

**Submission  
No 764**

## **SYDNEY'S NIGHT TIME ECONOMY**

**Organisation:** Australian Retailers Association

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# Response to the Joint Select Committee on Sydney's Night Time Economy (NTE)



Australian  
Retailers  
Association

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## About the ARA:

The **Australian Retailers Association** (ARA) is the retail industry's peak representative body representing a \$320 billion sector employing more than 1.2 million people. The ARA works to ensure retail success by informing, protecting, advocating, educating and saving money for its 7,800 independent and national retail members, which represent in excess of 60,000 shopfronts throughout Australia. The ARA ensures the long-term viability and position of the retail sector as a leading contributor to Australia's economy.

Members of the ARA include Australia's most trusted retailers, from the country's largest department stores and supermarkets, to specialty retail, electronics, food and convenience chains, to mum-and-dad operators.

## Introduction:

The **Australian Retailers' Association** is pleased to submit to the Joint Select Committee's inquiry into Sydney's Night Time Economy, and believes there is scope to develop this further to benefit of traders, residents, tourists, and government.

As Australia's best-known and premier "international city," the ARA strongly believes a growing, thriving Sydney is critical in the context of its place as an Australian business centre, an international financial hub, and a drawcard for Australian tourism.

The ARA acknowledges a bustling, vibrant after-dark economy in Sydney, delivering experiences and choice for residents and visitors alike. We are strongly supportive of this activity, and welcome opportunities for its growth and expansion in coming years.

As the Committee notes, so-called "lockout laws" have acted as a curb on Sydney's after-dark trade, particularly impacting pubs, nightclubs and other licensed venues, and especially in the Kings Cross precinct; even so, other factors impede the development of a night time economy in Sydney to its full potential. We make the observation that some of these fall outside the jurisdiction of the NSW government.

We would like to see a reconsideration of the "lockout laws" – subject to appropriate safeguards and resourcing of law enforcement services, as appropriate – along with full deregulation of trading hours (especially in the CBD and inner city areas), an audit of regulations and other measures that may hinder the establishment of new enterprises, and a revisit at the federal level of retail and hospitality penalty rates, which also act as a handicap on some businesses' viability and/or ability to trade throughout the night as should be the case in an "international city" such as Sydney.



## Sydney's Night Time Economy (NTE)

Deloitte Access Economics' *Imagine Sydney 2019* report estimates the after-dark economy in Sydney is worth \$27.2bn per annum to the Australian economy, supporting over 230,000 jobs. It defines "night time economy" as economic activity occurring between 6pm and 6am, with demarcations drawn between the "evening economy" (6pm to midnight) and the "late-evening economy" (midnight to 6am).

Deloitte finds Australia's NTE accounts for 6% of the UK economy, but just 3.8% of the Australian economy: there is a clear inference (with which the ARA concurs) is that there is scope to significantly boost Sydney's NTE activity. It estimates the Sydney NTE accounts for 22% of the national after-dark economy, and 67% of the total NSW NTE. It also suggests that were the Sydney NTE to account for 6% of Sydney's overall economy, it would represent a total annual value of \$43.3bn: thus, there is ready scope for the Sydney NTE to grow by 60%, or \$16.1bn per year.

The ARA notes that despite the centrality of the "lockout laws" to any discussion of Sydney's NTE, the after-dark economy comprises more than pubs, clubs, and licensed venues: 24-hour supermarkets, bookshops, and convenience stores are all examples of retail enterprises that operate after dark and which may not sell liquor some, or all, of the time. Other non-retail businesses – such as health and fitness centres and entertainment venues – further underline the diversity of the Sydney NTE.

## The "Lockout Laws"

Whilst care is indicated to ensure comment on this issue is made sensitively – given the alcohol-fuelled deaths that provided the impetus for the laws in the first place – the ARA does not support the "lockout laws" and believes they should be repealed.

The application of these laws is inconsistent and makes very little sense.

The Star casino – anecdotally, a violent CBD venue – is exempt from the "lockout laws" despite being situated just beyond the area to which they apply.

Exemptions for venues with poker machine entertainment that allow them to admit patrons after the curfew – despite the stipulation that liquor may not be sold after this time – are absurd: there is nothing to stop would-be thugs "pre-loading" on alcohol (or other substances) and then attending these venues seeking to engage in violence.

Indeed, the "lockout laws" can, by their nature, have no impact whatsoever on drug-related offending induced by substances other than alcohol: for example, the problem of methamphetamine use will not be affected by restrictions on liquor sales.



The two fatal attacks on teenage visitors to Kings Cross regularly cited as providing the impetus for the lockout laws – Daniel Christie in 2014 and Thomas Kelly in 2012 – would not have been prevented by these laws, as *both occurred well before midnight*.

A NSW Bureau of Crime Statistics and Research report in 2015 – which found declines in assaults in Kings Cross, but increases in adjacent areas beyond the lockout zone – is strongly suggestive of the problem simply being transferred from one place to another, which we believe shows the laws to be pointless.

Significantly, whilst increases beyond the lockout zone were smaller than decreases identified in Kings Cross, this also suggests some consumers giving up patronising late night venues altogether: more evidence of the damaging nature of these restrictions. It is not possible to claim this differential as a vindication of the laws, as it could only be the case a) if it were only violently-inclined persons giving up on patronising late venues, which b) it is impossible to quantify or substantiate.

Conversely, many businesses have failed or closed as a result of the “lockout laws” – both within and beyond Kings Cross – taking jobs and livelihoods with them, and reducing choice for law-abiding patrons of these venues. The consequent reduction in opportunities for income to be earned and spent across the economy affects not just those who lost their jobs or businesses, but the NSW economy as a whole.

Whilst the ARA, on behalf of retailers, has a vested interest in reducing the rate of alcohol-fuelled incidents within the night time economy for **all** stakeholders, we believe the so-called “lockout laws” are a heavy-handed measure targeted disproportionately at one historically difficult area (Kings Cross) implemented simply for the sake of being seen to “do something.” In our view, this is not a constructive public policy approach.

We reiterate our desire to remark sensitively yet candidly on these laws, and note our ongoing condolences to the families of Daniel Christie, Thomas Kelly, and others who have been affected by the scourge of drunken violence *anywhere* in Sydney.

However, we also reiterate that the deaths of these young men – used as a pretext upon which to introduce the “lockout laws” in the first place – **would not have been prevented** had they been in effect at the time of those incidents. This in itself speaks to the absurdity of the “lockout laws” in the context of any assessment of their deleterious effects on retail and hospitality trade in Sydney.

The ARA’s preference is for the “lockout laws” to be repealed, and replaced with an investment in additional Police numbers and other law enforcement measures, enabling better response times for Police attending at venues where the eviction of troublesome patrons requires assistance, alongside a schedule of heavier penalties for both first-time and repeat offenders – perhaps including a register of lifetime bans on individuals from returning to stipulated precincts between 6pm and 6am.

The NSW government may care to consider the Protective Services Officers (PSOs) deployed in Victoria on Melbourne’s public transport network after dark, where they are popular with the public, as a relatively speedy way to bolster “boots on the ground” where law enforcement is concerned. These PSOs have been credited with making Melbourne trains safer at night due to heightened visibility, and have the option of



utilising their training and experience as a pathway to a career at Victoria Police, where the experience garnered as PSOs may enhance their quality as Police recruits.

We do not believe the overwhelming majority of law-abiding visitors to areas of Sydney affected by lockouts – nor the entrepreneurs who operate venues or retail premises in them, and their staff – should be forced to bear the brunt of a blunt instrument approach caused by a relatively small handful of highly unsavoury incidents.

In stating a preference for these laws to be repealed, the ARA notes the City of Sydney, and Lord Mayor Clover Moore, also favour abandoning the current practice of lockouts as part of their strategy for developing and growing the Sydney NTE.

## Input From Our Retail Stakeholders

The ARA has consulted among its members for feedback – positive and negative – where proposals to actively expand and develop the Sydney NTE are concerned.

Generally, this feedback has been overwhelmingly positive.

The point has been made to us that with the rapid influx of residents into Australia's central city areas – including Sydney – a focus on community development is as important as economic considerations. In this sense, the demand for services and retail options that shape communities, and the supply of those services from which economic activity derives, are indissolubly linked.

Several of our major retailers were broadly supportive of any push to “keep Sydney open,” saying that anything that “grows the pie” can only be a good thing, and that more trade “recession proofed” economies. These retailers suggested that whilst their stores were essentially discretionary in their offer at a time people wanted “kebabs and beer rather than a new suit at 1am,” they nonetheless saw value in working towards any effort to maximise the Sydney NTE through longer trading hours and an enhanced consumer offer targeting people who no longer fit within “the 9 to 5 stereotype.”

Another retailer suggested that all residents of Sydney – even if they do not attend bars, pubs, clubs or shops in the city after dark – would benefit from expansion of the NTE, directly or indirectly, as more jobs were created, enabling both greater retail spending and more revenue to be collected, which in turn would help fund increased government services across the city and even the state. The ARA endorses this view.

The cost of paying penalty rates – particularly after midnight – was nominated across the board as a cost burden requiring careful consideration in any move to extend regular Sydney CBD trading hours. One retailer made the point that any move to (for example) 24-hour trading would necessitate a **substantial, permanent and sustained** increase in the portion of staff wages requiring payment at penalty rates, and that this would not be readily absorbed against the balance of their existing trade. This retailer, whose stores routinely close at 6pm, suggested that some retail participants may of necessity find a “compromise point” of closing at midnight to ensure expanded trading hours at night did not affect the viability of their business.



The ARA, which supports deregulated trading hours and is enthusiastic about the potential for growth in Sydney's NTE, suggests that if progress is made toward longer trading hours (and particularly if this is reflected across the Sydney metropolitan area and/or in other parts of Australia), further contemplation of penalty rates generally may be necessary to enable businesses to participate on a sustainable and ongoing basis.

In-store security was nominated as a factor by both small and large retailers in any move to extend trading hours in the inner Sydney precinct. Some larger retailers noted that their stores already featured a full-time security presence throughout their regular trading hours (which would nonetheless require review in any significant increase in night trading), whilst smaller enterprises suggested this was an issue that may require further attention.

The ARA believes that in-store security during extended night trading would safeguard the welfare of consumers as well as retail staff goods for sale, but notes that this is a cost hurdle that would need to be navigated by all retailers.

The general tenet of feedback received by the ARA is that anything that attracts more people to the city, and for longer, is a positive in terms of the retail sector: more people equal more commercial opportunities, which in turn equate to greater choice for consumers.

In this sense, the ARA is strongly supportive of measures by both the NSW government and the City of Sydney that can develop the Sydney NTE toward its full economic potential.

## Conclusion

The ARA is excited by the potential of the Sydney NTE and supports all reasonable measures to stimulate activity and extend consumer choice.

We accept the Committee's directive that the "lockout laws" are not the sole consideration of this inquiry, but central to it nevertheless. To this end, we support a repeal of the laws in their entirety, with a greater emphasis on Police resourcing, law enforcement, and heavier penalties for offenders, including bans on them entering prescribed areas (either completely, or between certain hours) to ensure the majority of residents, visitors and tourists to the Sydney CBD are not disadvantaged or restricted by the senseless acts of the few.

As the industry association representing Australia's retail sector, we wholeheartedly endorse the sentiments expressed by our members in the course of compiling this submission.

We would welcome the opportunity to appear at a public hearing as the inquiry progresses to expand on the issues raised in this paper – or to answer the Committee's questions – in greater detail.



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