

**Submission
No 780**

SYDNEY'S NIGHT TIME ECONOMY

Organisation: City of Sydney

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Submission to the Joint Select Committee: Sydney's night-time economy

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City of Sydney Submission



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1. Executive Summary

The night-time economy is an integral part of Sydney's commercial, cultural and social fabric. The City of Sydney (the City) commends the NSW Government for providing the opportunity for stakeholders to participate in this independent review.

It is time for a new vision for Sydney at night and the City wants to work with NSW Government and key stakeholders to create a nightlife for Sydney that is world-renowned for its vibrancy, diversity and safety. The recent history of Sydney's night-time economy provides a unique opportunity to establish an effective governance framework and plan to re-shape and incentivise the structural changes required to develop a sustainable night-time economy for Sydney.

In 2013 the City adopted the OPEN Sydney Strategy which aims to make Sydney at night better connected, more diverse, more inviting and safe, and more responsive to change. A vibrant and sustainable nightlife is essential for Sydney to remain competitive and maintain its global status. The City supports measures that reduce alcohol-related harms, however these should not undermine the night-time economy.

The current policy approach to the night-time economy has coincided with a declining trend of alcohol-related violence in the city centre, consistent with a broader NSW trend. The approach has led to significant unintended negative impacts such as a retraction of the economy by 7.1 per cent, with a potential opportunity cost of 2,202 jobs and \$1.4 billion in turnover. Negative perceptions have led to a decrease of 490,000 people a year aged under 35 years visiting Sydney since 2013¹.

As a result, we recommend comprehensive reform of planning, liquor licensing regulation, governance and economic and cultural programs to achieve a safe, active and sustainable night-time economy.

The City is a strong supporter of measures to address high outlet density and the resulting cumulative impacts. The City supports the establishment of a clear benchmark that limits the number and types of licensed premises, trading hours and patron numbers permitted within a place to encourage diversity and minimise cumulative impacts.

Other matters addressed in this submission include the creation of a web-based interactive liquor licensing map that identifies the thresholds for licensed premises to guide business investment and ensure decision making is more transparent, consistent and enforceable.

The submission recommends the NSW Government invest in improved governance and coordinated action, better regulation, improved public transport, economic and cultural development, public information, precinct management and health interventions. These measures are outlined throughout this submission and are co-dependent to achieve the outcome desired and should not be considered in isolation from each other.

This submission responds to the terms of reference of the inquiry and comprises:

Section 1: Executive summary and list of recommendations.

Section 2: Background, policy context and impact on Sydney's night-time economy.

Section 3: Identification of issues and recommended actions for NSW Government.

¹ 2019: Tourism Australia Research. www.tra.gov.au

List of recommendations

Rec. No.	Recommendation
Good Governance	
1.	Establish a NSW Government night-time economy office to develop and deliver a NSW night-time economy strategy, with the support of a Steering Group comprising Agency heads, an industry advisory group, City of Sydney and local government representatives.
Better Regulation	
2.	Support the City's Open and Creative reforms that make it easier for shops to trade later in business zones and encourage small scale cultural activities to take place through categories of exempt development in local planning controls.
3.	Collaborate with the City and key stakeholders to remove the liquor freeze, 1.30am lockout and 3am cease service provisions and replace with new liquor regulations to manage cumulative impacts by establishing a clear benchmark for saturation in liquor licensing legislation, considering: <ul style="list-style-type: none"> • anti-clustering mechanisms to manage concentrations of high impact licensed premises; and • limitations on the number and types of licensed premises permitted within a place, and the trading hours and patron numbers, to encourage a diversity of licensed and non-licensed premises; • The ability to enable new businesses into an area to retain competition and vibrancy; • The positive effect of a diverse range of licensed businesses in a place.
3a.	Establish a publicly available web-based interactive cumulative impact map that visualises the above licensing benchmarks according to place for use by business and residents, and government agencies and local authorities for the assessment of applications.
4.	Establish provision within the Liquor Act for automatic revocation of a liquor licence in a saturation zone on cessation of the operation of a business and retain the 1.30am lockout and 3am cease service of alcohol as a disciplinary measure for business who fail to comply with the Liquor Act.
5.	NSW Regulatory authorities review the existing system to streamline and integrate the planning and liquor license approvals process , such as through integrated development, to remove duplication and integrate the process into a single application, public consultation and plan of management.
6.	Support the City's 'agent of change' planning reform and collaborate with the City and key stakeholders to streamline the approach to noise regulation to remove overlapping functions across government agencies, establish an objective criteria for the management of entertainment noise and align planning and licensing conditions to provide greater clarity and certainty for residents and business.

Rec. No.	Recommendation
7.	Review the annual liquor licence fee scheme with a view to remove the trading hours loading fee for low impact non-alcohol focused businesses and to establish a fairer compliance loading fee structure and prescribed offences that do not act as a disincentive to business participation in the hospitality sector.
8.	Remove the requirement for operation of ID scanners in venues in Kings Cross.
Transport	
9.	Extend train and light rail services 24-hour on Friday and Saturdays , (like Melbourne and London) aligned with the operating hours of commercial precincts, to move people around the city and to key centres across Greater Sydney quickly and safely.
10.	Manage late-night transport hubs and coordinate point to point services across the city, with managed late-night point to point drop-off and pickup locations to avoid unnecessary traffic congestion and improve safety.
Economic and cultural development	
11.	Establish a Nightlife Business Forum to foster positive relations among stakeholders, bringing together nightlife businesses, NSW Police, NSW Fire Brigade, Liquor & Gaming NSW, Destination NSW, Create NSW and the City to discuss and collaborate on issues of strategic importance to the future of Sydney's nightlife.
12.	Continue and increase investment in the Activate Sydney@Night Grants program for the broader local government area; and support the revitalisation of Kings Cross and Oxford Street precincts through grant funding and marketing in collaboration with the City and key stakeholders to increase vibrancy, diversity of leisure and entertainment options and enhance safety.
13.	Continue to invest in activation of the city at night through events and festivals, such as Vivid and consider a capital works program that establishes permanent architectural lighting of historic government buildings.
14.	Establish new pathways for delivering cultural infrastructure , including innovative private-public partnerships with a focus on smaller-scale creative facilities in night-time precincts and neighbourhood centres.
15.	Create NSW be charged with developing a NSW Cultural Policy to facilitate evidence-based decision-making, set priorities for funding and investment, guide planning and development frameworks and integrate activity across state and local government.
Public information	
16.	Distribute public information about nightlife opportunities, regulations and expected standards of behaviour for visitors, residents and industry/business to increase awareness and harmony.
17.	Destination NSW to promote Sydney's nightlife to local, domestic and international visitors.

Rec. No.	Recommendation
Precinct management	
18.	Work collaboratively to delivery better precinct management programs to increase coordination and safety, recognising the leadership role of the local business community, including:
18a.	Commit resources and work collaboratively with key stakeholders to manage late-night trading areas in a similar way to the coordination of events , with coordination of police, traffic, transport, cleansing and waste, City and Properties NSW CCTV control rooms, Safe Space Ambassadors and venue security (consider precinct venue coordination).
18b.	Continue financial support for the Safe Space Program to operate in the city centre, Potts Point, Darling Harbour and expand to other areas, as required.
18c.	Provide greater flexibility in legislation for Alcohol-free Zones and Alcohol Prohibited Areas to allow for precinct based restrictions and a more streamlined application process to ensure an agile response to emerging issues.
18d.	Explore the viability of establishing a nightlife business accreditation scheme , such as the UK Purple Flag Scheme, aimed at promoting responsible management and operation of licensed premises and nightlife precincts.
Health intervention programs	
19.	Consider the feasibility of establishing a brief interventions and diversionary program based on UK model that is integrated into the justice system to deal with alcohol-related anti-social behaviour and violence.
20.	Establish authority within licensing legislation for government to investigate point-of-sale data to monitor the sale of alcohol at high impact premises.
21.	Consult with the Federal Government to investigate data gathering standards that could be applied nationally to measure alcohol-related activities and impacts.

2. Background

On 29 May 2019 the NSW Government announced a cross party parliamentary committee to review Sydney's night-time economy, including the city's lockout laws. The Committee will inquire and report into Sydney's night-time economy, including any measures required to:

- a. maintain and enhance community safety;
- b. maintain and enhance individual and community health outcomes;
- c. ensure existing regulatory arrangements in relation to individuals, businesses and other stakeholders, including Sydney's lockout laws, remain appropriately balanced;
- d. enhance Sydney's night-time economy;

And any other directly relevant matters.

The City of Sydney Council's (the City) submission calls for a new vision for Sydney at night and outlines the actions that must be taken by the NSW Government for the vision to be realised.

2.1. A new vision for Sydney at night

It is time for a new vision for Sydney at night - we want to create a nightlife for Sydney that is recognised across Australia and worldwide for its vibrancy, diversity and safety.

The evidence shows that successful global cities have a strong cultural life and diverse night-time economy and that more diverse options lead to a more connected and resilient community, help create a more inclusive nightlife, and improve safety and reduce crime.

A vibrant night-time economy is critical to ensuring the City's local area creates new jobs, attracts and retains a talented workforce, and remains a top destination for international students and visitors.² Evidence shows that providing rich cultural and social experiences is also important for the connectedness, resilience and wellbeing of all our residents, workers and visitors.

The lockout laws were one of several measures introduced by the NSW Government in February 2014. While the City commended the government for taking action on drug and alcohol-fuelled violence, we have been concerned by the far-reaching impact of these measures on Sydney's night-time economy.

The lockouts have had significant negative impacts on Sydney's cultural life, our reputation as a global city, our businesses and our tourism industry. The discussion about the future of Sydney's night life should never have been reduced to a choice between safety and vibrancy, when the experience of other global cities tells us we can have both.

The City has long advocated for a more nuanced approach which supports and incentivises well-managed businesses and takes disciplinary action against poorly run establishments. We also recognise that it is important to balance our goal of a vibrant and safe nightlife with the interests of local residents.

² The Committee for Sydney 2018, *Sydney as a 24-Hour City*

A major focus of the City's new policies is to promote the growth of low-impact leisure and entertainment options that are not solely alcohol-focused.

We want to reimagine Sydney's nightlife so that it is diverse, vibrant, inclusive and safe.

The value of Sydney's night-time economy

The City's local government area (the LGA) is 26.2 square kilometres with an estimated residential population of 240,229³ and some of the highest residential densities in Australia. Each day, there are an estimated 1.3 million people in our local area, including residents, workers, students and visitors⁴.

As Australia's global city, it is estimated that the turnover from the City of Sydney was over \$102.8 billion in 2018, representing more than 9 per cent of turnover in NSW⁵.

The night-time economy makes a significant contribution to the City of Sydney economy, estimated at over \$21.5 billion in 2018 and representing over 21 per cent of turnover. Over 120,000 jobs are created (26 per cent of employment) by 29 per cent of the city's establishments.⁶

The night-time economy is an integral part of Sydney's commercial, cultural and social fabric. The core night-time economy generates \$4.29 billion in turnover, employs 35,610 people (8 per cent of jobs in the LGA) and is comprised of 70 per cent food (cafes, restaurants and takeaway food shops); 18 per cent entertainment (cinemas, creative and performing arts, sports and recreation, amusement, horse and dog racing); and 12 per cent drink (pubs, clubs, bars and liquor retail) establishments.⁷ The generation of sales turnover provides positive effects for government with estimated tax revenue of \$456 million in 2017⁸. The core night-time economy for the City's local government area (LGA) has grown since 2009, with increases in establishments (24 per cent), employment (26 per cent) and sales turnover (51 per cent). However, this growth has not been universal, with the retraction of the night-time economy in the city centre (postcode 2000).

The City's local area contains the greatest density of food, drink and entertainment establishments in Australia. At 184 establishments per square kilometre, the city has more than twice the density as any other city⁹. As at December 2018¹⁰, there were:

- 2,314 licensed premises;
- 554 trade after midnight; and
- 24 can trade 24 hours.

As the city grows, it is essential the NSW Government consider a broader view of the night-time economy as being an essential social space to meet the needs of our diverse community. Our residents, workers and visitors don't just want to eat and drink, they want access to late opening shops and businesses, like grocery stores,

³ Estimated Resident Population (ERP) at 30 June 2018 (ABS Cat no. 3218.0 Regional Population Growth Australia, 2017-18)

⁴ City of Sydney estimates published in the City of Sydney Council Fit For Future Submission (p.14)

⁵ Ingenium (2018) utilising Australian Bureau of Statistics Cabee dataset

⁶ Ingenium Research (2019) utilising Australian Bureau of Statistics Cabee dataset

⁷ Ibid

⁸ Ingenium Research (2018) utilising Australian Bureau of Statistics Cabee dataset

⁹ Ingenium Research (2019) utilising Australian Bureau of Statistics Cabee dataset

¹⁰ Liquor and Gaming NSW

bookstores, hairdressers and galleries, as well as theatres, pubs, cafes, small bars and restaurants. Having more forms of leisure and entertainment attracts a wider range of people of all ages and interests, breaks down complex social barriers and promotes community cohesion and resilience.

Cities across the world, such as Melbourne, Tokyo, Singapore, London, New York, San Francisco and Berlin, understand the value of the night-time economy and are proactively investing in its development. Sydney must seek to proactively develop a vibrant, diverse and safe night-time economy to remain globally competitive in attracting and retaining talent. Vibrancy at night is also essential to attracting tourists, contributing to the \$21 billion tourism industry in the City of Sydney¹¹. A whole-of-government approach and focus is required for Sydney's night-time economy to reach its full potential.

The City recognises the important role that licensed premises play, with well-managed, safe licensed premises an integral part of any global city. There must be an appropriate balance between public safety, residential amenity and economic growth.

2.2. The current policy context

Liquor licensing

Since 2009 the NSW Government has introduced a range of policy reforms to reduce alcohol-related violence in the city at night. These reforms have included:

2009

- Introduction of the Liquor Amendment (Temporary Licence Freeze) Act 2009 prohibiting new or expanded liquor licenses for most venues (excluding restaurants, cafes, cinemas and small bars) in the designated Kings Cross Entertainment Precinct, Oxford Street Darlinghurst and a small area in the southern of the Sydney CBD. Small bars were restricted to cease service of alcohol at midnight.

2013

- Liquor Amendment Act (Kings Cross Plan of Management) Act 2013 introduced various special licence conditions, such as precinct-wide banning orders and mandatory use of linked ID scanners for high risk venues (trade after midnight and more than 120 patrons) to support enforcement of banning orders.
- Kings Cross Plan of Management introduced a range of measures to improve safety and amenity in the Kings Cross Precinct including a traffic management plan, managed late night taxi rank, monitored CCTV, Precinct Ambassadors, upgrades to street lighting and footway paving, 24-hour cleansing and waste collection, temporary toilets, variable message signs and coordinated multi-agency compliance activities.
- Liquor Amendment (Small Bars) Act 2013 introduced a new licence class for bars with up to 60 patron capacity to sell alcohol from midday to 2am, excluding premises in the Sydney CBD Entertainment Precinct where licences only permitted trading until midnight (restriction later lifted in 2016).

¹¹ NSW Government. Travel to Sydney, Year ended December 2018.

2014

- Liquor Amendment Act 2014 designated and expanded the liquor freeze to the Sydney CBD Entertainment Precinct. It introduced the 1.30am lockout and 3am cease service of alcohol to the designated precincts and banned takeaway sales after 10pm across NSW.
- Sydney CBD Entertainment Precinct Plan of Management introduced a range of measures aimed at improving safety and amenity in the CBD.

2015

- Annual liquor licence fee scheme was introduced incorporating a base fee and risk-based loading comprising trading hours (post-midnight) and compliance loading applicable to all licence types.

2016

- Liquor Amendment Regulation 2016 introduced a range of changes such as trial extension of lockout to 2am and cease service to 3.30am for entertainment venues, increased small bar capacity from 60 to 100 and revised the Three Strikes disciplinary scheme so that strikes are incurred by individual licensees rather than the venue licence.

2018

- Liquor Regulation 2018 lifted the liquor freeze for entertainment venues.

City of Sydney policies

In 2011 the City began work on the OPEN Sydney Strategy, a vision for Sydney at night. The strategy was developed following wide consultation with the public on what they wanted for their city after dark. The strategy is grounded in a substantial body of research into Sydney's night-time economy, including international research into best practice management. Endorsed in 2013, the strategy forms the basis for how the City makes decisions about Sydney at night between now and 2030. The strategy includes actions for making Sydney's night-time economy better connected, more diverse, more inviting and safe, and more responsive to change.

The City is committed to improving the functioning of the city at night to ensure night-time experiences are balanced with daytime activities, and are inclusive of the broader population. Achieving this is important as tourism markets, work practices and leisure patterns change. A thriving night-time economy is also an integral part of the City's social sustainability, providing an important role in social interaction and connection, as well as employment.

Supporting the intent of OPEN Sydney for greater diversification of the night-time economy is the City's Creative City Cultural Policy and Live Music and Performance Action Plan that guide the development and growth of these sectors to achieve a diverse array of night-time leisure and entertainment options in Sydney.

The Live Music and Performance Action Plan, which was developed in partnership with representatives of the live music and performance industry and academics, focused on the regulation of live music. The action plan commits the City to regulatory reform, advocacy, research and strategic projects across four areas: development controls and noise, Building Code of Australia, liquor licensing and audience and sector development.

2.3. Impact of current policies on Sydney's NTE

The current policy approach fails to recognise the cross sector interdependencies present in the night-time economy ecosystem. The unintended consequences of the current policy approach, amplified by the failure to stimulate positive economic and cultural development to re-shape the economy, has resulted in negative sentiment about Sydney's night-time economy among local and international visitors and has stunted business investment in the city centre.

Sydney was ranked seventh safest city globally out of 50 cities in the latest Economist Intelligence Unit Safe Cities Index.¹² While alcohol-related violence is on the decline across the City's local area, the incidence of serious alcohol-related violence risks Sydney's reputation as a safe city for local and visitor populations.

Equally, the unintended negative impacts of the current policy approach to address alcohol-related violence is risking the growth and sustainability of Sydney's night-time economy. Negative public perception has resulted in a decline of late trading premises, particularly restaurants and entertainment businesses, decreasing the diversity of businesses trading at night. This has resulted in a decline in visitation to the city at night and a net reduction of 490,000 tourists under the age of 35 years visiting City of Sydney since 2013.¹³ The current policy approach has damaged the live music and performance sector and Sydney's reputation as a dynamic and global city.

Alcohol-related violence

As outlined in the section above, there has been a range of liquor regulations introduced and applied to venues within the Sydney CBD and Kings Cross Entertainment Precincts since 2009 in an effort to reduce alcohol-related violence.

This has coincided with a downward trend in alcohol-related non-domestic assaults across the city and NSW more broadly. Since the introduction of the Liquor Amendment Act 2014 (lockouts), there has been mixed results in crime trends. A review of the average annual change and 5 year trend of alcohol-related non domestic assaults from April 2014 to March 2019 reveal¹⁴:

- A significant decrease of 12.2 per cent for the Kings Cross Entertainment Precinct;
- A downward trend of 4.6 per cent for the Sydney CBD Precinct, which is consistent with a the broader trend for NSW of -5.6 per cent;
- A downward trend of 3.3 per cent for the City of Sydney local government area, similarly consistent with broader trend for NSW; and
- Newtown has remained stable, with a 28.8 per cent downward trend over the past 2 years.

There has been significant reductions in the number of people visiting the Kings Cross precinct, with up to 80 per cent less foot traffic, which could account for the higher decrease in alcohol-related non domestic assaults in the precinct. As noted by Hadfield (2011), fluctuations in capacity of premises within small areas containing concentrations of licensed premises is a major predictor of on-street violence. The

¹² <http://www.economistinsights.com>

¹³ 2019: Tourism Australia Research. www.tra.gov.au

¹⁴ Source: NSW Bureau of Crime Statistics and Research

reduction in violence within the Sydney CBD and Kings Cross precincts is likely associated with declines in visitation and the night-time economy more broadly.

It should also be noted that the Newtown area has increased in popularity and appears to be managing potential negative impacts from additional visitation through proactive management of the precinct by the local community. The retention of vibrancy and safety in Newtown is likely the effect of the diversity of night-time offer, coupled with the proactive management of the precinct by the local business community, supported by the broader residential community.

Economy and culture

Since 2014 there has been an ongoing downward trend in the number of core night-time economy establishments in the Sydney CBD (postcode 2000). There has been a retraction of 7.1 per cent, including a 4.5 per cent reduction in entertainment, 7.2 per cent reduction of food and 10.8 per cent reduction in drink-led business¹⁵. This has impacted the economy with a potential opportunity cost of 2,202 jobs and \$1.4 billion in turnover. The number of creative industry businesses in the CBD has decreased by 6.67 per cent since 2012, resulting in a net loss of 1,106 creative industry jobs. There has been a 10 per cent reduction in creative and performing arts businesses since 2012, with sport and recreation (gyms and yoga studios) the most prevalent activity in the mix of entertainment, increasing from 24 per cent in 2012 to 38 per cent in 2017¹⁶.

This is in comparison with the Potts Point area (postcode 2011), in which the Kings Cross Precinct resides. There has been an 11.4 per cent increase in jobs and 25.4 per cent increase in turnover in the night-time economy. Structural change has occurred with a 13.9 per cent reduction in drink, 4 per cent increase in food and 10 per cent increase in entertainment businesses. It is evident that growth in the (leisure and) entertainment sector is from gyms and yoga studios, which have increased from 25 per cent in 2012 to 49 per cent in 2017. Performing and creative arts have remained static at 25 per cent and hospitality clubs dropped from 23 per cent to just 4 per cent¹⁷. The reduction in drink businesses has resulted in 44 per cent decrease in liquor licences (70)¹⁸, contributing to a significant reduction in outlet density. This reduction has likely contributed to the reduction in alcohol-related assaults.

There has been a significant decline in late trading restaurants (on-premises licence) with 269 less (51 per cent) trading after midnight across the City's local government area. Of these, 113 (42 per cent) are in the Sydney CBD Precinct and 32 (12 per cent) are in the Kings Cross Precinct. There has also been a decrease in hotels trading beyond midnight, with 19 less in the CBD and 3 less in King Cross¹⁹. This appears to be the result of the introduction in 2015 of the annual trading hours levy, added to the licence cost for business trading after midnight. For a small business to trade up to 1.30am, there is an additional cost of \$1,082 per year and \$2,705 to trade beyond 1.30am. There are now only a small percentage of restaurants (4 per cent) and entertainment establishments (9 per cent) that trade beyond midnight in the CBD, compared with 42 per cent of drink establishments. Similarly in Kings Cross, only 6 per cent of restaurants and 5 per cent of entertainment, compared with 71 per cent of drink establishments²⁰. The trading hours levy has likely been a

¹⁵ Ingenium Research (2018) utilising Australian Bureau of Statistics Cabee dataset

¹⁶ City of Sydney *Floor Space Employment Surveys* (2012 and 2017)

¹⁷ Ingenium Research (2018) utilising Australian Bureau of Statistics Cabee dataset

¹⁸ Liquor and Gaming NSW

¹⁹ Ibid

²⁰ City of Sydney *Floor Space Employment Survey 2017*

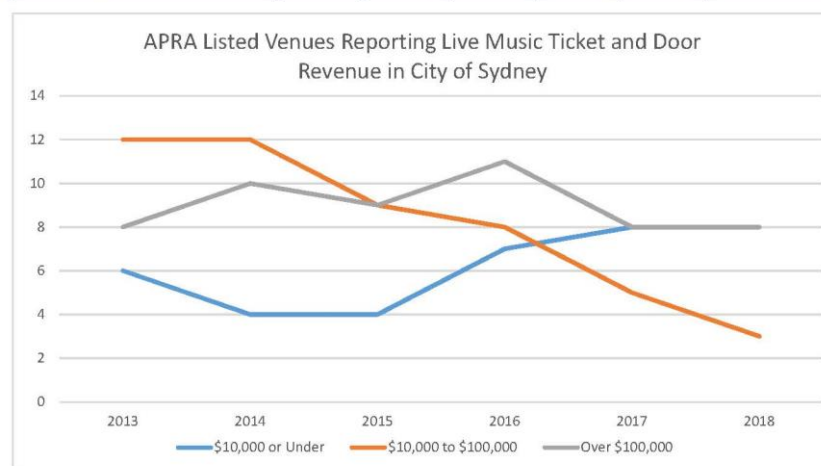
significant disincentive for restaurants and entertainment businesses to trade later. This has resulted in a reduction in the diversity of late trading business which would otherwise be adding to the vibrancy and safety of the city at night.

The performing arts sector has particularly struggled since the introduction of the lock outs. In 2015, performing arts revenue in NSW declined by 12.6 per cent. The most significant declines were in the contemporary music sector, which retracted by 21 per cent.²¹

Growth in the performing arts market has since been slower than almost all other Australian states and by 2017 Victoria had overtaken New South Wales performing arts revenue for the first time. Victoria now holds 34 per cent of the national market share compared to NSW's 32.7 per cent market share²².

Music Venues in the City of Sydney reporting ticket and door revenue of more than \$10,000 have significantly declined since the lockdowns were introduced. In 2014 there were 22 venues in the LGA reporting annual receipts of more than \$10,000 to ticketed music concerts. In 2018, this had declined to just 11 venues. Unlike pubs or clubs that might have free live music ancillary to food and beverage sales, these venues receiving ticket revenue for concerts are considered primary purpose music venues. These numbers indicate a 50 per cent decline in venues primarily dedicated to live music in the City of Sydney LGA alone²³. Alarmingly, it is the mid-sized venues that have reduced the most. These are the venues most likely to feature local and emerging new acts and more affordable concerts for audiences.

APRA Listed Venues Reporting Live Music Ticket and Door Revenue - City of Sydney LGA						
	2013	2014	2015	2016	2017	2018
\$10,000 or Under	6	4	4	7	8	8
\$10,000 to \$100,000	12	12	9	8	5	3
Over \$100,000	8	10	9	11	8	8
Total Venues	26	26	22	26	21	19



There are currently three pieces of legislation that may be used for the management of noise complaints related to entertainment venues. This overlap of regulation means that the City of Sydney, Liquor and Gaming NSW, NSW Police or a range of other agencies may exercise their individual powers under different legislation. In addition, there may be overlap or inconsistencies between conditions on a planning consent, conditions on a liquor licence and the noise control provisions of the POEO

²¹ Live Performance Australia, Ticket Attendance and Revenue Survey

²² Ibid

²³ APRA reporting data

Act. This is a function of different processes occurring at different times and under different pieces of legislation with different objectives. This contributed to a reduction in programming of live music and ongoing tensions between long time venues and neighbours.

The requirement for business with patron capacity over 120 and that trade beyond midnight in Kings Cross to operate ID scanners is impacting the viability of small business. The cost to operate an ID scanner for a small business is approximately \$117,080 per annum, or \$2,251 per week. This includes annual costs of \$3,400 for hardware, \$5,400 for software, \$98,280 to a security guard to operate and \$10,000 in venue management time. Many venues have cited the financial cost to operate the ID scanners as a significant factor contributing to the demise of their business. The latest closures include the World Bar, followed by the Cali Club, which lasted less than 6 months.

Tourism

Recent benchmarking studies have highlighted disadvantages pertaining to the quality of the city's visitor experience, including overcrowding, lack of inclusive nightlife and under-performing cultural offerings.²⁴ This sentiment appears to be reflected in a significant drop of 102,000 (17 per cent) less Australians under the age of 25 years choosing to stay overnight in City of Sydney between 2013 and 2017,²⁵ representing a potential opportunity cost to the economy of over \$30 million.

There has also been a net reduction of 490,000 (10 per cent) people visiting City of Sydney aged under 35 years, which could indicate this group is opting to visit other cities with more vibrant nightlife. Despite representing 40 per cent of all international visitors, growth of this age group has been a modest 11 per cent, compared with a 67 per cent increase in those aged over 65 years since 2013. There has also been an overall drop of 188,000 (12 per cent) Australians choosing to holiday in the City of Sydney.²⁶

What has been done to date?

Many actions from the OPEN Sydney Strategy, Creative City Cultural Policy and Live Music and Performance Action Plan have already been implemented, such as:

- Establishing the small bar scene and food trucks in Sydney;
- Introduction of a business grant to support growth and diversity of business trading at night and assist with the cost of performance infrastructure and sound attenuation for entertainment venues; delivering over \$1million in grants to small businesses since 2017;
- Expansion of the 24hr monitored CCTV camera network and upgrading of street lighting and footways;
- Establishment and continued participation in the Night-time Transport Working Group, resulting in the eleven managed late-night taxi ranks and wayfinding signage to service the city's late-night entertainment precincts;
- Establishment and continued support to the Safe Space program, with 3 locations across the city at Kings Cross, Town Hall and Darling Harbour;

²⁴ The Committee for Sydney 2018, *Sustaining the Advantage: Benchmarking Sydney's Performance 2018*

²⁵ 2019: Tourism Australia Research. www.tra.gov.au

²⁶ Ibid

- Establishment and continued management of the Night-time Operations Group to improve communication and coordination of stakeholders working in the city at night to increase safety on city streets;
- Establishment of the NSW Night-Time Economy Councils' Committee and Network to increase the knowledge and skills of local government officers to better plan for, shape and manage their local night-time economies;
- Establishment of the 365 days of local economies marketing campaign, that over the past 12 months has profiled more than 2,000 nightlife businesses and reached over 10 million people;
- Support for the establishment of the Global Cities After Dark forum, bringing 5 international and many other Australian and local experts to Sydney each year to share knowledge on contemporary challenges and better practice initiatives on night-time economy development and management;
- Updating of the late night trading planning controls to better disperse nightlife and incentivise greater diversity at night; and
- Continued work with other levels of government, business and industry to identify practical ways to reduce red tape, boost our night-time culture and support businesses contributing to the night-time economy.

3. What needs to be done?

The recent history has provided a reset for Sydney's night-time economy. We now have a unique opportunity to establish an effective governance framework and plan to re-shape and incentivise the structural changes required to develop a vibrant, safe and sustainable night-time economy for Sydney.

We need improved governance and coordinated action, better regulation, improved public transport, investment in economic and cultural development, public information, precinct management and health interventions for Sydney's nightlife to reach its full potential.

We recognise the crucial role that good legislation, governance, enforcement and a diverse night-time economy plays in ensuring that our city is a safe place to live, work and visit.

The comments and recommendations below are based on the City's own strategic priorities, current research and anecdotal feedback.

3.1. Improve governance

To date the absence of central coordination and a whole-of-government approach has led to the current reactive and reductive policy approaches. A framework for improved governance and coordinated action is required to support the development of a vibrant, inclusive and sustainable night-time economy for Sydney.

A sustainable night-time economy is made up of component parts which operate together to establish an inviting and safe place for residents, workers and visitors. This necessitates a holistic approach which is far broader than liquor regulation. The City strongly supports an integrated approach to this issue, as stand-alone measures

undertaken by individual agencies are limited in the potential positive impact they can deliver.

Industries which contribute to the night-time economy, including hospitality, live performance and the retail sector, are required to deal with a wide variety of areas of regulation across a range of government agencies. Uncoordinated approaches to industry regulation and development hamper successful implementation of programs designed to support these industries.

Night-Time Economy Office within the Department of Premier and Cabinet

A coordinated whole-of-government approach is required and could be delivered through a NSW Government night-time economy office and dedicated team within the Department of Premier and Cabinet to coordinate development, delivery, monitoring and review of a NSW night-time economy strategy.

The strategy could be developed and delivered through establishment of a Steering Group comprising Agency heads. A sector advisory group could provide a feedback loop in the development and delivery of reforms, programs and initiatives.

NSW Night-Time Economy Strategy

In 2016 the NSW Government established a roundtable to examine challenges and opportunities for growing a safe and vibrant night-time economy, focusing specifically within the Sydney city centre and Kings Cross precincts. Subsequently, it was determined that the Executive Director of Create NSW would be responsible for leading a night-time economy taskforce, overseeing the delivery of an Action Plan.

The City was a member of the Roundtable and was also a member of the associated Taskforce and has implemented many programs and projects that contribute to the delivery of the Action Plan.

A core lesson from the City's work in this area is that the effective functioning of the night-time economy in the Sydney CBD and surrounding areas is dependent on a range of factors that go beyond local government boundaries. A strategy that supports development and management of local night-time economies across the Sydney Metropolitan Area is essential. It could provide the strategic framework necessary to support local community aspirations, create greater diversity of leisure and entertainment options, support development of cultural tourism and reduce pressure on the influx of people coming into the Sydney CBD.

NSW Night-Time Economy Councils' Committee and Network

In response to this need, the Night-Time Economy Councils Committee was established in March 2017 and now comprises representatives from the largest Councils in NSW including City of Sydney, Canterbury-Bankstown, Liverpool, Penrith, Parramatta, Inner West, Northern Beaches, Waverley, Wollongong, Newcastle and Lake Macquarie and is supported by Local Government NSW. The Committee's objectives are to:

1. Share information on best practice approaches and contemporary issues to build knowledge and Council capabilities to shape vibrant, safe and sustainable night-time economies;
2. Establish a consistent approach to the development and management of night-time economies to achieve positive outcomes for business and the community;
3. Advocate to State and Federal Governments on matters of common interest;

4. Establish a network of night-time economy policy practitioners across NSW councils; and
5. Improve Councillor awareness of the value and benefit of taking a proactive approach to the development and management of the night-time economy and the work being done in this area.
6. Promote the benefits of becoming a member of the National Local Government Safe Cities Network (NLGSCN); and
7. Facilitate capacity building and development of collaborative partnerships on night-time economy initiatives.

The desire for a NSW Night-Time Economy Strategy is reinforced by the outcomes from a workshop held as part of the NSW Councils Night-Time Economy forum held in October 2017. Attended by 130 staff from 30 councils across metropolitan Sydney (68 per cent) and regional NSW (32 per cent), the group agreed that local government needed a common vision, strategic direction and policy framework for the night-time economy that could be translated into local contexts.

The workshop was used to identify key issues and what help is required to increase the capacity of local government to proactively develop vibrant, safe and sustainable local night-time economies. Key issues included matters such as regulation, place activation, partnerships, managing impacts of alcohol, integrated transport and a shared vision.

The types of support identified as being most needed included:

1. Establishment of a common vision, strategic direction and policy framework for the night-time economy for NSW Councils that could be translated into local contexts.
2. Establishment of a NSW Government night-time economy grants fund that could support local economies.
3. Access to best practice guidelines across a range of functional activities.
4. Harmonisation of approaches to nightlife development and regulation across NSW Government agencies.
5. Guidance on how to foster community and business-led local collaboration.
6. Guidance on how to harness local opportunities to develop cultural tourism.
7. How to measure and report on the economic and social impacts of the night-time economy.

A post event survey revealed that only a small proportion of Councils have a night-time economy strategy or policy. However, 89 per cent of respondents were optimistic about implementing the information they had gained from the forum.

A NSW Night-time Economy Strategy should be developed in consultation with local government and industry, and outline a vision, set clear objectives, roles and responsibilities for state agencies and local government, set priorities for funding and investment, outline key outcomes and performance measures and speak to the whole-of-government approach to the development and management of nightlife across Greater Sydney and regional NSW. Once adopted, it would replace the Sydney CBD-centric NSW Government 2016 Sydney Night-time Economy Roundtable Action Plan.

The night-time economy office could partner with the NSW Night-Time Economy Councils' Committee to engage with local government to support development, delivery and monitoring of the strategy.

Recommendation 1: Establish a NSW Government night-time economy office to develop and deliver a NSW night-time economy strategy, with the support of a Steering Group comprising Agency heads, an industry advisory group, City of Sydney and local government representatives.

3.2. Better regulation

The number and type of leisure and entertainment activities available at night, and the manner in which they are operated, is influenced by the regulatory framework. **The current framework seeks to control and constrain, when what is needed are regulations that support, manage and shape the night-time economy to incentivise diverse leisure and entertainment options that contribute to vibrancy whilst preserving public safety.**

Improvement to regulation is required to streamline the system and better incentivise greater diversity and good operators, and effectively regulate poor practice. The absence of any vision or NSW Government strategy for Sydney's night-time economy has resulted in reactive and reductive blanket policy approaches. What is needed are reforms to shape the night-time economy.

Blanket measures, such as the liquor freeze and 'lockouts', have acted to negatively stigmatise Sydney's night-time economy to local and international visitors and has stunted business investment in the city centre. The current policy approaches have ignored the need to stimulate positive economic and cultural development to shape Sydney's night-time economy, reduced the diversity of businesses operating at night, and ultimately led to a night-time economy that is now even more consolidated and dominated by licensed premises.

The NSW Government can improve the current planning and regulatory framework to better shape the growth and management of the night-time economy by removing red tape, streamlining processes, managing growth and incentives good practice in the following ways:

Retail and small scale cultural activities

The City's Open and Creative reforms will make it easier for shops to trade later in business zones and enable more small scale cultural activities to take place through categories of exempt development in local planning controls. These reforms will remove red tape to support an increased range of leisure and entertainment options attracting people of all ages and interests into the city and local centres at night, creating greater vibrancy and safety.

Recommendation 2: Support the City's Open and Creative reforms that make it easier for shops to trade later in business zones and encourage small scale cultural activities to take place through categories of exempt development in local planning controls.

Cumulative impact

It is essential that the NSW Government establishes more effective and transparent cumulative impact regulations to control growth and avoid high concentrations of licensed premises. This will enable better management of negative impacts, avoid saturation and increase vibrancy, business diversity and the safety in the city at

night. These are required to replace the existing liquor licence freeze, 1.30am lockout and 3am cease service of alcohol provisions.

During the past decade, there has been increasing attention in Australia on the relationship between alcohol, violence and licensed premises. A significant body of research has emerged during this period in Australian literature²⁷ and international literature²⁸ linking the concentration of licensed premises with alcohol-related violence and associated cumulative impacts.

There is strong evidence of correlations between greater numbers of bars, pubs and nightclubs, within a small geographical area, and greater rates of violence.²⁹ The proximity of licensed premises to each other is a major predictor of violence, with clustering of licensed venues in small areas associated with heavy sessional drinking and alcohol related harm. When patrons move between venues, offences occur in the nearby public spaces.³⁰

Recent research has indicated that the influence of outlet density on rates of violence may be non-linear, that is to say that there may be a threshold, or 'tipping point' beyond which each additional licensed premises accelerates the effect on numbers of additional assaults. This research adds support to the idea that areas can become 'saturated' with licensed premises such that decision-makers should consider imposing limits on the number of further licenses issued.³¹

The City has been a strong supporter of measures to address outlet density and there are many international precedents for addressing this issue. Some jurisdictions (such as British Columbia and local authorities in the United Kingdom) use saturation zones where no new licensed premises are permitted for a certain period of time. Other jurisdictions (such as Melbourne, New York and Paris) use cluster controls which don't permit new premises within a set number of metres from existing premises and other uses (e.g. schools or hospitals).

In late 2011, in response to an identified need to research and investigate the impact of the density of licensed premises on alcohol-related violence and community safety, Liquor and Gaming NSW commissioned ACIL Consulting Group to undertake a study into the cumulative impact of licensed premises in NSW.

As part of this research, the Environment and Venue Assessment Tool (the EVAT) was developed and trialed for use when assessing liquor licence applications and the risk of adverse social outcomes that might follow the granting of a new liquor licence. In July 2014 an evaluation concluded the EVAT had contributed to significant process and communication improvements regarding liquor licence decision making, and a sharper focus on risk and its mitigation. The evaluation recommended further examination of the EVAT's reliability and validity - it is not clear whether the EVAT has been effective in mitigating cumulative impact.

At present there is no definition of 'cumulative impact' or 'saturation' within the NSW Liquor Act. Despite this, the principles behind these concepts have been applied to the Kings Cross and Sydney CBD entertainment precincts as a blanket measure through a liquor licence freeze. Since it was introduced in 2009, the liquor freeze has acted to ban the granting of new licences for some classes of business, and restrict

²⁷ Donnelly et al (2006) and Chikritzhs et al (2010)

²⁸ Roberts & Eldridge (2009) and Hadfield (2009)

²⁹ Hadfield (2011)

³⁰ Ibid

³¹ Ibid

existing licensed venues from expanding their trading hours or increasing their patron capacity. This has changed over time and now only applies to Hotel, General Bar and Club licenses.

The NSW Government Night-Time Economy Roundtable Action Plan³² called on the government to respond to the issue of cumulative impact, which has been of concern to the City for many years. Action 2.5:

Review planning controls relating to entertainment precincts, to avoid high concentrations of licensed venues and related cumulative impacts.

The City is concerned that the existing measures to address outlet density and cumulative impact are inadequate to manage and shape sustainable growth of Sydney's night-time economy.

The liquor freeze, 1.30am lockouts and 3am cease service of alcohol fail to consider smaller areas within the designated precincts and fail to promote and incentivise the diversity of business models required to shape night-time vibrancy and safety. The freeze also restricts new entrants into the market which over time will weed out poor operators and refresh the night-time offer. There is a need to develop a more refined approach to manage sustainable growth in diverse night-time business models, while proactively monitoring areas to avoid situations of saturation, such as what occurred in the Kings Cross precinct.

Applying a freeze to a large geographic area does not take into account the range of risk and mitigation factors that may affect a specific area or business types, such as venues that do not exist solely for the purpose of selling alcohol. This might include new licensed live music and performance venues that contribute to the diversity of the area and may actually pose a low level of risk.

A more nuanced approach, rather than a freeze, could deliver a regulatory and management environment that contains appropriate risk mitigation measures while encouraging a more diversified licensed environment that includes business models that are lower impact. The City supports a saturation zone model which provides relevant government agencies with the capacity to manage cumulative impact and saturation of particular types of licensed premises within an area, rather than preventing any new licences.

Cumulative impact measures in the liquor licensing systems could prevent areas from becoming saturated, creating negative impacts on public amenity and safety. These measures should include limitations placed on the number, types, patron numbers and trading hours of licensed premises permitted within a geographic area to encourage a diversity of licensed and non-licensed premises.

Cumulative impact is best managed through liquor licensing due to the flexibility within that system to modify licence conditions, the ability to consider the cumulative effect of all licences within a geographic area, and the association of a licence with an operator or licensee. The planning system on the other hand is limited by the inability to amend conditions by the regulator following the granting of consent, the inability to consider cumulative impacts and by a consent being related to the land rather than an operator. Also, it is the availability of alcohol that gives rise to the negative cumulative impacts and not the land use per se. The potential impacts of alcohol supply are managed through liquor legislation and licensing, rather than planning which traditionally considers environmental impacts.

³² <https://www.lgnsw.org.au>

Integrating the planning and licensing application processes, as described in the following section, will ensure planning and licensing decisions are coordinated and cumulative impact is successfully assessed and managed. Currently, development consent is granted prior to the consideration of impacts arising from liquor supply, including cumulative impact. Under an integrated licensing and planning process, for example, the assessment of cumulative impact from the availability of alcohol could occur alongside a planning assessment with a planning consent not being granted until it is clear that licensing and alcohol related matters, including cumulative impact, can be satisfied. A single assessment of cumulative impact through liquor licensing, rather than two assessments under different legislation, and integrated with planning decisions will deliver streamlined and clear outcomes for business and the community.

Further, an approach to determine venue liquor licence operating hours based on cumulative impact issues of the local area, evidence-based risk and mitigation measures and operator compliance history should be developed.

The City supports enhancements to the EVAT to more accurately take account of cumulative impacts. Changes should include using the EVAT as the primary mechanism for multi-agency feedback on cumulative impact and recommendations for consent for all liquor licence applications. In addition, geocoding of all licensed premises will ensure accurate assessment of cumulative impact and support identification, and proactive monitoring of growth areas. This monitoring would also assist in the proactive planning and management of infrastructure and amenity in those areas.

In addition, the City calls on the NSW Government to establish a new cumulative impact system that provides an interactive and publicly available web-based map that identifies the maximum number and type of licence premises permitted within a geographic area, and the trading hours and patron numbers, to encourage a diversity of licensed and non-licensed premises. This system is needed to ameliorate the current situation where the applicant is required to invest significant time and money to secure a suitable site for their business and bring an application to government, before an assessment of the suitability of that location for a licensed business is possible. This is clearly too late in the process to be making such an assessment, particularly if the area is already saturated. Such a tool will provide greater certainty to businesses and the community and could also assist in shaping greater diversity by enabling identification of business models/liquor licence types that will contribute positively to the mix of businesses in an area. The Victoria Government *Licensed premises: Assessing cumulative impact*, Planning Practice Note 61³³ model is an example of a guidance tool for assessing cumulative impacts.

Recommendation 3: Collaborate with the City and key stakeholders to remove the liquor freeze, 1.30am lockout and 3am cease service provisions and replace with new liquor regulations to manage cumulative impacts by establishing a clear benchmark for saturation in liquor licensing legislation, considering:

- anti-clustering mechanisms to manage concentrations of high impact licensed premises; and
- limitations on the number and types of licensed premises permitted within a place, and the trading hours and patron numbers, to encourage a diversity of licensed and non-licensed premises; and

³³ <https://www.planning.vic.gov.au>

- The ability to enable new businesses into an area to retain competition and vibrancy; and
- The positive effect of a diverse range of licensed businesses in a place.

Recommendation 3a: Establish a publicly available web-based interactive cumulative impact map that visualises the above licensing benchmarks according to place for use by business and residents, and government agencies and local authorities for the assessment of applications.

Recommendation 4: Establish provision within the Liquor Act for automatic revocation of a liquor licence in a saturation zone on cessation of the operation of a business and retain the 1.30am lockout and 3am cease service of alcohol as a disciplinary measure for business who fail to comply with the Liquor Act.

Integrated planning and liquor licence approvals process

Liquor licence applications cannot be granted unless development consent under the (NSW) Environmental Planning and Assessment Act 1979, where required, has been obtained and is in force.

Key issues with the current liquor licensing approvals process include:

- Often the dual systems are confusing for applicants to navigate and for the community to participate, and result in duplication of processes.
- Development applications and liquor licence applications are typically undertaken consecutively, not in parallel or in an integrated fashion, resulting in significant timeframes for the establishment of a business. This can negatively impact residents and local business operators alike due to uncertainty created by the lack of transparency and consultation in the liquor licence assessment process.
- There is double handing, with government staff required to review and comment on two applications (development and liquor licence).
- Conditions can sometimes be contradictory or not well aligned, including trading hours and plan of management content.
- Cumulative impact of liquor licensing is not considered until after a planning decision on the land use has been made.
- Lack of clarity on how decisions are being made.
- Lack of public awareness of the approval process.

As described in the previous section, disconnected processes can make it more difficult to achieve good policy outcomes. Planning and licensing decisions occur under separate legislation with distinct objectives and it's important that one approval is not granted without being satisfied that the other can also be granted. Integrated development is one model for aligning approvals in NSW. Under this model, a single development application is submitted to local government which is then referred to the NSW government agency who consider the relevant matters. Terms of approval are then issued by the agency which get bound into the planning consent. The granting of the second approval can then take place as a matter of course if planning consent is granted on the basis of the assessment already undertaken and the terms of approval provided.

The City would welcome the opportunity to work with Liquor and Gaming NSW to review and develop an integrated process for the approval of development and liquor licence applications which eliminates the duplication of roles and responsibilities and streamlines the planning and liquor license application process. This could remove

the requirement to complete two applications, undertake two separate public consultations and then operate with two separate plans of management and two sets of operating conditions.

Recommendation 5: NSW Regulatory authorities review the existing system to streamline and integrate the planning and liquor licence approvals process, such as through integrated development, to remove duplication and integrate the process into a single application, public consultation and plan of management.

Noise regulation

The current NSW regulatory framework for the management of music and arts venues is based on three pieces of legislation - the Environmental Planning and Assessment Act 1979 (EP&A Act), Protection of the Environment Operations Act 1997 (POEO Act), and Liquor Act 2007, all of which can deal with the management of noise and amenity concerns. This overlap of regulation means that the City of Sydney, Liquor and Gaming NSW, the NSW Police and other agencies may exercise their individual powers under the different legislation.

From the operator's perspective, this means that they may be subject to regulation by more than one agency, separately or concurrently. In addition, there may be overlap or inconsistencies between conditions on a planning consent, conditions on a liquor licence and the noise control provisions of the POEO Act. This is a function of different processes occurring at different times, and under different pieces of legislation with different objectives, which can override the operational practices approved by a development consent where a noise nuisance exists.

An opportunity exists to review and streamline the current legislative framework around the management of noise and amenity concerns relating to music and performance venues. The City welcomes further engagement with the State Government on removing inconsistencies within the current approval systems and exploring opportunities to streamline the approach and establish a 'one stop shop' for complaints.

Agent of change

The City continues to develop proposals and potential planning controls for managing sound associated with entertainment venues consistent with 'the agent of change' principle.

The City's Live Music and Performance Action Plan has noted the difficulty in managing the need for new residential development, with protection and support for existing live music venues. Key to this issue is the onus on management of amenity conditions. Currently, New South Wales operates on a 'polluter pays' principle, whereby a music venue is responsible for managing amenity impacts on residents, regardless of whether the venue or the resident was in the neighbourhood first. By contrast, the 'agent of change' principle requires new development (the 'agent of change') to consider existing land uses. It asks new development, whether an entertainment venue or a residential building, to manage noise impacts through the design and construction of the building or the operations in the building.

This could be applied to new live music venues and new noise-sensitive uses such as residential accommodation and hospitals. Under this approach, a new residential development within a certain distance of an existing entertainment venue would be required to assess the sound from the venue and design and build to manage the sound. Similarly, a new live music venue or an existing venue intensifying its use

would be required to protect existing noise-sensitive development from the sound it will make.

Applying the 'agent of change' principle is similar to the 'order of occupancy' approach used in liquor licensing. It aims to allocate responsibility for managing noise impacts in a fair manner. It creates more certainty for venues and residents when new development happens. Integrating the approach into planning allows for buildings to be designed and built to manage sound upfront rather than as a more costly reactive measure. The City has received strong support for implementing 'agent of change' through the exhibition of An Open and Creative City Discussion Paper.

Standardising this approach across other local governments would provide greater certainty to the music sector and the community, providing consistent processes and reducing the reliance on perception based and subjective assessments. This approach should also be considered by the Department of Planning and Infrastructure for State Significant development. Particularly, the adoption of a standard process amongst other regulatory agencies, such as Liquor & Gaming NSW and the NSW Police, would give greater clarity.

New noise management guidelines

To support agent of change the City is developing new noise compliance guidelines to inform its investigation processes, and to provide greater certainty and consistency to venues and the community about noise sensitive development. This may assist in the overlap of planning, liquor and environmental legislation which creates uncertainty and confusion for venues and the community.

A venue may have a noise management condition on its development consent, a different noise condition on its liquor license, and still be subject to an offensive noise complaint (with subjective criteria) under the Protection of the Environment Operations Act 1997 (POEO Act). The POEO Act has a subjective test for offensive noise, and defines it as:

Any noise that, because of its nature, level, character, quality or time could be considered as harmful or likely to be harmful to a person outside the premises, or interferes unreasonably with or is likely to interfere unreasonably with, the comfort or repose of a person who is outside the premises.

Offensive noise can be assessed without a scientific noise measurement and without considering the noise level set by a development consent, which has undergone a thorough assessment.

To provide more certainty, the City intends to prepare a noise compliance guideline that aims to reduce inconsistencies between our compliance processes for offensive noise and development consents. The guideline will work in synch with agent of change, and rely on an objective criteria that an officer can use when assessing noise complaints. This could include the noise level a venue can make based on its development consent conditions or a 'venue design criteria' if there is no noise condition on the development consent.

Recommendation 6: Support the City's 'agent of change' planning reform and collaborate with the City and key stakeholders to streamline the approach to noise regulation to remove overlapping functions across government agencies, establish an objective criteria for the management of entertainment noise and align planning and licensing conditions to provide greater clarity and certainty for residents and business.

Periodic liquor licence fee scheme

In January 2014 the NSW Government announced the introduction of a new Periodic Liquor Licence Fee Scheme providing for annual fees for renewal of new and existing liquor licenses starting on 15 March 2015. The level of fees payable by each venue is calculated using a risk-based model comprising a base fee, plus risk-based loadings that reflect the level of risk posed by a venue and its operation.

The risk-based structure includes two main components:

- trading hours loading for venues who regularly trade beyond midnight; and
- compliance history risk loading based on the number of offences committed in the previous calendar year. When compliance risk is activated, the following loading is also incurred:
 - location risk loading for venues located within the Kings Cross or CBD precincts; and
 - capacity risk loading based on patron capacity of the venue.

The City supports the continuation of the periodic liquor licence fee as a mechanism to encourage good management, however a review is required.

The periodic liquor licence fee scheme could be strengthened to better deal with areas that have reached saturation, under the new proposed saturation zone provisions. Authority could be established within the Liquor Act for automatic revocation of licenses for businesses that cease to operate within these areas. This would enable revitalisation and recalibration of previously problematic areas, with any new liquor licence applications being subjected to cumulative impact and saturation zone provisions.

Consideration should be given to including provision within the Liquor Act to refuse a liquor licence renewal based on serious and ongoing non-compliance. This will support the disciplinary scheme and further strengthen provisions to deal with poorly managed licensed premises.

The periodic liquor licence fee scheme could be used to incentivise greater diversity, improve vibrancy and safety, however in its current form appears to be deterring non-alcohol focused businesses from operating after midnight.

There has been significant reduction of late trading restaurants (on-premises licence) with 269 less (51 per cent) trading after midnight across the City's local government area. Of these, 113 (42 per cent) are in the Sydney CBD Precinct and 32 (12 per cent) are in the Kings Cross Precinct. It has also resulted in less Hotels trading beyond midnight, with 19 less in the CBD and 3 less in King Cross³⁴. This appears to be the result of the annual trading hours levy, added to the licence cost for business trading after midnight.

For a small business to trade up to 1.30am, there is an additional cost of \$1,082 per year and \$2,705 to trade beyond 1.30am. There are only a small percentage of restaurants (4 per cent) and entertainment establishments (9 per cent) trading beyond midnight in the CBD, compared with 42 per cent of drink establishments. Similarly in Kings Cross, only 6 per cent of restaurants and 5 per cent of entertainment, compared with 71 per cent of drink establishments. The trading hours levy is likely a significant disincentive for restaurants and entertainment businesses

³⁴ Liquor and Gaming NSW

to trade later and has resulted in a reduction in the diversity of late trading business which increase vibrancy and safety at night.

A review of the periodic liquor licence fee scheme is needed, with a view to remove the trading hours levy for low impact restaurants, dedicated performance spaces and venues that regularly program entertainment to incentivise greater diversity of options late at night. This will increase the number of late night businesses that are not solely focused on the service of alcohol and provide alternate activities for visitors, resulting in better patron behaviour in an area.

The compliance loading levy is overly harsh and could be a deterrent to new entrants considering opening a nightlife business. The compliance risk loading fee is incurred if an operator is convicted of a single prescribed offence in the previous 12 months. Compliance loading includes scaled fees based on the number of offences (1, 2 or 3 plus), number of patrons and whether the business is located in the Sydney CBD or King Cross Precincts.

If a small business, such as a restaurant with capacity up to 60 patrons in the city, is convicted of a single offence of permitting intoxication or indecent, violent or quarrelsome conduct, they will incur an additional licence fee of \$9,197 or \$16,772 if they are a business with capacity for 300 or more patrons. The City is concerned about the description of some offences and that a single offence in a year could result in significant financial penalty to a business.

Recommendation 7: Review the annual liquor licence fee scheme with a view to remove the trading hours loading fee for low impact non-alcohol focused businesses and to establish a fairer compliance loading fee structure and prescribed offences that do not act as a disincentive to business participation in the hospitality sector.

ID scanners

Mandatory linked ID scanners were introduced in 2013 for all high risk venues (trading after midnight and with patron capacity above 120) to support enforcement of precinct banning orders. Venues are required to operate the scanners from 9pm seven days per week. Once a banning order is issued, the details of the individual are input into the system by NSW Police. If a banned person attempts to enter a venue, they will be detected by venue security and refused entry.

The cost to operate an ID scanner for a small business is approximately \$117,080 per annum, or \$2,251 per week. This includes annual costs of \$3,400 for hardware, \$5,400 for software, \$98,280 to a security guard to operate and \$10,000 in venue management time. Many venues have cited the financial cost to operate the ID scanners as a significant factor contributing to the demise of their business. The latest closures include the World Bar, followed by the Cali Club, which lasted less than 6 months.

The current system often results in patrons that are not carrying suitable identification being turned away and reduced visitation to the area, impacting business viability. The ID scanners have had a significant negative impact on the viability of local live performance venues and the vibrancy and attraction of the precinct to locals and visitors alike.

Recommendation 8: Remove the requirement for operation of ID scanners in venues in Kings Cross.

3.3. Transport

The provision of frequent, reliable and safe transport to service night-time trading areas is critical to developing a vibrant, diverse and safe night-time economy. London Underground commenced 24 hour services at weekends in 2015 and in 2017, the Victorian Government announced it was investing \$193.2 million over four years to establish Melbourne's all-night weekend public transport *Night Network*.

Late-night transport must be improved, particularly extension of train and light rail services at night.

The old adage that it is not financially sustainable and there is no demand for late-night transport is contrary to the position that people will not visit the city unless there is reliable and safe transport. Government must invest in night-time train services to build public confidence and awareness that a reliable and safe service is being provided. This in turn will generate demand.

Effective transport is a key contributor to reducing the risk of alcohol-related violence. Poor availability of late-night transport means people are required to spend longer in the city after nightlife venues have closed. This leads to frustration and competition for scarce transport resources and unsafe methods of getting home. Such factors increase the potential for violence in the city and can render people more vulnerable to assault on journeys. Scarcity or absence of transport also increases the risks of road traffic crashes, as intoxicated individuals attempt to walk or drive home after a night out.³⁵

Tens of thousands of people are present in the city late at night, particularly on weekends. Despite this, public transport is limited and/or ceases early, with trains stopping long before businesses close. This results in people needing to walk from nightlife precincts, such as The Rocks to Town Hall to get transport home, resulting in violent flare ups between groups along the way. Night Ride buses replace trains when trains cease service, but to move tens of thousands of people safely across metropolitan Sydney, other modes of transport operating on Friday and Saturday nights are needed.

The City has been hosting a Late Night Transport Working Group focusing on improving the accessibility and safety of late-night transport in the city. The group has been established for 4 years with representatives from Transport for NSW, Point to Point Commission, NSW Taxi Drivers Association, NSW Taxi Operators and Drivers Association and City staff. In this time the group has been successful in establishing eleven new secure taxi ranks staffed by security in late-night trading areas to enhance safety and ensure people can leave the area promptly at the end of their night. While this group has primarily been concerned with late-night taxi ranks, it would be more effective if covering the broad scope of public transport, with representation from all relevant transport agencies and the NSW Police.

Improving late-night transport, particularly the extension of train and operation of light rail services 24 hours on Friday and Saturday nights, is important for moving people across the city and getting them home from the city quickly and safely. Transport is critical to public safety and the government must invest in the future of Sydney's night-time economy and put on reliable and safe services to gain the confidence of the public to use it at night.

Recommendation 9: Extend train and light rail services 24-hour on Friday and Saturdays, (like Melbourne and London) aligned with the operating hours of

³⁵ Hadfield, P (2011)

commercial precincts, to move people around the city and to key centres across Greater Sydney quickly and safely.

Recommendation 10: Manage late-night transport hubs and coordinate point to point services across the city, with managed late-night point to point drop-off and pickup locations to avoid unnecessary traffic congestion and improve safety.

3.4. Economic and cultural development

Investment in programs to support the increase of accessible and diverse leisure and entertainment activities at night for people of all ages, interests and cultural backgrounds is key to the future success of Sydney's night-time economy.

The continued and increased investment by NSW Government in sector support programs, such as the Activate Sydney@Night Grants Program, and relaxation of regulation is needed to increase the diversity of leisure and entertainment options and activate precincts and enhance safety. These program can be used to support growth, placemaking and development of an areas identity. As an example, support to the Kings Cross and Oxford Street precincts could foster and build upon the existing cluster of performance venues to encourage a music, theatre and cabaret precinct, complemented by dining and late trading retail premises.

In supporting growth in culture and the economy, avenues for delivering cultural infrastructure should be strengthened through state and local legislation, where development contributions and Voluntary Planning Agreements currently fall short. New innovative ways of brokering and delivering cultural infrastructure should also be investigated to ensure sufficient space is available and protected for night-time culture within the City's local government area.

Establishment of a Nightlife Business Forum could be used to foster positive relations among stakeholders, bringing together nightlife businesses, NSW Police, NSW Fire Brigade, Liquor & Gaming NSW, Destination NSW, Tourism Australia, Create NSW and Council to discuss and collaborate on issues of strategic importance to the future of Sydney's nightlife.

Recommendation 11: Establish a Nightlife Business Forum to foster positive relations among stakeholders, bringing together nightlife businesses, NSW Police, NSW Fire Brigade, Liquor & Gaming NSW, Destination NSW, Create NSW and the City to discuss and collaborate on issues of strategic importance to the future of Sydney's nightlife.

Recommendation 12: Continue and increase investment in the Activate Sydney@Night Grants program for the broader local government area and support the revitalisation of Kings Cross and Oxford Street precincts through grant funding and marketing in collaboration with the City and key stakeholders to increase vibrancy, diversity of leisure and entertainment options and enhance safety.

Recommendation 13: Continue to invest in activation of the city at night through events and festivals, such as Vivid and consider a capital works program that establishes permanent architectural lighting of historic government buildings.

Recommendation 14: Establish new pathways for delivering cultural infrastructure, including innovative private-public partnerships with a focus on smaller-scale creative facilities in night-time precincts and neighbourhood centres.

Recommendation 15: Create NSW to be charged with developing a NSW Cultural Policy to facilitate evidence-based decision-making, set priorities for funding and

investment, guide planning and development frameworks and integrate activity across state and local government.

3.5. Public information

Campaigns and public information on acceptable standards of behaviour and regulations are required to ensure there is an accepted social contract among residents, tourists and students who come to live, work and play in Sydney. Such information increases awareness and ensures that everyone participates in the night-time economy harmoniously.

Public information and marketing campaigns will also assist local business by promoting unique night-time experiences to visitors, students and residents and contribute to changing the narrative that Sydney has a strong cultural life and diverse night-time economy.

Recommendation 16: Distribute public information about nightlife opportunities, regulations and expected standards of behaviour for visitors, residents and industry/business to increase awareness and harmony.

Recommendation 17: Destination NSW to promote Sydney's nightlife to local, domestic and international visitors.

3.6. Precinct management

Precinct management strategies reduce the opportunity for alcohol-related violence and increase actual and perceived safety in nightlife precincts. Current strategies employed in the city include monitored CCTV cameras, enforcement of alcohol-free zones and alcohol prohibited areas, deployment and coordination of 'capable guardians' in the public domain, including security staff at late-night taxi ranks, NSW Police and roving Ambassadors and Safe Spaces.

Some precincts, such as The Rocks and Newtown, operate a *What's App* group to promote communication across licensed premises within the precinct about troublesome patrons, however this is not linked with the Police or other government agencies which results in potential troublemakers remaining on city streets.

The City has been hosting a Night-time Operations Group comprising representatives with responsibility for management of public space and transport at night including NSW Police, Transport for NSW, Property NSW, Liquor and Gaming NSW, Liquor Accords and the Safe Space Program. This group has been effective in improving communication and coordination of resources to increase safety in the city at night.

The Safe Space program provides an essential service, bridging the gap between law enforcement and the ambulance service. This model works to help drug and alcohol affected people who are vulnerable of becoming a victim or perpetrator of crime to get home safely from the city.

The most effectively managed precincts are those where government and the local community work in partnership and the business community take a leadership role, such as in Newtown. A new approach to precinct management is required that brings together the local business and residential community, government and other key stakeholders to focus on long term planning and operational management of night-time precincts.

Accreditation schemes such as the UK Purple Flag Scheme are aimed at promoting responsible management and operation of licensed premises and nightlife precincts and could be explored as a model in Sydney. The City funded the Newtown Precinct Business Association to document a better practice model of precinct collaboration which is due to be delivered in late 2019. This report will provide insights into a model of precinct collaboration that may be transferrable and provide important insights for the management of other areas in the city.

The City administers alcohol-free zones that ban the consumption of alcohol on city streets and are instrumental in maintaining a vibrant and safe street life. A review of the regulations are required to consider a more streamlined application process and precinct based approach to ensure an agile response to emerging issues to ensure we retain a positive late night culture.

Recommendation 18: Work collaboratively to delivery better precinct management programs to increase coordination and safety, recognising the leadership role of the local business community, including:

18a) Commit resources and work collaboratively with key stakeholders to manage late-night trading areas in a similar way to the coordination of events, with coordination of police, traffic, transport, cleansing and waste, City and Properties NSW CCTV control rooms, Safe Space Ambassadors and venue security (consider precinct venue coordination).

18b) Continue financial support for the Safe Space Program to operate in the city centre, Potts Point, Darling Harbour and expand to other areas, as required.

18c) Provide greater flexibility in legislation for Alcohol-free zones and Alcohol Prohibited Areas to allow for precinct based restrictions and a more streamlined application process to ensure an agile response to emerging issues.

18d) Explore the viability of establishing a nightlife business accreditation scheme, such as the UK Purple Flag Scheme, aimed at promoting responsible management and operation of licensed premises and nightlife precincts.

3.7. Health Programs

While this area is not within the usual scope of the operations of local government, we acknowledge the importance of prevention and the potential to reduce pressure on the justice system through early intervention.

Brief Interventions

Emergency departments are often the first service used by people affected by alcohol-related violence. Brief interventions used in these settings such as motivational counselling/interviews have been shown to help encourage 'safer' drinking behaviour.³⁶

Alcohol arrest referral schemes, where people who are detained in custody for alcohol-related offences are offered screening and brief intervention concerning their drug use, also may be an option. Clients who agree to receive the intervention could be offered a concession to any fines imposed.³⁷ Other more sustained forms of treatment can be effective in community or criminal justice settings to change the behaviour of repeat offenders.

³⁶ Hadfield, P (2011)

³⁷ Ibid

Recommendation 19: Consider the feasibility of establishing a brief interventions and diversionary program based on UK model that is integrated into the justice system to deal with alcohol-related anti-social behaviour and violence.

Alcohol Research

Significant research has been undertaken across many policy areas relating to alcohol, liquor licensing and the night-time economy. Australia is a world leader in this field of research.

The Council of Capital City Lord Mayors has developed a research program that benchmarks the value of the Australian night-time economy, measuring the number of businesses, employment and revenue across the drinks, food and entertainment sectors.

Alcohol sales data is collected by the governments of Western Australia, Queensland, Northern Territory and ACT. Alcohol sales data provides valuable information for developing and evaluating alcohol policy and liquor licensing. Sales data is needed to measure the effectiveness of change in regulatory and legislative frameworks. Research³⁸ by the National Drug and Research Institute demonstrates the value of collecting and releasing this vital and powerful level of information.

Understanding the impact of alcohol is critical. Central to this is the need for consistency between jurisdictions in collecting data on wholesale alcohol, alcohol-related accident and emergency admissions, ambulance call outs and criminal incidents. This data would provide the essential, but often missing, piece of information to inform local government planning and decision making. It would equip councils to provide informed input into liquor licensing and/or permit applications.

Recommendation 20: Establish authority within licensing legislation for government to investigate point-of-sale data to monitor the sale of alcohol at high impact premises.

Recommendation 21: Consult with the Federal Government to investigate data gathering standards that could be applied nationally to measure alcohol-related activities and impacts.

³⁸ <http://ndri.curtin.edu.au/research/nasdp.cfm>

Appendix – Table of key facts

City of Sydney local government area	
1.	The City's local government area (the LGA) is 26.7 square kilometres with an estimated residential population of 240,229³⁹ and some of the highest residential densities in Australia.
2.	Each day , there are an estimated 1.3 million people in our local area, including residents, workers, students and visitors.
Economic value and characteristics	
3.	As Australia's global city, it is estimated that the economic output from the City of Sydney is just over \$130 billion in 2018, representing: <ul style="list-style-type: none"> • Around a third of the economic output of metropolitan Sydney; • More than 20 per cent of NSW's output; and • More than 7 per cent of the national economic output.
4.	The night-time economy makes a significant contribution to the City's economy estimated at over \$21.5 billion and employing 120,840 people in 2018. ⁴⁰ Representing: <ul style="list-style-type: none"> • 21 per cent of turnover; and • 26 per cent of employment; and • 29 per cent of establishments.
4.1.	The core night-time economy generates \$4.29 billion in turnover, employs 35,610 people and is comprised of: <ul style="list-style-type: none"> • 70 per cent food (cafes, restaurants and takeaway food shops); • 18 per cent entertainment (cinemas, creative and performing arts, sports and recreation, amusement, horse and dog racing); and • 12 per cent drink (pubs, clubs, bars and liquor retail) establishments.⁴¹
4.2.	The generation of sales turnover provides positive effects for government with estimated tax revenue of \$456 million in 2017 ⁴² .
4.3.	The City's local area contains the greatest density of food, drink and entertainment establishments in Australia. At 184 per square kilometre , the city has more than twice the density as any other city ⁴³ .

³⁹ Estimated Resident Population (ERP) at 30 June 2018 (ABS Cat no. 3218.0 Regional Population Growth Australia, 2017-18)

⁴⁰ Ingenium Research (2019) utilising Australian Bureau of Statistics Cabee dataset

⁴¹ Ibid

⁴² Ingenium Research (2018) utilising Australian Bureau of Statistics Cabee dataset

⁴³ Ingenium Research (2019) utilising Australian Bureau of Statistics Cabee dataset

Liquor licensing	
5.	<p>In the City of Sydney local government area there are (December 2018)⁴⁴:</p> <ul style="list-style-type: none"> • 2,314 licensed premises (food, drink and entertainment); • 554 trade after midnight; and • 24 can trade 24 hours.
Crime and safety	
6.	<p>Sydney was ranked seventh safest city globally out of 50 cities in the latest Economist Intelligence Unit Safe Cities Index.⁴⁵</p>
7.	<p>A review of the average annual change and 5 year trend of alcohol-related non domestic assaults from April 2014 to March 2019 reveal⁴⁶:</p> <ul style="list-style-type: none"> • A significant decrease of 12.2 per cent for the Kings Cross Entertainment Precinct; • A downward trend of 4.6 per cent for the Sydney CBD Precinct, which is consistent with a the broader trend for NSW of -5.6 per cent; • A downward trend of 3.3 per cent for the City of Sydney local government area, similarly consistent with broader trend for NSW; and <p>Newtown has remained stable, with a 28.8 per cent downward trend over the past 2 years.</p>
Changes in the economy	
8.	<p>The core night-time economy has grown across the LGA since 2009, increasing in:</p> <ul style="list-style-type: none"> • Establishments (24 per cent); • Employment (26 per cent); and • Sales turnover (51 per cent). <p>However, this growth has not been universal, with the retraction of the night-time economy in the city centre (postcode 2000).</p>
9.	<p>Sydney CBD</p> <p>Since 2014 there has been an ongoing downward trend in the number of core night-time economy establishments in the Sydney CBD (postcode 2000).</p>
9.1.	<p>There has been a retraction of 7.1 per cent, including a 4.5 per cent reduction in entertainment, 7.2 per cent reduction of food and 10.8 per cent reduction in drink-led business⁴⁷.</p>
9.2.	<p>Potential economic opportunity cost of 2,202 jobs and \$1.4 billion in turnover.</p>
9.3.	<p>The number of creative industry businesses in the CBD has decreased by 6.67 per cent since 2012, resulting in a net loss of 1,106 creative industry jobs.⁴⁸</p>

⁴⁴ Liquor and Gaming NSW

⁴⁵ <http://www.economistinsights.com>

⁴⁶ Source: NSW Bureau of Crime Statistics and Research

⁴⁷ Ingenium Research (2018) utilising Australian Bureau of Statistics Cabee dataset

⁴⁸ City of Sydney *Floor Space Employment Surveys* (2012 and 2017)

9.4.	There has been a 10 per cent reduction in creative and performing arts businesses since 2012, with sport and recreation (gyms and yoga studios) the most prevalent activity in the mix of entertainment, increasing from 24 per cent in 2012 to 38 per cent in 2017 ⁴⁹ .
10.	Kings Cross Since 2014 there has been mixed results in the changes to the core night-time economy in Potts Point (postcode 2011), in which the Kings Cross Precinct resides.
10.1.	There has been an 11.4 per cent increase in jobs and 25.4 per cent increase in turnover in the night-time economy. ⁵⁰
10.2.	Structural change has occurred with a: <ul style="list-style-type: none"> • 13.9 per cent reduction in drink; • 4 per cent increase in food; and • 10 per cent increase in entertainment businesses (led by gyms and yoga studios increasing from 25 per cent in 2012 to 49 per cent in 2017).⁵¹
10.3.	Performing and creative arts have remained static at 25 per cent and hospitality clubs dropped from 23 per cent to just 4 per cent ⁵² .
10.4.	The reduction in drink businesses has resulted in 44 per cent decrease in liquor licences (70) ⁵³ , contributing to a significant reduction in outlet density . This reduction has likely contributed to the reduction in alcohol-related assaults.
11.	Performing arts sector In 2015, performing arts revenue in NSW declined by 12.6 per cent . The most significant declines were in the contemporary music sector , which retracted by 21 per cent . ⁵⁴
12.	Growth in the performing arts market has since been slower than almost all other Australian states, and by 2017 Victoria had overtaken New South Wales performing arts revenue for the first time.
12.1.	Victoria now holds 34 per cent of the national market share compared to NSW at 32.7 per cent market share ⁵⁵ .
13.	Music venues Music Venues in the City of Sydney reporting ticket and door revenue of more than \$10,000 have significantly declined since the lockouts were introduced.
13.1.	In 2014 there were 22 venues in the LGA reporting annual receipts of more than \$10,000 to ticketed music concerts . In 2018, this had declined to just 11 venues.

⁴⁹ City of Sydney *Floor Space Employment Surveys* (2012 and 2017)

⁵⁰ Ingenium Research (2018) utilising Australian Bureau of Statistics Cabee dataset

⁵¹ City of Sydney *Floor Space Employment Surveys* (2012 and 2017)

⁵² Ingenium Research (2018) utilising Australian Bureau of Statistics Cabee dataset

⁵³ Liquor and Gaming NSW

⁵⁴ Live Performance Australia, Ticket Attendance and Revenue Survey

⁵⁵ Ibid

13.2.	Since 2014 there has been a 50 per cent decline in venues primarily dedicated to live music in the City of Sydney local government area ⁵⁶ .
14.	Post-midnight trading There has been a significant decline in business trading after midnight including: ⁵⁷
14.1.	A decline in restaurants (on-premises licence) with 269 less (51 per cent) across the City's local government area. Of these: <ul style="list-style-type: none"> • 113 (42 per cent) are in the Sydney CBD Precinct; and • 32 (12 per cent) are in the Kings Cross Precinct.
14.2.	A decrease in hotels , with: <ul style="list-style-type: none"> • 19 less in the CBD; and • 3 less in King Cross.
14.3.	The additional trading hours loading fee for a small business to trade beyond midnight: <ul style="list-style-type: none"> • Up to 1.30am is \$1,082 per year; and • Beyond 1.30am is \$2,705 per year.
14.4.	The percentage of business trading beyond midnight ⁵⁸ in the: CBD is: <ul style="list-style-type: none"> • 4 per cent of restaurants; • 9 per cent of entertainment establishments; compared with • 42 per cent of drink establishments.
14.5.	Kings Cross is: <ul style="list-style-type: none"> • 6 per cent of restaurants and • 5 per cent of entertainment establishments; compared with • 71 per cent of drink establishments.
Changes in tourism	
15.	Recent benchmarking studies have highlighted disadvantages pertaining to the quality of the city's visitor experience, including overcrowding, lack of inclusive nightlife and under-performing cultural offerings. ⁵⁹
15.1.	Tourism industry is worth \$21 billion to the City of Sydney ⁶⁰ .
15.2.	A significant drop of 102,000 (17 per cent) less Australians under the age of 25 years choosing to stay overnight in Sydney between 2013 and 2017, ⁶¹ representing a potential opportunity cost to the economy of over \$30 million .

⁵⁶ APRA reporting data

⁵⁷ Liquor and Gaming NSW

⁵⁸ City of Sydney *Floor Space Employment Survey 2017*

⁵⁹ The Committee for Sydney 2018, *Sustaining the Advantage: Benchmarking Sydney's Performance 2018*

⁶⁰ NSW Government. *Travel to Sydney*, Year ended December 2018.

⁶¹ 2019: Tourism Australia Research. www.tra.gov.au

15.3.	Net reduction of 490,000 (10 per cent) people visiting Sydney aged under 35 years since 2013. ⁶²
15.4.	Despite representing 40 per cent of all international visitors, growth of this age group has been a modest 11 per cent, compared with a 67 per cent increase in those aged over 65 years since 2013.
15.5.	Overall drop of 188,000 (12 per cent) Australians choosing to holiday in Sydney. ⁶³
ID Scanners	
16.	The requirement for business with patron capacity over 120 and that trade beyond midnight in Kings Cross to operate ID scanners is impacting the viability of small business.
16.1.	The cost to operate an ID scanner for a small business is approximately \$117,080 per annum, or \$2,251 per week. This includes annual costs of \$3,400 for hardware, \$5,400 for software, \$98,280 to a security guard to operate and \$10,000 in venue management time.
Noise regulation	
17.	Three pieces of legislation regulate noise: <ul style="list-style-type: none"> • The Environmental Planning and Assessment Act 1979 (EP&A Act); • Protection of the Environment Operations Act 1997 (POEO Act); and • Liquor Act 2007.

⁶² Ibid

⁶³ 2019: Tourism Australia Research. www.tra.gov.au

Attachments

OPEN Sydney Strategy and Action Plan 2013 – 2030.

https://www.cityofsydney.nsw.gov.au/_data/assets/pdf_file/0014/132224/2013-054826-OPEN-Sydney-Strategy-and-Action-Plan-FINAL-version-February-2013.pdf

OPEN Sydney Discussion Paper

https://www.cityofsydney.nsw.gov.au/_data/assets/pdf_file/0018/131715/OpenDirectionsReportFinal.pdf

Creative City: Cultural Policy and Action Plan 2014 – 2024

https://www.cityofsydney.nsw.gov.au/_data/assets/pdf_file/0011/213986/11418-Finalisation-of-Cultural-Policy-Document-July-2016.pdf

Live Music and Performance Action Plan

https://www.cityofsydney.nsw.gov.au/_data/assets/pdf_file/0011/213986/11418-Finalisation-of-Cultural-Policy-Document-July-2016.pdf

An Open and Creative City: planning for culture and the night-time economy.
Discussion Paper, October 2017.

https://www.cityofsydney.nsw.gov.au/_data/assets/pdf_file/0017/304226/OpenCreativeCity_DiscussionPaper_Accessible.pdf

Late night trading planning controls review: consultation summary report

https://www.cityofsydney.nsw.gov.au/_data/assets/pdf_file/0018/131715/OpenDirectionsReportFinal.pdf

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