

Mr Mark Crees
Portfolio Director
Create NSW

RE: A New Look at Culture: Towards the State's first Arts, Culture & Creative Industries Policy

Dear Mr Crees,

The Night Time Industries Association (NTIA) welcomes the opportunity to comment on the first arts, culture and creative industries policy for New South Wales.

The NTIA is a non-profit industry association, encompassing providers and supporters of hospitality, arts & culture, events and performance across Greater Sydney. The NTIA is supportive of the Government's intent to develop a strategy for the sector. The stated intent to align with the Federal Government strategy 'Revive' is welcomed as a sensible approach to creating a consistent policy setting.

Thank you for considering the NTIA's submission. We would welcome any subsequent questions or enquiries and look forward to actively contributing to the policy development and implementation.

Yours sincerely,



Mick Gibb
Chief Executive Officer
Night Time Industries Association

Economic Benefits of the Night Time Economy

A robust night-time economy contributes to the local economy, creates a sense of place, strengthens community wellbeing, and will generate flow-on effects for other economies and aspects of the community. In a study of London¹, New York², and Sydney³, it was shown the Night Time Economy delivers between 10 to 20 times the economic benefits to cost, factoring all direct and in-direct costs.

A 2011 study commissioned by the City of Sydney identified \$15.1 billion was generated by the NTE industry per year, from the following sources:

- \$425 million was generated by beverage-led businesses (liquor retail, pubs),
- \$1.4 billion came from cafés, restaurants and takeaway food shops,
- \$868.6 million was generated by entertainment-led businesses.
- Shops and retail turned over \$3.9 billion, \$2.3 billion was generated by infrastructure services, and
- \$3.4 billion was attributed to other (libraries and archives, architectural etc.).

As outlined in the Night Time Industry Association's Recovery Roadmap⁴ Greater Sydney alone accounts for up to 22 per cent of the national NTE revenue and employment.

Crucially, the night time economy acts as an ecosystem with the multitude of elements working in concert to create vibrancy and excitement. While the state's first arts, culture and creative industries policy will focus on that sector, its role in the broader night time economy policy landscape is an important consideration.

¹ VisitEngland – The Night Time & Evening Economy – Realising the potential for Destination Organisations, 2012

² NYC's Nightlife Economy, Impact, Assets, and Opportunities – The Mayors Office of Media & Entertainment, 2019

³ Sydney Night Time Economy: A Cost Benefit Analysis, City of Sydney 2011

⁴ Recovery Roadmap 2022, Night Time Industry Association 2022

1) People

Many of the consequences of the COVID-19 pandemic were immediate and obvious. Venues closing their doors and performances grinding to a halt were clearly visible. While these consequences presented an immediate impact to arts, culture and creative industries it also hampered the broader night time economy. The interconnected nature of the night time economy means that when one facet struggles the entire ecosystem struggles. Arts is an important draw card to attract people out at night, with hospitality and supply chain operators benefiting from increased footfall. Without this, the challenge for hospitality operators becomes far greater.

People: Worker shortage

The availability of skilled technicians and professionals for the arts and culture sectors remains a significant hurdle for industry. The report, 'Measuring the Australian Night Time Economy 2020/21' noted that employment in the night time economy declined by 18 per cent compared to pre-pandemic levels⁵. NTIA members have reported that hiring workers with the right technical skill sets is exceedingly difficult as many of these workers undertook career changes as a result of the pandemic and have not returned. Despite the number of night time economy establishments rebounding post-COVID 19⁶ workers have yet to return. An unpublished analysis of NTIA members found that 78 per cent of members reported that it took between four to eight weeks to hire a skilled worker. Some operators (7%) reported that it took in excess of eight weeks. The impact of this prolonged hiring process has resulted in existing staff working more frequently, undertaking greater responsibilities and, in some cases, events and performances proceeding on skeleton staffing numbers.

People: Worker mental health

As a result of the building pressure on existing workforces, industry has a more pronounced focus on the mental health and wellbeing of its teams. Indeed, 85 per cent of polled NTIA members stated that mental health is an important facet for improving the careers of people in arts and culture industries - technicians and artists alike. As the Government considers its strategy for arts, culture and creative industries, addressing matters related to mental health and wellbeing for the industry should be a component of the strategy and policy.

People: Job security and career progression

Aligned with the need for a greater impetus on mental health is a focus on job security and career progression. Polled NTIA members (85%) noted that job security was especially important after the pandemic. Workers and artists who returned to the sector after the COVID-19 lockdowns did so with a greater focus on job security and stability. Unfortunately for the sector, the nature of arts, culture and creative industries means many positions are temporary or related to a specific performance or event. The Australian Bureau of Statistics Labour Force analysis for May 2023 demonstrates this characteristic of the sector with just over half of the work force (54%) working on a full-time permanent basis⁷. This is in stark contrast to other sectors such as professional services where the vast majority (82%) of workers are employed on a permanent full-time basis⁸.

⁵ Measuring the Australian Night Time Economy - Ingenium Research, 2022

⁶ As above.

⁷ Labour Force, Detailed, May 2023 - Australian Bureau of Statistics, 2023.

⁸ As above.

The lack of job security is closely aligned to challenges of career progression. Without a sense that they have a secure future, workers may refrain from investing in their own careers and industry may refrain from investing in workers who are unlikely to deliver a return. However, despite this standoff, 92 per cent of polled NTIA members stated that career progression was an important facet of improving careers for people in arts, culture and creative industries. The uncertainty around career progression also contributes to the proportion of artists pursuing a career in the sector. Between May 2013 to May 2023, the total number of workers in arts and recreation grew by 23 per cent⁹. Conversely, the total number of workers in the professional services sector grew by more than 47 per cent¹⁰. Without a clear pathway of progression and job stability artists are unable to see how a career in arts, culture and creative industries is a viable option.

Recommendations: People

1. Provide sustained funding and awareness of mental health support services for workers in the arts through existing organisations such as Support Act.
2. Initiate a Government funded, industry led campaign to highlight the benefits of a career in the arts to young adults and school-leavers to drive consideration of the arts.
3. Deliver affordable housing for artists and arts workers to be able to live near their place of work or studio to retain the cultural vibrancy that supports thriving communities. Artists and workers in the arts should be considered essential workers.
4. Aligned with infrastructure investment, support an increase in the number of venues of varying size and scale to develop career pathways for artists.
5. Explore career pathways and the opportunity for subsidised training for workers in the arts to elevate their skill sets and career options. An incentive program should also be established to support organisations which fund career development programs for staff.
6. Re-evaluate existing training programs' curriculum and create a clearer alignment and understanding of how skills obtained in the course relate to other career pathways within and outside of the arts sector.

⁹ As above.

¹⁰ As above.

2) Infrastructure

The infrastructure underpinning the arts, culture and creative industries is cited by polled NTIA members as a fundamental challenge to overcome. Hard infrastructure such as performance spaces, rehearsal spaces and physical assets and soft infrastructure such as funding schemes and grant programs are equally in need of revision. The two categories are closely intertwined - without the space for performance, artists and organisations receiving funding will be unable to present their works. Conversely, without funding to support the artists and organisations of all sizes and scales to produce their work existing spaces will struggle to continue programming content.

Hard infrastructure

During the 2023 NSW State Election the NSW Labor Party cited Liquor and Gaming NSW data which showed that the policy settings of the preceding 12 years had left just 133 live music venues operating in the state¹¹. This is a sentiment noted by polled NTIA members with 85 per cent stating the lack of small to mid scale performance spaces was an impediment to a thriving arts and culture sector. Similarly, the lack of rehearsal spaces was considered a key hurdle for the sector by 92 per cent of polled members. However, while the numbers show a decline there is a lack of empirical evidence about the exact number of venues and performance spaces across New South Wales. Obtaining a clear understanding of the number of venues that currently exist, used to exist and could exist under existing zoning is an important step. Where venues and spaces do exist already a greater understanding of the current and forecast capital infrastructure investments must be undertaken. This analysis can help determine the ongoing viability of these spaces and help allocate funding equitably across small, mid and large scale venues to address the associated costs of keeping the spaces compliant with building codes while not cannibalising funding currently delivered through Government grants. An area that has been consistently raised as devoid of hard infrastructure is the availability of large scale theatrical performance venues. This was cited in 2016 by an Investment NSW Cultural Infrastructure strategy, “A new 1,600 - 2,000 seat lyric theatre to improve the State’s capacity to accommodate long-run touring musicals and other live performances.”¹² Since this time significant investment has been made into stadiums and sport centric venues yet a site for a theatrical venue is yet to even be determined.

While larger scale lyric theatres are important, it should not come at the expense of small to mid-scale operators. As one NTIA member noted:

“Majors have had plenty of funding in the last ten years. There needs to be small to medium infrastructure funding so there is space to enable artist career development so Australian artists can perform in major venues.”

The balance of funding for small, medium and large cultural infrastructure must be equitable and align with a career trajectory that supports domestic artists progressing through the various scales of venues.

The regulatory settings governing physical infrastructure have undergone significant changes in recent years. The introduction of the FUN SEP and the trial of the first Special Entertainment

¹¹ Labor pledges \$100m, new laws to double the number of NSW music venues, Sydney Morning Herald - 22 February 2023

¹² Culture Infrastructure Strategy 2016, Investment NSW - 2016.

Precinct by Sydney's Inner West Council are positive developments. However, the awareness of these changes is not widely recognised in industry, nor is its ability to be implemented. While progress has been made greater efforts should be made to publicise this within the sector to make appropriate use of hard infrastructure.

As noted earlier, arts, culture and creative industries face many of the same challenges as the broader night time economy. In particular, the availability of 24 hour public transportation is an impediment on consistent later hours programming of content according to 92 per cent of polled NTIA members.

Soft infrastructure

Alongside the required investment in hard infrastructure is a need to invest in the 'soft infrastructure' that supports a vibrant arts and culture sector. The funding mechanisms that support both places, organisations and artists fall within this category. It is important to recognise the breadth and diversity of resources available among different facets of the arts and culture sector. For example, large scale institutions typically have resources and structures that can readily navigate the complexities of grant applications and acquittal processes. For an individual artist or small-scale organisation this process can in itself be an impediment to access. Funding mechanisms should be appropriate to the type of applicant to remedy this. Similarly, the distribution of funding should be equitably distributed according to the needs of each strata of the sector. Large scale organisations should not be assessed for grant applications alongside small or mid-size organisations.

The funding model for arts and culture could explore alternative arrangements currently in use in other jurisdictions and industries. A hybrid-funding model that combines a component of Government led funding alongside commercial or philanthropic investment is one avenue to explore for a sustainable arts and culture sector. This model replicates other types of Government funding that have boosted commercial interest in investment such as clean energy seed funding to help organisations then raise funds from the private sector to develop innovative technologies and strategies.

Regulatory and compliance cost burdens are another element of the 'soft infrastructure' category that should be amended to the size, scale and nature of artistic endeavours. A prime example is the use of 'user-pays policing' which imposes additional costs onto organisations seeking to host events, put on performances or activate spaces. For a small or mid-scale venue, this additional cost can be a significant handbrake on revenue generation while delivering very little value in terms of public safety. There is little consistency in the application of when and how 'user-pays policing' is advised. The model should have an overarching set of criteria and administrative mechanism which determines when and how many 'user-pays police' are required.

Recommendations: Infrastructure

1. Act on the 2016 Culture Infrastructure Strategy and develop a new large scale lyric theatre in Sydney.
2. Audit the number of existing live music spaces alongside prospective live music spaces to gain a deeper understanding of where performance could be, not just where it already exists. The audit should examine how the existing spaces support the career development and pathways of artists throughout the venue ecosystem from small to large scale spaces.



3. Differentiate the funding structures for capital and operational expenditure in spaces owned by the Government that are operated by arts organisations. Ongoing maintenance costs for these spaces should be funded under a separate structure so the provision of artistic activity is not impeded by rising capital infrastructure costs.
4. Support hospitality operators to integrate performance into their spaces through small-scale funding schemes for capital infrastructure such as equipment, staging, lighting and operational expenses such as training and development for staff to use the equipment to put on performance. This approach can deliver more small to mid-scale performance spaces that are fit for purpose.
5. Simplify the grant application and acquittal process to improve accessibility and ease of use for smaller organisations, spaces and artists. In the case of artists, the acquittal should be solely focused on the production of a work.
6. Explore a hybrid-funding model to be made accessible for arts that combines Government seed funding with private sector investment. The exploration should examine similar models in other jurisdictions and industries.
7. Increase industry awareness of the regulatory changes undertaken, in particular the FUN SEP, to understand the implications and how it can be used effectively.
8. Develop targeted grants for local councils to create rehearsal spaces in public buildings for public use.
9. Deliver 24 hour public transportation to core transport hubs across the network. The upcoming SXSW Sydney event could serve as a trial activation to examine how a permanent model could work.
10. Overhaul the 'user-pays policing' model to create centralised administration, application and governance with clear and fixed parameters of proportion of attendees to proportion of security requirements.
11. Simplify sound and noise legislation and regulation to have one single governing body that works with venues and complainants. This will serve to remove the practice of 'regulator shopping' by vexatious complainants.
12. Continue supporting existing initiatives driven by the Office of the 24 Hour Economy Commissioner (ie. Culture Up Late and Uptown Precincts) and ensure the remit remains focused 24 Hour economic activity so all asset utilisation opportunities are realised.
13. Support Indigenous artists with targeted funding models that support traditional and contemporary works.

3) Audiences

The allure to attract international recognition and interest in the artistic outputs of the state is an enticing prospect, however it is imperative that locals are actively engaged with arts and culture before securing international or interstate audiences. According to 93.3 per cent of polled NTIA members the primary audience engagement should be focused on NSW residents. However, there is work to do with this cohort. In fact, 96 per cent of respondents believe that NSW residents are unaware of our artistic accomplishments. Addressing this perception and awareness challenge locally is imperative to creating longevity and viability in the sector.

A worrying trend has emerged in NSW where various genres of arts have been deemed high risk.

This has been most notable in the rap and hip hop scene emerging from Western Sydney.¹³ Under direction from NSW Police, venues and promoters have cancelled performances of hip hop acts due to prohibitive security constraints and costs - often driven by the 'user-pays policing' model. While public safety is a vital facet of a viable night time economy, the current model is limiting the types of artistic outputs that audiences can engage with. Addressing the 'user-pays policing' model will help deliver a wider and more diverse array of acts that engage with a wider audience.

Arts and culture faces a branding challenge which impacts the general engagement with the sector by people from all walks of life. Art and culture is often locked up behind closed doors in galleries and theatres across the state. Without actively deciding to enter these spaces the public do not have a direct daily engagement with arts. A part of this challenge is the complexity of street artists and buskers being able to perform in public - a system managed on a council by council basis. Similarly, the challenges for events organisers to secure permits, funding and approvals to put on outdoor events that are readily accessible to the public also impedes understanding and interaction with arts and culture. For the sector to thrive, it must become part of residents' everyday life.

Recommendations

1. Prioritise local audience engagement over interstate and international audiences.
2. Work alongside local councils to simplify the process for street artists, performers, event curators and producers to be able to perform in public spaces.
3. Deliver funding for arts organisations that produce and present artistic output in public settings to drive public engagement. For example, use of Martin Place by the Museum of Contemporary Art to showcase emerging Sydney artists in a publicly accessible thoroughfare.
4. Overhaul 'user-pays policing' as noted in Recommendation 10 of Infrastructure.
5. Re-allocate the Domain as a permanent outdoor performance space by investing in permanent capital infrastructure to be able to host performance year round and encourage public engagement and interaction with arts.
6. Assign quotas and targets for arts and performance dedicated advertising on billboards housed on State Government infrastructure. For example, billboards at Martin Place Train Station could display upcoming artistic activity.
7. Integrate arts and culture programmers into the development of advertising content showcasing the state's artistic offering to create authenticity, diversity and vibrancy in the material.

¹³ 'Impossible to go ahead': Sydney rap group cancel shows following police advice, Sydney Morning Herald - 18 August 2023