Australia?

Mr ROSEN: I do not think it is your imagination. Australia is a very healthy live touring market for big global acts. We have just seen Ed Sheeran in town doing the biggest tour of all time in Australia. He played to over one million people between Australia and New Zealand. I think that Australia has held up very well and there is a big touring market. We would love that more Australian acts were doing big tours. It was great that Ed Sheeran had Missy Higgins as his support act. It would be wonderful if the big international acts somehow had to use local acts as their support act. That would be interesting and positive. I am not sure about the international trade implications of that.

The Hon. CATHERINE CUSACK: I remember when Dire Straits took Paul Kelly and the Dots around the country.

Mr ROSEN: And he has gone on to do good things, Paul Kelly. I think there are targeted things to do but the international touring market has been very strong in Australia. We are the sixth or seventh—depending on the exchange rate with Canada—largest music market in the world. That is on a volume basis. For 24 million people that is a pretty amazing effort.

The Hon. CATHERINE CUSACK: Is that sucking dollars from local artists?

Mr ROSEN: The international touring? I do not know the answer to that. I think that they are people who are interested in music. Whether they would be taking people away, I am not sure. If you are going to Adele does that mean you are not going to go see a local act? I do not know. But it would be wonderful if Adele did have a local artist like Katie Noonan, even though she is from Queensland, or somebody else great who was on the bill as well. I think it was fantastic to see Missy on that tour with Ed.

The Hon. JOHN GRAHAM: Similar to streaming, FM radio is crucial in driving the profile of artists. Could you give us some idea of the interaction between New South Wales artists who are hoping to lift their profile and how that works with commercial FM radio?

Mr ROSEN: There is an Australian music content quota under the radio broadcasts Act that is overseen by the Australian Communications and Media Authority. The commercial radio stations have to play a certain proportion of Australian music between 6.00 a.m. and midnight depending on what type of station it is. Contemporary music stations like a KIIS or a Nova should be playing 25 per cent Australian music, and 25 per cent of that 25 per cent needs to be within the last 12 months. That has been a self-reporting service.

The Hon. CATHERINE CUSACK: An honesty system?

Mr ROSEN: Yes. We have just announced in partnership with APRA—I saw Dean Ormston was here earlier today—and with Commercial Radio Australia that we are going to have some independent research to look at how the radio stations are meeting their quotas. There has been some debate within the industry whether they are meeting their quotas or not and we wanted to get their evidence in order to understand that.

The Hon. JOHN GRAHAM: The suggestion that has been made is if you want to hear Australian music tuning in about 11.58 is a pretty good time. That has been the allegation.

Mr ROSEN: That has been an allegation, yes. I think radio is still a very successful and important part of the mix in music. They have actually done a fantastic job through digital disruption about maintaining their relevance. We want to ensure that they are meeting their quotas. So far, to their credit, they are working with us positively on that. I hope that continues.

The Hon. JOHN GRAHAM: Along with the witnesses from APRA AMCOS, you are probably working more around the world than many other witnesses today. Can you give us idea about what other jurisdictions are doing well and some examples of things that would be really powerful for New South Wales?

Mr ROSEN: And nationally as well. I think you have probably been told that New South Wales is the only major State without a contemporary music plan.

The Hon. JOHN GRAHAM: I think the Northern Territory also does not have one.

Mr ROSEN: Which is not a State. We will give them the Territory. New South Wales, just by virtue of its size, has kind of been able to, through inertia, still do quite well. It could probably continue to coast along, but the question is more and more Victoria, Queensland and South Australia. I see it through the ARIAs, where we get the best bubbling up, that more and more are starting to come from other States. It is being able to access this global opportunity over the next decade where New South Wales wants to position itself. I think that certainly the United Kingdom and Canada are two commensurate markets to us in that they are English speaking.

We also do not have a natural hedge in this global streaming world. When I speak to counterparts in France, Italy and Germany there will always be a local market there just by virtue of language. If 50 per cent of people want to listen to French language music they will be able to produce that. In Australia, where we listen to English music, we do not have that natural hedge. I think Canada and the United Kingdom, and New Zealand to some extent, are the three other markets that we can learn from. Maybe I can come back with some other suggestions. But I think Canada provincially and nationally is the one that has invested more per capita than Australia over the last decade and that is starting to see results in their local artists that are becoming the biggest artists around the globe. That is generating an enormous amount of export dollars that are coming back into the local market.

The Hon. JOHN GRAHAM: It is also telling Canadian stories around the world.

Mr ROSEN: Absolutely, in Canadian voices. The danger is if we do not invest in our local infrastructure and ecosystem we will not have those local stories being told. In a global streaming world, that is a massive chance. We have four global platforms: Google, Amazon, Apple and Spotify. The TV and film market is moving the same way. We are going to have three or four global companies that program the content that we listen to. If we do not invest in our local voices and stories here then they will not be able to be told for the next generation.

The CHAIR: What influence has *The X Factor* and *The Voice* had on music and that content? It certainly seems like it is doing a lot to bring up new talent.

Mr ROSEN: I think it had a moment—not a moment, a decade, really. I think *Australian Idol* was back in 2003 and 2004. It was a way of the industry investing. If you look at the growth curve, that was really where the music business started declining. Record sales were going down and the labels and the industry needed to find new ways of accessing the market and TV was a very powerful part of that. *Australian Idol* is no longer on the air. *The X Factor* is no longer on the air. *The Voice* is still available. I think it has turned more into a television series than creating artists. There has not really been a major act that has come out of those series over the last few seasons, from what I can recall. Apologies if there has been.

Early on, if you think about *Australian Idol*, Guy Sebastian, Shannon Noll, Jessica Mauboy—brilliant artists who have had fantastic careers—came out of those shows. But over the last few years probably the interest has waned. Also it is a really difficult industry. Just because you are good at a TV talent show does not necessarily mean you are going to be cut out for the industry. It is a tough business that very few artists are able to be successful at. It has a place, but it has not and will not replace the grassroots ability to be able to perform to a crowd at a pub or at a night club.

When you get overseas, I look at a band like Gang of Youths, who have been an incredibly hardworking live band. They ended up winning the ARIA for Album of the Year. Off the back of that, they have now gone over to the United States and are playing big festivals and are playing on late night TV. I think they were on Jimmy Fallon. When you get over there you have got to be insanely great and be a fantastic live band and live artists. They were able to pull that off and they will be able to go from strength to strength. The difficulty sometimes with those TV shows is you do not have that background. You get pushed out into the world before you might be ready. I do not want to denigrate those shows, they have a place, but there is no substitute for the grassroots industry and getting out and playing your 10,000 hours in front of a crowd.

The CHAIR: The connection I was trying to make is exactly that: They do not come off the show and they are instant megastars. They actually have to feed into this grassroots movement that the Committee is talking about by going back to clubs and pubs for opportunities to be employed.

Mr ROSEN: Absolutely. There has to be a place for them to play in and a market for them to be heard and sell their music.

The Hon. CATHERINE CUSACK: There is much more music around today than when I was younger—for example, back in the seventies. The industry was a lot younger.

Mr ROSEN: Yes.

The Hon. CATHERINE CUSACK: These days there is so much music. It amazes me how much the younger generation knows about my generation's music.

Mr ROSEN: Yes.

The Hon. CATHERINE CUSACK: A lot of those guys are still performing into their sixties.

Mr ROSEN: Yes.

The Hon. CATHERINE CUSACK: I wonder if that is an issue for younger people and younger bands who are trying to break through. I will go to the Mulwala music festival, but it will all be my music or music for my age group. Do the younger ones need more of a go than they are getting?

Mr ROSEN: I am not sure. Potentially, your parents' generation probably went to see music that they were interested in. It just might have been jazz or classical. It just so happens that Daryl Braithwaite is still relevant now not just to our generation but a younger generation. He played the Falls Festival to a bunch of 20 year olds.

The Hon. CATHERINE CUSACK: I was not following their music, but my kids are following our music.

Mr ROSEN: Yes.

The Hon. CATHERINE CUSACK: My sons have got 5,000 songs, which is unbelievable. They are definitely accessing the music.

Mr ROSEN: The Beatles were not relevant to your parents, but they are relevant to your grandkids, or could be. It is different. I think it is a positive that artists can have long careers. We want our lawyers, doctors and teachers to be able to have careers into their sixties: Why not our musicians? They should be able to go out

and perform. That just means there is a broader audience to go and see live music. There will be some festivals and some record stores that will focus on the older demographic and there will be some festivals that focus on the younger demographic, and some, like the Bluesfest, are where three generations of people can go.

The Hon. CATHERINE CUSACK: I live up there so I am going to the Bluesfest. When we have the Falls Festival, it sells out in a snap of the fingers. A lot of locals cannot even go. There are not enough of those festivals.

Mr ROSEN: I think the good ones tend to be—

The Hon. CATHERINE CUSACK: Always in demand?

Mr ROSEN: —in demand, and others. But it feels like there is a healthy festival scene in New South Wales. New South Wales is probably home to a lot of fantastic festivals. Across from country there are the Tamworth festivals and the Deni Ute Muster.

The CHAIR: The Kangaroo Valley Folk Festival.

The Hon. JOHN GRAHAM: And the Parkes Elvis Festival.

Mr ROSEN: Those things are really important for local communities. You speak to local communities, and when a festival comes through, that can be one of the times when the accommodation has sold out, the pubs are full, and it brings a lot of people to the local community. We probably want to encourage more of those smaller festivals they can go on around the State. It was spoken about a bit earlier, but having a regional touring market is really, really important so that people who are going on a national tour or an international tour can go out and play the regions. When they are travelling from Brisbane down to Sydney there are two or three nights that they can do along the way that can enrich regional communities and get more people out and about, so that it is not just once or twice a year that people are going to a festival. I think that is really important.

The CHAIR: That is a good segue to the Sydney Fringe Festival, who will be our next witness. Thank you for the evidence you have given us today. In the light of your evidence, we may put some further questions on notice.

Mr ROSEN: Thanks for that.

The CHAIR: The secretariat will be happy to help you. You have 21 days within which to answer those questions. Thank you very much.

Mr ROSEN: Thank you. I really appreciate the Committee looking at this issue. The whole industry is ready and willing to help and assist in any way we can.

The Hon. JOHN GRAHAM: Great. Thank you.

The Hon. SHAYNE MALLARD: Thank you for that class on streaming.

(The witness withdrew)

KERRI GLASSCOCK, Chief Executive Officer, Sydney Fringe Festival, affirmed and examined.

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

Ms GLASSCOCK: Yes, I would. In addition to being the director and the chief executive officer [CEO] of the Sydney Fringe Festival, I also own and operate two performance places in Sydney—a live music performance venues, which has a 160-seat capacity, and a 65-seat theatre. I am also a director on the board of the City Recital Hall at Angel Place. In the light of the discussions and themes that have arisen earlier today, I just want to make a couple of comments before we begin. I think, firstly, it is important to note there is a polarising discrepancy between how commercial cultural businesses are treated compared to the more traditional cultural organisations, funded companies or major institutions. I think this feeds through all areas of government involvement be it funding, provision of infrastructure or regulatory frameworks.

I think it is important to note that while there has been a strong focus today on live music, this is a live music and arts inquiry. The issues that you have heard spoken about today are equally as valid for all art forms in this State at the moment, particularly any art form that has any element of performance—theatre, cabaret, musical theatre, performance art, anything. We are all facing the same issues that the live music industry is facing currently in this State. Each year I work with more than 4,000 artists and present more than 700 productions and events between the festival and my two venues.

I work with the independent artists from all genres and I speak to the small to medium sector. It is really important to focus on that today because the small to medium sector of the local arts economy is thriving and diverse. It is an integral part of our sector. It is also the one that boasts the largest amount of activity, the largest amount of employment of artists and all other ancillary industries that our cultural industries support. But it is also the one that has the least amount of support from government funding and the most amount of hurdles in the regulatory framework. The Sydney Fringe Festival is a 30-day festival. We work with more than 2,000 artists, of which 86 per cent reside in New South Wales. Each year we program all genres and styles because we are an open access festival.

In addition to presenting our 30-day festival program we also work year round with government, locals, property owners, the private sector and other stakeholders to run programs that look into the regulatory hurdles that face placing any type of performance into alternative spaces. As such, we are able to provide a lot of real-time data and we are able to have a look at issues that are facing our entire sector that are amplified in the festival context, of course, but they are by no means limited to the festival context. They are issues that face our sector all year round inside and outside of the festival and in all of our venues, particularly in the small to medium spaces. With the exception of the artist we heard from earlier today—and certainly there are a number of them sitting behind me—I am the only person to give evidence today that actually puts my own money on the line to keep spaces open in this town. I think that is important to note.

There are hundreds of us out there who have our livelihoods on the line here to try to keep spaces and small to medium size businesses open every single day of the year. There are more of us than there are cultural institutions that receive the large majority of support and funding. Most artists who work in New South Wales will never work in those major institutions. They will never work for the large funding companies. They pay their mortgages and they earn their living in the small to medium size rooms that are the cultural but commercial businesses of our city.

We are the ones that have the most number of problems that we are currently facing, particularly in the regulatory framework. I thought I would give a few examples, as we frame the conversation, that I have encountered in my venues and in the festival to try to give you a clearer idea ,although earlier we heard of some great case studies. When I opened my current premises in Surry Hills where our music venue is it used to be a strip club. It was a very seedy, very underground space—a body was found in a bin and all those sorts of things—and it had been empty when we took it over.

Because we wanted to run a family friendly music venue—we wanted under 18s to be able to access live music—we were opening a Jazz club. We put in a change on our licence to remove the really strict conditions that were placed because it had been a sex industry premises. We successfully had those removed, however, they automatically also removed our late trading. So as a small business owner, what I deduce from that, is that the New South Wales Government and its regulatory authorities would rather have a strip club, operating til 3.00 a.m. than it would have a family friendly live music venue, and I am penalised for running that type of business compared to someone else running something like a strip club.

When we look at how privately owned cultural spaces are treated compared to funded companies or the more traditional models of what a cultural space is, and spaces that are valued as cultural spaces, I like to use the

example of my theatre space. I have a 65 seat theatre space in Newtown—it is a fantastic little venue, one of the only ones that completely programs new Australian work and emerging artists—where we have security provisions on our licence that we have to have a security guard. For the one hour I am open, before the gates are closed and the show starts, I have to have a security guard there until we close the whole venue at night. We have a capacity of 65 people. Belvoir Street Theatre, which is five times the capacity that I have, not too far away, has no security provisions on its liquor licence. It is these sorts of discrepancies that happen every single day with privately owned cultural spaces that are not valued in the same way as a main stage company, but yet we are the lifeline for most of the artists in this State, and we provide employment for the large majority of our artists.

During the Sydney Fringe Festival we use existing spaces so we operate in 60 different venues across the Greater Sydney area that vary from 1,000-seat spaces to tiny little spaces. We also activate unused and under-used space in alternative businesses. We also activate unused space, empty spaces that have been gifted to us or that we work with to create space. Throughout this process we have identified a number of examples that are pretty insane as to how the current regulatory framework prohibits cultural activity in space. We are firm believers that we should be able to utilise all space for cultural activity. We see no difference, similar to what John has been talking about. Why is it different if we were to place a small theatre production into a shopfront, why is that deemed higher risk than it is to have a restaurant with 100 people? Yet, it is in the current regulatory framework.

We have a couple of instances in our submission that area really interesting. In 2015 we ran a pilot project where we looked at placing cultural activity into vacant shopfronts. We had done research that showed it was now cheaper to take out a commercial lease as a theatre producer than it was to hire out one of the theatres in Sydney. There is not enough theatres in Sydney so this makes sense. Of all the theatres in Sydney now., only 80 spots a years are on offer. They all have curatorial guidelines attached. Now that is valid and it is fair, however, it is absolutely detrimental to any emerging or early career artists who now have nowhere in Sydney that they can actually just hire a space and put on a show.

The Hon. CATHERINE CUSACK: Will you explain "curatorial guidelines"?

Ms GLASSCOCK: Yes. In the past there were spaces—and there are in some cities and towns, of course—that you just pay a venue hire and do whatever you wanted to put on your show. Because of the current climate and how difficult it is to maintain a business in this town, and how expensive it is, as operators we need to have control of all the content that goes into our theatres because we need to know that audiences are going to come. The Basement closure that we are talking about today is a prime example. Even landmark, legendary spaces that we assume are safe and financially viable are on tenterhooks from month to month because that is how dire it is. You need a few bad months and it will put you under. So you need to have control over your audience. You need to know that you have got a quality control over your program.

Most spaces, in fact, all independent theatre spaces in Sydney now have a submission process where an artistic director or a curator will assess those submissions and they will put together an annual program. That is fine and it is valid and it is needed, but it favours obviously the experienced producers, people with a reputation, people you have worked with before, people you know are going to pull an audience but it is incredibly detrimental to anyone who is starting out. So at Sydney Fringe we did a cost comparison that it is actually more affordable to just take out a lease on any empty shopfront—and we were looking at high streets all around the city that had empty shopfronts and we thought it was fantastic, we will place some entertainment into them an open small pop-up theatres.

One of the case studies in our submission is about a hairdressing salon into which we were trying to place a site-specific show. The hairdresser wanted to do this; this was fantastic. We had a show that was going to go into the hairdressing salon. There was no infrastructure being brought in. There were no more people coming into that salon than on any other day normally. The only difference really was that the way of communicating between the host and the audience, or patrons was different, and that people were paying upfront for a ticket as opposed afterwards for a haircut. But because of that, and because they were paying for a ticket, it was no longer deemed ancillary. We would have had to put in a full change of use. We would have to have upgrade our fire and noise attenuation because it would have been deemed an entertainment venue as opposed to a hairdresser. We would have had to have provision for more toilets and we would have had to have changed the front door.

The Hon. SHAYNE MALLARD: I am not shocked.

Ms GLASSCOCK: We are looking at a crisis in space. We see all this unused space. We could so easily unlock a massive swag of cultural infrastructure with no investment and yet we are stopped at every turn. What I find from my sector is that not only are we under-represented in funding and cultural infrastructure from

the Government—that is fine—but also we go out on our own to try to be entrepreneurial and solve the problem but we are stopped at every step of the way.

Last year we were gifted a 7,000 square metre industrial site by a property developer. It was sitting dormant for two years. They wanted Sydney Fringe to come in and activate the space. This is our area. We love doing this, this is fantastic. We go in to turn it into a multipurpose arts space. We are fortunate enough to have the full support of the land owner, the full support of local government, and also with full access to an entire team of consultants from our developers, so we are doing a full development application process, and everything is above board. Bear in mind we are the largest independent arts festival in New South Wales with a history of reputable presentation of work. We got pushed back from the police, of course. I would like to read this because I think it is very important. They say:

The Sydney Fringe 2016 line-up included various discos including: drag disco, deadly disco, retro disco, silent disco and delorean disco—

We had a disco theme that year—

The entertainment venue will inevitably be utilised for disco events in 2017. ... as such: The venue is not to be used for entertainment that includes DJs and dancing. No dancing.

In what instance is it appropriate for police to determine what art form can be included in the largest arts festival in New South Wales? Their assumptions, first, that would not even include that and, second, that those events are higher risk than other art presentations is ludicrous. No dancing? What type of dancing? Ballet? Contemporary? Jazz? Seriously we can laugh at this but on my development application for me to be compliant and open that venue I would have had to eliminate my entire dance program from my arts festival at that venue. This is what we deal with on a day-to-day basis.

The Hon. CATHERINE CUSACK: Did that stop you proceeding?

Ms GLASSCOCK: No, of course not. But you are talking to an organisation that has very high level access to consultants, to budgets—again this is what Justine spoke to—we are resourced, we know how to get around it and we were very fortunate in this instance that the city of Sydney turned around and said "no" it is not maintaining that. Do what you need to do. But they did that because I have a long history of working with the city and working in this area. If you were just the average Joe going about trying to activate cultural activity in this city, this is what you are up against. At my live music venue in Surry Hills I have to tap people on the shoulder if they close their eyes while listening to music, because if licensing police come in they will assume that (a) that person is drunk and, therefore, asleep; and (b) I have obviously irresponsibly served them alcohol and therefore I will be fined \$10,000.

You can no longer listen to music with your eyes closed in this city. We can go, sure, do not do that, and of course I do not, but then the onus is placed on me to break the law, in essence, to risk a fine. I sit at roundtables all the time with government councillors who say, "Just do it any way." No, because then the responsibility gets put back on the landowner, on the business owner and our insurances are not valid. It is not okay. These things need to change. It is so simple. We have best practice examples all over this country now—South Australia. This could be fixed so easily. We have this example everywhere. Not only do we have the most expensive city in the country to live in and deal with, and the most expensive to run a business in, but at every single turn we are hit with these things.

The Hon. CATHERINE CUSACK: Why do not the police like disco?

The CHAIR: We might be able to get police in to give their side of the story, or evidence will be provided.

The Hon. JOHN GRAHAM: That was reasonably compelling. The lease funding, sure, some of the big institutions are good at coming to government for funding, but the noise regulation is pretty compelling. I think that point is well made. I want to ask you about Sydenham to Bankstown. You wrote a letter or an article that spelt out some of your views about why the Sydenham creative hub was so important, given the changes happening in Sydney as to where entertainment occurs if we plan it. This was part of the plan. It has fallen over. How big a problem is that?

Ms GLASSCOCK: It is an immense problem. From the point of view of the sector, we see this all the time. We see politics at the cost of a sector, and, quite frankly, we are all getting sick of it. We all contribute time and again to sector consultation, to planning, to all of these things to see them voted down in the last instance. The Sydney creative hub was the last remaining area of our city that was appropriate in every single way if we were ever going to establish an entertainment precinct of some kind. It had appropriate building stock, affordable tenancies, it was close to a public transport hub, no residential ever was planned because of the flight

path, and it had an existing cultural identity. You could not get a more appropriate area of our city to promote an entertainment precinct.

The Hon. JOHN GRAHAM: So it was not prime real estate, but it was great for this use.

Ms GLASSCOCK: It was perfect for this use. The issue I have is that the current local government in that area is against this proposal because it says that if you include hospitality offerings, you are going to gentrify the area, et cetera. That is an archaic way to look at things because in this day and age in Sydney you cannot run a cultural business unless you have diverse income streams, unless you have a food and beverage offering, and unless you have multiple uses under the same roof. It is just not possible to maintain any type of equitable business model without that. There has to be areas of our city that we plan to enable entertainment and night-time economies, otherwise we are never going to make any progress with the constant battle of noise attenuation, development and residential against business. In a great global city there has to be at least one area that we say you can have fun in the night-time here. In fact, there should be multiple of those in a city this size, but there has to be at least one.

The Hon. JOHN GRAHAM: What I do not understand is that the key opponent of this proposal, which then caught the attention of some councillors, was a chicken factory which has 14,000 birds a day going through it. What is the problem for them if there is music nearby?

Ms GLASSCOCK: There are two issues here that were touted by the opposition that are absolutely incorrect. They claimed that rents would increase with gentrification and would therefore drive out the remaining industry that is there. Yes, there are fewer pockets of industry and light industrial in the city than there used to be. The chicken plant owns the building. They are not going to be driven out even if rents increase. There is no possible jeopardy to their business model. Also, you have tenancy rights as well. Existing businesses that come into an area need say that they are not going to affect your business. The problem here is that you have a local government area that is trying desperately to push against the tide of change, and there is a mentality of "not my backyard" first of all.

Also, there is pressure on them with the Sydenham to Bankstown corridor which has come from State Government, but there is a small-minded mentality to hold off the tide. That is coming at the cost of looking forward to the future. It is coming at the cost of our sector because it is not going to save the existing cultural identity if they keep moving the status of quo of how it is. We need to see the opportunities. We need to work towards the future and find out how our cultural sector is going to fit in to the new wave of the city. We cannot fight development. It is happening.

In fact, in my experience, the OHBG festival hub is a prime example, which is the one that the police said no dancing to. In my experience to all the developers and landowners that I work with every day, they want to incorporate cultural activity. There are ways we can be forward-thinking about how we integrate cultural use with residential, and it is not holding it off. The city creative hub is one of the most dire decisions that has happened in the inner city in the past five to 10 years because it truly was the last remaining pocket of land that had everything going for it for a vibrant night-time economy. For that to be gone now, it not only jeopardises the existing businesses that are there, which have been using their own money for the past 10 years to fight every regulatory hurdle that you can imagine, but it also does nothing to secure that space for the future once 60,000 new apartments are built in that area.

The CHAIR: Was it rejected or withdrawn? I do not know what the terminology was.

The Hon. SHAYNE MALLARD: It was rezoned, was it not?

The CHAIR: Yes, but I think it was the new council.

The Hon. JOHN GRAHAM: Partly it got caught in the shift to the bigger inner west council, but you would know much better.

Ms GLASSCOCK: It got lost during the amalgamation. It was put on the sideline. Prior to that it had unanimous support by every councillor on every point. It had had sector consultation, it had had—

The Hon. JOHN GRAHAM: Planning endorsement?

Ms GLASSCOCK: Yes, endorsement from Planning. It had had independent reports. In fact, just before amalgamations, the consultant who had done the original report had said the only way to safeguard that industrial land for the future is to diversify its uses and to open it up for cultural and hospitality.

The CHAIR: When the new council was established, did they get elected based on the fact that they were going to oppose this?

Ms GLASSCOCK: No. In fact, most of the councils that are there now—one of the biggest economies of this particular issue is that the inner west council for many, many years—in fact, in their submission to this inquiry it claimed that it has the highest number of residents who work in the creative industries, that it supports cultural use of industrial land.

The Hon. JOHN GRAHAM: We should definitely think about calling them later.

The CHAIR: I guess their next avenue is the Land and Environment Court, which, sadly is where it goes when these situations have impetus and then is suddenly cut off. There are no further questions. In light of the evidence you have given us, you will have 21 days to answer questions on notice. The secretariat will help you with that. We thank you for your evidence. Some of the stuff that people have to face is startling. Those of us who work in local government are very aware of those things.

The Hon. SHAYNE MALLARD: That is why we got out of it.

Ms GLASSCOCK: Thank you so much. It is wonderful to have the opportunity. Thank you for convening and looking at this in detail. It is greatly needed.

(The witness withdrew)

(Short adjournment)

GREG KHOURY, Century Venues, sworn and examined

The Hon. SHAYNE MALLARD: You have given us a submission. Would you like to make an opening statement?

Mr KHOURY: Century Venues applauds the initiative. Over the 35 years that we have existed we have created or saved performance spaces, starting with the Enmore Theatre in the 1980s, to most recently the creation of a set of fully compliant converted container venues at the Factory Theatre complex and now the taking on of the abandoned historic 1,000-seat Victoria Theatre in Newcastle. The key issue for all live performance and music is space at all levels, particularly small to medium which has long been neglected, and also large space where I believe the industry itself has not been innovative enough to provide it. I am referring there to the commercial theatre sector.

I would also like to note that there has been a lot of talk about live music, but the need for theatre space is paramount here too and not just for live music. The two are certainly interchangeable. Hybrid use is now a genre of performance space, but this requires regulatory change. We are well aware and support the need for regulatory reform. Certainly the restrictions to entry and operation in public performance spaces, particularly the small to mediums, is really onerous. As I was saying, theatre space is needed at all levels—particularly from small, affordable, incubatory spaces to large Lyric, Broadway-style theatre space in Sydney as well.

To aid any questions you may have, and I welcome them, apart from our own business initiatives we have been very active industry-wide in the campaign for spaces from as far back as the mid-1980s with the campaign to save the Regent and Capitol theatres in Sydney. This also leads me to say that the role and voice of commercial independent operators who have at their core a cultural conscience is as valid as a subsidised organisation. Often the commercial independent sector is overlooked or seen as not being objective. Having worked in both sectors, I can say this is not true at all.

It is very interesting to see in Paris where we did some case studies that in the 1960s their plethora of independent commercial theatres were seen as being jeopardised by the rolling out of major subsidies for their subsidised section. They set up an industry administered organisation that is funded in various ways that provides capital and also even invests by underwriting productions. It is very inspiring to see that type of model sit entirely beside their major subsidised sector as well. As I said, we welcome the inquiry and we welcome the groundswell of robust discourse around the challenges facing this sector.

The Hon. JOHN GRAHAM: It really helps having your submission because we can look at the venues you are running, particularly the Enmore, the Metro and the Factory Theatre. I know you run smaller venues as well, with the Victoria Theatre, Manning House and the Concourse at Chatswood. Without those spaces the music scene in Sydney and also Newcastle would be devastated. They are pretty crucial. There is really not very many spaces of that particular size across the city.

Mr KHOURY: No, there is not.

The Hon. JOHN GRAHAM: They really plug a major gap, do they not?

Mr KHOURY: What emerged when we were writing and talking about the inquiry was that there is also a need to have those incremental step ups of sizes. If some of those are lacking it makes it extremely difficult. Certainly in live music we discovered that there is a need for a 250 to 300 capacity music room. We are going to attempt to provide that within the Metro Theatre complex. Again, the feedback we were getting from our clients, operators and presenters, is that you will have acts that will play in 100 or 150 capacity but then there is nowhere for them to step up. Interestingly, the same thing occurs in theatre. Even though some of them have closed in the last few years or have been totally curated, independent spaces, 100-seaters like Sidetrack Theatre or Downstairs at Belvoir or Downstairs at the Seymour Centre, we had quite a raft of those sorts of spaces.

But when you get a hit in those or something that can take the next step there is no next step in Sydney. The very few 250- to 350-seat theatres are fully curated anyway. There is a great tightness in space. Even when you look at the higher capacity theatre spaces—maybe not the size of the Lyric and Capitol, but a bit under that—even with the Lyric and Capitol people in the industry say that Sydney is incapable of mounting or having at same time more than one major musical, yet when you look at Melbourne it can have two, three and sometimes four significant size musicals because they have the building stock and they have the theatre stock to have it.

The Hon. JOHN GRAHAM: But your point about being a ladder where performers—this is true of theatre or music but especially true of music—start performing, work your way up through those venues and build your audience as you go, that is really how the ecosystem works.

Mr KHOURY: That is how it works.

The Hon. JOHN GRAHAM: But if there is a rung missing on the ladder across Sydney, if there is a gap in the right size venue, that is a major problem for that development.

Mr KHOURY: Yes, it is, because you are effectively hit a brick wall.

The Hon. CATHERINE CUSACK: I am sorry, where is the gap?

Mr KHOURY: There are several. There is certainly a need for more incubatory spaces that are affordable. There is no point in having them if they are not managed in a way where they can be affordable, and that is important. Certainly there is a gap at that 250 to 350-seat level, both for live music and for theatre as well. I think we are reasonably well served in the larger capacity venues for live music. There is certainly a tightness. There has been a need for a Broadway-style 1,500-seat theatre in Sydney since the Regent closed. Even though the Lyric is open and the Capitol came online, you also had Her Majesty's close as well. The fact is that everything has to pass through the eye of the needle of Sydney. That means for the rest of the country places like Melbourne particularly suffer because they have a lot of venues comparatively to Sydney, but everything has to come through the eye of the needle of Sydney. There is only so much juggling that you can do.

The Hon. JOHN GRAHAM: It really goes to that point the came up earlier about cultural mapping. We need to do that mapping so that we know what is there, but also on the music side we need a contemporary music plan to be able to look at. This is one of the things that might be in there when you are looking for what venues might be available—a bit of a map.

Mr KHOURY: Definitely because I think contemporary music as a genre has not been seriously looked at. It was something that sort of had a life of its own. Clearly, it is a great driver of a whole range of things. Gone are the days when you can look at genres in very fixed and demarcated ways. Even the artists themselves will bleed out into other things. The whole concept of hybrid artistry, and therefore hybrid venues, is an emerging thing that we need to come to terms with, particularly in that regulatory area where hybrid use is not understood.

The Hon. SHAYNE MALLARD: Mr Khoury, I am an admirer of what your firm has done in preserving the history of our city in terms of the Enmore Theatre and others you have worked on.

Mr KHOURY: Thank you.

The Hon. SHAYNE MALLARD: Thank you for your submission. The question I ask is a classic liberal question. Why is the market not responding to those gaps you have identified? If there are gaps for 250 or 350 venues and gaps for bigger venues at the other end for musicals, why has the market not picked that up? You are qualified to talk about that.

Mr KHOURY: Thank you. Let me start at the top end with theatres. I think we as an industry, which is that commercial high end, you know, the John Frosts, the Mackintoshes and all of that group, and that sector of the industry—this is my personal opinion, and I have been involved on those committees since the days of the Regent—I think we have failed to put together a compelling case. You cannot just say to government, "Well, we think you should provide us with a 1,500-seat theatre somewhere." I think the industry needed to be far more entrepreneurial about possibly, say, pulling together a collection of producers, then approaching government and saying, "We can use this space for 15 years and here's the commercial return. Is there potential for a public-private partnership?"

When you look at Melbourne, that is effectively how both the Princess Theatre and the Regent in Melbourne had come about. It is very interesting to look at the Regent because it had been closed for 30 years in Melbourne, lying idle and totally stripped. When the Mariners created that partnership with government and Cameron Mackintosh with the Princess in Melbourne, they were guaranteed the season of *Phantom of the Opera*. Mariner's desire to restore the theatre, and with some government money, made that theatre happen. That is when we realise the effect of those long-running musicals and any major theatrical production on the economy of the city, which is extraordinary.

The Hon. SHAYNE MALLARD: Thank you for that. But what I was getting at is the private sector itself stumping up the capital and investing in small theatres and in larger theatres. Since you are from the private sector, I understand what you are saying about private-public partnerships [PPP]. That is how Angel Place came about, is it not, through a PPP?

Mr KHOURY: Yes.

The Hon. SHAYNE MALLARD: It is a good one. Why has the private sector not built the theatres to fill those spaces up?

Mr KHOURY: I think it is the nature of real estate in Sydney that is the major factor. And also if you look at, say, what we did at the Factory Theatre, because we were programming a room up the road from the Enmore Theatre, we knew that a 400 capacity space worked because Newtown RSL had provided the infrastructure and had renovated that building. We were confident we would run that for three years and before they converted it we were confident that that model could work and we created the factory. But it was very much B-grade peripheral territory down near Sydenham. If you look at places like the Metro you would no longer start that sort of venue from scratch; it would not make any commercial sense.

The Hon. SHAYNE MALLARD: Do you contend to the committee that it requires government partnership to get these gaps filled in the theatre infrastructure in Sydney?

Mr KHOURY: Yes, and in a way the smaller you go, the worse it gets and the harder it gets to warrant the capital investment. To some extent running a 200 seat venue, there are economies as you get larger that make it more viable. The fact is if our managing director's father had not taken on the Enmore first, I do not think we would have a business. But the economy of that business—the Enmore remains the cornerstone of what we do. If you looked at the financials, say, of the Metro Theatre it does not make much sense. Where its value is, is that international acts come into Australia, will come to the Metro because it is a very good contemporary music house. We have a reputation as good managers. So that means we make contact with international acts when they first come into Australia, and that means they are more likely to stay with us and play the Enmore.

I would say the real value of a place like the Metro is its impact on the Enmore, which is probably about 10 to 15 per cent of what we do. But if you took the Metro isolation, I do not think you would have a business case for it in isolation. I think there is an economy there because we discovered that when we were encouraged to make an application in regard to creating a second venue in the Metro because there is space there to do that. As we were putting that business case together we realised that there is an economy that would not be experienced if you were trying to start another stand-alone venue of that size which is why we have the pop-ups at the Factory Theatre.

The Hon. CATHERINE CUSACK: Will you explain how venues work, how you make your money and what does "fully curated" mean?

Mr KHOURY: With most contemporary music venues, or with our venues, we are in a way essentially a room for hire. But we have a very proactive relationship with our clients in terms of marketing and selling tickets, and promoting what they do.

The Hon. CATHERINE CUSACK: Who are your clients?

Mr KHOURY: They vary from people like Michael Chugg who has cut deal with overseas acts, the promoters, and who bring those acts to Australia. As you go down to the smaller levels, that becomes more fine-grained but the concept is still essentially the same. When you get to the incubator stage, which is like a 100 or less, then you have artists who are doing it themselves.

The Hon. CATHERINE CUSACK: Who bears the risk? When you say it is "for hire" do they pay you a set fee and then the door takings go in—

Mr KHOURY: That is correct, certainly for the medium to larger venues, that is the most popular model.

The Hon. CATHERINE CUSACK: Is that how your business works?

Mr KHOURY: It is certainly how the Enmore Metro works but when you look at a place like the Metro, again as you go smaller, the rental component is usually a per-ticket fee which, in the scheme of things, is relatively modest. Where venues will make their revenue is then through the sale of alcohol and food and beverage, really, and other things.

The Hon. CATHERINE CUSACK: Are you operating those services?

Mr KHOURY: That is correct.

The Hon. CATHERINE CUSACK: Are you sharing the risk on the ticket sales?

Mr KHOURY: Yes. There are many occasions where we enter into a more risk-sharing scenario, depending on the act. For instance, if a promoter has an act that they are not 100 per cent sure about, not that there are any guarantees in this business, but if they want to bring in a risky act, we will often times share some of that risk. It will come in on an early week day, for instance.

The Hon. CATHERINE CUSACK: What does "fully curated" mean?

Mr KHOURY: That is where a venue has a programmer in it where the content productions of that venue are already fully programmed in advance from that venue. For instance, Belvoir Street downstairs is essentially fully programmed in advance in the same way that the Sydney Theatre Company generally fully program their space at the Wharf, and the Drama Theatre at the Opera House. So the Opera House will have certain dates where it is used for other things. The big Sydney Theatre that they have is sometimes made available for outside hires or co-promotions as well.

The Hon. SHAYNE MALLARD: That is booked a year ahead, is it not?

Mr KHOURY: Yes. The Enmore would be booked 10 months in advance.

The CHAIR: My latest understanding is that your private sector is not subsidised by government like the Opera House. I think the last statistic I heard years ago was about \$15 million. So it is a big difference from being a private operator to being subsidised by government, is it not?

Mr KHOURY: Yes.

The CHAIR: The Shoalhaven City Council wanted a regional theatre so it sold off some land and made it happen. It is probably one of the best regional galleries in New South Wales by far. The point is that council made a decision that its community needed the gallery for a better quality of life and to keep the dollars in its own area rather than to Wollongong or Sydney. It has been able to piggy-back on the shows coming through Sydney and may be on the road going down to Melbourne. Why does the city of Sydney not do that if there was a business case and produce a theatre the size you are suggesting to ensure that it can cope with those opportunities?

Mr KHOURY: Do you mean medium size?

The CHAIR: Absolutely, it has assets and money.

The Hon. SHAYNE MALLARD: The city council owns quite a few theatres.

Mr KHOURY: Yes it does. The city has been progressive in terms of providing a good deal of cultural infrastructure at this more medium size level and the smaller level as well. I do not think it is entirely just the role of government. There is the need for much greater intervention and I think there is a need for review. I think major subsidy for organisations like the Opera House and the whole sandstone high end, mainstream absolutely is there but at the moment there is nothing for the activity that happens at a fine-grain and self-initiated place.

The Hon. JOHN GRAHAM: Earlier evidence from Ms Glasscock said that private organisations do not have funding support and that the regulatory hurdles are so high to get smaller rooms, in particular, up and running. Those burdens would be exactly the case for the sorts of operations you are talking about.

Mr KHOURY: Totally. We have been involved with the Sydney Fringe and the Newtown precinct. One of the roles of organisations—and Century by default—that want to set up spaces they would come to us and ask if we could help and we would. But the brick walls of regulatory imposition absolutely need to be reviewed. We are aware of the work that John Wardle has done and the role of the Live Music and Performance Committee and those recommendations are absolutely there.

The Hon. JOHN GRAHAM: That would be one of the major barriers that stop private organisations from setting up these rooms.

Mr KHOURY: It is a huge barrier. For example, the owners of the King Street Theatre which has been a theatre and rehearsal space in Sydney in southern King Street for over 35 years. I received an email today from the agent. This is after they have had two offers in regard to keeping that room as a theatre, and we were one of them. But when I dug more deeply into its approvals it actually does not have approval as an entertainment venue. It had approval for rehearsal space many years ago. It had a temporary approval in 1986 as a theatre for two years. It actually has been trading essentially illegally. It is a can of worms. The owner is aware of it and he said to the agent "We are having a gym in there".

At 616 King Street, Newtown, which has been a theatre for more than 35 years, in the coming months you will see a gymnasium on level 1. It will be lost forever as a theatre because it will be stripped. The other major point is that the stock we do have must be valued, because once you lose it, it is really difficult to get it back.

The CHAIR: We heard some evidence on that this morning about acknowledging some of these historic sites like the Basement, for instance, and the performing arts centre, and giving them an historic acknowledgment so they are protected and they receive more interest from the Government.

The Hon. CATHERINE CUSACK: One of the ways that many heritage buildings were saved was with air rights being allocated, a value—

Mr KHOURY: Transferrable airspace, which is how Frank Sartor put the capital deal together.

The Hon. CATHERINE CUSACK: Can you tell us what a package with special planning considerations or dispensations could look like for a theatre to become commercially viable for other uses of that space?

Mr KHOURY: I am not across some of the planning considerations that—I think transferrable airspace over heritage buildings is still controversial. For example, with the Victoria in Newcastle, it is not a goer at all.

The Hon. CATHERINE CUSACK: Why not?

Mr KHOURY: There may be the ability to receive development concessions in return for a restoration and keeping the theatre, but then we are not developers, so the idea of funding a theatre through a development above is not strictly what we do, and we would have to go out on a limb.

The Hon. CATHERINE CUSACK: These are transferrable, so you can sell the rights.

Mr KHOURY: You cannot do that in Newcastle, though. It has been very successful with Angel Place and with the Capitol, but I would say in really simple terms governments are fantastic at providing assets. The independent sector and practitioners are really good at running them. Of the 180-odd performing arts centres that exist in this country, we are one of seven where the performing arts centre is run by a commercial outside organisation. I can say to you that having come from the inner west to the North Shore, that was a fairly unpalatable concept to begin with until it worked. Chatswood is now very successful. It is the fastest growing performing arts centre built in the past 40 years. We were able to funnel a lot of activity into there that would not normally play at a performing arts centre.

Going back to the earlier question about what government can do, there needs to be a more proactive way to work with the sector to provide and isolate the infrastructure to determine some—in the ways that have been done with things like the Eternity theatre, but because live music has been a far more nubile—in a theatre way—ethereal sector, it has come and gone. Pubs have had music rooms in their places and they have gone. There has been this constant shift whereas the theatrical stock has tended to be more hard and fast.

I am not sure what the answer to that is but, as I said, governments are very good at making assets happen. I think there can be a partnering that needs to be thought through about how those assets can be realised, those cultural live performance assets, and how that sector can be helped. We all agree that government do not like the idea, understandably, of coming on to the permanent payroll of funding. We do not want to do that, but where there can be a single one-off capital injection to close that viability gap for an independent operator, that should definitely be looked at.

The Hon. JOHN GRAHAM: You are running private venues, but the truth is that the city and the community gets an incredible public benefit out of that. They are places that people can go to together. We have heard staying home has got attractive in recent years, that is true.

Mr KHOURY: It has, and that is the real competition, not another venue.

The Hon. SHAYNE MALLARD: Netflix

Mr KHOURY: Yes, Netflix.

The Hon. JOHN GRAHAM: That is right, but that means that the experiences you are providing are more valuable than ever. There is a public benefit to that that we should find some way to recognise in the Government's planning process.

Mr KHOURY: Definitely. Also, in regard to the economic benefit, yes, that is there, the updated economic impact study we did on the Enmore through the University of Technology showed that there was an additional \$32 million worth of elective spending over and above the cost of purchase of a ticket in the four

postcodes that constitute the Newtown precinct, and I have that document updated. More than that, there is a human benefit. There has been a lot of research done on the moral of music and live arts as a humanising force. That research is quantifiable now. That is very important. The primary reason for attendance at live performance is the live performance, and the sale of alcohol is ancillary to that activity. That is a major public shared experience, which is increasingly important, as people tend to stay at home.

The Hon. CATHERINE CUSACK: I want to ask you about comedy and cabaret.

Mr KHOURY: Yes, absolutely.

The Hon. CATHERINE CUSACK: There does not seem to be much around in Sydney.

Mr KHOURY: There is a lot of comedy.

The Hon. CATHERINE CUSACK: There is a Comedy Store at Fox Studios.

Mr KHOURY: That is ours. I must tell you a very interesting story about the Comedy Store. We took that on when it went into receivership. The first time we went to renew the lease, I was dealing with—I think it was called QB. They were a shopping centre owner from Queensland. You have to understand these people only understand retail. I remember saying to a very helpful agent at the time, "This place is marginal. It is going to take us another 18 months to get it on to a solid platform." We put in a business case, and he was very helpful and we got it across the line, but I remember saying to him, "This is called the Entertainment Quarter, yet there is no other live performance space apart from the Hordern Pavilion." The Forum at that time was dormant. He said, "They don't care." They see this space as retail premises.

The Hon. CATHERINE CUSACK: It is, is it not?

Mr KHOURY: In a way. That is part of what you are up against as well. It is the same with the Theatre Royal. There is an extraordinary asset that was made available because of people like Neville Wran who was the chairman of that committee who fought with Jack Munday to replace it, ironically, and it was done very quickly with Jack Munday—I was talking to his daughter the other day. That theatre is the same. It was run very successfully in its day, but its operators regarded it as a type of retail space. There should be a study done there to show that when that theatre is closed, that car park is empty as well. There is not one single food and beverage operator open at night in the MLC Centre anymore. One of our concerns has been that that facility could very easily slip away, which is why we are making a few inquiries with regard to the Theatre Royal. That is part of the problem that you are up against, which is why I think there needs to be government intervention at the bricks and mortar level, however that may end up looking like. I think that needs to be done for small operators.

The industry is aware that artists are the next generation of producers as well. In Britain they have tended to move away in respect of Australia Council-type funding. While they still, of course, fund artists, they have a particular focus on producers because they are the entrepreneurial creators. They are the Kerrys of this world; they are the my boss of this world. They are the people who will go out and make those things happen. If you can assist those people at that level, it will be make it a great deal easier. There is a tipping point for someone who owns, say, an old hotel. You can run a big room in there as a music venue if you give it to a live arts practitioner, and if you were to give them help to dedicate that room as a performance space, that is one way to get the more incubatory spaces over the line. I am having a stab at that, but I believe there is a need for capital funding at that level with practitioners.

The CHAIR: Thank you, Mr Khoury. Your evidence is very interesting and helpful. In light of your evidence, we may put more questions on notice, which have to be returned within 21 days. The secretariat will help you with that.

Mr KHOURY: Thank you.

(The witness withdrew)

ANNA BURNS, General Manager, Future Classic, affirmed and examined

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

Ms BURNS: I would like to thank you for the opportunity to be here today and start by sharing the story of Future Classic, which fundamentally, due to some policy and cultural changes, would not be able to be replicated today. I will step back a second and give you some context as to collectively who Future Classic is. Our artists have won a Grammy Award, 38 ARIA nominations, 18 ARIA awards, one platinum album, one multi-platinum album, 15 multi-platinum singles, two gold albums and two gold singles. Our artists have repeatedly topped the Triple J Hottest 100. They have won ARIA albums of the year. They have had ARIA number one singles and albums. Internationally we have had artists who have been in the top 10 of American commercial radio, who have multi-platinum singles in America, who are headlining international festivals and selling in excess of 20,000 tickets per city.

For all of our success in Australia and abroad, our beginnings are far more humble. Future Classic began in a living room in Chippendale. There was not a clear business model when it started. For co-founders Nathan McLay and Jay Ryves, it was a side project. It was a passion. What Future Classic is now—a management company, a label, a publishing company, and touring and events—grew from a very organic DIY approach, licensing small 12 inch releases, touring artists and putting on parties. When it came to the point when they needed to employ someone—their first employee, Chad Gillard—the business did not have secure cash flow to be able to sustain that. So Nathan took up extra DJ gigs to be able to afford Chad's salary. That is how they financed the business for quite some time. Chad himself also had to DJ at night to supplement his income because it was so humble. In fact, the first three employees who worked at Future Classic all DJ'd and ran events three to four nights a week for the first four to five years of the company.

They could do this because there were enough venues and there were late enough trading hours to sustain them and many others. From that necessity grew opportunities. That is where Future Classic has come from. There were opportunities to find the right artists and opportunities to tour the right artists early when they were still playing small rooms and create an opportunity to build international relationships. There was an opportunity to meet people across the music industry in Sydney, Australia and overseas. All the success today that Future Classic has grew very clearly from the lessons that were learnt and the relationships and pathways that were developed in those early years.

While the precise details of the story of Future Classic is unique to our organisation, the broader themes about innovation, the importance of the late-night economy and pathways and pipelines for talent are very similar for many others in the industry, including artists and businesses. While there is undoubtedly as much talent today, the younger generation and the current generation most certainly do not have the same opportunities. One of our artists, Flume, who is arguably one of Sydney's greatest contemporary exports, made a statement at the 2016 ARIAs that I would like to bring to your attention. He said:

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

To our policy makers and our politicians, please keep Sydney Open so that the young artists, so that the next generations of musicians, can have the same opportunities that I had.

After he won a swag of awards at the 2016 ARIAs he also went on to win a Grammy Award in 2017. I am sure he will continue to do wonderful things. I can also speak more specifically around those opportunities and those pathways. Flight Facilities, one of Australia's most loved and successful electronic duos, have won ARIA awards, they have won gold albums and they have sold out 12,000 capacity shows. They have had major collaborations with the Sydney Symphony Orchestra and the Melbourne Symphony Orchestra. They are a Sydney success story. In 2016 they wrote an open letter that was powerful and compelling and I think still very relevant. If you would not mind, I will like to read you an excerpt of that. It says:

We've been fortunate enough to explore the world through our music, and while our influences have reached us from every corner of the globe, our cultural and musical incubator is, and was, Sydney.

Before the two of us had even crossed paths, we were enjoying being on both sides of the turntables, and often walked out of our favourite venues in perfect daylight. Such nights shaped our musical tastes, understanding, and kickstarted our careers. Most of our first club gigs didn't begin until 3am, and yet those parties were still heaving.

Without wanting this to evolve into a "back in my day" piece, we'll give a basic rundown of how our careers started, to emphasise how the diversity in nightlife allowed us to succeed. Simply put, if you're a DJ in Sydney hoping to start a career, don't follow our path. It has been demolished:

- * Venue visited on Friday's after graduating: yu - SHUTDOWN
- * Venue Jimmy held first solo DJ residency: Soho - SHUTDOWN
- * Venue Hugo held first solo DJ residency: Tank Nightclub - SHUTDOWN
- * Venue we first met: Trademark - SHUTDOWN
- * Venue we DJ'd at together, weekly: Hugo's - SHUTDOWN
- * Venue we met Giselle, which lead to Crave You: Piano room - SHUTDOWN

I would like to add that *Crave You* is Triple J's fourth most played song of all time and is a gold record. The letter goes on:

- * Venue we met Jess, AKA George Maple, which lead to Foreign Language: Hugo's - SHUTDOWN
- * Venues we spent our night's off: Flinders/Backroom: Both SHUTDOWN

All of these places were vital puzzle pieces in building to where we are today, and sadly, this doesn't begin to cover the other venues affected. **Had these laws been in effect 10 years earlier, our music may never have existed.**

Obviously they were writing in response to the lockdown laws, but I thought that was a useful kind of context.

The Hon. JOHN GRAHAM: What you are describing is one of Sydney's biggest success stories when it comes to music from an export point of view and also from a musical point of view. Interestingly, this is not pub rock, it is electronic music, but it has been incredibly successful around the world. It was a pretty successful time for Australian music. Do you think that has been part of the international discussion, the idea that there was a group of artists coming through Sydney that have been pretty successful and we have now lost that?

Ms BURNS: Yes. We repeatedly get asked about what is in the water. There is a whole lot of artists who have come up together and opened for or supported each other or taken each other on tour and collaborated with each other on records. That is stuff that is very organic and that you cannot easily manufacture. One of Flume's first shows was actually supporting Chet Faker at Goodgod. Both of them went on to create amazing bodies of work together and separately that have resonated in Australia and overseas. Chet Faker has changed his name to Nick Murphy, so if I jump between the two that is who I am referring to. Certainly the creative and cultural framework that they all came through has been a really big part of it, but as to the actual viability and the economics of it, in that excerpt Jimmy and Hugo said that they got their first gigs at three o'clock in the morning because when you are starting out you are not going to be put on at the headline spot, you are going to be put on at the end of the night. You need to have the opportunity to start. You need to get those runs.

The Hon. JOHN GRAHAM: We have had the Australian Record Industry Association [ARIA] in to talk about the aspects for potential. Really what you are doing is taking us behind the scenes to show how that exports success. You have named some of the most successful Australian artists in that time and how that kicked off. It was a pretty rickety operation. It could have fallen over, but it has been a massive success.

Ms BURNS: The same themes apply in music and entertainment and creativity as in many other industries around pipelines. Overnight successes usually have hundreds of flight hours. They do not just come out of nowhere.

The Hon. SHAYNE MALLARD: That is right.

The Hon. JOHN GRAHAM: But that is really what is at risk, is it not?

Ms BURNS: Absolutely.

The Hon. JOHN GRAHAM: That scene which produces those successes. That is your evidence?

Ms BURNS: Yes, absolutely.

The Hon. JOHN GRAHAM: You have talked about venues closing. Venues open and close. It is not, though, that these venues have closed and others have opened. You are just saying flat out that there are many fewer venues.

Ms BURNS: The implications of many fewer venues—and I think this is an important point to make—are that in any city and in any culture, not everything is fixed. Venues do close and venues do turn over. It is more that there is an ecosystem where there is renewal and there are new opportunities that shift and change. The challenging part is that those entry-level rungs are not there as easily. Also, it is not just the venues but actually the number of hours that affect how many gigs you can get. There are fewer opportunities because venues are not trading as late. They are not booking as many artists later into the evening because they are not open. It is not just about the number of venues that are closing, which obviously is a very important part of it. The other part of the volume is actually the number of opportunities within those venues. I am just trying to paint the picture for you.

The Hon. JOHN GRAHAM: That makes a big difference to how economic it is to run a venue if you can turn over the audience a couple of times.

Ms BURNS: It makes a difference to the venues. I would not want to speak for them but, yes, of course. It makes a huge difference to all of our artists. I was trying to paint the picture of not just Flume and Flight Facilities but also Future Classic and what we do. None of those individuals would be where they are now—like, economically they actually needed to have gigs to be able to pay their rent.

The Hon. JOHN GRAHAM: Part of your current economic model and really what Future Classic is doing in part goes back to a discussion we were having with ARIA's Dan Rosen about the curation of music as well. Really, given the success of Future Classic you also are a bit of a taste-maker in the music scene. You are curating playlists. You are playing a role, really, of getting Australian music into that international sphere, not just with your artists but with that taste-making approach.

Ms BURNS: A broader community. The other implication, aside from the very immediate economic side of not having venues to play gigs in or not having venues trading late enough to be able to do multiple gigs in a night or across a weekend that gives you enough money to be able to pay your rent, is that that has a very real impact on audiences. If you cannot go out and engage with your audience and find your skill and build your niche and that stuff that is there, the thing that engages, or connections—we are talking about something that is quite ephemeral, really—that is trial and error and it just evolves. You need to have those little bits of sand that create those pearls and you cannot. Again, it is very hard to manufacture that entirely on the internet.

The Hon. SHAYNE MALLARD: Through you, Chair: Am I right to understand that you have signed up other artists under the Future Classic?

Ms BURNS: Yes.

The Hon. SHAYNE MALLARD: The youngest artists that you have signed up, how are they getting experience in engaging in live performances and collaborations and so forth, it being the case that they are the next generation after your founders?

Ms BURNS: Our most recent signing on a management front—we have four different businesses so we have different relationships with different artists but our primary focus is as a management company now—is an artist called G Flip, who has a very exciting future. Coincidentally, she is from Melbourne. That is neither here nor there: It is a coincidence.

The Hon. SHAYNE MALLARD: For me and for Hansard, how to you spell that?

Ms BURNS: The letter G and F-L-I-P. She is not in Sydney. She is in Melbourne. Her story is that she has a song that we put up through triple j Unearthed, which has created a lot of momentum, and then we took her overseas very quickly. Really, the next step of that story has been through South by Southwest. The more traditional pathways of—you know, we have announced a tour for her playing a show in Sydney at the Oxford Art Factory and in Melbourne. But it is a different scenario.

The Hon. SHAYNE MALLARD: Has she broken into streaming? We have been hearing about that today overseas.

Ms BURNS: Yes. This is very new. She has put out one song. She went out through Unearthed and then we took her to South by Southwest, which is a big industry conference in Austin, Texas. That happened recently and there is a lot of momentum there. She played a whole bunch of shows. Then we released a song on the streaming platforms in quick succession. That was about the same time. Then she will play shows in Sydney.

The Hon. SHAYNE MALLARD: The last part of that question is this: Is there a Sydney example of G Flip?

Ms BURNS: Not easily. Most of our artists are Sydney-based artists who have already got runs on the board. We have not signed many Sydney artists in the last two or so years.

The Hon. CATHERINE CUSACK: Where do you look in Sydney, or do you not look in Sydney?

Ms BURNS: Finding talent is a little bit like walking around in the rain looking for lightening. You look everywhere. This is the same. You know, we found Flume through running a competition, but it is going to parties and watching people DJ'ing and sort of knowing in the community what people are doing, meeting someone and hearing and them saying, "Hey, look, I will send you my demo." That is certainly where Future Classic definitely came from, that kind of culture. Then that shifts. The internet also has changed things as well.

People email us. G Flip sent us an email. We go on SoundCloud and there is a tapestry of places where you go to find talent.

The Hon. SHAYNE MALLARD: I guess you are putting to us and your evidence is that there is a vacuum in Sydney.

Ms BURNS: There is.

The Hon. SHAYNE MALLARD: That has been created because of the venues leaving this space and the restricted hours. Your guys go until 3.00 a.m. but they cannot go at 3.00 a.m.

Ms BURNS: No. They were starting at 3.00 a.m. Their gigs were starting at 3.00 a.m. and they were going through until 6.00 a.m. Rather than necessarily talking about where to find talent because there are bigger forces at play than just—

The Hon. CATHERINE CUSACK: It is the creative journey, is it not?

Ms BURNS: Yes, it is the journey. It is that step past. Where you find talent is one thing. There is any number of ways that you find talent, and that does shift and change according to the physical city and, as I said, the internet has really changed how music is made and people share things. But how you have got an artist that you have signed and that you want to share with the world and helping them connect with an audience and helping them create a community, that is the stuff that is really tricky and that is the bit that sometimes you cannot get off the blocks with. That is where it gets really challenging.

The Hon. CATHERINE CUSACK: It sounds grim.

Ms BURNS: Yes. It is. Music is a pretty tough business. I am sure that many people sat here before me and told you it is not fluffy and not for the lighthearted. It never has been, but it is certainly harder now, absolutely.

The Hon. SHAYNE MALLARD: We are just learning about new band names.

The CHAIR: I think I had Flume down as Bloom, which might have produced a different picture on the internet.

The Hon. SHAYNE MALLARD: I could not find it on Google, but Flume I did. That is why I asked for the spelling of G Flip. I am sure Hansard will get it right.

The CHAIR: We will look really cool to our kids that we know who Flume is.

Ms BURNS: G Flip's name is Georgia. She just does not like to be called Georgia, so she goes by the name G.

The Hon. SHAYNE MALLARD: I still have to find out about Gang of Youths.

The CHAIR: I have a gang of youths at home. Are there any further questions? As there are none, I thank you so much for your evidence, which is really helpful. We have had an amazing day taking views from across the music industry and all sorts of things. Thank you for your evidence this afternoon. In the light of your evidence, though, we might have some further questions. The Committee's secretariat will help you with those. You will have 21 days in which to answer those. The secretariat will make sure that happens. Thank you very much for your time today.

Ms BURNS: Thank you.

(The witness withdrew)

The CHAIR: That concludes the hearing.

The Committee adjourned at 16.55.