

Agreement in Principle

Ms CLOVER MOORE (Sydney) [10.11 a.m.]: I move:

That this bill be now agreed to in principle.

For too long the New South Wales night economy has been dominated by large pubs and clubs with poker machines and televised sport, and large nightclubs with loud pumping music. While these venues provide entertainment for many, growing numbers of people support an alternative night culture. The Liquor Amendment (Small Bars and Restaurants) Bill aims to encourage a new night economy that has less impact on neighbouring amenity; a night economy that is diverse and in line with other cities—Australian cities like Melbourne and Perth, and European, American and Asian cities, such as Paris, Florence, San Francisco and Shanghai. Our current liquor licensing system is more restrictive, expensive and complex than any other system in Australia. Small venues that would have less impact on the local neighbourhood either do not fit within the rigid licence categories or entrepreneurs cannot afford the exorbitant costs.

Since announcing my intention to introduce legislation to encourage smaller, lower impact, boutique style bars, my office has been inundated by responses and support. I have received letters, emails and telephone calls from residents and business people asking how they can support the bill. The facebook group We Want Funky Little Pubs in Sydney has over 4,500 members and when the *Sydney Morning Herald* ran a number of articles on liquor licensing, more than 50 people posted blogs in support of my proposed bill on day one. I refer to a couple of those blogs. Peter H said, "We need a more diverse bar scene other than booze, drunks and vomit. Come on Sydney get this city on the map for more than the Harbour and Opera House". Mat Rawnsley said, "If the line of argument that more accessible/cheaper/less restrictive liquor licences will lead to more binge-drinking is to be believed, where is the evidence? Look around the world. The few countries where binge drinking is a problem [are] generally where laws are toughest." Indeed, in today's *Sydney Morning Herald* former Prime Minister Keating said:

The pub culture in Sydney is stultifyingly bad. It's raucous and it's noisy in the Klondike-like saloons. All that's missing is Lola Montez. The idea that you have to go into these swills to get a drink, and not in some more beguiling place, is a shame.

Change is needed to promote tourism and business. On any night in Sydney approximately 20,000 visitors in city hotels could benefit from a quiet place to drink. As Australia's global city, Sydney is the key destination for business and "deal making". It is estimated that a third to a half of hotel guests stay in the central business district [CBD] for business and they want to be able to conduct face-to-face meetings in conducive surroundings where knowledge can be shared and decisions made.

The Sydney Chamber of Commerce supports this bill, stating, "For Sydney to grow and prosper as a global city, the Sydney CBD must offer a variety of drinking venues to cater for the tastes of all patrons". The Property Council also supports this bill because it promotes vibrancy in the city encouraging work and recreation and thereby strengthening the economy. The Property Council says that Melbourne's bar culture, which has arisen from reforms to liquor licensing last century, leaves Sydney's for dead. Indeed, Ken Morrison, chief executive officer of the Property Council, in an opinion piece in the *Sydney Morning Herald* said, "The business case for small bars in our city is really a no-brainer."

Liquor reforms introduced in Victoria in the 1990s have allowed Melbourne to fare better. Professor John Niewenhuysen, who recommended that Victoria relax its liquor laws in the 1980s, demonstrated in a recent discussion paper the economic benefits of liquor licensing reform in Victoria, including a 24.6 per cent increase in restaurant employees between 1999 and 2004, compared to a 17.7 per cent increase in New South Wales. While the number of liquor outlets increased by 96 per cent in Victoria between 1998 and 2006, compared with a 34 per cent increase in New South Wales, Professor Niewenhuysen points out that the increase has not increased per capita consumption. Victoria's growth in venues reflects a greater choice in the style and type of premises, including smaller bars, particularly in the laneways of Melbourne's central business district.

The Liquor Amendment (Small Bars and Restaurants) Bill is not about competing with big hotels; it is about creating alternatives. Recent comments by the Australian Hotels Association President, John Thorpe, indicate that laws remain restrictive, expensive and complex to protect existing hotel operators from competition, many of whom, as we all know, are political donors to major parties. Community response tells us that trust in politicians is fragile and this bill is an opportunity to demonstrate to the public that Parliament does represent the public interest. The bill is simple, working with the current framework and complements the aims of the city's Late Night Trading Development Control Plan to encourage low impact venues in the city of Sydney local government area.

The bill does two things. Firstly, it allows restaurants to supply liquor without a meal, provided that food service remains the predominant activity, and tables and chairs are available to at least 70 per cent of patrons at all

times. Currently restaurants have to obtain a dine-or-drink authority to serve alcohol without meals, which can cost up to \$15,500 and still require food service to at least 70 per cent of customers at all times. Should the bill be enacted, there will be no need for restaurants to obtain a dine-or-drink authority because they will be able to serve alcohol without food. Victoria has similar provisions except seating is required for 75 per cent rather than 70 per cent of patrons; 70 per cent was chosen for New South Wales to allow a seamless transition for restaurants with existing dine-or-drink authorities.

Secondly, the bill introduces a new small bars category of licences. The small bars licence will be different to other licences because the supply of alcohol must be the predominant activity, whether or not other entertainment is provided—that is, alcohol does not have to be ancillary to any other activity. Like the small bar licence introduced in Western Australia last year, it will be limited to venues with 120 patrons or fewer, ensuring that it applies only to small, low-impact venues. Small bar licences will not permit premises to have gaming machines or be allowed to sell take-away liquor. The cost of a small bar licence will be \$500, in line with other low impact licences including restaurants, public halls and theatres.

Standard trading hours for small bars will be: 7.00 a.m. to 11.00 p.m. on Mondays to Thursdays, 7.00 a.m. to 1.00 a.m. on Fridays and Saturdays, and 10.00 a.m. to 11.00 p.m. on Sundays. On restricted trading days the standard trading hours will be noon to 10.00 p.m. On New Year's Eve small bars will be allowed to trade until 2.00 a.m. the next day. However, small bars can apply to the Licensing Court to have their trading hours extended, but the court must be satisfied that extending trading hours would not result in the frequent undue disturbance of the quiet and good order of the neighbourhood. Small bars will be required to ensure toilet facilities are available for their patrons.

When the Western Australian Labor Government introduced small bar licences as part of a liquor reform package in 2006, its Minister for Racing and Gaming said in his speech that reforms were aimed at "encouraging a more vibrant, lower risk, family friendly, cafe style drinking culture", which is line with the aims of this bill. However, the New South Wales Premier has stated publicly that he would not support the introduction of licences without social impact assessments. The Liquor Act 1982 does not require social impact assessments for nightclub licences; they are required only for hotel licences and retail off-licences, with a fee of up to \$6,600, but legal assistance can blow out costs to well beyond \$50,000 and the applicant prepares the social impact assessment, which raises questions about the independence of the assessment.

When the Western Australian Government was preparing to reform liquor licensing, it commissioned the Allen Consulting Group to report on the effectiveness of liquor licensing in other Australian jurisdictions. The report stated that according to the New South Wales Department of Gaming and Racing the quality of social impact assessments was generally poor and the quality and availability of research material made the process difficult for both applicants and assessors. The purpose and value of the social impact assessment is questionable. Is it designed to protect communities from the adverse social impacts of licensed premises? The New South Wales Police Force argues it needs increased police powers to enforce conditions of licences to reduce impacts from venues. It says that current fines of \$5,000 or \$10,000 do not deter large venues, which can cause serious problems for police and distress for neighbouring residents. Or is this complex process designed to make it difficult for new players to enter the market? Is it designed to discourage entrepreneurs from providing alternatives?

The Liquor Amendment (Small Bars and Restaurants) Bill does not require social impact assessments for small bars, just as social impact assessments are not required for restaurants. Small bars will not have gaming machines or sell takeaway liquor. Limiting the clientele to a maximum of 120 people will enable the responsible service of alcohol to be better managed. Small bars, however, will require development approval from the local consent authority, which will provide a more open, accountable, independent and comprehensive process than social impact assessments. Development applications will be assessed in the context of planning controls. Small bars in the City of Sydney local government area, for example, would be assessed in the context of our Late Night Trading Premises Development Control Plan, which aims to manage the impacts of late-night premises on neighbourhood amenity, while encouraging vibrancy and diversity. Affected residents are notified of development applications and given the opportunity to make submissions. They can also address council committees before a final decision is made. Development applications for small bars would include conditions to minimise amenity impacts.

The Liquor Amendment (Small Bars and Restaurants) Bill is a simple bill that works within the current process of the current Liquor Act 1982 and maintains the Licensing Court's role of granting licences. Liquor licensing is complex and major reform is needed. Since announcing my intention to introduce the bill, I have been contacted by applicants for many types of licences who are finding the process expensive and inhibitive. If the Government does not introduce long-awaited changes, I am considering a second stage of reform involving a different liquor licensing process in line with other jurisdictions. The community believes that the current liquor licensing fails to allow the diversity in late-night trading that they as consumers demand and they want the Liquor Amendment (Small Bars and Restaurants) Bill to pass. In his paper, Professor Nieuwenhuysen wrote:

One of the great strengths of the Victorian liquor and hospitality industry, which could be emulated in New South Wales, is its diversity, and the ability of licensees to identify and respond to the changing needs and expectations of the market—whether as a traditional pub/hotel; as a vibrant gaming venue with a range of associated dining, lounge,

entertainment or bar facilities; or as a café/bar or lounge responding to more eclectic market opportunities. The concentration of European style facilities is especially evident in the CBD and its cosmopolitan street culture, which has proved so popular with Melbournians and made it a mecca for tourists and visitors. It remains to be seen if New South Wales will make the changes necessary to secure the reforms required.

This bill provides the Parliament with the opportunity to make these changes. I commend the bill to the House.