

**Submission
No 755**

SYDNEY'S NIGHT TIME ECONOMY

Organisation: Solotel Hospitality Group

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**Prepared for The Chair
Joint Select Committee
Sydney's Night Time Economy**

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On behalf of the Solotel Hospitality Group**

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SOLOTEL

About Us

The Solotel Hospitality Group is a third-generation family owned business who operate a diverse range of 30 hospitality businesses in NSW and QLD. The venues include hotels, restaurants, bars and event businesses. The vicinity in which the venues operate in Sydney include the CBD, Surry Hills, Newtown, Double Bay, Kings Cross and broader suburbs Parramatta and Willoughby.

Solotel is passionate about providing the 5 million guests we serve each year a safe environment to eat, drink, see live music, listen to comedy, see a play, meet up with family and friends or hold a corporate event.

Solotel has prepared this submission to support the preservation of the late-night economy in Sydney, worth \$21b annually, with the focus on providing vibrant but safe environments for the community; while supporting and ensuring the longevity of employment, the restaurant industry, surrounding small business, theatres, the music/entertainment industry, retail and the tourism dollar.

This submission focuses on the impact the current night time laws have on the Sydney CBD precinct where the current lock out laws apply and what we need to do to support a thriving and safe night time economy.

Below is a list of the diverse range of venues that Solotel manages in the CBD and Kings Cross precinct:

Venue	Location	Overview	Approx. Capacity
Aria Sydney	Circular Quay	Award winning fine dining restaurant overlooking the Opera House	200
Barangaroo House	Barangaroo	Three level venue featuring Smoke rooftop bar, Bea Restaurant and House Bar on the Ground Floor	650
Chiswick at the Gallery	Art Gallery of NSW	Exclusive food and beverage provider at the Art Gallery of NSW. We provide all event F&B along with operating Chiswick Restaurant and the Gallery Café	1000
Chophouse	Bligh Street, CBD	Modern Australian steak restaurant	150
Kings Cross Hotel	Kings Cross	Multi-level pub over 6 levels	1300
Opera Bar	Opera House	Australia's most iconic bar, under the Opera House and overlooking the Harbor Bridge	1000
The Edinburgh Castle Hotel	Pitt Street, CBD	Turn of the century pub with three levels, offering bar, gaming and dining	200
Quay Bar	Circular Quay	Under Customs House and overlooking Circular Quay	150
The Darlo Bar	Darlinghurst	Neighbor bar	100
The Green Park	Darlinghurst	Home of LGBTQIA in Darlinghurst	100

As shown above Solotel's investment and understanding of operating venues and restaurants in the CBD is extensive. The management of such a diverse group of venues provides us with a unique understanding of the industry, the impact of the current laws and what the community and the people are expecting.

We support the removal of the current Lockout Laws, increasing mixed trade in the precinct and establishing one governing body to ensure Sydney as a 24-hour city that is safe, vibrant and a destination for local and international visitors. A city that supports diverse art and culture, diverse food and beverage and ultimately providing a thriving social and cultural late-night economy that benefits all.

Economic Effect

The overall economic effect that the current restrictions have had on the CBD are wide and varied; they include job losses, the closure of local businesses, the reduction of the local music scene and the flow on effect that these reductions have on all the industries that support this.

1. The CBD, once a night time destination filled with bars, nightclubs and pubs supported by local retail and take away eateries providing services to night time visitors now offers less diversity and entertainment options for people due to the lock out law restrictions and other red tape that is required to operate a night time venue.
 - Statistics show that there is less foot traffic and people visiting the area as there is less to do/see
 - 176 licenced venues have closed since 2014 in the CBD and Kings Cross area
 - There are less nightclubs, less multi-functional venues with diverse entertainment options
 - Less late-night licences therefore less late-night live music
 - Kings Cross Hotel has 90% less live bands than before the legislation change and less than half of the DJ's that used to play
 - The flow on effect of this is a large reduction in overall venue staff and other support employees; for example, bands, DJ's, band managers, cleaning staff and builders for development of projects/venue renovations that are no longer head due to the economic situation

Behavioural Change of the People

In recent years there has been a fundamental change to the way people behave. We need to evolve with the global changes and provide communities with what they need, both local and international.

1. To be a 24-hr city we need a diverse audience and offering to meet the social and cultural demands of people, to provide for the young and the old, the locals and the international tourist. We are an international city with increasingly limited night time activity
2. The millennial generation are driven by experiences, they demand more and drink less. They are connected constantly to the global cultural and music scene in cities like LA, Tokyo, London and New York. They expect the same experiences in their own cities
3. They are a generation that is constantly on the move seeking experiences and opportunities to engage with their tribes, they demand new and exciting ways of engagement
4. The digital age provides 24hr instant connection, to both each other and the global social and cultural world. The latest and greatest events, experiences, live music and plays are accessible in one or two clicks. Long gone are the days when an evening was planned around one bar, one act or one event

5. There has been a change in the way we work, there is greater flexible working, more shift work and increased night work. We need to provide access to late night entertainment for people who do not work the traditional Monday to Friday 9-5 work week
6. They expect 24hr public transport, that is safe, well priced and accessible
7. There is increased knowledge of different premium beverages including spirits, cocktails and champagne. People expect to have access to these beverages in certain venues and have them served in premium glassware, as they do in every other international city

24hr Trading

Like other major cities around the world, Sydney should be a lively 24 hr city with the suitable infrastructure in place to support this, to encourage a diverse audience of local and international people to the area with an intent to have safe experiences and maximise dollars spent. Along with behaviour change, the CBD has also put changes in place to support this.

1. People expect a diverse range of experiences that includes more than just major retail centres trading late
 - People will expect a range of restaurant, pub and bar offerings
 - People will expect a range of cultural experience such as live music and art galleries
 - People will expect access to a wide range of retail. This includes access to everyday services such as chemists, optometrists etc
2. We have improved public transport, but can continually look to improve this
 - Introduction of the light rail, which includes a 24hr service to The Star Sydney
 - Extended train, bus and ferry services
3. Our CBD has been improved
 - Increased policing and high visibility presence at night creating a safer night time environment
 - Increased lighting in public places
 - Improved urban design to create areas and spaces for people to enjoy

The CBD has improved infrastructure to manage the late-night trading, we also need to provide the people with greater entertainment options to support late night trading.

Enforce the Current Regulations

The current regulations, if correctly policed provide late night venues and their operators with boundaries to operate safe establishments while ensuring a vibrant night time economy.

There are various levels of controls currently in place from a range of government bodies and associates, however one governing body who controlled applications and process would be make it more streamlined for all parties involved. The current effective controls and regulations that are in place include

1. Responsible Service of Alcohol policies which are in place to ensure venues are providing safe service to customers. All staff serving alcohol are required to undertake periodical training on the Responsible Service of Alcohol (RSA).
2. Liquor & Gaming Three Strike Disciplinary Scheme which aims to reduce serious and repeated non-compliance with the NSW liquor laws through a three strikes penalty regime where licensees and operators can face industry bans for up to three years. This scheme focuses on repeat offenders which can ultimately stop them from operating a licenced venue
<https://www.liquorandgaming.nsw.gov.au/documents/fs/fs3015-three-strikes-disciplinary-scheme.pdf>
3. Liquor & Gaming Violent Venues Scheme which monitors licensed venues every 6 months for alcohol-related violent incidents and enforces special licence conditions (such as, cessation of alcohol service 30 minutes prior to close, or no shots and drink limit restrictions after midnight, etc). This scheme focuses on venues with regular incidents and provides control where proven it is required. It is worth noting there has been a reduction in venues/operators on this list in recent years showing that it is an effective tool to control alcohol related violence
https://www.liquorandgaming.nsw.gov.au/data/assets/pdf_file/0020/202961/fs3006-violent-venues-scheme.pdf
4. Unannounced business inspections including plain clothed and uniformed Police visits, NSW Health, under covered Liquor and Gaming Inspectors and Council inspections to ensure operators are constantly maintaining required standards

The current process is fragmented with different bodies looking at similar control measures without one holistic view. Why can't we have one body to manage this with a focus on community safety at the core, while managing the whole of Sydney to ensure balance in diversity of experience?

Diverse Licences

There needs to be a focus on creating a diverse range of businesses in the CBD, including the use of diverse liquor licences. We should be offering a consistent global messaging that Sydney is an international 24hr open city and offer a choice of entertainment. There is a wide range of liquor licenses in the surrounding suburbs of the CBD which operate successfully within the current legislative framework, without the need for the additional lockout laws. Some that Solotel operate include;

1. Venues in Newtown (The Marly, Bank) which operate until 5am
2. Goros in Surry Hills, outside of the lock out area which operates until 3am
3. The Golden Sheaf in Double Bay which operates until 2am

We should be able to respond to customer demand and apply for licenses to support this. If the demand is for late-night dining at Bea Restaurant at Barangaroo House, we should be able to offer that. We should be led by the demand of the customer and the changing needs and liquor Licences should be flexible to support this. Presently there are tight limitations through both Council and NSW Government that restrict this.

Increased Cost of Running a Late-Night Venue

Overtime the cost of doing business in the CBD for night time trading venues has increased with added requirements for approvals and compliance to Development and license conditions. These often overlap and include costly requirements such as the installation of CCTV, Acoustic measurements, etc. Some of these include:

1. Often trading hours need to be reviewed yearly, or periodically. The change in the regularity of this has caused increase costs to businesses through additional use of town planners, acoustic consultants and other legal requirements
2. It has increased the time venue management teams spend on preparing submissions which reduces the time spent on creating vibrant venues and developing new and creative experiences for the community
3. Over the past 2 years Solotel has spent over \$500,000 on legal and planning fees in relation to applications for ongoing compliance requirements in the City of Sydney alone. For large businesses this cost is manageable however the impact on small or independent operators can be paralysing
4. More and more control being given to residents, even if they are moving in next to established or planned late night venues which results in additional layers of noise checks and associated costs
 - There should be a clear legislation that outlines both the rights of the resident, and the rights of the late-night venue
 - The legislation should be aligned across all governing bodies to ensure needs of both the residents and the late-night venue are addressed equally
 - Solotel has had to introduce new acoustic provisions at the Green Park Hotel because of new noise complaints in an area where the hotel has operated for over 30 years

Recommendations for Current Conditions

We support the move to establish Sydney as a 24-hour city that is safe, vibrant and a destination for local and international visitors. A city that supports art and culture, food and beverage and ultimately providing a thriving social and cultural late-night economy that benefits all. To do this we propose the following:

1. Lockout Laws

The current CBD laws are inconsistent and result in a city that has little late-night culture or economy. With the broad downturn in business, loss of community amenity, strong downturn in the entertainment industry and the currently regulations in place the current lock out restriction should be removed.

Recommendation: The Lockout Law regulations are removed

Solution: With controlled policing of the current regulations this will address both community concerns and the desire to deliver a vibrant late-night economy to Sydney

2. Governing Body

Currently there are multiple government bodies and associations with roles and responsibilities for different areas of controlling late night operators in Sydney. These bodies act independently which provides inconsistent, costly and inefficient means to apply for a license and managed a licensed venue in Sydney.

Recommendation: That one overarching body is created with a holistic view on creating a safe and thriving night time economy in Sydney. Working with each of the current bodies on how to streamline and enforce the laws, guidelines and application processes that benefit both the government and the community, while being a less costly and labour-intensive process for night time business operators

Solution: A governing body is appointed to review and manage the Sydney night time business needs

3. Current Regulations

In addition to the current lock at law restrictions, operators are governed by different levels of government. These are thorough and when operators are compliant provide the control and safety the community desires.

Recommendation: The current regulations remain unchanged

Solution: There is suitable controls within these regulations and when policed correctly it will ensure the safety of the community

4. Diversey of Businesses

Since the introduction of the lock out laws and the current temporary freeze on new licences for existing venues, there are noticeably less diverse businesses operating in the precinct

Recommendation: We recommend that there is a focus on creating a diverse night time economy

Solution: Provide a mix of liquor licences that support a diverse night time economy