

**Submission
No 237**

SYDNEY'S NIGHT TIME ECONOMY

Organisation: The Beauchamp Hotel

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As Licensee, business owner & property owner of the Beauchamp Hotel on Oxford St, inside the Oxford St lock-out zone, I would like the review to consider the following.

- 1) To revoke the lockout laws asap, at least for Oxford St
 - The economic effects on our precinct have been substantial.
 - The main impact of the lock out laws has been the substantial drop in the number of people frequenting the Oxford St precinct. There are simply vastly less patrons in the lockout areas as patrons are just going to precincts that do not have lockout laws, & are not frequenting the lockout affected precincts..
 - In our business we have experienced a 50% reduction in turnover. Less patrons result in less profitability.
 - The result has been the closure or a reduction in opening times of many businesses in our area including hotels, restaurants, bars & other businesses
The evidence is the many empty shopfronts in the Darlinghurst stretch of Oxford St, where the lockouts apply.
 - A viscous cycle has manifested itself as many business that were unable to sustain the drop in trade and had to close, which in turn forces more struggling businesses to close due to further drops in patronage to the area, which reinforces this recurring cycle in causing even more businesses to close, with more vacant shopfronts and less people coming to an area that appears lifeless and run down. There is little investment confidence in the area as a result, and many buildings are left looking run down and deserted
 - Other successful businesses have just moved out, going to thriving parts of Sydney (or even Melbourne) where there are no lockout laws, further fuelling those areas into thriving precincts.
 - The drop in business viability naturally results in lower employment in the local area, with owners having to work more hours to replace staff in order to reduce wages and stay viable.
 - The lockout laws need to be revoked asap, as even once the lockout restrictions are lifted, it will take time for the investment and patronage to flow back into the decimated precincts and bring them back to life, before the existing suffering businesses will feel any relief & begin to recover.
- 2) If the existing lockout laws are not to be revoked, they should be applied state-wide, or at least across Sydney
 - The introduction of the lockout laws have unfairly decimated some precincts and economically benefited other precincts, where the laws do not apply
The lock out affected precincts have to compete with precincts where there has been no lockouts in place.
 - A level playing field needs to be reinstated
 - Additionally, rather than curing the NSW drinking culture & behaviour that existed, the lockout laws have moved & distributed the same drinking culture to other precincts.
 - Either no lockout precincts should exist or lockouts should exist state or at least Sydney wide.
- 3) To remove the recently introduced and ever increasing fees which unfairly punish compliant venues & threaten the viability of small hotels
 - Compounding the drop in turnover, licensed venues with late trading licences, such as ours, are now subjected to ever rising licence fees. Increased licence fees were introduced under the guise of being required to pay for additional policing costs, to police antisocial behaviour and potential compliance issues posed by "high risk late trading venues", a term invented by OLGR (the department of liquor gaming and racing) categorising every late

trading venue (one that trades past midnight) without any regard its size or actual compliance/trading history or risk. There has been no individual assessment made of the risk posed by any particular premises in this category and it is an arbitrary and regressive one size fits all approach to an imposition of heavy handed fees and operating conditions that can be imposed on venues falling into this category. In fact, the lock out laws have taken care of the potential for policing, by reducing patronage to the area, which has led to a significant reduction in assaults and compliance issues, to the point where the local area command has few if any issues to raise at any accord meeting. Whilst this result is of course desirable, the surviving venues, many of which were and still are well run by responsible operators, who did not contribute to the issues that led to the imposition of the broad sweeping lock out laws that encompassed every venue in the precinct, are still paying these licence fees, that were imposed in an arbitrary manner on all venues. Instead, the venues that were/are not well run and not complying with licensing laws, should be targeted, & the well run, compliant venues should not be punished and have to pay these ever increasing licence fees..

- The licence fees for venues trading past 1.30 am were \$5'550 last year. This year they have increased to \$5948 or effectively a \$448 increase or 8%. Unless something is done about this, these fees will increase unchecked at 4 times the rate of inflation ad infinitum and are being locked in by a government agencies as a lucrative source of increasing tax on business.

These are not the only taxes businesses have to meet.

Increasing land tax, council rates, ongoing application fees for renewing trial trading hours, increasing fire safety certificate lodgement fees ,Increasing footpath licensing fees and annual application fees for these etc etc are all taxes on business which do not factor in the capacity of the business to pay.

They all have a detrimental effect on economic output, investment and employment.

If the government sends the signal that they see business as an easy target for unjustifiable and increasing taxes, businesses will seek to change the use of buildings to less intensive uses such as residential conversion which are subjected to less taxation and have less or no ongoing employment costs.

This outcome has a negative effect on growth and jobs

- The licence fees for venues trading past midnight and 1.30 am should be abolished as the questionable reason for their creation in the first place certainly no longer exists in the lock out areas.

If they are maintained they should only be applied to venues that have a poor record for managing their premises and continuously demonstrate an unwillingness or inability to comply with NSW licencing laws or the local government act, requiring the frequent intervention of the police

- If Licencing fees remain in place, then at the very least, they should be applied on a scale based calculation that takes into account turnover of a business.

Currently a business with a turnover of \$20million pays the same amount as a business with a turnover of \$1 million.

What is a drop in the ocean to a large venue with 30 gaming machines, is a substantial and rising cost to a smaller business with little or no gaming.

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