

15 October 2020

## **Inquiry into the NSW Government's management of the COVID-19 pandemic**

To whom it may concern

I have reviewed the transcript and have no corrections.

In respect of questions on notice I believe there are two I undertook to answer.

### **1. Challenges in outdoor dining as referenced on pg 7 of the transcript**

#### **Background**

An NTIA member Kensington St, has managed to have the street closed to traffic with the intention of extending space to permit outdoor dining and/or live performance.

The road closure order was obtained in June 2020 and since that time Kensington St has been attempting to bring the street to life, much in the manner envisaged by the Alfresco taskforce and publicity around the Summer Summit.

While Kensington St is pursuing this vision with vigour it is stuck between City of Sydney and NSW State Government regulation. Currently while the street is permitted to be shut to traffic from 11am to midnight Thursday - Sunday, all that our member is able to do is place additional tables on the street and serve food to them.

They are unable to serve alcohol, nor provide live performance.

Extracted below is correspondence from the member received 17 September 2020:

*“Regarding the road closure, as far as I’m concerned, it was approved via Local Pedestrian, Cycling and Traffic Calming Committee (LPCTCC) who represent various stakeholders inc Transport NSW, NSW police & member for Newtown. State seem to have minimal intervention approach with us but I’ve not had direct contact with them – I think there are some valuable conversations that could be had if we are to use KS as a model for other high streets as outdoor dining precincts.*

....

*Liquor license is a bit more complex for us and across several tiers. We’ve got PSA, Small Bar, one off event Licenses, Caterers License and hotel licenses on the street. I’ve just reviewed an r & d document from our licensing solicitor– basically, in order to*



*serve alcohol on the street from a restaurant, we need to apply to extend the boundaries of our PSA's at each individual outlet. Seems archaic. New frameworks need to be made!*

*Consumer psychology is preferencing outdoor dining but when push comes to shove, our clientele at the restaurants are adults and want a drink with their meal. We have had zero alcohol related incidents on the street – we've earned our stripes.*

*What this means for the precinct, is as you witnessed – though we are able to serve food on the street (forgiveness not permission rule, it seems), we don't serve alcohol, so the diners are still choosing to dine within existing licensed areas. Bit grim for the worldwide dining vibe we're trying to create.*

*We are hesitant to go down this road for the following reasons:*

- *Financially, it would cost all the street frontage places approximately \$60,000 to redo their licenses for approximately 30 tables across the street. Collectively, we've probably spent minimum \$90,000 on the licensing fees.*
- *There are no guidelines on utilising TFNSW roads or leasing them, we think there will be issues that the frameworks need to created...*
- *Our solicitor advised there is a 3-4 month turn around for a boundary extension including Community*
- *With that turn around, we would only be able to get approval by February or so, the high season is over and we've only got 4-5 months left of our 12 month trial. Cost per use wouldn't cover !*

*Some other things to note:*

- *Handpicked Wines is on a hotel license, if they want live music like a or cellist pianist (they've done this before) they need to hire security- silly.*
- *We believe intention is there but the mechanics are too complex and onerous – it's almost impossible to be 100% compliant. Sydney has and will continue to evolve and we need state and local to evolve with us and create new frameworks.*
- *The most frustrating thing for stakeholders is the display periods.*

*What we need now is a broad stroke tick of approval for Sydney hospitality – summer and outdoor socially distanced dining is literally the only possible revenue stream we can see to try and recoup a small amount of the losses from 2020 and the years preceding.”*



Extracted below is an updated communication received 15 October 2020

*"We've spent at least \$70,000 on staff, planning, lighting, trees, tables, artists (\$1000 p/w to play to no one), etc to make the precinct look incredible but it's not what everyone envisioned. Frankly, it's a bit embarrassing for everyone and not assisting us to recoup losses or navigate the future pathway.*

**Events:**

*The City of Sydney (and technically TFNSW) own Kensington Street so they have full controlling rights over everything we do there and have incredibly long, strict red tape surrounding events.....An event is considered anything that isn't business as usual (this has been an issue for years!!) – AKA dining on the street, a paid musician, food tent, regulated food markets etc – I literally can't do anything but stop cars coming down the street- this is not what the city and state envisioned, I'm sure.*

*Example: if I wanted to hold community nights for the students of Iglu (free of charge) who live in shoe box apartments and are very scared of socializing in common areas I would be required to fill out a 27 page document (attached example of Last Supper event plan), pay fees associated with it, plans of management and liase with the city well in advance – (to my knowledge they need to be notified several months ahead) once the events manger approves it, during COVID it needs to go to WHS, Crisis Management Team and then the director events. No events are being approved right now.*

*We do not believe Kensington Street should have to go through this process, it's a waste of the City and stakeholders time, resources and money. We don't want to cut off from the City, we want to partner with the city and become an develop a pathway for other businesses and high streets. We are the first to address these issues, but surely not the last.*

**Liquor:**

*It's simple but deadly. We can't extend our boundaries on existing liquor licenses without submitting to LGA proof of councils consent or approval (attached, page 2 of 8) so all the streamlining of boundaries have very little impact on us. We don't think TFNSW or CoS can give us this without a lease.*

*The streamlining of liquor laws doesn't account for changes in licenses like PSA etc*

- *We want PSA's at all our venues – like Hastings St in Noosa and all over the world, have a drink before you decided to dine there*
- *The Rocks / Barangaroo etc are all owned / managed by govt departments like infrastructure NSW and Places Management so assumably have their own agreements in place. We feel forgotten here and are doing our best to stick to the rules. We cannot afford to take risks."*



## 2. Impact of reduced patron capacity on trading levels.

Below is a spreadsheet provided to me by NTIA member Australian Venue Co, a business that operates in each state and territory in Australia (and New Zealand). The data should be self explanatory. It shows % reduction in trade over a 12 month period, clearly illustrating the impact of restrictions on trading levels.

		REVENUE VS PRIOR YEAR							
		Total	VIC	NSW	QLD	SA	NT	WA	NZ
Mar W1	2%	-4%	11%	1%	5%	11%	3%	7%	
Mar W2	2%	-2%	-1%	2%	5%	7%	15%	1%	
Mar W3	-2%	-12%	8%	0%	5%	-14%	0%	-3%	
Mar W4	-56%	-66%	-57%	-54%	-58%	-17%	-57%	-39%	
Mar W5	-97%	-100%	-100%	-95%	-100%	-100%	-100%	-93%	
Apr W1	-98%	-99%	-100%	-96%	-100%	-100%	-100%	-100%	
Apr W2	-98%	-100%	-100%	-96%	-100%	-100%	-100%	-100%	
Apr W3	-98%	-99%	-100%	-96%	-100%	-100%	-100%	-100%	
Apr W4	-97%	-99%	-100%	-95%	-100%	-100%	-99%	-100%	
May W1	-97%	-99%	-98%	-95%	-100%	-100%	-99%	-100%	
May W2	-97%	-98%	-97%	-96%	-100%	-100%	-98%	-100%	
May W3	-95%	-98%	-96%	-95%	-100%	-84%	-99%	-85%	
May W4	-93%	-98%	-90%	-95%	-100%	-84%	-87%	-65%	
Jun W1	-89%	-98%	-89%	-89%	-95%	-89%	-79%	-49%	
Jun W2	-73%	-73%	-68%	-81%	-80%	-21%	-42%	-43%	
Jun W3	-65%	-65%	-57%	-76%	-79%	-35%	-17%	-21%	
Jun W4	-60%	-58%	-40%	-72%	-74%	-27%	-15%	-28%	
Jun W5	-59%	-61%	-45%	-70%	-73%	-22%	-14%	-18%	
Jul W1	-39%	-60%	-37%	-40%	-14%	-17%	0%	-20%	
Jul W2	-17%	-83%	-36%	7%	-8%	-13%	2%	-19%	
Jul W3	-14%	-98%	-47%	20%	5%	-5%	4%	-20%	
Jul W4	-22%	-97%	-56%	8%	-3%	-3%	7%	-29%	
Aug W1	-23%	-99%	-56%	3%	-9%	-17%	14%	-1%	
Aug W2	-24%	-97%	-60%	2%	-20%	-16%	-5%	-11%	
Aug W3	-27%	-99%	-61%	2%	-25%	-2%	19%	-57%	
Aug W4	-27%	-99%	-58%	3%	-11%	-10%	14%	-58%	
Sep W1	-23%	-99%	-49%	4%	9%	7%	10%	-59%	
Sep W2	-27%	-98%	-53%	0%	0%	-21%	5%	-38%	
Sep W3	-26%	-99%	-50%	2%	5%	-5%	5%	-38%	

Most notably in NSW revenues were at c50% in September 2020. Whereas in WA for example, revenues have now recovered or improved.

If I can be of further assistance please let me know.

Yours sincerely



Chair, Night Time Industries Association