

SUBMISSION REGARDING REVIEW OF THE SMALL BAR LEGISLATION

July 2016

To Whom It May Concern,

Thank you for the opportunity to comment on the small bar legislative review.

The Potts Point Partnership [PPP] and the Darlinghurst Business Partnership [DBP] are the local business associations in our respective precincts. We represent close to 200 local business members, the vast majority of which are *not* licensed venues.

We undertake advocacy and promotional activities to support local businesses and the local economy.

Small bars are exactly the type of licensed premise we want to encourage in our areas. As the objectives of the legislation state, smaller venues are lower risk and generally create a sophisticated and intimate atmosphere. However, there are currently no venues under a small bar license in Kings Cross/ Potts Point, and only 4 in Darlinghurst. This is of great concern to us because the NSW Government's 'lockout' legislation has led to a huge loss in foot traffic for both the day and night-time economies.¹

With the associated closure of many late-night venues, often exactly the smaller and more diverse kinds that the small bar legislation attempts to encourage, stimulating our local economies via more small bars opening would be a positive development. It is for this reason in particular that we are disappointed to learn that only 50 of these licenses have been taken up since the legislation was introduced.

We understand that the low up-take is something that the review is looking at and encourage the review to uncover any possible blockages.

¹ <http://www.dbp.org.au/lockout-survey-results/>

While we do not have any direct evidence of the following, we have heard that there has been 'push-back' from within the licensing authorities to approve any small bars within the 'lockout' precinct; even though they are exempt from the liquor freeze.

PPP & DBP along with the Surry Hills Business partnership have just signed off on and are beginning to deliver upon a Destination Marketing Strategy² for East Sydney: 'EastSide Sydney'.

This document has identified a tourism market segment called the 'Free Independent Traveler' [FIT]. FIT's comprise over 30% of the tourism market and currently Sydney either does not attract them or does not retain them. Considering that International overnight visitors spend \$7.5 billion in Sydney alone, the FIT sector is not at all insignificant.³

Small bars, by their very nature: their general atmosphere and the way a consumer would define their offering, are a key attraction for the tourism market. They are places that our professional residential demographic enjoy and frequent, but more importantly also attractive to the vast untapped potential tourism market of FITs.

We therefore support the continuation of a specific legislative framework to encourage their opening and contribution to a vibrant and diverse late night economy.

We believe that one of the main limitations to the uptake of a Small Bar license is the patron capacity limit of 60 patrons.

With high commercial rents in Sydney, operating a venue at the limited capacity of 60 hardly makes commercial sense. Doubling this to 120 would allow for a greater uptake of the small bar license, contributing to a more diverse offering and stronger viability for this sector. Increased viability would likely serve to prevent venue-morphing while creating incentives for licensees to retain their licenses. This, in turn, would foster compliance and help lower incidences of high-risk behavior.

We support the other key aspects of the legislation such as no gaming or take-away liquor being permitted, exemption from the liquor freeze and conditions around trading hours.

Yours sincerely

STEPHAN GYORY, President of DBP
LOUISE SHEPHERD, Coordinator of PPP

² Put together by Barrie Barton's team at Right Angle Studios.

³ <http://www.destinationnsw.com.au/wp-content/uploads/2014/04/Sydney-YE-Dec-15.pdf>