

Effects of the lockout laws on society and the hospitality industry



THE EFFECTS OF THE LOCKOUT LAWS ON SOCIETY AND THE HOSPITALITY INDUSTRY

Sydney lockout laws were introduced in February 2014 by the Government of New South Wales in attempt to reduce drug and alcohol-fueled crime and improve community safety (Parliament of Australia, 2016) . With the implementation of lockout law, citizens are prohibited to enter hotels, registered clubs, nightclubs and karaoke bars after 1: 30 am in several areas of Sydney Entertainment Precinct, or Sydney's CBD. Serving alcohol after 3: 00 am is also banned in this area (Government of New South Wales , 2014). The law is currently considered as controversial and much-debated due to the suspicion about its effectiveness in cutting crime and other negative effects on Sydney's nightlife and hospitality economy (Quilter, 2016). This essay will determine and analyze major drivers and influences of this lockout law on hospitality industry and Sydney's society.

The first causes of lockout law seem to be a serious response of the Government to tackle with alarming violence situation relating to alcohol. In July 2012, after being desperately attacked in a ' one-punch violence within the Kings Cross precinct, Thomas Kelly, an eighteen-year-old citizen, was died. In January 2014, in a similar fatal assault, teenager Daniel Christie died at 9: 00 pm just few meters away (Quilter, 2016). As previously mentioned, as reaction to these incidents and generally alcohol-related crime, Government of New South Wale decided to implement several changes in legislative and policy including lockout law directly impacting sale and service of alcohol at licensed venues in the Kings Cross district as well as other central areas of Sydney.

<https://assignbuster.com/effects-of-the-lockout-laws-on-society-and-the-hospitality-industry/>

On the one hand, in 2015, the lockout law succeeded in accomplishing Government's attempt to tackle alcohol-related violence. It effectively created a reduction in assaults 26 percent in the lockout area and 32 percent reduction in Kings Cross (NSW Bureau of Crime Statistics and Research, 2015). On the other hand, lockout laws witnessed violence increase in neighboring areas, where are not affected by lockout laws. Based on updated figure to September 2016, there was 12 percent increase in assaults lockout precinct, with a 17% increase in "easy-to-reach" areas, which includes Newtown, Bondi, Coogee and Double Bay (NSW Bureau of Crime Statistics and Research, 2017). This fact leads to a concern of the effectiveness of the law. Authentically, there are possibilities for crime to move from prohibited lockout areas to other "easy-to-reach" areas. The lockout law may be effective in cutting crime in specific areas, but this may be just the result of crime removal from areas to areas (Quilter, 2016).

Undeniably, the lockout law has created a negative impact on the hospitality industry. Obviously, shorter opening hours means fewer customer and lower revenue. Since the lockout law introduced in 2012, several venues in Kings Cross have been closed. This is a reason why several venues owners blamed the law for destroying their small business (Spicer, 2015). A typical example is World Bar, a one-time hub for much of the activity in Kings Cross. In just two years from 2014 to 2016, its estimated revenue was dropped 25 percent as a result from the decline of customers. Its owner stated that their current business difficulty is mainly because of the lockout law (Hennessy, 2016).

As a result, after implementation, the lockout law leads to a significant controversial debate among Sydney citizens. It was blamed for causing <https://assignbuster.com/effects-of-the-lockout-laws-on-society-and-the-hospitality-industry/>

serious issues in hospitality and liquor industry including job loss and business activities reduction (Sarah Gerathy, 2016). That is the reason why in 2017, Government decided to introduce a relaxation of lockout law as part of a two-year trial. The closing times for Sydney CBD venues will be extended from 3: 00 am to 3: 30 am and lockout times will be lengthened from 1: 30 am to 2: 00 am. The time prohibition for last buying takeaway alcohol is also increased to 11: 00 pm, instead of 10: 00 pm before the changes. This act is an attempt to balance between economic benefit and community safety for citizens.

The uncertainty resulted from ongoing debates on extension of lockout laws is obviously remarkable especially, in the hospitality industry which remains a strong and vibrant contributor to the Australian economy (Ferrier Hodgson's hospitality team, 2017).

Many people hang out quite late at night as they live the nightlife and bars used to be their best choice chill out with friends, now it does not happen anymore due to the limit resulting from lockout law. This leads to the noticeable certain reduce in profit of bars. Together with the disadvantage for the owners of bars in this field, many bartenders - employees whose jobs is considered potential opportunity in hospitality industry have been limited the working hours so reduced their earnings and salary. Some of them even lost their jobs since restrictions came into place. After suffering long time with debates among citizens, the patron limit for mini bars was raised from 60 to 100, and the closing time at night of bars was strengthen more than 30 minutes (Ferrier Hodgson's hospitality team, 2017). This action is a compromising response to balance economic benefit and society safety. But

it is undeniable that this change cannot help business gain back their previous customer and profit loss, especially with small business.

In conclusion, it is inevitable that the lock-out law was formed to solve part-successfully the increasing negative issues of society, specially reducing the alcohol-related violence among people in specific areas in Australia. Besides, its effects not just only on society as a whole but also the hospitality industry partly in a negative way, in terms of causing job loss and losing profits of bars. The absolute consequences after applying the lockout law is still concerned and debated overtime, notwithstanding the noticeable improvement made by government to make a better Sydney.

References

- Ferrier Hodgson's hospitality team. (2017). *Hospitality Insights Report*. Sydney: Ferrier Hodgson.
- Government of New South Wales . (2014, February). *Liquor Amendment Act 2014 No 3*. Retrieved October 21st, 2018, from Government of New South Wales : <https://www.legislation.nsw.gov.au/acts/2014-3.pdf>
- Hennessy, J. (2016, May 2nd). *Sydney Icon World Bar Reveals How Hard The Lockout Laws Have Hit ' Em*. Retrieved October 21st, 2018, from Pedestrian. TV: <https://web.archive.org/web/20160505213356/http://www.pedestrian.tv/news/arts-and-culture/sydney-icon-world-bar-reveals-how-hard-the-lockout/5ceb2d0f-8a14-480a-81e6-cc9c7d5aa85b.htm>
- NSW Bureau of Crime Statistics and Research. (2015). *Lockouts and last drinks: The impact of the January 2014 liquor licence reforms on* <https://assignbuster.com/effects-of-the-lockout-laws-on-society-and-the-hospitality-industry/>

assaults in NSW, Australia. NSW Bureau of Crime Statistics and Research.

- NSW Bureau of Crime Statistics and Research. (2017). *The effect of lockout and last drinks laws on non-domestic assaults in Sydney: An update to September 2016*. NSW Bureau of Crime Statistics and Research.
- Parliament of Australia. (2016). *Interim report: sale and service of alcohol*. Canberra: Senate Printing Unit.
- Quilter, J. (2016). Sydneys lockout laws: cutting crime or civil liberties? *CURRENT ISSUES IN CRIMINAL JUSTICE*, 03-95.
- Sarah Gerathy, R. S. (2016, December 8th). *Sydney's lockout laws relaxed as part of two-year trial, opinions divided on whether changes are enough*. Retrieved October 21st, 2018, from ABC News: <https://www.abc.net.au/news/2016-12-08/sydneys-lockout-laws-relaxed-as-part-of-two-year-trial/8102702>
- Spicer, D. (2015, July 30th). *Hugo's Lounge in Sydney's Kings Cross forced to close after revenue drop, owner blames lockout laws*. Retrieved October 21st, 2018, retrieved from: <https://web.archive.org/web/20161010032125/http://www.abc.net.au/news/2015-07-30/hugo's-kings-cross-to-close-blames-nsw-lockout-laws/6659340>