

**Submission
No 391**

**INQUIRY INTO THE MUSIC AND ARTS ECONOMY IN
NEW SOUTH WALES**

Organisation: Solotel Management Pty Limited

Date received: 28 February 2018

SOLOTEL

Level 2, The Sheaf
429 New South Head Road
Double Bay NSW 2028

+61 (0)2 9327 6344

solotel.com.au

The music and arts economy in NSW

SUBMISSION FOR COMMITTEE

Submitted 28/02/2018

SOLOTEL

The Solotel group has prepared the following for kind consideration by the Committee chaired by the Hon Paul Green MLC. As an entertainment business, it is our belief that...

Sydney by night should be just as famous as Sydney by day

About the Solotel group.

Solotel operates a portfolio of 31 diverse venues across Sydney and Brisbane, and focuses on Australia's passion for bar, pub, bistro and restaurant culture. The venues being:

Matt Moran signature venues: Opera Bar, Aria, Aria Brisbane, Baranagaroo House, North Bondi Fish, Chophouse, Paddo Inn Bar & Grill, Riverbar & Kitchen, Chiswick, Chiswick at the Gallery, and the Theatre Bars and Events at the Sydney Opera House.

Community Cornerstone venues: The Golden Sheaf Hotel, The Clovelly Hotel, The Edinburgh Castle Hotel, The Sackville Pub & Grill, The Albion Hotel, Quay Bar, The Regent Hotel, The Clock, The Chelsea and The Brideview Hotel.

Creative Culture venues: The Marlborough Hotel, The Bank Hotel, The Couthouse Hotel, The Erskinville Hotel, Public House Petersham, The Green Park Hotel, Darlo Bar, The Kings Cross Hotel, Little Big House, and Goros.

Areas in which these businesses are include the CBD, Surry Hills, Newtown, Double Bay, Parramatta, Darlinghurst and Kings Cross.

As third generation hospitality professionals, Solotel create venues that exude a sense of belonging and play an important role in the communities they sit within. From the varied styles of venues to the eclectic mix of individuals that make up our teams, diversity is at the heart of this business.

Founded in 1986, Solotel continues to embrace the company values it has held since opening its doors more than thirty years ago; belonging, authenticity and diversity. In 2016, Solotel merged with Matt Moran's restaurants and events business, making Solotel the most diverse hospitality group in Australia.

Our view on the music and arts economy in NSW.

Sydney sparkles by day, and yet we have lost our ability to sparkle by night. We have come to define night by curfews – midnight, 130am deadlines or 300am closures. This is in stark contrast to the truly global cities we call our peers – Melbourne, London, New York, Berlin and Paris, all of whom have night time economies that truly reflect the ecosystem of their city.

We believe the recent restrictions have damaged perceptions of Sydney on a local, interstate and global scale. There is a narrative of negativity and a belief nights are dangerous and should be regulated. We believe the 'Lock Out laws', planning laws and policing procedures need to be reviewed to create a plan and roadmap for the renaissance of the Sydney night-time economy.

Live music is a critical part of the future of these plans. The definition, we believe, should be broadened to encompass *any* music played live; from electronic / DJs, to acoustic to experimental.

We believe late night transport, better lighting and civic planning are critical.

And we believe community solutions, like the Newtown Neighbourhood Committee, should be studied and emulated to help re-build our music, arts and creative scene, empowering neighbourhoods one at a time.

(a) progress on the implementation of the Government response to the New South Wales Night-Time Economy Roundtable Action Plan

- The 'Lock Out Laws' have had a significant impact on our ability to entertain Sydneysiders in our venues. In the Kings Cross Hotel, since these laws we have seen a 46% drop in liquor sales, an 84% drop in door takings and the Hotel is employing 19 fewer staff with 500 hours less work per week. We have dropped from 34 DJs across 7 nights playing over 100 hours of music, to 11 DJs playing 2 nights with around 30 hours of music. We have also gone from 12 bands per week to 0. Please refer to Appendix 1 for the full analysis in our 2016 Submission Paper to the Hon. IDF Callinan AC QC.
- We have worked hard to overcome these laws and keep the precinct vibrant. In 2017, we held three live music parties with the help of Keep Sydney Open at Kings Cross Hotel (1/ Welcome to the Cross 2/ Meet me in the Cross, and 3/ the Cross is (un)Dead). Each event brought record numbers of people back to the precinct to relive the 'glory days' and show their support for a vibrant night-time economy in Sydney.
- Since trading hours were extended to 330am at The Kings Cross Hotel, there have been no major incidents, but also no incremental lift in trade.
- In Newtown, statistics from the Newtown Liquor Accord Report have shown a 300% increase in turnstile traffic on Fri/Sat night at Newtown train station, with only a 1% increase in violent incidents.

RECOMMENDATIONS:

1/ Removal of 130am Lock Out to promote a vibrant, bustling late-night arts scene where citizens can freely move between live music events, opening up more opportunities for artists to perform.

2/ Well run venues not to be disadvantaged by the minority with over-policing. Allow the Declared Premises List to play its role, and remove classification of venues as 'high risk due to size, demographics or location.

3/ Removal of restrictions on alcohol service. We already have an obligation under RSA to serve alcohol responsibly.

(b) policies that could support a diverse and vibrant music and arts culture across New South Wales

- During the 2017 VIVID Festival our staff were forced to shut down a live music event before 930pm due to resident noise complaints, and their fear from the current regulatory environment. This gained national media attention across print, broadcast and online media. It garnered sympathy from the journo's, the general public, and was at odds with the charter of VIVID and Destination NSW to create a vibrant festival of light, music and ideas.
- Despite a \$20m+ investment from Lend Lease and Solotel to create Barangaroo House – the crown jewel in the new Barangaroo precinct - we engaged legal counsel to argue our case for 1am closure, this was denied. We now have an 11pm consent with a year trial to 12pm. This process cost the group over \$31k in legal and planning fees.
- Our staff at the Kings Cross Hotel refused entry to an elderly women as she did not have ID and could therefore not be signed in on the ID machines. This drew outrage in social media and amplified the frustration citizens feel about the current laws. Most evenings we have to turn 30yr+ patrons away who are coming to Kings Cross Theatre as they do not have ID.

- We operate businesses with inconsistent DA's that do not promote a safe and easy way to move between entertainment spaces in a large venue. For example, at The Marlborough Hotel, Newtown restricted trading to 12am for level 1, whilst the ground floor can trade until 5am.
- Many of our venues are required to renew trading hours every year or two despite their clean history. This is costly and difficult to justify investment if there is no certainty of these hours. We do not believe this would be manageable for an operator without our resources, which therefore discourages new venues from opening. Two examples included The Edinburgh Castle Hotel and Royal Sovereign Hotel, both located in Sydney.
- Many of our venues are required to operate under restrictive past licensing conditions, despite significant investments from Solotel Group to renovate and transform these spaces into live music and entertainment venues. An example of this is our Surry Hill's Japanese bar Goros, where the previous conditions stated the use of metal detectors at the door and restrictions to operate a dance floor with mirror balls and flashing lights. We are still required to operate with these conditions, despite a very different business model.
- Fear in the industry to lodge a DA as it is seen as an opportunity by Local or State Government to reduce the trading hours and add restrictive conditions. Police also seem to have a very strong voice and are often the major complainant, preferring a 'play it safe' approach rather than a merit based approach. An example of this is Goros, where we do not want to lodge a DA to change our conditions of consent as we fear it will be seen as an opportunity to cut our trading hours.
- Regular night-time inspections from Local and State Government bodies to check compliance take our experienced managers off duty, where they should be focused during peak periods. In February 2018, we have seen these visits happen at The Erskineville Hotel, The Bank Hotel, The Marlborough Hotel and The Courthouse Hotel, all on busy Saturdays around midnight. Each inspection took on average one hour at peak trading time.
- There have been multiple incidents of over-policing in our venues. This includes The Golden Sheaf Hotel, where on two recent occasions (12th Jan, 25th Jan), multiple plain clothed and uniformed police with dogs, walked through and stayed at the Hotel during poeak dinner service at 7:30pm.
- The table below shows the inconsistency in Policing venues that support live music and arts.

Estimated visits per venue (Dec to Feb – 3 Months)

Kings Cross Hotel (live DJs weekends)	16
Clovelly Hotel (no live DJs)	66
Clock Hotel (live DJs weekends)	21
Marlborough Hotel (live DJs and bands)	66
Bank Hotel (live DJs and bands)	21
The Golden Sheaf (live DJs and bands)	144

RECOMMENDATIONS:

- 1/ Removal of intimidating ID scanning equipment for Kings Cross venues.
- 2/ Adopt the 'Agent of Change' system as proposed by the City of Sydney in their *Open and Creative City plan* to relax sound restrictions on live music venues.
- 3/ An alignment of State and Local planning regulations so they do not conflict.

(c) policies that could support the establishment and sustainability of permanent and temporary venue spaces for music and for the arts

- Since 'Lock Out' we have partnered with bAkehouse to run a grassroots live theatre on level 2 of the Kings Cross Hotel. This has been incredibly successful, part of VIVID programming and contributed to the emerging cultural identity of the Darlinghurst area.
- We have successfully run cultural programs such as food and wine festivals in many of our venues e.g. Pigfest, at Public House Petersham; ChilliFest at The Bank Hotel and the Rosé Festival at Opera Bar. All of these events combine food, beverage and entertainment in novel new ways but come at a significant cost to the group including red tape on permits and approvals. In addition there are many more amazing art, music and cultural ideas we do not consider due to current restrictions or costs.
- The costs to Solotel of marketing live music in our current cultural climate is climbing. For example this year we have invested \$100k into FBI Radio to help program and promote live music across our venues. We believe this investment is important given FBI's charter of supporting local, emerging, live music.

RECOMMENDATIONS:

- 1/ Create a series of grants and funding for entertainment and hospitality groups promoting the music and arts in NSW. Ensure the grant process is simple and easy to navigate.
- 2/ Encourage a more community approach to regulation, like the solution we have seen emerge in Newtown. This is a local alliance, named "Newtown Locals" where a mix of diverse businesses are actively collaborating to support each other, which also welcomes the input of the local community in this area.
- 3/ Removal of red tape for approvals for live music pop-ups across pubs, cafes, galleries and restaurants.
- 4/ Positioning and marketing of Sydney as a vibrant late night economy. Change the definition and perception of late night, beyond midnight to all night, to rebuild the damaged ecosystem of businesses and precincts. Sydney's cultural success stories should be profiled in order to promote a rich fabric of culture and arts.
- 5/ Develop committees that will see live music venues working with labels and A&R Managers to engineer precincts that will enable new talent to thrive and gain experience. Sydney needs more smaller venues 250 – 350 pax. Support venues to be financially viable by loosening late night trading restrictions and planning laws in order to create sustainable business models with revenue streams outside of door fees and ticket sales.

(d) policy and legislation in other jurisdictions, and options for New South Wales including red tape reduction and funding options

- Consider the holistic approach to Melbourne city from State and Local Governments. A true holistic solution – transport, civic planning and lighting, de-regulation of licences and the focus on culture and the arts – all facilitating a pride from the general public to truly be a world class city by day, and by night.

As part of your information gathering process, we invite you to personally experience our venues at night and talk with our staff who will explain the current perception and reality of our night time economy.

We thank you for your time in considering our submission, and we believe an expedient approach to the committee is warranted so the situation doesn't worsen. We hope you share our belief in making Sydney's night as internationally famous as its day.

Yours sincerely,

Justine Baker

CEO Solotel Group