

4th April 2016

Liquor Law Review Submission

To whom it may concern,

Haritos Hotels owns and operates Verandah Bar & Bistro, a venue encompassing two bars, a gaming room and a fine dining restaurant. Located at [REDACTED] (falling within the CBD Entertainment Precinct), the venue is subject to the various trading restrictions associated with this precinct. Verandah Bar & Bistro is an active member of the City North Liquor Accord with the licensee serving on the Executive Committee.

We welcome the opportunity to provide a submission on the Liquor Law Review. We are aware that the primary purpose of the review is to consider the impacts of the 1:30am lock outs and 3am cessation of liquor service, but we also feel the need to clarify that they form part of a much larger spectrum of measures implemented in the CBD and Kings Cross Entertainment Plans of Management via special conditions imposed on all liquor licenses.

These include:

- 1:30am lock out
- 3am cessation of alcohol service
- Round the clock incident register maintenance
- Crime scene preservation and notifications of assaults to police
- A ban on high risk drink promotions
- No glass serving vessels after midnight based on a venue's compliance history
- Exclusion of wearing OMCG colours of insignia
- Drink limits per person after certain times (4 after 12am, 2 after 2am)
- Ban on certain drink types post-midnight (no shots, no neat spirits, cocktails must be listed)

These restrictions have affected different businesses in different ways, with significant research being undertaken in this area. For the purpose of this submission, we feel it best to focus on how these restrictions have affected *our business*, rather than include anecdotal feedback from other proprietors, of which there are many.

The introduction of the 1:30am lock out had an immediate impact on patron migration throughout the CBD and the Kings Cross precinct. Councils Late Night Management Areas Research Phase 4 Report details that between 2012 -2015 foot traffic is down in the CBD by 26% since 2012.

Any claim made that the 1:30am lock out law has led to a reduction in associated incidents, needs to be measured against the drop in patron foot traffic within the effected precincts. Considering the lock out and the reduction in trading hours to 3am, it stands to reason that assault rates would be in decline.



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Effect on Business

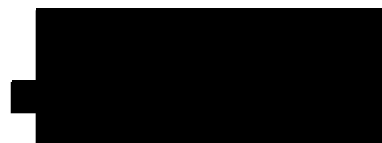
The dedicated venues in the live music and entertainment industry rely solely on the sale of food and beverages as well as (where appropriate) door sales in the form of cover charge or ticket sales. This revenue enables the venue to pay for their entertainment bookings as well as a large list of associated operating costs.

Locking people out of venues at 1:30am has also had a reduction in the ability for an entertainment venue to continue to charge patrons entry up until the 3am cessation of liquor service. Post 3am, the vast majority of patrons aren't interested in consuming a soft drink, and it becomes uneconomical to continue to trade, regardless of the approval to do so. The Live Music Industry has reported a drop in door takings up to 40% in the Kings Cross and CBD precinct.

This reduction in door charge revenue, coupled with the reduction in trading hours and the reduced appeal of the CBD as a late night entertainment destination has had a profound effect on our weekly revenue. Our Saturday night trade deteriorated immediately once the new measures were introduced, and after trying a number of different approaches to stimulate new trade we reluctantly came to the realization that it was cost prohibitive to continue to trade on Saturdays. We made the decision to close the doors of our business on Saturdays in January and as a result we have had trouble retaining staff as they seek other avenues for employment to meet their financial needs. While we closed only one day of the week (representative of 16% of our trading days prior to the change), Saturdays delivered on average 29% of our total food and beverage revenue annually, with a strong profit component given the nature of the product mix. In short, the changes have led directly to the cessation of Saturday trading which had been part of our business for over 15 years.

While our revenue and profitability has been hit hardest, it's also important to note the flow on effect to other areas of the economy. Our contributions by way of GST, PAYG personal income tax, Payroll Tax and Company Tax have all been reduced significantly (~\$320k). Add that to entertainment expenditure (~\$90k), security contractors (~\$130k) and lost wages for staff (~\$280k) and the effect is far greater, as can be seen clearly in the following table.

Annual revenue	\$1,560,000.00
GST	\$156,000.00
Payroll tax	\$15,600.00
PAYG	\$53,890.91
Company tax	\$93,600.00
<hr/> Total lost taxes	<hr/> \$319,090.91
Wages	\$283,636.36
Entertainment	\$91,000.00
Security	\$131,092.00
<hr/> Total 3rd party losses	<hr/> \$505,728.36
<hr/> Total effect on economy	<hr/> \$824,819.27





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As a business, we whole heartedly support the implementation of restrictions on venues that have a proven track record for **mismanagement**. To paint all businesses with the same brush is discriminatory, short sighted and shows a lack of thought and consultation in the original decision making process. As a venue we have an **impeccable licensing record spanning 15 years**, yet we are treated the same as venues that have a history of licensing breaches and violent behavior by their patrons. This is grossly unfair and an unjust restriction of trade.

We also encourage a more proactive approach to the core issue – alcohol related crime. An approach that includes, but is not limited to:

- Reviewing public transport operating hours
- Accredited Industry Training for Licensees
- Mandatory participation for all licensed venues in liquor accords
- A focus on patron responsibility
- Additional Police resources

Transport

Up until 1am public transport options into the city are plentiful from all corners of the CBD. Then they stop. The last train at Circular Quay is 1:17am, 13 minutes before those on the street are locked out of every venue in the precinct. Like with any major event exiting patrons require the same method of getting home as they did to arrive, so if we make a concerted effort to get everyone into one place, not having sufficient resources to remove those patrons at the same or at least a relatively comparable rate will continue to contribute to problems we are having on the streets.

Accredited Industry Training for Licensees

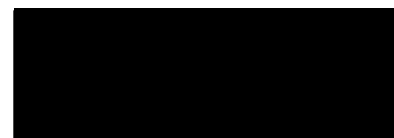
Currently there is no standard and accredited industry training for licensees which is leading to less experienced operators being fast tracked into the industry. Given the raft of conditions placed on venues through the previously mentioned schemes and plans of management and the complexities in running a licensed venue in accordance with community expectations and under the Liquor Act, consideration should be given to mandatory accredited training being introduced.

Accord Memberships

This will ensure all licensed venues and outlets remain informed and collaboratively work towards constructive strategies and in support of the local community.

Patron Responsibility

The vast majority of the special licensed conditions are targeted at licensed venues and operators. We believe that there also needs to be a shift in patron responsibility and accountability for actions. We believe that a zero tolerance policy for antisocial behaviour should be implemented to more effectively deliver the message that violence will not be tolerated under any circumstances, along with appropriate fines and/or community service.





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Police resources

The addition of more high visibility Policing at the appropriate times will assist in the implementation of a zero tolerance approach to violence. Magistrates also need to enforce the appropriate fines or community service when the perpetrators are before the Courts.

We understand this is a complex issue, with no easy solution. All we ask is that we be treated fairly as licensed venue operators, who are trained, experienced and compliant with legislation. Currently we feel as if we are deserved of punishment simply because we are in the business of serving alcohol, along with food and entertainment.

Yours sincerely

Chris Fowler
Group General Manager - Haritos Hotels
Licensee – Verandah Bar & Bistro