

INQUIRY INTO THE MUSIC AND ARTS ECONOMY IN NEW SOUTH WALES

Organisation: MEAA

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The music and arts economy in New South Wales

Terms of Reference

That Portfolio Committee No. 6, Planning and Environment, inquire into and report on the **music and arts economy** in New South Wales, including regional New South Wales, and in particular:

- (a) progress on the implementation of the Government response to the New South Wales Night-Time Economy Roundtable Action Plan 1
- (b) policies that could support a diverse and vibrant music and arts culture across New South Wales
- (c) policies that could support the establishment and sustainability of permanent and temporary venue spaces for music and for the arts
- (d) policy and legislation in other jurisdictions, and options for New South Wales including red tape reduction and funding options, and
- (e) any other related matter

‘A vibrant music economy drives value for cities in several important ways: job creation, economic growth, tourism development, city brand building and artistic growth.’

Executive Summary, The Mastering of a Music City – Key Elements, Effective Strategies and Why it's Worth Pursuing¹

MEAA welcomes the opportunity to offer its views to this Inquiry. The Inquiry is well-timed in terms of the ongoing debate regarding lock-out laws and the general malaise in the live music industry.

MEAA’s musician members rely on being able to perform during hours when the vast majority of the (nine to five) workforce has downed tools for the day. Our members often (if not generally) earn little from their efforts²; some are not paid at all and spend time chasing debts that will never be paid; few to none are employed on an ongoing basis.

In addition, the recent wave of digital earnings (via streaming) has done little to mollify the financial hardships endured by performers. Notwithstanding the benefits of streaming, digitization has caused performers to place fundamental financial importance upon live performances.

MEAA’s members can generally ill-afford to live in the areas they seek to ply their professional wares. This stands as a significant impediment to the (diminishing) performance opportunities they would otherwise accept. An immediate consequence of this is that they do not seek work in or near the city, especially when the travel and/or logistical burdens (e.g. lugging gear) are taken into account.

¹ Published by the International Federation of the Phonographic Industry, June 2015

² General estimates put musician earnings at \$10,000 per annum.

It is an unpredictable and itinerant life, but it is also one based on professionalism and talent.

It is a great pity that their efforts are further blocked by a governing mindset that puts the interests of performers last – after development priorities, civic amenity and security.

This is the performers' and the cities' loss. The more that stands in the way of artists entertaining communities, the more they will look elsewhere or give up the ghost.

The music scene our members face is that venues close and are not replaced. New venues are thin on the ground. Urban development seems to demand sterile environments where colour, movement and sound are viewed as annoyances or worse.

Unfortunately, the people who notice the decline of live entertainment venues are outnumbered by the people moving into an area and then insist that the rich history of an area be subsumed by their wish for quiet living.

Famed and valuable performance spaces are under pressure in developed cities worldwide. London, Melbourne, Austin and Paris all face enormous challenges, largely through the inexorable creep of urban development.

The loss of spaces has compelled a range of taskforces and community bodies to emerge in each of these locations. Action plans are in abundance. All have generated sound proposals to address the decline, but to date, action has been less than comprehensive.

The range and pace of reform has plainly been compromised by the sheer scale of voices and interests that require input in ordinarily tense contests for the use of valuable space.

A passage in the *Journal of Urban Research* in 2015 stated:

*'Night-time is at the core of some conflicts. Numerous stakeholders fight for control of night-time (residents who argue that they have a right to sleep, partygoers who argue that they have a right to leisure, stores and consumers asking for freedom of consumption etc.), and it remains difficult to reconcile apparently antagonistic demands. In order to cope with these concerns, urban policies have attempted to arbitrate the issues. However, they are struggling and have difficulty positioning their actions and establishing guidelines.'*³

MEAA acknowledges that regulators have to perform a difficult balancing act when having to manage the competing calls for noise relief, community safety and local vibrancy. We also know, however, that much work has been done in the last five years to identify measures that will help enrich (and hopefully restore) our communities by better enabling live performances and live performance venues.

³ What is the Place of Night-time in the Urban Policy of a French Intermediate City?, Sandra Mallet and Celine Burger, *Journal of Urban Research*, 11, 2015

MEAA understands that the night-time economy is a significant (yet unfulfilled) economic driver. It employs over 1 million people nationally. The City of Sydney Commission stated that the Sydney night-time economy was valued at approximately \$15 billion per annum. Music Australia asserted in 2016 that the Australian music sector contributes \$4 to \$6 billion to the nation's economy, with the live contemporary music industry generating about half of this amount. Over 40 million people attend contemporary music performances each year.⁴

The City of Sydney's Lord Mayor, Clover Moore, commented in early 2017 that:

*"Live music is hugely important to Sydney, with recent research commissioned by the City identifying its value to the community at \$353 million during last year alone."*⁵

The industry is said to support up to 65,000 jobs,⁶ although estimates put the figure across the live performance industry at about 35,000.^{7 8} Music Australia says that music and performing arts employ over 43,000 people across the country, with the venue-based live performance industry sustaining the employment of 14,800 positions.⁹

The *National Arts Participation* survey from 2017 reported that music is Australia's most popular art form, with 97% of Australians listening to recorded music and more than half attending live music.¹⁰

The survey's NSW-specific data revealed that 56% of NSW residents¹¹ attended a live music event. Although robust at first glance, the trend line is down, with figures for 2013 and 2009 being 58% and 61% respectively.

The decline of Sydney's night-time economy has been years in the making.

The City of Sydney's *Open Sydney* Discussion paper from 2011 noted declines in the number of businesses and employees in drink and entertainment related enterprises between 2006 and 2009, with the number of employees in the entertainment sector falling by 13.3% over the period.¹²

⁴ Statistical Snapshot – March 2016, Australian Contemporary Music Industry, Music Australia, March 2016

⁵ City Of Sydney Takes Further Action To Bolster Live Music Scene, Peter Tuskan, The Music Network, 28 February 2017

⁶ Statistical Snapshot – Australian Music – A Billion Dollar Industry, Chris Bowen, 30 March 2016

⁷ Live Performance Australia

⁸ The Australian Bureau of Statistics reported that as of 2011, there were 16,029 performing artists and music composers in Australia, spanning musicians, dancers, radio and television presenters. (This is where persons nominated that this was their main job.) Instrumental musicians were the single largest cohort at 6033 persons. In addition, the ABS reported that there were 6,569 people employed in the performing arts *operation* industry in 2011, although half of this number was performing artists.

⁹ Australian Music Industry Statistical Snapshot, Music Australia, June 2015

¹⁰ Connecting Australians: Results of the National Arts Participation Survey, June 2017

¹¹ Aged 15 years and over

¹² Discussion Paper: Open Sydney – Future Directions for Sydney at Night, City of Sydney, October 2011, pg 6

Drink-related businesses, including pubs, taverns and bars, saw an 8.4% fall in employment, from 4562 in 2006 to 4181 in 2009.¹³

The City of Sydney's first foray into calculating the scope and benefits of the Sydney night-time economy stated, quite accurately, that:

'Both in statistical terms and on the ground the Sydney [local government area] conveys an impression of scale and vitality as an international city. Nevertheless it is a city that empties at night.

'During the day there is a sense of spatial limitation in Sydney that probably stems from the high levels of people and traffic movements through streets made relatively narrow by the levels of on-street parking. On the other hand, Sydney by night does not have this feeling.

*'One has the sense that Sydney could become more alive at night by a combination of encouragement – not perhaps of more major events – but the improved use of some night time spaces through lighting and activities which are encouraged in related buildings in the night time hours.'*¹⁴

The general trend for live music and performance is downward. The study commissioned by the Live Music and Performance Taskforce¹⁵ found that performance listings in gig guides fell by over 50% between 2004 and 2013.^{16 17}

In February 2014, the NSW Government introduced lock-out laws. The lockout laws compounded an already tenuous existence for small to medium businesses that managed to keep their doors open (or open new ones) since the 1980s and 1990s.

In Central Sydney, the lock-out laws activist, Matt Barrie observed that in 2010 there were about 1,100 businesses open at 11pm across four discrete city areas. By 2012 this dropped to 366 across eight areas and in 2015, there were 579 such businesses across ten areas. For the number of businesses open at 1am, there were 750 in four areas in 2010 and then 363 in ten areas in 2015. The number of businesses open at 4am in 2015 was 208 across ten areas.¹⁸

¹³ Ibid, pg 6

¹⁴ Sydney Night Time Economy: Cost Benefit Analysis – A Report for the City of Sydney Council, tbr economic research and business intelligence, November 2011, page 93

¹⁵ that stemmed from the City of Sydney's analyses of the night time economy and the release of its Open Sydney Discussion Paper in late 2011

¹⁶ Live Music and Performance Action Plan, City of Sydney, March 2014.

¹⁷ There is also some research that steers away from the view that the live entertainment industry is in chronic decline. This research, conducted by Sarah Taylor as part of a PhD thesis, asserts that the number of live performances in Sydney and Melbourne is increasing; it is simply that performances are occurring in a broader geographical area. See: The case of the live music industry in Sydney and Melbourne, Taylor, S.J. 2016, RMIT University

¹⁸ Sydney's fun police have put out the light of the nightlife. The city's a global laughing stock, Matt Barrie, The Guardian, 5 February 2016

In 2016, the music industry group, APRA/AMCOS, pointed to significant declines in night-time live performance revenues following the commencement of the lock-out laws. APRA/AMCOS reported a 40% drop in live performance revenue at venues within the Sydney CBD lock out area and a 19% fall in attendance figures at nightclubs and dance venues.¹⁹ In turn, falling revenues led to a 15% overall decrease in venue expenditure on live artist performers

The NSW Government has since moved modestly to arrest the marked decline in live performance across the City by permitting 30-minute extensions to lock-out and last drinks times for venues in Sydney's CBD and Kings Cross that offer live entertainment, performances or art and cultural events, as part of a two-year trial.²⁰

The City of Sydney launched a Live Music and Performance Action Plan in March 2014 (one month after the lockout laws started) as a means to restore some of the lost vibrancy. The measures in the Action Plan included:

- Reviewing the City's DCP
- Investigating streamlined approval processes for low impact live performance
- Create greater awareness of the City's cultural strategy
- Advocating more appropriate liquor licensing conditions for live performance venues
- Better use of city-owned properties for rehearsals
- Event listings
- Establish a grants program to assist venues conduct performances

In February 2017, an Action Plan update reported that 29 actions within the Plan have been implemented to date, with over \$2.7 million being issued in small grants to live music and performance projects.²¹ Work continues under a further 20 actions in the original plan.

On a regional level, Wollongong City Council launched the Wollongong Live Music Taskforce Action Plan in 2014. This 42 point plan sought to review planning controls to streamline approval processes, conduct a stock-take of available venues for live music events, investigate transport, security and policing options, amend laws so that new development near established music zones would incorporate noise insulation measures and to review hiring, pricing and property usage rules.²² The overall objective was to jump-start a local industry facing immense challenges.

The plan appears to have met some success. The local newspaper, the *Illawarra Mercury*, recently reported that the strategy was successful and that Wollongong 'now boasted a strong night time economy.'

The strategy's success was underpinned by better regulatory approaches and better council processes. Examples include notifying incoming residents that they are 'buying into a live music

¹⁹ Sydney CBD sees drop in live performance revenue since introduction of lockout laws, APRA/AMCOS and Live Music Office, 18 February 2016

²⁰ Sydney's lockout laws relaxed as part of two-year trial, opinions divided on whether changes are enough, Sarah Gerathy, Riley Stuart and Lucy McNally, ABC News, 8 Dec 2016, 8:56pm

²¹ City Of Sydney Takes Further Action To Bolster Live Music Scene, Peter Tuskan, The Music Network, 28 February 2017

²² Wollongong City Council, Live Music Taskforce Action Plan, April 2014

precinct or an area with night time venues' and introducing requirements for new developments in mixed use areas to have acoustic and other design measures to mitigate noise'.²³

Wollongong's success must serve as a template for all areas seeking to preserve the vitality of their communities.

Although the City of Sydney and Wollongong Council have made headway in recent years, much still depends on the work by the NSW Government's Night-time Economy Taskforce. This taskforce aims to 'implement actions which aim to address barriers to, and identify opportunities for, growing a vibrant, safe and diverse night-time economy for the Sydney CBD and Kings Cross entertainment precincts'.²⁴

The 25 point action plan included:

- Develop a Contemporary Music Strategy to provide guidance for live music venues / industry
- Develop a night-time economy master plan for Sydney
- Collaborative marketing to promote gigs and events through an online portal/app
- Encourage an annual late night event when all state cultural institutions are open
- Change the language used in communicating with residents and visitors to communicate that 'Sydney is open for business'
- Appoint a lead / champion from within government to be a single point of contact on the strategy
- Encourage and facilitate the use of vacant commercial spaces and public places for establishing pop-up performance and art offerings
- Reforms to the planning regulations to provide greater incentives for small, creative start-up businesses and reduce red tape through changes to Exempt and Complying Development and the Building Code of Australia (BCA)
- Integration of arts and culture into the design and development of urban regeneration projects by working with Transport for NSW to re-imagine infrastructure²⁵

The plan is led by Create NSW, formerly Arts NSW. Critical to the future of entertainment-related regulation across the State is Action 2.7, which was to 'identify reforms to the planning regulations – through changes to Exempt and Complying Development (e.g. to encourage start-ups, creative and small businesses) and the Building Code of Australia'. This work was to investigate ways to 'assist the sector by removing barriers and complexity to make it easier for venues to host live music and performance. This objective had a twelve month timeframe.

²³ See 'Wollongong Scene leads the way to save live music in Newcastle', Kate McIlwain, Illawarra Mercury, 4 March 2018

²⁴ Sydney Night-time Economy, Create NSW, 2016

²⁵ Source: Live Music Office, 12 August 2016

Although there is much necessary planning work that accompanies implementation of a thoughtful strategy, it is unclear whether the various timeframes have been achieved. We note this Inquiry's first term of reference in this respect.

MEAA nonetheless strongly support ongoing efforts to improve coordination and appreciation of the various measures that will revive and sustain live performance in the city.

The Committee for Sydney has also established the Sydney Night Time Economy Commission in May 2017 to undertake a review of Sydney's night time economy. The Commission advised that its review not be narrowly confined to questions surrounding the lock-out laws, but would 'examine the NTE in its entirety and create a Sydney-wide strategy that brings a number of benefits to this growing part of the economy.'²⁶

The purpose of the Sydney Night-time Economy Commission is to provide recommendations to develop evidence-based policy to understand and better manage Sydney's NTE. The Commission aims to:

- identify and make realistic and practical recommendations that could add value to Sydney's night-time economy and promote it as a 24 hour city.
- build upon existing work undertaken in this area and to bring a cross-sector approach.
- bring together a wide-range of stakeholders involved in the night-time economy across Greater Sydney.
- consider the night-time economy as an ecosystem and explore how different elements impact on each other.
- learn from best practice in other global cities and promote innovative ideas already taking place in Greater Sydney.
- move the debate on: the night-time economy is not just about licensing, it's about enhancing the liveability of the city.²⁷

MEAA is not aware of the Commission releasing its recommendations.

It is clear that the question of entertainment and its role in the night time economy is receiving overdue attention. The establishment and actions of the various taskforces signifies that the live entertainment industry is valuable, is subject to a range of viability concerns, and requires support.

The situation in London is on a greater scale. *Newsbeat* reported in 2016 that 'more than half of all UK clubs (meaning nightclubs) had shut down between 2005 and 2015'.²⁸ Between 2003 and 2012, as London's population grew, approximately '900 London pub sites changed to other uses and over 400 pubs were demolished'. The current rate of loss stands at about 100 pubs per year.²⁹

²⁶ Night time Economy, Committee for Sydney, May 2017

²⁷ Committee for Sydney, 2017

²⁸ UK Nightlife culture has a brighter future under new government, Jimmy Blake, *Newsbeat*, 22 July 2016

²⁹ Culture and the night-time economy – Supplementary Planning Guidance, Mayor of London, November 2017, pg. 26

London had lost about 35% of its grassroots music venues and over 100 nightclubs since 2007.³⁰ It has declined from 136 spaces programming new artists to just 88 today [2017].³¹ London authorities now appear to be taking positive action to stem – and hopefully reverse – this trend.

The key measures are the preservation of existing venues, in part, through classification as Assets of Community Value (ACV) and the introduction of the Agent of Change principle. This principle makes the person or entity responsible for development responsible for managing the impact of their development.

This can mean that a residential development to be built near a live music venue, would be responsible for soundproofing the music venue³². The National Planning Policy Framework (NPPF) sets out the British Government’s planning policies for England. The Framework advises that planning policies and decisions ‘should recognise that existing businesses should not have unreasonable restrictions put on them because of changes in nearby land uses’.³³ For new noise sensitive development such as residential, should be separated from major noise sources. Where this is not possible, adverse effects ‘should be controlled and mitigated through applying good acoustic design principles’.³⁴

A further clear element of the London plan is the protection of pubs. Here the policy articulates the historical and cultural value of the public bars and their location ‘at the heart of a local community’s social life’. ‘Whether alone or as part of a mix, pubs are often an integral part of an area’s evening and night-time culture and economy’.³⁵

At the time of writing, it was reported that the draft new London Plan will have a stand-alone policy for protecting pubs, and a stand-alone policy for the Agent of Change principle.³⁶

Conclusion

Notwithstanding considered attention being given to the night time economy framework by multiple government departments and interest groups, musicians and venue operators still lament a *Kafkaesque* series of compliance hurdles, including uncoordinated treatment of licensing laws and a lack of momentum in addressing the critical State and Local planning reforms.

We do not doubt the overarching complexity of satisfying all stakeholders of the merits of live entertainment in their area, but the voice of the live entertainment industry has been overwhelmed by those who see their amenity as the only true purpose of public policy.

³⁰ Ibid., pg 10

³¹ Ibid., pg 34

³² Ibid., pg 56

³³ Ibid., pg 56

³⁴ Ibid., pg 57

³⁵ Ibid., pg 26

³⁶ Ibid., p.p. 2-3

It truly is time that the relevant decision-makers demonstrated that there is some critical momentum attached to their worthy objectives. There are blueprints for positive change – including the report, ‘The Mastering of a Music City’, which advocated the rather unsurprising view that ‘successful music cities create a supportive environment for artists so that they can focus on what they do best: make music.’³⁷

What is now required is the public elevation of the value of live entertainment.

Planning measures at local and State level must better embrace the role of public houses and provide for their preservation, including as part of redevelopment. In addition to heritage value, a pub’s role and location must be elevated from enemy combatant to community member.

MEAA support cultural precincts, not segregation, where entertainment is deemed undesirable to the majority only provided in industrial estates and the like. Entertainment and entertainment venues must be viewed as community assets instead of an impediment to area’s development and beautification.

The planning system must mandate that public officers identify whether entertainment areas or precincts are affected by development proposals and if they are, seek to identify whether steps have been taken to manage the potentially competing demands of the residents/ owners/ performers concerned. This is consistent with the Agent of Change principle discussed earlier.

In London, the newly established night time Tzar is expected to ‘mediate between police, authorities and clubs, and to work with planners to make sure late night venues are valued and developers open new ones’.³⁸ We support the adoption of this approach in Sydney and beyond.

It is clear that many entertainment businesses have closed and others are at the edge of sustainable operations. When venues close or have opening hours cut, our members are affected. Their already meagre artistic earnings are further compromised. It ultimately forces talented people out of entertainment and into other spheres of work.

New South Wales now has a range of frameworks to improve the lot of live entertainment venues and the performers who add to community vibrancy. We commend this inquiry and look forward to its recommendations on how best to drive reform and ensuring the sustainable future of live entertainment in New South Wales.

³⁷ Published by the International Federation of the Phonographic Industry, June 2015

³⁸ London’s waning nightlife: is the party really over?, Eleanor Halls, GQ, 10 January 2018