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THE SHOW MUST GO ON

Supporting the growth of live
performance infrastructure in NSW

PREPARED BY SEAN MACKEN

MESSAGE FROM THE MINISTER

THE NSW GOVERNMENT IS A STRONG SUPPORTER OF LIVE PERFORMANCE AND THEATRE,

and recognises the long history of theatre in all its forms, in telling stories, making music, and adding to a rich and vibrant culture across NSW. Arts and culture is thriving in Western Sydney with the development of the new Powerhouse Precinct at Parramatta – a project that will feature a new Powerhouse Museum and the much-loved Riverside Theatres as centrepieces.

The resulting Precinct will transform one of Australia's most important cultural institutions and set an international benchmark in cultural precinct design. Added to this, privately-funded infrastructure such as the Sydney Coliseum Theatre at Rooty Hill, will be a welcome addition to Western Sydney's cultural landscape later this year as a major live performance and theatre attraction for locals and visitors.

With responsibility for the Arts, Aboriginal Affairs and Heritage, I am committed to increasing access to creativity, arts and culture, including the promotion of original local productions as well as through our hosting of blockbuster touring production and international performers.

The Government's Cultural Infrastructure Plan 2025+ highlighted that a lack of suitable venues has seen Sydney miss out on hosting major exhibitions and musicals, while there is a clear demand for more theatres that can attract large musicals and boost our economy by attracting visitors from interstate and overseas.

That is why the Government is working to bring venues such as Sydney's Theatre Royal back to life, to support the live performance sector and provide enormous economic benefits associated with first-run major musical productions.

Work is also underway for the development of a creative industries precinct in Ultimo, which will include options for a lyric theatre. The Government is also committed to exploring new funding models for cultural infrastructure investment, with the Theatre Royal redevelopment an example of providing value for money for the people of NSW without having to build a new theatre from scratch.

I am thrilled that the NSW Government is able to support the arts and culture sector through record investment across the sector, as well as major cultural infrastructure projects across Sydney, Western Sydney and Regional NSW.

The Hon. Don Harwin MLC
Minister for the Arts

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INTRODUCTION

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THE WESTERN SYDNEY BUSINESS CHAMBER HAS ALWAYS TAKEN ON A MUCH WIDER ROLE

than just advocating for the private interests of our membership or championing the importance of the Western Sydney economy. Our mission is much broader than that. Our role is to advocate for the attention of Government to prioritise the economic, social and cultural wellbeing of all the people who live, work and play in Western Sydney.

Great cities need great cultural infrastructure. Great cities compete for talent by becoming interesting places not collections of office blocks. The Chamber has long been a champion of the Arts, in all its forms, in Western Sydney. We've campaigned for more investment in the creative industries of Western Sydney; be it fighting for an expansion of the Riverside Theatres, expanding the Sydney Festival beyond the Harbour's shores, or bringing the Powerhouse Museum to Parramatta. We've led the charge for the creation of special creative arts precincts as well as a fair funding split from all tiers of government to foster the Arts across our great region.

In line with our commitment to supporting the Arts, the Chamber recently undertook to have a look at what we can we do to support live performance in Western Sydney. We

are worried that whether it be live music, drama, musicals or cabaret, it would appear at first glance that Western Sydney wasn't getting its fair share of this culturally important and enriching entertainment. In discussing the issue with our members, some of whom operate live performance venues, they pointed out that there was a lack of venues for musicians and theatre companies to perform in. The venues we have often aren't fit for purpose, being either too small or lacking appropriate performance and rehearsal spaces or were poorly located and far from accessible transport. They told us that while Western Sydney could produce the talent locally, our local actors, playwrights and musicians had to go elsewhere to express their voice. Most importantly, that it wasn't a lack of demand from our community for live performance, (what venues we have are regularly full) but that there were few places in Western Sydney, for the residents of Western Sydney.

Perhaps even more concerning, many of the venues and spaces which once served local audiences had closed or been lost to redevelopment. Emblematic of this is the Roxy Theatre, at the heart of Parramatta CBD. It's been boarded up for years. The Western Sydney Business Chamber has been vocal in its call for the Roxy to be reopened for its original purpose as a live entertainment venue and is calling on State and Local Government to work together on a rescue plan. But live performance in Western Sydney will need more than just a rescue package for the Roxy. We need a plan for each of the main town centres of Liverpool, Campbelltown, Penrith, Blacktown and Parramatta to put live performance at the heart of their revitalisation. We need a plan that recognises the important role the Arts perform in place making, in stimulating a nighttime economy, and in enriching the lives of all of our citizens, including those in Western Sydney.

In starting to think about how the Chamber can help address this shortfall in live performance venues we set out to look at those cities and regions against which we usually benchmark ourselves; Eastern Sydney, the Hunter and Illawarra, as well as our Australian peer's interstate. And here is the rub. Western Sydney is not alone in facing a shortfall of venues, at least in NSW. Each of the regions we looked at had their equivalent of the Roxy. In Sydney CBD, the Theatre Royal has been boarded up for several years, as has the Victoria in Newcastle and the Regent in Wollongong. Indeed, across NSW there are theatres and venues being shuttered, repurposed or demolished in most regions and towns.

Yet when we looked interstate it is a different story altogether. In Queensland, live performance is experiencing double digit annual growth, albeit off a low base. In Victoria, live performance is booming, bringing millions in extra economic stimulus and rightfully earning them the title of the cultural capital of Australia. In live theatre alone, Victorians bought almost twice the number of theatre tickets last year than NSW residents. In short Western Sydney doesn't have a problem with live performance, NSW does.

This Paper seeks to outline why we have such a problem in our State. It looks at the underlying economic, regulatory and political barriers that restrain a vibrant live performance industry and also what we can do about changing them. In doing so, the Western Sydney Business Chamber is stepping beyond our usual regional remit, to address a statewide challenge. We are also trying to move the debate

to where we see the real focus of public policy should be. This Paper seeks to prompt a wider discussion about the importance of live performance spaces as an infrastructure typology in its own right. An infrastructure typology which is just as important as trains, hospitals and schools are to the social and economic wellbeing of our communities.

For the first time in decades, Western Sydney is starting to get the attention it deserves, and from all tiers of Government. We have a new airport under construction and new railways in the pipeline. We have industry responding with new investments, and jobs growth is exceeding all expectations. But Western Sydney is more than just a place to live or to work. To truly reach its potential it must also be a place of play. Over the next decade Western Sydney's main town centres will all experience dramatic changes as our population surges past three million and new industries cluster to take advantage of this growing population's talents. But if we are to become a truly successful region, we also need to ensure there are also places where we can see a band or catch a show. We need to ensure that our town centres stay open after the office buildings shut. In remaking our town centres we must ensure we make space for the Arts and artistic expression. This paper looks at some of the ways we might make this happen.

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THE STATE OF THE STATES:

Live performance attendance in Australia



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LIVE PERFORMANCE, BE IT LIVE MUSIC AND THEATRE OR CABARETS AND CIRCUSES, IS DOING WELL IN AUSTRALIA

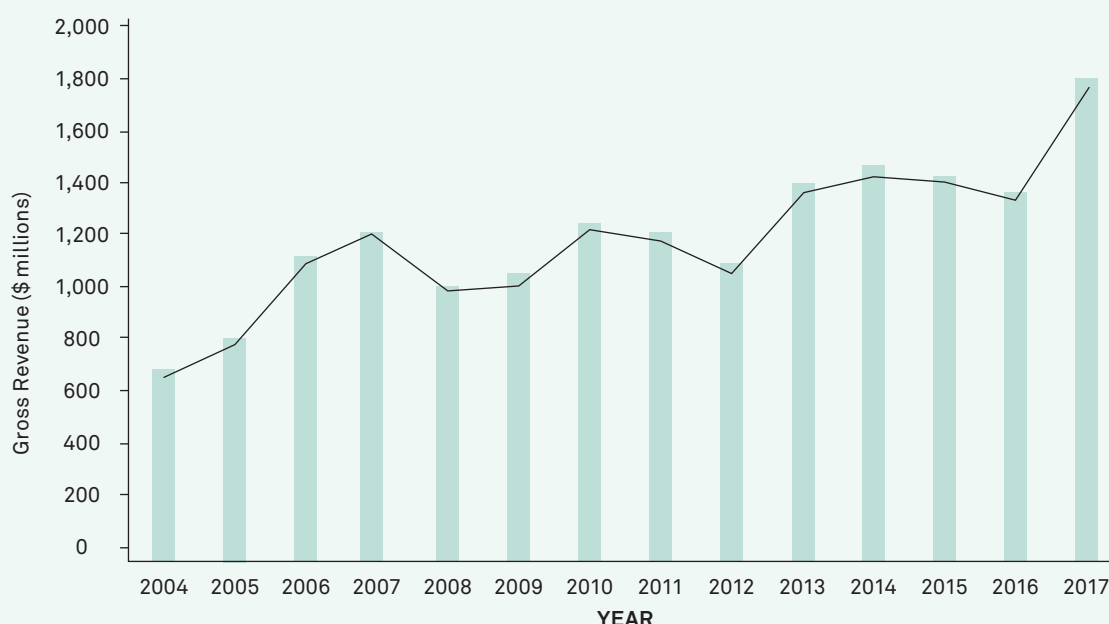
In 2017, the Australian live performance industry generated total ticket sales revenue of \$1.88 billion. A staggering increase from 2016 of 31.7%. Since 2008, revenue from live performance has increased by 77.5%. Perhaps the better indicator of the health of the industry though is in the attendance rates. How many people actually pay to see a stage show or band, attend a music festival or take their kids to the circus? Here too the numbers point to a healthy and growing industry. From 2016-2017, attendance at all types of live performance surged 22.6%. While 2017 was a stellar year, boosted by some headline stadium shows, over the decade from 2008-2017, the industry has experienced compound growth of 4.3%; much higher than most any other industry sector in Australia, and much faster than GDP. While these figures need to be treated with caution, and yearly fluctuations can heavily influence the numbers, overall the live performance industry in Australia seems to be in rude health.

But look a little deeper into the numbers, and a less rosy picture emerges. Certain categories of live performances are doing very well, others are not. Some States in Australia are excelling while others are stagnating. The biggest increase in both attendance and ticketing revenue during 2017 were not in NSW, Australia's most populous state, but elsewhere. In Victoria revenue is up a breathtaking 45.3% off the back of attendance increases of 35.6%. Queensland did even better with revenue up 46.4% off an attendance increase of 26.5%. Over the same period attendance in NSW increased by just 13.5%. Put simply, NSW is slowly falling behind our interstate counterparts when it comes to live performance.

But drill a little further into the data and the numbers for NSW are even worse. Almost all the growth in NSW, whether in attendance or ticket revenue, were driven by the growth in festivals, such as Splendour in the Grass, Bluesfest, and Sydney Festival (107%) as well as some one-off special events such as stadium shows featuring the likes of Adele and Guns N' Roses (373.5%). In 2017, theatre revenue in NSW actually declined.

The raw data tells us part of the story, but the anecdotal evidence from local industry players and members of the Western Sydney Business Chamber tell an even bleaker story. Music promoters and theatre producers regularly cite the lack of appropriate (and available) theatre space in NSW as the reason why major theatrical events by-pass the state yet find a home in Victoria. If you want to take your kids to see "Harry Potter and the Cursed Child" or are keen to see the latest Broadway sensation "Come from Away", you'll have to fly to Melbourne. Neither are likely to be shown anywhere in NSW anytime soon. Even when theatre productions are held in Sydney, they often have shorter seasons than they do elsewhere, because the few venues we have are booked solid. Fewer choices and shorter seasons simply mean too many of our fellow citizens are missing out – and so too is our visitor economy.

TOTAL REVENUE (2004 –2017)



TOTAL REVENUE AND ATTENDANCE BY STATE/TERRITORY (2017)

STATE	REVENUE				ATTENDANCE			
	Revenue (2017)	Share of Industry (2017)	Share of Industry (2016)	Change in Revenue from 2016	Total Attendance* (2017)	Share of Industry (2017)	Share of Industry (2016)	Change in Attendance from 2016
NSW	\$615,837,613	32.7%	37.1%	16.2%	6,893,117	29.9%	32.3%	13.5%
VIC	\$639,876,934	34.0%	30.8%	45.3%	7,364,313	32.0%	28.9%	35.6%
QLD	\$263,878,152	14.0%	12.6%	46.4%	3,196,581	13.9%	13.5%	26.5%

Live music promoters also cite similar problems securing appropriate venues. NSW is notorious for having one on the harshest and most complex regulatory regimes when it comes to live music. As the NSW Inquiry into the Music and Arts Economy found, regulation of the industry is strangling grass roots music and making it prohibitively expensive to open and operate music venues. Getting a development application approved for a live music venue anywhere in NSW is a fraught and expensive process. Keeping your approval is often harder. Our cities and towns across NSW are littered with empty and shuttered venues like the Roxy in Parramatta.

The one bright spot in this otherwise bleak picture is with those live performance events and formats that don't require purpose-built venues in which to showcase music or theatre. NSW is fortunate that we have enough stadiums to accommodate any number of Guns N' Roses, Adele or Springsteen visits. We also are fortunate enough to have enough opportunities for temporary venues to 'pop up' for live music, theatre or circuses. Sydney's Hyde Park can be repurposed for an annual visit from the Spiegeltent (Sydney Festival). A former cane field in Byron Shire can host short term music festivals, (Splendour in the Grass and Falls Festival) as has a disused Hospital (Laneway Festival). A main street in a country town can be transformed by the twang of country music (Tamworth) or the swagger of ageing Elvis's (Parkes). That these events are thriving in NSW is proof that there is a strong public demand for live performance in NSW. That our fellow citizens are not only prepared to pay to see live music or theatre, they are prepared to travel significant distances to access it. Even if it's in a tent or a muddy field.

But what this also points too is that there is clearly a lack of proper infrastructure to support live performance, and not just in Western Sydney, but across metropolitan Sydney and NSW. Festivals are great, and the Spiegeltent is always welcome, but if we are going to express our voice, we need a place to sing and to play; permanent places that have a regular, all year-round offering, and not just a one-off annual event. While comparing cities is often like comparing apples and oranges, it is safe to say that greater Melbourne has far more venues and in a greater variety of sizes and shapes than does greater Sydney.

This Paper seeks to find out why. Why, when the demand is so great, we are unable as a city and a state to supply enough venues fit for purpose. This Paper sets out to examine what has gone wrong in the provision of performing arts infrastructure in NSW and what, if anything, should be done about it. Finally, it explores some of the policy levers and actions we may be able to take to rectify the situation we now find ourselves in.

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THE PROBLEMATIC

economics of live performance:

ONE OF THE CONUNDRUMS WE NEED TO EXAMINE IS

the mismatch between the demand for live music and theatre, which we know to be very high, and the supply of live music and theatre venues, which we know to be very low. Economics would suggest that such a mismatch between supply and demand would be reflected in increased prices. And this is indeed what we see in NSW where the average ticket price to see live theatre or music is much higher than in any other State in Australia. People in NSW spend a lot more, but see a lot less, live performance. But economics would also suggest that supply should, overtime, increase to meet demand. That with both demand and prices so high, new venues would open to capture more of this lucrative market. But in NSW this has not happened. In fact, there is considerable evidence that the reverse has happened, with venues continuing to close and precious few new ones opening. What then is going wrong?

Over the past few years greater Sydney has experienced an unprecedented building boom. Cranes have dotted our skyline as new apartments, office towers, warehouses, and hotels spring up to cater for our booming metropolis. But in all this flurry of construction, only one crane hovers over a new live theatre (more on this one later). No private sector players are planning to build a new music or theatre venue in Sydney anytime soon. When we asked our developer members why this was the case, the answer they gave was unanimous: theatres and music venues rarely, if ever, make money on their own, and no bank would take on the risk of financing one. This is not the case in other cities. In London alone, several new theatres will open in 2019, bringing thousands of new seats.

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HIGH RISK, low return:

Theatre and live music are an inherently risky business. For every box office smash there are several shows which flop. Not every musician makes it to number one on the Hottest 100. Even when the venue is full, it is only profitable for a few hours, usually at nighttime, and only on the few days a week it's licensed to open. The rest of the time the venue is empty of a paying audience, as musicians or actors 'bump in' or rehearse. While the band might make money, and the actors all get paid, the owner of the venue itself barely make the rent to cover the cost. It's a brave entrepreneur who would undertake the risk of financing construction of a new building for a use which is profitable for less than 15 hours a week.

Sydney's Enmore Theatre is a case in point. Housed in a former 1908 vaudeville theatre, it is one of the leading venues for both live music and comedy in Sydney and is regularly putting on sell-out performances.

But while being one of the most successful live performance venues, the owners are still struggling to secure the capital it needs to maintain and upgrade a century old building. It is only viable at all because the cost of its construction was funded a century earlier when such theatres were profitable. No matter how successful it is as a venue, it would never be built today.

Perhaps a better example of the diseconomies of live performance infrastructure is Sydney's historic Theatre Royal. This purpose built, Harry Seidler designed, theatre was opened as part of the MLC Centre development in 1977.

It is arguably the best located theatre in Australia, sitting moments away from several major transport hubs and opening onto Sydney's dress circle address; Martin Place. Catering for live theatre and musicals it showcased numerous Australian and international acts including Australia's longest running show, Cats. But in 2015, the owners of the Royal shut its doors to the public and it has been closed ever since. Prior to its closing, the Royal had been fully booked and had been one of the mainstays of Sydney's live performance scene. Notwithstanding this, the owners of the MLC Centre, two of Australia's largest property trusts, simply couldn't justify to their shareholders keeping its doors open. It's simply worth much more as a Coles or a Woolies.

Following a campaign by actors, theatre producers and the wider public, the State Government intervened and secured a forty-five-year lease over the venue in order to de-risk it's future operations and ensure the Royal wasn't converted into a retail outlet. At the time of writing the Government is seeking expressions of interests from operators to reopen the Royal in the near future.

That the two largest property trusts in the country-organisations with very deep pockets- couldn't find a way to make a purpose-built theatre pay its way, speaks volumes for the state of live performance infrastructure in NSW. But why are live performance venues so unprofitable in NSW? What has gone wrong with our business model for financing live performance infrastructure?

INTERNAL PAIN, External gain

CAPTURING THE ECONOMIC EXTERNALITIES OF LIVE PERFORMANCE:

While theatres like the Enmore and Royal may not make much of a return on capital, they certainly make a handsome return for the wider economy. In 2017, the owners of the Enmore engaged the University of Technology to undertake an economic impact assessment of the venue. In particular they were interested in understanding the wider economic benefits of the venue on the immediate business in the local area. The results were revealing. Each year the Enmore theatre generates almost \$40 million in extra economic benefit to the neighbouring suburbs. That's a lot of extra kebabs, laksas, beers and taxi fares, for local businesses. The UTS study suggests the Enmore generates an extra 119 jobs in the immediate area, over and above the theatre's direct employees. Just as important, the report cites the cultural and social importance of the Enmore Theatre as a defining feature of the neighbourhood. The Enmore Theatre has made a considerable contribution to making King Street and Enmore Road, Newtown, one of the most successful main streets in the nation and one of Sydney's most visited tourist precincts.

This wider benefit is what economists refer to as an 'externality'. The benefit or cost that affects a party who did not choose to incur that cost. In the case of live performance, these externalities, are significant. It is estimated that for every dollar spent attending a live music venue in Melbourne generates a further three dollars to the wider economy. That's a considerable multiplier and would suggest that investing in live performance makes strong economic sense. The challenge though is how do we capture some of these external economic benefits to support the internal costs of building and operating a live performance venue?

State theatre





A TALE OF TWO CITIES, PART ONE:

A culture to celebrate or a culture of compliance?

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The positive externalities of live performance might be significant, but we should not forget that there are also significant negative externalities. Live performances can sometimes be noisy, especially when it comes to music. Successful venues can often also attract crowds which can generate traffic and increase congestion. Crowds can sometimes get rowdy and in some cases can lead to socially unacceptable behavior. The question the Western Sydney Business Chamber want all of us, - our civic leaders and our fellow citizens - to consider, is how do we balance these benefits and costs? Do we focus our civil societies efforts to minimising the negative externalities or do we celebrate the positives?

How we answer this question reflects the values, hopes and concerns of our community. But it also has very real impacts on the cultural landscape of our society. Perhaps nowhere demonstrates the implications of our different responses to this question better than the contrast between Sydney and Melbourne.

A quarter of a century ago, first under the Cain Government and later under Premier Jeff Kennett, the Victorian Government set out to revive its economy which was then suffering its worst economic crisis in decades. Dubbed the "Phantom (of the Opera) led recovery", the government placed a great deal of policy and financial

support behind all aspects of the creative arts, especially live theatre, comedy and music. Importantly, this was not an arts strategy, but an economic one. Victoria, the Government argued, needed to diversify its economy. It could no longer rely on a declining manufacturing base to provide the jobs its citizens needed. If it was going to compete with Sydney's beaches or Queensland's tropical reefs for tourist dollars it needed its own attractions. If it was going to attract global talent and footloose international finance, it needed to offer a vibrant and livable city. Twenty-five years later and the results are now in. Melbourne regularly rates as one of the most livable cities in the world, having overtaken Sydney twenty years ago. It is easily the cultural capital of Australia and with more live music venues per person, it can also claim to be the music capital of the world.

Sydney's civic leaders took a different approach. While lip service was given to the positive aspects of live performance, much greater emphasis was placed on minimising any negative "externalities"; in particular noise, traffic generation and anti-social behavior. In NSW, just one noise complaint from an affected neighbour could see a venue fined, required to install expensive noise insulation or have its licence revoked. Every Local Council employ compliance officers to ensure the plethora of regulations controlling live performance are fully enforced. The types of alcohol a venue serves are regulated and even the container it is served in is prescribed. Mandatory security levels have increased, and the types of live performance is heavily regulated. Jazz and acoustic music was permitted in some cases, but DJ's or bands with more than two musicians prohibited in others. Famously in one case 'mirror balls' where prohibited less the glittering shimmer encouraged dancing! The result is that some 176 venues have closed in recent years. The NSW Government also demolished the Sydney Entertainment Centre and have yet to replace it with an equivalent suitable live music arena leaving a gap in the market. Those venues which remain open, regularly cite compliance costs as making their venture prohibitively expensive. Worse still these external compliance costs are hitting live performance venues where they are most vulnerable, at their internal economic base.

More recently this culture of compliance and regulation has turned its attention to music and arts festivals, the one section of live performance which is thriving in NSW. Earlier this year the NSW Government announced the toughest regulations in the nation to control anti-social behavior at festivals. While they are still in the early days of their impact, the costs are starting to be felt. Download Festival, held in both Western Sydney and Melbourne, is a case in point. It has the same line up of musicians and the same crowd size. In Sydney the police presence ran to some 68 officers, compared to just 38 in Melbourne. The compliance cost of this alone was \$87,000 compared to just \$23,000 in Melbourne. Several festival organisers are threatening to pull out of NSW as a result. As the fastest growing sector of the live performance industry we'll miss them when they're gone.

The Chamber is unaware of any evidence that would suggest the focus on controlling the negative externalities of live performance has made the people of Sydney any safer than the people of Melbourne. But we do know that we are increasingly missing out on the positive externalities. That the cities and towns of NSW are less vibrant, our

nighttime economy less robust, and the creative output of our citizens less profound. The difference between the approaches taken by Sydney and Melbourne are the direct result of two things. One is leadership. In Melbourne, a succession of political and civic leaders has championed the performing arts and put resources and support to promote the industries growth. The other is culture. The culture of compliance and regulation in NSW has stifled the performing arts and strangled our cultural output and without any demonstrable public benefit. But leadership can be found, and cultures can change. The Western Sydney Business Chamber is calling for both.

Perhaps a better way to understand the economics of live performance is to look at similar industries where the economic benefits are "external" and the costs "internal". One industry which many Australians would be familiar with is tertiary education. Universities are one of the truly great Australian success stories. Our universities not only successfully out compete most other nations in terms of quality of service, they have emerged in recent decades as one of our leading export earners as well as employing hundreds of thousands of our fellow citizens. But beyond their economic benefits, the education and research they provide enrich our society in countless positive ways. But for all their success, not one university in Australia would survive if it weren't for public funding.

In this sense universities reflect the economic structure of the live performance industry. The benefits, though substantial, are mostly external while the internal economics requires support. Because we, as a society, both understand and value this 'externality', we are prepared to pay for it through our taxpayer dollars. Over the years we have developed a very successful business model through which our universities can compete and thrive. We need to value the 'externalities' of live performances too and develop a business model in which live performance can also thrive. The Western Sydney Business Chamber is not suggesting government step in and fund all live performance spaces and nor are we calling for them to exempt these places from regulations and licensing controls. But we do believe there are policies and regulatory reforms which could help change the underlying economic of live performances in NSW. That there are lessons we can learn from other jurisdictions on how to create a thriving theatre and music culture.

**MORE IMPORTANTLY
THERE ARE LESSONS
AND POLICY TOOLS
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FROM OUR OWN PAST
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OUR CITIES
AND TOWNS.
HERE'S HOW...**

A MENU FOR REFORM:

What's old is new again.

NSW once boasted one of the most exciting and vibrant live music and theatres scenes in the world. Across the state, hotels and clubs were crowded with music fans listening to all sorts of musicians churning out music, both good and bad. Old vaudeville and motion picture venues, like the Roxy, Capitol, Enmore and State theatres, were repurposed to showcase drama, musicals, contemporary music and comedy.

Successive governments, federal, state and local, had plans and strategies to support live theatre and to encourage the development of new theatres and venues. In some cases, this was with bold initiatives like the building of our national treasure, the Sydney Opera House. In other cases, Council's committed to building performance spaces on public land, such as Parramatta's Riverside or Penrith's Joan Sutherland. Some councils introduced planning, heritage and development concessions to support the building and retention of theatres, leading to the rebuilding of the Royal, Capital and City Recital Hall. State Governments once mandated the building of new theatres as a condition of sale of public land (Wharf and Ros Pac theatres) or through licensing conditions, such as The Star's Lyric Theatre. Almost every Council in NSW had imposed a levy on new development in their area to fund new and upgraded local performance spaces and theatres.

By 1990, Sydney could boast an impressive number of theatres and in an array of sizes and locations, as well as a thriving pub music scene. Per capita we had far more theatres seats than Victoria and a much more liberal and open licensing regime. How quickly things change. Thirty years later and many of our theatres are closed and our pub music culture is struggling, with many of our most iconic venues lost. In just one generation NSW went from front of the pack when it came to live performance infrastructure to lagging behind.

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Enmore Theatre

A BATTLE FOR THE GENERATIONS:

The Theatre Royal

The
Theatre
Royal



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IN 1972, PLANS WERE UNVEILED FOR A NEW SKYSCRAPER

on Sydney's prestigious Martin Place to build on the site of one of our longest surviving theatres. The Royal, which could trace its lineage to the early years of European settlement was to make way for the MLC Centre. This was the third time in its 150-year history that the Royal had been threatened with closure, and it would not be the last.

Horrified at the loss of such an icon, thousands of Sydneysiders marched on Town Hall to demand the theatre be protected from demolition. They were joined by political and civic leaders like Neville Wran and Tom Uren, as well Sydney's leading actors and theatre producers, whose livelihood depended on having a venue to work in. So great was the public outrage, the Builders Labourers Federation imposed a 'green ban' preventing any construction until the community concerns were addressed.

Faced with such a community backlash, the developer, Lend Lease, hastily recast its plans. It tasked Sydney's best architect, Harry Seidler, to design a new theatre to replace the old one. Lend Lease pledged to dedicate the new Theatre Royal, as a permanent home for theatre and live performance.

In compensation, Lend Lease was given extra height on the MLC tower, some six extra storeys. For every square foot of theatre space, the developer was given two square feet of extra office tower space. It was a win/win arrangement that left everyone satisfied and a rebuilt Theatre Royal reopened in 1977.

So successful was the deal for trading development rights in exchange for new theatres and performance spaces, the City Council incorporated special provisions into their planning controls to encourage such deals into the future. Focusing in particular on saving historic venues, the Council allowed the air space above heritage buildings to be sold off, as long as any monies raised was dedicated to restoring and reopening as a theatre. Under this mechanism, the Capitol Theatre was saved, and the State Theatre restored. Similarly, by allowing floor space and height concessions, the Council was able to secure a recital hall as part of the Angel Place development.

But after these earlier victories, the planning incentives to support live performance were removed, replaced with incentives for other priorities such as new hotel rooms and educational infrastructure.

Thirty years after Sydneysiders rallied to save the Theatre Royal it closed again and has been boarded up for the past three years. Again, Sydney rallied to the cause and this time the State intervened to secure its future.

Over the past thirty years most of the policy and financial supports which promoted the retention and expansion of performing arts infrastructure in NSW have been removed. Simply put, we now value and priorities other infrastructure typologies. We no longer have planning or development concessions to promote the development of theatres and performances spaces in our town centres. When the Barangaroo development was proposed on government land, there was never a suggestion that the developer build Sydneysiders a new theatre. What we wanted was a new park. When the second casino license was granted there was no request it include a new lyric theatre. A few years ago, the State Government even prevented Council from levying new development to pay for local performances spaces. The priority, they insisted, was to be given to more mundane local infrastructure such roads, car parking and footpaths. The Chamber is not against new carparks, footpaths or roads. On the contrary we see them as critical to a functioning metropolis. But we do want to bring to the attention of our fellow citizens and civic leaders that these decisions have consequences. The Roxy Theatre in Paramatta isn't closed because people in Western Sydney don't like live theatre. It's closed because there is, as yet, no business case to justify it opening. There used to be.

Similarly, in recent years we have cracked down on noisy venues and pubs and imposed heavy restrictions on where and when you can play live music. So onerous have these

AS A STATE WE'VE JUST BECOME COMPLACENT ABOUT OUR PERFORMING ARTS INFRASTRUCTURE.

regulations become that many venues have found it easier to not have live music at all, relying on new food offerings and poker machines to bring in the customers. Many venues simply shut down to be converted to apartments or other commercial activities.

With so many of our theatres shuttered, and with no real plans to develop new ones, it's no wonder we've seen a decline in live theatre in NSW. With our pub and club music scene strangled by regulations often the only place you can see your favourite band is at a musical festival. With Government regulation now paying them more attention who knows how long they'll be around. As a State we've just become complacent about our performing arts infrastructure. In many cases we have become downright hostile to it.

WE ARE NOW PAYING THE PRICE, LOSING VENUES AND IN THE PROCESS LOSING OUR VOICE.

WHAT IS TO BE DONE?

THE FIRST STEP in addressing any issue is to first acknowledge that there is a problem in the first place. This Paper hopes to bring to the attention of everyone, that something is wrong in the State of NSW and that our citizens, and our economy, are missing out.

The second step is to evaluate what tools are best suited to the task. Here the options are plentiful. We have models and policies from our own past as well tools and strategies we can borrow from other jurisdictions, both domestic and international. We can also think more deeply about issues and develop new policy approaches and innovations. Below we outline some options which we think our politicians, planners and government bureaucrats should consider over the next few years. Not all will be appropriate in every circumstance and many will need to be tailored to local conditions and priorities. In most cases we believe we will need a suite of policies and investments. We have lots of tools in our toolkit, and we'll most likely need more than one to get the job done.

CREATE NSW INFRASTRUCTURE STRATEGY:

In late 2018, the NSW Government released its long anticipated Cultural Infrastructure Plan 2025+. This document outlined some of the immediate funding priorities for the NSW Government as well as committing to a whole of government effort to support arts and culture in NSW. Some members of the Chamber were initially disappointed, as most of the funding outlined in the Plan is directed to capital works at government owned institutions like the Opera House, Australia Museum or relocating the Powerhouse museum to Parramatta. As meritorious as these institutions are, some felt that there was little in the way of assistance to private sector institutions and that there was nothing to support the many shuttered theatres and venues which dot our cultural landscape.

But on a deeper reading of the Plan there is much to commend, not least the relocation of the Powerhouse to Parramatta, something the Chamber have long championed. In particular the Plan clearly states that the State Government "...will also examine innovative models to fund and deliver cultural infrastructure and investigate reduction of barriers for private sector investment and delivery of cultural infrastructure". This Paper is the Chamber's response.



State Theatre

PLANNING FOR A CITY THAT SINGS:

The Western Sydney Business Chamber is not calling for each level of government to “just spend more money” on supporting live performances. We know resources are finite and there is a limit to how far taxpayers’ dollars can be spread. But there are several non-monetary tools in our toolkit that would shift the economics of the industry from struggling to thriving.

Perhaps the most obvious of these mechanisms is through the planning system. As mentioned earlier we once provided numerous incentives to encourage new theatre developments and to retain old ones. In some cases, this involved providing extra floor space or height to new developments in exchange for the provision of new performances space. This is how the Theatre Royal was saved in 1972 and the Recital Hall at Angel Place built. In other cases, the airspace above certain heritage theatres could be sold off, releasing value which could be used to restore and reopen a theatre. This was how the State and Capital Theatres were saved. The airspace above the heritage listed theatres like the Roxy in Parramatta, the Victoria in Newcastle or the Regent in Wollongong is worth potentially millions of dollars. If just some of this value was able to be captured each of these could be saved and reopened.

PAYING THE PIPER: LOCAL FUNDING OPTIONS

Local government is perhaps the most important player when it comes to developing a more vibrant and comprehensive performing arts industry in NSW. Many of our best venues have been provided through the efforts of local councils. But the capacity for local government to continue playing a role in providing new venues has been severely constrained.

A few years ago, the State Government narrowed the range of infrastructure typologies which could be levied through S. 712 (formerly S.94) and prohibited Councils collecting monies for local theatres. Though well intentioned the changes have significantly reduced the capacity of Councils to provide new performance spaces. These levies were instrumental to the development of dozens of venues across NSW, including The Concourse at Chatswood, the Joan Sutherland Performing Arts Centre in Penrith and Newcastle's Civic Theatre. Following the changes several Councils were forced to shelve long held plans for new venues. The Chamber believes this change should be reviewed as a matter of priority.

Perhaps more importantly, the State Government has made it much more onerous for Councils to consider Public Private Partnerships and Joint Venture proposals to deliver public infrastructure such as theatres and performance spaces. So onerous have these conditions become that it is unlikely Chatswood's Concourse, Parramatta's Riverside and Penrith's Joan Sutherland Theatre would ever be built today. The Chamber believes this should be reviewed.

Another option available to local council is through special local rates. Such a levy was one of the main sources of funding

for Chatswood's The Concourse Performing Arts Centre. A special rate was placed on all commercial property in the Chatswood CBD and hypothecated to support the ongoing operations of the theatre. The business owners in Chatswood didn't need much convincing about the merits of the levy with over 60% voting in support. They knew that the external benefits of the theatre would flow directly to them. That the theatre would become a major attraction and that this would stimulate local business. That Chatswood would be a much more vibrant place, especially outside of office hours, at night and on the weekend. Their investment has paid off in spades, with Chatswood developing into a much more exciting and interesting place than it was a few years ago.

Perhaps more Councils could consider asking their local businesses if they'd like the same for their areas. The Chamber believes many would.

Such incentives would go a long way to supporting our plans for the renewal and activation of our town centres. As the UTS study into the Enmore Theatre showed, the wider economic benefits of performance spaces are easily demonstrated. It's no accident that Parramatta's Church Street restaurant strip emerged adjacent to the Riverside Theatres. The two go hand in hand. The spill over of theatre goes into the neighbouring precincts should be something we actively encourage. It would add vibrancy to places like Penrith, Liverpool, Campbelltown and Newcastle and stimulate a range of other activities, services and jobs. Perhaps more importantly, it would help wean our state's nighttime economy off an over reliance on alcohol.

CRUCIBLES OF CREATIVITY AND CRADLES OF CHANGE: THE ROLE OF UNIVERSITIES

Universities have traditionally played an important role in the development of live performance. Generations of Australian actors, playwrights and musicians got their start at places like Sydney Universities' Footbridge Theatre, Seymour Centre or Manning Bar. Others got their first gig at UNSW's round house. Wollongong University's student bar is widely credited with helping the re-birth of live music in that city.

The University sector is rapidly transforming the town and city centres of NSW. From Newcastle to Wollongong, Randwick to Campbelltown, Universities are investing millions in new campuses and buildings in downtown centres, bringing the vibrancy and life that only students can bring. But in most of the plans for new campus buildings few currently have spaces where students (and everyone else) can participate in live performance. It's just no longer a priority. But it need not be like this. What if we could capitalise on this renewal and investment and encouraged places of public entertainment. What if development incentives and concessions were included in our planning controls to encourage universities to provide live performance venues in their plans for new campuses. This could be an easy win/win. The Universities will benefit as they can offer their

students a more attractive and engaging campus and the wider community can benefit from gaining critically needed venues and performances spaces.

Liverpool, Blacktown, Parramatta, Campbelltown, Wollongong, Newcastle, Armidale, Lismore, Tamworth and Bathurst are all currently benefiting from the re-urbanisation of tertiary education. But these are also centres which desperately need new venues and theatres. The potential to activate these well located and public buildings, particularly during the evenings when they are underutilised shouldn't be missed.

Such bonuses and incentives are still common practice in many Local Plans, it's just that they rarely focus on providing for the performing arts infrastructure anymore. The Chamber supports existing incentives that support things like bicycle infrastructure, tourist accommodation or affordable housing. We just think we should also consider such mechanisms to support arts infrastructure as well. Almost all Councils in NSW will soon be reviewing their Local Plans and issuing new Character Statements on how they want their area to be developed. Can we think about making just a little space for live performance?



PLANNING FOR PLACE: WHY ONE THEATRE GETS LONELY



Not only are we lacking in venues for live performance in NSW, we are also lacking any clearly defined theatre districts or recognisable music centres. This is seriously undermining the value of the performing arts to our society, but it is also undermining the economics of live performance.

The importance and value of industry clusters has been long recognised by economists, geographers and town planners. Industries seem to benefit from proximity to similar type of enterprises. They can share resources, access a ready workforce as well as many intangible spillover effects which make all the participants in a cluster more productive and efficient. The same is true of live performance.

NSW has lots of such clusters and across a range of industries, including finance (Martin Place and Barangaroo) medical research (Westmead, Liverpool and Randwick) and law, (Macquarie St and Parramatta), Media (Pyrmont/Ultimo) to name just a few. But for some inexplicable reason we have never had a definable theatre or live music precinct. What venues we have are spatially separated from each other and operate in isolation. There is no sharing of resources and no spillover of ideas and talent. It need not be like this.

While there is now little scope to develop such a precinct in Sydney's CBD, the same is not true in our other town centres. Take Parramatta. As we mentioned earlier, the Riverside has played a major role in supporting the Church Street/Eat street. Imagine if we also had the Roxy's 1200 seats theatre opened and perhaps another theatre as part of the Powerhouse Museum relocation. Three theatres could share rehearsal space, car parking and other infrastructure. But it would do much more than that. With three theatres so close together, we could have a much expanded eat street, with more bars and restaurants. Smaller venues and theatres might pop up to try and capture the cluster of music lovers and theatre goers attracted to the area. Other likeminded or ancillary industries might also be attracted to the area, like acting schools, recording studios, and equipment providers. Few venues have shows every night, but with a cluster of venues, they'd be something to do in Parramatta seven nights a week.



Roxy Theatre

WITHER THE ROXY: PARRAMATTA'S SILENT HEART

Perhaps there is no greater metaphor for the plight of live performance in NSW then the Roxy Theatre in Parramatta. Located right in the heart of this now booming town centre this once thriving theatre has fallen on hard times and has been boarded up for five years. While the owners would want to reopen the theatre as a venue for live performances, it is simply not an economically viable option. This leaves just two options for determining the future of the theatre.

The first is to allow the construction of a commercial office building over much or the site, with a small 700 seat music venue, restaurant and bar on the remaining heritage listed part of the building. This option has now been ruled out by the Land and Environment Court.

The only other option is to reopen the venue as restaurant and bar with only a small section being available for live performance and music, and the rest to remain closed.

But what if there was a third option? What if instead of developing the airspace over the theatre we allowed them to sell the airspace to other developers in Parramatta, in much the same we once did to save Sydney's Capitol and State Theatres? What if we were able to garner developer contributions from the planned uplift in density controls for

the Parramatta CBD and were able to redirect these towards fully restoring the theatre, in much the same way did for the Joan in Penrith and The Concourse in Chatswood. What if we capitalised on the uplift arising from the soon to be announced Metro Station (most likely to be just metres from the Roxy) to create a new urban precinct with the Roxy at its heart?

All of these tools would have once been available to help secure a financial future for the Roxy. Can't we get these tools back? The same could happen in town centres like Campbelltown, Liverpool, Penrith, Newcastle and Wollongong. With a series of clusters, some places could specialise further, with some focusing on live music and others on drama, comedy or musicals.

Providing planning and development incentives to build and retain live performance spaces is good. Having strategic plans which encourage clustering of venues is even better.

LONDON CALLING: A TAX ON THEATRE TICKETS.

While many of the above suggestions are designed to address the underlying structural barriers to developing new theatres there are still economic obstacles that stand in the way. While trading heritage or development rights might provide a one-off capital injection there is still the issue of maintenance of buildings and ensuring theatres and venues remain open, contemporary and functional. This is the recurrent cost which all venues struggle with. Even the Sydney Opera House, our nations most visited tourist attraction, cannot make enough money from ticket sales and merchandise to cover the cost of its operations and receives an annual subsidy from taxpayers to keep the doors open.

Private theatres and venues don't have access to taxpayer subsidies to cover their recurrent costs and are reliant only on ticket sales, food, alcohol and merchandise sales to keep open. But there are some ways industry can help themselves, and each other, to change the economics of live performance. One model is a special levy on venues or a ticket tax.

A small levy on tickets to live theatre could be dedicated to creating a wider fund through which private venue owners could access to fund upgrades and renewal of their venues. A small levy of \$3 on theatre tickets in NSW would raise over \$3 million dollars annually to go into a sinking fund. Over time participating venues would be able to bid for access to this fund to finance upgrades and renewal of venues. These funds could be held in trust and dispersed by a not-for-profit organisation, based on need, value for money, and public benefit.

Perhaps more importantly, such a fund would provide a mechanism for Governments at all levels to provide financial support to live performance infrastructure and in a more meaningful and effective way than they currently do. Taxpayers would rightly be concerned if public monies were to be spent on what are essential private businesses. But taxpayer support for a public, not-for-profit, trust, with a proper and accountable governance structure is much more publicly acceptable and a more effective use of public funds. Government do, from time to time, pledge resources to private venues, but usually only at election time and only for those venues in marginal seats. At the recent NSW and Federal election, the major parties did pledge support for a number of theatres and venues but, with the exception of the Theatre Royal this 'support' was not bipartisan. The

future of our arts infrastructure should not be subject to the whim of the marginal electorates or party-political bribes. It's too important.

While an extra tax and an increase in prices might not be what the live performance industry wants to see, such schemes are common overseas and are well supported by the theatre loving public.

In 1976, a registered charity, Stage One, was established by commercial theatre operators in London to support the development of new commercial theatre producers. The fund provides bursaries to support new emerging producers, training and apprenticeship bursaries. Initially funded by grants from theatre owners, in 1993 a ticket levy was established and voluntarily entered into by producers and theatre owners to support the ongoing work of Stage One. This funding has been supplemented by philanthropic donations and is strongly supported by London's theatre lovers.

Paris has a similar scheme. The ASTP (L'Association pour le Soutien du Theatre Prive) was founded in 1964 to promote and encourage private theatre. A ticket tax, approved by government, enable an ongoing and recurrent support for local theatre productions. It provides a form of insurance against productions which may make a loss, supports development of new works, and fosters new and emerging artists. Perhaps more importantly, it provides a vehicle through which Government can provide assistance too. The City of Paris supplements the work of the ASTP through annual grants because the City knows the value of live theatre to their own economic and social wellbeing. They've been happily paying this for over half a century. A similar mechanism should be considered for live theatre in NSW

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A CULTURE OF ACCEPTANCE: LIVE PERFORMANCE PRECINCTS.

If NSW is to develop a thriving and vibrant live performance industry, we need to rethink some of the regulations and restrictions which are holding us back. The Chamber is not calling for Councils to ignore noise complaints or for police to turn a blind eye to anti-social behavior. But perhaps in some circumstances we can be more tolerant of disruption and noise.

One idea the Chamber is interested in exploring is the creation of live performance precincts. Places where venues can be encouraged to cluster, where noise can be more tolerated, and later hours of operation supported. Enabling certain precincts in our cities and towns to develop as theatre and live music places would go a long way supporting and revitalising our nighttime economy and in a way that is not reliant on alcohol, with all its anti-social issues.

A TALE OF TWO CITIES, PART TWO:

Wollongong and City of Sydney

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In 2013, Wollongong Council established a Live Music Taskforce to advise on how they can support a vibrant nighttime economy and support their local music scene. The taskforce made four simple recommendations to support and encourage Wollongong Town centre as a place for life performance and music and to end some the conflicts over noise and amenity. The first was to place on the property title (s.149 Certificate) of every property in the area with a simple statement that the;

"Wollongong City Centre and Town Centres play a key role in accommodation, cultural, sporting and business uses. A key to the revitalisation of these centres' is to build on these aspects through greater activation and investment beyond 5pm through an evening economy. Future residents should be aware that these uses may generate noise, odour, traffic and have longer hours of operation, which is part of living in/near a commercial centre".

Everyone who moves into the area knows that it is a place of entertainment and not a quiet dormitory suburb. The second was a form of agent of change approach requiring all new buildings to be suitably insulated for noise. The third was the establishment of a coordinated noise complaints process involving local police, council officers and other relevant agencies. The aim is to manage the negative externalities of life performance while at the same time preventing the vexatious from forum shopping to close venues down.

The fourth step was to encourage 'pop up' performance spaces on Council controlled parks and beaches by streamlining the DA process for short term events. In many cases they have existing DA's in place for major sites which means events can be held at short notice and without the need for a formal assessment process. These simple measures have done much to restore Wollongong's reputation as a vibrant city which values live performances and the arts. But more importantly it has directly challenged the culture of compliance and control, which characterises so much of NSW, with a culture which celebrates life performance.

In May 2019, City of Sydney set out to challenge the culture of compliance which was strangling Sydney's nighttime economy with a sweeping series of reforms to their own regulatory regime. Certain parts of the CBD have been declared 24-hour zones allowing venues to operate day

and night while other areas have been given extended hours of operation. They have also foreshadowed introducing Agent of Change regulations into Council's future planning controls. Perhaps most importantly, dedicated performance venues and pubs and clubs which host live performances will be permitted one additional hour of operation at night.

The Cities of Wollongong and Sydney have started to fight back against the stifling culture of compliance which has robbed NSW of live performance and sent our artists (and art lovers) interstate. These small changes can be easily replicated by Council's across NSW. Indeed, they must be, if we are to find our voice.

These precincts would be further supported by introducing the "Agent of Change" regulations adopted in Melbourne. One of the biggest problems venues in NSW have is the rapid changes in land use, in and around, our town centres. Long standing music venues are being closed by newly arrived residents moving into new apartment buildings being built next door. Under the Agent of Change approach new residential buildings near venues need to ensure they are suitable insulated for noise. Similarly, those seeking to establish a new venue near an existing residential area need to ensure their venue has appropriated noise insulation to protect the local amenity.

By encouraging live performance precincts and introducing Agent of Change regulations we can establish a regulatory and land use framework which facilitates live performance but in a way that mitigates some of the negative externalities of the industry.

**IF NSW IS TO
FIND ITS VOICE IT
NEEDS TO ALLOW
PEOPLE TO SING.**

A TALE OF TWO CITIES, PART THREE:

Campbelltown and Chatswood

TWENTY YEARS AGO, WILLOUGHBY COUNCIL IDENTIFIED THE LACK OF SUITABLE LIVE PERFORMANCE AS

a critical, but missing, piece of infrastructure for their local community. Although only a small Council and with very limited resources, its town centre, Chatswood, sits at the centre of a much wider region of some 900,000 residents. A region which had no purpose-built venues of a suitable size to support major productions and performances.

Having identified the need, the Council set about developing a plan to fund the development of a multi venue performance centre. They successfully imposed a small levy on new development in the area and identified some surplus Council owned land they could sell to raise the capital. They approached local commercial property owners and convinced them to agree to a special rate hike to meet the recurrent costs of operating the venue. They secured some internal funds from previously accumulated surpluses and raised more money through parking charges. Armed with a suite of funding streams, they were then able to borrow \$40 million dollars to cover the final cost of capital. In 2011, they were able to open a \$200 million venue comprising a 1000 seat Concert Hall, 500 seat theatre as well as rehearsal studios, art gallery and a new library. The Concourse is credited with revitalising the Chatswood town centre and providing the only substantial purpose-built performance venue for the entire northern Sydney region.

Campbelltown City Council in Sydney's South West has identified a similar need for a new performance space to meet its burgeoning population. Sitting in the centre of a region which will soon have 900,000 residents, Campbelltown is where Willoughby Council was twenty years ago. Its existing facility, Campbelltown Arts Centre,

is simply inadequate to serve its existing population, let alone the growth it is experiencing. It desperately needs to develop a much larger, multi-purpose performance venue if it is going to be able provide for its community.

However, many of the tools at Willoughby Council's disposal are not available to deliver Campbelltown's needs. Campbelltown is no longer able to levy new development to raise much needed capital, even though the area is one of the fastest growing regions in Australia. Campbelltown City Centre is not as established as Chatswood and its land values could make a special rate levy unviable. Its rapid population growth is seeing demand for all council services escalate and there are precious few surplus resources available to be dedicated to live performance.

If Campbelltown is to develop the performance space it needs, it will need help. It will need to be given back some of the tools that were once available, like the ability to levy new development. It may need to consider implementing planning and development bonuses in its local plans to encourage the development of new venues. But it will also need investment from other levels of Government. The increased residential intensity of Sydney's south west needs to be matched with commensurate infrastructure investment, including the performing arts. Perhaps both Federal and State Governments need to consider some financial assistance in much the same way they once did for the Riverside Theatre at Parramatta and the Joan at Penrith.

WHAT GETS MEASURED, GETS MANAGED.

Closing the information and policy gaps:

One of the problems in addressing the issue of live performance is there is a lack of reliable information on which to base good public policy. While Live Performance Australia provides a valuable annual snapshot of how many tickets get sold in each State and for what type of performance, there is a lack of more granular data on where the venues are in each region and town. The Chamber suspects that some regions, like western Sydney, are experiencing a much greater scarcity of venues than other regions, but we can't prove it. The limited mapping of cultural infrastructure undertaken by Create NSW is a good start but if we are going to develop a proper policy response, we need better data on which to base decisions on and to identify the greatest priority areas. We think that the State Government should consider undertaking a semi-annual census of venues across NSW in much the same way that the Victorian Government does. We need to know what venues we have, where they are, how big they are and what audiences they are targeting. Only once this is known can we tailor our policy response and determine priorities.

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SYDNEY COLISEUM THEATRE, WEST HQ: Rooty Hill to the rescue.

While this paper suggests there is something amiss in the State of NSW when it comes to live performance infrastructure, there are some bright spots which are worth celebrating. Perhaps the most significant is right here in Western Sydney.

West HQ Limited (owner and operator of Rooty Hill RSL, Sydney Gymnastics and Aquatic Centre, One 55 Fitness, Novotel Sydney West HQ and Sydney Coliseum Theatre, West HQ) has commenced work on the largest new theatre and performance space in Sydney in over a decade. Using surplus land adjacent to their existing venue they are building the \$100 million-dollar Sydney Coliseum Theatre, a 2000 seat multipurpose theatre which can be easily adapted to cater for a range of different live performances from musicals, theatre, ballet, dance, symphony, family entertainment and



comedy. Perhaps nothing demonstrates the underlying economics of live performance better than looking at how, and why, they are building it.

West HQ Limited as a registered club is deemed a not for profit (NFP) and is exempt from Council rates and land taxes. As a not-for-profit organisation, all surplus incomes need to be either reinvested into its own precinct and services or into community works, local sporting clubs and the like. With a steady income from its significant and diversified business and the capacity to own and hold land cheaply, it has the commercial depth to invest in a major performing arts space, and is doing so.

While the theatre itself will be commercially operated, in itself it is unlikely to make a direct return which cover the cost of capital. But for West HQ that's not a problem. The business case for the new Sydney Coliseum Theatre sees most of the economic benefit arising from the existing West HQ destination which includes an owned and operated businesses. A recent investment in a new premium dining destination called "Eat Street" will feature a variety of prestige eateries fronted by well-known chefs and brands and will ensure ample opportunity for pre and post show hospitality. The extensive facilities offered by hotel, health and leisure businesses on site provide ample reason for corporate and leisure travelers to stay and play in precinct. The financial model explicitly sees capturing the economic 'externalities' of live performance as underpinning the economic future of the West HQ owned and businesses. Theatre goers will use the existing West HQ free car parking and as the only nearby

offering of food and beverages in the area, West HQ will cater for the after-show dining and entertainment of patrons. The theatre will provide a much-needed attraction to bring in new customers, and to help grow non-gaming revenues and reduce future dependency on what the less socially acceptable revenues derived from gaming.

In addition, the theatre is expected to drive substantial visitation to the precinct and region, especially from regional NSW. With a catchment that considers all of Greater Western Sydney, the lower Blue Mountains and Central West as its core customer markets, the theatre is positioned to draw on a substantial customer based that has been starved of easy access to both artistic and commercial content. The theatre's foundation program includes a line-up of some of Australia's leading arts companies, all of whom have embraced the Sydney Coliseum Theatre, West HQ and made significant commitments to the venue and the region. More importantly, it is evidence that supports the contention that

**INVESTMENT INTO
WESTERN SYDNEY IS
A KEY OBJECTIVE FOR
EACH OF THEIR AUDIENCE'S
FUTURE DEVELOPMENT
AND SUBSCRIBER GROWTH.**

CONCLUSION: LIGHTS OUT.

NSW ONCE WAS CLEARLY THE CULTURAL CAPITAL OF AUSTRALIA,

with more and bigger theatres, a thriving pub and club music scene, and culture which celebrated live performance

in all its forms. We once derided our interstate compatriots on their dull night life, restrictive hours of opening and cultural backwardness. We are no longer the cultural capital and our interstate colleagues look at NSW's live performance industry in despair. It need not be like this.

Unfortunately, our current state of despair is going to get worse. The State Government has rightly prioritised investing money and resources into renovating and improving several public theatres including the Opera House, Riverside and Wharf Theatres as well as securing the reopening of the Theatre Royal. This is very welcome but unfortunately, these renovations will see many of these venues closed for a least one season if not longer, and the Theatre Royal is unlikely to reopen until 2020. Plans for new theatres in Ultimo and possibly in Parramatta, as well as a new live music arena in Inner Sydney are being considered but are still several years away.

But there is light at the end of tunnel. Council's like Liverpool and Campbelltown are pursuing plans to expand and build new venues and performances spaces. Council like Wollongong, Inner West and Sydney City are now actively championing live music and are supporting venues, not fighting them.

But more needs to be done. This Paper seeks to be a wake-up call for decision makers and civic leaders that we need make changes and that a business as usual approach will simply not do. The live performance industry won't fix itself. We outline some changes, some big, some small, which should be considered by policy makers and regulators which go some way to resolving our States venues crisis.

Perhaps more importantly, this Paper seeks to remind our fellow citizens that live music and theatre is an essential part of community and cultural life and that we should cherish it and nurture it. That it's not nuisance to be avoided, shut down or silenced.

Perhaps the final word should go that great infrastructure builder and former Premier of NSW, Joe Cahill. While trying to build support from a questioning public about investing in a new piece of arts infrastructure he declared that the Sydney Opera House, "will stand not merely as an outstanding example of modern architecture or even as a world famous opera house, but as a shrine in which the great artists of the world may be seen and heard and our own artists may display the flowering of Australian culture". Pressed further he said its purpose was "help mold a better and more enlightened community,". He was right then, and he is right now. The show must go on.

RECOMMENDATIONS

WE HAVE A PROBLEM IN NSW WITH A LACK OF APPROPRIATE VENUES FOR LIVE PERFORMANCE.

We lack theatres, both big and small, and what venues we do have, are not adequately distributed across the State. More importantly, many of our existing venues are closed, or threatened with closure.

We need to reconsider our current attitudes to live performance, especially music, and develop a more tolerant culture which celebrates the arts, in all its formats, and values the role that live performance can play in enriching our lives and bringing vibrancy to our town centres.

We need to recognise that it is currently uneconomical for the private sector to open new venues, or even keep existing venues open. It is time for us to change the underlying economics of providing live performance infrastructure if we are going to rebuild the once vibrant live performance industry we had in NSW.

RECOMMENDATIONS:

- 1 State and Local Governments should prioritise live performance infrastructure in their planning and development controls, including;
 - FSR and height concessions for new development which provide new theatres and performances spaces;
 - Establish a Transferable Development Rights system for trading heritage and airspace rights to support the retention of historic venues;
 - Amend the State and Council development contributions schemes to include live performance infrastructure as being an eligible typology for contributions and developer levies;
 - Remove State Government restrictions on Local Council partnering with the private sector to develop new theatre and live performance spaces.
- 2 State and Local regulators should adopt measures that foster a safe and vibrant live performance industry including;
 - Establishing and supporting precincts where live performance is actively encouraged and to support clustering of venues and theatres;
 - Agent of change rules – for example insuring that lively entertainment precincts are acknowledged in Section 149 Certificates (Wollongong and Sydney Olympic Park templates);
 - Later night trading for venues which provide live performance;
 - Streamlined and coordinated complaints processes for noise complaints.
- 3 Establish a fund to allow private venue operators and emerging artists to apply for grants for capital and programming. The fund could include a number of sources including a ticket tax based on similar schemes in London and Paris, financial support from State and Local Government and philanthropic donations.
- 4 State and Local Council's to undertake a census of live performance venues across NSW to provide a clear snapshot of the state of the industry and to identify gaps in infrastructure provision.
- 5 Encourage and incentivise Universities to provide theatres and venues in their campus expansion and investment programmes. Universities should be required to develop a cultural plan when they are seeking approval for the development of new campuses. The plan should identify opportunities for live performance space and investigate multipurpose use of lecture theatres.



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