

REPORT ON PROCEEDINGS BEFORE

**JOINT SELECT COMMITTEE ON SYDNEY'S NIGHT TIME
ECONOMY**

SYDNEY'S NIGHT TIME ECONOMY

At Macquarie Room, Parliament House, Sydney, on Monday 5 August 2019

The Committee met at 9:30 a.m.

PRESENT

The Hon. Natalie Ward (Chair)

Legislative Council

Ms Cate Faehrmann
The Hon. Ben Franklin
The Hon. John Graham
The Hon. Mark Latham

Legislative Assembly

Mr Kevin Conolly
Mr Alex Greenwich
Mr Geoff Provest
Ms Felicity Wilson
Mr Guy Zangari

MICHAEL BRUCE ROSE, Chairman, Committee for Sydney, affirmed and examined

The CHAIR: I welcome and thank you for appearing today before the Joint Select Committee on Sydney's Night Time Economy. We appreciate the time you have put into your submission and for taking the time to appear with us today. Have you been issued the Committee's terms of reference?

Mr ROSE: Yes, I have.

The CHAIR: And information about the standing orders that relate to the examination of witnesses?

Mr ROSE: Yes. I have.

The CHAIR: Do you have any questions about that information?

Mr ROSE: No.

The CHAIR: Do you want to make a short opening statement?

Mr ROSE: I will simply refer back to the submission we made to this Committee which in turn refers to a number of reports that the Committee for Sydney has prepared over the past few years. We do an annual benchmarking report which looks at Sydney's performance across a range of measures compared to other cities around the world. That report has over the past several years begun to turn up signals for us around the health of Sydney's night-time economy. We did a major report in 2018 which looked at aspects of Sydney's night-time economy and made a number of recommendations in relation to that. Earlier this year we did a report on night-time safety for women in Sydney which also touches on aspects of the night-time economy. Those three reports taken together, I think, with the submission to this Committee really encapsulate the view of the Committee for Sydney on elements of the night-time economy which are available to be reconsidered and which we think should be reconsidered.

The CHAIR: I thank you for your comprehensive submission.

Mr ALEX GREENWICH: The Committee for Sydney and your submission highlights the importance that you place on Sydney's global reputation. Will you talk to the impacts of the lockouts on our reputation? Will you look at the things that the State Government has already done, whether it is investment in light rail or arts diversity? What is further needed both from government action and also from non-government action to help Sydney's reputation as a global city?

Mr ROSE: In our benchmarking reports that we do every year we look at global surveys of cities around the world. It turns out that Sydney is the third most surveyed city in the world, after London and Paris. We take those surveys and we subject them to pretty rigorous analysis to make sure that they are valid surveys. We look at Sydney's benchmarked performance against a group of like cities around the world, cities for which we compete for investment, tourism and talent, similar cities to ours. What our benchmark survey shows is that Sydney scores extremely well in nearly every area of its performance. It is regarded as one of the world's most liveable cities and as a good destination for investment and a good place for visitors to visit and it generally preforms very strongly.

However, over the past several years we have begun to see Sydney slipping in both its liveability scores and in its visitor appeal and that is due to a number of factors. And what we are talking about is relative performance. One factor is that other cities are improving, so a competitive environment is becoming more competitive. One thing is that the surveys tend to look at cities more as systems than as bundles of assets. So it is how a city performs which people are assessing. The third is that we believe that the city's visitor appeal has been adversely impacted by a perception around whether Sydney is a fun place to be, particularly at night. It is not the only issue that we think is affecting Sydney's performance but it is certainly one that we thought was a clear signal and which we decided to investigate, which is why we then did our report into the night-time economy.

What that report shows is that when you compare Sydney to other cities around the world a relatively small proportion of our overall economic activity sits in the night. So there are lots of cities in the world where there is much more activity at night, which equates to economic activity at night. We also found that in most cities that we compare ourselves to, which includes Melbourne, you have a more diverse range of activity at night. Sydney actually spends almost as much as Melbourne at night—maybe even a bit more—but it spends it all at the supermarket. We have, we believe, some clear signals that Sydney's night-time economy has been adversely impacted by a discussion which is around a relatively narrow part of the night-time economy.

The purpose of our report was to attempt to focus attention on everything that happens in the night-time economy. So the night-time economy is not just an entertainment or hospitality economy, it is a retail economy,

a student economy, a shift worker economy and a transport-based economy. There is freight and logistics and all sorts of things happening at night. We wanted to make sure we focus sufficient attention on the full range of night-time activity. We wanted to ensure that in relation to the amenity for citizens, that is, how citizens experience the city at night in terms of how much fun they have, how safe they feel and how easy it is for them to move around, that we identify those things which adversely affect amenity and make recommendations in relation to them.

The Hon. JOHN GRAHAM: I might just jump in at that point. Firstly, thanks for your submission which is helpful. I think the point you have just made is probably one of the most important contributions that the Committee for Sydney has made. The point is that this is an economic agenda, not just an entertainment agenda. Will you comment on the governance changes which you recommend—things such as a night czar, a night mayor or a Minister for the night-time economy—and really moving this to the centre of government to the Department of Premier and Cabinet? In particular, the last point, what has been the problem up till now with how government has tackled this set of complex policy issues?

Mr ROSE: The view we expressed in our 2018 report is that the way a precinct operates at night is essentially as an ecosystem and that ecosystem is influenced by lots of different decisions that different actors can make. It is influenced by what businesses are open, what liquor licensing looks like. It is influenced by planning and other regulations. It is influenced by what transport is available for people who are using the precinct. And particularly at night all those factors come together to influence what the place will be like and feel like. Our view is that particularly in relation to the night-time economy there is a lack of coordination across government and local government in relation to all those different levers that affect how a place might operate at night.

We also formed the view that there was so much overlapping regulation that for businesses that want to operate at night there is a particularly difficult regulatory regime to navigate. Our suggestion was to be much more coordinated in the approach to the regulation of the night-time economy and that really requires two things. The first is for government to be really clear about what it wants to achieve from the night-time economy in terms of economy impact, amenity for citizens, safety or whatever other characteristics the Government wants to find, first, to be quite clear and, second, to align regulatory activity with that vision and as much as possible coordinate that activity. And if that can be coordinated by a single person that is, we think, highly desirable. And for that single person to have the necessary authority, we think that single person should be near the centre of government. So it could be someone with the authority of the Department of Premier and Cabinet or a Minister but it does need to be someone who is the ultimate point person with decisions around the night time economy.

The Hon. JOHN GRAHAM: Just to be clear on the problem, there is no one in charge at the moment. This does not really fall in anyone's specific responsibility.

Mr ROSE: There is none in charge of an overall view of what is happening at night. There are lots of different people in charge of different pieces of it.

The CHAIR: Is your question on that topic?

The Hon. MARK LATHAM: Yes, it is on governance. Mr Rose, your submission makes reference to what cities overseas might be doing in terms of governance. Do you have a best practice model in other countries in mind? How would you respond to the proposition that having someone in charge—while sounding good, all they might do in their working day is consult with a couple of dozen agencies that have different powers and might not actually achieve much? Do you think there is an argument, given that the night-time economy has been flattened, for some sort of special powers for one person or a small group of people over a 12 month period to restore the night-time economy and to pick up jurisdiction from those 20 or so agencies? Is there any model overseas where having flattened the night-time economy someone was able to get it right in restoring it with a governance model, instead of just consulting, and actually got on with the job?

Mr ROSE: There are three questions there. The first is what does best practice look like overseas? The answer to that is there are a number of cities—Amsterdam, for example, has a person whose title is the night mayor and that model, we think, works pretty well. But the fact is Amsterdam also has a day mayor in the sense that the whole of the metropolitan area of Amsterdam has a single governance model, which we do not have. So there are lots of models which suggest that a single person with authority is best practice, but we have to fit that model into our system of State and local government, obviously. In terms of how you would do it, it is what we have said in our report. You would decide where you are most likely to have an effective person, where that person should best be positioned inside the machinery of government to actually achieve a result. We have suggested a few possibilities and, I think, ultimately it might be for this Committee to determine what it thinks is best.

In relation to your third question, who has done this? Amsterdam has very carefully moved itself away from what it used to refer to as its sex, drugs and rock-and-roll positioning to being one of Europe's most visited

cultural business and learning capitals. It has done it by very effective control and positioning around aspects of its night-time economy. There are other cities around the world which have had great success in either the relaunching of precincts which have lost their shine or the creation of new precincts where they have set out to create entertainment and their evening precincts. There are lots of cities—and some of those can be applied very easily to Sydney and some of them less so and there are some examples in our report.

Mr KEVIN CONOLLY: I want to ask about the results of your surveys and investigations into the perceptions of public safety and how that has been seen now and over time in Sydney?

Mr ROSE: The first thing we would say is our report looks at the whole of Sydney. All of our work we aim to address Greater Sydney. In a global sense Sydney is regarded as one of the safest cities in the world. It has a very high reputation for public safety, and that is important for our visitor economy as much as it is for our residents who live here. I am not sure what more I can say really.

Mr KEVIN CONOLLY: Has it changed over time? Has the perception changed through the period?

Mr ROSE: No. When you look at global surveys on safety it looks at things like crime rates, it looks at terrorism, for example, and comes into the way in which public safety is thought about. There are a range of factors but generally speaking Sydney is regarded as a very safe city.

The Hon. BEN FRANKLIN: Just a quick follow-up on the Amsterdam issue. You mentioned in your submission that one idea worth considering would be inclusion of 24-hour licences in particular precincts away from the central business district. Is that something that the Committee for Sydney would support?

Mr ROSE: Yes, it is. But what we talk about in our report again goes back to this ecosystem model. In Amsterdam, for example, they will say there is a place for that kind of licensing but that kind of licensing also requires a particular regulatory approach; it requires a particular approach to community engagement; and it requires public campaigns about everything from behaviour to respect. Any one thing in isolation is not likely to be a useful intervention; it is intervening across the whole spectrum of things which influence a precinct.

Mr GUY ZANGARI: I note in section 3 of the submission you talk about encouraging the diversity of night-time activities and in greater metropolitan Sydney we have councils working very hard with night-time activities, particularly in places like Canley Vale, Canley Heights, an area that I represent, Harris Park and Cabramatta. Those local councils are able to do that. Sydney's climate lends itself to wonderful night-time experiences all year round. What do you believe is hindering that at the moment with the diversity of those night-time experiences? What can we do over a period of time strategically in order to get that back, as you would say, geographically in the central business district and the Kings Cross area—because it does worker in Greater Sydney and greater western Sydney?

Mr ROSE: As you say, it is one of the points we make in our report: there are lots of places where you will go at night and see both a diversity of activities and also a diversity of people. You will see families, elderly people and younger kids all out, all active, all being together at night. We think in parts of the city where that is not happening they should look at those places and see what it is about those places that works so well. That is the first thing.

The second thing is in some local council areas there are examples where attempts to foster that have been thwarted by the noise regulation or by liquor licensing. Often the decisions that affect the liquor licensing are not high-level strategic decisions; they are very localised decisions made by local licensing police. You can have a council that has a very strong vision of what it wants to achieve but it cannot achieve it, either because of some regulatory restraint or because of liquor licensing.

The third is transportation. A lot of the areas you are talking about are areas where liquor licensing is not really a critical issue. If you want to take your family out at night and you want to bring them back, you need either transport that is operating or parking that is available. I think some of the town centres in Sydney are already at capacity in terms of their ability to bring people in and help get people out; that is a critical issue. As our report says, for the centre of Sydney that transport issue is one of the critical components of the ecosystem—the ability for people to get to night-time activities and get away from them.

I was asked a question earlier about what the Government has done in the last several years. One of the big things that has happened is changes to timetables and changes to transport options. We would applaud those but there is still a long way to go and much more thought needs to be given to the night-time transport option.

Mr GUY ZANGARI: In section 4 of your report you talk about this integrated approach with planning to also include public transport and public amenities access to bring people in safely and for people to return safely as well.

Mr ROSE: I am sure the City of Sydney will be giving evidence today. It is transport, it is where people go for transport—for taxis, Ubers and buses—and way-finding is another important part; making sure people know how to find their way around at night in places that they may or may not be familiar with. Those things are all an important part of getting people in and out.

The CHAIR: Thank you, Mr Rose. I might ask a follow-up question on that point. Your submission helpfully talks about balancing vibrancy with safety; I do not think anybody disagrees with that proposition. You have said, helpfully, that you recognise there is no silver bullet, which I think this Committee is well aware of. Thank you for your submission about governance. You have equally said, though, that the responsibility must not lie solely with State Government, and that is what I have taken from what you have said today—that we would also need to consider including council and transport options, which, of course, is not just government—it is the NSW Taxi Council and Uber and other planning issues. Can you comment on that? Helpfully, you mentioned earlier the ecosystem that might be involved. Could you comment to the Committee about that and its governance? Surely you would need everybody at the table—not just one government approach. While I recognise regulation is an issue, could you talk about who also should be at the table to form that ecosystem to see success in anything that is recommended?

Mr ROSE: Sure. As you have said, State Government, obviously, local councils, obviously. The various participants in transport have a role to play and, increasingly, they have a lot of data available to determine how different parts of the city are working at different times of the day or night.

The CHAIR: Surely that is private sector transport as well?

Mr ROSE: Yes, of course. Then you have local business operators. One of the things referred to in our submission is what we refer to as the "Newtown model". After the introduction of the lockout laws, the proprietors of night-time venues in Newtown noticed the beginnings of a change there and they determined that they should take control of that.

The CHAIR: Voluntarily, I think.

Mr ROSE: Yes. Certainly operators of night-time businesses, and that does not just mean hospitality and entertainment businesses—retailers have a role to play in determining what a precinct might look like at night, landowners can play a role in determining how their buildings might be used at different times of day—

The CHAIR: Police?

Mr ROSE: Police, cultural institutions and, in fact, probably the most helpful list—I think there is one in the back of our 2018 report—is a list of all the organisations involved in our night-time economy commission. Basically that shows 20 or 30 different kinds of businesses and other organisations that operate in the night-time economy that are all capable of playing a significant role.

The CHAIR: You helpfully mentioned women. Thank you for recognising that and reporting on it. Surely, then, health services and police and those elements should also be at the table?

Mr ROSE: Yes, that is true, and the other is citizens themselves and visitors. Going back to the Amsterdam question, one of the things that Amsterdam has done in recent years is run a campaign that says, "You are very welcome to come to Amsterdam but if you are here you need to respect our place". They have introduced a degree of community policing in some of the more dynamic night-time precincts which is really about, "You can be here and you can have a good time but you can't have a good time at the expense of everybody else."

The CHAIR: Self-responsibility.

Mr ROSE: Yes. We think there is a role to be played by individuals that probably requires some form of government campaign to reframe what the expectations are.

The CHAIR: Sorry. I am conscious of time; we have two other members who have questions. What structure do you see that ecosystem having? For a night mayor—the thought that comes to mind is "nightmare", and to that, as a recovering lawyer, I say, "Res ipsa loquitur"—what sort of structure do you see? That really is one figurehead and we are talking here about an ecosystem. How would you see that happening?

Mr ROSE: As we have said in our report, precincts are already ecosystems—they are already operating in very dynamic ways because of all the inputs that come into them. If you want to make an intervention in a precinct to make it more vibrant or better for freight or safer for women—whatever intervention you want to make—at the moment you will bump into a complex web of interrelated regulations, interrelated responsibilities. Our suggestion is to identify the best place within State Government for cut-through on that. Many local councils are doing it themselves; they are beginning to simplify their night-time regulation. If local councils play a role in simplifying what they are doing and if State Government was to say, "Here is what we are trying to achieve in the

night-time economy and we think regulation in these areas would be helpful and regulation in these areas probably won't be" and if you then have one person who is able to say, "This fits in here and this fits in here," that would be an advantage.

The CHAIR: So you say the structure is not to have all those people at the table but to have one person? I am not arguing; I am just trying to clarify.

Mr ROSE: You have to have everybody at the table in order to recognise all the competing interests in a place. What we are suggesting is not one person who makes all the decisions and designs the precinct. What we are suggesting is a person who is ultimately the arbiter of what can happen if there is not coordination, if there is not collaboration. If there is a problem at least there is someone; if you are trying to open a new business, for example, in a particular precinct at night and you keep bumping up against a regulatory wall, there is one person you can go to try to accelerate a result.

The CHAIR: Thank you.

Ms CATE FAEHRMANN: Mr Rose, your submission mentions three issues that go beyond the lockout laws in terms of regulatory reform that is needed—you talk about liquor regulations, policing and noise. I just want to touch on policing because we have not discussed that yet. Your submission states:

There appears to be significant evidence from venues across a range of night time sectors in Sydney that police prioritisation of resources is often not proportionate to the potential risk of offence or history of offences at the venue.

You talk about well-run venues with little history of violence, for example. Can you expand on that please for the committee in terms of the Committee of Sydney's view around the prioritisation of police resources?

Mr ROSE: Our report in 2018 was the result of a commission that we ran for nearly a year. We spoke with many different organisations about how they were experiencing the night-time economy. A number of organisations talked about the regular presence of police in and around their premises; in some cases almost daily—

Ms CATE FAEHRMANN: That is right.

Mr ROSE: —despite the fact that there was not a history of offending at their premises. That is what prompted that remark from us. Others talked about the approach of licensing police to really minute aspects. There would be a condition on somebody's licence that they could have live music but not dancing, or live music but no mirror ball. They would literally be receiving visits from police to check up on their mirror ball. There is no criticism by the committee of the role police play in the night-time economy—the police participated in our report. What we would draw attention to is the prioritisation of police activity and police presence. Our view is that police should prioritise precincts where there are known issues. When approaching premises, they should prioritise those where there are either identified problems or a history of issues.

The CHAIR: Would it be helpful if they were at the table?

Mr ROSE: Absolutely.

Mr GEOFF PROVEST: For a successful night-time economy you obviously need that partnership with private industry. Have you identified the level of confidence that private industry has in this area? During a visit to Kings Cross, the owner of Bloody Mary's told us where there used to be up to 12 restaurants down the strip there were now vacant shops for lease. What did your surveys identify about business confidence?

Mr ROSE: Yes. Business confidence has been damaged. Firstly, you have the direct impact of the lockout laws. You then have a wider impact on perception. The perception of what those laws mean has gone further than what those laws do. Many Uber and taxi drivers will tell people you cannot get a drink after a certain time in Sydney, not understanding that there are limits on the laws. So there is a perception issue which has changed people's habits and those changing habits have begun to damage businesses in the night-time economy. Addressing that confidence issue is why we suggest a program promoting Sydney as a night-time destination. Not only do changes need to be made to the regulatory environment but there needs to be a clear signal that those changes have been made with the intent of reinstating Sydney as a night-time place.

Mr GEOFF PROVEST: Do you look at any particular age demographic in your surveys?

Mr ROSE: We look at not only different demographics but at different times of the day. A lot of the discussion of the night-time economy in Sydney has focused on one precinct at 2.00 a.m.

Mr GEOFF PROVEST: Correct.

Mr ROSE: We think it is important to think about, firstly, the whole of the city. Then it is important to think about different times of night. How people use the city between 6.00 p.m. and 9.00 p.m. is quite different to

how they might use it between 9.00 p.m. and midnight—and how you might use it between midnight and dawn. In terms of demographics, a lot of our earlier report examined what are theatregoers doing before they go to the theatre, what are they doing after they come out of the theatre? What are Western Sydney University students doing after coming out of the Parramatta campus at 10.30 p.m. after lectures? What is happening for them? What is a nurse doing once her shift has finished at midnight? What does someone who works at the airport do for breakfast at 4.00 a.m.? We think about different kinds of people, different locations and different times of day.

Mr GEOFF PROVEST: As an ex-licensee, I often found you would try to attract a new market and, very quickly, you would get noise complaints, council officers banging on your door and licensing police. It all became too hard, particularly under the new strike laws. Have you found that the planning laws create difficulties or road blocks? I read recently about a hotel which always had a rooftop barbecue but new neighbours are complaining about the smell of cooking and noise, forcing them to shut that down for the first time in 100 years.

Mr ROSE: This is an issue in cities around the world, often referred to as the suburbanisation of the inner city. You have a flow of people from suburban areas back into the centre who begin to change the dynamic which attracted them in the first place. We are supportive of the City of Sydney's approach to this. Firstly, through noise attenuation measures you ought to try to accommodate the needs of as many people as you can. But it ought to be the responsibility of new arrivals in a precinct. For example, if you are building a residential development next to a pub which has been operating for 150 years it should be the developer's responsibility to think about noise. Care needs to be given to ensure that new users that come into conflict with existing use, do not disadvantage existing users.

Mr GEOFF PROVEST: We have a little bit of that on the North Coast.

Mr ROSE: It is a phenomenon around the world. It comes back to the idea of supporting an economic activity. What often happens is that if you asked the question should we do everything we can to make life hard for a small business, people would say of course we should not. But in the night-time economy, what tends to happen is everybody gets the benefit of the doubt except the small business—and often that small business has been there a long time.

The Hon. JOHN GRAHAM: You have talked about that mirror ball issue. This also applies to restrictions on venues as to the sort of music they might play—rock music, pop music or bands.

Mr ROSE: Or in one horrifying case, a specification that they must play disco music.

The Hon. BEN FRANKLIN: It does not sound horrifying at all.

The CHAIR: It should be a recommendation of this committee.

The Hon. JOHN GRAHAM: I think you agree with me that this should be a matter for the citizens of New South Wales, not for the Government to determine what music people are listening to. You propose a solution which is that the Government should take the South Australian approach and strike out these restrictions on particular sorts of music or on mirror balls.

Mr ROSE: Yes. I do not think we have gone all the way down into the detail of saying we are pro-mirror ball as a committee but there is room for an assumption that people will do the right thing and the sensible thing, rather than the default position being that businesses will do the wrong thing. People have to appeal to a market. They need to provide what the public wants. Provided they are doing that within the regulatory and legal envelope the State thinks is appropriate, everything else ought to be left up to them.

The Hon. BEN FRANKLIN: One question about the safe drop-off and pick up zones you refer to. We visited Newcastle and chatted with the council and others about what they are doing. One of the things working quite well there is a group of businesses are collaborating to fund security guards at particular taxi ranks to make them safe. Is that the sort of thing which could work in Sydney?

Mr ROSE: In some places, yes. In other places, maybe. Local businesses and local councils are really well placed to make these assessments. In some places that would be a very sensible intervention.

The CHAIR: Thank you, Mr Rose, for your thoughtful submission.

Mr ROSE: Thank you for the opportunity.

The CHAIR: You have not taken any questions on notice. The committee may wish to send you some additional questions in writing and those replies would form part of your evidence. Would you be happy to provide a written reply to further questions from members?

Mr ROSE: Certainly.

The CHAIR: Thank you so much.

(The witness withdrew.)

LISA KAY COLLEY, Manager Cultural Strategy, City of Sydney Council, affirmed and examined

LIBBY ANGELA HARRIS, Night Time City Manager, City of City Council, affirmed and examined

CLOVER MARGARET MOORE, Lord Mayor, City of Sydney Council, affirmed and examined

ANDREW JOHN THOMAS, Acting Executive Manager, Development, City of Sydney Council, affirmed and examined

BENJAMIN PECHEY, Acting Executive Manager, Strategic Planning and Urban Design, City of Sydney Council, sworn and examined

The CHAIR: I welcome representatives from the City of Sydney Council. Thank you for coming along today and for your written submission which was comprehensive. On behalf of the committee, I thank you for the work you have put into that. I would like to thank you for appearing before the Joint Select Committee on Sydney's Night Time Economy and giving evidence today. Could you each confirm you have been issued with the committee's terms of reference and information about standing orders, relating to the examination of witnesses?

Mr PECHEY: Yes I have.

Mr THOMAS: Yes I have.

Ms HARRIS: Yes I have.

Ms COLLEY: Yes I have.

The CHAIR: Before asking whether you would like to make a short opening statement, I would ask that comments about the lockouts be made sensitively, given the alcohol-fuelled deaths that prompted the lockouts in the first place, with Thomas Kelly in 2012 and Daniel Christie in 2014. I would just acknowledge that that is the reason we are here and thank you for being sensitive to that. I appreciate the time and effort you have put in to the submissions made today. Could I ask, given there are five of you, that you make a short opening statement to the Committee.

Ms MOORE: I might do that.

The CHAIR: Thank you, Lord Mayor.

Ms MOORE: We would like to thank you for inviting us to appear before the Committee. This inquiry provides an opportunity to create a new vision for Sydney at night—a city that is again renowned for its vibrancy, its diversity and its safety. As many submissions to this inquiry demonstrate, Sydney has lost its reputation over the five years following the introduction of the lockout laws and associated measures. These measures have had serious impacts on our cultural life, our communities, our economy and particularly our tourism and hospitality industries. The table of key facts attached to our submission provides data which demonstrates this. For example, we have seen the number of live music venues halved—they have been reduced by 50 per cent. There has been a serious decline in the number of tourists choosing Sydney—particularly tourists under 35. In fact, it is 500,000 annually.

I acknowledge that alcohol related violence and antisocial behaviour were serious problems before the lockouts—problems that had been allowed to fester because successive governments had failed to act. The result was a sledgehammer approach to crack a nut. What was needed was 24-hour public transport on Friday and Saturday nights, a responsible licensing system and action to prevent the concentration of venues in a specific area. While action was needed, the approach has had a devastating impact on the city's nightlife and on the city's night-time economy.

The lockout laws failed to distinguish between well run venues and badly run venues. They failed to distinguish between venues which contributed to our cultural life and those which contributed to violence and antisocial behaviour. They failed to distinguish between venues which helped build Sydney's reputation as a cosmopolitan global city and those which degraded our neighbourhoods. Over five years on we need a new approach. We must repeal the lockout laws and instead incentivise well run venues and penalise poorly run venues using the authority of the Liquor Act.

This includes making strategic use of early cessation of service, temporary long-term closures and ultimately cancellation of licences under the three strikes rule. We must prevent future problems by not allowing excessive clustering of high-impact venues and by encouraging diversity. This includes making it easier to establish live performance venues and related creative spaces. We must encourage a nightlife that is not exclusively dependent on the consumption of alcohol while recognising that many people still want to have a

drink late at night. Instead we want a nightlife where alcohol is served responsibly and people can enjoy a drink in an environment that is civilised and safe.

The city has been taking action to achieve this vision for many years—most recently our late night development control plan [DCP]. Around 10,000 people told us in our consultations that they supported our development plan. The majority told us they wanted increased hours for late night trading, they wanted more late night venues close to where they lived and they wanted greater diversity of late night businesses. Our DCP attracted over 1,000 submissions with over 90 per cent of people supporting it. Later this year we will consider how new proposals to manage sound from entertainment venues and allow shops to stay open later will not need council approval.

We also want to make it easier to establish temporary and permanent creative spaces and engage in cultural activities. These measures will help diversify our nightlife. To achieve this vision we want to work collaboratively with our creative and cultural sector and with the hospitality industry. Most importantly we would like an effective partnership with the New South Wales Government. We look forward to the outcomes of this inquiry and stand ready to work collaboratively with the Government to restore Sydney's nightlife.

The CHAIR: Thank you, Lord Mayor.

Mr ALEX GREENWICH: Thank you, Lord Mayor, and thank you to the City of Sydney for your submission. I have two questions. My first question is: In the lead-up to the lockouts being put in place there were a variety of factors separate to trading hours that could have contributed to issues of antisocial behaviour in certain parts of Kings Cross and Sydney. Could you go through what you think those other factors were, other than trading hours? Also the Committee has obviously received a large number of submissions that have recommended the repeal of the lockouts. Should the lockouts be repealed or lifted, what regulation would be appropriate to replace them with in terms of licensing and planning controls?

Ms MOORE: I will throw to Ms Harris and Mr Pechey, I think, but first of all I will say that there was a combination of factors that led to the bloody night-time environment that was Kings Cross particularly, over five years ago. As I said, successive governments had allowed a very loose licensing system, lifetime licences. We had no planning rules about not allowing concentration of venues in a particular area—that was serious. The lack of transport was really serious—a whole lot of alcohol-fueled people out on the footpath at 3.00 a.m. fighting each other with not being able to even get a taxi and no trains running. These are things the Government should have addressed then, rather the action it took, which was a circuit-breaker but it has had really serious consequences for the economy, the social life of the city and particularly for the cultural life of the city.

Ms HARRIS: That is exactly right, Lord Mayor. It is a complex issue—there is no doubt about it—but certainly pre-lockouts the lack of available transport in Kings Cross at the time was a significant factor whereby young people, when the trains stopped at a bit after 1.00 a.m., had no way to get home. That basically led to people hanging around in the streets. They were refused entry to venues. Venues were doing the right thing, trying to abide by the liquor regulations. But lots of people on the street trying to compete to get a taxi and escalation of violence over competition to get home was certainly a big issue.

The clustering—too many licensed venues in one area all serving alcohol and no other entertainment is clearly an issue. Kings Cross became a drinking destination. It was certainly also a culture at the time. I think Sydney, and potentially globally, went through a phase of significant violence with the one-punch king hits that pervaded our nightlife at that time, which was terribly concerning for everybody, and also the pack mentality. It was very much out of control. There was a lack of coordination across government. Really it was the lack of a governance framework that allowed Kings Cross to happen. It was the last place to go in the city that was open at night and it was an attractor for alcohol consumption.

Mr PECHEY: There was also a further issue in relation to regulation, which will lead me onto the second question. That relates to the ability of the planning system to deal with cumulative impacts and also the inflexibility of the planning system to deal with the issues that there arise. The planning system typically addresses the impacts arising from an individual venue, not from the group or range of venues within a precinct. In any application for an individual venue you might be able to manage the environmental impacts generated by that one venue but you cannot put your mind to the impacts being generated from all of the venues, many of which benefit from existing consents. There is a problem in the planning system to be able to deal with that.

Also with the planning system there is a challenge in being able to review approvals or planning consents. The city has set up a process of trial periods and did attempt to implement reviewable conditions consistent with the planning legislation back around 2010, though those planning controls were annulled by the planning Minister at the time, which meant that we were not able to go in and attempt to improve the conditions on particular venues to try to address the whole. Flowing on from those two issues with the planning system and looking at the second

question and what sort of regulation is needed. Firstly there needs to be a better approach to cumulative impact and that should be largely delivered through the licensing system, which has the flexibility to manage those sorts of impacts and look more widely at what is happening in a precinct rather than planning which looks at the individual venues. There needs to be a clear definition in the regulation about what a saturation point might be, how many venues, what that density is. It could take into account a number of factors but it certainly needs to be clear for decision-makers, business and the community. There also needs to be flexibility—and this is probably a challenge—to allow new venues and new businesses to enter into a precinct to encourage competition, to encourage improvement and to keep areas interesting, active and vibrant.

Mr ALEX GREENWICH: I will jump in on that one. This was a question that I was wanting to make. In terms of being able to make sure that, say, creative spaces are affordable to be able to make sure that people in the creative industries who were starting out do not have to deal with a lot of the burden of regulation and costs, what could be done to allow or facilitate greater creative affordable space to ensure that we have the diversity in our nightlife?

Mr PECHEY: I might answer and then perhaps throw it to my colleagues. From a planning perspective, we are able to encourage a greater diversity of uses by offering incentives. The example in our late-night trading development control plan is we offer later trading hours for venues that host performance to encourage that diversity and, in particular, that cultural activity of performance. It essentially gives those sorts of venues an advantage over other venues that do not provide the performance and it encourages venues to create and make available the space for creatives in our city.

Ms COLLEY: I will add to that. You are absolutely right: In order to have a vibrant night-time economy you need to have the creative people who actually provide that. You have to have the producers, presenters and artists. What we have noticed in Sydney over the past eight years is that we have lost nearly 70,000 square metres of space that is used for that creation and production. What we have in Sydney right now is pretty much a tipping point in terms of the creative space. Not only is the affordability an issue—as we know, Sydney is an incredibly expensive city—but also, as Mr Pechey was mentioning, the regulatory restrictions that are there make it very difficult for creatives to activate those spaces. The City has put together a series of proposed reforms, which hopefully we will be coming back to Government with later this year that will allow more exempt activities so that people can do this stuff without very heavy cost associated with setting up those spaces.

Ms MOORE: We have a grant system, too. We are encouraging venues to have a range of performance.

Mr GEOFF PROVEST: We saw one in Oxford Street.

The CHAIR: Oxford Art Factory.

Ms COLLEY: I think this is what Government can do. Because we have got such an issue, we need to ramp things up and provide some incentives. What we have been able to do and State Government as well is provide some funding for programming of these spaces, which provides a bit of incentive and support for those creatives to do that activity. We think that it is a mixture of these things: It is the mixture of the regulatory reforms, the ability to have those spaces available and some incentive programming that will create that mixture of activity that will give you that diverse and safe night-time economy.

The Hon. BEN FRANKLIN: I have a very specific question about venues that a number of representatives from the live music industry have raised with me. One of the concerns that they have about the City of Sydney precinct is that there are a lot of venues for 200 to 250 people and there are a number of larger venues, but that 500-person, 600-person venue capacity, apart from the Oxford Art Factory, really is not there in Sydney and they are finding that really difficult. I wondered if you had any views on that and what could be done to address it.

Ms COLLEY: That is true. In fact, there are two things. We need more spaces that are 500-person plus capacity and those with less than 200 as well because there is a lot of great activity where you have multiple things in the precinct that create that really vibrant economy. It comes back again to willingness on the part of the State Government to really think about what they are prepared to do around major developments that are happening in the city to create those kinds of venues. You have operators who are prepared to do it, who want to get in there and do that, but the actual ability to afford to set up that kind of space is really restrictive.

The Hon. MARK LATHAM: Lord Mayor and council, thank you for your submission and your dedication to the revitalising the city, which is vital. While I was coming here today, it occurred to me that billions of dollars of public money has been spent in the centre of Sydney over centuries and it comes to very little after midnight. I have always lived on the urban fringe; we are crying out for investment. Here is an area that has got it and it is not being utilised. That is a tragic misallocation. Lord Mayor, there is a suggestion in the governance of this to create a night-time mayor; you are the day-time mayor. How do you feel about a night-time rival?

Ms MOORE: A night mayor.

The CHAIR: A 24-hour mayor.

The Hon. MARK LATHAM: You could be the Day-Knight like *Kath & Kim*. Under what circumstances would the council cede any of its powers, say, for a 12-month period to get the job done to revitalise the city and a new coordinating body that adopted a revitalisation strategy? Have you thought about that? What specific council involvement would there be beyond a consulting body that just talks rather than a body that actually gets things done?

Ms MOORE: I think where the night mayor has been successful, that particular City has greater powers than the City of Sydney; we share our powers with the State and the State has greater authority on those things. We are seeking a collaborative relationship with the State and the cultural and creative sector to get things happening again. The lockouts have had a really serious impact: Fifty per cent of our venues have closed. Even the term "lockout" is as though Sydney is not open at night. We get that feedback from a lot of people who visit our city, a lot of people want to come in and want to socialise, want to be entertained, want to have a creative and cultural experience. It is not just around alcohol; it is about having a whole range of things to do. During festival time, it is quite exciting when the Sydney Festival is on, it is exciting on New Year's Eve, it is exciting when we are doing the Sydney Lunar Festival.

The CHAIR: Vivid.

Ms MOORE: Things can happen and then the rest of the time, post-lockout, it has been pretty dead. We are really hoping that this inquiry and a collaboration between the various sectors—business, the creative sector, the City—can really get things happening again in a very positive way.

The Hon. MARK LATHAM: You want a new coordinating body. Is that your preferred model?

Ms MOORE: We are very happy to talk about it with you. I know there have been roundtables and task groups but it has to have strong goals: "This is what we want to achieve". You bring together the people who you think are going to help you achieve that. Melbourne has loved the fact that our musicians and our creators have gone there because things have closed down here. That is tragic for Sydney. This is a really important economic consideration too: When you think just in the City of Sydney currently, the night-time economy is worth \$4 billion and employs 35,000 people but it would be so much more if Sydney was open, but it was open in a safe and civilised way with a whole range of things to do.

That development control plan that I referred to before is about keeping a whole range of activities happening at night. That happens in other cities, too. People might want to go to bookshops at night, they might want to get hair done at night, they might want to go to a concert and then dinner. Currently there is hardly anywhere you can go after a concert or a play. There are a whole range of things that we want to see happening. We want to see it happening across the city. That is why we have said the CBD is open 24 hours, except for those venues that are affected by lockout laws. A whole range of activities can happen over that period. In our local areas like Redfern, Redfern Street, Crown Street, Newtown, Oxford Street, things can happen and the activity and the creativity and the opportunity is spread out across the city. Not only should it be diverse but it should be spread out. The problem about Kings Cross was that it was all concentrated, it was all related to alcohol, it was venues that could not cope with the number of people who wanted to even go there. That is why all the streets were overcrowded and then no-one could get out. That is not a situation we ever want to see happen again. We want to unlock the potential of Sydney as a result of this inquiry.

The CHAIR: Can I follow through on that point, thank you, Lord Mayor. I appreciate that this is not your first role here. You were a former member of this place. I appreciate that you have a perspective from both sides. I appreciate what you said about working collaboratively and looking at an effective partnership with Government. After all, it should not be a council versus government proposition.

Ms MOORE: We should have the same goals.

The CHAIR: In fact, there probably should be a whole lot of people at the table. Yes, we should be customer focused, actually. I think you mentioned that it is not just a regulation issue. Could I ask you to comment on that? We have some things that work successfully—Vivid and some of the other events that you mentioned. What sort of body do you think we should be looking at—a coordinating body, a collaborative body or whatever we want to call it—and who do you think should be at the table? Obviously council and government should be there. Who else do you think should be there, and how could that work?

Ms MOORE: I think the Committee for Sydney would have suggestions here too, and key business leaders, key creative leaders. We have set up a very effective late night economy panel. That is made up of creatives and others. Can you just run through some of the people who are in it?

Ms HARRIS: It is basically all sectors of the night life. It includes retail and representatives from our local business chambers and liquor accords—all the various sectors including hotels, pubs, clubs, creative producers—

Ms MOORE: And music representatives.

The CHAIR: Could it perhaps include the regulator and police? Should they be at the table also? This is a joint problem.

Ms HARRIS: I have a fairly clear view in my mind of a very robust governance framework for Sydney and it does involve a steering group at government level. So all of the ministerial portfolios—the heads of those portfolios—being part of a steering group which involves having an advisory panel which is made up of all the industry sectors. The co-chairs of that being a member of the steering group, as would be the City of Sydney and Local Government NSW, because this is beyond the city of Sydney CBD entertainment precinct.

The Hon. BEN FRANKLIN: Also, potentially, including representatives of health and police, as well?

Ms MOORE: Yes.

Ms HARRIS: Absolutely. All of those key government portfolios need to be at the table—police, liquor and gaming, and all others.

Ms MOORE: It has to have a vision, and it has to make it easier, too. A lot of the feedback we have had is, "It's too hard, there is too much red tape. You don't support us." One of the things we will be doing later in the year is bringing proposals that reduce the red tape and make it easier.

The CHAIR: And perhaps make it customer focused?

Ms HARRIS: Community focused.

The Hon. JOHN GRAHAM: Thank you for your submission. I found elements of this pretty confronting. This is the first time we have had new figures for exactly what has gone on in postcode 2000. You have referred to some of those. Late-trading restaurants are down by half; key music venues down by half. Your submission reveals what is on the increase in Sydney, and that is gyms and yoga studios. That feels like the story of Sydney over the last five years. The music and the restaurants have gone; the gyms and yoga studios are back. Your response is to call for 24-hour trading. If we implemented your plan, the controls you have talked about—cumulative impact, strategic use of liquor laws—do you feel that that would give the council and the State Government power to manage that 24-hour trading? That is a long way from where we are right at the moment.

Ms MOORE: We introduced 24-hour trading—this is our new development control plan that the council has passed—it means that venues that were previously in the CBD that were open until 5 a.m. can remain open 24 hours. We want it to be for the broad range of activities, too. If the lockout laws are removed—we are recommending that they should be—we would be able to deal with those venues in the same way that we are proposing to deal with everything else. It is about incentivising well-run venues, whether they are alcohol related or not—and penalising poorly-run venues. Also there will be consultation with the community and putting things on trial and pulling back approvals if an operation is not run responsibly.

In our two villages, for example, in Surry Hill and Redfern, residents might think, "I don't want a venue open on my main street until late." The other thing we want to introduce is a thing call "agent of change" where a new venue coming into an area has to sound-proof it, but if a new residential block is coming into an area where a venue already operates, it would be incumbent upon the developer to sound proof the development.

The Hon. JOHN GRAHAM: Sure. That has been successful elsewhere. Those trials have been particularly important for the city, though. You have not just had a blanket rule; you have tested these over time.

Ms MOORE: It gives confidence to the community that you will not have another Kings Cross. You will have responsibly managed venues, but people have places to go. A lot of people say they want to walk to them, too. This can happen in other areas.

The Hon. JOHN GRAHAM: If we took that sort of approach that you are advocating, do you believe we could move to 24-hour trading in that CBD area, but that if it was more dispersed it actually might be safer than it was?

Ms MOORE: It would be, and it would be manageable. The thing about Kings Cross is that it was all happening there and our high-impact venues, and the licensing was not responsible. It was the coming-together of a whole lot of factors that contributed. Kings Cross has changed too. It had always had a reputation as the place to go in earlier decades but the heroin epidemic was focused on Kings Cross. The police royal commission showed that there was a lot of corruption in the area. It got sleazy and that led to more venues that were focused on alcohol

and inviting in young people. The Empire Hotel, for example, was advertising in the western suburbs and encouraging people to come in. They were arriving in; they were already pre-fuelled. It was really a disaster area. I received all of the complaints about that because I was the local member. People were really angry and really distressed. It was a terrible time and it needed reform. But what we got was not what we needed.

The Hon. JOHN GRAHAM: Something had to happen.

Ms MOORE: Something had to happen.

Mr KEVIN CONOLLY: Leading on from that: something had to happen, and you have described it as a sledgehammer, I think, to solve the problem. In a sense, it did solve the problem. Safety concerns were addressed, but with side effects, which we are discussing now. But the lockout laws were not one single thing. We talk in shorthand about it, but in fact we are talking about seven or eight different measures, I think. There were licence restrictions on some venues after midnight; no shots after midnight; a licence freeze was imposed for a while in some areas; then there was the 1.30 lockout and the 3.00 a.m. last drinks. Then there were scanners in some venues and restrictions on bottle shops. Then the three-strikes regime was put in on top of that, on a risk basis. There were, in fact, a lot of things. Of all of those measures, can we identify which ones had the most dramatic effect? What did do the job? Is there something in that suite of measures that is important to retain because it is the agent that made something happen? Would you argue that there are others that are not worth retaining?

Ms MOORE: The reforms to the Liquor Act were important. If they remain in place it gives us more responsible licensing, right to the point where if it is not a well-managed venue it can be closed. It is really important, if that can be reinforced. I think the term "lockout" has put a lot of people off Sydney. Young people have felt really disenfranchised and angry about that. Their social lives, their cultural lives and their music lives has been really harmed by the lockout. But those measures that were introduced to reform licensing, I think were worthwhile and should be retained. They should be the tenor of further reforms in terms of incentivising well-run places and penalising poorly-run venues. That is also the approach in our development control plan, too, in terms of a whole range of activities.

Mr KEVIN CONOLLY: If I could just tease out one other measure that was in that suite relating to scanners which was designed to address known troublemakers and ban them from a series of venues if they entered one and caused antisocial behaviour. Is that an effective measure?

Ms MOORE: No. And I have got to tell you the numbers of people, because it is a very dense residential area around Kings Cross, Potts Point and Elizabeth Bay, are really insulted that they have to produce identity at 9.00 p.m. to go and have a drink in a venue. I do not think that is an effective measure and I think we have moved beyond that post-police royal commission in identifying the corruption there.

Mr KEVIN CONOLLY: Is it that different from going into a licensed club and showing your address when you are out of area and that sort of thing?

Ms MOORE: I am probably not the best person to answer that but I just know that people find it really offensive to have to show their identification when they are going to have a drink.

Ms HARRIS: I can respond to that. If you actually look at the Newtown model, what has happened in Newtown has been a very effective governance model where the local business community have managed their precinct very effectively despite the onslaught of people leaving the CBD at 3.00 a.m. and turning up on their doorstep. A lot of precincts manage it through a WhatsApp group so all the venues are part of a WhatsApp group.

The CHAIR: The Committee has seen some of that working effectively in Oxford Street.

Ms HARRIS: Yes. It is a very effective method to actually manage a precinct. The only thing missing out of that is actually the law enforcement response; they are not in that loop. I think the ID scanners are extremely costly to run so are prohibitive for any creative or performance venue to actually operate and they are also very intrusive. There are other means to get a positive outcome to have vibrancy but also safety.

The CHAIR: The Hon. Ben Franklin has a question on this specific issue as do I. We will ask those briefly and then turn to Ms Cate Faehrmann.

The Hon. BEN FRANKLIN: I have one quick question about this issue. You say in your submission that you would like the lockout laws to be repealed, however, for some venues that do not comply with the Liquor Act they could be retained. In terms of the scanners, would you consider the same sort of situation where for those venues that are particularly abrogating their responsibilities, they could have the scanners imposed on them in the same way as the lockout laws. Your current submission basically says, "Take away the scanner altogether", would you concede that you could bring them back for venues that are not playing ball?

Ms HARRIS: The idea of the scanners is as a precinct so it is actually keeping troublemakers out of a precinct. I am not so sure it would achieve its aims. I would look to other disciplinary measures for a venue that is actually not complying.

Ms MOORE: I would be very hesitant on that one.

The CHAIR: Can I just pick up on Kevin Conolly's point that it does seem that you go to a club and there is no issue, there is no angst about producing identification, signing in; everybody does it, everybody knows that you cannot get past the front door until you do that. It seems quite a calm, actually friendly approach. Why is there so much angst around scanners, parking the cost issue, just the angst about that when you happily walk into a club and do the same thing effectively?

Ms MOORE: I do not know. I suppose it is a membership thing at a club; you are checking that you are a member whereas the other seems to be an impediment to your freedom to go into a bar. Why should you have to show your identification if you go into a small bar or a pub?

The CHAIR: Do you think there is a difference between small bars and the larger venues in that respect?

Ms MOORE: I do not think there is a difference. I think it is a matter of freedom of passage frankly whereas you belong to a club and your membership; you are identifying that you are a member. I think that is what that is about.

The CHAIR: Or you are not; you are out of area and you are not.

Ms MOORE: Or you are not. And if you are not, you have to join up, but going into a small bar, you are going in to enjoy the venue and meet friends. It is a different experience, I think. It is a personal view.

The CHAIR: Thank you. Ms Cate Faehrmann.

Ms CATE FAEHRMANN: Thank you, Chair. You have talked about the lockout laws being damaging to Sydney's reputation. If this Committee and the Government at some point in the next few months or whatever it would be recommended and then the Government acted for the lockout laws to be removed, I do not think Sydney's reputation would change overnight. I think there would be a lot of work to do both here with the generation of young people as well as internationally. What recommendations do you have for the Committee in relation to what the Government should do, should that happen, to begin promoting Sydney to invest in businesses. It sounds like there would be a lot of work to get back to, and indeed hopefully improve where we were before the lockout laws were put in place?

Ms COLLEY: You are absolutely right. It is what I was mentioning before. We went down like this. It is going to take a lot of effort on all parties—the private sector, business, operators, government and everyone—to really pull together to go, "Sydney is open, creative, vibrant and safe." In order to do that we actually need to invest in the people who are actually going to produce that for us—the creatives, the people operating the venues. All of those people actually need us all to say, "We have confidence in you to help us do this" and there is a willingness on their part to do it but there is also a huge risk on their part.

As I was mentioning before about the venues, if we create an environment that actually allows, both in a regulatory way and an attitudinal way, the private sector will come to the party because there will be a market reason for it. They will actually be able to make something work and actually make it a viable business model. Right now that is a very big risk for any operator to take in Sydney. We have been working very, very closely with a lot of the venues. You saw the article on the weekend about The Lansdowne. We worked very, very carefully with them to try to help to get those businesses back up and running and support them in their programming. It is a big risk for them to do that. But you are absolutely right, it is not going to be just turning on the switch. We are going to have to come together in that governance framework with some real resources behind it.

Ms CATE FAEHRMANN: From a State Government perspective, if you think that it was State Government policy five years ago that effectively decimated a lot of businesses—we have had the updates in your excellent submission—as well as the governance framework that you are talking about, is there anything more concrete? In some ways do you think the State Government has a fair bit that they should probably throw into the mix there to bring Sydney up to scratch again? I think we can talk but are there any concrete examples in terms of investment or promotion that the City of Sydney has discussed?

Ms HARRIS: I think a big signal to everybody and to the world would be a strategy, so something very visible and tangible—

Ms COLLEY: With dollars.

Ms HARRIS: —that is a commitment from government that they are invested in shaping our city at night to be absolutely world-class, vibrant and safe, and underneath that will really—we talked about a night mayor; whether it be a night-time commission or an office or a team that is actually dedicated to coordinating the effort and a top down and bottom up focus. We have a NSW Night Time Economy Councils' Committee that works very hard on sharing information across local government. We are working very closely with industry. A lot of the framework is in place. What we need now is really for State Government to take some leadership and make a commitment very publicly. There are many things that need to be done but if you actually establish a framework for action and a strategy which provides a policy framework for local government, you bring industry onboard. Everyone is so ready for this. It is just having the framework in place.

The CHAIR: And at that table Police and Health?

Ms HARRIS: Absolutely.

Ms MOORE: Yes.

Ms HARRIS: Everybody needs to be at the table.

The CHAIR: Thank you. Mr Guy Zangari.

Mr GUY ZANGARI: Thank you to you, Lord Mayor, and your staff. There is no doubt that jobs are down, revenue is down and night-time bed take-up is down and looking forward everyone is talking about a clear strategy forward, one of those being a three-tiered approach to the promotion of Sydney, locally for those in the outer suburbs, domestically but also internationally. We are all agreeing on that?

Ms COLLEY: Yes.

Ms HARRIS: Yes.

Ms MOORE: Yes.

Mr GUY ZANGARI: How do we get to that point where we can then say that the State Government will roll out with partnerships these strategies and communication to bring people back to Sydney, to say that Sydney has got its mojo back because at the moment we have lost our mojo and we all know that, but keeping in mind at the same time an environment that is friendly, safe and fun. Is there a specific time frame, if there were certain repeals of laws of lockouts, for example, that that could be done that we can get back on our feet, that we can all be saying it and be parochial about the fact that Sydney is open, it is fun and it is a great place to come and be safe?

Ms MOORE: It has got to be about more than talk though; it has got to be about action. And incentives for an encouragement for people to set up.

Mr GUY ZANGARI: And that's the key.

Ms MOORE: The issue about it's expensive as well and making space available and having a policy of doing that. I think the Minister for the Arts is very interested in this as well. We are doing that through our planning system. For example, the Greenland development—the former Water Board site in Bathurst Street—is a development that is on its way now. They have already restored the 1930s building to a wonderful little hotel. The major development will have five floors of creative and cultural space that we have negotiated with them—peppercorn rent, 99 years—but it will be affordable cultural and creative space in the heart of the city. It is that sort of incentive as well, so that you use all the levers you can. We are using our planning levers but you use your policy levers, in terms of properties that you own or that you can negotiate. It is space that creators need as well as policy that allows people to operate and encourage creativity in the city.

Mr GUY ZANGARI: Ultimately, Lord Mayor, it is about the confidence for the investor of business to say, "I will invest, we will invest our hard-earned dollars in the CBD and surrounds to ensure that we are providing a good service to people and diversity"?

Ms MOORE: Yes.

Mr THOMAS: If I just may add: It is the lived experience of entrepreneurs and investors. Offering up the Lansdowne again, 12 months after council issues a consent, they're waiting for their liquor approval. I think that is what has got to be done before you start an international strategy about promoting. Because if your lived experience isn't up to the promotion, then it will all fall down.

Ms MOORE: You have got to have effective coordination of development approvals and licensing approvals. They have to come together.

Mr GEOFF PROVEST: Thank you, Lord Mayor and your team for the report. I just want to get back to the anti-clustering mechanisms that are identified in your submission as important to a safe and diverse night-time economy. Who should be responsible for determining how many licensed venues can operate in one area? And finally, I just think that if we are not careful here we will make too many regulations that scare private investors away.

Ms MOORE: I think we are talking about synchronisation of planning and liquor licensing. There is work to do and you develop maps which show what is happening in certain areas and that would give investors an opportunity to see where they could best invest a particular activity—whether it be a small bar, a music venue or a pub. Do you want to add more to that, Mr Pechey?

Mr PECHEY: Yes. Critical to that is that the city sees the decisions around the cumulative impact and the supply of alcohol still remaining within the licensing system. We need to bring together the planning system with the licensing decision so that we are no longer stuck with the problem we have at the moment, which is where a decision is made on planning grounds and then cumulative impact isn't addressed until later on. You need to be dealing with both matters at the same time. There are mechanisms within the planning system at the moment known as integrated development, to achieve alignment of approvals across different pieces of legislation, so there is certainly possibility.

Mr GEOFF PROVEST: In recent times you have seen hotels or liquor venues with residential developments right beside them and then the next minute the residential one is complaining about the noise. I think there was even a case of a barbecue on a rooftop bar that had been in operation for 50 years, 60 years but now they have had to shut. How do you enmesh that in the modern planning to ensure that—I guess it is like being a Nat—the right to farm occurs?

Ms MOORE: That is a control we are developing now. It is called "agent of change" and it does operate elsewhere. It is incumbent on whoever is the most recent applicant to protect the existing circumstances. So, if you have a very successful pub, as you've just been describing, and then a residential apartment is built next door, it is incumbent upon that developer to ensure that residential apartment has protection from the venue. Likewise, if the venue was coming into an area that is residential, they have to provide that. That is called agent of change and we are doing that right now.

Mr GEOFF PROVEST: Are you far away from that, Lord Mayor?

Ms MOORE: Are we far away on agent of change, Mr Pechey?

Mr PECHEY: No, we are not. In the next couple of months we hope to be reporting draft planning controls to the council and then putting it out for public comment. About 18 months ago we proposed the concept of agent of change in a discussion paper and received a lot of positive feedback about it, so we are just drafting the technicalities at this point and hope to have it out for public comment at the end of the year.

The CHAIR: This Committee is due to report on 30 September. If you could maybe just get it done by then that would be really helpful.

Ms MOORE: One of the grants we are making available to venues is to perhaps do some soundproofing and/or increase diversity. We are doing that now.

Mr KEVIN CONOLLY: Well that is helpful because I was following up on that issue of noise. When we did our visit around Kings Cross we spoke to a couple of venues that said they can't operate the backyard drinks area after 8.00 p.m. or have people out on the footpath after 10.00 p.m. Those seem very early times in the context of the discussion we are having. Apart from the agent of change principle—which I think has merit—would there also be merit in a specific zone, which could be used in entertainment precincts, that has different noise requirements from the rest of suburbia? That either reverses the onus or sets a different threshold which would allow, with some certainty, these activities to occur?

Ms MOORE: When people are putting in an application they really need to let us know what they want to do. That goes out on public exhibition and so everyone is made aware of what is proposed and they have approval. That is really the situation. Living in the city is not living in Killara. People have to understand that Killara standards are not perhaps the ones they'd get in a more dense area.

The Hon. JOHN GRAHAM: Yet under the planning regime at the moment they are effectively the same?

Ms MOORE: That is why, if a venue has approval, we have to try and be very thorough in what we are approving. Do you want to add to that Ben?

Mr PECHEY: Yes. So I think you are talking about the concept of precincts and particular sound or entertainment live music precincts and that is something that the city has worked through. The commonly cited example is Fortitude Valley in Brisbane. That was able to be developed or prepared because of the particular circumstances of that place—it was a business-only precinct and then changes to other planning regulations allowed residential to move in and, before the problem got worse, they put in rules to say that any new residential coming in needed to protect itself from the noise and set maximum noise limits for the whole precinct. The challenge we have in the city of Sydney is that we are a very mixed-use area and it has been like that forever and a day. Kings Cross has 1920s, 1930s apartment buildings right next to its business areas. Not all places are like that and because we have such a mixed-use area our preferred approach is to use the agent of change principle, rather than define precincts.

The Hon. JOHN GRAHAM: I just want to follow up on Ms Faehrmann's question about what could be done now by council and State Government. One of the things that is sitting there on a subset of these issues—the music issues—is the report of the music inquiry, which had 60 recommendations, supported across politics, by all of Parliament. The City of Sydney was quite supportive of the general direction of that report. I just want to confirm that those recommendations are one of the things sitting there that could be done to ease some of these issues.

Ms MOORE: We are very supportive.

Ms COLLEY: I will just say on that: One of the things that came out of that was around the contemporary music strategy and we have yet to see anything resolved from that. So that is one that we want to reinforce, the importance—

The Hon. JOHN GRAHAM: —which leaves us as the only State on the mainland without one.

Ms COLLEY: Correct.

Ms HARRIS: There was also an issue around a new license for live music venues and I think that's not something we do support because it just adds another layer of complexity.

The Hon. JOHN GRAHAM: Understood. Thank you.

Ms MOORE: We want to simplify it and make it easy to do and fun to enjoy.

The CHAIR: As there are no further questions, thank you all for appearing before the Committee today. I do not believe you have taken any questions on notice, but the Committee members may wish to send you additional written questions. Your answers to those would form part of your evidence and will be made public. Would you be happy to receive further written questions from the Committee?

Ms MOORE: Yes, we would.

The CHAIR: Thank you, and thank you very much for your time today. The Committee will now break for morning tea and will reconvene in 15 minutes.

(The witnesses withdrew.)

(Short adjournment)

KATHERINE O'REGAN, Executive Director, Sydney Business Chamber, sworn and examined

RUSSELL ZIMMERMAN, Executive Director, Australian Retailers Association, sworn and examined

YALE STEPHENS, Head of Public Affairs and Brand, Australian Retailers Association, sworn and examined

The CHAIR: Welcome back, everybody. Welcome to representatives from the Sydney Business Chamber and the Australian Retailers Association. Thank you for appearing before the Joint Select Committee on Sydney's Night Time Economy and for giving evidence today. Thank you also on behalf of the Committee members for your submissions prepared prior and provided to us. They were comprehensive and thoughtful. Can I please confirm with each of you that you have been issued with the Committee's terms of reference and information about the standing orders that relate to the examination of witnesses by the Committee here today?

Ms O'REGAN: Yes.

Mr ZIMMERMAN: Yes.

Mr STEPHENS: Yes.

The CHAIR: Thank you. Would you like to make a brief opening statement to the Committee, to be followed by questions we will pose to you?

Mr ZIMMERMAN: Chair, members of the Committee, ladies and gentlemen, I would like to start today by thanking the Committee for the opportunity to appear today. As the peak representative body for the Australian retail industry, any opportunity to influence outcomes that may help Australian retailers is a priority for the association, and growing Sydney's after-dark economy is rich with opportunities indeed. There is, however, an elephant in the room and I would like to address that upfront. The law of unintended consequences, simply stated, is that the actions of people and of governments invariably have effects that are unforeseen or unintended. In opening the Australian Retailers Association's remarks today, I wanted to start by highlighting this maxim, which is often mentioned in conversation but rarely reflects on what it means.

The Committee has been very clear that its inquiry into Sydney's night-time economy is by no means solely about the so-called lockout laws. But whichever way you cut it, the lockout laws are central elements to the issue at hand. We would like to record our condolences to the families of Daniel Christie and Thomas Kelly, whose deaths at the hands of drunken thugs provided the impetus for lockout laws, and to express our sympathy for all the other families who have been touched by the scourge of mindless alcohol-fuelled violence anywhere. But the fact remains that because of the hours they cover, the lockout laws would not have prevented the deaths of Daniel and Thomas.

What these laws have done is engineer the closure of businesses and the loss of countless jobs, especially in Kings Cross, as evening trade dries up and people go somewhere else and as some people stop going out in Sydney at night-time altogether—unintended consequences indeed. We simply cannot talk about the Sydney night-time economy without addressing the lockout laws. The Australian Retailers Association [ARA] strongly believes that these laws should be repealed and alternative strategies identified and deployed to deal with lawless hooligans, rather than punishing the overwhelming majority of law-abiding people who do not cause trouble—without compromising Sydney's reputation as a world-class, vibrant, 24-hour city and without wrecking businesses and destroying jobs just for the sake of being seen to do something.

That said, I am a Sydneysider and I am proud of my town. It is an absolutely sensational place and the opportunities that abound in growing its night-time economy are opportunities to make it even better. We have read Deloitte's ImagineSydney 2019 report and its headline finding that if Sydney's night-time economy were the same size as London's in real terms, it would be \$16 billion per year bigger. That is an increase of 60 per cent. Like the rest of Australia's capital cities, more and more people are moving into central Sydney and they have the same demand for retail goods and services as anyone else. When you factor in the proportion of those who do not work standard business hours and then add the domestic and international tourists, the people from outside Sydney coming in to enjoy a night out and the employees actually working in retail businesses as they come and go from their shifts, it quickly becomes obvious that there is a huge market from which that growth can be achieved.

Feedback from our retail stakeholders in relation to expanding their footprint in Sydney after dark has been overwhelmingly positive. Indeed, one major retailer told us that keeping Sydney open was a good thing and that more trade would recession-proof the economy. The feedback highlighted both benefits and challenges. More night-time trade means higher wages and increased imposts such as store security measures. But it is safe to say that from the standpoint of Australian retail, there is a lot of excitement about the potential in Sydney's after-dark economy that remains untapped. The ARA is happy to participate in this process and is enthusiastic about playing

a role in building an even better Sydney that extends choice for consumers, opens new opportunities for entrepreneurs and retail businesses and which takes a more constructive, commonsense approach to the issue of liquor regulation in the precinct, rather than smashing a nut with a sledgehammer. Thank you.

The CHAIR: Thank you, Mr Zimmerman. We have heard that statement before today. Ms O'Regan, would you like to make a brief statement to the Committee?

Ms O'REGAN: Thank you, Chair and Committee members, for the opportunity to discuss an integral issue to the people and the businesses of Sydney: the night-time economy. As many of you would know, the Sydney Business Chamber is a leading advocate for Sydney as a competitive and global city. A division of the NSW Business Chamber, Sydney Business Chamber—together with our counterpart in western Sydney—represents over 145 leading corporations. We identify, develop and promote public policy issues that drive the economic growth and sustainability of our great city. Our members are multinationals. They are iconic brands and government agencies, and they represent a cross-section of the Sydney economy—from retail, infrastructure, property, aviation and education to tourism, banking, sport and the arts. Our members are based within the CBD and the Sydney Basin, so they are often the first to feel impacts of local changes.

Our submission highlights the need to get to the night right and that regulation restrictions on activity—most notably the introduction of lockout laws in Sydney's Kings Cross and CBD—have negatively impacted business activity, jobs and the attractiveness of Sydney as a major tourist destination. While we supported the introduction of lockout laws at the time, it is clear that they have—as my counterpart has said—unintended consequences and have impacted the vibrancy and the global competitiveness of our city. We believe that with leadership and with a more holistic and sustainable solution, we can change that. Our submission outlines a clear and comprehensive set of recommendations that together form a package of measures to provide a pathway forward so that, with amended regulation, there can also be a safe and inclusive night-time economy—a night-time economy that does not solely focus on bars or venues orientated around the sale of alcohol, but instead supports all businesses: restaurants, retailers, suppliers and the arts and culture.

Sydney's night-time trade and activity are a significant economic contributor, supporting 4, businesses and employing more than 32,000 people. We know that the City of Sydney alone generates more than \$3.64 billion in revenue each year. The chamber is of the view—and the evidence demonstrates—that good policy and planning can not only enrich our cultural fabric, but can also generate a more robust economy. In fact, world-leading night-time economies—as was quoted earlier—like London, which after dark generates some \$47 billion or 8 per cent of gross domestic product, illustrates that Sydney is definitely missing out. In fact, as was said earlier, the Deloitte Access Economics report, *ImagineSydney*, estimates that we are missing out to the tune of some \$16 billion a year. We believe that it is time to get the night right, to pilot the removal of lockouts. But this should not be done in isolation. It must be done while taking appropriate strong, and simultaneous action in four distinct areas: Improving Sydney's late night transport to a multi-modal approach; diversifying night time activity, both geographically and from patronage; boosting community policing; and introducing new restrictions on violent offenders. Hand in hand these all work together to get the night right. They create and curate opportunities across our city. They can have a positive impact on after dark activity and they will ensure inclusivity and vibrancy, and they will keep residents and visitors safe. I welcome the opportunity to discuss these points further with the Committee.

The CHAIR: Thank you, Mr Zimmerman, for your condolences to the families. I think it is important that we recognise the origin of this legislative change. We appreciate your comments and courtesy to them today. I thank you both for preparing submissions ahead of time. Ms O'Regan, you noted in your submission on the first page that it is not an either/or proposition. That spoke to me because this is not simple. There is a range of things that we need to deal with. I note that you had some suggestions and I would like you to speak to those about what the solution might be. You highlighted a couple of things. One is investing in police, suggesting that is one part of the puzzle, lighting, transport and some others. In particular I draw your focus to your point and ask you to elaborate on this, that you believe that compliance is best achieved when it is done in partnership with venues and operators. Could you speak to that for the Committee please?

Ms O'REGAN: Working with businesses and the residents I think we have a better chance of getting the night right. One of the things which we have seen in other cities, other global cities, is where there have been ways to engage the businesses, engage the community on a constant basis. One of the things I wanted to do, which is not in the submission, but from my own personal experience—and it was just post the lockout laws—I was Chair of the Double Bay Chamber of Commerce. There was a fear factor that the same violence would be transferred to a place such as Double Bay. As Chair of the Chamber what I set up was a program called Safe Smart Share. Every fortnight the businesses, the police and residents, had the opportunity to walk around their precinct, walk around their neighbourhood and identify issues that were annoying them. If it was people urinating, if it was noise as they left venues, the operator knew there and then and could address that particular change. If there were

ways and means to change behaviour, the police were able to do that. This meant that there was no increase in violence, no increase or loss of jobs, and the businesses could continue to thrive.

That type of partnership has been replicated in many different forms in global cities around the world. The community policing aspect also comes into play, because you can have—sometimes they are called hosts, sometimes they are called ambassadors, but they can direct tourists to certain places, they can pick up and have early warning signals to police if they need. It is on the ground support that provides the richness and the colour to ensure that the businesses can operate just as much as residents and visitors feel safe.

The CHAIR: Mayor Giuliani seemed to have cleaned up New York in a similar way, by ground presence, it is generally acknowledged. While I tried to get the Committee to have a visit to New York, there did not seem to be time. We were open to hearing from him. It seems to me that the partnership aspect that you speak about, about all parties being at the table, this is a joint problem, it is not just regulation, it is not just council, it is not just businesses, is an interesting one. You referred to operating in an environment of trust and support. It seems that example has done that. Is that what your members in the chamber are telling you that they would support?

Ms O'REGAN: Yes, they are. I think one of the things we have to get clear here is about responsibility. The businesses are able to take responsibility when they are given the opportunities to do so. Those businesses, whether they are in Kings Cross, Newtown or the CBD, will value to have time and will be prepared to dedicate time to these types of programs, should they have the opportunity to do so. On a side note, the night mayor of New York is a friend of mine and she is likely to be coming to Sydney, so you will have the opportunity to meet her I am sure.

The CHAIR: She can come to us, great. Thank you, you solved our problem. Mr Zimmerman, can I ask you to comment briefly on exactly the same thing? I have read your submission, thank you. Is it your view that a collaborative approach might be something that would be useful? Obviously licensing and regulation are issues, but are your members telling you that there could be some things that could be done in a collaborative approach that they would be prepared to work with that might assist?

Mr ZIMMERMAN: Certainly the retail industry would want to be collaborative in this, most definitely. I want to point out one other thing that we noted in our report, and it goes a little bit beyond the collaborative. In Melbourne they have what we call Protective Service Officers [PSO]. I wonder whether that would be another way in which you could look at this. Can I say to you that unfortunately in the retail industry, whether we are talking about broad daylight, in other words nine to five, or whether we are talking about after dark, we are seeing more and more issues in retail in particular areas where we are seeing violence. When I talk about violence, I am talking about people walking into a store, picking up goods and just walking out without paying for them. I am talking about people who walk into telco stores and just simply grab a telephone, the telephone is on display, break the display and remove them. One of the biggest things the industry association is seeing is the concern around that. Very unfortunately, we are having to employ security guards within the retail industry. That is in broad daylight. I am not talking about at night time, I am talking about in broad daylight. What we see is a far more violent society, not necessarily just related to night time. I think the requirement will be absolutely, retailers will want to work with the community to ensure that we have a safe environment, but I think we are going to have to seriously look at PSOs, or a similar type offer, to ensure you get the security you need.

Mr STEPHENS: Can I just come in on that point? As Mr Zimmerman said, a collaborative approach is something that we would be very supportive of. I want to unpack the issues of the PSOs a little bit further, being a Melburnian.

Mr GEOFF PROVEST: It worked well for the AFL.

Mr STEPHENS: I think they were Behavioural Control Officers, or something. They were only ever sighted once, and rightly so. For a little bit of background on the PSOs, this was an election commitment of the Baillieu Government. Given the success of the program it has been continued and expanded by the current Labor State Government in Victoria as well. The whole thing about PSOs is visibility. They man all 212 metropolitan stations in Melbourne from dusk until close, as well as the four major regional centres in Bendigo, Traralgon, Ballarat and Geelong. As an expansion of their visibility over the last couple of years, they also patrol the shopping strips and main streets adjacent to the train stations, the parklands adjacent to the train stations and they are available for rapid deployment if there needs to be a sort of spot of legal enforcement or police visibility. They are trained in the police academy and they are mentored for three months after that in the police control centre. Whilst they are not actually police officers, they are a valuable tool in Victoria in terms of law enforcement and it provides career opportunities for those people if they want to become fully fledged police officers down the track.

The CHAIR: Thank you. We have one world-class city in Australia, and that is Sydney, but we are pleased to take some tips from Melbourne.

Mr GUY ZANGARI: Thank you for your submissions. I will ask something that could be taken on notice, you may have the answer there. Ms O'Regan, you were saying that \$16 billion has been lost in revenue.

Ms O'REGAN: Yes.

Mr GUY ZANGARI: That is certainly a lot—since 2014?

Ms O'REGAN: Yes.

Mr GUY ZANGARI: Mr Zimmerman, when you are looking at businesses that have shut, do you have a figure since 2014 of how many businesses have shut within the precincts of the Sydney CBD, and is there a number that you have regarding jobs lost and potential for opportunities? You say in your submission that businesses have failed and closed as a result of the lockout laws, both within and beyond Kings Cross, taking jobs and livelihoods with them and opportunities for income. You may want to take some of this on notice.

Mr ZIMMERMAN: I certainly would want to take it on notice. I do also want to make two points on this—one major point, really. We will try and give you a number. I would also point out that it is going to have to be fairly carefully curated, because there have been other issues within the CBD of Sydney that have caused failure of business. Obviously, I refer to the issue that has happened around—and I intend no nastiness about this—but one of the things has been the light rail. However, I think it is also fair to say that light rail had to happen, and it will actually turn businesses around in Sydney when it is there. But, in the meantime, there has been a lot of pain. We will take it on notice and we will come back to you with what we believe is a figure on the lockout laws.

Ms O'REGAN: I have one figure, which is only in relation to the licensed premises: 418 licensed premises closed in the CBD and Kings Cross area between 2014 and 2018. That is a figure from Liquor & Gaming NSW.

The Hon. MARK LATHAM: Ms O'Regan, I was wondering if you could give us some more information about the Darlinghurst Business Partnership lockout law survey at the back of your submission. What was the nature of the survey? I am fascinated by the public safety finding that, for 26 per cent of the respondents, public safety has declined; that is, it is worse since the introduction of the lockout laws. Who has been surveyed here, and what would your feeling be as to why they are feeling less safe even with the lockouts?

Ms O'REGAN: My understanding is that that was done both in a written and verbal form, but I can clarify as to how many responders we had over that period. It was businesses in the area. The perceptions of feeling unsafe come from a various number of sources. If people do not have eyes on the street, if there are empty streets, then you feel a sense of, "I am not sure what is going to happen". It is also in relation to lighting, as has been raised earlier. If we do not know what is happening in that dark corner, then, again, you do not feel safe. If they are also reporting something like an 80 per cent decrease in foot traffic, there is less people around, so you naturally feel unsafe. It tends to be a couple of those issues that are driving that perception.

The Hon. MARK LATHAM: So the streets are empty and people are feeling that there is no one around in case something happens. Is this a female safety perception, in particular?

Ms O'REGAN: We did not test gender but the general practice is that if you see women and children in the street then it is usually safe, and there would definitely be—

The Hon. MARK LATHAM: And big blokes—we can do the job, don't worry.

Ms O'REGAN: Big blokes like yourself.

Ms CATE FAEHRMANN: Ms O'Regan, in your submission you talk about the heavy handed approach of officers from Liquor & Gaming NSW, especially in relation to the Three Strikes scheme. We have had submissions previously from City of Sydney, where they talk about venues that do not comply with the Liquor Act 2007, for example, and disciplinary measures against those venues. I think it is important that those disciplinary measures are according to the scale of severity of breaches, if you like. We have heard in some of the submissions a little more about this. Could you give some specific examples? You said that, for example, litter being present at venues was one strike. Do you have any more examples to explain to the Committee what these strikes are, and the proportion of severity, or not, that venues are experiencing?

Ms O'REGAN: Yes. I will take that on notice. I have been in this role for four weeks, so I am getting across some of those issues, but I am happy to prepare that for you and for the rest of the Committee. But the undertone is definitely that for trust to happen there has to be greater transparency on both sides—both what the

business is doing and what people are doing to enforce that. But I can take the rest on notice and give you some more examples.

Ms CATE FAHRMANN: Thank you.

Mr ALEX GREENWICH: I have two questions. The first one is for Ms O'Regan. As you mentioned, the Sydney Business Chamber did support the introduction of the lockouts back in 2014, but now, obviously, there is a different view. In the Sydney Business Chamber's view, what has changed now versus then?

Ms O'REGAN: As highlighted, you are never sure sometimes when these things happen—even though I am sure, as has been highlighted, the intent of the legislative change was definitely a response at the time to something which was horrific, and which we all feel deeply moved by—I think what has changed is that businesses did not understand what that would actually mean to trade. Even when people talk about trade, the night-time economy actually starts around 4.00 p.m.. There are shades of night and there are different activities that will bring people to different places throughout the shades of night. If you are now getting businesses shutting early, not being prepared to open later, and the types of businesses that are changing, I think that businesses themselves did not know how to cope with that.

One of the things you have seen in some of the other global cities is that there is some support for businesses to enable them to continue during those sorts of periods of legislative change. That support was not necessarily there. They did not know it was going to happen, then they did not know how to actually deliver it, nor was any support given to them. I think, while all intentions were good, businesses did not appreciate the consequences.

Mr ALEX GREENWICH: My second question for both you and also for the Australian Retailers Association perfectly follows that. When the lockouts did come in it was a new regulatory framework which was imposed almost overnight on businesses, and the burden of regulation was quite extreme. Should we be moving now into a new space, potentially into a new regulatory setting? What are other supports that businesses, your members, would need to guide you through that process, given that that process did not go well back in 2014?

Ms O'REGAN: I think that businesses would value how they could activate their business, how they can integrate with some of the public spaces—whether it is a local arts festival or a photography exhibition—and how they can get this wonderful synergy between what happens behind the retail front door and what happens in the public domain. When those two things are working better together, then you actually get the safety and the vibrancy. It is not a zero-sum game, as we have found out during the last five years.

Mr ZIMMERMAN: I assume you are talking about how, if you open the doors all of a sudden, it is not going to mean people are going to come back.

Mr ALEX GREENWICH: No. Indeed, the support through changing the regulatory system as well, potentially, and what support is needed for businesses and for your members through that.

Mr ZIMMERMAN: For starters, there needs to be plenty of publicity around it to ensure that people actually understand what is happening. It is really interesting, if you jump in a taxi or an Uber in Sydney today and you talk to them about how trade is—particularly taxis, because they have been around for a long time—they will often refer to the fact that the lockout laws have killed business at night-time, particularly if you get an afternoon or evening driver. You want that whole economy to turn around. It is not going to be something that is going to be switched on and happen. It is going to need a lot of support by Government in relation to talking about it—that it is happening. But, even more than that, you have to then turn around and talk about what you have put in place to ensure that people will be safe.

At the end of the day, the lockout laws were brought down because of what happened to a number of people—well, there were a couple of murders. I made a comment earlier that if the lockout laws had been in effect when that happened it still would not have prevented the deaths of those two young men. If you look back, those deaths occurred at 9.00 p.m. and 10.00 p.m. respectively.

Mr STEPHENS: The attacks.

Mr ZIMMERMAN: The attacks occurred at 9.00 p.m. and 10.00 p.m. respectively. As I said, I do give my condolences to those families, but, unfortunately, the lockout laws would not have prevented their deaths.

Mr ALEX GREENWICH: Sure. My question is more on support through a change in regulation. These laws were imposed on businesses very quickly. What type of supports or guidance would your members need in a change in regulatory system? Obviously you talked about promotion, which is important, but what other tools do you think Government can do to aid businesses through change?

Mr STEPHENS: I think there was a lack of consultation five years ago. There was very little communication, there was very little stakeholder involvement in terms of developing those restrictions and, as you say, they were pretty much imposed overnight from on high. There was no buy-in, there was no support, certainly in terms of the retail sector, and I think that whatever framework you look to replace those with, then we have been very clear that we would like to see those regulations repealed. Even if it is a more liberalised environment I think you need to include not just the retail stakeholders but some of the other stakeholders in the night-time economy as well, because that is how you are going to get ownership and drive it.

I would make one other point if we are talking about alternative systems. We have spoken about the PSOs and Katherine has spoken about issues such as lighting. If we are talking about international cities—as the Chair has described Sydney—speaking of another international city, in terms of London, when the current British Prime Minister was the mayor of London he oversaw a significant reduction in knife crime. That involved, among other things, very heavy reliance on CCTV in and around Greater London. Do people want to accept that from a privacy point of view? That is a discussion for another day. However, all options need to be on the table. I think we need to have everybody who is affected in the loop in terms of the discussion as to what that ends up looking like moving forward.

The Hon. BEN FRANKLIN: Just a question to Mr Zimmerman: I note in your submission you say that you obviously have a preference for the laws to be repealed and noting that the City of Sydney also favours the abandoning of the practice of lockouts. However, in its submission it also says that it thinks that the lockout laws should be retained as a disciplinary measure for those businesses that do not actually comply with the Liquor Act 2007. Would you support that as well, or do you believe that the lockout laws should be abandoned in their entirety?

Mr ZIMMERMAN: I think I have some sympathy for the fact that if a business continually flouts the law then there should probably be some kind of penalty. Now, whether that penalty is being unable to trade or what that would be—I think we have really got to look at the fact that most businesses do actually comply and do it properly.

The Hon. BEN FRANKLIN: Yes.

Mr ZIMMERMAN: So you do have to find a penalty for those businesses that do not. Whether that is not being able to trade in the lockout and having to retain their lockout or whether there is some other kind of penalty, you certainly have to discourage a business of any description from doing something that is against the law. Whether that is a higher penalty, I don't know. I think you have got to be very careful. If you get businesses that are closed you are going to get that "dark-out" area and that can be difficult. Often these places are in a strip together. You do not want to have a whole strip that is closed down and then traders on the end that might have been doing everything right but people not realising they are open because there are a number of adjacent businesses that have not done it correctly. I think it needs more discussion than just simply saying, "Retain the lockout laws for those businesses that don't uphold the law".

The Hon. BEN FRANKLIN: Sure. But in terms of an overarching umbrella concept, would you argue that it is about actually ensuring that individual businesses perform appropriately and—

Mr ZIMMERMAN: Absolutely.

The Hon. BEN FRANKLIN: —comply with the Act and if they do not it is those businesses that should be penalised rather than a broad position?

Mr ZIMMERMAN: Yes, absolutely.

The Hon. JOHN GRAHAM: I think the way both of you have put this case really being about the unintended consequences of this law is a powerful way to describe it. What you are really saying to us is the changes that were legislated, really about the late-night economy—I mean, these are laws about the 1.30 a.m., 3.00 a.m. period—you are here telling us that they have impacted on the economy far, far earlier, maybe that 6.00 p.m. to 9.00 p.m. period, where you have got major members, serious employers, big economic wealth generators for the city and the country. These laws, set for the late-night, have really impacted much, much earlier.

Ms O'REGAN: Yes.

Mr ZIMMERMAN: Yes, absolutely. That is correct, because people would have been coming into the city before the lockout laws took effect—in other words, they came in earlier to do other things, shopping and the like—and now they are not coming purely and simply because they know they cannot stay on in any case. Why go to the city? That is really the question.

Ms O'REGAN: To reinforce a comment I made earlier, we need to take into consideration that there are shades of night.

The Hon. JOHN GRAHAM: Yes, exactly.

Mr ZIMMERMAN: Yes.

Ms O'REGAN: It is an area where I have looked at best practice in other global cities and they have taken that into consideration. You know that transition between the cafe closing and people starting to wander to dinner or taking families for a walk? There are different interventions and different opportunities for each of those shades. The darker shades—which might be what you are referring to—is more like the one in—

The Hon. JOHN GRAHAM: But they are all tied together, really.

Mr ZIMMERMAN: That's right.

Mr STEPHENS: Yes.

Ms O'REGAN: Yes, and one size does not fit all.

The Hon. JOHN GRAHAM: Ms O'Regan, I also wanted to note the research by travel comparison group Traveloko that you refer to in your submission rated Sydney's nightlife last against a range of other global destinations.

Ms O'REGAN: Yes.

The Hon. JOHN GRAHAM: So not falling backwards, not doing poorly, but last.

Ms O'REGAN: Yes. We are also ranked eleventh in the Global Cities Index. We do have a way to go. If we are missing out on some of the opportunities for people to experience our city in the way that we hope—whether it's going to their favourite cafe or whether it's enjoying the music in the street—those things are where we are not performing as well as we should or could.

Mr GEOFF PROVEST: Thank you for your report. My question for Ms O'Regan and Mr Zimmerman is in two parts. The City of Sydney council indicated one of its concerns was "clustering" of certain venues. It highlighted the fact and attributed some of the issues in Kings Cross with a large number. It is proposing planning laws to limit the clustering; it will be interesting to see how it does that. I am seeking your views on that. The second part of my question: I sat on a committee looking at short-term accommodation. While it revitalised the tourism industry there was a negative effect.

Where I am heading with this question is the fact that we have seen over the past five years what I guess you would call the urbanisation of Sydney. There have been many examples discussed of a residential block going up beside a hotel that had a rooftop barbecue and the next minute there are issues from the new residents about the noise, smell, odours and so on. How do your members feel about those types of issues, one, in terms of the anti-clustering proposed by the City of Sydney; and two, the fact of new people moving in and complaining about current activities? Because if you revitalise those activities undoubtedly you are going to get a number of complaints.

Ms O'REGAN: There are a couple of good points that you have raised. There is no doubt that there is a cumulative impact; when you get a significant number of any type of business in one area there is a tipping point where it gets too much. However, from a business and experience point of view we operate in hubs. Even something as simple as bookstores: Two bookstores together will do better trade than two bookstores at the end of a high street.

Mr ZIMMERMAN: That's right.

Ms O'REGAN: So there is definitely something around creating hubs. That is why we have medical hubs or innovation hubs, because that synergy and that cumulative benefit does happen. There is definitely a tipping point. I have not seen what is being proposed in terms of zoning. Whether you can through planning actually understand the economics of where that tipping point is, that is an interesting one. However, what we can do to offset some of those things—the tension between residents and businesses—is to make it clear, and there are some changes to planning to do things. For example, if I just anchor back to Double Bay, there are developments that are across the road from the pub. The pub has been there for 80 years and the resident who moved in eight months ago is complaining about the pub. That is clear and evidenced. If there was a new residential building then they should be planning controls for either double glaze, triple glaze, those sorts of things so that they can have their peace and quiet and enjoy the amenity of the surrounding districts. I think that is one aspect.

The other part, which I think is interesting when you consider cumulative impact, is that we should be a city that has diversity, in a geographical sense, of what nightlife is. Newtown should be just as exciting as Marrickville, which should be just as exciting as the lower North Shore. I know today we are largely focusing on a certain area, which I think is important. However, going back to your point, Deputy Chair, I would see one of the things we can do as government is build capacity for nightlife across our city and spread the economic benefit, so it does not matter if you are going to an Italian festival in Canada Bay or you are doing something in the Cross—there is that geographical and cultural diversity that can counter some of the cumulative impacts. Planning is just a blunt instrument; it may help in some ways but it is not the answer.

The CHAIR: We have questions for Mr Kevin Conolly, so I ask you to add to that very briefly, if you want to.

Mr ZIMMERMAN: I am fine with what has been said.

The CHAIR: Thank you.

Mr KEVIN CONOLLY: The "lockout law" is shorthand for a number of measures that were introduced between 2013 and 2015. Some of them were statewide. I am referring in particular to the bottle shop closure time. That was 10 p.m.. I think that has been amended, since the Callinan review, to 11 p.m. We have seen reductions in violence statewide, as far as the statistics can track it. Does that provide support for continuation of some of those measures? I put it particularly to the retailers, since you might be interested in commenting on the bottle shops and the effectiveness of the regulations as they affect bottle shops.

Mr ZIMMERMAN: I am going to say that I do not think the bottle shops would want their regulations changed back to 10 o'clock, for a start-off. I think the big problem is that the night-time economy in Sydney has died. I think you have to re-look at that and regenerate it. But I don't think the opening of the extra hours of those bottle shops has had a major impact on the violence issue. In our submission we have said that we think there has been an increase in violence in other areas, particularly around the Star Sydney casino area.

Mr KEVIN CONOLLY: Given that the rule applies statewide—the whole of the metropolitan area and the whole of New South Wales—I was giving you the opportunity to comment because it would affect your members wherever.

Mr STEPHENS: Maybe I could partly answer your question by saying that I think you have aggregated issues that are not necessarily linked. We are talking first and foremost about the night-time economy in Sydney.

Mr KEVIN CONOLLY: Yes.

Mr STEPHENS: To the extent that the restrictions on packaged liquor sales statewide may or may not have had an impact on the rates of violence, that is to a large extent a separate issues from retail, hospitality and trade into the City of Sydney jurisdiction. I just want to draw that demarcation. The other thing I would say is in relation to the issue of when a bottle shop or a pub selling packaged liquor is able to do so. It may be appropriate for that time to be different in Tweed Heads, Coffs Harbour and the City of Sydney. That is a discussion to have as a part of any more wide-ranging review. I come back to the point that it is, to a large extent, a separate issue to what happens in opening shopfronts in the City of Sydney after one o'clock in the morning.

The CHAIR: That was a very good choice of electorates. Thank you.

Ms FELICITY WILSON: I also believe that Sydney is Australia's only global city. My question really makes comparisons to other global cities. Even before the lockout laws and the range of laws that led up to the lockout laws, culturally Sydney has always been very different to European cities or New York. One of the major differences is around things like retail. When we talk about things like diversifying locations and diversifying what people are doing at night in the city beyond looking at some restaurants and licensed venues, do you think we can be like London or New York? I am not saying that it is good or bad if we are like London or New York, because if you want to get a great breakfast or brunch you would go to Sydney, not to some of these other cities. Do you think that these changes are enough to provide an impetus for that growth and generation of that broader total economy, because historically we have not seen that great diversity in Sydney. It has predominantly been licensed venues and some restaurants.

Mr ZIMMERMAN: I think the answer to the question is that it will take a long time before Sydney becomes like New York or London. There is a very good reason for that. First, Australia has the highest retail wages in the world. Second, the moment you turn the clock past six o'clock many retailers, unfortunately, will close and not open. Or they will be very selective of how they open. The reason is that the moment the clock goes past six o'clock penalty rates kick in. So not only do we have the highest retail wages in the world, but we also increase that by adding in the penalty rates. Unfortunately that will always slow down the retail economy. I am not suggesting, by any stretch of the imagination, that we should be reducing wages. Please make sure that that is

very clear. What I am suggesting—and this is not an issue for the State Government, unfortunately; it is an issue for the Federal Government—is that we need to look at things like enterprise agreements. I was telling the Hon. Mark Latham earlier, that if you look back at 2013, we had 1,248 enterprise agreements in the retail industry. Today, there are under 200. Until you fix or make changes to the way in which we employ people it will be a struggle to get retailers to open later. I think the best you can hope for is that as the economy improves and more people are around within the CBD of Sydney, and as it is more required that we have a more open economy and more vibrant evening economy, retailers will start to open just a little later. Unfortunately, that is the biggest impost on change.

You go to New York or London and walk down the street at 10 o'clock at night time and shop. The same is the case for San Francisco. It does not matter what city I name; I can keep going with that. If you really want me to go all the way, I think there is a real need to discuss trading hours across the industry. If you walk down the street in New York or any of these places at 10 or 10.30 in the morning you will not find shops open, yet here you will find that Myers or David Jones is open at 9.00 or 9.30 in the morning. It needs to change. There needs to be a complete structural change in the hours of trade. Most of us work 9.00 to 5.00, and when we want to go out shopping after five o'clock the shops are closing. That, unfortunately, ladies and gentlemen, is the major problem.

The Hon. MARK LATHAM: Just back on the question of bottle shops, what was the closing restriction before the lockout laws? Are bottle shop retailers seeking a relaxation on 11 p.m.? Is there any survey work your organisations have done on the purpose people purchase their alcohol at bottle shops? What do they do with it subsequently?

Ms FELICITY WILSON: To drink it, usually.

Mr ZIMMERMAN: I could probably answer the second question first.

The Hon. MARK LATHAM: Do they buy a carton to watch the cricket at night, or a bottle of wine, or do they stock it for tomorrow or drink it in the park?

Mr ZIMMERMAN: If you are a shift worker coming off shift and heading home it may be the only time you can go and get it. It is often the case that supermarkets are open, particularly in the suburbs, through until 11 o'clock at night time. I go past my local shopping centre at 10.30 at night time. I have to be honest; I do not shop at 10.30 at night time but I have walked or driven past, and I have seen people shopping at that time of the night. For some people that is when they can shop—end of story. It comes back to my earlier comment about the Sydney economy being able to be open later.

The Hon. MARK LATHAM: What was the closing restriction before lockouts?

Mr ZIMMERMAN: At one stage it was eight o'clock. It has been moved, I think, twice—from 8 o'clock to 10, and then from 10 until 11 p.m.

The Hon. MARK LATHAM: Are retailers pushing for something beyond 11?

Mr ZIMMERMAN: If you want the honest truth, as an association retailers would ask for deregulated trading hours—let retailers open when they want to. Why do we have a regulated economy? As an individual you may wish to shop at different hours, you may wish to go down and buy something at 2 o'clock in the morning. You should be able to do that.

Ms FELICITY WILSON: You can go to Kmart.

Mr ZIMMERMAN: If the retailers wants to open, they should be able to do it.

Mr GEOFF PROVEST: You would have to admit, though, that since the lockout laws on-line sales are going through the roof, particularly in liquor. I come from the liquor industry. Also, in the last four or five years there have been one or two major players. Gone are the days of the little independent liquor shop at the street corner. Significant changes have occurred in that industry.

Mr ZIMMERMAN: Firstly, I agree that there have been significant changes. We are likely to see that change. We know that at least one of the two organisations is likely to put their liquor operation up for sale. It is likely to de-merge. I take your point about on-line sales. By the way, if you want to look at products other than liquor, five years ago on-line sales were around 3 per cent. We are now sitting at 7 per cent. In actual fact the hardest part to get online is supermarkets and liquor stores. I am not quite sure that I would pull out liquor as being an increase. I would turn around and say online is growing and in another five years we expect it to represent not 7 per cent but about 15 per cent of the economy.

The CHAIR: Thank you. We are eight minutes over time, which is an indication of how interested members are in what you have to say. Thank you so much for appearing before the Committee today. Some

questions have been taken on notice. You have seven days to return those following a resolution of the Committee. I am sorry for the tight turnaround but we are keen to get our report in on time so we would appreciate you responding via the Committee staff within seven days. The Committee may wish to send you some additional questions in writing, the replies to which would form part of your evidence today. Are you happy to provide further written information to any further questions Committee members might send to you?

Ms O'REGAN: Yes.

The CHAIR: Thank you. That will also be done through the Committee. Thank you for your time today.

(The witnesses withdrew.)

PROFESSOR SALLY CRIPPS, Director, Centre for Translational Data Science, University of Sydney, affirmed and examined

DR ROHAN MILLER, Senior Lecturer in Marketing, The University of Sydney Business School, sworn and examined

DR PHILLIP WADDS, Senior Lecturer in Criminology, University of New South Wales, affirmed and examined

The CHAIR: I welcome representatives from the University of Sydney and the University of New South Wales. Thank you for appearing before the Joint Select Committee on Sydney's Night Time Economy to give evidence today. Thank you for preparing written submissions which Committee members have read. We appreciate your time in preparing and providing those. Can I confirm that you have each been issued with the Committee's terms of reference and information about the standing orders that relate to examination of witnesses?

Dr WADDS: Yes.

Professor CRIPPS: Yes.

Dr MILLER: Yes.

The CHAIR: Do you have any questions about that information?

Dr WADDS: No.

The CHAIR: Terrific. Please state the capacity in which you are appearing today.

Dr MILLER: I hold the position of senior lecturer at the University of Sydney Business School and am representing the University of Sydney Business School.

Professor CRIPPS: My position is as a professor in the School of Mathematics and Statistics at the University of Sydney and also as the director of the data science centre of that university. It is the data science centre and the university that I am representing.

Dr WADDS: My position is a senior lecturer in criminology at the University of New South Wales [UNSW] and I am here representing a number of colleagues of mine in the Faculty of Arts and Social Sciences and the National Drug and Alcohol Research Centre [NDARC] at UNSW.

The CHAIR: Thank you to each of you. As I have said to some other witnesses, and I appreciate it probably will not be the case in this, I ask that when we are referring to lockout laws that we do so sensitively, given the circumstances in which they came about. Thank you.

Mr ALEX GREENWICH: I have a question for Professor Cripps. In your submission you note the university had done research around non-domestic assaults.

Professor CRIPPS: Correct.

Mr ALEX GREENWICH: You made a comment which I ask that you expand upon, when you compared the CBD to Kings Cross:

The absence of change in the CBD certainly questions whether the Kings Cross lockout laws have been an effective method of changing peoples' late night violent behaviours, or simply eradicating an area of once popular late night venues.

Professor CRIPPS: Yes. If I can back up there are two issues that need to be explained in order to answer that question. One of the things that we did when we compared, we followed the Bureau of Crime Statistics and Research [BOCSAR] using the non-domestic assaults [NDAs] as the measure of effectiveness. With the CBD that we analysed we gained very different results from what appeared in BOCSAR. When we further investigated this we found that our results were different from BOCSAR's, and BOCSAR's request, because we included areas which are shown in the submission—briefly, they were the Rocks, Haymarket, George Street, Woolloomooloo, Central station and Oxford Street. I think they appear in figure 1. In addition to that BOCSAR included 1,837 crimes which also actually happened in Kings Cross in the CBD area. So we established in the paper that there had been a drop in NDAs in Kings Cross and when you just look at the CBD as we defined it there was no such drop. When you included the 1,837 crimes that happened in Kings Cross as part of the CBD and as part of Kings Cross, which was what BOCSAR did, then not surprisingly you find that there is a drop in the number of crimes in both the CBD and Kings Cross. Is that clear that it is about how you split the data?

Mr ALEX GREENWICH: You separated the data out whereas BOCSAR had combined it in both cases.

Professor CRIPPS: BOCSAR only combined some of the data. You have got Kings Cross here and you have got the CBD here. We defined the CBD in a way which was almost exactly the same as BOCSAR, but they had 1,837 crimes in Kings Cross that they counted both in Kings Cross and in the CBD. When you put crimes in Kings Cross in the CBD you get similar inference from when you analyse Kings Cross alone. The point is that without those crimes in the CBD, using our technique you find no change in the NDAs. That is the fundamental point that I wanted to get across. Second to that, which goes more to answering your question, is neither the analysis that we did not that BOCSAR did actually goes at the mechanism by which this reduction in crimes takes place. There are techniques to do that. We would need a lot more data on various measures such as the volume of travellers to Kings Cross. What I meant by that statement is you have an association between the drop in crime and the lockout laws. Did the lockout laws effect the drop in crime directly or did it effect the drop in crime by reducing the number of people that frequented an area and therefore dropped the crime rate? There is not enough data for us at this point in time. We would need extra data in order to unravel that causal structure. Does that answer the question?

Mr ALEX GREENWICH: Would you say then that the assertion that the lockouts themselves reduced crime in the Cross is a questionable assertion?

Professor CRIPPS: I think that they certainly reduced crime. It is the mechanism by which they reduced it that I think is an assertion. So did the mechanism happen because the lockout laws came along, people stopped going and when you have a reduced population you are going to have reduced crime, right? So that is one mechanism. Another mechanism is that they actually did reduce crime. But what really should have happened is that you analyse the data on a rate, on a per person basis. What you hope is that the laws actually stop an individual from committing a crime. So you cannot just put a whole lot more individuals and say there are more crimes and then take away a whole lot of people and say there are less crimes.

What you need to do is say per person what is the probability that this person is going to commit a crime prior and post the lockout laws. And for that you need to get information—and we have been working on it—for example, from transportation to see what the volume of people going in to Kings Cross was. There is broad brush data that shows that the number of overnight visitors has decreased by half. Incidentally, that is the same relationship as the reduction of lockout laws. Importantly, when you look at the CBD, people go to the CBD because they work there, and there was no change in the rate of violence as a result of the lockout laws in the CBD. That is what we found.

The CHAIR: You should have included Parliament in that.

The Hon. MARK LATHAM: Professor Cripps, congratulations on two fronts. For the intellectual standing of our Parliament, it is long overdue that we immerse ourselves in the AdaptSPEC algorithm using log Gaussian Cox Process regression. I thank you very much for that outstanding work. The Parliament and the Commonwealth will be lifted to no end.

The Hon. JOHN GRAHAM: Don't tell us you have read the appendix.

The Hon. MARK LATHAM: I have got my own analysis of the appendix that I will come to. In truth I cannot get past year 10 algebra factoring. I cannot remember anything past year 10 of maths, so this is all well beyond us. But I get the general drift of what you are saying. Most importantly, as a respite from the cultural wars, we have got the statistics wars that have broken out. When your data was in the *Sydney Morning Herald* on 20 June BOCSAR responded by asking researchers at the University of Sydney to reanalyse its data using the time periods and areas included in the study by BOCSAR. Have you sat down with BOCSAR and had a reconciliation of the differences?

Professor CRIPPS: Yes, and the difference is because BOCSAR included 1,837 crimes that occurred in Kings Cross in the CBD data. That is the difference.

The Hon. MARK LATHAM: And BOCSAR has acknowledged that?

Professor CRIPPS: Yes.

Ms CATE FAEHRMANN: Has BOCSAR said why it did that?

Professor CRIPPS: Yes. I will give you my understanding of it, although I may have misunderstood it. If there was a road that went through both areas, for example William Street goes from the CBD right down to the Cross, any crime that was committed in that area was given to both areas. Does that make sense?

Ms CATE FAEHRMANN: It makes sense. Do you think that makes sense from a statistician's point of view?

Professor CRIPPS: No, I do not, but that is a different thing. I will also say that what was really problematic was that Macleay Street, which goes down to Potts Point, was included in the CBD. This is a street that covers both—from BOCSAR's point of view—Kings Cross and the CBD. Therefore all crimes that were committed there were attributed to both. That was 1,837 crimes. That means 35 per cent of the crimes in Kings Cross were also included in the CBD. I have to say that that is more of an issue than the fancy statistical techniques, although they are a little fun—and I am glad you enjoyed them. That, to me, is the fundamental issue. There is nothing wrong with dividing up the area as BOCSAR did, but I do think it is misleading.

Ms CATE FAEHRMANN: Is that highly unusual?

Professor CRIPPS: Yes.

Ms CATE FAEHRMANN: It is not standard practice?

Professor CRIPPS: No, it is not standard practice. In fact, if you are really unsure about what areas go where, good practice would be to do the analysis multiple times. You should put them all in the CBD and see what happens and then take them all out and see what happens. You should say to yourself, "If the inference doesn't change and I still think the lockout laws have reduced NDAs in the CBD regardless of what I do, then it is not going to affect policy." In statistics there is no right or wrong answer—there are lies, damn lies and statistics. What you should do in statistics is do the analysis from several different venues, looking at it in different ways, and hopefully you will get some sort of resonance. There is no doubt that crimes decreased in Kings Cross. There is absolutely no doubt; it does not matter which statistical technique you use. How that occurred is another question. In the CBD if you are going to make policy decisions based on whether you include a data set from this group into that group then that is a problem.

The Hon. JOHN GRAHAM: Just to come to those punchlines and your conclusions—thank you for your research, by the way—in the CBD no decrease was able to be detected and in Kings Cross violence was down, but in proportion to the best information we have got in relation to the number of people who have stopped coming. It is possible that falling violence was a direct result of less people going to the Cross?

Professor CRIPPS: Yes, that is entirely possible, but at this point I could not put a probability on that for you. We would like to get more data from the trains et cetera to see who was coming in. Then we would have a much better fix on being able to answer that question sensibly.

The Hon. JOHN GRAHAM: As would we. Dr Miller, I have a quick question on your submission. I was interested in the suggestion, which refers back to BOCSAR research, that any reductions in violence are more likely to be the result of early closing than the lockout restrictions when we are looking at the effect of those two things. As has been pointed out, there is a lot going on here, but the evidence is stronger for early closing than for lockouts?

Dr MILLER: I will just go back a step. The data I have had a look at relates to incident data. Incident data is different to crime data. I am not sure what you have been looking at. For example, incident data could be that three people saw the same crime, so there could be three incidents if the police took three statements. My understanding is that if the police took one statement that would be one incident. There is a great unknown there in relation to the level of policing. Based on anecdotes in the media at the time and after speaking to other people, including lawyers that deal with the Cross area, I suspect that the level of policing changed over that period of time. I came to similar conclusions about the issues relating to the Newcastle lockout laws. The other thing that has not been mentioned here is the pre-existing downward trend of alcohol-related violence incidents. That really has not been modelled all that well. BOCSAR has not acknowledged it. The issues relating to why they may have occurred several years earlier and why that may have accelerated even before the lockout laws are of real interest. I know my colleagues here will, like me, be trying to get some more data about a lot of different things. It is really difficult to get that data.

Professor CRIPPS: Backing that up, we did look at all the data going all the way back to 2005. There has been a decrease in NDAs across the State since 2008. That is perhaps the biggest feature of the data that you see.

The Hon. JOHN GRAHAM: One piece of evidence that has been put to the committee is that that is higher outside of these areas than inside these areas. Is it correct that NDAs have fallen more outside of those areas right in the city?

Dr MILLER: In places, yes. I had a look at some of those.

Professor CRIPPS: We looked at the State as a whole; we looks at the PDS—which are the proximal and distal displacement areas—which include places such as Coogee and Double Bay. Both of those areas have had a decrease in crime since 2008 that was really noticeable—even more so than the other areas.

Mr KEVIN CONOLLY: My question was, in fact, about that issue of displacement. You speculated that we should be looking at the per person rate of crime rather than the absolute number, but I think communities would be interested in the absolute numbers. Therefore, have we seen that violence displaced to those proximal and distal displacement areas or not?

Professor CRIPPS: We did not find any evidence of an increase in violence or a change in the distribution in those areas at all.

Mr KEVIN CONOLLY: So the overall rate of violence would appear to have been reduced by some factor?

Professor CRIPPS: Yes, absolutely. The overall number of crimes has decreased. But the overall number of crimes would decrease if you shut everybody up in their homes from 7 o'clock as well.

The Hon. MARK LATHAM: Can I follow up on the Hon. John Graham's point? The evidence you provided is obviously critically important for our assessment of the statistical material about these non-domestic alcohol-related assaults. What you are saying about the BOCSAR error—

Professor CRIPPS: The data.

The Hon. MARK LATHAM: —that BOCSAR has apparently admitted to—how does that then relate to the findings they have made about the rest of New South Wales because looking at their graph, in Campbelltown, these assaults have fallen away much more than the centre of Sydney since the lockouts. Similarly, Wollongong, Penrith, Parramatta and on it goes right across the statewide average.

Professor CRIPPS: We did not concentrate on those specific areas; we can. We can go back and have a look at them but that is not something I can give you an answer on right now other than to say that there was a statewide drop. We did not then narrow it down.

The Hon. MARK LATHAM: But if you are right that BOCSAR has overestimated the drop or established a drop in Sydney that does not really exist, then the gap between Sydney and the rest of the State is even more pronounced, isn't it?

Professor CRIPPS: Yes, it is, and the only place that they overestimated it is the CBD.

The Hon. MARK LATHAM: You have looked at the rest of the State.

Professor CRIPPS: We have looked at the other areas, the Proximal Displacement Areas [PDA]—the proximal and the distal.

The Hon. MARK LATHAM: This is their one error.

Professor CRIPPS: This is the only mistake.

Dr WADDS: If I could add, they are statistics for the proximal and distal displacement sites—proximal up 12 per cent and distal sites up 17 per cent.

The Hon. JOHN GRAHAM: Just to be clear, this is referring to evidence outside the proximal or the distal displacement areas; this is about other areas—on average in other areas.

Dr WADDS: Yes, rest of New South Wales.

Professor CRIPPS: Yes. Also, there is a slight increase in the distal displacement areas in crimes but not such that we found would be what we call statistically significant, which is why I said no. If you just look at the absolute numbers, it is up in those areas but how much—

Mr KEVIN CONOLLY: But it is not as much as the Kings Cross was down.

Professor CRIPPS: No.

The CHAIR: I think members are just showing off now that they can say "proximal and distal displacement".

The Hon. BEN FRANKLIN: This is predominantly for Professor Cripps but for anyone who would like to make a comment. You have made it clear that there has been a statistically significant drop in the Kings Cross area but that there has been little change in the CBD area. Do you have any comments about whether we, therefore, should be considering those two areas entirely differently when we look at this issue? Because of the fact that those statistics are so different should we be looking at them as two separate identities rather than as one holistic package?

Professor CRIPPS: In the analysis that we do we are capable of doing both simultaneously and I think it is a very good idea to do it simultaneously. You can look at them jointly and also not just as CBD or Kings Cross as two different areas but CBD and The Rocks as opposed to Central station as opposed to different parts of the CBD. I think there is a lot of heterogeneity in the effect of the lockout laws depending upon location and that heterogeneity tells us something about why they were effective in Kings Cross—or if they were effective in Kings Cross—and those sorts of things. So, "yes" is the answer to that question.

Mr GEOFF PROVEST: Thanks for your submission, which is quite entertaining. Is there any indication that liquor restrictions in Sydney CBD, in Kings Cross, have resulted in any change in illicit drug use?

Professor CRIPPS: We did not even look at illicit drug use. I would also say that we did just look at non-domestic assaults [NDAs] and they may not be the right measure. We wanted to just compare it. It just started off as an academic paper. We had a relationship with BOCSAR. We wanted to have a look at it. There are many ways to measure the effectiveness and the NDAs are just one. For example, if you wanted to restrict it to severe bodily injury you may get a different result. I am just saying that because I do want to highlight the shortcomings of any technique, which is the measure that you are going to say how effective they are. We say that was the NDAs and there could be other measures that you may be interested in.

Dr MILLER: Can I add a theoretical dimension to that? I have done a fair bit of work relating to gambling and problem gambling and one of the big issues relating to gambling is the issue of comorbidity where you have problems with more than one act of consumption. In gambling it is a behavioural one; in all others it is substance abuse. What I think could well be happening is a displacement effect between in-venues to out of venues. I always talk to my students. Come to my class next week or this week if you like and have a chat about it. We always talk about the rational acts of hedonic consumption. It is pretty clear when they talk about their mythical best friends that they are substituting—There is a wide rate of substitution of alcohol, which is really expensive when you go out, for a much cheaper substance.

Dr WADDS: I will respond to that as well. We have done a number of different projects that have looked at drug consumption in particular and there is definitely strong evidence out there that Sydney does have very high levels of illicit drug use. In fact, it is relatively higher than other cities around the country. It is important to note that that is something of significance.

Mr GEOFF PROVEST: Why do you think that is?

Dr WADDS: There are a thousand reasons why that might be the case. I think it is a good point. We have seen trends around the cost of alcohol when people go out. It is cheaper for young people to have—

Mr GEOFF PROVEST: No, that Sydney is higher than other cities. Why do you think we are higher than, I assume, Melbourne or Brisbane?

The CHAIR: Because we are a world-class city and they are not. Just very proud of Sydney.

Dr WADDS: I would not like to guess what the trends are.

Ms FELICITY WILSON: Have you looked at that over time since the lockout laws were introduced?

Dr WADDS: Some of my colleagues definitely have. If you would like that data I am more than happy to provide. The Global Drug Survey, for example, has quite specific data on trends relating to consumption, so that is certainly something we could provide.

Mr GEOFF PROVEST: This Committee has to make a recommendation shortly. Do you think, as researchers, more research should be done? I was getting the impression from Professor Cripps that there is more research needed to be done to give a more accurate picture of what is really happening out there.

Professor CRIPPS: There is more data that needs to be collected. I suppose if you are going to make a policy decision based on data, then, yes, more research needs to be done. Policy decisions can be based on things other than data but if you want to make it based on data then it would be good to think about what sorts of questions you want to ask, to think about what sort of data is needed in order to answer those questions and then recruit people who are working in the field of data science to have a look at the data and help make a decision. Yes, very much so.

Mr GEOFF PROVEST: You mean that any changes that may or may not occur. By your way of thinking it would be important to put in a measuring mechanism so in 12 months or 18 months—

Professor CRIPPS: If you are going to base decisions on data and then, yes, the more relevant data that you have and the better the quality of the analysis, then you are going to get a better decision. I do recognise that sometimes decisions and policies are not based on data and that is okay.

Dr WADDS: Can I add to that? Data is great but it tells only one side of the story. There are so many diverse impacts that we see there are completely missed in a hard, statistical analysis of the changes that have occurred as a result of the lockout. For example, my colleague Caitlin Hughes has done some great work on the displacement effects into Newtown. Even though there may not be a statistically significant change there, there has been a very actual and lived-experience change in the way in which people are experiencing a range of harms in that space.

Professor CRIPPS: But that is still based on data.

Dr WADDS: No, absolutely, but it is qualitative data.

Professor CRIPPS: Yes, that is okay.

Dr WADDS: It is not purely statistical.

Ms CATE FAEHRMANN: Just checking: Dr Wadds, do you work for the National Drug and Alcohol Research Centre?

Dr WADDS: I do not.

Ms CATE FAEHRMANN: In terms of the submission that we have received, the National Drug and Alcohol Research Centre worked on that with you as well.

Dr WADDS: My colleagues, yes.

Ms CATE FAEHRMANN: One of the obvious objectives of the lockout laws was to deal with alcohol and drug-related violence. I am particularly interested in the response in relation to alcohol and the response in relation to illicit drugs over the past five years. Do you think methylenedioxymethamphetamine [MDMA] cause violence, generally?

Dr WADDS: In terms of a causal relationship, in terms of the spectrum of harms it produces, it is certainly considered at the least harmful end of that spectrum—MDMA and cannabis.

Ms CATE FAEHRMANN: And cocaine?

Dr WADDS: It is similar, at the same end.

Ms CATE FAEHRMANN: What you think in terms of the sniffer dogs and strip searches, for example, which over the past five years have increased, compared to—

The CHAIR: I think we are starting to stray outside the terms of reference; I am happy for you to answer that one but I would like get back on.

Ms CATE FAEHRMANN: The terms of reference also include community safety measures.

Dr WADDS: I think it does speak to safety. There is quite significant research done by my colleague Caitlin Hughes—it was in our submission as well—around the use of drug detection dogs and the way in which that can decrease safety at night, particularly for individuals who are going out. Very heavy-handed policing approaches or aggressive modes of policing—which drug detection dogs can be—have the potential to produce outcomes that are adverse in terms of the health outcomes of individuals who are targeted by them, particularly because we know that Sydney does have higher levels of drug consumption. The targeting of young people in those settings through the use of drug detection dogs can result in them engaging in practices that can exacerbate the harm. We know and we have heard this at the coronial investigation recently into music festivals. We have just finished a project on music festivals. We are seeing this targeted use of strategies that can produce greater harm. We see people taking multiple drugs at once, we see people buying from people inside that they do not know and therefore not knowing the quality of the drugs that they are taking so there are a number of adverse public safety outcomes that can be borne from those particular policing techniques.

Ms CATE FAEHRMANN: I just wanted to see in terms of people's experiences as well, if I can, Chair? Some submissions state that from both venue operators as well as patrons the very existence and harassment that some people have made submissions are saying they feel has impacted on their night life experience and is actually making people not go out now because of what they see as extreme harassment and people who are going into certain venues. The police are not focusing on alcohol; the police are focusing on particular types of drugs. Do you have any comments on that?

Dr WADDS: Yes. It is certainly something that we know adversely impacts on the experience of many people who go out. There is a sense of intimidation that these types of policing practices are occurring. Inside a broader context of people already feeling like there is an overregulation—and this is certainly some of the interviews that we have done, that there is an overregulation of people in Sydney; people are feeling that sense of

weight of the regulation and so the policing techniques that can be deployed can exacerbate that sense of intimidation of feeling like we can't go out and do the things we want to do and that we are going to be adversely targeted. It is worth pointing out that the evidence around the effectiveness of drug detection dogs is very poor so it paints a poor picture of their effectiveness in terms of the things that it is supposed to detect, which was actually supply-related drug offences, 5 per cent—

Ms CATE FAEHRMANN: Just one last question and it is a yes or no question. Is it proportionate to the level of harm posed by those particular drugs that those police and drug dogs are detecting, MDMA and cocaine?

Dr WADDS: I would say no.

The CHAIR: Thank you. Mr Guy Zangari.

Mr GUY ZANGARI: Thank you. Dr Wadds, thank you for your submission. I would like to refer to recommendation 6 in your submission where you talk about the presence of the Take Kare, Safe Space program. There is an evaluation going on at the moment?

Dr WADDS: Yes.

Mr GUY ZANGARI: I note there are three areas in the city where that is occurring at the moment. Is there any initial data or results available that you can talk us through with the program because you are saying that in order to reduce harm that this is occurring?

Dr WADDS: Yes.

Mr GUY ZANGARI: What sort of information do you have at the moment? I do put on the record that we realise the results of the evaluation are to come?

Dr WADDS: Yes, and that is a big qualifier. Safe Spaces are used internationally quite effectively in different places. In the United Kingdom, for example, there are about 45 different Safe Space programs being run. The Take Kare, Safe Space is a very unique model; it is very—I would like to say well-resourced, but it has got a very well engaged model in that it is working very closely with the City of Sydney and other stakeholders involved in the space. I think that is something that has really increased the effectiveness of the program. I do not want to speak to particular findings because we are at a phase of the evaluation now. It will be released in October and I am happy to report back to the Committee or whoever is interested in those findings then.

But we are yet to incorporate into our analysis the external data sets that we are looking at, the Bureau of Crime Statistics and Research data as well as data from ambulance, emergency departments, but in terms of the qualitative components of Safe Space programs, which I am undertaking, it is really interesting again, speaking to the previous point about people not wanting police necessarily to be the people who are always engaging with them in those night life spaces, there is something very helpful and something that can reduce those harms is having a peer to speak to and having somebody who is not an authority-based agent to engage with and that can actually really open up the benefits of somebody helping you out when you have had too much to drink or taken too many drugs or assist you in directing you to other services that you may need.

Mr GUY ZANGARI: And is the program running with volunteers?

Dr WADDS: Absolutely. It is primarily run by volunteers. They do have professional staff, so they have team leaders on each of the ambassador teams that they have. For those who do not know, they run three static sites in Sydney. They have a static site in Kings Cross, at Town Hall just next to Town Hall and one in Darling Harbour as well. I know certainly that the funding model for Darling Harbour is under threat at the moment so they are actively looking and one of the reasons why they are undertaking the evaluation is that they are looking to produce evidence base to which they can seek longer term funding. As I said, we will be in a position to release that data and those results in October but they do have roving bands of ambassadors. So they have a team leader with them who is professional and paid. They were previously run with St Johns Ambulance so they have a very strong focus on providing first aid and being able to make interventions that are assisting people who are in distress, are vulnerable or otherwise need assistance.

The CHAIR: I might just interrupt. I am conscious of the time and Ms Wilson would like to ask a final question, so if you do not mind we might move on. Thank you. Ms Felicity Wilson.

Ms FELICITY WILSON: Thank you, Chair. I want to know your views on how we look at making sure the people do not feel that in order to enjoy Sydney at night time they need to drink to excess, which then often leads to violence, or they need to take illicit drugs at all or too many of them. Is it about cultural attitude towards alcohol or drugs and do you see that cultural attitude changing? Are there structural things that we can put in place that make those changes if we have not to date? We have a really significant density of licensed

venues in Kings Cross compared to other even global cities let alone across the rest of Sydney. What are your reflections about whether or not we can create a really vibrant Sydney and a night-time place where people can have fun and enjoy being out and about without feeling that it needs to be all about alcohol?

Professor CRIPPS: I am not qualified to answer that.

Dr WADDS: There are many ways in which you can answer that.

The CHAIR: I think Dr Miller had also made some helpful observations too.

Dr WADDS: I think you hit the nail on the head in saying that we need to diversify—and I think others have said that throughout today—the offerings that we have late night. I would acknowledge the City of Sydney's great work in this space in terms of developing a development control plan [DCP] that is actively promoting a diversification of venues. That said, people need to engage with those. There is definitely a culture around drinking that produces adverse effects, whether or not there are mechanisms that are going to effectively change that culture. It is obviously going to take a longer period of time to do that; cultural change is notoriously slow, but I do think we need to diversify. We need to give people options late at night as well as earlier in the evening to be able to make sure that they have options to go and have good food, to diversify the patronage that is out because we know that if we have different people out, not just one group of people, for example young people, that we can dampen the effects of some of the harms that occur, so we definitely need to keep promoting—

Ms FELICITY WILSON: So older people like me?

Dr WADDS: Yes, absolutely. We need a diversity of people out. Homogenisation in any context is potentially detrimental, so vibrancy and all those other things will be enhanced by that.

Dr MILLER: I think the problem starts—they are multifaceted. They start at home. Kids are not taught to drink any more. They do not know how to handle their alcohol consumption any more. They get excited too easily. There is comorbidity with illicit drugs and other substances and energy drinks. I think that in the attempt to help everybody and regulate that we might have gone a little bit too far. I think the answer may be in deregulation. I think if we look at harm as a potential and variable, we want to minimise harm. I would argue that alcohol is less harmful than a lot of illicit drugs. We do not know where they are bought or what they are cut with. It is probably better to encourage and build businesses around alcohol than it is other harms.

To do that you are probably going to have to deregulate. I think the industry has been dumb over a long period of time. They have not explored the concept of market segmentation. It's all well the notion of a global village but it has not been teased out yet. Sure, there are some places—I live in Balmain and it is dead after 10.00 p.m. There are whole lot of other places in Sydney where you can get a bit of nightlife back and going but we do not have the regulation to do that; we do not have the incentives. Even the corporatisation of the venues is probably not going to help with that. They are going to roll out more of the same, based on a venue that is working in XYZ area and they will try to put it in YZA area. We need more science around a whole lot of things.

The CHAIR: Thank you, Dr Miller.

The Hon. BEN FRANKLIN: Just one question. We have heard from a number of people about the fact that alcohol consumption is declining for all demographics, particularly younger people, particularly over the last five years. Do you know of any, or have you done any research to determine if there is a correlation between that decline and any potential rise in illicit drug taking, particularly with young people in Sydney? In other words, are young people not drinking because they are doing something else, or are they now just abstaining or starting to abstain?

Dr MILLER: We do a bit of listening work commercially and we have also pioneered some of that in the academic forum. I have not published this particular paper beyond conferences but, based on my understanding of the 18 to 24 years demographic—and the conversations we have managed to listen to on Facebook—yes, there is a substitution thing going on.

Dr WADDS: I am happy to take that on notice and respond by a number of my colleagues who have some data on trends.

The Hon. BEN FRANKLIN: That would be great, thank you. Because this issue is a bit of a fundamental base for some of the submissions that we have had in terms of the arguments that they are making.

Professor CRIPPS: Do NSW Bureau of Crime Statistics and Research [BOCSAR] have that data?

Dr WADDS: Not BOCSAR but the Global Drug Survey and other things have a far stronger base of information.

Professor CRIPPS: We would have to look at it.

The CHAIR: You will take that on notice. The Committee has resolved that answers to questions taken on notice should be returned within seven days. We would appreciate your response through the Committee secretariat.

Dr WADDS: Yes.

The CHAIR: Thank you for appearing before the Committee today. We may wish to send you additional questions, which we will do in writing, the replies to which will form part of your evidence today. Would you be happy to provide written replies to further questions from Committee members?

Professor CRIPPS: Yes.

Dr MILLER: Yes.

The CHAIR: Thank you. I only did statistics at an undergraduate level and clearly I did not pursue that so I am in awe of you all. Quite seriously, we do want to take an evidence-based approach and this Committee does treat those matters very seriously, so we appreciate very much your contribution.

Professor CRIPPS: Could I just say that although I highlighted some errors or practices of BOCSAR, without BOCSAR we could not have done this analysis in the first place. I just want to be absolutely clear that they have been totally transparent, they have shared their data, they have been a wonderful partner and I would not like to think that because of one thing that this stopped. They have done a tremendous job.

The CHAIR: Thank you, Professor Cripps, that is a very good point. In the interests of being collaborative, can I ask whether you would be prepared to have the transcript from today provided to BOCSAR so that we can get them to comment when they come in?

Professor CRIPPS: Yes, of course.

The CHAIR: So that we can all have the information available to us, which would be great.

Professor CRIPPS: Absolutely.

(The witnesses withdrew.)

(Luncheon adjournment)

STELLA AGAGIOTIS, Coordinator Strategic Planning, Randwick City Council, sworn and examined

DARCY BYRNE, Mayor, Inner West Council, affirmed and examined

CRAIG CHUNG, Councillor, City of Sydney Council, affirmed and examined

CHRISTINE FORSTER, Councillor, City of Sydney Council, sworn and examined

The CHAIR: I welcome representatives from the Inner West Council, City of Sydney Council and Randwick City Council. Thank you for appearing today before the Joint Select Committee on Sydney's Night Time Economy. Thank you for providing your submissions in writing beforehand, it is very helpful to Committee members and we appreciate the time you have taken to prepare those and provide us with submissions. I will ask you to confirm that you have been issued with the Committee's terms of reference?

Ms AGAGIOTIS: Yes, I have.

The CHAIR: And information about the standing orders that relate to the examination of witnesses?

Ms AGAGIOTIS: Yes.

Mr CHUNG: Yes.

The CHAIR: Are there any questions about that information or the proceedings today?

Mr BYRNE: No.

The CHAIR: Do any of you have a short opening statement you would like to make to the Committee?

Mr CHUNG: Thank you, Chair, and Committee for having us today. The term "lockout laws" has had perhaps a greater impact on the perception of the night-time economy than the regulation changes themselves had on the economy. The night-time economy is intrinsically linked to food, entertainment—and that includes the creatives—and alcohol. The rest of the night-time economy grows from these businesses, in my view, and we need to focus on the fun, safe and economically sustainable precincts with these businesses, and the other retailers will follow.

It might assist the Committee to know that I have been an owner and licensee of a number of hotels in the past. I have also been a councillor on a suburban council in Sydney, apart from the City of Sydney. I come to this with some unique perspectives. The regulations imposed in 2014 are not per se inappropriate for some premises in some circumstances. Banning shots, the availability of food, plastics, scanners, curfews, they can all be valuable tools in certain circumstances based on individual evidence, but the collective punishment of the regulations in 2014 was the problem. There is no doubt the intervention in Kings Cross in 2014 was necessary. I believe that we need to have a greater cooperation between agencies. I call this compliance as a service. Regulation of premises needs to be a much more collaborative process where all agencies and industry have a goal to grow our economy that is safe, legal and fun and instead of the punitive mentality of some of the agencies we need to develop greater cooperation.

We need to make sure that individuals take greater responsibility for their behaviour, making sure that patrons are made to be responsible for their behaviour as much as licensees and business owners. Too often we see business owners punished for the behaviour of some of their patrons, which may have been out of the business owners' control. Finally, I ask the Committee to recommend a precinct-based approach. I differ to the City of Sydney's official submission. I think that clustering sometimes can be good for business. I think it is sometimes easier to manage businesses when they are together. It brings people into a precinct and it creates a character for the precinct. It also can help regulatory authorities balance the needs of the amenity of people around that area, rather than having the spread across Greater Sydney.

The CHAIR: Do any other witnesses have opening statements?

Ms AGAGIOTIS: Yes, I will speak. I want to reiterate the submission we made is that Randwick City Council, being close to the CBD, has major tourist attractions; our beaches, our nature reserves, our recreation areas, Randwick Racecourse, of course, and going all the way down to La Perouse and the coastal track. We have therefore a vibrant daytime economy with significant tourism and we would like to see an improvement. There is clear support from council that the night-time economy can be improved. At the moment we have two precincts which are doing quite well, the Coogee area and The Spot at Randwick. In Coogee, in particular, there are some large and small venues. In The Spot there are a lot of restaurants and cafes and opportunities will come into the area with the introduction of the light rail. Council has undertaken community sentiment on the future of our

night-time economy. We are in the stages of finalising a study on the night-time economy. We have looked at both national and international examples of what sort of things are needed to improve the night-time economy.

We believe a multi-pronged approach is needed, taking into account regulation, noise, transport and improving our town centres. Council will be looking at a place management approach to improving centres and diversifying the night-time economy across our local government area. As part of the study that we have undertaken an advisory committee was established with a lot of industry experts. That advisory committee has been instrumental in helping us understand the issues in the night-time economy and clearly articulating council's role in supporting the future of the night-time economy. We are proposing to put a full report to council in the next few months and go to full public exhibition before the end of the year. That is pretty much a summary of where we are at the moment in our investigations.

Mr BYRNE: I would like to speak in support of repeal or very significant amendment of the lockout laws as they stand. I note that is not a resolved position of the Inner West Council. I am not sure that there is any resolved position in relation to that legislation, but it is certainly a strong view held by young people, in particular, in the inner west local government area. That has been a long held view of mine personally, which I would like to advocate for on this occasion. In addition to that I would like to encourage Committee members to consider the broad range of other measures which could be undertaken by the Government in order to resuscitate night-time activity, and live music in particular, in this city and in this State.

There are two measures that I would like to highlight and propose for consideration. Firstly, the Inner West Council has recently, at my initiative, adopted a good neighbour policy, which requires complaints that are made about licenced premises, largely about noise but other amenity complaints as well, about pubs, clubs or small bars, to be mitigated rather than litigated. In other words, we now require complainants to sit down with licensees over a coffee or a beer and talk through a solution to their amenity complaint before we will instigate compliance action. The reason for that is, as all of you will be aware, there is a very long history in this city now of people moving in next door to long-established cultural institutions, such as pubs, and then complaining about the fact that they do not like the impact on their lifestyle or on their personal amenity.

I have not encountered many issues that galvanised the public in quite the same way as this. People have really had enough of the culture of complaint that has become so pervasive in this city. The Government could, through the Office of Local Government, simply issue a directive mandating our good neighbour policy for all councils in New South Wales. Having been around to talk to local business owners since it was implemented a couple of months ago, I can tell you I think that that would be very warmly welcomed by licensees, by small bar operators and by the management of clubs across Sydney and New South Wales. Secondly, I think an important matter for consideration is the legalisation of small scale arts and music activity in non-residential premises.

Currently if you have got a bookshop owner who has found a 16-year-old girl who is trying to make her way in the music industry and she wants to put on an acoustic music performance for 50 people in that bookshop after dark, that bookshop owner has to go and get a development application [DA] in order for that to occur. It is essentially as onerous as it would be for anybody else who was establishing a live music venue. It is very costly, it is very time consuming and the reality is that whether it is a disused factory, bookshop or any other kind of commercial property, the result is that it just does not happen. There are all of these properties across Sydney and New South Wales that are sitting dormant after dark which could be used for artistic and music activity in particular.

I want to make one final point in my opening remarks in regards to the tone of the debate that has been conducted around the lockout laws. We all know that health workers are heroes, so I am not here in any way to denigrate the amazing work and advocacy of nurses, ambos and doctors. But I do really feel quite strongly that the tone in which that advocacy has been undertaken from some quarters in the recent past has been unhelpful. The equation of people who are opposed to the lockout laws being depicted as people who are in favour of violence and carnage in hospital wards is really unfair. It is alienating young people further and it is antagonising them.

In other words, there are many factors that contribute to poor health outcomes in society: for example, incarceration of Indigenous children and young people, poverty, and alcoholism more broadly. I have not seen health unions and representatives of the health sector advocating for political solutions to those problems in the same way that they have on the lockout laws. I really think it is incumbent upon everyone to take a bit of the moralism out of the debate and approach this as a public policy issue to which we can find new solutions, rather than a moral question in which some of us are good people and some of us are bad.

The CHAIR: Thank you. Councillor Forster?

Ms FORSTER: Thank you. It is my view, which I would like to present to the Committee, that the lockout laws and other licence restrictions that were imposed in the CBD entertainment precinct in 2014 have

served their purpose. It is now time they were repealed to ensure that Sydney's night-time economy can again make its full contribution to employment and wealth creation and so that Sydney can rebuild its reputation and the perception of Sydney as one of the world's great global cities and one that people want to come and visit. There can be absolutely no argument that when the lockout laws were introduced in 2014, Sydney needed a circuit-breaker to curb alcohol-fuelled street violence—particularly in Kings Cross, where we witnessed the tragic deaths of two young men after one-punch assaults. The introduction of the laws had an immediate and dramatic impact—particularly in Kings Cross, with the numbers of revellers visiting the area on Friday and Saturday nights falling from an estimated 20,000 to 30,000 to around half that number.

Five years on, it is clear to me that the laws have had the desired effect of breaking the cycle of criminal behaviour in our entertainment precincts. Indeed, it seems to me that the culture of drinking in Sydney has changed radically in that period. It is no longer a rite of passage for young kids from the suburbs to head into the Cross in droves on the weekend. Instead, their interest seems to have shifted to music festivals, which, of course—as we know—have their own challenges but apparently very few issues around consumption of alcohol. It is also clear that the laws have taken an immense toll on Sydney's late-night economy outside of the pubs and clubs. I cite Pigott's newsagency in Oxford Street as being a classic example of this: a 24-hour newsagency business—24/7—that had been run by the one family for three generations. The last straw that broke the camel's back in 2015 was the imposition of lockout laws, which had such a dramatic effect on foot traffic in Oxford Street that an old and established small family business was forced to close.

The reality is that Kings Cross is now a shadow of the world-famous late-night precinct that it was for decades. There have been dozens of bars, restaurants and daytime businesses driven out of the area by the massive decline in patronage and revenue. In Darlinghurst, as I see as I walk down there every day, where was once a safe and bustling 24-hour economy is now littered with empty shopfronts—like, indeed, Pigott's shopfront. In the CBD, an overseas visitor is unable to order a single whiskey or cocktail in the bar of an international hotel at one minute past midnight. That is hardly an advertisement for international visitors to come to our great city.

Those are the obvious impacts—things that people see. The less noticeable ones have been the negative effects on employment; live entertainment, which has been mentioned by the other submitters; and vibrancy—losses which were, indeed, acknowledged by the Callinan review of the laws in 2016. It is my submission that to mitigate these impacts, we should be looking to repeal the existing 1.30 a.m. lockout and other licence restrictions which currently apply across the city CBD and entertainment precinct. Instead, adopt a case-by-case approach under which the current restrictions are only applied to venues which are found to be in breach of the law; review ID scanning requirements for licensed venues which have changed use and should no longer be categorised as high-risk; and review the provision of late-night public transport services from Kings Cross and the CBD and Oxford Street.

Of course, the advent of Uber in the subsequent five years since the introduction of these laws has made a huge difference to the accessibility of late-night transport in the CBD and should be taken into consideration. We should also ensure that the law enforcement agencies with jurisdiction over both liquor licensing and public safety have adequate powers to do their jobs. It has been five years; Sydney has grown up as a global city. We should now be showing Australia and the world that our central entertainment precincts are once again safe, cultural, vibrant and open for business after 1.30 a.m.

The CHAIR: Thank you, councillor. I will raise a great concern I have, mayor, about your comments about the good neighbour policy. It is greatly concerning that you would actually get people together over a beer or a coffee and get them to sort it out. That sounded to me like a ridiculously good idea and something we could think about in this place.

Mr BYRNE: Yes.

The CHAIR: You might well be putting a whole lot of lawyers out of business, but I think it is a very sensible idea given that there is a requirement, from my recollection, in the Supreme Court that before you can get a hearing date allocated you have to sit down and have a mediation. You have to sit down together; if you cannot sort it out, they will give you a hearing date. I thought it was a novel approach. My question, however, is to Councillor Chung. You talked about your unique perspective; I am interested in that because you have had some involvement with licences and been a licensee and a councillor, and have also been a councillor on another council. I am interested in your comments about the governance framework. You talked about the precinct-based approach. We have also heard today from the Sydney Business Chamber about that sort of approach as well. Can I ask what you think the approach might be? We have heard today about this night-time mayor or night mayor concept. The other concept is that we have people in a roundtable-type oversight approach. Do you think we need a night-time mayor? What sort of framework are you thinking?

Mr CHUNG: I do not think we need a night-time mayor. I think that is a great gimmick and a great marketing tool, but that is about all it does. We are governed by lots of politicians: we have a Minister for small business, we have a Minister for the arts, we have a Minister for liquor and gaming. There are a lot of cross-jurisdictional areas that need to work together. I would suggest something like the Small Business Commissioner's office be asked to set up a night-time economy roundtable of all stakeholders—health, police, customers, as well as industry—to work out how we would provide an overarching precinct system and report that to government. More importantly, I think we then should make sure that each precinct implement some of those recommendations and those precincts have roundtables which also reflect those same health, police and industry because they have unique experiences for their area. They have unique propositions. I think precincts can develop very differently but under a similar set of governance rules. So I would not like to see a night-time tsar set-up; I would like to see more utilising the framework we have got. We have got a lot of regulation and we have got plenty of laws; we just need to use them better and collaborate better.

The CHAIR: So you do not think we need the Russian system here? We are okay with our system?

Mr CHUNG: Absolutely not.

The CHAIR: That was a joke. Who do you think should be at that table? You mentioned a couple for us to get together, but I would have thought you would need pretty much all the stakeholders at the table. Is that your view? Councillor Forster, do you want to comment on that as well?

Ms FORSTER: Yes. If you are going to operate on a precinct basis you have to speak to the small business owners. They are the lifeblood of most high streets. In the case of Kings Cross, the residents have generally taken a very proactive view about lockouts, because they have seen what was formerly a very different culture—having 20,000 or 30,000 young kids coming into the precinct on a Friday or Saturday night. There were problems with people coming in pre-fuelled, the venues were locking people out and the police did not have the powers to do anything but move a person on from one street corner to another, which obviously caused enormous problems with street violence around Kings Cross.

They were not like the good old days, or the bad old days—however you want to view it. The police could not pick somebody up who they viewed as being a danger on the street and put them in the paddy wagon and let them cool their heads. As a result we had a terrible confluence of events in Kings Cross, and the residents became very anti what was going on up there, and understandably so. They have to be a big part of the conversation. I agree with Councillor Chung, I do not think we need a night mayor in Sydney. I think we have enough regulation at all levels of government in Australia. In the case of these regulations and laws, we need to have a lighter touch on regulation, not a heavier touch.

The CHAIR: If some resources were to be directed to this, we have had a suggestion of Protective Services Officers, so more people on the ground. Do you agree with that position?

Ms FORSTER: Absolutely. Something that I have always argued for, and something that local councils can provide, is just a more visible presence—stewards, rangers, whatever you want to call them—on the street, that somebody is watching you. If you are misbehaving, you are going to get spoken to, and it is not acceptable to be doing the wrong thing, because you are drunk on the streets of the city.

The CHAIR: The sort of New York, Giuliani style, where the police will have a picture with the tourists and then they will—

Ms FORSTER: Early intervention, yes.

Mr CHUNG: Chair, I think this is an important point about collaboration, with the police actually working in the community, so there is not this adversarial attitude that you often see both between the police and patrons and between the police and business owners. It needs to be a much more unified approach, almost like a supercharged liquor accord, where all stakeholders are sitting there with equal standing on that roundtable.

The CHAIR: Because it is their common problem.

Mr CHUNG: Yes.

Ms FORSTER: That type of system has worked very well on Oxford Street, where you have a lot of ex-policemen licensees and operators. They have been working very proactively with the Surry Hills Local Area Command to ensure that if somebody gets barred from one premises they are not walking into another one down the road. They are moved on and moved on, because everybody cooperates. They have very good lines of communication between all the venues, the police and the guys that are standing on the streets watching what is going on.

The CHAIR: That was very much the feedback we got when the Committee went out to visit. With the use of a WhatsApp group they were all in communication with each other. It seemed to be particularly helpful, they said to us. It seemed to be that there was not such an issue there because of that. They were really working together on it.

Ms AGAGIOTIS: Can I also add, the Eastern Beaches Liquor Accord, which has been running for 10 years, is one of the first liquor accords that was established. In our experience it has been quite successful. It has business operators, the police and Liquor & Gaming NSW representatives. They do have this collaborative approach, and they have been very effective in managing antisocial behaviour and problems on the ground. Ten years ago Coogee was in the news because of the large capacity of the two major venues down in that location and the problems of revellers coming out onto the street after a big concert. Before Uber there were a lot of people lingering in the streets looking to find a way home, and there were problems in the area as a result of the local transport options late at night.

We have been working with the Eastern Beaches Liquor Accord, and that model seems to be working. There are hardly any complaints or problems in the area.

The CHAIR: Can I just ask on that specifically, then I will move to the Deputy Chair. Do you have scanners or any form of ID scanning in your area?

Ms AGAGIOTIS: I think we do, yes. I will have to double-check that.

Mr ALEX GREENWICH: I have two questions. The first one is for the Inner West Council and Randwick. In Councillor Chung's opening remarks he differentiated regulation and reputation as both having impacts in terms of the lockouts. Obviously the lockouts are not within your local government areas, but in both cases have you found there to be reputational damage as a result of the lockouts? And, in terms of the regulations that potentially may have come through at that time, despite them not being because of incidents in your area, have there been negative impacts as a result? So I guess the question is both in terms of reputation and regulation, what have been the impacts in your local government areas?

Mr BYRNE: There has certainly been reputational damage for the whole of Sydney. Internationally, our reputation has certainly been harmed. We have sent a very loud, broadcast message to the world that this is a city that shuts down after dark. Melbourne are laughing at us and, economically, they are benefiting greatly from the fact that that word of mouth has gone around the country and around the world. So that is a big problem. I am not sure, in whatever way you try to ameliorate the legislation now, that you overcome that reputational damage without doing something significant. It may take a lot of time to do that. In relation to the impact of regulation, the obvious location within the inner west where that has been relevant has been in Newtown.

We do not have a lot of good data but, anecdotally, there was an influx of patrons into Newtown and Enmore immediately following the implementation of the lockouts. That has been managed very carefully by the Newtown Liquor Accord, in a similar way to what has been described by other panellists. They have worked closely with the police, seeking to manage that influx and to prevent the need for a heavy-handed approach or an intervention from the police if any antisocial behaviour or violence got out of hand. My understanding is that that has worked quite well. That increase in patronage has definitely been a boost to the local economy in Newtown and Enmore.

In other places across the inner west, I am very familiar with Balmain, having grown up there, and there has been an ongoing decline of night-time activity there. I am not sure that bears any relationship to the lockouts. You might have hoped that there would be a beneficial flow-on effect in places like Balmain, where there are a lot of pubs, if people could not be in the CBD. But I do think the overall reputational damage that has been done to the whole of the inner-metropolitan area, if not the whole of Sydney, is significant. It is something the Committee should be considering very carefully.

Ms AGAGIOTIS: Yes, we agree. We think the reputational changes that have happened since the lockdown have had an adverse impact on our area generally. There have not been many new premises opened in Coogee. It has actually seen a decline over the last 10 years. In terms of regulation—we are trying to encourage small bars—I think it is hard to get through the red tape and the DA. A lot of people will just give up before they get to the other end, because they have to satisfy a whole range of management provisions for that. So I concur. I think there has been. We have not seen an influx since the CBD lockdown laws came into place in our areas. We hope there is going to be some changes to the Kingsford, Kensington and Randwick corridors. That is where we have a lot of people working shift work, in hospitals and the university, not working the standard nine to five hours. We have opportunities there. I think there are a number of factors that can benefit the night-time economy.

Mr ALEX GREENWICH: Thank you. A follow-on question for Councillor Forster: In addition to what you have put in your submission, you have also previously publicly called for an exemption for the Mardi

Gras festival from the lockouts. In terms of that same theme of reputational damage, why was it you called for that exemption and what benefit to Oxford Street businesses would you see coming from the lifting of lockouts, particularly during a major festival like that?

Ms FORSTER: It is immeasurable in terms of the view that visitors hold about Sydney when they come here, particularly for a festival like Mardi Gras, which tends to run into the early hours of the morning and sometimes the late hours of the morning—if ever you have been around Taylor Square as the parties have been breaking up at about 8.00 a.m. or 9.00 a.m. in the morning. It was instituted on the Mardi Gras weekend in 2014 and it was a hammer blow to the festival. The businesses in Oxford Street, I think we can all agree, have been struggling for some time, but this was really the last straw, because of the knock-on impact it had. For many of the businesses that were operating from the day time into the evening and late at night, and all around the clock there was a reduction in numbers of visitors. In terms of the Mardi Gras festival I cannot remember, off the top of my head, the economic figure for the wealth generation surrounding the festival. I think it is something like \$40 million for the weekend just in the Oxford Street precinct. I might take that on notice to give you a proper figure.

The CHAIR: You are welcome to take that on notice if you like.

Ms FORSTER: The reputational impact is terrible, because, whereas Sydney has always been regarded by the gay community, the GBLTI community, around the world as a great place to visit—you come for Mardi Gras and then you go to the Barrier Reef, Hamilton Island or—hopefully not!—Melbourne. It is a great place to visit and to launch your stay in Australia from. People who come here and visit and have a great time tell their friends and family about it. This is the reputational damage that our global city has been suffering since this happened.

The CHAIR: Thank you. I have only marched in Mardi Gras the once but I can attest to its enjoyability.

Ms FORSTER: Come back next time.

The CHAIR: It was fantastic.

Mr GUY ZANGARI: I have two questions, but I will direct the first questions to councillors Chung and Forster. In your submission you talk about that experience of someone arriving and not being able to get a drink late at night. When you look further, it is about the drink at night and shopping for some particular groceries that an individual may need as well as that experience. In your summation of that overall experience, what can be done in order to lift regulatory restrictions so that people, on day one when they arrive, are sending the positive vibe back out to where ever they have come from?

Ms FORSTER: I think my submission says that we need to repeal these draconian laws, frankly. An international visitor can come to a down-town Sydney hotel and not get an Aperol spritz at one minute past 12. If you travel around the world—to Barcelona, Rome, Paris—people are often just sitting down at 11 o'clock at night. They have had a meal and they are sitting down to have a light-night drink. They are not drunk, they are not carousing; they are just out there enjoying the city and the advantages that the city has. This is what we have killed off in Sydney—that feeling that you can enjoy yourself, be responsible, be safe, have a good time without having the law come down on you like a tonne of bricks.

Mr CHUNG: Some of the talk around the sorts of businesses that can evolve in a late-night economy—from 12 to 2.00—is going to be market driven. You are delusional if you think that a bookshop is going to be open at 4 a.m. unless it is in the precincts that are supported by food, entertainment and liquor. I think that that is just a fact. One of the ways that we can make all that happen is to bring all of the agencies together. Council in Sydney is sometimes conflicted in the way that it manages these things. You might have heard of the closing-down of the petanque game up at Kings Cross because of a complaint about the clink of the balls from one complainant.

Ms FORSTER: At 8 p.m.

Mr CHUNG: At 8 p.m. Good neighbour policy could have been put into place there, but one complainant shut that down. I heard the Lord Mayor this morning speak about the Lansdowne Hotel. What they did not mention was the two years of planning approval before the 12 months at Liquor and Gaming NSW. So all these agencies really need to work together. These are some of the things that we can do.

Mr GUY ZANGARI: To your point about eight o'clock, we went out for a visit to Bloody Mary's. At 10 o'clock the tables and chairs were coming in. Subsequently, when we were in there talking to the owner—shock, horror!—at 8 o'clock he could not have his patrons access the alfresco area. There are definite restrictions there for people who are jetting in to be able to go out and have a quick bite, relax and unwind and get used to the time difference. I also want to focus on transport options with Mayor Byrne and Randwick City Council—getting people in and out quickly so people are not left lagging behind. This is certainly an issue that a lot of submissions that we have received are saying that we need to do better. We just ain't getting people in and out, leaving people

to wait around for a taxi or for the train. When it ceases it creates a problem of people getting upset with each other.

Ms FORSTER: It was a terrible problem in Kings Cross leading up to 2014 because of the sheer numbers of visitors in the area, concentrated to a very small area within a very short period of the evening, wanting to get out at three o'clock or thereabouts. We don't have trains out of Kings Cross so that was mostly why it became a terrible bottleneck. There were several measures taken trying to address that, rerouting taxis and establishing taxi stands and what have you. With the advent of Uber and other gig economy ride services, and the massive reduction of numbers of visitors to the area, it is just not a problem. You could fire a cannon down Darlinghurst Road at nine o'clock on most evenings of the week. So transport in and out is not really an issue now because of the reduction in the numbers of visitors.

Mr GUY ZANGARI: Strategically, looking forward, if we want to reinvigorate the city and get more people in, that has got to be a key factor for us—for all stakeholders—to realise that we have to have safe access for all patrons, and even workers when they come off shift and go back home or maybe have a drink or a bite to eat late in the morning.

Mr BYRNE: In the immediate future, surely it is in the interests of the Government and of all of us for the opening of the George Street light rail to be a catalyst for the rejuvenation of night-time activity. I would look at it from that perspective. We are about to have significant new public transport services open along the main street of the CBD. What recommendations can this committee come up with that will allow that to be a catalyst for new life being breathed into the economy?

The CHAIR: I am conscious of the time, Mr Provest.

Mr GEOFF PROVEST: I have a couple of questions. All of you are local government representatives. We heard from the City of Sydney today about de-cluttering. I always get a bit worried when government gets involved in private enterprise and things like that. How do you view future engagement with us guys in State Parliament? I have heard concerns coming from that industry—you have alluded to stories already—about the pub being somewhere for 100 years but when a residential block goes up beside it and the barbecue smells too much or the music is too loud, it is forced to close. You have highlighted the issue—I thought it was a good one—about a bookshop which wants someone to come and play a guitar to celebrate, having to go for a DA. Surely there is a role for local government working with us in terms of streamlining planning to allow such things to happen.

I said before in this meeting that I am a Nationals member and we are looking at right-to-farm legislation. Maybe something similar—right-to-entertainment legislation—could be worthwhile. How do you see that you could engage with us to bring that about? Do you see a joint committee or working groups? I am a bit opposed to talk fests. I like to see some results at the end of the day.

Mr BYRNE: Some of the functions of councils, the liquor regulator and the licensing police need to be merged into a one-stop shop. To put it another way, those three agencies have acted like a deadly troika to shut down Sydney's hotel scene. When you get a vexatious complainant they know that they have three different agencies through which they can prosecute their unreasonable complaint. The feedback I get from licensees and venue managers is that they just do not understand why they need to go through three different agencies and at least two different approval processes when they are seeking to amend their conditions of consent and the way that they operate. So if there was a way to set up a one-stop shop in which—

Mr GEOFF PROVEST: But we need to change the planning laws. Would you all agree with that?

Mr BYRNE: Yes.

Ms AGAGIOTIS: Yes.

Ms FORSTER: Yes.

Mr GEOFF PROVEST: To facilitate that. The other point is the fact that, as you have highlighted, each area is a little bit different and perhaps requires a different approach. I live in the Tweed—we are in a touristy place, but most of my people are in bed early. How do you view it, even in Randwick?

Ms AGAGIOTIS: We are getting a lot of apartment buildings in our area, so one of the things we are looking at is requiring new residential development to comply with increased noise attenuation in the apartment buildings and to also give people information on their zoning certificates. For example—like Wollongong is doing—to say that you are buying or moving into an area that is an entertainment precinct. That precinct will obviously have noise. This is so people will be aware before they actually move into an area and also for councils to have that information to have a clear mandate that we do support the night-time economy. That seems to be

working in Wollongong and is something we are looking at as well. Noise attenuation is another thing we are looking at. I think we could be strengthening our State planning laws through the Apartment Design Guide and State policy, the 65 policy to look at increased design standards for noise in apartments.

Mr CHUNG: I think there is no doubt that Mayor Byrne's view is right that the duplication of jobs by police, council and the Independent Liquor & Gaming Authority [ILGA] leads to really long delays and a lot of red tape. I note the Government has already introduced "Easy to do Business" and I think that that is a great reform. I think that is something that could probably be implemented across councils in this particular space. I know one particular licensee in a suburban area is applying for a later license. There is only one objector, which is the police, and the council is simply rubberstamping the police's view. If it did not, I think the police would then go to ILGA when they wanted it extended. I think there does need to be some changes to the way that that is done.

Ms FORSTER: I think councils should take a practical view about when you do have situations like the petanque game, with residents buying properties next door to existing venues and then objecting to those venues behaving in a way in which they are licensed to behave. I think a light touch from council and a conciliatory touch from communities would go some way to solving some of that issue. As Councillor Byrne has said, that seems to be the approach they are taking in the inner west and that would be a good one. Could I just add on the point of transport in the CBD and the changes that have been made under the central Sydney transport strategy around the light rail: There have been some significant changes to the organisation of taxi ranks. They have been prioritised and organised differently. That has also made a very significant difference to how people can get transported in and out of the CBD, particularly late at night. You do not have the numbers of people sort of congregating, milling around, looking for taxis all over the streets. Everybody knows where the taxi ranks are, they go and find them and they get easy and quick access out of the city.

Ms CATE FAEHRMANN: Councillor Chung, you said earlier that the night-time mayor proposal was a bit "gimmicky", I think was the word you used, and you suggested a roundtable potentially through the small business commission. We have heard quite a bit this morning about more than that being needed. I wanted your views on how a roundtable would be able to do what is necessary in terms of providing all of the catalyst that is needed for this type of change. I understand the New South Wales Government established a roundtable in 2016, which looked at the Sydney city centre and Kings Cross precincts, so there already has been a roundtable. Could you explain to the committee how a roundtable could do what we are hearing this morning is really needed for Sydney?

Mr CHUNG: My proposal for that roundtable follows my proposal for a precinct-based approach. That roundtable would be a precinct roundtable, a roundtable with stakeholders who are actually in the game, who know what is needed—health, police, industry—and who will set the parameters for what is needed in a precinct. That is what is needed. I agree with you that there has been a lot of talk for too long and we need some action. I think that having a night-time mayor is a bit too much talk and gimmick. We need some action on the ground. We see the number of shops that are closing. We see the desolate streets such as Oxford Street where shops and businesses have closed. I think we actually need to have some direct action. I think how my proposal is different to what has happened in the past is that you have stakeholders who actually know what is going on and are producing recommendations for the precincts and how they would operate.

A precinct-wide operation might be that a precinct decides for itself that it does want scanners—that may be something that it decides—or that they do want to have self-funded security patrols. I think one of the great examples is Newtown. Newtown saw the writing on the wall when Kings Cross licensees who were not behaving very well—I think the Newtown licensees saw that they needed to self-regulate and impose some of these things themselves as a precinct. Newtown's industry is thriving. As an aside, there is now a slight concern from the Newtown chamber that the daytime economy might be suffering a little bit because the night-time economy has dominated some of the shopfronts there and there is nothing on in the day. I do think that the time for talk is over and we need some action. I think that the roundtable—particularly if it is in the Small Business Commissioner's office or something like that—could produce some action.

Mr KEVIN CONOLLY: If I can just follow up the precinct issue with the councillors here: I have heard about the logic of councils taking a soft touch and trying to be good neighbours and so on. However, is there actually merit in making some planning instrument change, a special step to allow entertainment precincts have legal standing so that if you have a vexatious complainant you can actually say, "Well actually, we're putting a different noise standard in an entertainment precinct. No, you can't complain about that game or that pub—it was there first." Do we need to go down the path of giving it legal status?

Mr BYRNE: It is interesting you should ask that. The Inner West Council considered precisely that proposal for the Sydenham creative hub, which was developed by the former Marrickville Council prior to the

amalgamation and which was subject to very detailed consultation with the local arts sector and local proprietors. Sadly, not long after the 2017 local government election all five of the Greens councillors on the Inner West Council flipped their position into opposition to the Sydenham creative hub and it is now dead. That has resulted in great disappointment in the local arts community—

Ms Cate Faehrmann: Every opportunity!

Mr BYRNE: It could have been a terrific—

Ms CATE FAEHRMANN: He can't let it go. He can't let it go. It's tragic.

Mr BYRNE: —experimentation in the sort of precinct that you are alluding to.

Mr CHUNG: The City of Sydney has in fact brought in its new development control plan [DCP]. I know that you heard this this morning from the Lord Mayor. Mayor Byrne earlier mentioned a guitar in a bookshop; in fact, in Sydney you can do that without a DA. So where there is light entertainment in a shop, such as a bookshop or a clothes shop—they wanted to have a fashion parade with a little bit of light music—that is permissible now without a DA in Sydney. Our new DCP for the late-night economy has actually defined areas and precincts like Chippendale, where we have defined—and it was unanimously endorsed by council—where we have defined the parts of the high streets where you can apply for late-night trading as a licensed premises. It even defines which street you can actually exit the building on so that you try and protect some of the amenity of the residential parts.

Mr KEVIN CONOLLY: Does the DCP give you the legal protection to make these things stick?

Mr CHUNG: Well, we believe so.

Ms FORSTER: Yes.

Mr CHUNG: I do not know whether we have had any applications yet under the DCP. It is absolutely fresh. However, I have to say that that was broadly accepted by the community. We did not get one single opposition from the CBD. In Chippendale we had a few; we made a few amendments and they withdrew their opposition. So it is possible. It can be done.

The CHAIR: Thank you. We will finish on that note as we are over time. If there are further written questions committee members may wish to put to you, would you be happy to take those? Your answers to those would form part of your evidence.

Ms FORSTER: Sure.

Mr CHUNG: Yes, certainly.

Mr BYRNE: Yes.

Ms AGAGIOTIS: Yes.

The CHAIR: Thank you. Councillor Forster, I note you took a question on notice; there may have been some others. The committee has resolved for a seven-day turnaround on your answers. I apologise for the short turnaround but we want to keep to our timetable. If you could direct those answers through the committee staff we would be appreciative.

(The witnesses withdrew.)

Mr NATHAN FARRELL, Nathan Farrell Entertainment, affirmed and examined

Ms EMILY COLLINS, Managing Director, MusicNSW, affirmed and examined

Ms JANE SLINGO, Director, Electronic Music Conference and Artist Manager, MusicNSW, affirmed and examined

The CHAIR: I welcome representatives from MusicNSW. Thank you for appearing before the Joint Select Committee on Sydney's Night-Time Economy and for giving evidence today. I will ask, starting on my left, if you could confirm you have been issued the Committee's terms of reference and information about the standing orders that relate to the examination of witnesses in these proceedings?

Mr FARRELL: Yes.

Ms COLLINS: Yes.

Ms SLINGO: Yes.

The CHAIR: Do you have any questions about that information?

Mr FARRELL: No.

Ms COLLINS: No.

Ms SLINGO: No.

The CHAIR: Thank you very much. I am going to invite you to give a short opening statement if you would like to. I am mindful of two things. I am mindful that there is also a music inquiry which has made some substantial submissions and recommendations which is terrific, we acknowledge that. Also, I would ask that when making reference to lockout laws, to be sensitive to the Christie and Kelly families given that that was the circumstance which brought about this matter. We would like to be respectful of those families. Do any of you have a short opening statement?

Ms COLLINS: I do. Thank you for the opportunity to present to the Committee today. That this inquiry is taking place is heartening and we look forward to hearing the Committee's report on this issue. MusicNSW is the state body for contemporary music. We are funded primarily by Create NSW to deliver programs, projects, and initiatives, to administer funding, and to provide advice and support for musicians and the music industry. Essentially, our remit is to make the New South Wales contemporary music industry creatively and financially sustainable. We have three full-time staff. In the past five years, we have witnessed a devastating downturn in New South Wales' contemporary music industry.

Like many industries, ours is made up of countless moving parts—an ecosystem of artists, venues, audiences, labels, booking agents, publicists, distributors, merchandise companies, touring companies, festivals, photographers, production crew and so many more. If one of these components stops functioning it disrupts the entire system and this is what happened to Sydney's industry. Lockout laws essentially kneecapped venues by restricting the way they operate and the ripples of this disruption have been felt beyond the CBD and Kings Cross to western Sydney, Newcastle and Wollongong, across the State and even across the country. Ask our national music colleagues and they will tell you how bad it is—national tours selling out in every stop but Sydney, bands choosing to skip Sydney on their east coast tour and play Wollongong and Newcastle instead. And something that I find particularly devastating is the number of artists and businesses moving interstate to seek out more opportunities and a more supportive and positive creative community.

We surveyed 225 musicians, all of whom had been playing in Sydney within the last six years, and asked them if and how the lockouts have impacted their music careers. The results were alarming yet not surprising. Of those surveyed 85 per cent said that the lockouts have had a direct impact on their music career; 75 per cent said the number of gigs they played in recent years has decreased, with most of them attributing this to the lack of venues and performance opportunities; and 40 per cent said the amount of money they earn per gig had decreased in the last five years. We asked them how Sydney compares with other Australian cities when they go on tour and they said: "Sydney is a joke"; "There is a more vibrant scene in Hobart"; "Wollongong has a much more diverse music scene"; "Tamworth and Bellingen are more lively"; "Sydney is the worst in the country"; "Shows in Canberra, Melbourne and Wollongong have twice supported the financial loss I incurred by including a Sydney date in my tour"; "I have performed and toured in Sydney, the Blue Mountains, Wollongong, Broken Hill, Mildura and Adelaide and I have managed to make more from live performances in Broken Hill in one month compared to one month in Sydney"; and "It makes me want to move somewhere else".

We also asked them to tell us about Sydney's live music scene right now and these are just a sample of some of the things they said: a slowly sinking ship; non-existent, uninviting, boring; stagnating and worsening; Brisbane is so much better; hanging on for life; limited; struggling; flat; terrible; waning to a crescent; and dead. Interestingly, over 30 per cent of respondents described Sydney as "dead". We take issue with this word. "Dead" implies it is too late to do anything. "Dead" implies there is zero activity. "Dead" means you are excused from having to do something to help revive it. But we know for a fact that since the lockouts the underground and DIY scenes in Sydney have been fighting back. We are almost at a point where we have more underground venues than legitimate ones. Artists are doing what artists do: They are finding ways to share their music.

Do not believe for a second that Sydney's creative spirit is beyond repair. It is still thriving and changing and growing and innovating but it is doing it in a forum that is less connected to industry and definitely disconnected from the night-time economy. If you want to see Sydney's night-time economy flourish then we recommend you make efforts to bring live music back into the fold. The perception around Sydney being dead due to the lockouts has become its very own problem. Not only have we witnessed a total drop in business confidence, we've also seen a marked drop in cultural confidence. If many of our artists and creatives do not believe that Sydney is a place for culture then who exactly will be telling our stories? It is devastating to hear how embarrassed Sydneysiders are about their city.

This is not just an issue of culture but it has cut right through to the heart of who we are as people and our identity as a city. As we see it, this is a dire problem that needs addressing and my advice to the Committee is that one real, tangible, meaningful way to address this corrosive narrative is to return to what started it all and to remove the lockouts completely. We are under no illusion that removing the lockouts tomorrow would mean the music industry would bounce back immediately. It will take years to repair the damage done to Sydney's reputation and to the reputation of our creative industries but it is not impossible. Sydney will never be what it was and that is a good thing. Change is a good thing. We now have the chance to imagine a new Sydney and make it better than it has ever been—full of opportunity, thriving with business and culture, and a globally respected leader. The State Government now has an excellent opportunity to demonstrate its commitment to making Sydney a city that has more to offer than just bridges and beaches. Invest in arts and culture, create better regulation, develop a clear vision for Sydney's nightlife and commit to making it happen.

The CHAIR: Thank you, Ms Collins. I am conscious that we have 14 minutes. Do other witnesses have opening statements?

Mr FARRELL: Yes.

Ms SLINGO: Yes.

The CHAIR: I invite you to make them but just be aware that we will be a bit tight for time.

Mr FARRELL: I will keep it quick, yes. Jane, do you want to go first?

Ms SLINGO: Sure. Thank you for having me speak here this afternoon. My name is Jane Slingo and I am an artist manager and I am the Director of Electronic Music Conference, otherwise known as EMC. EMC is an annual conference and festival held in Sydney. It is funded by the Australia Council for the Arts, Create NSW, the City of Sydney, as well as private partners.

Its purpose is to grow and strengthen the electronic music industry, to provide a platform for local electronic music artists to showcase to industry influencers and talent buyers and to develop audiences for new and emerging artists. EMC has been running annually since 2012. A huge part of attending a music conference like EMC is the activities that happen later at night—relationship building with new connections over a late night feed or drink, watching showcases of local artists performing at the festival or attending a fantastic party and sharing an amazing nightlife experience with new-found friends and colleagues.

The same year that the lockout laws were introduced EMC also launched its festival program. The festival program featured over 50 local artists performing across a suite of venues in Kings Cross. We had almost 3,500 attend the festival that first year, which was a great result. Looking back I think that that festival attendance was an indication of a hopeful mindset that Sydney had in that first year of the lockout laws. There was a general sense of optimism that these new restrictions would not be in place for too long. The following years became incredibly difficult. In 2015 the mindset in Sydney had definitely shifted from optimism. Our festival attendance plummeted, decreasing 75 per cent from the previous year. By 2016 our conference delegate numbers also decreased by more than 50 per cent. Not only were we dealing with incredibly limited venue options for our festival; it was also starting to become challenging to convince international and interstate visitors that a trip to Sydney was a valuable investment of their time and money.

Some of the common responses we have received from international and interstate colleagues over the past few years are: "Sydney's dead. There's not enough to do at night to warrant the investment in coming." "I can't see all the artist showcases that I want to see because of the lockout laws." I have heard stories about delegates getting locked out when going between venues to see artist showcasing. And my favourite: "Move EMC to Melbourne and I'll come every year." This is devastating when you have invested in bringing over international figures to expose them to our local talent. It is perhaps more devastating to know that we have had international visitors who have had a disappointing nightlife experience in Sydney and have gone home to share their stories, further diminishing our city's credibility amongst international business networks.

In 2018 EMC conducted focus groups in Sydney, Melbourne and Brisbane. We had over 150 participants including artists, managers, promoters, venue owners, record labels and booking agents. We had a multiple choice question in response to the following statement: "Sydney's lockout laws have had a negative impact on my work or my business." In Brisbane 76 per cent either strongly agreed or agreed with this, in Melbourne 67 per cent either strongly agreed or agreed with this and in Sydney 96 per cent either strongly agreed or agreed with this. I think everyone in this room knows that Sydney will never be the city it once was pre-lockout laws. Our nightlife landscape has completely changed. We will never hop between multiple venues within a few blocks in Kings Cross again. What we do have now are little pockets of wonderful venues and culture happening in diverse precincts in Sydney. These precincts, the communities and the operators in them are the seeds for the future blossoming of a remarkable nightlife in Sydney.

We will not simply remove these restrictive laws and return to a thriving globally renowned nightlife. The rejuvenation of Sydney's nightlife will rely on getting the licensing framework right, getting our late night public transport schedule right and giving our nightlife businesses the freedom to experiment and take creative risks with their entertainment offering rather than hanging on by a dear thread in survival mode. If we can get these things right I have no doubt that Sydney's nightlife will move into its phoenix rising from the ashes stage. There is once again optimism in the mindset of Sydney's nightlife community. It is time to remove these outdated laws completely. As a city and as a community we have to get on with it. There is a lot of work for us to do. It is time to turn the page and start the new chapter of a better, bolder, more creative and more diverse nightlife in Sydney. Thanks again for letting me speak.

The CHAIR: Mr Farrell, do you have a very brief opening statement?

Mr FARRELL: I will do my best.

The CHAIR: Thank you. I know Committee members are very eager to ask you questions.

Mr FARRELL: Yes. Cool. I am an artist manager, producer manager, venue festival booker and concert promoter. A Sydney Swans supporting SCG member, I have called Sydney home my entire life. I have booked a bunch of legendary music venues here. I work with Grammy and ARIA award winning artists and I tour Rock and Roll Hall of Fame artists. I am moving to Melbourne next week. As a venue booker I have been at the coalface of venue owners, managers, bartenders, sound technicians for 15-plus years. I booked the Basement up until the day it closed. In 2013 I had five staff and we booked 1,600 shows in Sydney—that is four a night—everything from jazz to techno. This was not the 1980s when Midnight Oil was playing five nights a week so it was venues everywhere—this is just five years ago. At the end of this year I would imagine we would not have booked 400 shows in Sydney. I am down to one staff member. Most of our business now comes from interstate. We just opened a music venue in Fremantle which has been open for three months and we have done over \$1 million in ticket revenue.

Sydney is in a live music recession. There is no doubt about it. I was booking the Basement at the time the lockouts came in. Everyone said, "It doesn't matter for you guys. You're wrapped up early. You finish by midnight." Which was true 95 per cent of the time; the other 5 per cent of the time we would have a jazz show politely finish at 10.30 p.m. and we would have another show starting with about 450 patrons coming in until four or five in the morning. These shows netted about 15 to 20 grand a night. We did three of them a month so it was about 50 grand a month. That ended up being about \$600,000 a year in lost revenue with the lockouts. That is a cultural institution that is lost, because it is Sydney's history.

More numbers: As I said, 90 per cent of our revenue comes from Fremantle. That is 4,000 kilometres away. Tours we have been working on recently are outselling in Melbourne. I spoke to someone on the weekend who had an international act who sold 700 tickets in Sydney versus 4,000 in Melbourne just last weekend. These days in Sydney a venue's primary focus is survival. It is all-consuming and comes at the expense of all creativity. The bottom line is the only measure and it makes hospitality inhospitable.

I think back now to some of my favourite venues that I have booked, the Macquarie Hotel in Surry Hills being one. We did 14 shows a week. We had two shows running. You could watch a seven piece Ethiopian soul

band on a Wednesday night; Jackie Orszaczky played there once a week; Matt Corby, Passenger, Angus and Julie Stone all had some of their first shows there. I think now if I was given the same opportunity, the same budget adjusted for inflation, I do not think the same venue would work. I think the ecosystem in Sydney is broken. I think the audience is not there. I do not think we have the talent to fill that potentially every night of the week with the same success.

On the ecosystem, good operators and passionate venue owners have all gone broke. Musicians have left town. Promoters in the industry are following. We all need to consider it might take half a generation to fix the problem, but if we do not start now then it is never going to get there. Owning a music venue in Sydney is hard work. Rents are high. Licensing is expensive and tedious—it takes up precious space and other demands such as soundproofing equipment. It all costs money. You need a good team with skills to book, to market and to run these events—the staff, the bars. There is a lot that goes into the economy. Why do people do it? Because it is important. It is a vital form of expression both on the stage and behind the bar. I love the rise of small bars in our community and think it has been an added sophistication into Sydney night-time culture—something we really needed. I would love to see if music venues could have the same respect and attention over the next five years that has been granted to them.

The CHAIR: Thank you. I think we get the picture, loud and clear. Thank you for being quite clear about your submissions. We do have a little bit of time for questions.

The Hon. JOHN GRAHAM: I am very conscious of the time. I have three quick questions. The Chair has already referred to the parliamentary inquiry into music. It made 60 bipartisan recommendations across the Parliament. How important is it that those recommendations are put into place?

Ms COLLINS: It is vital. I think one of the clearest things from those recommendations is that we need a vision for contemporary music in New South Wales in the form of a contemporary music plan and we need to see it committed to by government. Part of that is it not just sitting within arts but within trade and industries and really getting the proper whole-of-government attention that it deserves.

The Hon. JOHN GRAHAM: Ms Slingo, one of the things that really came through in the music inquiry was that the electronic music scene in Sydney was hit particularly hard. That was important because our artists were really known around the world, headlining around the world. There was at that time a particular Sydney sound which was really being paid attention to. Is it your view that the electronic scene has been hit doubly hard as a result of some of the changes?

Ms SLINGO: Absolutely.

Mr FARRELL: I would say more than double.

Ms SLINGO: Yes, more than double. The electronic music sector was the first to feel the impact naturally because it is historically a genre that exists at late night. In 2014 it felt like overnight we lost businesses and people lost jobs or regular jobs and started moving interstate.

Mr GEOFF PROVEST: Reference is often made to balancing the provision of a thriving night-time economy and ensuring public safety and amenity. In your view what does this look like? On one hand we have public safety out there. We recognise the difficulties that your industry is experiencing.

Ms COLLINS: We would say that it is possible to develop good regulation that can keep people safe and allow for a thriving night-time economy. We need to get better regulators if we cannot come up with that model.

Ms SLINGO: I think culturally we have shifted as well. I think particularly in the past two to three years, I do not think there has ever been more of a focus on how the businesses and communities in nightlife can create safe spaces—and these are safe spaces not just against violence but also safe spaces for people for minority groups, accessibility, inclusion, and creating safe spaces for all people to be able to enjoy nightlife. It is a huge focus amongst the communities and businesses in the nightlife sector.

Ms CATE FAEHRMANN: Thanks for attending today and for all of the work you do. One of the terms of reference is around ensuring that existing regulatory arrangements, including Sydney's lockout laws and every other regulatory arrangement, remain appropriately balanced, particularly in relation to individuals. I want to ask about police presence, strip searches and sniffer dogs to see whether you have had feedback from your clients and stakeholders as to whether that has also impacted people's experience of Sydney's nightlife and night-time economy. Some people are suggesting that Melbourne does not have that type of heavy police presence, strip searching and drug detection dogs to the extent that Sydney does. Have you heard that that is also an impact on businesses or patrons' experience and them going out?

Ms COLLINS: Absolutely.

Ms SLINGO: A hundred per cent.

Ms COLLINS: There is a publican or a venue owner I know who has premises in Double Bay and they said that they often get police coming through at 7.00 p.m. on a Thursday night during dinner service. It disrupts all of the business and all the sales going on. It absolutely makes people scared to come back because their dinner was interrupted—obviously, not strip searching at this point—but by sniffer dogs in a pub. It also alludes to the fact that maybe this goes on at other times so it tarnishes the reputation of venue owners.

Mr FARRELL: We have had sniffer dogs come through a sound check before the venue is open and insisting that they need to search the performers.

Ms SLINGO: We live in a time where a night in at home or a party at home is a lot more attractive than it was 10 years ago. The heavy police presence further disincentivising young people from going out and engaging in that nightlife is a very big problem.

The CHAIR: I think my neighbours would prefer I went out; my playlist choices are terrible.

Ms COLLINS: We can help with that.

The Hon. BEN FRANKLIN: Thanks for raising the venues issue in your submission. That is something that a number of people in the industry keep raising with me, particularly in Sydney, the medium-sized venues—the 500-person ones. There is almost an entire lack of them now.

Mr FARRELL: And below. I think it is been decimating. I constantly get phone calls every day from interstate agents and acts trying to figure out, "When do we actually play now?"

The Hon. BEN FRANKLIN: Apart from your very strongly stated and clearly passionately held views about lifting the lockout laws and so on, what else as a Government can we do in order to encourage the creation of venues?

Ms COLLINS: I think looking at noise regulation is really important. There is a lot of planning and general, I guess, trying to incentivise venues to open. We have got a liquor licence freeze at the moment. If you really want to encourage new business, we are not really sending that message at all; we are sending the exact opposite message of "don't bother". I think if you really want venues to open, if you want small- to medium-size rooms for artists to play in and for local bands to actually have somewhere to play, then we really need to change the regulatory framework.

Mr FARRELL: Any type of financial benefit for hosting live music would be a pass, whether it's a tax one or some rent-free period or something because there are so many costs. As I said, even incremental issues like the lockout for venues that you think would not their main bread and butter—it all adds up. Everything is on such a knife edge with these types of venues that anything that goes in the other way at this point is going to be helpful for opening new ones and for the ones that are open now to sustain. At the moment the thing is that you need to do everything you can to not make it worse. We need to absolutely cherish what we have right now and try to rebuild. Anything worse from here we go past the tipping point.

The Hon. BEN FRANKLIN: The Government supports, for example, things like the film industry and large musicals and so on by helping to subsidise to ensure that they come to New South Wales. Would you agree that we should be using that premise to look at what we can do to support the live music industry?

Mr FARRELL: If you are looking at general investment in contemporary music, Victoria spends at least four—closer to five—times as much per year on contemporary music than New South Wales. They have a \$22.5 million package over four years, investing in contemporary music specifically—not the broad arts, just contemporary music. That includes venue grants. That includes funding for artists. It is about having that ecosystem approach to making sure that you cannot just support venues because "Where are the artists?" and you can support artists because "Where are the venues?". It is about bringing everyone up together.

Ms SLINGO: I also think that there is a huge opportunity in public transport. As I mentioned, we are not going to return to a nightlife where you can hop between venues on foot. What we see now is that it is quite a dispersed nightlife offering, which is really exciting. But the light rail I believe has a fantastic opportunity—if they get the late-night scheduling right—for people to be able to traverse between those nightlife precincts and enjoy the entire offering.

The Hon. MARK LATHAM: Mr Farrell, your story of loss to Sydney is horrific in every dimension. How easy is it to come back and what would be the three main things that would lure you back to Sydney?

Mr FARRELL: For me, personally?

The Hon. MARK LATHAM: Yes.

Mr FARRELL: I am not excluding working from Sydney venues; I think it is just cheaper and easier to from Melbourne at this point. We have got more business in other places. I think if there were three things, the lockout laws disappearing would be a big one—or at least heavily relaxed in certain areas. I would like to see some kind of encouragement and support for live music venues and for small bars that have been there for five to seven years. I would like more of a proactive approach and an understanding of the cultural importance that music venues have, not just for artists, not just for promoters but also for a community. The best venues that I worked in over the years, everyone hangs out there and it is a melting pot where really amazing things happen. I think the community aspect to a music venue has been completely lost when it is being over-licensed, over-policed and put under the microscope.

The CHAIR: Thank you. We will have to wind up there. We really appreciate you providing a submission and attending today. It has been very helpful. I do not think you took any questions on notice that if you did, answers must be returned within seven days. Given the short time frame, if Committee members have further questions that they would like to provide to you in writing, are happy to take those, knowing that your answers will form part of your evidence?

Mr FARRELL: Yes.

Ms COLLINS: Yes.

Ms SLINGO: Yes.

The CHAIR: Terrific, thank you very much for coming on today. We appreciate your evidence.

(The witnesses withdrew.)

TIM LEVINSON, Artist, APRA AMCOS, affirmed and examined

CHLOE PAPANDREA, Artist, APRA AMCOS, affirmed and examined

DEAN ORMSTON, Artist, APRA AMCOS, affirmed and examined

JENNY MORRIS, Artist, APRA AMCOS, affirmed and examined

JONATHAN ZWARTZ, Artist, APRA AMCOS, affirmed and examined

The CHAIR: I welcome you, the representatives from APRA AMCOS. I thank you all for coming to appear before the Joint Committee on Sydney's Night Time Economy today. We appreciate you providing written submissions and appearing today. I speak on behalf of the Committee when I say thank you for your contribution to Australian culture and all you have done. I am going to confirm that each of you have been provided with a copy of the Committee's terms of reference and the standing orders that relate to the examination of witnesses. Have you all received that?

Mr LEVINSON: Yes

Ms PAPANDREA: Yes

Mr ORMSTON: Yes

Ms MORRIS: Yes

Mr ZWARTZ: Yes

The CHAIR: Do any of you have a short opening statement you would like to make to the Committee before we proceed to questions?

Mr ORMSTON: Yes, I do. I thank the Committee for opportunity to present today on Sydney's night-time economy. As I have just said, I am the CEO of APRA AMCOS and I am accompanied by Jenny Morris, our chair, and Jonathan Swartz, Chloe Papandrea and Tim Levinson, who are APRA members. Just to provide some context, APRA AMCOS has 107,000 songwriter, composer and music publisher members. There are approximately 25,000 members in New South Wales and approximately 14,000 in the Sydney metropolitan area. In the past two years we have submitted to and appeared before a number of music- and night-time-related inquiries and strategy sessions, including last year's inquiry into the music and arts economy. At those inquiries we have specifically argued the importance of a healthy music ecosystem, the importance of whole-of-government policy settings, government and industry co-investment and Australia's potential as a global music powerhouse. Our view is that the New South Wales Government has still not articulated a vision for what Sydney is as a global city and what a successful night-time economy should look like.

In our view this inquiry is focusing on what should be givens: community safety, health and regulatory balance. What Sydney needs is for the whole of the New South Wales Government to commit to a vision for Sydney as a globally vibrant and lived Sydney. Without an agreed vision, Sydney's brand as an internationally vibrant city is at risk. We should set our sights high for Sydney and for what makes us unique. To provide a comparative point from the APRA AMCOS context, we have set our vision high in terms of Australian music exports. We have recently created the "1,000,000,000 List" list to acknowledge APRA members who have achieved one billion streams globally for an original work. Recently we awarded two members who the Committee may or may not know—Nat Dunn for co-writing the Marshmello hit *Friends* and Sydney boy Dean Lewis, who co-wrote *Be Alright*. We will be announcing more of our members who have reached that internationally recognised milestone over the coming months.

Two weeks ago APRA AMCOS, together with the Australia Council and Monash and Newcastle universities, released a three-year research report into the value of Australian music exports. The report shows that Australian music exports are worth at least \$195 million per annum. Australian music is riding a wave of global success. In the past five years APRA AMCOS has doubled its foreign revenue, and by that I mean the public performance of Australian works internationally and the money that is returned to APRA AMCOS. Our export potential is driven by the health of our domestic market. There is no shortage of great talent across this country, across genres and across platforms. But live music is the bread and butter for our members. The opportunity to perform live is integral in developing craft and building audience and, for many, is a key part of a sustainable career. It is something that, for many, has become near impossible in Sydney.

APRA AMCOS data shows that there has been a 50 per cent decline in venues primarily dedicated to live music in the City of Sydney local government area. The State's policy setting and government partnership with industry needs to evolve significantly in Sydney and New South Wales if the State is going to be part of the

national success story. Sydney and New South Wales must develop a whole-of-government partnership approach to ensure the music industry achieves its potential. Without over-regulation and red tape, it could be a place where artists have sustainable careers and venues are viable. We must ensure we have a vibrant local music culture. With that, I would like to hand over to my colleagues to answer any questions the Committee might have.

The Hon. JOHN GRAHAM: Thank you for the presentation today. Parliament has heard, today and previously, about the music venue crisis in Sydney and New South Wales. There are some venues that have closed that artists have said they have played in before and are now no longer there. It is a devastating rollcall when you add them all up. Each of the artists here are telling our stories to the world in the work they do. Could you tell us if it would have been possible to do what you have done and to have had your careers if you were starting out today in Sydney as it operates at the moment?

Ms MORRIS: I think absolutely not. I was going to share with the Committee, from a passionate point of view, that I believe culture speaks to who we are as people and as a collective. Part of our culture is represented by music. I feel that if we do not get the opportunity to express who we are through music then we will lose the thread of who we are as a people and as entities in our own right. I think if we are given the backing of our society it gives us so much more confidence to do what we do bravely, sincerely and successfully. If we are not provided with platforms upon which to show the world who we are then we stagnate. If our cultural entities—the creatives—in our society are stagnant then I think it is bad for our society.

I look to New Zealand—I am a New Zealander originally—and it seems that New Zealand is always striking goals around the world. It has just over 3 million people but there are always people who rise out above the crowd on the global stage; not just with culture but with everything. I have often wondered what it is that provides that ability in the hearts and minds of New Zealanders to do that and I believe it is because they have the backing of the people around them, who say, "What you are doing is relevant; it is important." With Sydney's night-time economy having regressed so badly, we lose the ability to give our creatives that confidence to launch. It is obvious with what is happening with our musicians and writers that they feel that there is a palpable depression.

The Hon. JOHN GRAHAM: It is never going to be easy being a musician, but it's got too hard in Sydney.

Ms MORRIS: It is too hard in Sydney, yes. It's a laughing stock.

The Hon. JOHN GRAHAM: Any other views from the artists?

Ms PAPANDREA: I have definitely found it quite difficult myself from a financial standpoint trying to run a small business. You need these gigs to run this business. I am from Newport on the northern beaches and I think from Newport to Manly, even Manly to the CBD, there is only a small amount of venues that you can play at. [REDACTED] Just recently I was asked to play there and I was offered to be paid in food and drink, which is appalling because it kind of feels like a slap in the face. We are trying to run our own business. To answer your question, I do not think it is sustainable. I am 25 now. For someone who has just turned 18 and can go into pubs and restaurants they would find it really hard. I think I have just got the back end of it and I am starting to see it dwindle, but someone who is coming out now and is able to step into those venues, I think they would really struggle.

Mr LEVINSON: Coming back to your question about whether you would be able to have the same career now as the one I started out with, it is a really difficult question to answer. But I can say for sure that our population has grown. We are a city that is exploding. We build buildings, we build all these other parts of our infrastructure to carry traffic and what not. One thing we definitely regressed in, to echo some of the other comments made, is places where you can develop your art and your craft. You have a much more competitive environment, which does not necessarily breed a higher standard and a higher talent.

Actually what it does is railroad a huge amount of musicians out there that are going to go and become internationally significant and be like the standout performers, because you have railroaded all the opportunities that are available to those true talents. It becomes something that might be a bit more sustainable for a small part of the community that has access to more money. You just make it a playground for the more privileged, which is not really the way you want to create an artistic environment where there is as much of a level playing field as possible. So that is the way it really manifests with me is understanding how it would have been for me back then. When I moved to Sydney I had a part time job at a record store, I had a part-time job elsewhere, I was studying in uni, I was trying to write: You are just putting all this stuff together in order to make it happen. That is really almost impossible for young people nowadays.

The Hon. JOHN GRAHAM: Mr Zwartz, we have lost The Basement in the form it was. How hard is it in Sydney to be a jazz musician these days?

Mr ZWARTZ: Thank you for having me here today and thank you for doing this. It is very important I feel culturally to do this for Sydney and Australia. I have been a professional musician for 35 years in Sydney and I can say that it has gone from where I had gigs pretty much every night to where I have maybe four gigs a month. That is baldly putting it how it is. I have never had as bad a year financially as this one and I have had some success. I have won an Aria award for jazz album and that same album picked up the Air award. The irony is that I am not working. In that 35 years we have had three major hits to our live music culture. The first one was poker machines, that really had a bad effect on how many live gigs there were because it was suddenly much more attractive and easy to get income, revenue, from having poker machines which didn't tend to talk back or even eat any food.

Then we were hit again with POPE laws, POPE licences, that was really hard because that meant if you wanted to have any live music in your bar or venue you needed \$50,000 minimum to get a licence. It didn't do much good for the live music scene in Sydney. Then most recently the lockout laws. That has been the final nail in the coffin for Sydney. I have plenty of musician friends who are moving to Melbourne. On that note I would say Melbourne, Victoria, supports their music industry with generous amounts of money. They spend \$35 million over a four year period. I think the New South Wales equivalent is \$4 million. It is about \$1 million a year. Sydney is a much more expensive place to live than Melbourne.

Mr ALEX GREENWICH: A question to anyone: thinking back when the lockouts and other regulations passed through this place, was there any consultation with APRA AMCOS, or artists that you remember and if there wasn't what would you have said at that time? That is the first question. The second question is: To further take us through the link between the lockouts and venues not letting patrons in after a certain hour and trickle down or wider impacts that has had on Sydney's music ecosystem?

Mr ORMSTON: I'll kick off. No, APRA AMCOS was not consulted in relation to that move. I think, as everybody recognises, that health and safety is important. It was clear to anybody at that time that something had to be done. The question is obviously what and in real time that can be difficult. I do not think anybody has an issue around that. It is more in what timeframe do you stop and make an assessment as to what else is happening. What are the flow-on effects socially, culturally and economically. What plan or strategy do you put in place to take you somewhere else? That is the point made earlier: What is the vision for the city? It seems sort of moot talking about a night-time economy if you have not actually decided where you want Sydney to sit in the world and how you want it to be perceived. Everything else flows from there. Certainly we were not consulted and my understanding would be nor were any other areas of the music industry.

In terms of the trickle-down effect, it was probably more like a tsunami than a trickle down. I think it happened a lot quicker than people expected. I think venues closed quicker than people expected and reflecting back part of our observation was that very quickly the lockout law very quickly put a ceiling on trading hours and a lot of live music activity was subsidised by later night activity that the venue might have like alcohol consumption etcetera. So in the mind of the venue their operating hours and revenue generating time was drastically reduced and they started looking at reducing their overheads. It is well documented around the cost impacts to venues, but certainly it was quicker than people expected and it was dramatic and what we are seeing at the end of that period is people making decisions about where they will live because they cannot earn a dollar from live music.

Ms CATE FAEHRMANN: We have heard some really depressing stuff all day in terms of the lockout laws. We have more to go. Say, for example, this Committee recommends to repeal the lockout laws and the associated regulation and that happens in a few months, do you have a recommendation around the urgency for the New South Wales Government to match funding per capita compared to the Victorian government? What other measures could you recommend the Government needs to put in place to send a very strong signal to artists, to the world and to the country that Sydney is open, but particularly for live music?

Mr ORMSTON: I think it is a really good point and I heard it mentioned by the previous witnesses around confidence. I think for venues to suddenly start presenting live music again there would need to be a degree of confidence: Is this going to work? What is the ecosystem like? At a federal level APRA AMCOS has advocated for tax offsets for live music venues. We say the venues at the heart of the ecosystem is you cannot convince a hotelier or a bar operator or a café operator to put on live music and pay for it then you do not have an ecosystem. Our view was if lockout laws were repealed tomorrow what is the incentive for a venue to take a risk and do anything? Because you do not want to be the only venue in town presenting live music. You do need a number of venues because that is how it works. That was the rationale behind our tax offset idea. The Federal Government did not run with tax offsets at this stage but has provided a \$20 million grant over four years to make available grants to businesses presenting live music. The detail of that is yet to be documented.

Our very strong view would be whilst that sounds like a lot of money, spread nationally over four years it is not. An opportunity in this context in Sydney would be to do something similar and provide a broad-based impetus for venues to go back and consider live music. You have got to de-risk the economic issue for the venue.

The CHAIR: Mr Guy Zangari.

Mr GUY ZANGARI: Thank you very much for coming today. In front of us we have the greatest minds when it comes to music and experience that this country has ever had. We certainly acknowledge that. In the music industry mentoring is really, really important and that is why I said about the experience and the wealth of knowledge that you have. As an association, how do you mentor and support up and coming artists when you know that there are limitations for them to perform and to express themselves and are we on the precipice of losing a generation of fabulous artists as a result of what is going on in the music industry? Is it too late or can we get them back? That is my question to you because we are at that point now?

Mr ORMSTON: May I make a quick comment?

Mr GUY ZANGARI: Yes, sure.

Mr ORMSTON: I do not think it is ever too late. I think the diversity of talent in Sydney, in New South Wales and nationally is extraordinary. Australia punches well above its weight and we are seeing that play out internationally. We have developed two programs to address the point that you are referring to. One we put into schools called SongMakers, which was all about taking a high profile songwriter and a producer and put them in a high school for two days to work with a group of 16 kids, to give those kids a snapshot of what it is like to be in the music industry, which is what sport has done really well when you take an AFL football player and take him to a school. It is that catalyst through a school that goes, "Wow, I could be like that or I could have a career in sport". So there is an opportunity through that program. We do not receive any Federal or State funding at this point—sorry, we receive some funding from Tasmania and we are doing the program there. It is currently funded by the APRA board and it is a program that we run in schools.

We have a complementary program called SongHubs, which is about providing international songwriting opportunities for our members, so we will send some of our members to Nashville for co-writing opportunities with American songwriters in Nashville. We will bring international artists to Australia. It is another way of exporting Australian music to provide co-writing opportunities for our members. Again, that program is totally funded by the APRA board at the moment. It had had some Federal funding at some point; it does not, but the point I would make is: They are very simple programs to run. We are expert at doing them. It does not take a lot of funding. It is the support that government shows in funding those that really sends the message.

Ms MORRIS: Getting back to the sentiment of your question, I think it is both exciting and depressing that APRA has had to set up representation in London, Los Angeles and Nashville because we have so many very successful writers who are moving away overseas. It is great because they have been very successful but it is not so great because they feel they do not need to be successful if they travel away. I am talking about the likes of Sia or Gotye or whatever. They are very attractive to international societies who try to poach them so it is not such a good thing that they feel like they have to get their success offshore.

The CHAIR: Thank you. We are over time but we have one more question from the Hon. Ben Franklin.

The Hon. BEN FRANKLIN: I am wondering if any of you believe, through your extraordinary experience, that there has been a flow-on effect from the laws that have been brought in in Sydney through to regional New South Wales and if regional New South Wales has had any negative impact because of what has been happening due to these laws in Sydney?

Mr LEVINSON: I cannot speak for regional New South Wales because I do not live there. We are all in the city now.

The Hon. BEN FRANKLIN: I understand.

Mr LEVINSON: I grew up in the Blue Mountains. It is not really regional but at the same time what happens in all of these places is that you outgrow the area that you have been brought up in and you have to move to a city that is going to sustain you. If you are going to become a professional you are going to try and do it properly so if you do not have an answer here it just reduces your options. It is really just as simple as that. I want to quickly go into that last question. I want to be really clear about who everybody is dealing with here. When you are talking about artists who are being affected by all of these decisions that ultimately you have a lot of influence over, it is people who are already very accustomed to risk and accustomed to living on the fringes. You are talking about people who don't have any super, don't have any award wages, don't have any holiday pay, don't have any of those sorts of conditions that we do not see as a negotiable, so they are already kind of accustomed to what this lifestyle is.

The things that get decided upon like lockout laws that ultimately impact all these people—this is who you are dealing with. I know if I ask anyone to put their hand up around this table and see if anyone else has sort of accepted a career without super, there wouldn't be one hand that goes up. So this is who you are dealing with when we are kind of going, "Hey, you know, stop getting in our way. Stop meddling with the industry that is propping up people who do know how to work four jobs in order to try and create that art that is going to hopefully be significant." Sorry to jump over to that last question but I think it is really important that we remember who we are working with here.

The CHAIR: Thank you. Thank you all very much. I am sorry that we have to conclude this session. If members have additional written questions for you, would you be prepared to take those written questions, understanding that your answers will form part of your evidence today?

Mr LEVINSON: Yes.

Ms PAPANDREA: Yes.

Mr ORMSTON: Yes.

Ms MORRIS: Yes.

Mr ZWARTZ: Yes.

The CHAIR: I do not think any questions were taken on notice but if they were the Committee will get in touch. Thank you for your time today, your evidence and your contribution to Australian culture.

(The witnesses withdrew.)

(Short adjournment)

SAM COFFEY, Owner, Three Cheers Training, sworn and examined

CLAUDE BERENY, Director, Business Owner and Property Owner, The Beauchamp Hotel, affirmed and examined

MARK GERBER, Chief Executive Officer and Licensee, Oxford Art Factory, affirmed and examined

PETER JOSEPH XEUREB, General Manager, ARQ Sydney, affirmed and examined

The CHAIR: I welcome representatives from the Beauchamp Hotel, Three Cheers Training, Oxford Art Factory and ARQ Sydney. Thank you for appearing to give evidence before the Joint Select Committee inquiring into Sydney's Night Time Economy. We appreciate it very much. Can you please confirm that you have been issued with the Committee's terms of reference and information about the standing orders that relate to the examination of witnesses?

Mr COFFEY: Yes.

Mr BERENY: Yes.

Mr GERBER: Yes.

Mr XEUREB: Yes.

The CHAIR: Do any of you have any questions about this information. There are no questions; you are good to go. Thank you very much. Do you have an opening statement?

Mr GERBER: I would like to start by acknowledging the Gadigal people of the Eora nation and pay my respects to the elders past, present and emerging. As I said, my name is Mark Gerber. I am the CEO, founder and licensee at the Oxford Art Factory, a multipurpose live music and performance venue situated in the basement of 38-46 Oxford Street, Darlinghurst. Over 12 years of operation we have seen upwards of 20,000 live performances take place to an aggregated audience of almost one million people. It is evident that we play a significant role in the music industry of Australia, a multibillion-dollar industry that cannot be ignored, carrying along with it profound social and mental benefits that improve the lives of us all.

To name just a few of the artists who have performed on our stage: Lady Gaga, Amy Shark, Baker Boy, The Black Eyed Peas, Paul Kelly, Flume, Tame Impala, Gang of Youths, Dave Grohl and Taylor Hawkins of the Foo Fighters, Courtney Barnett, The Reubens, The Preatures, Rufus, Thelma Plum, King Gizzard & the Wizard Lizard, and many, many more. I would like to thank Parliament for setting up this inquiry and equally I would like to thank the members of this Committee for giving the witnesses sitting alongside me and myself the opportunity to address you today. It is time the Sydney lockdown laws are seriously scrutinised before even more crucial aspects of our daytime and night-time cultures are lost forever. Five years have passed and we are all older and wiser. Let us then collectively use this wisdom to create the right environment for the youth and creative spirits of tomorrow.

I sincerely hope that we can pass on to you valuable insight into the workings and running of culturally significant community-minded businesses such as ours. Surviving in the current climate under the lockdown laws is no easy task. We need to be heard. I am glad to see at this table Sam Coffey from Three Cheers Training. I strongly believe his program should be seen by all as a workable, positive addition to any regulatory amendments being considered by the Government. The sheer geographic distance between the venues you have in front of you and the diverse nature of our offerings makes us prime examples of how destructive and indiscriminate the lockdown laws have been for our culturally inclusive Oxford Street area. I look forward to hearing their stories today and being able to add ours. I am sure that you will hear similar stories of increasing hardship and profound difficulties since March 2014.

What you see before you, to my mind, are survivor, survivors of a badly thought out law, a law which passed into legislation without ever being read by most who voted in favour of it. Equally, a law rushed through Parliament without any proper consultation with industry and the relevant stakeholders. With the stroke of a pen the Oxford Street precinct became part of the problem instead of part of the solution. We now exist in a zone I commonly refer to as the East Berlin of Sydney, our creative freedom under constant scrutiny and surveillance with overzealous authorities enforcing regulation with arbitrary power, demoralising and undermining the cultural social output which venues in our precincts should be bringing to the forefront. In fact, so demoralising that going interstate to other major cities feels unbelievable, almost foreign, more like a trip from East Berlin to West Berlin than a short flight from Melbourne or Hobart.

It is no surprise to me at all that Sydney is losing its creative brains trust to other cities and countries. I recently lost a very important staff member to London. "I have had enough of Sydney", was their reply. We want to be treated fairly and equally. We are good people, people who treasure this city's culture the same as any community-minded business people from other precincts do. We have worked hard with our blood, sweat and tears to remain open for business. We want the constant daily stress and fear we are forced to live under these lockout laws to be lifted and removed so that we can focus our collective attention on making Oxford Street precinct vibrant and prosperous again for the people of Sydney and New South Wales.

The prolonged hardship has not dampened our enthusiasm nor our will. We are used to giving out a lot more than we get back in return. Our existence is there for the common good of people, for the various communities we entertain and play host to each and every week. We carry between us a wealth of knowledge of the night-time economy and the music and art industries. It is there for the taking; you only need to ask. We are there for you. Let us help you, you help us stay open and save others from closing down, like many already have. We are all in this together. We must rescue Sydney from this downward spiral that the lockout laws forced upon us. Thank you.

Mr COFFEY: Thank you for the opportunity to appear before you today. I come from a hospitality background. For many years up until 2008 I was involved with putting on nights in a number of Sydney's licensed venues as an event producer, a promoter of those events, which I would also then host. For a long time I knew and saw that there were negative effects from the over-consumption of alcohol and could see that the industry's standard reactive way of patron management needed to change for more proactive service, but I could not see how to achieve it. How is it possible to assist patrons to not reach intoxication in a way that did not diminish their hospitality experience but instead improved it? All done whilst improving the licensed venue's business. I stumbled upon the solution in December 2009 when I was tasked at a large venue to figure out how to intercept and save their patrons from reaching intoxication.

Through trial and error we developed productive techniques that took into account both the physiology and psychology of the patrons, ultimately achieving our goal; however, also achieving significant other breakthroughs too. Firstly, all incidents began to fall, not just incidents of intoxication or approaching intoxication, but also for violence and aggression. Secondly, patrons responded positively to the methods we deployed and saw them as an increase to the hospitality they experienced. Thirdly, the venue saw increases in revenue. Other venues hired us where the techniques gave the same great results and after 3½ years of providing our own trained staff to venues we formed Three Cheers Training so as to have a bigger positive impact by training the venue staff themselves. Incidentally, the name of the course that we train is the acronym SASH, which stands for Special Alcohol Service Hospitality.

Since 2009 there has been strong anecdotal evidence that supports that SASH works when applied properly in a venue. This was recently backed up by a one-year trial of SASH at the Sydney venue the Oxford Art Factory, which was overseen by Professor Peter Miller and Dr Nic Droste of Deakin University. The trial compared the venue's data for the year before SASH was put in place to the year after it. It showed total incidents fell by 56 per cent, consisting of a 55 per cent drop in patrons approaching intoxication, a 75 per cent drop in incidents of intoxication, a complete cessation of violence with zero incidents, whereas the year before there had been five, and incidents of aggression dropping by 80 per cent. These strong results were coupled by a 5 per cent increase in bar revenue which Deakin pointed out may have been more if the venue was not located in a lockout affected zone.

Interviews with venue management revealed improvement in hospitality patrons' experience, enjoyment of staff in their roles, local amenity and relationships between staff and patrons. These strong results are only in one venue, so Deakin could not recommend that all venues take SASH on. This is why a second trial is now proposed consisting of 10 venues, with the University of New South Wales taking over the research arm. This will give the opportunity to show that SASH works equally well in a number of different types of licensed venues and provide a broader evidence base of the program's effectiveness. The trial and evaluation requires funding of \$40,000 to go alongside a \$40,000 in kind contribution from the university. The possible significance of the study is large, leading to possible introduction or expansion of SASH to licensed venues nationally and internationally. This is a program that Sydney can ultimately contribute to the world.

For over a year I have been trying to get this trial funded by the Government and private industry. I come before you today to ask that you use your power to help me to realise this second trial and that you also take an interest in its outcomes. The pilot trail at the Oxford Art Factory was an outstanding success. This second multi-venue trial would strengthen the evidence that SASH enhances community safety, enhances individual and community health outcomes, enhances Sydney night-time economy, and from there it will help to ensure regulatory arrangements, including the lockout laws, remain appropriately balanced.

Since 2010 I have been trying to bring attention to the SASH program. If I had the resources to make this trial happen, then I would already have the data here for you. These 10 years I have been committed to seeing the project through, as I am inspired by the positive SASH provides. The name Three Cheers Training represents three improvements that SASH gives: It is better for patrons, better for business, and ultimately better for the community. Each one of these is important to me and drives me onwards. I ask that the Committee please assist Three Cheers Training and the University of New South Wales, one of the top universities in Sydney, to undertake this second multi-venue trial, allowing the chance for the Three Cheers SASH program to prove itself.

The CHAIR: Mr Gerber, you hosted the Committee; amongst other venues, we attended yours and found out some very useful information in doing that. Thank you for your hospitality and for all you do in that respect.

Mr GERBER: You're welcome.

The CHAIR: I have two questions. I am interested in you working together with Mr Coffey for your program, because this Committee is ultimately tasked with making recommendations about, going forward, what might be some solutions or proposals. We have heard a lot about what the situation is, so I think we are clear on that. I am interested in focusing on, going forward, what potentially it could be. With that in mind, could you talk to your working cooperatively as a licensee and as a program provider, if I can call you that, and whether you see that as something that you could comment on how that has worked and how that came about? Because ultimately there may be a place, going forward, for many stakeholders to come together in the night-time economy solution. It is complex; it is not a simple one. There is not one simple answer. We are hoping that perhaps there might be some options for stakeholders to work together. Could you comment on how you have done that together and how that has worked?

Mr GERBER: Mr Coffey and I have known each other earlier, before we entered into this test and the trial that we ran. We actually ran the Three Cheers program prior to the trial as well. Mr Coffey and I have been acquaintances for some years but there is no interest on my behalf in his company or anything to do with that. The reason why I adopted it into our operations at the Oxford Art Factory is because I can see that it had benefits into the overall pastime, with people coming into the venue. You are dealing with people drinking alcohol. There has to be a way to keep those people in a reasonable state of mind and a clear state of mind, and what better way to do that than to rehydrate them?

The program is based on interaction between the security and the staff and management with patrons, visibly observing them and engaging with them when there are signs of any kind of abnormal behaviour or anything like that. It tries to get people before there is any sign of any kind of intoxication incurring. We have had great success with it. We had great success with it prior to the trial, and this is the reason why I wanted to continue and assist Mr Coffey. Mr Coffey contacted me, I think, at the beginning or the end of 2017 and suggested that he had gotten Professor Miller on board. I could see that it was getting serious and I certainly put my hand up and offered up the Oxford Art Factory.

The CHAIR: We will get into the details of what the program is later. This Committee's remit and terms of reference is not to look at funding approvals at this stage, so I will just let you know that. But we are looking at proposals going forward. In that collaborative process, do you see a place for police or health or other stakeholders for council and for others to work collaboratively with you?

Mr GERBER: Absolutely.

The CHAIR: Have you had them involved so far?

Mr GERBER: No, they have not been involved, but I have involved them verbally when I have met with police and the local licensing police and they have been very positive about the inclusion of the Three Cheers program into the venue. The Surry Hills Liquor Accord is aware of it and has also made note of it in their newsletter, so the members of the Liquor Accord know it exists. I guess it is up to them to take up on it and contact Mr Coffey. But as far as inclusion from health and police, yes, I would suggest that there is an absolute necessity for them to be included as well.

The CHAIR: Mr Coffey, we will hear about the details of your program, but we do have your submission. I wanted to hear from the other licensees also about that sort of collaborative approach. We heard from other witnesses about how they have voluntarily entered into some arrangements that they all sort of keep each other honest and work together collaboratively to ensure that they do have a good offering. Is that something that you might be able to consider or that you already have in place?

Mr XUEREB: Just speaking on my behalf—from ARQ—there are other venues along Oxford Street and Flinders Street and on Crown Street where we use an app. If we have any patrons that are approaching the

venue that might be quarrelsome, argumentative or aggressive, we would send a pic to the other venues. Then it is basically up to their individual establishment whether they want to accept or not or whether you have ejected someone from your premises as well. So we use that, which is quite effective. Generally, when someone sends through a pic, we just do not let them in. We say, "There has been an altercation elsewhere. You need to sort that out."

Mr BERENY: We are a reasonably small venue. We do not have any incidents. We have not had breaches. We were just the last property in the lockout zone—just happened to be sort of clocked on the head by the sledgehammer. We do not really have any intoxication issues as such that we cannot manage ourselves—obviously management staff. I personally supervise the operation. I am not aware of the app but I think that is a good one. We would not mind being included in that because we find most of the trouble—when there are people that are prone to create problems and are maybe already intoxicated, usually they are off the street and we do not let them in or, if they come in, we refuse service and remove them or have them removed. Obviously at that point in time it would be good for there to be some sort of system to let other venues know to watch out, they are on their way up there.

The CHAIR: I will get to other members after this. I suppose I am talking about a greater oversight or governance arrangement where it is not just security but all of the components, because surely this is a shared problem between police, licensees, council, regulator and government. Could you see yourself sitting down at a roundtable-type committee oversight or whatever you want to call it? Could you see that as something that might be an appropriate thing as an ongoing basis, rather than just Parliament coming in every couple of years and trying to figure it out? Do you think that is something that might be appropriate?

Mr GERBER: Absolutely. I think it is necessary and it has not happened before, and that is the whole problem with the situation that we find ourselves in: There is no consistency in the connection with the police. Our Liquor Accord meets maybe once or twice a year; it should be meeting every month. My connection with the Surry Hills licensing police is when we are called in to speak about certain incidents—this was two years ago. The last time I have had any proper meetings with the police was a couple of years ago. No wonder we are in certain problems that we find ourselves in in Sydney, because there is no connection between anybody. I would suggest that it is absolutely necessary for everybody to be at the table in a consistent manner.

Mr BERENY: If I could just add to that, I would not personally be in favour of monthly meetings. One of the reasons why the Liquor Accord meets when it does is because there is a relative lack of issues to deal with in Oxford Street. The police themselves have obviously gone, "Look, do we need to have one?" Police want to meet—

The CHAIR: It may not be you; it might be others.

Mr BERENY: Yes. The police want to meet when there are issues to be dealt with, and that is what the Liquor Accord is there for. I think the welfare expertise that is there in all the venues that we can all contribute to—if we are on a roundtable, we can contribute.

The CHAIR: I think what I am getting at is not to be reactive, but perhaps to be proactive and incentivise rather than penalise.

Mr GERBER: Correct.

Mr ALEX GREENWICH: My question is very specific to Oxford Street and its importance to Sydney from a cultural and social standpoint, and I am particularly thinking of the LGBTI community; I am particularly thinking of international tourists and the artists community. In our considerations as a Committee, could you share with us the impacts to the cultural and social impacts to the LGBTI community, the artists community and the local community around Oxford Street that has been created as a result of the lockouts, venue closures and restrictions put on your venues?

Mr XUEREB: I am from Arq, Sydney. We are a predominantly gay venue. So we have lots of acts, from drag shows to DJs et cetera. We also do a Thursday night where we have up-and-coming drag queens that can do competitions and win. That is how a lot of them get their foot through the door. With lockout laws there are four parts that we all need to remember. There is the 1.30 or two o'clock lockout and the cessation of alcohol, at either 3.00 or 3.30 depending on the venue. Arq basically had to lose a lot of our DJs and performers when it first came in. It took us quite a while to be able to reintroduce those and re-employ more artists—whether they be DJs, drag queens, international acts or national acts—because our turnover was not there to justify bringing all those people in to give the community something they wanted to see. We were basically just staying alive and we had to cut back. It was a very difficult time, not only for the venue but also for the community in that it did not have a place that was open to go to whenever they wanted to, which was there beforehand.

Ms FELICITY WILSON: What time did you previously close?

Mr XUEREB: We had a 24-hour licence. We never traded 24 hours.

Ms FELICITY WILSON: What did you usually trade?

Mr XUEREB: We would generally open at 9.00 p.m. on a Thursday, Friday, Saturday and Sunday. We are a two-level venue. On Thursday nights we would only open downstairs. On Friday and Saturday we would open both levels, as well as Sunday. As soon as lockouts came into place we closed the upper venue. So we had to put people off. From having 12 security staff we cut down to half of that because only half the venue was open. So we had half the DJs, half of our acts and half of our bar staff. They all went. To this day, on a Sunday we do not open upstairs at all.

Mr GERBER: From the Oxford Art Factory point of view, I think over the last 12 years there has definitely been a shift from an outgoing presence of the gay community on Oxford Street. It has been diminishing and I think the lockout certainly has not helped that. I think the closures, such as the Phoenix Bar and the Midnight Shift, were major closures for the community. Oxford Art Factory has always played host to the community but for us it is more like a monthly thing—or not even that; more like a quarterly engagement with the community. Having lived and worked in the area for over 40 years now, I would suggest that I have seen it diminish. The lockout certainly did not help because it has stopped people from being able to hop from venue to venue, which is something that everybody wants to be able to do. So if you were visiting Stonewall Hotel and wanted to come down to the Oxford Art Factory it was a no-no, because you had to stay there. So from our perspective it certainly affected the gay community's presence on the strip.

Ms CATE FAEHRMANN: I want to go to your submission, Mr Bereny, in relation to the Beauchamp Hotel. You particularly made reference to the impact of the lockout laws on your venue, but also other policies of this Government, which has taken a bit of sledgehammer to many venues in relation to licence fees. Do you want to expand on that for the purpose of the committee's record in terms of the impact that has had on other businesses, as well—if you know of others?

Mr BERENY: You may or may not be aware that New South Wales used to have licence fees. They were abolished—one of the few taxes that were abolished. I think it was when the GST came in and all the tax arrangements changed. We no longer had to keep a liquor register, and licence fees were essentially abolished. My concern is that these licence fees were introduced on the basis that venues needed to pay for police and the regulatory authorities for the costs incurred in regulating our industry, and the lockout laws that were introduced reduced any need for that regulation. It effectively removed 50 per cent of foot traffic off the streets and any potential for problems, which were being caused by some venues—not all. Now that the laws are in place we are seeing, this year—the laws have been in place for a second year now—that they have gone up by, I think, 8½ per cent.

It is like the beer excise. It is just another tax. You have probably read in the newspapers that beer is getting to be a bit like petrol. The excise is six-monthly and it keeps creeping up. You have to charge 15c a schooner extra. This is like a beer tax on steroids because it does not rise at the rate of CPI or anything like that; it is 8 or 9 per cent a year. It is not just the base figure. Late trading venues, whether they have a good compliance history or not, just have to pay or stop trading, which none of us can afford to do; that would be even worse.

If, for example, you have one incident of an intoxicated person—I am not condoning any incidents, but people are human and something can happen—that is enough to drive those fees up by 300 per cent under the current fee structure. Those fees are in place for three years—it is a bit like a drivers licence—before you can get them back down again. That is not good for business confidence.

Ms CATE FAEHRMANN: I just wanted you to expand on that a little bit. It might be a slightly separate question. In the Oxford Art Factory submission you referred to the three-strikes thing as well. Were you referring to three strikes when you are saying that the fees could go up by 300 per cent in terms of incidents? Is that a three-strikes thing or is this separate?

Mr BERENY: No, it is just one incident.

Ms CATE FAEHRMANN: What do you mean by incident?

Mr BERENY: There are three factors to the licence fees, which I am happy to provide. I have the documentation here and I am happy to pass that around. One is the late trading risk. If you trade after midnight you are automatically encompassed by this additional penalty licence fee should you have one incident. It goes in stages. If the capacity of the venue is up to 300 it is a certain increase. If it is over 300, I think \$8000 is the immediate increase because of your capacity. Then there is a third one because you are in an area described as a high-risk area—the whole of Sydney-Oxford Street-Kings Cross. There is another automatic increase of five grand

because you happen to be in that area. So it is a three-tiered structure. If you have one incident they all come into play. That is irrespective of whether you have had any before.

You might be able to go and appeal; I am not sure. I have never been caught, but it is certainly worrying. All of those fees are not tied to any revenue figures. You might be a small business or a large business. They are not tied to any CPI factors. They all go up. I am not sure who does the formula but they have gone up by about 8½ per cent this year.

Ms CATE FAEHRMANN: Thank you. In relation to the three strikes, Mr Gerber, I think you recommended that it should be in relation to severity of the incident. Did you want to expand on that, in terms of some of the reasons that venues are getting three strikes if you think they are unreasonable, so that the committee can be aware of them? What examples would you recommend in terms of severity?

The CHAIR: If I can interrupt, I think we heard earlier about an incident of litter or something like that.

Mr GERBER: I think it depends on the severity of the incident that you are referring to. I think everything needs to be judged on its merits. What is occurring is that if there is a violent, aggressive incident, it does not matter what kind of incident it is—it could be someone pushing someone or something et cetera—that is still on your record. You have the opportunity to go in to the police. There was an incident where all of a sudden—this is prior to the Three Cheers—I had recorded something like 13 incidents, although I might have to take on notice the exact number, when I had to go in to the police. We went through each incident and the police were the ones who struck it off and said, "No, that does not relate to violent alcohol-related incidents." I ended up with five or something like that. It was costly for me to do that. I had to take someone in there with me. We had to sit there and go through it. There was a process involved. I think other venues probably do the same. For me it was very disheartening to receive this and have the possibility of being on a tier level for that year, even though I had calculated a very different figure. So I had to go in, once again, and prove to the police, together with them, that this was not the case.

The CHAIR: Before I invite questions on my right I ask: Is there any incentive to self-report?

Mr GERBER: There is incentive in that to self-report as well but you are going against what the police are putting down. From my understanding, there was no other way for me to go about it. I had to go in and meet the police because it is recorded by them as an incident. The one way that can be struck off your record is by going in and discussing it with them and then agreeing to that being removed.

The CHAIR: Goodness me, that is an example of you sitting down, talking and working through together collaboratively and perhaps eliminating some of the issues, if not all, by working together on those incidents.

Mr GERBER: Correct. I am glad that I went in and discussed it with them and had that removed but at the same time, on the face of it, on the surface, I could already see that the incidents that were removed should not have been there in the first place. There were just incidents that once they are recorded they are on record, as far as my understanding goes, and they are there. The only way that you can remove that incident is by discussing it with the police.

The CHAIR: The pathways to resolution in future might be something that could be useful if built into any future system before it gets to that next level.

Mr GERBER: That is right. The thing is that at the point of it being recorded, it should be recorded in a certain way by the police so that they can already ascertain and take that into account and remove that from the three strikes scheme.

The Hon. BEN FRANKLIN: Mr Coffey, in your submission you talk about the one trial that has been overseen academically but you mention that it has proven itself anecdotally in a variety of different venues so obviously it has been utilised in other venues before the Oxford Art Factory. I was just wondering if you can tell us a little bit about other successful experiences you have had in utilising Special Alcohol Service Hospitality [SASH]?

Mr COFFEY: We basically started the whole program out of the Coogee Bay Hotel. At the time that was the second most violent venue in the State. We had a great impact there. This was when we used to put in our own trained staff into venues. Then we went up to the Tea Gardens in Bondi Junction, which was an Irish pub. They were having a lot of problems, too, and overnight, after putting us in there, their problems basically went away from our approach because we basically stood between security and the patrons and took care of the patrons and there was not any more friction. Another pub we did up there was the Cock'N'Bull, which is another Irish pub. Other venues we did in Kings Cross was Trademark, the Piano Room. That was all when we were putting staff into venues. Since we have trained venues, The Orient in The Rocks had a very good outcome.

They have since changed their licensees so I am not sure if they are still doing it but they reported back to me that they saw increases in revenue. Basically, for example, one of the things that we do is traditionally if a large group comes into a venue, no-one will interact with them until it is time to interact with them. What we train is to be interactive with them immediately, see how they are and what they are up to, be engaging and be hospitable. Then you can guide their evening and keep them all together for as long as they want to be there on site. They said just that one thing made this huge difference. Another thing we did that we did the Gulgong Liquor Accord, which was just outside of Mudgee. It is a little gold rush town. They had five pubs there and they all went through the course.

The CHAIR: Gulgong is the town on the \$10 bill, isn't it?

Mr COFFEY: Yes, I think so. None of their venues have security. The Prince of Wales Hotel was the one that led the charge and they just reported back that soon after we did the training there, they had this big race meeting, with just packs out the entire town. They said it just immediately worked straight away—this interaction. I am not sure if you saw anything about the training, about what we do, but it is mainly about being proactive in keeping people hydrated, the way in which we can influence the mood of patrons positively by the way in which we interact with them. We train that as well. That is the psychological side of things. The physiological side of things is that a standard drink of alcohol dehydrates the body by 120 millilitres. That is how fast people are getting dehydrated. Dehydration is linked to increased irritability and decreased cognitive ability and people are more likely to form a negative outlook. If you keep people hydrated, a lot of those things do not show up and also they self-manage better.

The Hon. BEN FRANKLIN: It sounds like an intuitive but excellent program. Do you have anything in writing from some of these are the venues that you can provide to the Committee on notice to give us the breadth of where this has been utilised?

Mr COFFEY: Yes.

The Hon. BEN FRANKLIN: That would be great; thank you.

The CHAIR: We will have you return that within seven days.

Mr GUY ZANGARI: I will talk about your program. Thank you for your submissions. Mr Gerber, I will focus on our visit to you where you were able to talk to us about program and the hydration. It was clearly visible. You were talking about how the staff are able to implement that in a non-confrontational way. I also read in the submission, Mr Coffey, regarding security's role to play in that non-confrontational approach that everyone is involved in it together in order to get that message across. You were saying also that now the patrons themselves are taking it upon themselves to hydrate and seeking that water.

Mr GERBER: Yes, correct. We are known as the "water venue" now, where people give out water. It is an investment on our behalf of approximately \$120 to \$150 a week, which I see as very sensible and worthwhile, given the results that we have received from it. The reason why everyone is involved is that I firmly believe that everyone involved in the venue should be actively engaged with the people who are coming in. It is the same as any kind of sporting venue or whether you are talking about a music festival or any kind of congregation of people, the people who are working should all be on the same page. That is why the security and the staff are all trained in Three Cheers constantly.

Mr GUY ZANGARI: You are doing your bit as a licensee and being proactive. Where do we then, as far as this binge-drinking culture, then educate before they come into your venue so that it is not a hassle for you? I think this is really important. Where do we go? We know as a result of where we are with this inquiry that that was the end result.

Mr GERBER: From my perspective, I can only talk and from what I said in my submission, I think it comes from having a precinct or wherever you are talking. We are talking about the Oxford Street precinct. It has to be a vibrant offering that you are offering. If it is all uniform, monotonous similarity of nightclubs that we had in Kings Cross previously, you could end up in trouble, but if you have different offerings and you invite different groups of people to come in, that diversity and inclusivity works. I did that previously at the Q Bar, Exchange Hotel as well, when I merged people from a burlesque background into a nightclub world and the two worlds met. People thought it would not work at all but it actually worked. What I am getting at is that from what you are asking, it is important that the message gets across that people are wiser now and you need to trust people more. But I think in terms of Oxford Street, we were, or still are, a good example of a vibrant, diverse offering. If water is available at venues, it is only going to lead to more people taking positive action towards that.

The CHAIR: And kebabs. I am a great believer in food for children, for adults.

Mr GERBER: I am a great believer in food as well, but I would not mind seeing some other offerings.

Mr GEOFF PROVEST: Coming to your venue—and thank you, Mark—was an insight there. The lockout laws came in because of some tragedies—some really unfortunate tragedies. We are now five years in advance here. I do not think there is any question in the mind of anyone in the Committee as to the devastating effect we have seen on the nightlife and the music industry. Do you think the industry and the patrons have learnt from the lockout laws? It is time to change those lockout laws? Where I am probably going to hammer is that it would be a shame to change the lockout laws for the industry and then see more tragedies occurring on our street. Do you know what I mean?

At the end of the day no-one wants to see those tragedies. Our hearts go out to those families and those affected people. Regarding Three Cheers, I used to be a licensee. I get the feeling the industry has matured in a way. We even had the City of Sydney Council appear here. They are talking now for the first time about changing planning so if you have a venue next-door to a brand-new residential block those people cannot complain about the late night noise because that was there before them—that type of thing. Do you think the industry itself has matured and recognised some of the issues?

Mr GERBER: I think the industry has matured and recognised issues, obviously, because it has brought the industry together as well, but I would have to agree with you that the industry has obviously been able to reflect on itself. I would also suggest that an Oxford Street precinct had nothing to do with many of the problems and the unfortunate incidents that happened in other areas of Sydney. I think Oxford Street presented an antidote, as I have said in my submission. We saw a decline in alcohol related violence between 2008 and 2012 to the tune of 40 per cent, which is nothing to ignore. I think it is something that we should have investigated and looked at why that was occurring. That leads me to the second point of your question and that is that people are actually guiding us. I think the youth of today are way smarter about the consumption of alcohol, cigarettes and drugs and things like that.

The industry is almost being led by the youth of today because they are drinking less. I am seeing it all around. I keep hearing reports from people in the industry that people are drinking less around the world. I think that is purely because people are better educated. That is one of the reasons we need to include the youth into this discussion as well, because I can tell you now that many of them are very disenfranchised with Sydney as well. They are not looking forwards to living in Sydney. They would prefer to move to another country and live a life of liberty, so to speak. So in terms of maturity I think yes, in five years there has been a lot of maturity that has occurred, but I think it is almost a natural progression as well. That is what really disappointed me. I was almost flabbergasted. I remember the phone call distinctly from the police telling me that my venue was now going to be subject to the lockout laws when I thought I had worked so hard to present to the city—and the city recognised that—

Mr GEOFF PROVEST: Have we lost some of the rogue operators?

Mr GERBER: Absolutely. Yes. There is no denying that there were rogue operators. But once again that is when venues can work collectively. With all due respect, Mr Bereny, liquor accord meetings need to be more regular than twice a year. I never had a chance to sit in front of the liquor accord and give my version of what I think should have happened with the Oxford Street precinct when the lockout laws were voted in. We did not meet for a whole year. We meet once now to discuss Mardi Gras. I am not even given the chance to show my maturity—how I have matured over the last five years. The meetings are not really about the members engaging with the police. I am finding a lot more willingness from the police to engage with people like me and to hear my side of the story. But the society has actually matured a lot. We need to pay heed to that and listen to that. We need to entrust people more with their own lives and given them some responsibility as well. If we do not give them some responsibility they are continuously going to be relying on laws and that is not a healthy way to be.

Mr GEOFF PROVEST: And the other licensees?

Mr BERENY: With licensees there are always going to be rogue operators. It is in the interests of licensees to ensure that they survive and the way to do that is to protect themselves against having intoxication on their premises. That being said, there is a lot of prefuelling happening, especially in the younger age bracket. All we can do is keep those people out of our premises but we cannot stop the prefuelling. I am not sure what the answer to that is. With the availability of cheap liquor and bottle shops—I am not advocating closing bottle shops; I am just saying unfortunately that is the reality—rather than people drinking in licensed premises where there is a limit to what you are going to spend because it is not cheap, people, especially the younger crowd, will fill up before they go out. That is where you are seeing some of the antisocial behaviour still on the street but certainly not in the licensed venues because we look after our customers. Our customers want to be in a safe place.

The industry has definitely matured. It does—it always learns. It adapts. The fact that the lockout only applies to certain areas is not going to prevent rogue operators popping up where they can, where there is no lockout. The rogue operator thing has to be dealt with by the police—that is where the penalties and fees should

be dealt with. And there has to be a stick and a carrot approach. The good operators should get a carrot, because there should be an incentive for us.

Mr GEOFF PROVEST: They do not now?

Mr BERENY: There is no carrot. The carrot is you get to stay alive, if that is a carrot. But we do that anyway. We have our investments to protect so we have to do that. Those charges and fees that I refer to in my submission should be paid by the people who are not running their premises properly rather than everybody sharing something and not when you are already—like Mark is doing—protecting your interests and making sure that you are running an establishment that is not going to have those sorts of problems.

Mr GERBER: I do not actually totally agree with you, Mr Bereny. I think we can do away with the rogue operators through legislation and regulation of licences. One of the problems with Kings Cross was that there was not enough investigation into the people behind the licences. Not only do you have to look at the licensee but you have to look at who owns the business et cetera. It comes down to companies. It comes down to all kinds of vested interests in whatever business. It is absolutely necessary to find out who is behind what operation and what the bottom line is really all about and what that business is really about. I do not agree with Mr Bereny that kids today are prefuelling any more than they were before. In fact I disagree—

Mr BERENY: I can say there are definitely more. They are prefuelling. Maybe they were then but they are now.

Mr GERBER: They are far more mature than we think they are. I am certainly not experiencing preloading at our venue and we get a very young audience from 18. Our average age is probably 25 or 23. I have never seen a more mature demographic in all the years that I have been operating.

The CHAIR: Gentlemen, I appreciate your time and thank you for appearing before the Committee today. We may wish to send you some additional written questions. If you are prepared to take those, your answers form part of your evidence. Can you indicate whether you are happy to take further questions given the tight time frame today?

Mr GERBER: Yes.

Mr BERENY: Yes.

The CHAIR: Thank you so very much. We appreciate your time and your very commendable work in this area. Thank you all.

(The witnesses withdrew.)

PAUL ANDREW WATERSON, Chief Executive Officer, Australian Venue Company, affirmed and examined
KARL SCHLOTHAUER, President, Independent Bars Association NSW, sworn and examined

The CHAIR: I welcome representatives from the Australian Venue Company and Independent Bars Association NSW. Thank you for your patience today. We are running very slightly behind but we appreciate you bearing with us. Thank you for appearing before the Joint Select Committee into the Night Time Economy to give evidence. Can you confirm that you have been issued with the Committee's terms of reference and information about the standing orders that relate to examination of witnesses?

Mr WATERSON: Yes.

Mr SCHLOTHAUER: Yes.

The CHAIR: Do you have any questions about that?

Mr WATERSON: No.

Mr SCHLOTHAUER: No.

The CHAIR: Do either of you have a short opening statement that you would like to make before Committee members ask you questions?

Mr WATERSON: Thanks, Chair. I will take our submission as read. I just hope to draw out a couple of key points that we are looking to make. Just by way of background we have 157 venues across Australia and we are Australia's largest food and beverage base pub operator. We have 13 bars and pubs in New South Wales, mainly in Sydney but also in Albury and Kingscliff. I should say in my history before this role that I was an intensive care nurse so I have seen the absolutely catastrophic outcomes that can happen when businesses and licensed operators don't perform and the importance of having a social licence to operate in this space. We have heard a lot about Sydney versus Melbourne here today and I hope I can provide some contrast between Sydney and other venues around Australia. We have seen compound annual growth in revenue of 20 per cent over the last five years in our Melbourne venues and at the same time we have seen negative 5.4 per cent growth in our Sydney venues since the introduction of the lockout laws.

We have certainly seen reduction in our spend on live music. Just for our two main venues alone we were spending a circa \$2 million per annum on live music. We are now spending close to \$850,000 for those same venues. At the same time our Melbourne venues have gone from \$400,000 to \$1.4 million on music acts per annum. We are also seeing an impact on capital investment in Sydney. We invest about \$40 million per annum on brownfield refurbishments of venues. Although New South Wales is 13 per cent of our turnover, we have allocated only \$1.3 million to refurbishment of New South Wales venues next year on the basis of the performance of those venues. I think there is little doubt in our view that the regulatory environment is onerous and it does stymie innovation. Our view is that it has shown very little correlation to improve safety outcomes.

Mr Provest, you asked a question about how the industry has changed over the five years since the lockout. In our view there has been significantly improved self-regulation in that time. There has been consolidation in industry and I think a reduction in those rogue operators. There has been much improved training and investment in training. We have introduced programs like Verbal Judo that specifically trains venue managers and security guards to de-escalate situations. Our incident reporting and transparency as an industry has absolutely substantially improved and we get live incident monitoring. I think the safety tools and technology has improved substantially with the scanning technology. There is more of a collegial and not an adversarial interaction between venues where we share information on problem punters and how we keep them out of the venues.

Finally, I think transport has substantially improved as well so you do not see that congregation of patrons outside your venues at closing times where you used to see a hundred people waiting for one taxi. I think the point made before about patron change is also very important. The young people of today are far more conscious of their own limits and working to those limits.

The CHAIR: Thank you. Mr Schlothauer, do you have an opening statement?

Mr SCHLOTHAUER: Yes, I do. Firstly, thank you for the opportunity to come here. I would like to share a story of how dysfunctional the current system is with some real-life examples. Currently our industry deals with four bodies and we are trying to work in some form of partnership—that is the police, local councils, Liquor and Gaming and the operators. I have forwarded through some documents, which you have, that relate to one of our members and the interactions with each. Button Bar has a seven-year trading history with only two incidents relating to violence. With such a good trading history, when the laws changed two years ago to allow small bars

to trade until 2.00 a.m. it took almost two years and five applications to get approved to 2.00 a.m. Nothing changed with the application itself. It was just a big investment of time, money, energy and persistence. Button has also recently received two fines for \$6,000—

The CHAIR: Mr Schlothauer, I am just going to politely interrupt you now. Thank you, we have received that information. It has been circulated to members.

Mr SCHLOTHAUER: Okay.

The CHAIR: I am just going to ask you to confine your comments to your experience. It will not assist the Committee by identifying particular individuals or particulars of the incidents.

Mr SCHLOTHAUER: Yes, okay.

The CHAIR: I am very happy to hear from your perspective but we are mindful of not identifying individual complainants if they are known or otherwise. Thank you for the examples but I just wanted to let you know that at the outset.

Mr SCHLOTHAUER: Okay, not a problem. Just to rephrase that, there are the four bodies that operate and in our view and our members' view there needs to be someone overseeing and pulling that partnership together because currently those bodies don't communicate to each other or the levels of communication are quite poor and it is quite hard to get an understanding of where certain regulations and conditions come from because there is no legislation to back it up. Most of our operators want to comply with the legislation but they need to understand the intent of where it comes from to comply with it.

The CHAIR: I am not cutting you off from informing the Committee, you appreciate that?

Mr SCHLOTHAUER: Yes, that's okay.

The CHAIR: I just wanted you to be aware that individuals should not be identified.

Mr SCHLOTHAUER: Yes.

The CHAIR: Are you finished?

Mr SCHLOTHAUER: Yes.

The CHAIR: Thank you so much and thank you for providing written submissions to us prior. It is very helpful for Committee members. Do members have questions?

Mr GEOFF PROVEST: Yes. You have heard some of the other evidence. The Committee is charged with reviewing the lockout laws here in Sydney. We understand fully the impact on the music industry but we have also received evidence from councils about wanting to change the planning laws. From my impression they are quite amenable to a bit of a roundtable to get all the agencies in one area, even to the extent of a new residential block going up beside one of your venues. The next minute there are complaints about the noise and the next minute we attended a restaurant up there in Kings Cross and they cannot use their alfresco dining area after eight o'clock because of noise, which sounds a bit crazy but that is the way it was up there. Would the Independent Bars Association and the Australian Venue Company be supportive of that? Would you come to the table? I am an ex-licensee and this a whole-of-community problem, it is not just the licensee or the council or State Government; everyone owns this problem and it is only through collectiveness that this can work. Would your organisations respectively be involved in such a process going forward?

Mr WATERSON: Yes, we certainly would. I think anything that encourages all stakeholders around the table where decisions can be made and outcomes can be agreed at the time is absolutely a terrific outcome. We have seen examples whereby we have tried to introduce changes to existing licensed venues and because one of the key stakeholders, in many cases the police or some of the local community, did not agree with some of the proposed changes even though we had the vast bulk of other stakeholders in agreement, we could not get outcomes, so I think any forum where everyone can get around the table and drive through change would be absolutely welcome.

Mr SCHLOTHAUER: Yes, I would agree.

Mr GEOFF PROVEST: Because there has got to be a way forward. We cannot let it continue.

Mr WATERSON: Absolutely.

Mr GEOFF PROVEST: I have one final question. You heard some of the operators in Oxford Street. One question I have is: Do you think one size fits all? Do you think the way we treat the Sydney CBD is the same

way we treat Kingscliff or other areas because from all reports a lot of the entertainment in Sydney has moved out to Newtown, on the edges, on the borders? Do you think there is scope to have modified areas?

Mr WATERSON: Yes, I think there absolutely is; choosing what those areas are is challenging because each of those different precincts have different competitor sets and different dynamics going on. We are heavily focused in the Darling Harbour area and we have quite a lot of challenges with the licence operations of Star Casino and the other businesses just outside of the lockout laws. We also have a situation in Barangaroo where we have a venue that is inside the lockout-laws and directly across the road, not 20 metres away, is a venue outside the lockout laws. That does create challenges. I think there are opportunities to work together as precincts.

Mr GEOFF PROVEST: It is hard though, when you are competitors—

Mr WATERSON: It is not really because I think the more precincts work together to make a welcoming space for patrons to come to the better the health of that precinct. We are seeing more and more people work together than we would have five years ago.

Mr SCHLOTHAUER: I completely agree. You cannot have a broad-stroke approach. Each area has to have its unique set of circumstances.

The CHAIR: There is that famous political book, *Team of Rivals*, about people working together.

Ms CATE FAEHRMANN: Looking at the Australian Venue Co's submission, there are some extraordinary examples listed in terms of the regulatory hurdles in Sydney compared with the rest of the country. Particularly stark is the summary of recent activations launched in Victoria, Queensland, New Zealand, the Northern Territory, Western Australia and New South Wales. There are none after you outlined the various delays and what have you had to go through. Turning to the example of Alpine Village, one of the things you said in terms of the challenges you faced was that there was a lack of support by the police for activations outside current venues. In a response to a question you said that police were the main hurdle. Could you elaborate on that? I think it is important for the Committee to hear what the police were saying, for example, with Alpine Village and why there was a lack of support.

Mr WATERSON: The issue the police had was that there is no legislative ability to temporarily extend the liquor licence outside your existing licenced area. Under that example there was absolutely no framework in which it could be supported, whereas in the other States there are frameworks to temporarily extend liquor licences for short periods, from a day to, in the case of Alpine Village, 12 weeks. I am very sympathetic to the police because they do have a very challenging job and they are clearly under instruction to ensure that there is good compliance amongst the venues. I draw your attention to our submission, where we talk about how in one night at Cargo Bar in Sydney we had over 25 police through or outside the venue. That takes an inordinate amount of time for the licensee to manage on the same night. I went back and checked and our five Melbourne venues had three visits between them in total for the weekend. There is just a very different approach to education, training and support and by all means pulling us up when we do the wrong thing, compared with what I would say is unfortunately a more overbearing approach in Sydney.

Ms CATE FAEHRMANN: Just to follow on up on that, we have also just heard from the Beauchamp Hotel and the previous group of witnesses about the licence fees. They said that one of the justifications for the increase or re-instatement of the licence fees was to pay for policing, essentially. That is ironic in some ways because they were introduced at the same time as the lockout laws were introduced, so there was not as much to police. Compared to Melbourne, I am also interested in licence fees compared with the policing there. Are the licence fees the same in Melbourne?

Mr WATERSON: No, the licence fees in Melbourne are about half. But, to my knowledge, there is no correlation between the overlay of policing and the regulatory requirements we require for the venue and that licence fee.

The CHAIR: On that point, with the 25 police visits, was there an opportunity, either at the time or subsequently, to engage with police and to have a conversation about why that was the case, what was learned from it and what could be done going forward?

Mr WATERSON: Unfortunately not. When I say there were 25 visits a number of them were from the council, as well as regulator visits. Quite a number of the police visits that we have in that precinct are undercover police, so unless the staff get better at identifying them we do not necessarily have the opportunity on the night. We would appreciate that opportunity. We do see issues from time to time. We received a fine for \$5,000 at Cargo Bar because one of the security guards was not wearing a fluoro vest six weeks previously. We did not have the footage to go back and identify what security guard that was or whether it did in fact happen. The cost of arguing

that fine and the impact that can have on your relationship with the local police is just not worth it. So we just had to—

The CHAIR: I presume you would love nothing more than to have fixed that at the time or have prevented it, had you been able to have that conversation?

Mr WATERSON: We would love to. Security guards, as you know, are contractors to us, so we would hold them accountable for that on the night.

Mr KEVIN CONOLLY: Mr Waterson, when you were talking about self-regulation having approved over recent years you made a comment about scanning technology being one of those tools that is helpful. One of the things that was introduced in New South Wales in the package of lockout laws was the use of scanners. Is that a positive? Is that helping and does it really have a deterrent affect on people doing the wrong thing?

Mr WATERSON: Yes, in my view it does. In those high-risk venues, where you have a big late-night component, it is very helpful in identifying people who have misbehaved in other venues. It also creates a collegial environment between venues. The use of them is probably what is quite critical. I contrast it to Brisbane, for example, which required every venue in the CBD to use them after 10 p.m. if they are licenced until 1 a.m. That does cause poor outcomes in that people like yourself, Mr Conolly, might be going for one glass of wine at the end of a long sitting session and you have to provide your ID to go to have one glass of wine. I do not think it is appropriate in that situation. But in those high-risk venues with high volumes of patrons it is very helpful in identifying patrons at risk and excluding them from the venue.

The Hon. JOHN GRAHAM: Thank you both for your submissions. In the Australian Venue Co's submission the Sydney and Melbourne comparisons are very striking. The most striking one for me was the incidents per 1 million patron visits and the contrast between New South Wales and Victoria. I think we are trying to balance safety and night-time vibrancy. The information you are presenting here suggests we might be missing out on vibrancy and on safety. The figures here are actually worse in New South Wales than in Victoria. Did you want to give us any background?

Mr WATERSON: That is absolutely the case. I should say that we have a very strong reporting culture amongst our venues now. It is absolutely critical that every incident is reported. We have an online reporting tool and we spend far more time on those venues that are under-reporting compared with those that are over-reporting. We are very confident in those statistics. As you pointed out, we do not see any correlation between that greater regulatory overlay and reduced anti-social incidents within Sydney, as compared with Melbourne.

The Hon. JOHN GRAHAM: On the small-bars side of the equation, thanks for your submission. One of the things that came through to me, you are presenting on a range of the award winning small-bars that have really changed the shape of the city. But it really came through that a lot of these are small businesses. These are one and two person operations that are working flat-out and struggling with significant regulatory issues that are there that a bigger operator, a bigger group might be able to handle in-house. Can you give us any background?

Mr SCHLOTHAUER: Yes, that is the case. The fact that they cannot understand it or there is no legislation to back it up. Take this piece of paper here, read it, understand it, ask some questions; that does not exist. It changes from council to LACs as well. While they work the night shift and they do the book keeping during the day and then they are trying to make sense of something that they can't really see and touch.

The Hon. JOHN GRAHAM: And your members are doing a lot of that: they are doing the book keeping, running the bar, dealing with the regulatory issues?

Mr SCHLOTHAUER: Correct. Personally I have four venues and I do the book keeping. I own Button Bar, the one I was talking about. I applied for all the applications. I do not use a town planner. If we were to then try and challenge council we were told to go to land and environment court and that costs 150 grand. I could move to Melbourne and open a venue for that.

The Hon. JOHN GRAHAM: Understood. Just on the question about how conditions get accepted for some of these small venues: Often when they are starting up and they are presented with a long list of conditions—do this, do that—particularly in the CBD, it is sometimes easier just to sign up as you are getting started and try to sort these things out later. It means many of the small bars in Sydney are actually working under quite extensive lists of conditions.

Mr SCHLOTHAUER: Yes. The normal timeframe to start a bar from scratch is anywhere from six months to 12 months and if you push back on the conditions that only extends that time period. You accept what you get and go, look, we will put that aside and deal with it later and then you come to deal with it later and you are playing mediator between the council, liquor and gaming and the police trying to make sense and get agreement across them to remove it.

The Hon. JOHN GRAHAM: Whereas a bigger operator might have pushed back or have other venues that are up and running and they are more informed about what are the conditions?

Mr SCHLOTHAUER: Yes, they have bigger resources.

Mr WATERSON: I think that is absolutely right, Mr Graham. We have an in-house licencing team of six people and even then we find it difficult. Your point is right, we are in the fortunate position where we have the cash flow to sustain a long-term development opportunity that perhaps Mr Schlothauer and his colleagues do not, which is a shame.

The Hon. JOHN GRAHAM: When it comes to some of these licence conditions, which everyone agrees probably are not appropriate—mirror balls, disco lighting—even you struggled with your group's scale to work through the process here?

Mr WATERSON: Absolutely. As I outlined in our submission we spent \$20,000 of external support in trying to get the Alpine Village in Sydney and we still could not get it done. For us it was a choice of where we put our resources, hence we are focussed on those other states.

Mr GUY ZANGARI: My question to both of you is about securing a safe and secure environment for patrons. What are the specific key factors that you see that will entice people to come in so that they feel safe and it is vibrant for them and encompasses a great environment?

Mr WATERSON: For me having a safe welcoming environment, as we have heard today, is absolutely critical because patrons are more discerning than they have ever been before and they do not want to go to a venue where they feel at risk of violence or being in an unsafe space. So, having ample supply of non-alcoholic beverages, making sure security is far more working as a host rather than a compliance. Those days of the big security meatheads are gone out of the industry and we will continue to try to move on those. I think, also having people keep an eye on individual patrons throughout the venue, having RSA officers on site who are well trained to identify risks early and deal with them.

Mr SCHLOTHAUER: The feedback we get from our members is patrons choose the venue because they are smaller, they are low tempo, they can have a conversation, they have a unique aspect to them, it is not a we serve everything come here. They have a unique offering. About 60 per cent of the demographic are female and so they feel safer in that environment. The staff to guest ratio is a lot higher than the bigger venues so there is a lot more interaction and generally you can see a problem before it starts to happen. There might be one person who visits each table after table, you notice that, have a chat to that person and ask them to leave or cut it out or whatever in those small environments.

The CHAIR: I have a question on the best forum for industry leaders, police and other stakeholders to work together collaboratively, what you think the best structure for that might be? We have had some discussion and agreement that working together and having those conversations and all being at the table together is optimal. Can you comment on what you think that might be and goodness knows, forbid I say, but looking with one eye to the Melbourne accord, I think it is called, whatever that agreement is, can you comment on what you think that structure might best be and whether that is based on the Melbourne situation?

Mr WATERSON: I think the liquor accord is absolutely critical and I do think they need to be in precincts to attend those meetings is compulsory for all our licensees. I think moving those meetings to be true action orientated, decision making, outcome driven meetings is really critical because I share our colleagues concerns that some of them: one, they don't happen frequently enough; two, when they do happen there is no actual outcomes from them. I think police should and do in Victoria take a very lead role in those liquor accords. There is a lot of information like patient, sorry, patron incidents between venues that helps us regulate and work with other venues in each of those precincts.

The CHAIR: To ensure they are patrons, not patients.

Mr WATERSON: Exactly right.

The CHAIR: Having police at the table, having health at the table, having perhaps regulators at the table, council, each of those, do you agree, is an important component?

Mr WATERSON: Absolutely critical.

Mr SCHLOTHAUER: Yes.

Ms CATE FAEHRMANN: Mr Schlothauer, one of your case studies is on the restrictions for this must be the place in terms of security.

Mr SCHLOTHAUER: Yes.

Ms CATE FAEHRMANN: I just wanted to delve into that a little further. You say here that because you went from 100 to 120—is that one of your venue?

Mr SCHLOTHAUER: It is not one of my venues.

Ms CATE FAEHRMANN: Had an additional condition placed on it that they must have security. Because of that the venue had to spend \$65,000 in security fees, is that correct?

Mr SCHLOTHAUER: Yes. I do not know the exact figures but I can get that to you, but it was considerable.

Ms CATE FAEHRMANN: We are also hearing that security fees are and imposition on business but so are increased licencing fees that businesses were told they needed because of the need for increased policing. I am wondering security for 120 patrons, plus increased police on the streets, is that a little bit of overkill, do you think?

Mr SCHLOTHAUER: Yes, I do. With most of our venues they might only get to their capacity for two nights a week and that is for a very short period of time. The need to have security to monitor—generally they stand at the door and welcome people and say, "Come on in". Most of the security is done by the staff with their guest interactions and I cannot comment on the police increase because I have not noticed an increased presence myself at our venues or getting the member feedback.

Ms CATE FAEHRMANN: Do you have any comments on that particular issue?

Mr WATERSON: Given our venues are on the larger scale we do have a large security presence and I think that absolutely is appropriate. I think there are times in which the licence perhaps could do with tweaking. For example, many of our venues require security on site when we have live music playing. That has the dual impact of having the cost of live music as well as the cost of security. They are sometimes on low activity sessions like Sunday afternoon where they are low risk sessions. I think there is an impost at times. I think for our venues during key trading sessions on Friday and Saturday night security often is absolutely appropriate.

The CHAIR: Thank you for coming along today and providing your written submissions beforehand which was helpful today. If members have further questions in writing they will put them to you if you are prepared to accept those and your responses will form part of your evidence today. If there were any questions taken on notice we ask you return those answers in seven days to the Committee staff. Thank you for your input into this very important inquiry and the great work you do.

(The witnesses withdrew.)

The Committee adjourned at 17:26.