

**Submission  
No 639**

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

**Organisation:** Accommodation Association of Australia

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1 July 2019

## Submission to the Joint Select Committee on Sydney's night time economy

To Whom It May Concern,

The Accommodation Association of Australia (AAOA) welcomes the opportunity to provide input to the Joint Select Committee on Sydney's night-time economy.

The AAOA is the peak industry body representing close to 1,000 accommodation operators in metropolitan, regional and rural Australia. Members include AccorHotels (incorporating Mantra Group), Intercontinental Hotels Group, Hilton, Toga Far East Hotels (TFE), Wyndham Hotel Group, Choice Hotels and Quest Apartment Hotels.

Tourism is a significant part of the NSW economy. In 2016-17, tourism contributed \$40.5 billion (Tourism Consumption) to the NSW economy and employed 262,000 people (171,000 direct, 91,000 indirect).

In NSW, the accommodation sector contributed \$5.3 billion in consumption, representing 13% of NSW total consumption and providing \$2.7 billion in direct GVA, the largest contributor of direct tourism GVA in the state. The sector directly employed 26,300 people as of 2016-17<sup>1</sup>, with published figures significantly lagging the impact of the growth in supply in NSW.

### Tourism Accommodation in Sydney City

Sydney currently has 22,500 hotel rooms with Deloitte forecasting room supply growth of 6 to 8 per annum for 2020 and 2021<sup>2</sup>. The vast majority of tourists to New South Wales are visiting Sydney - 11.1 million domestic tourists<sup>3</sup> and 4.05 million international tourists<sup>4</sup> visited Sydney in 2018.

International visits to Sydney reached a record 4 million in the year to December 2018, growth of 3.3 per cent over the previous year, a slower rate compared to the 7.4 per cent annual growth seen over the past five years. This rate further slowed to 0.25% in the year ending March 2019.

With 82.3 million nights in Sydney attributed to international guests and under 30 million nights to domestic travellers, jointly contributing \$18.5 billion to the Sydney economy, it is vital that we provide a vibrant and competitive night-time economy that fosters increased spend and repeat visitation.

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<sup>1</sup> 2016-17 State Tourism Satellite Accounts, Tourism Research Australia

<sup>2</sup> Deloitte Access Economics Tourism & Market Outlook, 2019

<sup>3</sup> National Visitor Survey, year ending December 2018, Tourism Research Australia

<sup>4</sup> International Visitor Survey, year ending December 2018, Tourism Research Australia

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## Sydney Night-Time Economy

A strong and diverse events calendar and a vibrant nightlife are essential to the growth of the visitor economy. Sporting events, exhibitions, music concerts, and extended festivals such as Vivid, Sydney Festival, Chinese New Year and Mardi Gras underpin visitation and provide confidence in hotel investment.

This submission is not intended to revisit the extensive work undertaken in the review of the Sydney Night-Time Economy but simply to ensure that, when developing a night-time economy plan, there is recognition not only of residential accommodation but of tourism accommodation.

Many visitors to Sydney are seeking a vibrant night life but one that is well managed, puts in place measures that protect visitor safety and security, provides adequate transportation options and respects the need for noise management around visitor accommodation.

As noted in both the work undertaken by the City of Sydney and the Committee for Sydney, successful night-time cities have good transport options. While Uber now provides a viable alternative to taxis, relieving some congestion, it remains important to provide adequate public transport services that meet the needs of a late-night economy, not only for visitors but for workers, particularly those who finish between 1am and 5am.

In particular, we would point to the need for the Light Rail, which is designed to provide valuable connectivity throughout the city and to the east, to be operating, albeit at reduced capacity, during the hours of 1am and 5am.

### a. Late Night Trading Management

The accommodation industry is supportive of the City of Sydney 'Draft Sydney Development Control Plan: Late Night Trading 2018'. In particular, we support the following measures:

- a) Encouraging 'more diverse forms of late night trading .....to create a safer and more balanced night time economy and 'To encourage more live entertainment in a range of locations in the city.....'.
- b) Late Night Management Areas that 'have accessible and frequent public transport at night' and where 'all premises ..... are well-managed and regulated' and 'do not erode the diversity of retail and local services that operate during the day which service the local community, workers and visitors'.
- c) Monitoring and Review. The industry supports a review by Council, however we feel that any review must include feedback from businesses and visitors, not just an assessment of complaints and Council inspections.

### b. Adoption of a precinct-based approach

We welcome both the NSW Government and City of Sydney's announcements on supporting the development of the night-time economy and leveraging the uniqueness of individual precincts.

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We would point to the importance of all precincts adopting the 'Late Night Trading' approach articulated by the City of Sydney, to ensure that these precincts provide diverse offerings and are 'appropriate places for the nurturing of performing arts and other cultural and social activities'<sup>5</sup> in addition to licensed premises.

Many of these precincts will be in areas where there is tourist accommodation. Appropriate management of noise, safety and security is essential to ensure that the visitor experience is not adversely affected.

We note that the City of Sydney insists that venues that open late, pay for double glazing for residents effected by increase noise. This is not the case for visitor accommodation, and we would request that whether it be resident or visitor accommodation, there is consideration of the adverse impacts of noise on overnight stays and appropriate mitigation measures are offered equally to both.

Sydney is a global city and as befits its profile as the leading economic contributor to the NSW and Australian economy, the city attracts a high percentage of visitor nights for the purpose of business and business events (38% international; 32% domestic)<sup>6</sup>. Amenity, safety and security are major considerations for these visitors.

It is important to also note that hotels and serviced apartments are big contributors to the amenity and activation of Sydney and Greater Sydney providing bars, restaurants, spas, cafes and gyms designed both for visitors and for the local community. It is therefore vital that the tourism accommodation sector has a voice on the designated precinct committees, representing visitors to our cities.

As articulated in the 'Guide to Managing Your Night-Time Economy' by Sound Diplomacy, 'establishing productive dialogue and partnerships within and between key nightlife stakeholder groups' is one of the key ingredients for a successful night-time economy.

**c. Cutting red tape to make it cheaper, faster and easier to set up and run a night-time business. Easier liquor licensing application process.**

The tourism accommodation industry supports the above intent to streamline processes, making it easier to do business, provided it is part of a *Late Night Trading Management Plan*.

We welcome the current recognition in the legislation that a hotel that provides tourist accommodation does not pay trading hours risk loading if the hotel meets the relevant criteria. This recognises the importance of lobby bars for hotel guests and the importance of functions and conferences in activating the city and attracting spend, while not adding to the risk.

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<sup>5</sup> Draft Sydney Development Control Plan: Late Night Trading 2018

<sup>6</sup> International Visitor Survey, year ending March 2019; National Visitor Survey, year ending December 2018)

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Unfortunately, the current precinct approach to Sydney's CBD and Kings Cross areas is largely focussed on liquor licencing and a "one size fits all" response. We would support broader recognition and reward of venues that apply strict ethical standards and operating conditions to maintain safe and secure late-night licensed venues. This understanding to extend to the bars and restaurants provided by well-regulated tourist accommodation venues.

## Conclusion

In conclusion the tourism accommodation sector, a significant contributor to Sydney's economy, supports a vibrant night-time economy that provides a diversity of offerings in a safe, secure environment, to meet the needs of both residents and visitors.

Sydney is a global city with an existing, limited night-time economy. While the City of Sydney and the Committee of Sydney have articulated a vision, the inability to activate this vision is largely a function of extensive regulation and the lack of an agreed plan of management. Ultimately the night-time economy requires policies, structures and strategies to deliver the desired activation in a well-managed environment that caters for diverse customer and business needs.

As a 24 hour industry concerned both with the offering to visitors and the welfare of employees, we support the *Draft Sydney Development Control Plan: Late Night Trading 2018*. In particular, we support the proposed precinct approach that leverages the uniqueness of individual precincts and provides diverse cultural and social offerings, in addition to licensed premises.

We are cognisant that many of these precincts will be in areas where there is tourist accommodation. With a high percentage of international and domestic business visitors, appropriate management of noise, safety and security is essential to ensure that the visitor experience is not adversely affected.

Additionally the plan of management needs to address the transport needs of visitors and staff between the hours of 1am and 5am specifically, where transport options within the city are limited. We would advocate for the extension of the operating hours of the Light Rail, in line with the development of the management plan.

We welcome this opportunity to provide input to the Joint Select Committee on Sydney's Night-Time Economy and seek to work with government and other stakeholders in delivering a vibrant, diverse night time economy that ensures the amenity and safety of visitors.

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