



Liquor & Gaming NSW  
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**Re: NSW Small Bar Review**

22 July 2016

APRA AMCOS is grateful for the opportunity to the NSW Small Bar Review

**1. Background**

APRA is the collecting society in Australia in respect of the public performance and communication rights of songwriters, composers and music publishers. This typically covers the performances of music in tens of thousands of Australian businesses, including retail shops, nightclubs, clubs, hotels, bars, restaurants and cafes, festivals and events, among many other settings, as well as the communication of musical works online, such as in download and streaming services.

AMCOS is the collecting society in Australia in respect of reproduction of music in certain formats. This covers the reproduction of songs and compositions on CD, DVD, online, for use as production music and for radio/TV programs. Together, APRA and AMCOS control the copyright for such purposes in almost all commercially available musical works, by virtue of assignments from its local members and affiliations with similar overseas societies. Since 1997, the two organisations have been administered in tandem.

APRA AMCOS have more than 87,000 songwriter, composer and publisher members and over 107,000 licensees. They have a diverse membership, ranging from unpublished songwriters to major music publishers.

APRA AMCOS has initiated, co-funded and collaborated in developing a number of key programs that support the life cycle of the music creator and their works. Most relevant to this submission is the **Live Music Office**.

The Live Music Office is an APRA AMCOS initiative co-funded by the Federal Government through the Ministry for the Arts. The Live Music Office was established in 2013 to support the growth of the venue-based live music sector in Australia, specifically to:

- Increase live music performance opportunities; and
- Support live music audience and sector development.

## 2. Vibrant and Safe Night Economy

We support the submission of the Live Music Office, and specifically:

- Increasing the capacity of small bars from 60 to 120 persons
- Maintaining the 2am standard trading conditions
- Continuing the current exemption from the liquor freeze for 60 capacity licence and applying the same exemption for small bars with an increased capacity of up to 120 persons.
- The opportunity for small bars to extend their operating hours until 5am

The introduction of 'lock-outs' and last drinks' provisions in the Sydney CBD Entertainment Precinct and the Kings Cross Precinct Sydney in February 2014 was widely reported as having an immediate impact in reducing the assaults in the City and Kings Cross.

APRA AMCOS has stated publicly its support for the immediate action taken by the NSW Government in addressing patron safety. However, the lock-outs have impacted the health, vibrancy and viability of the night economy.

APRA AMCOS licenses venues for the public performance of music, including recorded music in dance/DJ venues and live-artist performances of music. Since lock-outs in Sydney commenced in February 2014 APRA AMCOS has observed the impact on venues through reduced expenditure and entry charges, and in some cases, venue closure.

APRA AMCOS reassesses the value of a venue's licence on an annual basis, and on the anniversary of the licence effective date. In reviewing the figures currently available it is clear that the lock-outs have, contributed to a decline in the value of APRA AMCOS licence fees in the lock-out areas.

The APRA AMCOS licence fee for *Live Artist Performances* is based on a percentage of the venue's expenditure on live artist performers and a percentage of any entry ticket charge at the door. In terms of the lock-out areas, to date there has been **a 17% decrease in the value of venue expenditure on live artist performers and a 32% decline in the value of door charge receipts.**

The lock-out legislation was introduced very quickly and venues had little time to consider the potential economic implications and how to mitigate economic risk across their business operation. The reality for many venues is that entertainment is cross-subsidised by other areas of business revenue, including food and beverage, and gaming.

While it could be argued that live-artist performances generally occur earlier in the evening and are therefore not impacted by the lock-out time, it appears there may be a 'domino' effect of a lock-out impacting overall venue income and the decision to program live-artist performances.

There is considerable research relating to the economic, cultural and social contributions of live music. In 2011 APRA AMCOS commissioned Ernst & Young to assess the economic contribution of the venue-based live music industry. The study found that nationally the venue-based live music sector contributed \$1.2b to the national economy, and provided over 15,000 full-time jobs.<sup>1</sup>

Similarly, a study undertaken by Deloitte Access Economics for Arts Victoria estimated that in 2009/10 live music in venues generated a direct economic contribution of \$301 million to the Victorian economy.<sup>2</sup>

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<sup>1</sup> Economic Contribution of the Venue-Based Live Music Industry, Ernst & Young, 2011.

<sup>2</sup> Economic, Social & Cultural Contribution of Venue-Based Live Music in Victoria, 2011.

### 3. Opportunity

There are approximately 150 bars in NSW that hold an APRA AMCOS licence for the public performance of music, by any means (background, live, DJ). Of those currently 61, or approximately 40%, present live music. These venues spend in excess of \$1.8m annually on live-artist performance fees, and generate an additional \$530,000 in ticket sales. While the sums are modest, the impact is substantial.

Both seasoned performers and emerging artists and bands need venues in which to perform. Small bars are growing quickly in their importance as a critical component of the venue-based live music industry infrastructure.

Critically, small venues provide opportunities for a broad range of performing artists, and performing formats. From acoustic soloists, to low amplified small groups and suiting a range of program formats including early, mid or late evening.

Small bars are more conducive to an audience that want to hear a performance, engage in conversation, and enjoy more intimate surrounds.

In addition to providing performance spaces for artists, small bars also provide enormous potential in developing new audiences. Accordingly, small bars are becoming increasingly important in developing Australia's local and global music export potential.



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