

## **Lansdowne 15**

### **Response to Parliamentary Questions on Notice**

#### **1. Do you feel that an increase in gambling-related entertainment, such as poker machines in hotels and clubs, has contributed to Sydney's fall in the rankings of the Time Out Index?**

Yes. The introduction of poker machines in the late '90s gave publicans a lucrative and passive form of income, versus that associated with live entertainment or indeed food service (entertainment forms that appeal to a Time Out audience).

In recent years in particular online gambling has presented as a low barrier to entry entertainment offering that can be consumed conveniently from home. Like most digital entertainment, online gaming platforms are designed to be addictive. Once audience has engaged it becomes an easier option than leaving the house.

It is worth noting that the decision not to provide poker machines as part of a pub offering is proving popular with young audience, as for example that might attend the Lansdowne Hotel which has the ambition of restoring live music as a core revenue stream in place of gambling entertainment.

#### **2. Generally, how do cities that derive a high proportion of their entertainment from gambling rank in the Time Out Index?**

We do not ask questions relating to gambling in our survey. We are not aware of any global lifestyle surveys that specifically reference gambling as a contributor to the overall quality of entertainment. If we were provided with this information we would be happy to correlate it against our Time Out City Index data.

#### **2.a. When conducting your survey into Sydney, are poker machines ever mentioned by participants as their main reason for going out?**

No.

#### **3. What changes have you seen in the types of venues in Sydney that tourists visit in the past 10 years, if that data is available? E.g. more restaurants compared to live music venues?**

We don't have this data but see our response to question 4 below.

### **3.a. How often do tourists visit iconic music venues in Sydney, such as the Oxford Art Factory or similar?**

We don't have hard data on visitation to venues. Based on advice from Oxford Art Factory, we understand most patronage is local.

### **4. What change have you observed in the types of venues that Sydney-siders are visiting over the past 10 years, if that data is available?**

Hard data is not readily available. Here are some subjective comments from MD of Time Out Australia:

1. Small bar venues saw accelerated growth between 2010 and 2015. These have proved popular with the 25 - 45 AB demographic. The growth rate slowed post lock out in the affected precincts, however growth in Newtown and Enmore has continued. In addition, there are now small bar offerings further afield in places like Parramatta, Summer Hill, Castle Hill and Terrigal.
2. Post lock out we have seen re-investment into suburban pubs by groups such as Merivale and Riversdale and Solotel. These are proving popular as the food and beverage offering that was once available in the city exclusively has now moved to the suburbs. However these venues tend to be food and beverage focussed, rather than hosts for live entertainment.
3. Significant amounts of real-estate developer led hospitality eg. Barangaroo (Lendlease), Tramsheds (Mirvac), Darling Quarter (Mirvac) which aim to take advantage of captive audiences and attract visitors from wider Sydney. Again these offerings do not contemplate live music or other entertainment, although the proponents often try to enliven these precincts with music and entertainment, after the initial wave of visitation by Sydney's food mad audience has dried up.
4. Traditional white table cloth fine dining has diminished in favour of a premium casual dining offer

In relation to the Oxford St precinct specifically Mark Gerber from the Oxford Art Factory advises:

- From 2007 to 2014 the area saw a flood of small bars and lots restructuring of existing venues in order to accommodate live music into their business model.
- Before the lockout, live music was offered in as many as a 15 venues in the Oxford st and Taylor Sq vicinities alone. Places like The Cliff Dive, Tio's, Chingalings, The Beresford, The Standard, The Hollywood Hotel, The Jam Gallery, The Court House Hotel, The Flinders Hotel, Oxford Art Factory, Brighton Hotel, The Gaslight Hotel, Low

Bar, Golden Age Cinema and Oxford Circus, all included live music in their weekly schedule.

- Since the lockout laws were introduced to the area in 2014 there has been a steady decline in the number of venues offering live music.
- Some closed altogether eg. Oxford Circus, Gaslight and Flinders (although now re-opened), whilst others have taken live music off their business model completely and replaced it with less costly forms of entertainment such DJ's, ten pin bowling or no entertainment offering apart from a juke box.
- At present, there are only 3 venues left from the original list that still offer live music in the Darlinghurst/Surry Hills area - Golden Age Cinema, The Hollywood Hotel and Oxford Art Factory.

Lastly, it seems there is no publicly available definitive database of venues that have closed since the introduction of the lockout laws in the affected precincts. Time Out has provided a list of closed venues based on it's reasonable belief that the said venues are no longer operating but were at the time the laws were introduced (see Schedule A).

**5. In the hospitality industry, have you seen people reduce their live music spaces in favour of poker machines or other forms of entertainment?**

A detailed report entitled Vanishing Acts was published in 2003 and documented the effects of the introduction of poker machines on live music. An extract is below.

11% of all hotels and 16% of all clubs surveyed affirmed that gaming areas had displaced areas formerly dedicated to live entertainment. For metropolitan clubs, this figure rose somewhat to 23%, yet remained stable across both hotel categories. These results are summarised in Table 2.4.

3. Survey findings

**Table 2.4: Poker machines**

	Hotels		Clubs	
	Metro	Non-Metro	Metro	Non-Metro
Venues with poker machines	84%	99%	97%	99%
Average number of poker machines	19	11	98	57
Share space with entertainment areas	9%	26%	44%	23%
Live entertainment areas displaced by gaming areas	11%	12%	23%	13%

A number of notable live music spaces have given way to alternate use:

- Spice Cellar CBD - now a restaurant (Barrio Cellar)
- Annandale Hotel - live music room is now a general bar
- Empire Hotel in Annandale - live music room is now a general bar. No live music events currently listed on their website
- Sandringham Hotel - live music room is now 'Holey Moley' indoor putt-putt golf venue
- Piano Room - now a Holely Moley indoor putt-putt golf venue
- Kings Cross Hotel - At Kings Cross Hotel we converted Level 2, FBI's live music venues into a community theatre due to the drop in foot traffic after the lockouts and introduction of ID scanners.

We understand that the Gaslight Hotel on Crown St will shortly convert into a TAB with poker machines throughout.

The Vanishing Acts report may be of interest to the inquiry and a copy of the same is provided with this response.

**5.a. Have you noticed a difference in policing between venues with live music entertainment compared to gambling entertainment?**

The difference isn't so much around live music v gambling venues, but more about how busy the venue is or which LAC you operate within.

As soon as a venue becomes busier the policing focus is likely to intensify as evidenced by more regular visits. Live music is something that will likely get you police attention.

**6. You mentioned in your hearing that small venues have to ‘play underwater’ – do you think it is possible in the current environment for a small venues to survive and thrive?**

With reference to the lockout affected areas, survival is possible only for the best operators. Thriving seems beyond reach for most. Outside of the regulatory overburden (multiple regulators, differing consents and planning approvals the hospitality sector is challenged by:

- staff shortages - we have anecdotal evidence of the creative community (a number of whom use hospitality for income to support their creative pursuits) moving to other cities like Adelaide and Melbourne;
- venue over-supply as a result of the mixed use property development model (see response to question 4) as well as large scale private equity investment into the sector. The result is more venues than we have people to patronise them, as well as increased competition on talent
- reducing venue visitation as a result of:
  - high cost of living
  - poor transport options
  - a competitive entertainment offer at home via internet TV and home delivery services

**6.a. What changes would best support new and small venues, particularly if they want to offer live music?**

We are aware of the Live Music Office submission and generally support their recommendations on this issue. In addition we would note:

7 regulatory bodies have noise complaint handling powers, depending on the situation (these include council, planning, police, OLGR, EPA, Roads and Maritime and Property NSW). We would respectfully suggest this is too many.

A one stop shop for planning and liquor approvals. For many operators their DA's and licensing conditions are inconsistent

## **Answer to supplementary question from Page 42 of the transcript:**

On behalf of Justine Baker from Solotel, we provide the following licence information relating to the venue Goros. Copies of fines received by the venue are also attached to covering email.

**Reference:** 13000

**Condition:** Non-use of glass condition

From 11:30pm until the close of business, whenever the premises or any part of the premise is trading as a nightclub operation\* the licensee must ensure that no patron in the premises has access to any glass:

1.1 drinking vessel, or

1.2 container (such as a bottle or jug) from which drinks could be poured.

This condition does not apply to a room in which a resident of the premises is residing.

\*Nightclub operation refers to times where the licensed premises, or any part of the licensed premises, is used to provide entertainment by way of live or recorded amplified music where there is a space offered to patrons for dancing. Typical features of a nightclub operation may include loud music, a dance floor area, low background lighting, and intermittent bright or coloured lighting effects.

## **Schedule A - Venue closures in the affected precincts**

121 BC

Edison's Bar

No Name's restaurant

Henrietta Supper Club

Hinky Dinks

Kubrick's

Stanley's

Hazy Rose

Waterman's Lobster Co

Bouche on Bridge

Good God Small Club

Piccolo's

Spectrum

34B

Q Bar

Vegas lounge

Trademark

Hugo's Lounge

Phoenix Lounge

Beach Haus

The Spice Cellar

Old Growler

Playa Takeria

The Basement

Goldfish

The Flinders Hotel (has reopened)

The Passage

Bar Brose

Jimmy Liks

Bar Century

Backroom

The Victoria Room

Trunk Road

Johnny Lobster

Missy French

5 Boroughs

yu/Soho

Backroom

Dragonfly

Spectrum

Midnight Shift

Bar Me  
The Lizard Lounge  
Le Panic  
Sapphire Lounge