

Attention: Hon. Ian Callinan AC
Liquor Law Review
GPO Box 7060
Sydney NSW 2001
liquorlawreview@justice.nsw.gov.au

Dear Mr Callinan,

Thank you for the opportunity to contribute to the Liquor Law Review. This is a submission from MusicNSW, the peak body for contemporary music in NSW. We are a not-for-profit industry association set up to represent, promote and develop the contemporary music industry in New South Wales.

The Live Music Context: Economic Impact, community development, export, innovation and artistic development

The NSW live music industry makes a vital contribution to the cultural, social and economic fabric of the state, with an estimated value of \$3,623M and 23,207 jobs¹, the largest contributor nationally. Central to this industry are live music venues. Not only do venues themselves make significant economic contributions, research has shown that for every dollar Australians spend on live music, three dollars circulate back into the economy².

But beyond economic impact and jobs, live music venues perform a very special function within Sydney's cultural landscape. They are the backbone of Sydney's vibrancy, offering people of all ages a place for their music communities to congregate, a place to belong. In the face of social media and evolving technologies, live music offers an opportunity to take part in real community. It brings people together to celebrate in a shared love of music, connecting them in a positive, safe, vibrant environment.

Live music venues also function as cultural incubators and many internationally successful NSW artists would not have achieved their success without the support of local venues. Emerging artists rely on playing shows in small-medium sized venues to develop their live show, build a fan base, experiment and take risks, and connect with other artists and industry. Encouraging innovation and artistic development for these musicians and performers is essential to industry renewal and is a key component of the live music ecosystem.

Music venues, unlike theatres or art spaces, are considered high-risk – which means there are significant overheads to ensure compliance for each night of operation. Small to medium-sized live music venues exist on a very slim profit margin, as they have to contend with the significant overheads and have limited capacities of 80-250 people depending on the room. As small businesses, the viability of these cultural spaces rests heavily on their trading hours – the longer they stay open, the better chance they have of covering their overheads. It's a fragile and risky business environment, yet without these small to medium-sized venues, the entire music industry suffers. In short, the live music industry ecology is comprised of many moving parts, all of which are essential to the health and growth of the sector.

The Lockout Laws – Impacts on our Industry

¹ The Economic & Cultural Value of Live Music In Australia, APRA AMCOS, 2014

² University of Tasmania, *The Economic and Cultural Value of Live Music in Australia*, 2014.

The Lockout Laws, designed to reduce alcohol-related violence, have significantly changed the cultural fabric of NSW. Irrespective of the success of the laws in achieving their aims, the fact is there have been unintended adverse impacts on the live music industr. MusicNSW supports the NSW Government in working towards a safe and vibrant nightlife for Sydney, and believes that safety and vibrancy are not mutually exclusive. The Lockout Laws have served as a severe intervention into drinking behaviour in Sydney – but it’s absolutely necessary that the State Government recognises that the blanket approach to regulating behaviour in NSW has negatively impacted many of Sydney’s small businesses and threatened business confidence within the live music industry. And with this recognition must come a framework for rectifying the damage done.

Economic Impacts

The impacts of the Lockouts can be seen from economic, cultural and social viewpoints. APRA AMCOS and the Live Music Office released a statistics that show a 40% drop in live performance revenue at venues within the Sydney CBD lockout area and a 15% overall decrease in the value of venue expenditure on live artist performers – and this is just for 2014³. There is currently only anecdotal evidence around the number of venues to have closed since the introduction of the Lockouts, with an estimated 20 venues closed. One of these was Hugo’s Lounge in Kings Cross, which closed its doors in 2015 – taking with it more than 70 jobs. And that’s just one venue. Even at a conservative estimation of approximately 30 jobs per venue closed, that’s still around 600 jobs. While we acknowledge these figures are indicative only, they help to paint a picture of the live music ecosystem, so that the State Government might understand the nature of the impacts of the Lockout Laws and highlight the need for a nuanced approach.

One of the most disturbing impacts of the Lockout Laws is the damage done to business confidence within the live music industry. Like any industry, confidence is essential for growth and development. As the NSW State Government itself states “strong business confidence enables NSW to attract and grow businesses, creating jobs and prosperity to improve living standards”⁴. However since the lockouts, the perception that the NSW live music industry has been irreparably damaged and is weak and under threat has echoed locally, interstate and overseas. This loss of confidence is having and will continue to have a detrimental impact on NSW’s multi-million dollar live music industry, with industry projecting significant reductions in revenue, jobs and cultural offerings over the coming years.

Artistic and Cultural Impacts

The small to medium-sized venues are the ones hardest hit. The Lockout Laws have put unbearable financial pressure on them – with many currently struggling to survive. With fewer venues, there are fewer performance opportunities for musicians and performers in Sydney. With fewer performance opportunities, Sydney’s musicians are denied professional development opportunities and are forced to seek it elsewhere. We’re already seeing musicians and bands moving interstate to seek out a community in which they can play regularly in small venues to develop their work. With the next generation of talent forced to relocate, Sydney is depriving itself of the opportunity for industry renewal and the impacts of this won’t be seen in full effect for a few years.

The perceptions around the health of the industry are resonating with Sydney audiences, as shown by thousands of concerned citizens taking to the street for the Keep Sydney Open rally on February 21, 2016. The pervading perception that the live music industry is dead, whilst completely false, is aggravating the impact of the Lockouts and making audience development near impossible. With “Increase attendance at cultural venues and events in NSW by 15% by 2019⁵” being a priority, MusicNSW hopes to work alongside the NSW Government to counteract this detrimental perception. As stated in the NSW Government priorities “participation in the arts promotes personal and collective wellbeing, as well as contributing strongly to an innovative and robust local economy... This requires strategic partnerships across government, business, education and the creative industries”⁶.

³ Live Music Office & APRA AMCOS, February 2016

⁴ NSW Government, <https://www.nsw.gov.au/making-it-happen>

⁵ NSW Government, <https://www.nsw.gov.au/making-it-happen>

⁶ NSW Government, <https://www.nsw.gov.au/making-it-happen>

Encouraging audiences to participate in Sydney's cultural offerings is a key priority for MusicNSW and the State Government, yet the Lockout Laws are directly working against this. The overarching messaging around the Lockouts, in relation to live music, is that it's unsafe to go out, which for a majority of music-lovers is completely untrue. Music venues are the exception when it comes to late night establishments. Many of MusicNSW's stakeholders can attest to the fact that live music usually means a reduction in alcohol sales – people simply drink less when they're watching bands. Which actually poses an excellent avenue for the Government to explore – live music venues could provide the antidote to alcohol-fuelled violence.

Recommendations

Live music venues plays an integral role in Sydney's vibrancy and its celebration of diversity – of ages, of cultures and subcultures, of artforms, of incomes, of experiences of Sydney. Irrespective of the success of the Lockout Laws in reducing alcohol-related violence, MusicNSW calls on the NSW State Government to address the unintentional yet detrimental impacts the Liquor Laws have had on the NSW live music industry.

There are several key actions the Government can take to acknowledge and work towards rectifying these impacts:

- Establish an ongoing live music regulatory roundtable comprised of Government, industry, Police and transport authorities to foster a regulatory environment that encourages the sustainable presentation of live music in Sydney
- Commission independent research into the ecology and economic impact of Sydney's night time economy, with specific attention paid to the live music industry. One of the key weaknesses of the live music industry is its inability to state its cultural and economic impact, which is fundamental for assisting Government in developing effective regulation
- Consult with the live music industry around what barriers are stopping live music venues from applying for the existing exemptions to the 1:30am lockouts and consider reworking the exemption criteria to allow for more venues to apply
- Acknowledge the significant contribution of live music venues to Sydney's vibrancy by reevaluating the high-risk categorization of small to medium-sized venues to allow for more suitable and financially sustainable conditions
- Commit funding to talent development in NSW through programs that support
 - o All-ages live music offerings in NSW (essential for training young audiences on how to behave in live music venues, audience development and industry renewal)
 - o International export opportunities for NSW artists
 - o Regional and interstate touring opportunities for NSW artists
 - o Small to medium-sized venues (central to artistic/skill development for emerging and early-career artists)

Summary

While the past two years has been a tumultuous time for the live music industry, the Callinan Review poses an excellent opportunity for all parties to come together and formulate a more cohesive, inclusive and innovative vision for Sydney. Through collaboration, consultation and commitment to an inspiring vision of Sydney, we can have the safe, vibrant city of which we all dream. And recognising that we're all on the same page is the first step - we all want to keep Sydney's streets, venues, clubs, bars and restaurants safe, fun and accessible for people to enjoy. But we also want to encourage and support our artistic leaders and cultural establishments for without them Sydney is just another city without a voice, without a story, without a song to sing – and nobody wants that.