

**Submission
No 775**

SYDNEY'S NIGHT TIME ECONOMY

Organisation: The Star Entertainment Group Ltd

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THE STAR
ENTERTAINMENT
GROUP LTD

SUBMISSION TO THE JOINT SELECT COMMITTEE ON THE NIGHT TIME ECONOMY

Executive Summary

- The Star is one of Sydney's pre-eminent international tourism and entertainment destinations. The Star welcomes around 14 million guests a year and attracts approximately 52,000 guests every Friday and Saturday night. It is an entertainment precinct with a mix of food, beverage, entertainment and gaming activities.
- The Star actively works with NSW Police and the Casino Regulator to ensure that The Star remains one of the safest licensed venues for local, interstate and international guests.
- The safety and comfort of guests is The Star's absolute priority with 3,500 digital surveillance cameras and a security and surveillance team of approximately 250 personnel. Responsible Service of Alcohol (RSA) and associated safety strategies are a key component of The Star's customer relations strategy.
- The Star wishes to work with the NSW Government and the community on any measures that will lift community safety while promoting a vibrant and sustainable Night Time Economy (NTE).

Background

The Star is a world-class integrated resort with two 5-star hotels and serviced apartments, comprising 623 rooms. The Darling Hotel at The Star is the only Forbes 5-star rated hotel in NSW and one of only two in Australia. There are 17 restaurants and bars at The Star, with approximately 2.4 million restaurant covers and 9.4 million drinks (both alcoholic and non-alcoholic) provided every year. The complex includes The Lyric Theatre, The Star Event Centre, Rock Lily, Marquee nightclub, the Darling Spa and other retail outlets.

- The Star employs more than 4,500 team members in Sydney making it one of the largest single site employers in Sydney and NSW.
- The Star Event Centre hosted 217 events in 2018 and has a maximum concert capacity of 4,000. Another 961 events were held in other venues on the property such as Cherry.
- The Lyric Theatre is independently owned and operated but very much an important venue in The Star.
- Marquee hosts approximately 150 events a year. Last year it welcomed 250,000 guests, 40 international headline artists and 60 local headline artists.

- Rock Lily, The Star's specialist live music venue, hosts 250 live band bookings and 500 DJ time slots per year.

The Star makes a significant contribution to the state of NSW, both to the economy and the community more generally. The Star will generate \$14.2 billion output to NSW and provide a \$7.8 billion increase in Gross State Product in the period FY 2017 - 2030¹.

The Star offers its guests a wide variety of service offerings. The Star offers a varied gaming product – gaming machines, electronic table games and table games. There are separate VIP areas to satisfy high value international and domestic visitation. Additionally, The Star provides high end hotel management and diverse food and beverage options to its guests.

As Sydney's only existing integrated resort, The Star is subject to more stringent regulation and oversight than other gaming venue in NSW. However, this unique oversight is not uncommon for the casino industry, which competes locally and internationally and seeks to service local, domestic and international markets.

More broadly, The Star has contributed to the state of NSW through activities undertaken to develop the human capital of staff, urban development, taxation and promotion of responsible gambling.

Employment and training opportunities

As one of Sydney's leading entertainment destinations, The Star provides considerable employment opportunities for those in the hospitality and entertainment industry. The Star currently employs in excess of 4,500 team members across the business in a range of occupations including front of house, gaming, hospitality, technical crew, food and beverage service, security and concierge.

The Star encourages long term career building. Extensive training is provided to staff allowing a smooth progression from entry-level positions into management. Such opportunities are not provided on the same scale anywhere else within the entertainment sector in NSW. Further, The Star Entertainment Group provides career opportunities across all disciplines and skill sets.

The Star Entertainment Group is set to launch an 18-month Graduate Leadership Program by the end of 2019, whose capability will support The Star to become 'Australia's Leading Integrated Resort Company'. The Star Entertainment Group has also partnered with a number of educational institutions to provide industry placements and internships for university students to gain access across the businesses operational and professional services.

Investment in entertainment and tourism infrastructure

The Star is a destination in its own right and continues to attract domestic and international tourists to Sydney. The entertainment infrastructure provided by The Star is a tangible value-add to Sydney's Night Time Economy, providing guests with a unique experience. These tourists would otherwise not have visited Sydney or would have spent less money during their visit if not for entertainment destinations like The Star.

As already indicated The Star is a key provider of tourism infrastructure, including hotels, restaurants and conference facilities that raises Sydney's profile as a major tourism

¹ PwC – Economic Impact Assessment of The Star – November 2017

destination. In addition, the Sydney Lyric Theatre and the Event Centre, which have hosted a range of domestic and international productions, conferences, gala dinners, exhibitions, award functions and music concerts, have contributed significantly to the tourism and entertainment infrastructure of Sydney.

Tax contribution

As with most casinos in Australia, The Star is licensed and governed by legislative arrangements particular to it. The size and nature of such venues lend themselves to regulation tailored to the business profile, the facilitation and regulation of the activities in them and taxation arrangements to which they are subject. Governments derive large gaming income from casinos.

In FY 2018 The Star paid \$290.2 million in state government taxes and levies, with gaming tax accounting for \$265.1 million of this. Additionally, The Star is the major contributor to the NSW Responsible Gambling Fund, its contribution being \$19.8 million in FY 2019. Funds are allocated, through the NSW Government, to support various projects and services that aim to reduce and prevent potential harms associated with problem gambling.

Regulation and responsible gambling

As the only operating casino in NSW, The Star is subject to a strict regulatory regime to best manage any potential harms associated with gambling. While problem gambling incidence rates are comparatively low in NSW, The Star has implemented a number of measures to support the Government's preventative approach to this problem – in particular, a responsible gambling program that seeks to identify early stage signs of problem gambling and help guests to make informed decisions about managing their behaviour including a Customer Support Centre. Board oversight of The Star's responsible gambling program is provided by the People, Culture and Social Responsibility Committee.

Reference has already been made to The Star's contribution of \$19.8 million to the Responsible Gambling Fund. Additionally, The Star has consistently held the top ranking for Responsible Gambling in the Dow Jones Sustainability Index for the last four years and has been the Global Leader – Casino and Gaming Industry in the Dow Jones Sustainability Index for the last two years.

Strategic Context

For many years, the NSW Government has sought to reduce the harms associated with the consumption of alcohol through a variety of measures, ranging from encouraging community engagement and behavioural change, through to regulatory or legislative reforms. These initiatives have been a combination of state-wide and location-specific measures, complemented by moves towards a greater emphasis on risk-based licensing thereby directly impacting upon the prosperity of Sydney's night time economy.

On 30 January 2014, the NSW Parliament passed the *Liquor Amendment Act 2014* (the lockout laws) which implemented a package of new reforms to tackle alcohol fuelled violence. The reforms included the imposition of a 1.30am lockout and 3am cessation of liquor sales on venues in the Sydney CBD and Kings Cross Precincts.

While such reforms reduced the incidence of alcohol fuelled violence in Kings Cross (down 32%) and in the Sydney CBD (down 26%), there were many groups of people that were

adversely affected economically - including licensed premises, licensees; wholesalers of food and liquor; hospitality workers; musicians and fast food vendors, to name a few.

In 2016, the Hon. Ian Callinan AC undertook a statutory review of the “lockout laws” and subsequently made a number of recommendations, including some relaxation of the lockout and last-drinks provisions.

The review did not recommend repeal of the laws. However, now that almost three years have elapsed since that report, the situation does merit further examination. The Joint Select Committee has now been established to take a fresh look at the lockout laws and night time economy impacts.

The Terms of Reference are straightforward. The Committee has been set-up to:

- Maintain and enhance community safety;
- Maintain and enhance individual and community health outcomes;
- Ensure a balance with regard to existing arrangements in relation to individuals, businesses and other stakeholders including the lockout laws; and
- Enhance Sydney’s night time economy.

Striking a balance between community safety and maintaining a vibrant night time economy is a premise that The Star strongly supports and forms the basis of our submission. The Star works hard to provide a safe environment for The Star’s guests. While The Star will be but one voice through this process, it believes the lessons learned and the experience gained from managing a major tourism and entertainment venue successfully will be of value to the Committee and of relevance in considering the broader issues

Alcohol-related violence is detrimental to a safe and vibrant night time economy. As such, The Star supports a broader response to the issue of alcohol-related violence which focuses on three areas:

- Consistent enforcement of RSA laws across all licensed venues;
- Encouraging measures that promote personal responsibility and sufficiently penalise and deter individuals who engage in violent or anti-social behaviour; and
- Provision of education and training for licensed venues and working collaboratively with them in relation to measures that promote safety and discourage illegal and anti-social behaviour.

With respect to driving the strongest and most concentrated night time economy in Australia, The Star has actively supported discussions regarding the NSW lockout laws - most notably by participating in government-led round table meetings and proactively seeking initiatives to help sustain a successful night time economy, whilst maintaining community safety.

The Star’s main focus remains on RSA and associated safety strategies, as proven methods aimed at reducing anti-social behaviour. The safety and comfort of its guests is The Star’s absolute priority and is complemented by 3,500 digital surveillance cameras and a security and surveillance team of approximately 250 personnel, ensuring the utmost level of safety is maintained.

The Star has never positioned itself or allowed itself to be the last resort drinking venue for late night revellers. The Star is an entertainment and tourism precinct in its own right, located

within the Pyrmont area, which is not located in the Sydney CBD, and where there are over 100 licences. Pyrmont therefore falls outside the CBD boundaries as defined in the lockout laws. The Star takes a more sophisticated approach to RSA, looking for improvement in safety strategies to mitigate against anti-social behaviour. In fact, as of April 2019, figures of assault show an incidence rate of one per 219,867 visitors to The Star. The Star maintains that statistically when visitation is considered, the Star precinct is a comparatively safe venue.

One by-product of the introduction of the lockout laws in 2014, was an increase in the number of undesirable persons seeking entry to The Star. These people were turned away on RSA or other grounds. The number of RSA entry refusals rose from 15,956 in 2013 to 23,318 in 2014. In 2015, the number fell to 16,320, almost down to the 2013 level.

The Star aims to collaborate with the Government in addressing key issues that directly impact the night time economy, to ensure the vibrancy of the cultural and entertainment scene in Sydney is strengthened, as is necessary for Sydney's international stature.

The Night time economy

The Star supports initiatives that focus on growing a vibrant, safe and diverse night time economy. The Star is a tourism and entertainment precinct. The Star has initiated proactive policies over many years to ensure that its guests can enjoy the many facilities available at The Star in a safe environment – whether it be in the casino, in any of the restaurants and bars, The Lyric theatre, the Event Centre or one of its hotels.

The night time economy, by definition, is broader than just bars and restaurants. The night time economy involves social, cultural and business activities that take place between 6pm and 6am. It should be a key driver of growth and provide a significant contribution to the economy. In that respect, The Star welcomes any initiative that will drive growth and lead to the development of a night time economy that leverages the unique nature of various precincts in Sydney and the wider Sydney area.

The Star supports the recent initiatives by the City of Sydney to invigorate the night time economy in its area. The Star also supports the Night Time Industry Association and its 5-point plan for reinvigorating the Night time economy in Sydney.

The Star is of the view that lockouts and other measures impacting Sydney's night time economy should be about individual venue management. Therefore, The Star will take a coordinated and collaborative approach to the development of Sydney's night time economy - particularly through providing support on government-led initiatives that grow a safe and prosperous night time economy.

Destination and tourism attractor

The Star is one of Sydney's pre-eminent tourism and entertainment destinations.

As one of Sydney's leading entertainment destinations, The Star operates 24 hours per day, 365 days a year. The Star welcomes approximately 14 million guests to The Star annually. The Star attracts approximately 52,000 guests each Friday and Saturday night across all areas of The Star precinct.

The Star is at the hub of an extensive tourism network, linking international and domestic tourism. This is achieved through ongoing capital work projects seeking to upgrade the overall guest experience for guests, notably The Star Grand Hotel and Residences, a new Sovereign

VIP resort and an improved entrance to The Star Grand Hotel and the Casino as well as plans for a Ritz-Carlton Hotel and significantly more restaurants, cafes and bars.

Furthermore, The Star Event Centre, which hosts a range of domestic and international conferences, gala dinners, exhibitions, award functions and international music concerts is a key attractor of domestic and international tourists to The Star. As such, the multi-use venue fills a void in the conference market and reinforces Sydney's position as a premier conference and convention destination, complementing the International Convention and Conference Centre (ICC) in Darling Harbour and reinforcing Sydney's position as Australia's premier conference and convention destination.

Creating a safe precinct for guests and anyone in the precinct

Providing a safe environment is not only critical for The Star's guests but is central to its business model. Safety is not something The Star does just because the law says so, it's something that is done because The Star's guests are entitled to expect it, and The Star's international reputation depends on it.

The Star's focus remains on RSA and safety strategies aimed at reducing the level of anti-social behaviour at The Star. The Star has a zero-tolerance approach to illegal and undesirable alcohol-related violence. The Star continues to work with NSW Police and Liquor & Gaming NSW (LGNSW) and the Independent Liquor and Gaming Authority (ILGA) to minimise all forms of anti-social behaviour and ensure that it remains one of the safest licensed venues for all our guests – local, interstate and international.

The Star is pro-active in its approach and prefers prevention to overreaction. The Star regularly meets with the NSW Police (primarily Sydney Central LAC) as well as the Police Casino Racing Investigations Unit. Information shared at these meetings helps prevent the pervasive nature of crime and illegal and undesirable elements from entering or impacting on The Star's operations. This is complemented by The Star's own internal management, internal controls, standard operating procedures, risk assessments and other policies to deal with and respond to any suspected illegal and undesirable conduct. The Star's Senior Compliance Officer reviews compliance requirements and conducts regular audits to ensure compliance with the requisite legislation and policies by The Star's staff.

The safety and comfort of its guests is The Star's absolute priority. The Star has strict refusal of entry procedures as well as best practice training in RSA and security/surveillance. There are:

- 3,500 digital surveillance cameras at The Star;
- A security and surveillance team of approximately 250 personnel; and
- An additional 45 contracted security personnel working in Marquee nightclub and 28 in the taxi ranks and retail and food court areas every Friday and Saturday night.

There is a far higher level of oversight and regulation at The Star compared to any other licensed venue in NSW.

The Star has introduced a number of measures to ensure the safety and comfort of its guests. These measures include:

1. The voluntary implementation of measures that are imposed on other venues under Schedule 4 of the *Liquor Act 2007*;

2. The use of tempered (polyware) containers after midnight and the introduction of the practice of decanting glass beer bottles from midnight in all bars;
3. The routine use of surveillance camera scans to identify any groups or individuals that are undesirable or at risk of reaching a state of intoxication between 11pm and 5am;
4. The investment of \$5 million in upgrading The Star's surveillance capabilities to a digital system, which has aided the investigation of illegal and undesirable behaviour;
5. The prevention of individuals showing signs of intoxication from entry to The Star and the ongoing monitoring of patrons on the gaming floor. The key strategy is in minimising, responding to and preventing intoxication on the premises and includes Surveillance monitoring the Casino perimeter on a 24-hourly basis;
6. The voluntary introduction of electronic identification ('ID Eye') scanners on weekends at Rock Lily and the Marquee to prevent violent or anti-social conduct and to assist Police with the ready identification of perpetrators; and
7. The introduction of facial recognition technology as part of a \$10 million security and surveillance upgrade

Responsible Service of Alcohol (RSA)

The Star's RSA practices comply with relevant state-based legislation, regulations and liquor licenses. Despite statistically low level of incidents on a per capita foot traffic basis, The Star's approach to RSA also includes voluntarily adopting the following guidelines:

- Use of polyware containers in all main gaming floor bars;
- Serving free water to guests during higher risk periods;
- Strict guidelines and time restrictions around the serving and consumption of shots.
- The Star promotes low, mid-strength or non-alcoholic beverages at a lower than market price point to encourage responsible consumption;
- Low cost food and snacks are offered on the main gaming floor at all bars;
- The single number of drinks that guests are able to buy during higher risk periods are limited and restaurant staff are instructed to wait for a guest to re-order rather than top up drinks automatically and complemented with regular top-up of water at tables;
- Service to a guest is to be refused if they have not finished previous alcoholic beverages served to them, to prevent drink stockpiling;
- Food and Beverage Managers are empowered to identify higher risk periods and manage consumption during these times by limiting the amount of drinks that can be purchased at any one time i.e. one drink per person;
- All RSA marketing is assessed through "Law of the Jungle", a computer software compliance system to validate that material conforms to legislative and The Star's internal requirements.
- Proactive monitoring by Surveillance staff to identify issues and conflicts between patrons before they escalate into physical assault; and
- Food and Beverage staff and Security are encouraged to use their overarching discretion to request a customer to reduce, cut or slow consumption and notify the Surveillance team.

Staff Training and Licensing

The Star has industry leading RSA training, policies, procedures and management oversight in place that include the following:

- Employees who are involved in the service of alcohol or who perform duties that require them to hold a Security Industry Licence are required to hold an approved LG NSW RSA (and RCG) competency card from an approved training provider and The Star's own tailored training courses.
- Internal training is required before commencing employment at The Star. All staff undertake specific on-line and classroom training on The Star's RSA policies, procedures and applicable legislative requirements. These sessions focus on the practical application of RSA policies including:
 - the use of case studies and role plays; and
 - assessments of staff.

All operational staff are required to undertake The Star RSA training every 2 years. This training is separate to the RSA competency card that is required under the Liquor Act.

- All operational staff who interact with guests who consume alcohol in gaming and other entertainment areas of the Casino are required to complete refresher training in The Star's RSA and RCG policies every two years (e.g. Gaming and VIP staff).

Management RSA Oversight

The Star's senior management team includes a Responsible Service of Alcohol Committee (RSA Committee). The RSA Committee is tasked with providing leadership and direction on the issue of RSA and related matters. The RSA Committee meets every 4 to 6 weeks and has objectives which include:

- Formulating and reviewing a written RSA policy to provide guidance to staff and foster a strong RSA culture, practice and standards;
- Identifying upcoming events which require special responses and risk minimisation strategies;
- Reviewing serious RSA related issues;
- Considering and addressing compliance or policy issues arising from the RSA Policy and requirements under the *Casino Control Act* and *Casino Control Regulation*, The Star's Liquor Licence or any Liquor Accords and independent reviews of compliance; and
- Reviewing RSA statistical reports tendered at Committee meetings, monitoring trends and making recommendations in relation to RSA at The Star.

Additionally, an RSA Weekly Review meeting attended by venue managers, Food and Beverage Director of Beverage (Licence Manager), Surveillance Operations Manager, Asset Protection Risk and Compliance Manager, Senior Compliance Advisor and the Regulatory Affairs Manager, reviews RSA related incidents and identifies actions that have not been consistent with company policy and ensures all inconsistencies are rectified. The Star is also an active participant in the Darling Harbour Liquor accord.

The Star's Director of Security, Director of Surveillance, Asset Protection Risk and Compliance Manager, Regulatory Affairs Manager, Director of Beverage, meet with L&GNSW's

Compliance Managers every month to review alcohol-related violence incidents occurring at The Star and to be updated on all RSA initiatives.

The Star has a positive obligation to notify the casino regulator of any occasion a minor is found within the casino licensed areas. The Star's General Manager Asset Protection also provides a monthly report on Violence and Anti-social incidents to L&GNSW Executive Director of Compliance Operations.

The Star uses qualified third-party providers to review and provide independent feedback on its RSA practices on a yearly basis, these reports are subsequently shared with L&GNSW.

Working towards a more vibrant NTE

The Star has contributed significantly in positioning Sydney as a global city and our status as a gateway for international visitors.

The Star is well aware of the economic, social and cultural impacts of the "lockout laws" on Sydney's night time economy and aims to support the government in addressing issues that directly impact upon community safety and the prosperity of Sydney's night time economy.

The Star continues to be a world class integrated resort attracting high value international and domestic tourists to Sydney through the following investment:

- The Star recently rebranded its Astral Tower & Residences to The Star Grand Hotel and Residences, following a \$100 million investment to its hotel rooms and suites. It consists of 444 luxurious appointed deluxe rooms, suites, apartments and penthouses. The works also include aesthetic, structural and functional improvements designed to enhance the overall experience for guests visiting The Star's precinct.
- The Darling Hotel at The Star is the only Forbes 5-star rated hotel in NSW and one of only two in Australia.
- The current works include a \$250 million major redevelopment of The Star's Sovereign VIP facilities that will include new restaurants and bar facilities for The Star's VIP guests.
- Plans for a new Ritz-Carlton Hotel are currently in the planning pipeline as well as the development of a new signature restaurant precinct. The \$500 million upgrade will not only provide a substantial benefit to Sydney and NSW but will lead to the employment of an additional 2,000 employees.
- Currently developing a program whereby The Star can support emerging live music artists through the utilisation of its facilities and financial support.
- The provision of a transport service that enables The Star's guests to travel to the Star without needing to drive themselves to Pyrmont.

While investment plans are critical drivers for growing a sustainable night time economy, The Star also aims to support and participate in government-led initiatives that support a vibrant NTE and a safe environment for the community as part of a coordinated and collaborative approach to enhancing Sydney's night time economy.

Conclusion

The Star supports a review of Sydney's night time economy and importantly, a balance between enhancing community safety and maintaining a vibrant city night life. As a leading entertainment and tourism precinct, The Star's major priorities are its guests' safety and also providing a vibrant and lively environment for Sydney. Maintaining Sydney's international reputation for its safety and vibrancy is key to The Star's corporate strategy.

Alcohol-related violence is detrimental to a safe and vibrant night time economy. As such, The Star supports a broader response to the issue of alcohol-related violence which focuses on three areas:

- Consistent enforcement of RSA laws across all licensed venues;
- Encouraging measures that promote personal responsibility and sufficiently penalise and deter individuals who engage in violent or anti-social behaviour; and
- Provision of education and training for licensed venues and working collaboratively with them in relation to measures that promote safety and discourage illegal and anti-social behaviour

The Star will continue to collaborate with government in addressing issues impacting the vibrancy of Sydney's night time economy, as is necessary for a city of Sydney's international stature.

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