

The Deck Bar
22 Mitchell Street
Darwin NT 0801

28th June 2017

Re: NT Alcohol Polices and Legislation Review

To the Review Panel,

My name is Jason Mark Hanna and I am the nominee for Karma Darwin Pty Ltd that operates the Deck Bar, on Mitchell St in Darwin's CBD. I am a long time Territorian.

My licence states that I operate a 'Tavern Licence' for the Deck Bar and have been operating this since 2010. I am a leaseholder, and my landlord is the Paspaley Group.

On a personal level, I have been involved in the Territory's hospitality industry since 1990's and have worked across all areas of a pub, starting out as a 'glassy' and working my way to owning and operating 8 venues today, including restaurants and cafes.

At the Deck Bar I am currently licensed to trade 10am to 2.30 Monday to Thursday and 10am to 4am Friday to Sunday, but the reality is, and has been for many years that I only trade to midnight on all nights of the week.

I employ 25 staff (6 F/T and the rest employed as part-time or casual) at the Deck Bar, and my preference is always to offer jobs to local people verses overseas workers. While this is has always been my preference, at the moment I've had no other choice to employ overseas workers, mostly backpackers, because there have been minimal or no locals apply for these jobs.

In general, from my venue's perspective, trade has been declining for a number of years, people are going out less and spending less money on food and drinks. At the same time, the cost of running a hospitality business keeps on getting more and more expensive – to the point that it makes you question if it is worth your while to stay involved in the industry.

The recent wage increase by fair work of 3.3% will see a 10% rise in all menu items and product, effectively tipping the scales out of the consumers favour. The more expensive product become the less they are able to afford. As often spruiked by Sean Mahoney from the International College of Advanced Education when selling his school, he emphasises that the "NT, Australia is the highest paid entry level Hospitality work on the planet. Higher than the UK, America, higher than Sydney or Melbourne." A statement that continues to resonate with me when I think of the impending future of the industry with digital disruption and innovation happening at such a rate, and son to infiltrate our little corner of the world.

Liquor licensing Fees

I do not support the introduction of annual liquor licensing fees because it will just increase the costs of 'bricks and mortar' businesses, who are already over penalised and over regulated. Increased fees will continue of the trend of small family owned and Independent businesses being pushed aside by large multi-national companies. There are only so many nails a coffin can take and when the regulatory bodies keep nailing them they will eventually seal the fate of said business.

If fees were introduced, then traditional 'bricks and motor' businesses simply won't remain competitive, and the community, tourists and staff will lose out.

The people of Darwin and tourists want a vibrant entertainment centre and venues like The Deck Bar form part of that. However, it already costs so much to run my venue that an annual fee or tax would make it impossible for me to continue to offer the services I do.

Risk-Based Licensing Fees

I do not support risk-based licensing fees, or as mentioned above, any annual liquor licence fee. I already pay, payroll tax, gaming tax, company tax, substantial local Government rates for my alfresco dining area, GST, power and water, superannuation and much much more in terms of services I pay to local tradies and other suppliers.

Risk-based licensing penalises everyone, despite their compliance history, relationship with regulators and authorities, just because of their liquor licence conditions. I do not want to see Darwin CBD become a ghost town like Newcastle or Kings Cross, because of a few unsavoury operators. If a licensee is not complying with their liquor licence then Licensing NT should breach them and penalise them financially – simple as that

Licensed Trading Hours

I don't believe there is any need to change the current licence trading hours for pubs – trading hours are 100% dependent on patronage and the wants of the community. I shut the Deck Bar by midnight most nights, simply because the number of people at in that areas don't justify my operating costs. There are a minimal number of venues that currently open past 2am that service that populations needs. We have an effective lock out at 3am which works and needs no changes. When I was starting out in the industry in the early 90's and closing times were 6am, we had over a dozen venues trading until said time. As you can see times in this industry have changed.

Darwin CBD – Entertainment Precinct

The Deck Bar is considered to operate in Darwin CBD. Over the past couple of years, there doesn't seem to be much thought applied to the granting of new liquor licences, which continues to put pressure on existing operators.

I'm not saying that competition isn't welcomed, I like new operators trying new things, but from a regulatory and planning perspective, I would like to see more consideration for current traders, the amount of alcohol already been sold and if there is a need from the community for more liquor licences in Darwin CBD. Recently there was a license granted without a kitchen or food setting a dangerous precedent and an attack on the current licensed venues business model that has such stringent conditions. Kitchens are a very expensive component of most licensed venues and soon with encouragement so 'innovation and disruption' coming from our governments and councils we will soon see licences that use third party food trucks as their food component because they want to shirk the responsibilities and costs of providing foods themselves, looking to sell nothing but alcohol.

The 'needs and wants' of the community used to be taken into account by the old Licensing Commission, but now the licence application process seems too simple – and just a rubber stamp process where everyone that applies is granted whatever they want. I'm not saying we need to go back to the old Commission days, but I do think there needs to be more work done by either the Director-General or a panel to ensure there is transparency with new licence applications taking into account license density in areas as well as number of licenses.

Every dry season when venues open up to allow their patrons to enjoy the lovely weather, noise complaints start to flow in and are becoming the bane of our existence. There needs to be a better noise policy for the entertainment precinct or CBD, which states that 'buyers be aware' when purchasing an apartment in the middle of an entertainment precinct, that a certain amount

of noise should be expected. Other jurisdictions such as Brisbane has adopted such common sense approaches and it ensures the viability and continuance of the hospitality/entertainment industry as well as sustain employment for musicians and entertainers.

I would like to state my support for the Darwin City Safe Police, which is a great initiative – the highly visible Police presence makes me feel safe as a licensee, as well as my staff and our patrons. Their presence on the street sends a clear message to everyone that it is monitored and safe. Customer interaction with these City Safe is always good to see, as they see them as a connection to a community that has boundaries as well as a communication point for them should they need. Their presence is a proven method of minimising altercations or incidents between our staff and patrons, this coupled with the new Failure To Quit on the spot fines, gives those many hundreds staff working in the industry on those heavy traffic nights that City Safe patrol as strong sense that we are all working for the same thing.

Promotional Codes

The current Code of Practice in Promotional Conduct is old – it was around when I first started working in hospitality – obviously this needs to be updated. The language is outdated and over the years operators have gotten creative in working around the code.

This is one tool that the Regulator could use to ensure responsible practices from industry, which everyone I know in industry fully supports it. The extreme discounting of drinks onpremise (down to \$3 in some places now!) is a sign of financial desperation and should be stopped through a strong promotional code of conduct. A licensee needs to show financial ability when applying for a liquor license and excessive discounting is not only a race to the bottom but is irresponsible in their position as licensee and if was entered into their business model when applying would surely not have been approved. No one goes into business to excessively discount and it is a sign that things have gone pear shaped and they are not sure of what else to do. It damages the reputation of the industry as well as the viability of the industry.

I'm not sure why it has taken so long for Licensing or the Government to update this document – industry can't be expected to self-regulate on this, after all we are in competition with each other.

We recently formed a Darwin Safe Accord which unfortunately fell apart due to some venues not joining and using the conditions of the accord against us. I made recommendation to the Minister and CEO of the time that certain conditions within the accord which make great sense could be inserted into the new promotional code of conduct to ensure that excessive discounting or questionable promotions such as the recent 'Red Cups' promotion never happen.

I do get very concerned with excessive discounts of drinks, because in the end when the licensees can't pay their bills its staff and debtors – who are often small service businesses that are not paid all their entitlements.

RSA

I make all my staff aware of the fact it is illegal to sell someone alcohol that is intoxicated and have never been breached on this licence condition. I support the universal RSA qualification.

Illegal Drugs

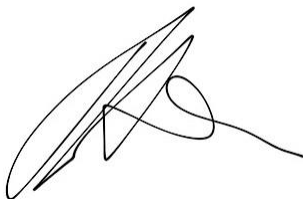
After being involved in the hospitality industry for so long – I have really seen it all. Over the last couple of years, the use of illegal and prescription drugs has become more and more evident. While I recognise that alcohol contributes to some of the issue, there is no testing or matrix for what drugs are being used in our community and it is concerning. My staff are trained in RSA and don't tolerate bad behaviour – but we really have no idea what is going on behind closed doors when it comes to drugs and how to manage that in our venue. I support mandatory drug

testing on all incidents where police are called and the person involved is acting erratically or is removed and taken to the watch house. Too often it is alcohol that is blamed and yet drug testing could shine more of a light on their behaviour.

I hope I have been able to give you some insight into our wonderful and challenging industry that I have accumulated in a hands on owner/operator role for the past 25 years. There is not one job description within my organization that I have not assumed, from cook to DJ, bartender to crowd control, glassie to cleaner. We are a service industry, a customer focused industry and where liquor is involved, it's the well being, comfort and trust of our customers that is paramount. I understand the need for a review, particularly with regards to off premise sales of alcohol being a major issue in our small community, however I can only hope that the commercial viability of the industry is considered at all times as well as huge benefits it provides to the community such as large scale employment an much needed entertainment and leisure. Lately it would seem that certain elements are attacking the industry and like everything it too has a tipping point.

I am available to comment on this letter or anything regarding our industry should you require.

Regards

A handwritten signature in black ink, appearing to read 'Jason Mark Hanna', with a long horizontal flourish extending to the right.

Jason Mark Hanna
Director/Nominee
The Deck Bar