

Review of regulatory barriers impeding a vibrant 24-hour economy

Final report

September 2025



Acknowledgement of Country

We acknowledge that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and the oldest continuing culture in human history.

We pay respect to Elders past and present and commit to respecting the lands we walk on, and the communities we walk with.

We celebrate the deep and enduring connection of Aboriginal and Torres Strait Islander peoples to Country and acknowledge their continuing custodianship of the land, seas and sky.

We acknowledge the ongoing stewardship of Aboriginal and Torres Strait Islander peoples, and the important contribution they make to our communities and economies.

We reflect on the continuing impact of government policies and practices, and recognise our responsibility to work together with and for Aboriginal and Torres Strait Islander peoples, families and communities, towards improved economic, social and cultural outcomes.

Artwork:

Regeneration by Josie Rose



About the NSW Productivity and Equality Commission

The NSW Productivity and Equality Commission (formerly the NSW Productivity Commission) was established by the NSW Government in 2018 under the leadership of its inaugural Commissioner, Peter Achterstraat AM.

Productivity growth is essential to ensure a sustained growth in living standards for the people of NSW, by fully utilising our knowledge and capabilities, technology and research, and physical assets. The Commission is tasked with identifying opportunities to boost productivity growth in both the private and public sectors across the state. The Commission seeks to continuously improve the NSW regulatory policy framework and identify levers that can increase competition to deliver better and more affordable goods and services for NSW residents.

The Commission's priorities include:

- productivity and innovation
- fit-for-purpose regulation
- efficient and competitive NSW industries
- climate resilient and adaptive economic development.

The Commission provides objective, evidence-based advice to the Government.

In 2024, Mr Achterstraat was reappointed for a further two years in the expanded role of Productivity and Equality Commissioner. In performing its functions, the Commission considers equity and how costs and benefits are distributed across the community and over time. For instance, the Commission's research on housing examines the equity and environmental benefits of policies and reforms to improve housing affordability, beyond the overall productivity and economic benefits.

The Commission regularly engages with stakeholders to ensure its research and recommendations are well-informed and to encourage a public conversation on productivity reform.

Disclaimer

The views expressed in this paper are those of the NSW Productivity and Equality Commission alone, and do not necessarily represent the views of NSW Treasury or the NSW Government.

The NSW Productivity and Equality Commission's recommendations only become NSW Government policy if they are explicitly adopted or actioned by the NSW Government. The NSW Government may adopt or implement recommendations wholly, in part, or in a modified form.

Commissioner's foreword

At its core, the night-time economy is about people. It is about connection, belonging and the simple joy of being out together. A state that works well after dark – across our cities and regions – supports mental health and social cohesion: it gives workers somewhere to unwind, families places to gather, and friends and neighbours reasons to meet. When we make it easier and safer to be social, communities flourish and so does the economy.

People's tastes are changing. They want more choice in the evenings and early mornings: live music and performance, late-opening shops, galleries and gyms, great food, community events, study spaces, and safe ways to move between them. To meet this demand, we should make it easier for businesses to respond to what people want, with rules that are clear, consistent and proportionate. A vibrant 24-hour economy must go well beyond alcohol and gambling; it should reflect the diversity of our people and the different ways they choose to spend their time.

NSW is already moving. The Vibrancy Reforms led by the Office of the 24-Hour Economy Commissioner are reshaping how our precincts operate, with Special Entertainment Precincts making it faster and simpler for councils and businesses to deliver entertainment and extended trading while managing local amenity. These reforms are exciting because they unlock opportunity, especially for small venues, while keeping residents informed and protected. Combined with the recommendations in this review, they can help us bring nightlife back not as it once was, but better: more inclusive, more welcoming, and safer for everyone.

Our review focuses on the regulatory barriers and frictions that hold back a thriving night-time economy. We apply a practical economic and productivity lens to planning, licensing and environmental settings, and to the rules that govern transport access. Our aim is to reduce red tape and uncertainty, streamline approvals, and encourage innovation. By removing unnecessary costs and delays, we allow businesses to invest, councils to plan with confidence, and people to enjoy more of their communities after dark.

The social and economic returns from getting these settings right are substantial: livelier main streets, stronger local businesses, safer precincts, and better wellbeing. A more vibrant NSW after dark also means more jobs – for artists, crews, hospitality workers, retailers and the many services that support them – and a more competitive visitor economy. Most importantly, it gives people more reasons to connect.

This was a rapid review, and it was only possible because of the dedication of many. I am grateful to the outstanding staff of NSW Treasury, and to colleagues across state government, councils, industry, and Members of Parliament who engaged with candour and urgency. I also thank the Office of the 24-Hour Economy Commissioner for its support and collaboration throughout this process. Their open, frank and passionate feedback about the state's nightlife shaped our analysis and sharpened our proposals. Any errors are my own.



The night belongs to all of us. With the right regulatory foundations, we can make it easier to participate, easier to create, and easier to enjoy – wherever you live, work or study in NSW, from our largest cities to our smallest regional centres.

A handwritten signature in blue ink, reading "Peter Achterstraat". The signature is written in a cursive style with a large initial 'P' and a stylized 'A'.

Peter Achterstraat AM
NSW Productivity and Equality Commissioner

Glossary

Term/acronym	Full name	Definition/description
ABS	Australian Bureau of Statistics	National statistical agency.
Acoustic Report	–	Specialist report assessing the expected noise impacts of a venue or event.
Amenity	–	The subjective ‘liveability’ of a place, capturing all of the characteristics including access to goods and services, outdoor space for recreation and exercise and less tangible qualities like quietness or safety.
BEM	Brand Engagement Monitor	Survey tool used by Destination NSW to track tourism and brand perceptions.
CID	Community Improvement District	Coordination mechanism for businesses to cooperate and contribute to improvements to a location for shared benefit.
Codes SEPP	State Environmental Planning Policy (Exempt and Complying Development Codes) 2008	A key planning instrument under the <i>Environmental Planning and Assessment Act 1979</i> that streamlines approvals for low-impact development across NSW.
Complying Development	–	A type of development that meets pre-set rules and can be approved quickly, often by a private certifier, without a full DA.
Consumer surplus		The difference between what people are willing to pay for something and what they actually pay.
Core NTE / Non-core NTE / Supply NTE	–	Categories of night-time economic activity: core (hospitality/entertainment), non-core (supporting services), supply (suppliers to core NTE).
Cultural SEPP	Cultural State Environmental Planning Policy	Proposed planning policy aimed at supporting creative, cultural, and hospitality activities (such as music venues, outdoor performances and extended trading hours) in NSW.
Curtilage	–	The land surrounding a heritage item that contributes to its significance.
DA	Development Application	A formal pathway for planning approval whereby a consent authority (council or planning panel) assesses the merit of a development proposal based on a range of supporting evidence.
DaD	Data after Dark	NSW Government data platform tracking night-time economy performance.
DCP	Development Control Plan	Local council policy providing detailed planning and design guidelines such as building characteristics and placement.
DCS	Department of Customer Service	NSW Government department responsible for improving customer experience across public services, including digital transformation, regulatory reform, and business support.
DPHI	Department of Planning, Housing and Infrastructure	NSW Government department responsible for planning policy and planning assessment for more significant developments.
EP&A Act	<i>Environmental Planning and Assessment Act 1979</i>	Legal framework for land use planning and development in NSW.
Exempt Development	–	Minor works or changes that do not require planning approval if they meet certain standards.
Elasticity of demand		A measure of how much people’s demand for something changes when its price or another factor changes.
GDP	Gross Domestic Product	
GSP	Gross State Product	
GRP	Gross Regional Product	
Heritage Conservation Area	–	Area designated by local councils that typically has stricter planning controls to protect historic character.

Term/acronym	Full name	Definition/description
Hospitality Concierge	–	NSW Government service providing support to hospitality businesses.
Kickstart Grant	–	Funding for councils to establish SEPs.
LGA	Local Government Area	An administrative region governed by a local council.
Liquor Act	<i>Liquor Act 2007</i>	Legal framework regulating alcohol, licensing and its associated enforcement in NSW.
L&GNSW	Liquor & Gaming NSW	NSW Government department responsible for liquor and gaming licensing and regulation.
LEP	Local Environmental Plan	Statutory planning instrument guiding land use and development in an LGA.
LGNSW	Local Government NSW	Representative body for councils in NSW.
NCC	National Construction Code	Australia-wide code for building safety and standards.
Neon Marketplace	–	Digital platform for business-to-business connections in the NTE.
NTE	Night-time economy	Economic activity occurring between 6pm and 6am, including hospitality, entertainment, retail, and supporting services.
O24HEC	Office of the 24-Hour Economy Commissioner	NSW Government office leading Vibrancy Reforms and development of the NTE in NSW.
On-demand Transport	–	Public transport services that run when and where people need them, rather than on a fixed timetable or route.
Open zone / closed zone	–	Planning approaches that determine how defined land uses are permitted or restricted in a zone. Open zoning allows uses not explicitly prohibited, while closed zones prohibit uses not explicitly permitted.
Opportunity cost		The value of what you miss out on when you choose one option over another.
P2P	Point-to-point	Transport services such as taxis and rideshare that take passengers directly from where they are to where they want to go, without fixed routes.
Purple Flag	–	International accreditation for safe and vibrant night-time precincts.
Roads Act	<i>Roads Act 1993</i>	Legal framework for the creation, regulation, and management of public roads in NSW.
RSA	Responsible Service of Alcohol	Mandatory training for staff serving alcohol.
SEP	Special Entertainment Precinct	A designated area with tailored rules for trading hours, sound, and entertainment to support nightlife and reduce regulatory barriers.
Sludge audit	–	Review of regulatory processes to identify and reduce unnecessary friction ('sludge').
SoRPE	Statement of Risks and Potential Effects	Document replacing Community Impact Statements in liquor licensing.
TfNSW	Transport for NSW	State agency responsible for transport services and infrastructure.
Trading hours	–	Permitted hours for business operation, often regulated for hospitality venues.
Tranche 1	<i>24-Hour Economy Legislation Amendment (Vibrancy Reforms) Act 2023</i>	First round of NSW Government's Vibrancy Reforms.
Tranche 2	<i>24-Hour Economy Legislation Amendment (Vibrancy Reforms) Act 2024</i>	Second round of the NSW Government's Vibrancy Reforms.
Trial conditions	–	Temporary approval conditions used to test new trading hours or activities.
Vibrancy Reforms	–	NSW Government legislative and policy changes to reduce barriers and support a thriving 24-hour economy.

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Executive summary

The NSW night-time economy (NTE) is a social and economic asset. It supports connection and belonging, gives people more ways to be active and creative, and attracts visitors from interstate and overseas. Our estimates indicate that the industries associated with the core night-time economy generated more than \$56 billion in turnover, across more than 45,000 businesses and directly employed over 300,000 people.

The story is fundamentally positive. Concerted effort by state and local governments since the COVID-19 pandemic has supported growth in the NTE. NSW has already delivered substantial reforms, led by the Office of the 24-Hour Economy Commissioner (O24HEC), that make it easier to stage live performances, extend trading and manage sound consistently. Special Entertainment Precincts (SEPs) show how clearer, precinct-wide rules can reduce red tape, provide certainty and attract investment while protecting local amenity. Local governments too, recognising the amenity benefits that the NTE bring to local residents, have been major advocates for NTE reform.

Our review found there were some areas where businesses face complex planning and licensing pathways that may not be necessary, and areas where existing reforms had not yet sunk in. The review also highlights other challenges facing the NTE, including affordability pressures, difficulty getting around at night, and safety concerns that hold back participation and precinct vibrancy across cities and regions.

The experience of past regulatory interventions, like the 2014 ‘lockout laws,’ reminds us that even well-intentioned rules can have unintended, significant and lasting impact on nightlife precincts. But our experience with targeted relaxation of rules (such as trading hours) during the COVID-19 pandemic shows the value of taking a proactive approach to testing and improving regulation.

With many major reforms already in place, the opportunity now is to consolidate what works, stay vigilant in reforming rules that are harmful, and communicate the new settings clearly so businesses and councils (both metro and regional) know how to use them.

The review takes a practical, productivity-focused lens to the remaining barriers so that more people, in more places, can enjoy a safer and more diverse night out.

Making it easier to open and run night-time businesses

Navigating the rules remains complex, time consuming and costly for NTE businesses in NSW – barriers that fall hardest on small and independent operators and deter many from establishing or expanding in the NTE. Even modest changes, such as extending trading hours, can mean significant costs for businesses. Scaled across NSW, our analysis suggests that development applications to extend trading hours alone cost businesses around \$22 million a year.

SEPs demonstrate that fit-for-purpose, precinct-wide rules can cut costs, reduce delays and attract investment. Businesses located in SEPs can avoid development application costs, saving nearly \$30,000 each on applications solely for extended trading hours, and could capture up to \$6,600 each in late-night revenue that would otherwise be lost to time spent preparing and awaiting development approval.

To extend these benefits more broadly, we can focus on making rules more adaptive. Outdated definitions and one-size-fits-all regulation constrain innovative business models, temporary activations and cultural uses. A more proportionate, risk-based approach is needed – streamlining

low-risk development where possible and supporting experimentation. We also identified a need to better recognise the economic and social value of night-time activity, both explicitly in the interpretation of rules and by making sure processes aren't any more burdensome than they need to be, even where there are risks that need to be managed. As one example, we found that harmonising fragmented liquor licensing and planning approval processes could save over \$90 million annually across all licensed businesses.

Some of the specific initiatives covered by the review include:

- building on the SEP model where councils and communities support them
- expanding exempt and complying pathways for low-risk changes
- clarifying that the meaning of 'economic and social impacts' in the *Environmental Planning and Assessment Act 1979* (EP&A Act) includes benefits, not just costs
- auditing end-to-end processes to identify and remove unnecessary 'sludge.'

Getting around and getting home safely

Transport is a major factor shaping participation in the NTE in NSW, third only to cost-of-living pressures and safety. The NTE in NSW is hampered in many ways by a lack of urban density, meaning it is harder to reach the 'critical mass' of customers needed for vibrant night-time precincts.

While the NSW Government is making it easier for people to live in convenient, sought-after locations with its housing reform program, there is still work that can be done to unlock transport options for people travelling to NTE precincts.

The review investigates challenges like limited kerbside space and safety risks around key precincts and looks at how we can balance the needs of different road users with designated pick-up and drop-off zones for point-to-point (P2P) transport and make these areas safer and clearer for passengers with consistent signage standards.

The review also looks at cost-effective options to improve public transport access to night-time precincts in a cost-effective way, whether through tweaks to the traditional public transport system or expansion of innovative on-demand public transport. We find doubling public transport frequency in key night-time precincts could generate millions of additional trips and generate significant time savings and increased activity.

Regional areas also require tailored solutions, such as night-time shuttle loops and extended on-demand services, to address service gaps and improve safety. Together, these reforms can support a more vibrant, inclusive and accessible night-time economy across NSW.

Some of the specific initiatives recommended include:

- piloting dynamic kerbside and signed P2P zones in priority precincts
- running targeted late-evening timetable extensions where data indicates latent demand
- expanding on-demand transport for regional locations.

Understand and promote the state's night-time economy

The NSW Government's Vibrancy Reforms are transforming the NTE by easing regulatory barriers and creating new opportunities for businesses. Success, however, depends not only on legislative

change but also on clear, consistent communication and fair, even enforcement to ensure stakeholders know about the changes and are confident in applying them. This involves making businesses aware of new and existing opportunities; ensuring councils are across the details of the changes so that they can guide businesses; and ensuring rules are being enforced consistently and in line with their intent.

An improved public perception of the NTE, particularly regarding costs and safety, is also critical to ensure increased participation in, and demand for, the NTE.

Finally, policymakers must develop a solid evidence base to guide future decision-making by identifying and addressing current data gaps. Robust data is essential for evaluating the NSW NTE and guiding effective policy decision-making. The Data after Dark (DaD) platform plays a central role in tracking NTE performance, but its impact is potentially limited by data gaps and access restrictions. Addressing data gaps would enable more targeted interventions and better evaluation of reforms.

Building on this evidence, the review recommends:

- improving awareness and visibility of existing programs and reforms
- encouraging participation in the NTE through a targeted campaign
- assessing practical ways to measure and recognise the social and cultural benefits of night-time activity, so these are valued alongside economic outcomes
- prioritising the collection of high-value data and making it easier for government agencies to share information
- expanding fit-for-purpose data access for councils and industry to support better local decision-making.

Enhanced collaboration across government agencies will improve transparency, support decision-making and help create a more vibrant NTE.

Recommendations

Making it easier to open and run night-time businesses	
Continue developing and measuring Special Entertainment Precincts	
1.	Building on this review's preliminary findings, continue to measure the benefits of SEPs as well as unintended impacts as additional precincts become operational.
2.	Conduct a formal review, in collaboration with councils, to assess whether SEPs are delivering the anticipated benefits, identify any material costs, and consider improvements to the policy settings or supporting resources.
Ensure proportionate regulation for low-risk development	
3.	Expand permitted trading and delivery hours in selected employment and special purpose zones, subject to further analysis.
4.	Align trading hours in MU1 Mixed Use zones with residential noise allowances, ensuring consistency between community and business activities.
5.	Pilot an 'opt-in', state-wide, fast-track development assessment process in partnership with interested councils.
6.	DPHI and councils should use existing instruments to broaden the range of low-risk events and temporary uses that can occur without a full DA process.
7.	DPHI and O24HEC should investigate further deactivation of 'no live entertainment' conditions.
Adapt the planning system for new and evolving business models	
8.	Adopt open zoning as the default for employment zones, enabling councils to consider new uses where they align with zone objectives.
9.	Review and update Standard Instrument land use definitions to reflect contemporary business models, including hybrid uses.
10.	Review mandated permissible uses in employment zones within the Standard Instrument to ensure all compatible, low-impact activities are included, so modern business models are not excluded by omission.
11.	Amend the Standard Instrument to permit a broader range of compatible ground floor uses in shop-top housing within mixed-use areas.
12.	As part of the NSW Heritage Strategy, the Government Architect NSW, Create NSW and Heritage NSW should develop case studies showing how to maximise the cultural value of heritage through adaptive reuse, temporary and reversible uses.

13.	Review heritage approval pathways to identify opportunities to extend them to temporary, low-impact cultural activations and other reversible works, while maintaining safeguards for significant heritage fabric.
14.	Review how heritage curtilage is treated in planning controls to enable low-impact activities while protecting significant values.
15.	Pilot a regulatory trial of streamlined rooftop activation in SEPs and business zones with low residential interface.
Recognise the benefit of new NTE activity	
16.	DPHI to issue a planning circular to councils that clarifies the meaning of considering 'social and economic impacts' and 'public interest' and includes a 'menu' of potential social and economic costs and benefits.
17.	Encourage councils to review their DCPs and other local planning policies to better align with the State's vibrancy agenda.
18.	Restrict the use of trial conditions by limiting them to a single, time-bound period with clear criteria and an evaluation framework, ensuring they function as genuine experiments rather than ongoing controls
19.	Pilot an AI chatbot to assist with planning queries, improving accessibility for businesses and efficiency for councils.
20.	Simplify grant application processes by scaling requirements to the size of the grant and providing clearer support, such as guidance materials and council education, to improve accessibility.
21.	Increase the use of multi-year funding agreements for recurring events with consistent formats and demonstrated compliance.
22.	Evaluate the six-hour closure policy and consider opportunities to improve it.
23.	Improve guidance and coordination to better align liquor licensing and planning.
24.	Assess costs and benefits of options to harmonise liquor licensing and planning.
25.	Implement a solution to harmonise the liquor licensing and planning application process.
Get around and home safely	
Enhance point-to-point access to support night-time participation	
26.	TfNSW and local councils should collaborate with P2P providers to identify high-demand or congested pick-up and drop-off locations, to inform decision-making on the coordination of road space and wayfinding.
27.	TfNSW should work with local councils to develop safe, accessible P2P pick-up and drop-off zones in selected night-time precincts.

28.	Drawing on the experience of co-developing P2P zones, TfNSW should publish clear guidance for councils.
29.	TfNSW should investigate a state-wide signage standard for P2P transport with councils.
30.	TfNSW should encourage local councils to share road signage data with third-party map providers to boost accessibility and increase safety.
Make public transport more predictable, accessible and frequent	
31.	O24HEC and TfNSW should jointly identify opportunities to expand late-night transport.
32.	Assess the costs and benefits of increased public transport access in night-time precincts.
33.	Prioritise operational solutions for public transport that are cost-effective and scalable.
34.	Trial on-demand transport in low-service areas.
35.	Introduce night-time shuttle loops as an interim solution while on-demand transport services are developed.
Understand and promote the state's night-time economy	
Communicate better to businesses, councils and enforcement agencies	
36.	Improve awareness of existing programs, like the Hospitality Concierge and the Service NSW Business Bureau.
37.	Build on the case studies on the O24HEC's Neon Marketplace.
38.	The NSW Government should continue to work with councils to improve their understanding of the Vibrancy Reform changes.
39.	Councils should explore the benefits of delivering proactive and tailored support to help businesses navigate and embrace the Vibrancy Reforms, including through education, concierge-style assistance and peer-led engagement.
40.	The NSW Government should investigate opportunities to improve cooperation between businesses, councils and enforcement agencies to address perceptions of inconsistency.
Strengthen public perception of NSW' NTE	
41.	Encourage businesses and councils to leverage existing precinct-based initiatives.
42.	Prioritise the discoverability and amplification of affordable and free NTE activities.
43.	Initiate a coordinated 'Friday Night Live' campaign to encourage participation in the NTE.
44.	Enhance visibility and uptake of existing safety initiatives like Purple Flag.
45.	Explore the feasibility of introducing night-time host programs.

Identify and address data gaps to improve decision making	
46.	Prioritise acquisition of proprietary data by clearly weighing intended use cases and expected benefits against costs.
47.	Audit DaD's data sources and reporting objectives, to confirm alignment with strategic needs, then work with the ABS to identify opportunities to use existing ABS data assets.
48.	Work towards making parts of the DaD platform publicly available, while safeguarding commercial and privacy considerations.
49.	Explore commercial licensing of DaD data under strict confidentiality agreements.
50.	Actively promote awareness and use of DaD by councils.
51.	Encourage policymakers to use the NSW Performance and Wellbeing Framework when developing NTE-related proposals.
52.	Measure the social impacts of the Vibrancy Reforms and other NSW Government initiatives.
53.	Develop guidance on how to value and apply social and cultural benefits of the NTE initiatives in NSW that can inform business cases and regulatory impact analysis.
54.	Commission a 'sludge audit' to map the end-to-end planning and regulatory process for a typical small to medium-sized night-time economy business.
55.	Consider implementation of reforms arising from the 'sludge audit.'

1 This review is about making it easier for businesses to thrive in the night-time economy

1.1 Why this review matters

In May 2025, the Minister for Music and the Night-time Economy, the Hon. John Graham MLC, asked the NSW Productivity and Equality Commission (the Commission) to review regulatory barriers that impede a vibrant 24-hour economy and deliver findings and recommendations by August 2025 (see Appendix A).

The Commission has identified regulatory barriers that increase cost or complexity for businesses and constrain productivity and economic growth in the NTE (see Box 1). The review provides evidence-based recommendations to remove or reduce those barriers.

The focus is on regulatory settings that affect the cost and ease of establishing, operating and growing businesses in the NTE in three areas:

- **Planning** – including land use controls, zoning and development approval processes
- **Liquor licensing** – including venue licensing and trading hour restrictions
- **Environment and amenity** – including the built environment, noise regulation and point-to-point transport access.

Box 1: What is the NTE?














For this review, the Commission has used the Council of Capital City Lord Mayors (CCCLM) definition of the NTE as ‘economic activity which occurs at establishments primarily between the hours of 6pm and 6am’ (p. 4)¹. It is typically divided into three categories:

- **Core NTE:** Economic activity occurring at establishments that provide services to leisure users mainly between 6pm and 6am. For example, restaurants, bars and nightclubs.
- **Non-core NTE:** Economic activity occurring at supporting services that may operate across the 24-hour day. For example, public and private transport, retail, policing and health services.
- **Supply NTE:** Economic activity occurring at daytime businesses that supply goods and services to the Core NTE. For example, producers and wholesalers of beverages, food, and entertainment products for resale in leisure outlets.

The review focuses on a selected group of core and non-core sectors and activities that contribute to a vibrant NTE (Figure 1). NTE sectors that were included in and excluded from the review are provided in Appendix B.

¹ Ingenium Research Pty Ltd (2025). Measuring the Australian Night-Time Economy 2025. Retrieved 4 August 2025 from https://www.lordmayors.org/wp-content/uploads/2025/07/CCCLM_NTE_2025_Report.pdf

Figure 1: The NTE sectors and activities included in the review (based on the ANZSIC classification framework)

Core			Non-core	
Drink	Leisure	Food	Retail	Transport
				
Pubs, taverns and bars	Cinema and drive-ins	Café and restaurants	All retail	Parking
				
Bottle shops	Theatre	Takeaway		Public transport
				
	Gyms and sport facilities			Taxi and ride share
				
	Amusement activities			
				
	Clubs			

The review does not:

- examine broader demand drivers for night-time activity due to underlying preferences.
- quantify the indirect and unintended social outcomes of increased night-time activity. For example, alcohol-related violence.
- quantify the additional public infrastructure and services required to support a growing NTE. For example, healthcare, emergency services and infrastructure.

The review builds upon significant prior work

The recommendations in this review build on more than a decade of NSW Government reforms designed to create a safe, vibrant and economically strong NTE. Regulation of entertainment and hospitality in NSW has shifted through alternating phases of liberalisation and tighter control, reflecting changes in community expectations, safety concerns and economic priorities.

Over the past 50 years, there have been a wide range of major policy changes that have shaped the night-time landscape across the state. For example:

- Significant building code reforms in the 1970s to improve fire safety in public venues.
- Random breath testing in 1982 to combat drink driving.
- Legalisation of electronic gaming machines ('pokies') in hotels, expanding their availability beyond registered clubs where they had already been permitted.

- *Smoke Free Environment Act 2000* to regulate smoking in public places and reduce exposure to second-hand smoke.
- *Civil Liability Act 2002* in response to a liability insurance crisis that had made it difficult and expensive for businesses to obtain insurance coverage.
- NSW Alcohol Summit in 2003 addressing concerns about alcohol-related harm in the community and resulting in the introduction of mandatory Responsible Service of Alcohol (RSA) training.
- National Competition Policy in 2004 to enhance competition nation-wide, regulate anti-competitive behaviour and which included the abolition of the 'needs test' in NSW (allowing new businesses to apply for a liquor licence without having to prove that the community 'needed' them.)
- Place of Public Entertainment (POPE) licences abolished in 2009 (venues no longer needed a separate licence to host live entertainment if it was part of their main business.)

Although challenges existed prior to the last decade, the period since 2014 has been notable. The introduction of 'lockout laws'² in February 2014, following several highly publicised incidents of alcohol-related violence, had immediate and far-reaching consequences on businesses and communities, contributing to a prolonged downturn in parts of the sector (see Section 2.1.2).

The COVID-19 pandemic compounded these pressures with border closures, gathering restrictions and public health orders creating further uncertainty. In response, the NSW Government launched a coordinated program to revitalise hospitality and entertainment, culminating in a series of reforms aimed at restoring vibrancy and confidence in the NTE (see Appendix C).

The Vibrancy Reforms

The rollback of lockout laws began in 2020. With the establishment of the Office of the 24-Hour Economy Commissioner (O24HEC) in 2021, reform has accelerated. O24HEC has spearheaded the Vibrancy Reforms³, a major effort bringing together government agencies, industry, and councils to modernise outdated rules, give local councils more say, and help create a dynamic and thriving NTE (see Box 2).

² Among other regulations the 'lockout laws' mandated 1:30 a.m. lockouts for venues and 3:00 a.m. last drinks in Sydney's CBD and Kings Cross in an attempt to curb alcohol-fuelled violence.

³ *24-Hour Economy Commissioner Act 2023, 24-Hour Economy Legislation Amendment (Vibrancy Reforms) Act 2023, 24-Hour Economy Legislation Amendment (Vibrancy Reforms) Act 2024*

Box 2: The NSW Government's Vibrancy Reforms

The Vibrancy Reforms have introduced a comprehensive range of changes, including:

- **Support for live music and performance venues:** For example, creating guidance on sound system design to encourage more live performances, and providing exemptions from trading-hour risk loadings for venues hosting live music or performance.
- **Strengthening the SEP framework:** Grants for councils to help with the planning of new precincts, and incentives for licensed venues hosting live music (like additional trading hours and reduced liquor licensing fees).
- **New sound management framework:** Liquor & Gaming NSW (L&GNSW) is now the lead regulator for entertainment sound from licensed venues. The framework has increased the disturbance complaint threshold from three to five households, allows for the issuing of improvement notices to licensed premises for excessive noise, and ensures that order of occupancy is now considered in complaints to protect established venues.
- **Expanded outdoor activation and dining:** Temporary street closure approvals for outdoor events have been simplified, and patrons are no longer required to be seated while drinking outdoors. The Office of Local Government has also launched a mutual recognition framework for mobile businesses (like food trucks) across councils.
- **Modernised liquor licensing framework:** Streamlining licence applications by removing the 30-day pre-lodgement consultation, introducing the Statement of Risks and Potential Effects (SoRPE) to replace Community Impact Statements, and extending trading authorisations for hotels hosting regular live music or arts events. The latest round of reforms also removed the 5 km club membership rule, allowing easier access to local clubs.

Further reforms are planned through the Cultural State Environment Planning Policy (Cultural SEPP) which will update the planning system to better support creative, hospitality and cultural uses that contribute to a thriving 24-hour economy.

The Vibrancy Reforms have largely been received well by councils, businesses and the community. However, the scale and speed of change have been unprecedented. In just a few years, NSW has introduced multiple legislative packages, new regulatory frameworks and planning adjustments. This volume of reform in such a short timeframe means stakeholders need time to understand, implement and adapt to the new settings. Communicating these changes clearly and consistently across a diverse stakeholder base remains a significant challenge. Section 5.1 outlines options to improve guidance and support so that the benefits of these reforms can be fully realised.

1.2 We undertook research and consultation

The Commission has conducted targeted research and stakeholder consultation to inform its findings and recommendations. This includes both consideration of previous government reviews, and our own targeted consultation with industry stakeholders, including Members of Parliament, NSW Government agencies, NSW local councils, industry groups and associations.

Appendix D lists stakeholders involved in the consultation process. Findings are outlined in Appendix E and Figure 2.

Figure 2: What we've heard

What we've heard

Insights from venues that could be open after 6pm but struggle to attract customers, and from people who choose not to leave their homes after 6pm, and other stakeholders, have informed the review recommendations.



Venues that could be open after 6pm but aren't

Due to a lack of customers or patrons

Within the scope of this review:

- Too many regulations
- Red tape (e.g. applications, compliance, approvals)
- Special Entertainment Precincts (SEP)
- Complex grant applications
- High cost of licences

Outside scope:

- Staff shortages e.g. visa issues
- High operating costs e.g. energy
- Higher costs later in the day (insurance, penalty rates, security)



People who don't leave home after 6pm

Due to a lack of suitable or open venues

Within the scope of this review:

- Safety concerns
- Limited public transport
- No / limited parking
- Ride share accessibility

Outside scope:

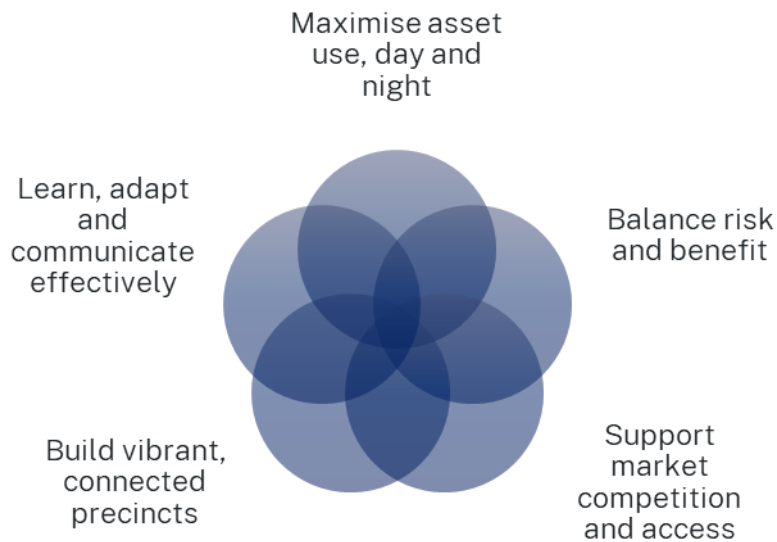
- Cost of living e.g. rent, mortgage
- No one to go with
- Venue not child friendly
- Access to babysitter
- Prefer to stay home / post-COVID habits

Some stakeholders were of the view that limited social engagement and prolonged isolation from broader community networks could increase vulnerability to mental health challenges – both in the short term and over time.

1.3 Five guiding principles

The Commission adopted five guiding principles in this review (see Figure 3). These principles focus on promoting efficiency, effective risk management, reducing entry barriers, strengthening precincts and improving communication.

Figure 3: The five guiding principles of this review



The principles are:

- **Maximise asset use during both day and night:** physical capital – like commercial buildings and kitchen equipment – only generates economic value when actively deployed. Facilitating more productive use of assets and equipment allows businesses to spread fixed costs – like rent and insurance – over a larger revenue base. This enhances individual business performance, contributing to broader economic dynamism and urban renewal.
- **Balance risk and benefit:** overly stringent regulations can stifle innovation and NTE activity, while insufficient regulation can lead to negative externalities and public harm. A balanced regulatory framework should be pragmatic, informed by empirical data and tailored to the specific needs and risks of the 24-hour economy.
- **Support market competition and access:** a competitive market environment drives efficiency, lowers prices, and lifts the quality of goods and services. By streamlining regulatory processes and eliminating redundant requirements, policymakers can lower barriers to entry and create a more inclusive and dynamic NTE.
- **Build vibrant and connected precincts:** regulatory frameworks should recognise and facilitate the positive spillover effects of precincts by reducing barriers to their formation. Embedding transport considerations and other supporting service interventions into precinct planning can turn otherwise-isolated precincts into coherent and efficient night-time ecosystems, that lift economic activity and broaden participation.
- **Learn, adapt and communicate effectively:** continuous improvement of regulations through feedback, data and controlled experimentation is vital for maintaining a responsive and effective regulatory framework. Clear and strategic communication of vibrancy initiatives and other

regulatory reforms is critical to ensuring that businesses and local councils are fully aware of the opportunities presented by the new measures.

See Appendix F for more on the review's guiding principles.

2 Our night-time economy has room to grow

A vibrant, safe and growing NTE is crucial for both social and economic reasons. It enhances quality of life for residents and visitors by offering a diverse range of leisure and cultural activities.

Economically, it generates significant activity and employment, attracting tourists and creating jobs that boost local businesses and government revenue.

The concept of the 24-hour economy offers a compelling framework for rethinking time as a strategic asset. Rooted in the understanding that cities do not sleep, it challenges conventional, linear planning models and opens new possibilities for innovation, equity and productivity across the 24-hour cycle.

World Economic Forum 2025, p. 3⁴

2.1 The NTE has barriers that limit participation

Consumers and businesses both face challenges that limit participation in the NTE. Businesses report complex planning and licensing processes, uncertainty about recent reforms and rising costs. Consumers, meanwhile, are more cautious with discretionary spending and consistently cite transport access, affordability and safety as the main factors influencing their willingness to go out at night.

2.1.1 Consumers face barriers around transport, affordability and safety

Late-night transport and access challenges

Transport and proximity are critical enablers of NTE participation. Where people live – and how easily they can travel – shapes both what they do at night and how long they stay out. Lack of transport is the third most cited barrier to going out at night.⁵

In global hubs such as New York, Tokyo and London, high residential density supports vibrant night-time precincts and extensive late-night transit, creating a reinforcing cycle of accessibility and participation. By contrast, NSW' cities are more dispersed: lower density spreads businesses across wider areas, residents often live further from activity centres, and public transport is harder to provide at scale. As density increases, so does the demand for local night-time activity that is not exclusively centred around CBDs.⁶ Well-planned precincts can meet this demand while strengthening communities and attracting local investment.

⁴ World Economic Forum. 'Unlocking the Potential of 24-Hour Economies'. 2025. Accessed 29 August 2025. https://reports.weforum.org/docs/WEF_Unlocking_the_Value_of-24-Hours_Cities_2025.pdf.

⁵ Ipsos. 'NSW Night Time Economy: Wave 4 research report.' June 2025. p. 26

⁶ The NSW Productivity Commission's 'Building more homes' research series found that even inner Sydney has much lower residential density than Paris or inner boroughs of London, and highlights the benefits of urban density – not only for residents through greater amenity and choice, but also makes it easier to serve with transport and also for the businesses that cluster to serve them. [Paper 1](#) [Paper 2](#) [Paper 3](#)

Private cars remain the dominant mode of transport for participants and workers in the NSW NTE, especially in regional areas.⁷ In Greater Sydney, residents rely heavily on private cars (60%)⁸ and trains/metro (56%) when going out at night, but even in Sydney, service gaps make it tricky to rely on public transport. Sydney CBD is well-connected during the day. Train, light rail and metro services close between 1:30am and 4:30am, leaving only limited bus routes and NightRide buses.⁹ Dissatisfaction with night services is high, with many citing long travel times, unreliability and declining frequency.¹⁰

NTE demand is vulnerable to cyclical economic activity

The NTE is a significant contributor to NSW' cultural and economic vitality, but its reliance on discretionary spending makes it highly sensitive to shifts in economic conditions. When growth slows or uncertainty rises, households prioritise essentials and reduce dining, entertainment and cultural activities. Affordability is the most frequently cited barrier to participation.

Only 24% of Greater Sydney residents and 17% in surrounding metro areas agree nightlife is affordable, while 60% identify high costs as their main barrier.

Ipsos, 2025¹¹

The DCS Customer Sentiment Survey reported in September 2024 that over half of NSW residents (55%) say they are going out less due to not being able to afford it.

NSW Department of Customer Service, 2024¹²

Spending data reinforces these findings. DaD reports a 2.9% decline in in-person NTE spending from March quarter 2024 to March quarter 2025.¹³

These pressures – driven by elevated inflation, high residential rents and restrictive interest rates – have constrained non-essential spending. Even as inflation eases, households remain cautious, meaning affordability concerns for the NTE are likely to persist in the foreseeable future.

⁷ Ipsos. 'NSW Night Time Economy: Wave 4 research report.' June 2025.

⁸ Note: Excludes ride share

⁹ Transport for NSW. 'Late-night services.' n.d. Accessed 18 August 2025. <https://transportnsw.info/travel-info/using-public-transport/late-night-services>.

¹⁰ Ipsos. 'NSW Night Time Economy: Wave 4 research report.' June 2025. p. 29

¹¹ Ipsos. 'NSW Night Time Economy: Wave 4 research report.' June 2025. p. 19 & p. 26

¹² NSW Government. 'DCS Customer Insights: Understanding sentiment on the night-time economy.' 6 November 2024.

¹³ Office of the 24-Hour Economy Commissioner. 'NSW Night-time Economy Insights: March Quarter 2025.' p. 4

Safety perceptions affect the demand for NTE activities

Safety concerns are the second most significant barrier to NTE participation after affordability.¹⁴ Ipsos data shows that only half of NSW residents consider nightlife safe, a figure that has declined since December 2023. Women and residents of surrounding metro areas (Wollongong, Central Coast, Newcastle) are least likely to feel safe.¹⁵

65% of people said they would go out more often if they felt safer.

Transport for NSW, Safer Cities Survey¹⁶

The Transport for NSW (TfNSW) Safer Cities Survey found that women are almost twice as likely as men to feel unsafe after dark (59% versus 31%), with Aboriginal and Torres Strait Islander people, LGBTIQ+ women, and people with a disability reporting higher rates of feeling unsafe than the general population.¹⁷ These perceptions of safety also vary by location. The Department of Customer Service (DCS) Customer Insights survey found that individuals tend to feel safer going out for entertainment and leisure activities in their local area (68%) than they do in the Sydney CBD (49%).¹⁸ Women, older residents, and those living in regional areas are particularly likely to feel unsafe when going out in the Sydney CBD.¹⁹

Improved lighting, more late-night activity, welcoming urban design and CCTV surveillance, particularly in CBD locations, have been consistently identified as measures that could strengthen confidence and participation in the NTE.

Consumers have changing preferences

Consumer demand for night-time activities is diversifying. While eating out, pubs and shopping remain the most popular activities, since December 2023 participation has grown across **a broader range of experiences**, including community events, cinema, theatre, live sport, community sport and pop-up activities.²⁰ In surrounding metro areas, such as Newcastle, Central Coast and Wollongong, residents also show strong demand for live music venues.²¹

¹⁴ Ipsos. 'NSW Night Time Economy: Wave 4 research report.' June 2025. p. 26

¹⁵ Ipsos. 'NSW Night Time Economy: Wave 4 research report.' June 2025. p. 26

¹⁶ Transport for NSW. 'Safer Cities Survey Report: Perceptions of safety in public spaces and transport hubs across NSW.' July 2023. Accessed 22 August 2025.
https://www.transport.nsw.gov.au/system/files/media/documents/2023/Safer-Cities_Survey-Report_0.pdf. p. 18

¹⁷ Transport for NSW. 'Safer Cities Survey Report: Perceptions of safety in public spaces and transport hubs across NSW.' July 2023. Accessed 22 August 2025.
https://www.transport.nsw.gov.au/system/files/media/documents/2023/Safer-Cities_Survey-Report_0.pdf. p. 18

¹⁸ NSW Government. 'DCS Customer Insights: Understanding sentiment on the night-time economy.' 6 November 2024. p. 7

¹⁹ NSW Government. 'DCS Customer Insights: Understanding sentiment on the night-time economy.' 6 November 2024. p. 7

²⁰ Ipsos. 'NSW Night Time Economy: Wave 4 research report.' June 2025. p. 17

²¹ Ipsos. 'NSW Night Time Economy: Wave 4 research report.' June 2025. p. 22

This shift reflects a growing appetite for wellness, cultural and community-based activities beyond traditional nightlife. At the same time, nightclubs have seen declines in patronage and consumer spend. This trend is likely linked to cultural changes in attitudes to alcohol: younger cohorts are more likely to disapprove of regular alcohol use, and those aged 16–24 drink less frequently than the NSW average.^{22 23}

The implication is clear: to remain relevant and resilient, the NTE must expand beyond alcohol-centred venues and offer a broader mix of inclusive, cultural and social experiences.

2.1.2 Businesses are constrained by regulations, rising costs and limited awareness

NTE businesses report a range of constraints, including regulatory complexity, rising costs, and limited awareness of reforms.

Regulation adds cost and complexity

NTE businesses are often considered to be higher-risk or higher-impact. Serving alcohol is historically associated with antisocial behaviour and violence, while operating at nighttime can create disruption and noise – a key concern for residents in areas with significant activity.

As a result, these businesses tend to be more heavily regulated than comparable sectors, and compliance imposes both upfront and ongoing costs. Businesses report that processes, including liquor licensing, development and planning approvals, and operating conditions, are often lengthy, with direct expenses such as application and consultant fees, as well as indirect costs from delayed openings and lost revenue opportunities. Many also note that rules feel outdated or inflexible.

Rising costs and labour shortages squeeze margins

Operating costs have risen sharply, and labour shortages remain persistent.²⁴ A recent *Broadsheet* survey of hospitality operators, a core part of the NTE, found that 71% reported declining revenues over the past year, with an average fall of 16%, while three quarters faced cost increases of at least 10%.²⁵

Small businesses are most exposed, with less ability to absorb costs, negotiate with suppliers or retain staff. Larger groups and franchises are often better placed to manage these pressures.

²² Livingston, M., Callinan, S., Pennay, A., Yuen, W. S., Taylor, N., & Dietze, P. 'Generational shifts in attitudes and beliefs about alcohol: An age-period-cohort approach.' *Drug and Alcohol Dependence*, 243, Article 109755 (2023). <https://doi.org/10.1016/j.drugalcdep.2022.109755>.

²³ Centre for Epidemiology and Evidence. 'Alcohol drinking frequency in adults.' Accessed 22 August 2025. <https://www.healthstats.nsw.gov.au/indicator?name=-beh-alc-freq-phs&location=NSW&view=Trend&measure=prevalence&groups=Drinking%20frequency&compare=Drinking%20frequency&filter=Drinking%20frequency,Weekly,Less%20than%20weekly,Never,Daily>.

²⁴ Rodrigues, Michael. 'The challenges night-time economy SMEs face and how to support them.' *Inside small business*. Accessed 27 February 2025. <https://insidesmallbusiness.com.au/latest-news/the-challenges-night-time-economy-smes-face-and-how-to-support-them>.

²⁵ Williams, Janes. 'Squeezed to the Max: What It's Like in Hospitality Right Now.' *Broadsheet*. Accessed 8 July 2025. <https://www.broadsheet.com.au/featured/squeezed-to-the-max-what-it-s-like-in-hospitality-right-now-according-to-venue-operators>.

We're being squeezed out by large groups who have the capital to take losses and dominate prime locations. It's harder than ever to be small and survive.

Venue operator, cited in *Broadsheet* (2024)²⁶

Public liability insurance has become another major cost burden (see Box 3). The Insurance Council of Australia estimated the cost of public liability insurance policies surged by 20 to 30% nationally in 2022.²⁷

Our [public liability insurance] went up by 50%, it was ridiculous...I think there's an assumption that live music is a bit risky – like it's all black T-shirts and mosh pits – but we're mostly a jazz venue.

Owner of the Dulwich Hill jazz bar Butchers Brew, cited in *The Australian* (2024)²⁸

Box 3: Rising insurance costs squeeze live music

Since the lifting of pandemic restrictions, public liability insurance premiums for live music venues have surged, with some operators reporting costs rising from \$10,000 to \$40,000. Insurers reportedly classify venues as high-risk regardless of size or context.

Globally, there has been a tightening of this market, which means insurers' risk appetites are lower, there are fewer insurers offering the product, and the cost has increased.

Insurance Council of Australia spokesperson, cited in *ABC News* (2024)²⁹

A recent Senate inquiry recommended government action, and the federal government has since committed new funding through the *Revive Live* program and *Music Australia*.

Source: Sutton, Malcolm. 'Live music industry on its knees and pleading for a government lifeline on insurance costs.' *ABC News*. Aug 15, 2024. Accessed 22 August 2025. <https://www.abc.net.au/news/2024-08-15/live-music-insurance-government-help-plea/104217688>.

²⁶ Williams, Janes. 'Squeezed to the Max: What It's Like in Hospitality Right Now.' *Broadsheet*. Jul, 8 2025. Accessed 22 August 2025. <https://www.broadsheet.com.au/featured/squeezed-to-the-max-what-it-s-like-in-hospitality-right-now-according-to-venue-operators>.

²⁷ Dowling, James. 'Sydney's night-life struggles to the rising inflated insurance bill.' *The Australian*. Mar, 4 2024.

²⁸ Dowling, James. 'Sydney's night-life struggles to the rising inflated insurance bill.' *The Australian*. Mar, 4 2024.

²⁹ 'Live music industry on its knees and pleading for a government lifeline on insurance costs.' *ABC News*. Aug 15, 2024. Accessed 22 August 2025. <https://www.abc.net.au/news/2024-08-15/live-music-insurance-government-help-plea/104217688>.

Limited awareness of reforms and opportunities

Despite reforms designed to support vibrancy – such as extended trading hours, live music incentives and simplified outdoor dining approvals – many operators remain unaware of the opportunities available.

According to the DCS Business Sentiment Survey, conducted in September-October 2024, while around half of hospitality and arts/culture venue SMEs are aware of the different components of the Vibrancy Reforms, few know a lot about them.

NSW Department of Customer Service, 2024³⁰

Balancing safety and vibrancy: lessons from the lockdown laws

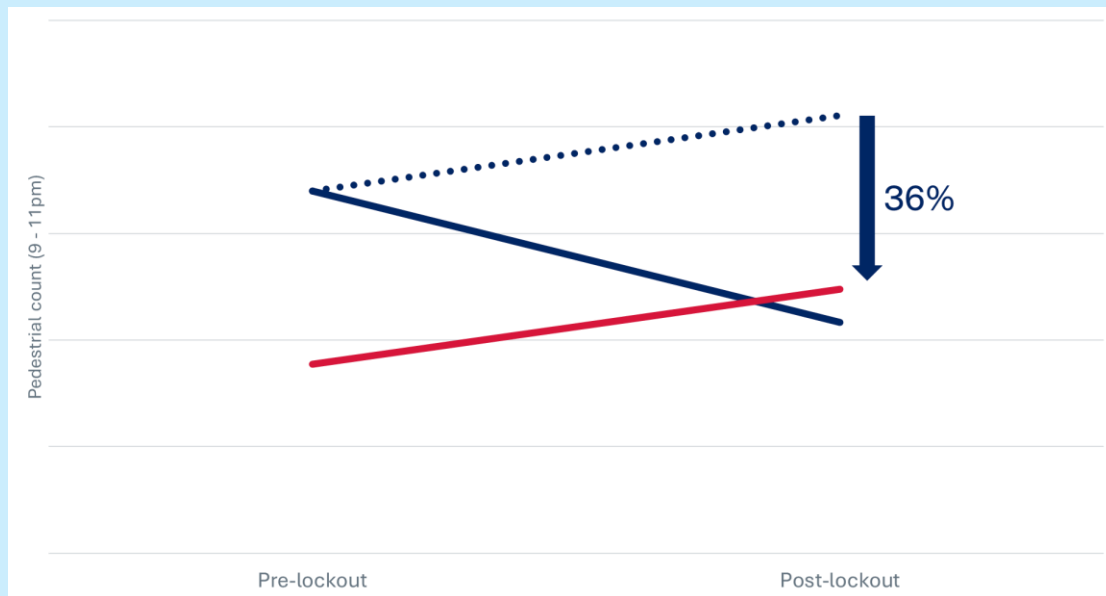
Regulatory interventions should protect safety and amenity while supporting the economic and cultural value of the NTE. The 2014 ‘lockout laws’ illustrate this trade-off. Introduced to improve public safety, they had unintended and lasting effects on participation, even after they were repealed. In Sydney precincts where the laws applied, early-evening pedestrian activity declined by around 36% compared with a scenario in which no policy was introduced (see Box 4). This sustained fall in foot traffic likely reduced both trading activity and precinct vibrancy.

³⁰ NSW Government. ‘DCS Customer Insights: Understanding sentiment on the night-time economy.’ 6 November 2024.

Box 4: Lessons from the lockdown laws

The 2014 ‘lockout laws’ had a significant and lasting impact on nightlife precincts. Using pedestrian activity as a proxy for vibrancy and trading activity, our analysis shows that Sydney’s CBD, Oxford Street and Kings Cross experienced a **36% decline in early-evening pedestrian activity (9pm to 11pm)** attributable to the laws, compared with a scenario in which they were never introduced.³¹ This contraction likely reduced trading activity and cultural vibrancy in affected precincts, showing how regulation can reshape consumer behaviour with persistent effects beyond the immediate lockout hours.

Figure 4 Pedestrian activity fell sharply in lockdown precincts (9pm to 11pm)



This illustrative figure compares actual and estimated pedestrian activity between 9pm to 11pm in affected and unaffected areas:

- **Blue line (lockout zone):** observed decline after the laws
- **Dotted blue line (counterfactual trend):** likely trend *without* the laws
- **Red line (outside lockout zone):** actual activity in control areas outside the zone.

Notes: (i) Analysis used a difference-in-differences approach with fixed effects and controls. Results are statistically significant at the 95% confidence level (13%–58%).

(ii) Pyrmont and Newtown, located outside the lockdown zone, were used as the control group. The analysis assumes that, in the absence of lockdown laws, trends in foot traffic would have been similar in both the lockdown and control areas. Some displaced foot traffic may have been absorbed by these control areas, which could make the potential impact of the lockdown laws appear larger.

(iii) Data limitations mean the analysis only covers pedestrian activity before the lockout period began at 1:30 am. It therefore captures early-evening behavioural changes, such as people choosing not to travel, ending their night early, or going out in other areas.

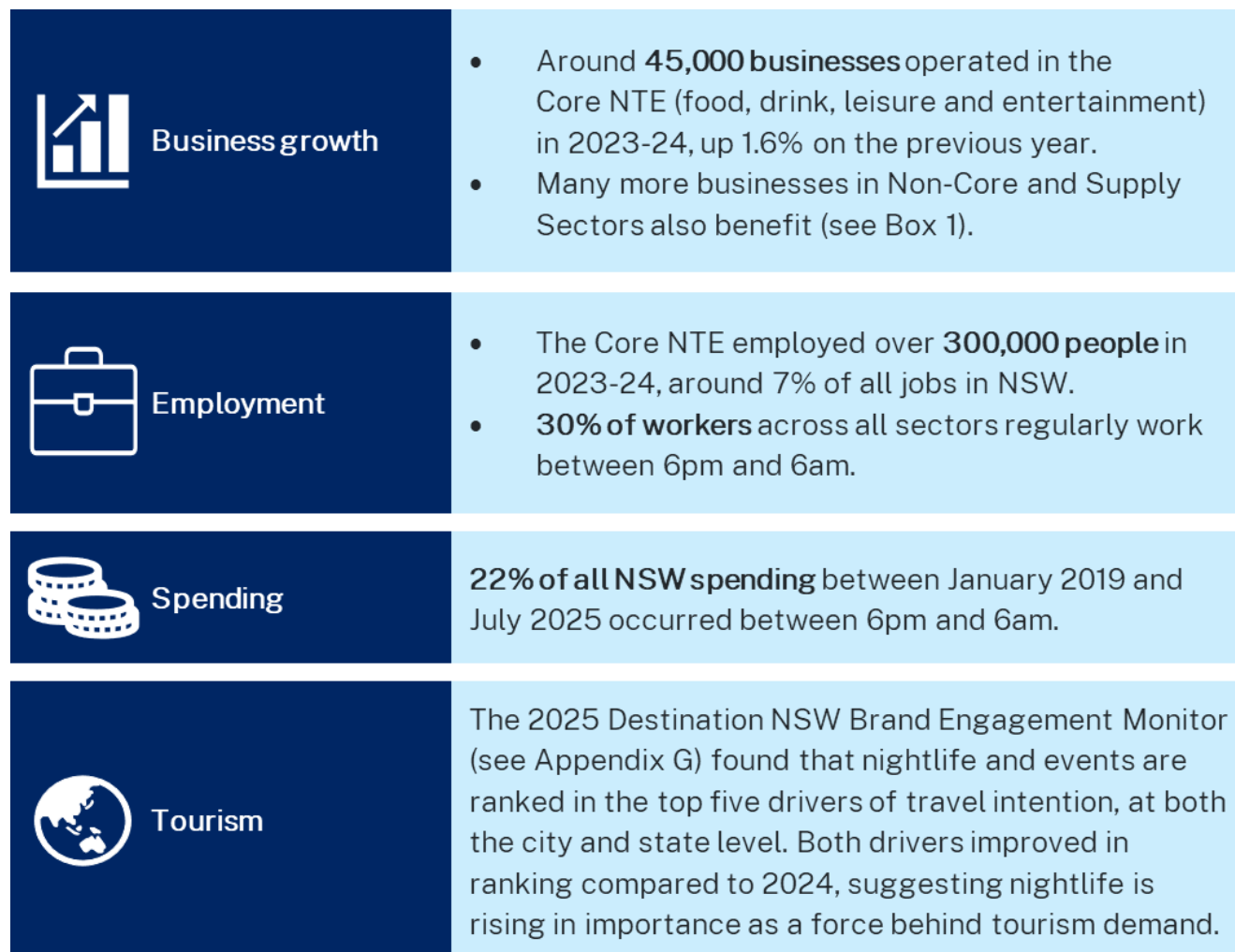
³¹ City of Sydney, ‘Walking count surveys’, accessed August 2025, https://data.cityofsydney.nsw.gov.au/datasets/8300b036131d4c98b760cba20207e7fc_0/explore.

2.2 The NTE has extensive economic, social and cultural benefits

2.2.1 The NTE drives employment, spending and tourism

The NTE generates significant value for NSW through business growth, employment, spending and tourism (see Figure 5).

Figure 5: How the NTE drives business growth, employment, spending and tourism



Sources: Council of Capital City Lord Mayors. 'Measuring the Australian Night Time Economy 2025.' Jul 12, 2025. https://figshare.unimelb.edu.au/articles/report/Measuring_the_Australian_Night-Time_Economy_2025/29207792?file=56197826. Office of the 24-Hour Economy Commissioner. 'NSW Night-time Economy Insights: March Quarter 2025.' Destination NSW. 'Drivers of Appeal & Travel Intention.' June 2025.

Note: Travel intention measures whether respondents are considering, actively planning or have already booked travel in the next 12 months.

2.2.2 The NTE facilitates cultural enrichment and social cohesion

In addition to its economic role, the NTE contributes to social and cultural wellbeing. For typical full-time workers, **two-thirds of leisure time takes place at night**,³² making evening activities central to social life. Dining out, cinema, theatre and live music all create spaces where people can socialise beyond work or education.

This role has become more important as **loneliness and social isolation**³³ have worsened, particularly among 15 to 24-year-olds.³⁴ A Youth Insight survey found that **63% of Gen Z**³⁵ respondents reported **sometimes or often feeling lonely**.³⁶ The World Health Organization warns that widespread social disconnection not only increases risks of poor health but also undermines social cohesion and productivity.³⁷

...between 2014 and 2023, 1 in 6 people on this planet felt lonely. Social disconnection can also lead to heart disease, stroke, depression, and anxiety... result in difficulties at school, university or work and fray the fabric of communities and societies.

WHO Commission on Social Connection. 2025. p. 2

Several recent studies have examined the social effects of event attendance and participation (see Table 1), highlighting that:

- face-to-face and live events boost social connectedness and reduce feelings of isolation.
- live sporting and cultural events improve wellbeing, with links to higher life satisfaction and a greater sense of purpose.
- frequent participation in local events strengthens community identity and residents' attachment to place.
- cultural participation generates substantial economic value, with individual benefits estimated at GBP£68 to £1,310 per year, and society-wide benefits running into the billions.

³² Assuming approximately four hours per day of night leisure time, and eight hours per weekend day of day leisure time (not adjusted for other non-leisure activities like caring and household chores).

³³ While both contribute to social health, considered the third pillar of health by WHO alongside mental and physical health, loneliness is a subjective dissatisfaction with one's social relationships, while social isolation is an objective lack of social contact. See: Australian Institute of Health and Welfare 'Social isolation and loneliness.' Apr 30, 2024. Accessed 1 August 2025. <https://www.aihw.gov.au/mental-health/topic-areas/health-wellbeing/social-isolation-and-loneliness>.

³⁴ Australian Institute of Health and Welfare. 'Social isolation and loneliness.' Apr 30, 2024. Accessed 1 August 2025. <https://www.aihw.gov.au/mental-health/topic-areas/health-wellbeing/social-isolation-and-loneliness>.

³⁵ Gen Z refers to the generation born between 1997 and 2012. In 2025, they are between 13 and 28 years old.

³⁶ Youth Insight. 'How lonely is Gen Z really and what can be done to help?' Oct 8, 2024. Accessed 25 August 2025. <https://youthinsight.com.au/gen-z/how-lonely-is-gen-z-really-and-what-can-be-done-to-help/>.

³⁷ WHO Commission on Social Connection. 'From loneliness to social connection.' 2025. Accessed 1 August 2025. https://cdn.who.int/media/docs/default-source/who-commission-on-social-connection/whocsc-plainlanguage-en_comp.pdf?sfvrsn=c5396dff_6&download=true.

Table 1: Evidence on the social benefits of cultural and community participation

Study	Purpose	Approach	Findings
Kitchen et al. (2023)	To examine if the frequency and mode of event attendance influence loneliness and social connectedness.	Survey of South Australian adult residents. 351 useable responses.	Attending face-to-face events has a significant impact on social connectedness.
Keyes et al. (2023)	To investigate if attending live sporting events improves subjective wellbeing and loneliness.	Secondary data from 2019–2020 UK household survey of participation in culture and sport. 7,249 useable responses.	Live sporting event attendance has positive associations with some aspects of subjective wellbeing (life satisfaction and a sense of life being worthwhile) and loneliness.
Frontier Economics (2024)	To monetise the individual, health and social care, and societal impacts of culture and heritage.	Literature review and culture and heritage engagement data used to develop valuation models.	Individual benefits of specific engagements range from GBP £68 per person a year to GBP £1,310 per person a year. Society-wide benefits range from GBP £18.5 million a year to GBP £8 billion a year.
Son & Krolkowski (2024)	To examine the impact of residents' frequency of visits to and active involvement in local events on their perceived sense of place.	Survey of South Australian adult residents. 397 useable responses.	Residents who attend local events are more likely to have a stronger place dependence, attachment and identity towards the city.
Son et al. (2025)	To investigate the link between event attendance and wellbeing.	Survey of South Australian adult residents. 351 useable responses.	In-person events have positive effects on positive emotion and engagement.

Sources: (i) Kitchen, E., Son, I. S., & Jones, J. J. (2023). 'Can Events Impact on Social Connectedness and Loneliness? An Analysis of Face-To-Face and Virtual Events Attended in South Australia.' *Event Management*, 27(7), 1011-1024. doi:10.3727/152599523X16896548396734.

(ii) Keyes H, Gradidge S, Gibson N, Harvey A, Roeloffs S, Zawisza M and Forwood S (2023) 'Attending live sporting events predicts subjective wellbeing and reduces loneliness.' *Front. Public Health* 10:989706. doi: 10.3389/fpubh.2022.989706. Accessed 24 July 2025. <https://www.frontiersin.org/journals/public-health/articles/10.3389/fpubh.2022.989706/full>.

(iii) Frontier Economics. 'Culture and Heritage Capital: Monetising the impact of culture and heritage on health and wellbeing.' Dec 9, 2024. Prepared for the Department for Culture, Media & Sport. Accessed 24 July 2025. https://assets.publishing.service.gov.uk/media/678e2ecf432c55fe2988f615/rpt_-_Frontier_Health_and_Wellbeing_Final_Report_09_12_24_accessible_final.pdf.

(iv) Son, I.S. & Krolkowski, C. (2024). 'Developing a sense of place through attendance and involvement in local events: the social sustainability perspective.' *Tourism Recreation Research*, doi: 10.1080/02508281.2024.2335749.

(iv) Son, Insun Sunny; Kitchen, Eliza; Jones, Julia J. 2025. 'The Value of Events for Personal Well-Being: A PERMA Perspective.' *International Journal of Tourism Research* vol. 27, no. 3, article no. e70061, pp. 1-10. Accessed 21 July 2025. https://find.library.unisa.edu.au/discovery/fulldisplay/alma9917038740901831/61USOUTH AUS_INST:ROR.

2.3 The NTE in NSW has significant unrealised potential

Understanding the growth potential of the NTE is critical to this review of regulatory barriers. The greater the potential upside to jobs, cultural vibrancy and economic activity, the more important it is that NSW' regulatory settings enable, rather than constrain, that growth.

There have been prior attempts to quantify NSW' unrealised economic potential. In a 2019 report for Create NSW, Deloitte compared Australia's NTE with that of the United Kingdom and estimated that a further \$16 billion in economic uplift could be achieved by facilitating more activity across Greater Sydney.³⁸ The study also highlighted how broader, family-friendly and cultural offerings drive after-dark participation and spend.

Benchmarking across geographies is informative but must be interpreted with care. Countries use different industry definitions and data collection methods; results are sensitive to the metric chosen and to exchange-rate timing for international conversions. Structural factors also matter: it is likely that cities with larger visitor economies, higher populations and housing density, later-running transport, or more concentrated cultural infrastructure typically register higher NTE intensity.

To address some of these issues, this report applies a methodology and definition for Core NTE consistent with the Council of Capital City Lord Mayors (CCCLM) reports.³⁹ 'Core NTE' is defined as economic activity occurring at establishments primarily between 6pm and 6am, specifically in the Food, Drink, and Leisure & Entertainment sub-sectors. The illustrative benchmarking below uses total turnover and Gross Domestic Product (GDP)/Gross State Product (GSP)/Gross Regional Product (GRP) ratios to adjust Core NTE for relative economic weight across jurisdictions.

The evidence suggests NSW performs well in many dimensions but has clear opportunities for growth in NTE intensity outside the Sydney CBD. The following sub-sections attempt to quantify that opportunity: first against other Australian states, then across NSW metro and regional LGAs and finally against international comparators.

2.3.1 The NTE in NSW is lagging some Australian states

While NSW' NTE is substantial in absolute terms, benchmarking against other Australian states reveals clear differences and possible scope for growth.

Figure 6 presents four key indicators for the Core NTE across states for 2023-24:

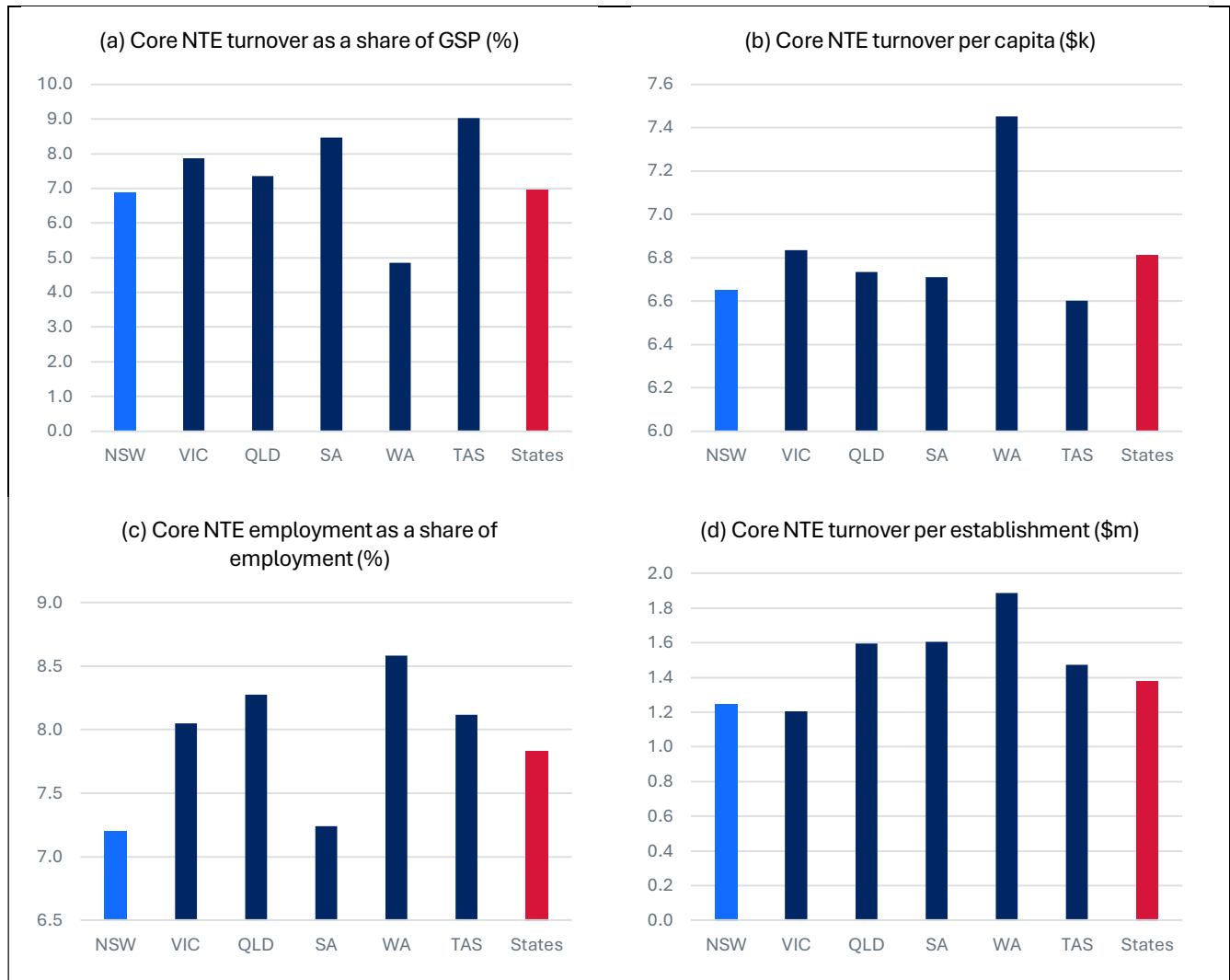
- **Turnover as a share of GSP:** NSW's core NTE turnover is 6.9% of GSP, close to the combined states average (7.0%), but below states like Victoria (7.9%) and Queensland (7.4%).
- **Turnover per capita:** NSW turnover per capita is \$6.7k per person, which is the second lowest among the states and around \$150 below the combined states average.

³⁸Deloitte. 'ImagineSydney: Play.' 2019.

³⁹ Council of Capital City Lord Mayors. 'Measuring the Australian Night Time Economy 2025.' Jul 12, 2025. https://figshare.unimelb.edu.au/articles/report/Measuring_the_Australian_Night-Time_Economy_2025/29207792?file=56197826.

- **Employment as a share of total employment:** The core NTE accounts for 7.2% of total NSW employment, below the combined states average (7.8%) and trailing states like Queensland (8.3%) and Victoria (8.0%).
- **Turnover per establishment:** NSW venues generate \$1.25 million per establishment, below the combined states average (\$1.38 million).

Figure 6: NTE state indicators, 2023-24



Source: NSW Productivity and Equality Commission analysis using Ingenium Research [Council of Capital City Lord Mayors. 'Measuring the Australian Night Time Economy 2025.' Jul 12, 2025. https://figshare.unimelb.edu.au/articles/report/Measuring_the_Australian_Night-Time_Economy_2025/29207792?file=56197826], ABS.

While NSW' NTE is substantial in absolute terms, these indicators show that the sector is not operating at the same intensity as in several other states. The gap is notable given NSW' population density and the scale of Sydney's visitor economy, which should, in theory, support higher per capita spend.

Structural factors help explain outliers such as WA's low NTE share of GSP which likely reflects the dominance of its mining and resources sector, which makes other industries appear smaller by comparison. At the same time, WA's per-capita NTE turnover is the highest in the country. This could be the result of a combination of factors: a smaller population spread across vast distances, a concentration of activity in Perth and a handful of regional centres, and a relatively affluent

workforce (including mining workers) with higher discretionary incomes. On the other hand, Tasmania's core NTE turnover as a share of GSP is relatively high. This is likely due to relatively higher tourism activity.

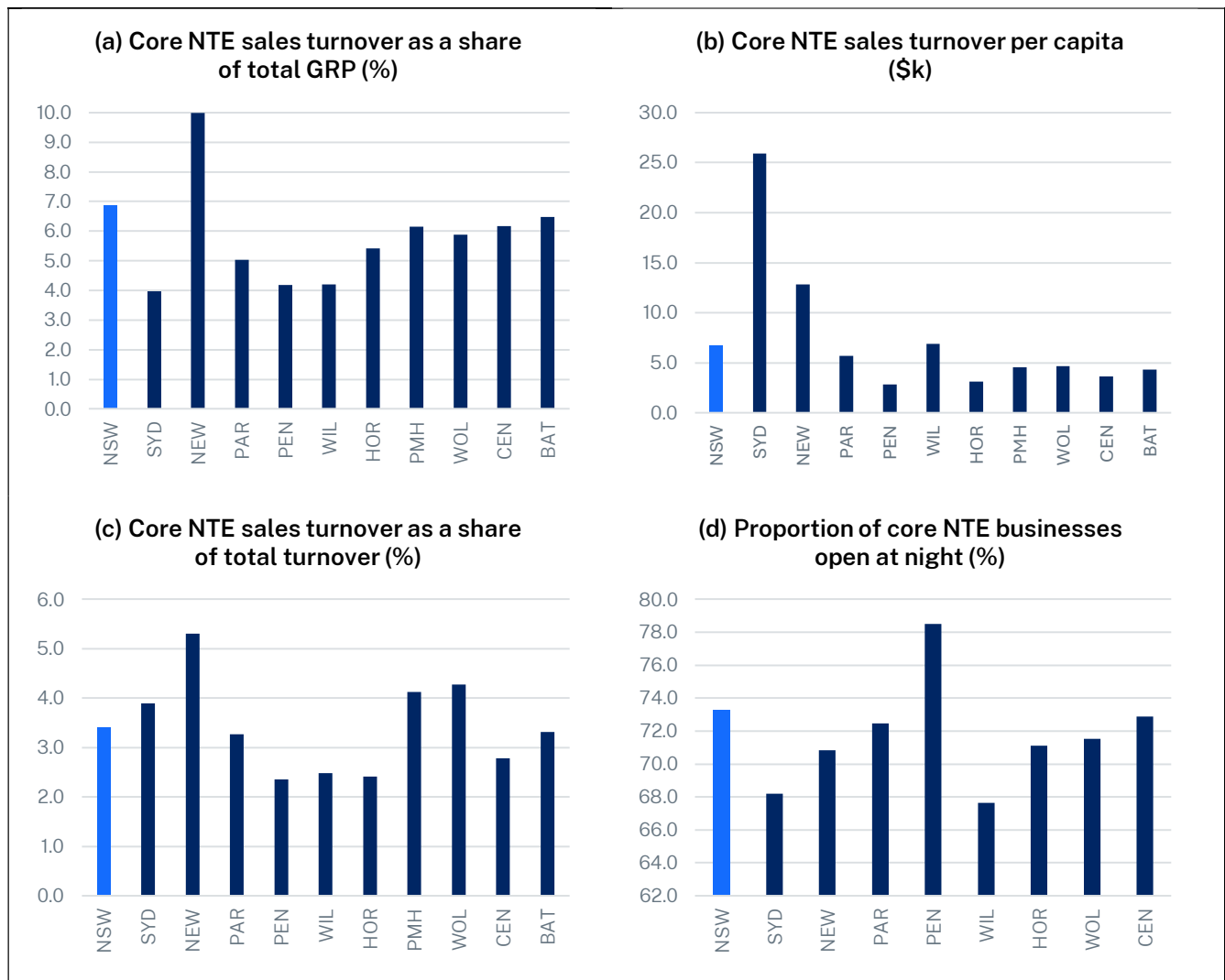
Overall, the metrics highlight that NSW' NTE is not a significant outlier, but nor is it a leader. These differences likely reflect a mix of structural factors, regulatory settings and local demand. Closing the gap with leading states would translate into additional turnover and new jobs, with flow-on benefits for cultural vibrancy and precinct vitality.

2.3.2 There is variation in the NTE across outer metro and regional centres

NSW' NTE is far from uniform. Analysis depicted in Figure 7 shows big differences across the state in both per-capita night-time turnover and the intensity of late trading (see Appendix H for detailed data).

The City of Sydney LGA leads the state in per capita turnover at \$25.9k per person, supported by a dense mix of venues, strong visitor flows from outside the city and cultural attractions. Newcastle LGA also performs well at \$12.8k per person. By contrast, several outer-metro and regional LGAs, such as Parramatta, Penrith, Central Coast and Wollongong, have high proportions of businesses trading at night (70–79%, compared to 68% for the City of Sydney LGA) but much lower per-capita turnover. This indicates that it is the spending base, not just the share of venues open late, that drives NTE intensity. Other factors, like business type, may also play a role.

Figure 7: NSW metropolitan and regional indicators, FY 2023-24



Source: Ingenium Research analysis for the NSW Productivity and Equality Commission.

Note: NSW = New South Wales, SYD = City of Sydney, NEW = Newcastle LGA, PAR = Parramatta LGA, PEN = Penrith LGA, WIL = Willoughby LGA, HOR = Hornsby LGA, PMH = Port Macquarie-Hastings LGA, WOL = Wollongong LGA, CEN = Central Coast LGA, BAT = Bathurst LGA.

Consultation reinforced this picture. Demand is weaker in regional areas, especially late at night, and weeknight trade drops off earlier in the night. With more volatile revenue, fixed costs such as DA and consultancy fees hit harder, making it tougher for small venues to justify extended hours or invest in new offerings.

Operators also pointed to persistent staffing challenges. The Jobs and Skills Australia 2024 Occupation Shortage List highlights regional shortages⁴⁰ of baristas, hotel or motel receptionists and waitstaff in NSW.⁴¹ In a Have Your Say Survey of Licensed Venues, regional respondents were

⁴⁰ According to Jobs and Skills Australia, a regional shortage means the occupation fill rate is less than 67% in a regional area (rest of the state excluding state and territory capital city) and the employment share of the occupation in the regional area is between 20-80%. See: Jobs and Skills Australia. '2024 Occupation Shortage List Methodology.' Oct 14, 2024. Accessed 25 August 2025. <https://www.jobsandskills.gov.au/sites/default/files/2024-10/2024%20OSL%20Methodology%20%281%29.pdf>.

⁴¹ Jobs and Skills Australia. 'Occupation Shortage List.' 2024. Accessed 25 August 2025. <https://www.jobsandskills.gov.au/data/occupation-shortages-analysis/occupation-shortage-list>.

more likely to cite limited demand and staffing constraints as barriers to hosting live music and performance.⁴² Smaller labour markets and fewer local training options mean venues often scale back hours, menus or programming, even when there is willingness to trade later.

Finally, better public transport coverage in CBDs likely supports higher spending and staffing reliability compared with most regional centres, where late-night travel for both customers and staff is more difficult.

2.3.3 NSW could capture billions in additional economic value if its NTE achieved the scale of other jurisdictions

Our analysis suggests that while NSW is performing well on key measures, international benchmarking shows that there may be scope to grow its economic contribution.

Table 2 compares NSW' Core NTE with Australia as a whole and three major international economies.

- **Share of GDP:** NSW' Core NTE spending accounts for 6.9% of GSP, slightly below Australia's 7.2% share of GDP but well above the UK (5.2%) and the US (5.9%). Japan leads on this metric at 7.3% of GDP, potentially reflecting its dense urban form and strong tourism sector.
- **Turnover per capita:** NSW' per-person NTE turnover is \$6,700k, on par with Australia (\$6,900k), ahead of the UK (\$4,100k) and Japan (\$3,600k), but trailing the US (\$7,800).

This represents a much more favourable picture than the earlier Create NSW report that suggested NSW was lagging global peers. In this latest analysis, NSW outperforms the UK on both benchmarks and exceeds the US on the share of GDP contributed by the core NTE – a solid foundation on which to build.

Table 2: Core NTE sales turnover global comparisons, FY2023-24

Country	Core NTE sales turnover (A\$ b)	Sales turnover per capita (A\$)	Share of total turnover (%)	Share of total GSP/GDP (%)
NSW	\$56	\$6,700	3.4	6.9
Australia	\$188	\$6,900	3.5	7.2
Japan	\$446	\$3,600	N/A	7.3
UK	\$282	\$4,100	2.1	5.2
US	\$2,639	\$7,800	3.1	5.9

Source: Ingenium Research analysis for the NSW Productivity and Equality Commission.

⁴² NSW Department of Customer Service. 'Have Your Say: Impact of NSW Vibrancy Reforms on Licensed Venues.' 23 July 2025. p. 16.

While international comparisons offer useful insights into the potential scale of NSW' NTE, they should be interpreted with particular care. Countries can be significant differences in urban structure, population density, proximity to other population centres, cultural norms, demographics and tourism can all shape NTE performance. As such, these figures are best viewed as indicative benchmarks rather than definitive targets.

Potential gain scenarios for NSW

One way to benchmark the Core NTE is by looking at its share of sales turnover as a percentage of GDP – that is, how much of total economic activity the Core NTE contributes. If NSW lifted its share (6.9%) to match other jurisdictions, the economic gains would be significant:⁴³

- **Queensland (7.4%):** +\$4 billion annually (equivalent to a 7% uplift).
- **Victoria (7.9%):** +\$8.2 billion annually (equivalent to a 15% uplift).
- **Australia (7.2%):** +\$2.8 billion annually (equivalent to a 5% uplift).
- **Japan (7.3%):** +\$3.7 billion annually (equivalent to a 7% uplift).

Another useful measure is sales turnover per capita – how much, on average, is spent in the Core NTE per resident population (noting it will include spending by resident and non-residents). If NSW lifted its current level (\$6,700 per person) to match other jurisdictions, the gains would be:

- **United States (\$7,800 per person):** +\$9.4 billion annually (equivalent to a 17% uplift).
- **Australia (\$6,900 per person):** +\$2.2 billion annually (equivalent to a 4% uplift).

These illustrative scenarios highlight the scale of opportunity; convergence with international peers and key national benchmarks could add billions to the NSW economy.

⁴³ Ingenium Research analysis for the NSW Productivity and Equality Commission.

3 Make it easier to open and run night-time businesses

NSW has made significant rule changes in recent years to better support night-time activity. During the COVID-19 pandemic, ministerial orders temporarily relaxed trading hour restrictions in the planning system, allowing many businesses to operate more flexibly to meet community needs without seeking formal approvals. Building on these lessons, the 'Building Business Back Better' reforms made some of these changes permanent – most notably, extending trading hours for business zones and enabling 24-hour operations in industrial zones.

These COVID-era regulatory experiments demonstrated that many existing rules were not fit for purpose and were unnecessarily burdening businesses wanting to start up, grow or innovate.⁴⁴ While the benefits of recent reforms are still flowing through the system, not all businesses are yet aware of the new opportunities available to them.

Further targeted reforms have also been undertaken in NTE planning, including the introduction of SEPs and proposed planning changes through the Cultural SEPP (to better support cultural activation, hospitality and live performance).

Despite this progress, consultation for this review has shown that there is still room for improvement, particularly in:

- reducing regulation for low-impact activities
- adapting rules to support new business models
- recognising the broader benefits of night-time businesses by making it as easy as possible to navigate government rules and processes.

This section explores opportunities for continued evolution in government rules – removing unnecessary barriers, supporting innovation and ensuring that regulation keeps pace with the needs of a vibrant 24-hour economy.

It is important that these changes (and those in the past) are evaluated to understand what works and what does not, and to inform future reform programs. Clear communication of the benefits is also essential to ensure reforms have the greatest possible impact. Section 5 explores these opportunities in greater detail.

3.1 It is often long, complex and costly to participate in the planning system

3.1.1 The complexity of the planning system deters businesses

Stakeholder consultation highlighted that the DA process is a major barrier for small- and medium-sized businesses operating in the NTE. Even low-risk changes such as extended trading hours, minor

⁴⁴ NSW Productivity Commission. 2022. *Lessons from COVID-19 Regulatory Reform*. Sydney: NSW Government. <https://www.productivity.nsw.gov.au/sites/default/files/2022-07/20220721-Lessons-from-COVID-19-Regulatory-Reform-v3-Accessible.pdf>.

adaptive reuse or introducing entertainment can trigger a process that is seen as too complex, costly and uncertain by businesses.

The system was frequently described as unpredictable and intimidating, with operators often unsure of what is required, how long the process will take or how much it will cost.

Even the words ‘you need a DA’ stop people from engaging in the planning system.

Council consultation

The process often requires consultants, extensive documentation and coordination across multiple regulators. For operators without in-house expertise or professional support, the risk and burden can be prohibitive.

Box 5: Illustrative example – *Bar Nuit* – extending trading hours

To illustrate the costs and process involved in extending trading hours, consider a hypothetical small independent venue, *Bar Nuit*, seeking approval to stay open until 11pm.

Even this simple change quickly becomes complex. The owners must:

- locate and review their existing consent conditions
- check local planning policies
- commission an acoustic test
- prepare a modified Statement of Environmental Effects (SEE)
- undertake consultation with relevant stakeholders
- coordinate lodgement, often under Section 4.55(2) of the EP&A Act
- accept the risk that the council may impose additional conditions on approval.

For small operators without in-house expertise, this combination of paperwork and external advice can feel disproportionate to the modest change being sought. The difficulty lies less in any single step than in how multiple requirements accumulate, creating barriers that discourage businesses from investing, upgrading or even entering the NTE.

3.1.2 It is expensive to engage in the planning system

Beyond initial complexity, costs escalate once consultants are involved. Many businesses rely on professional consultants to navigate the planning system, including planners, acoustic engineers, heritage specialists and fire safety consultants. While these experts can improve the quality of an application and reduce delays, their services significantly increase costs, particularly when multiple reports are required for a single proposal.

Box 6: Illustrative example – *Bar Nuit* – cost of extending trading hours

Continuing the hypothetical example of *Bar Nuit*, a small independent venue seeking to extend trading until 11pm, costs escalate rapidly once consultants are engaged. Table 3 summarises the estimated cost of preparing a DA for a trading-hour extension.

Table 3: Development application costs for businesses – opening hours

Task	Sub-task	Time required	Cost per unit	Lower bound estimate	Central estimate	Higher bound estimate
Locate and assess existing consent	-	1 – 2 hours	\$300 – \$500 /hour	\$300	\$650	\$1,000
Research local policies	Review online policies and contact planning consultant	1 – 2 hours	\$300 – \$500 /hour	\$300	\$650	\$1,000
Determine documents to submit with application	Application forms, owner's consent, modified statement of environmental effects, acoustic report, plan of management modification	1 – 2 hours	\$300 – \$500 hour	\$300	\$650	\$1,000
Prepare development application	Acoustic testing	2 – 3 months	\$10,000 – \$15,000	\$10,000	\$12,500	\$15,000
	Modified Statement of Environmental effects	2 – 3 months	\$10,000 – \$20,000	\$10,000	\$15,000	\$20,000
	Lodgement of the DA modification (Section 4.55(2) EP&A Act)	2 – 3 months	\$360	\$360	\$360	\$360
Total				\$21,260	\$29,810	\$38,360

Source: Economic analysis based on data provided by O24HEC.

For *Bar Nuit*, this equates to **around \$29,810** (central estimate), with a lower bound of \$21,260 and an upper bound of \$38,360. For a small venue with modest or uncertain late-night revenues, these fixed costs create a strong disincentive to even applying for extended trading hours.

Acoustic reports were consistently highlighted in consultation as a common and costly requirement, even for low-impact proposals. Due to high demand and limited capacity, some consultants have long lead times, which can delay applications. Stakeholders reported that the costs involved in a DA can feel disproportionate to the modest change being sought, particularly for venues operating on thin margins.

While the *Bar Nuit* trading hours example is illustrative (see Box 5 and 6), similar cost and complexities apply to other common proposals such as change of use, approvals for entertainment or live music, outdoor trading or larger fit-outs. For small and first-time operators, these requirements are often disproportionate to the benefit being sought, which is why many avoid engaging with the planning system altogether.

Box 7: Scaling the cost of trading-hour DAs across NSW

Scaling up from individual venues, restrictive trading-hour rules are estimated to impose significant aggregate cost on businesses across NSW. Our analysis estimates that the requirement to lodge a DA to open beyond 10pm imposes a total regulatory burden of between **\$3 million and \$60 million**, with a central estimate of **\$22 million**. To reach these estimates, two datasets were combined:

- Business opening hours:** Using Google Places, opening hours were collected for more than 10,000 restaurants, pubs, bars and nightclubs in relevant zones⁴⁵ across NSW. This suggested that around 2,000 businesses in these zones are open past 10pm and would likely have needed to lodge a DA to trade beyond the 10pm limit set in the Codes SEPP.⁴⁶
- Development applications:** Analysis of commercial DAs in NSW between 2023 and 2025 found that around 5% of commercial DAs on sites that host a licensed premises were solely for changing hours of operation and trading.⁴⁷

Applying this share to the approximately 2,000 venues trading past 10pm produces three cost scenarios:

Table 4: Three cost estimate scenarios for DA process

Estimate	Cost	Assumptions
Low	\$3 million	5% of businesses (about 100 venues) required a DA (\$29,810 each) to open past 10pm. Remaining 95% incur no additional compliance cost.
Central	\$22 million	5% of businesses (about 100 venues) would require a DA, while the remaining 95% extend hours as part of another DA and incur partial compliance costs (e.g. acoustic testing) of around \$10,000 each.
High	\$60 million	All 2,000 businesses require a DA (\$29,810 each).

These estimates should be treated as indicative. They exclude opportunity costs of time delays (see Section 3.2.3), assume cost structures remain constant across councils and do not account for behavioural responses such as businesses choosing not to extend hours at all.

⁴⁵ B1-B7 and E1-E3 zones.

⁴⁶ The Codes SEPP (State Environmental Planning Policy – Exempt and Complying Development Codes 2008) sets statewide planning rules for low-risk or routine developments. It distinguishes between exempt development (very low-impact changes, which need no approval) and complying development (slightly larger works, which can be fast-tracked). For night-time businesses, the Codes SEPP also sets default trading-hour limits. Venues seeking to trade later usually need to lodge a full DA, creating additional costs and delays.

⁴⁷ NSW DPHI DA Data API, based on commercial DAs for properties that also have a licensed premises on-site.

3.1.3 Getting planning approval can be time consuming

Stakeholders highlighted that navigating the DA process is not only costly but also time consuming and unpredictable. Approval timeframes vary depending on:

- the complexity of the proposal
- the volume of applications received by council and available processing resources
- the quality and completeness of documentation
- whether objections are raised.

If documentation is incomplete or unclear, applicants may need to resubmit, resetting the clock and extending delays. While some applications may be approved within weeks, others can take more than a year, especially if further information is requested or objections are raised.⁴⁸ This uncertainty is particularly challenging for businesses with commercial leases or time-sensitive plans, where delays translate into sunk rental costs, lost income or abandoned projects.

In addition to direct costs, businesses also face opportunity costs:

- **lost sales** during the DA preparation period and while waiting for a decision
- **sales never realised** because the process deters applications altogether.

Box 8: Illustrative example – *Bar Nuit* – waiting for approval

Continuing the hypothetical example of *Bar Nuit*, even after spending \$29,810 in preparing a DA, approval for extended trading hours was not guaranteed. If the application was delayed for months, or refused outright, the owners would not only absorb sunk costs but also forgo the potential revenue from extended hours.

NSW planning data indicates that average determination time for applications for DAs to extend trading hours is **55 days**, with delays of up to **255 days**. For a small operator like *Bar Nuit*, these delays increase financial risk and discourage investment, making it harder to participate in the NTE.

Source: Analysis based on NSW DPHI DA API <https://data.nsw.gov.au/data/dataset/online-da-data-api>.

Combined with high costs, long and uncertain timeframes make the system difficult to navigate and discourage participation from smaller operators, particularly those without the financial buffer or resources to endure prolonged delays.

3.1.4 Smaller businesses are disproportionately affected

The complexity and cost of navigating government rules often falls hardest on small and independent operators – the very businesses that give the NTE its diversity and character. Unlike large hospitality groups, smaller venues typically lack in-house planning expertise and must rely on external consultants for even modest proposals, such as extending trading hours or introducing live entertainment.

⁴⁸ NSW Government and councils often have policies aiming to reduce DA timeframes, for example, the Faster Assessments program includes incentives for councils in high growth areas, a Statement of Expectations with benchmarks for DA assessment, and a council ‘league table’.

The NSW Small Business Commissioner's *Rightsizing Regulation* report highlights how these pressures add up:⁴⁹

- 55% said regulation has become harder to navigate in the past year
- only 7% felt regulatory settings were designed with their needs in mind
- on average, small businesses spent \$16,700 a year and nine hours a week on compliance. For many sole operators, this equated to nearly a quarter of their total working time.

Uniform regulation imposes a disproportionate burden on small operators, who cannot spread fixed costs, such as consultant fees or legal advice, across multiple sites. A 'one-size-fits-all' approach to regulation creates a cumulative burden that can deter new entrants and stifle innovation. For the NTE, this means fewer experimental or hybrid venues – like cafes that transform to bars after dark or hospitality spaces that double as art galleries – because the risk and upfront cost of engaging with the planning system is too great.

Proportionate, risk-based regulation is critical to ensuring that small businesses can participate and thrive in a vibrant 24-hour economy.

3.2 Continue developing and measuring Special Entertainment Precincts (SEPs)

To make it easier for businesses to operate, adapt and grow in designated night-time precincts without navigating lengthy and complex planning processes, the NSW Government introduced SEPs (see Box 9). SEPs can be designed to suit the needs of each council, and provide a faster, simpler and more cost-effective alternative to individual DAs for common changes such as extending trading hours or hosting entertainment. SEPs also provide certainty to businesses through being in a designated entertainment precinct, as well as through the precinct management plan, which outlines clear operational sound criteria.

⁴⁹ Small Business Commissioner. October 2024. *Rightsizing regulation – Review of small business experiences with regulatory policymaking processes*. Sydney: NSW Government.
<https://www.smallbusiness.nsw.gov.au/sites/default/files/2024-10/Rightsizing%20Regulation%20-%20Final%20report.pdf>.

Box 9: What is a SEP?

A SEP is a defined area, streetscape or single premises where trading hours and sound conditions for entertainment activity are set by a local council in a precinct management plan.

These plans provide operational certainty for businesses by clarifying trading rules, standardising sound management and reducing red tape. SEPs can only be established by local councils, or in limited cases by the Minister for Planning and Public Spaces, under the *Local Government Act 1993*.

SEPs aim to support a vibrant and diverse NTE while balancing the varied needs of communities and businesses. They enable councils to encourage live music, activate local precincts, promote more diverse and unlicensed activity, such as shops and businesses staying open later and manage potential noise impacts through a coordinated, place-based approach.

Source: Office of the 24-Hour Economy Commissioner. November 2024. *NSW Special Entertainment Precinct Guidelines*. Sydney: NSW Government. <https://www.nsw.gov.au/sites/default/files/noindex/2024-11/special-entertainment-precinct-guidelines.pdf>.

As of August 2025, there is one permanent SEP (Enmore Road), six trials within the Inner West Council, 17 locations across 13 councils with formal resolutions to establish SEPs, and seven councils investigating future precincts (see Figure 8).

Figure 8: Council SEP status

Established SEP	Council resolution to establish trial SEP	Council resolution to investigate
Inner West Enmore Road	Burwood Byron Shire Canterbury-Bankstown City of Sydney Fairfield City Goulburn-Mulwaree Hornsby Shire Inner West Kiama Liverpool Northern Beaches Sutherland Shire Tamworth	Central Coast City of Newcastle City of Parramatta City of Ryde Penrith City Waverley Wollondilly Shire
Established SEP trials		
Inner West Balmain Dulwich Hill Leichhardt Rozelle Marrickville North Marrickville Town Centre		

Before a council can establish a SEP, it must first run a trial phase. This allows the council to test the precinct management plan with local businesses and the community, and to monitor and evaluate its impacts. Councils can decide how long the trial lasts, but it is generally recommended to run for 12 to 18 months.

3.2.1 SEPs benefit businesses, councils and communities

SEPs replace venue-by-venue planning approvals with consistent precinct-wide rules for trading hours and sound levels. This provides certainty, reduces regulatory burden and improves the balance between night-time vibrancy and residential amenity.

Consultations highlighted that SEPs can enable quicker adjustments to operating conditions than standard Local Environmental Plan (LEP) amendments, allowing precincts to respond more rapidly to demand and cultural trends. Stakeholders also noted the value of being able to set sound levels that reflect the local context, permitting greater flexibility in busier, noisier areas while maintaining safeguards in quieter locations. These sound limits, enforced by L&GNSW, were seen as providing consistent and transparent rules that benefit both businesses and residents.

SEP designation has become a signal to operators that a location is ‘open for nightlife’, attracting investment and building confidence.

Council consultation

Figure 9: Benefits of SEPs for businesses, councils and communities

<p>Businesses</p> <p><i>SEPs establish consistent rules for trading hours and sound management</i></p>	<ul style="list-style-type: none"> • Extended and consistent trading hours: One set of hours applies across the precinct for licensed and unlicensed venues, with bonus hours for registered live performance venues. • Certainty on sound: Objective, precinct-wide limits replace inconsistent liquor licence and DA conditions. Complaints are upheld only if noise exceeds these limits and is unreasonable. • Reduced red tape: Common, low-risk changes such as extended trading or entertainment generally proceed without lodging or modifying a DA, provided operations comply with the precinct plan.
<p>Councils</p> <p><i>SEPs streamline regulatory processes</i></p>	<ul style="list-style-type: none"> • Planning efficiency: Fewer minor DAs for trading hours or entertainment free up resources for complex or strategic projects. • Strategic night-time activation: Ability to set hours, sound limits and incentives tailored to local context while managing amenity impacts, supporting economic, tourism and cultural goals.
<p>Communities</p> <p><i>SEPs help balance vibrant nightlife with local amenity</i></p>	<ul style="list-style-type: none"> • Balanced NTE: Greater diversity of safe, well-managed evening activities, including live music and cultural events. • Noise safeguards: Mandatory sound insulation for new residential developments and enforceable sound limits protect residents from unreasonable noise. • Transparency and awareness: Buyers are informed via Planning Certificates when moving into a SEP, and residents are notified through council websites, ensuring communities know the rules upfront. • Good neighbour guidance: Councils are encouraged to provide frameworks to prevent, manage and resolve noise issues, reducing conflict between venues and residents.

Source: Office of the 24-Hour Economy Commissioner. November 2024. *NSW Special Entertainment Precinct Guidelines*. Sydney: NSW Government. <https://www.nsw.gov.au/sites/default/files/noindex/2024-11/special-entertainment-precinct-guidelines.pdf>.

3.2.2 SEPs make it easier, faster and less expensive for businesses to establish and grow in designated areas

A core benefit of SEPs is the reduced need to apply for DAs for businesses to trade later, saving time and application costs for businesses. The specific settings vary across councils, as local governments determine trading hours, sound rules and related conditions through their planning controls. The figure below provides an illustrative example of how operating within a SEP can differ from operating outside a SEP.

Figure 10: Comparison of operational environment inside and outside a typical SEP

	Inside a SEP	Outside a SEP
Standard trading hours	More transparent, coordinated and consistent across the precinct	Determined case-by-case via individual DAs (beyond statewide provisions in the Codes SEPP)
Live music / performance bonus trading hours	+1 hour on non-performance nights +2 hours on nights with 45+ minutes of live entertainment after 8pm	Extra hours apply only on nights when entertainment is hosted
Sound rules	Single, clear precinct-wide framework	Complex and variable, depends on licence (or DA for non-licensed businesses)
Sound-proofing	Encouraged for new developments to protect businesses and residents	Less consistent future-proofing of nightlife precincts
Sound complaints	Must exceed SEP limits and be deemed 'unreasonable'	Lower threshold for undue disturbance
Planning	SEP hours in a Precinct Management Plan apply automatically and override DA conditions if more restrictive	Trading hours typically require a DA or modification
Regulatory clarity	Clear, consistent rules support nightlife and attract investment	Less certainty; higher risk of complaints and inconsistent regulation
Resident awareness	Property buyers are notified about the SEP on Planning Certificates	Buyers are notified of land use zones but not explicitly that they are moving into an area with nightlife activity

Source: Office of the 24-Hour Economy Commissioner. November 2024. *NSW Special Entertainment Precinct Guidelines*. Sydney: NSW Government. <https://www.nsw.gov.au/sites/default/files/noindex/2024-11/special-entertainment-precinct-guidelines.pdf>.

3.2.3 SEPs deliver business cost savings

Because SEPs replace venue-by-venue approvals with precinct-wide trading rules, fixed regulatory costs are reduced and businesses have greater certainty, especially small operators.

The economic benefits fall into two main categories:

- **direct cost savings** – businesses avoid DA preparation and lodgement costs.
- **avoided opportunity cost** – businesses can begin trading later immediately, rather than losing sales during DA preparation and waiting for approval.

Direct business cost savings

Across all SEPs in NSW – including the permanent Enmore Road precinct, the Inner West trials, and the locations with council resolutions to establish or to investigate SEPs (see Section 3.2, Figure 8) – the removal of DAs lodged solely to extend trading hours ('hours-only DAs') is estimated to save businesses around **\$2.1 million per year**, including **\$1.6 million** for licensed premises (see Table 5).

Between 2023 and 2025, businesses within these established, trial, and resolution areas lodged around 71 hours-only DAs per year, of which 52 were from licensed venues. Preparing one of these applications typically costs about **\$29,810** (central estimate, with a range of \$21,260–\$38,360) as set out in Section 3.1.2.

Applying this cost estimate to the observed number of applications produces the estimated **annual saving of \$2.12 million**. This is conservative as it excludes DAs where extended hours were bundled with other changes.

Table 5: Direct DA cost savings – all SEPs (established, trial, and with council resolutions to establish or investigate)

	All NTE business	Licensed premises
Hours-only DAs per year	71	52
Cost per application (central)	\$29,810	\$29,810
Total direct business cost savings per year	\$2.1 million	\$1.6 million

Notes: (i) Where a business seeks hours beyond those permitted under an SEP, a DA is still required; the figures assume alignment between business intent and SEP settings.

(ii) The DA figures are drawn from 2023–2025, before the Inner West precincts were formally designated as SEPs, providing a valid baseline of the applications that SEPs are designed to replace.

(iii) Figures cover all SEPs listed in Section 3.2, Figure 8, including the permanent Enmore Road SEP, Inner West trials, and SEPs with council resolutions to establish or investigate. For areas still under investigation, analysis assumes a 500-metre catchment around the nominated centre (e.g. Manly town centre, Parramatta Square).

Avoided opportunity costs

By removing trading hour DA requirements, SEPs unlock an additional **\$270,000 to \$470,000 per year in net late-night spending** across the SEPs. The uplift comes from eliminating the long delays typically associated with trading-hours DAs. On average, businesses face about 75 days of preparation and 55 days of council determination, a total of around 130 days during which later trading cannot commence.

Table 6: Revenue deferred by a 130 day DA wait

	Per business	Total across 71 venues
Foregone during 130-day wait	\$3,800–\$6,600	\$270,000–\$470,000

Notes: (i) Figures assume an average 130-day wait (75 days preparation, 55 days determination). (ii) The range reflects different assumptions about substitution: the central estimate (\$10,600 annual uplift from trading later) assumes much of the extra late-night spending is shifted from other times/venues, while the upper estimate (\$18,600 annual uplift from trading later) assumes less substitution (30%).

(iii) Estimates are based on an assumption that venues trade until 2am on Fridays and Saturdays.

The evidence shows that SEPs deliver material economic benefits by lowering compliance costs and enabling businesses to trade later, sooner. Importantly, these estimates are likely conservative, as they:

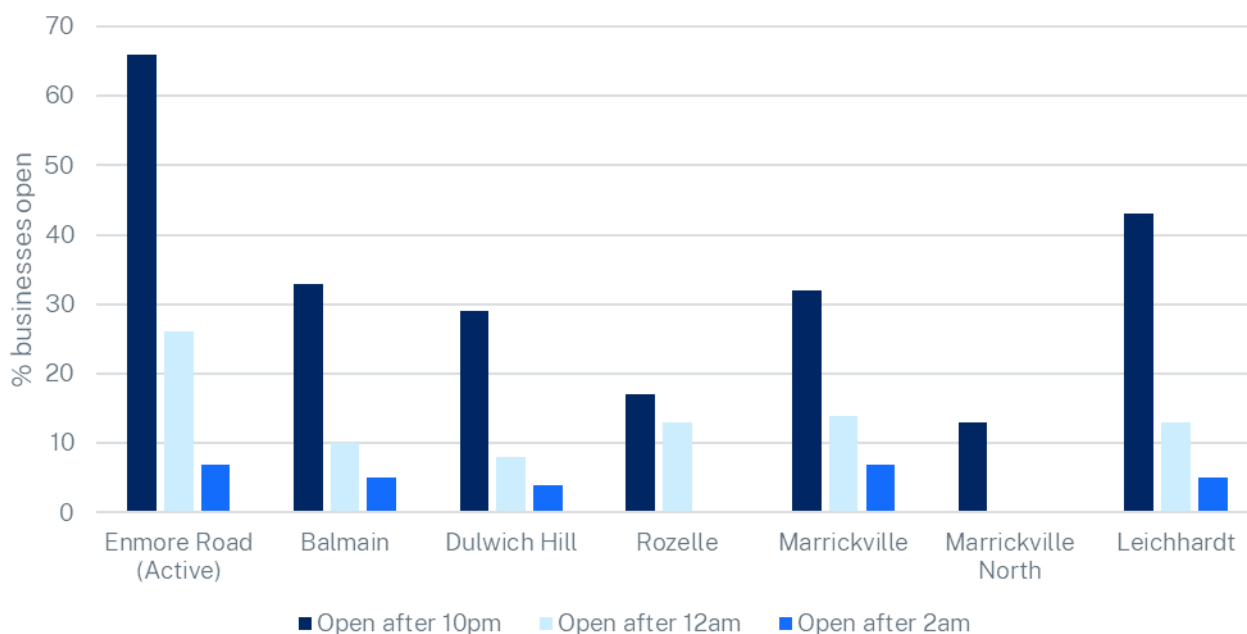
- exclude smaller operators who never applied due to the prohibitive cost and uncertainty of the DA process

- assume current patterns of late-night demand remain constant.

3.2.4 Businesses in Enmore Road SEP are open later than businesses in comparable areas

The Enmore Road SEP, introduced in 2023, illustrates the effect of removing DA barriers. Within the precinct, most venues are permitted to trade until 2am without needing further approvals. Comparative analysis of Friday-night trading hours shows a consistently higher share of late-opening businesses in Enmore than in nearby Inner West precincts. At the time of data collection these areas had not yet been designated SEPs, ensuring the comparison reflects trading under standard DA rules.

Figure 11: Share of businesses open late on Friday nights (%)



Source: Analysis of Google Places data.

At every time between 10pm and 2am, Enmore Road has substantially more venues trading than comparable areas. After 2am, when SEP provisions no longer apply, this difference disappears – suggesting the later trading is due to the regulatory change, not just underlying demand.

While not explaining all the differences in night-time activities between these precincts, these findings suggest that reducing approval costs and uncertainty can materially increase late-night trading within the policy window. This supports the broader evidence that DA costs deter late-night participation. By removing this barrier, SEPs create the conditions for more businesses to participate in the NTE.

3.2.5 The value to businesses is reflected in higher land values

Economic analysis conducted for this review suggests that the benefits to businesses from the Enmore Road SEP may be evident in the strength of commercial land values in this precinct.

Land value represents the present value of expected future returns from a parcel of land. In commercial contexts, this includes anticipated income from business operations (or rent from tenants), redevelopment potential and regulatory certainty. When land use regulations change, such as through SEP designation, they can alter the legal permissibility, physical feasibility and financial

viability of land uses. These changes affect investor expectations and are capitalised into land values.⁵⁰

Using a difference-in-differences approach⁵¹, the analysis finds that licensed commercial properties within the Enmore Road SEP experienced a total land value increase of **\$1,309 per square metre** since the SEP's formal commencement in 2023.

Of this uplift,⁵² approximately **30% (or \$394 per square metre)** is attributable to the SEP designation itself – above and beyond general market growth observed in comparable Inner West locations.

For a typical 150m² commercial plot, this translates to an additional land value increase of **\$59,100**.

This uplift is a signal of the business value SEPs create by:

- **reducing regulatory burden and risk** through clear rules on trading and sound
- **improving viability and income potential** for hospitality, entertainment and mixed-use businesses
- **attracting investment** through greater certainty and long-term confidence in the precinct.

Box 10: What is difference-in-differences?

Difference-in-differences is a common economic method used to estimate the impact of a policy when randomised experiments are not possible. It compares how outcomes change over time between:

- **a treatment group** (for example the SEP area)
- **a control group** (for example a similar area without a SEP).

By subtracting the change in the control group from the change in the treatment group, the method isolates the likely effect of the policy (in this case, the SEP). It relies on the assumption that, without the policy, both areas would have followed similar trends over time.

While the increase in land value reflects the benefits to businesses operating in the Enmore Road precinct, it also highlights the relative scarcity of space with SEP status. As the only fully operational SEP at present, property owners in Enmore Road may be able to command higher rents due to this exclusivity. However, as more SEPs are established across NSW, the scarcity of such properties will diminish. This increased supply can be expected to ease upward pressure on both rents and land values over time, making the benefits of SEPs more broadly accessible to businesses (and consumers).

⁵⁰ This analysis assumes that NSW Valuer General commercial land valuations reflect both the direct effects of SEP designation (e.g. changes in permissible uses in the LEP) and indirect effects (e.g. sales evidence capturing investors' higher willingness to pay). While valuations provide a useful proxy, sales data would be the preferred method. Post-implementation sales have been too limited to allow robust analysis. This could be revisited in future reviews.

⁵¹ With fixed effects, appropriate controls and drawing on NSW Valuer General data from 2020 to 2024.

⁵² Includes fixed effects for area, zoning, licence type, and year to control for consistent differences in land value drivers. The model focuses on licensed premises – most likely to benefit from SEP designation – and compares them to similar properties in Inner West areas currently trialling SEPs.

These findings show that SEPs provide tangible value to businesses by creating conditions for growth and stability. While this analysis only captures the benefit to businesses and landowners, SEPs also create value for consumers by improving choice, convenience and cultural vibrancy. While harder to quantify, one proxy for consumer surplus is the uplift in residential land values near SEPs, which often reflects improved amenity and desirability of living close to vibrant, well-managed precincts. Future work could explore these broader benefits to provide a more complete picture of SEP impacts.

3.2.6 SEP implementation is still in its early stages and can be costly and time consuming for councils

SEPs are a relatively new policy tool in NSW, and while early evidence is promising, their full impacts are yet to be seen. As of 2025, only one precinct is permanent (Enmore Road), with several trials and investigations underway across NSW.

Councils emphasised that the full benefits of SEPs will only be realised once more precincts are established and the substantial upfront work required to implement them is complete. Creating a SEP requires considerable council investment. Core tasks include:

- commissioning acoustic studies to set enforceable sound limits
- preparing a precinct management plan with clear trading hours and sound conditions
- preparing a planning proposal to map the precinct in council's local environmental plan
- undertaking extensive stakeholder engagement
- coordinating internal council teams to ensure consistent rule-making.

Of these, acoustic studies are often the most demanding, requiring multiple measurement locations, modelling of future development scenarios, and peer review before they can be accepted into the planning framework. As one council said:

Acoustic studies are expensive, and due to the high demand of specialists, can take a long time to procure.

Council feedback

Box 11: Council resources to support SEP establishment

The O24HEC has developed a suite of free resources to support councils with the upfront work to establish SEPs. These include template resources like sample consultation plans and surveys, precinct management plan and planning proposals, draft text for councils to use in DCPs/LEP amendments, and consultant request for quote templates.

The package also includes an **Acoustic Toolkit**, which provides baseline guidance and model sound criteria to help councils prepare precinct sound rules more consistently.⁵³ While the toolkit does not resolve all the costs involved with acoustic studies, it offers a structured baseline that reduces duplication and promotes more consistent implementation across NSW.

In addition, the NSW Government provides the **SEP Kickstart Grant** which gives between \$50,000 and \$200,000 per applicant council to help cover the costs of planning and technical work needed to establish a precinct, including acoustic studies.⁵⁴ Funding can be used for activities such as preparing acoustic criteria, community engagement, strategic planning studies and consultant reports.

Councils emphasised that the SEP Kickstart Grant was critical to commission acoustic studies and early planning, although it does not cover the ongoing costs of activation and operations. While they recognised the long-term regulatory benefits, they noted that the cost and complexity of set-up may mean SEPs are applied only to a limited number of priority areas. While many councils found the guidance documents very helpful, there were some that suggested simplified guidance (and in particular making it clear what are mandatory requirements rather than discretionary). One council suggested that any future changes to the framework be optional or 'opt-in' to provide greater certainty.

Upfront council costs versus long-term business savings

Despite the initial strategic work and investment required by councils, SEPs can deliver substantial long-term benefits for businesses. By removing the need for multiple individual development applications, they save local businesses time and money and reduce uncertainty.

⁵³ Office of the 24-Hour Economy Commissioner. November 2024. *NSW Special Entertainment Precinct Acoustic Toolkit: Optional Sound Guidance and Templates for Councils*. Sydney: NSW Government. <https://www.nsw.gov.au/sites/default/files/noindex/2024-11/special-entertainment-precinct-acoustic-toolkit.pdf>.

⁵⁴ Office of the 24-Hour Economy Commissioner. Accessed August 2025. *Special Entertainment Precinct Kickstart Grant Program*. Sydney: NSW Government. <https://www.nsw.gov.au/grants-and-funding/special-entertainment-precinct-kickstart-grant-program>.

Box 12: Hypothetical cost comparison

Table 7 compares the estimated costs to businesses of securing equivalent trading hours and entertainment permissions through an individual DA versus establishing a SEP.

Table 7: Estimated costs to businesses via DA versus SEP

Item	Cost to a single business (DA route)	Cost to council (SEP set-up, covers all businesses)
Acoustic report/testing	\$10,000 – \$15,000 (central \$12,500)	\$60,000 – \$90,000
Consultant fees (e.g. planning consultant, engagement consultant or strategic planning consultant)	\$10,900 – \$23,000 (central \$16,500)	\$80,000 – \$100,000
Lodgement and DA fees	Lodgement and DA fees ~\$360	N/A
Opportunity cost of delays	2-3 months preparation time, plus approval time (median 40–47 days; average 51–67 days; up to 330 days)	SEP hours apply immediately once adopted
Total for single businesses	\$21,260 – \$38,360 (central ~\$29,810)	\$140,000 – \$190,000 for the whole precinct.
Total for 20 businesses in a precinct	\$425,200 – \$767,200 (central ~\$596,200)	

Notes: (i) This table is illustrative and is based on estimates from council and O24HEC consultation.

(ii) It does not include the cost to council of assessing individual DAs.

(iii) The table does not include internal staffing costs associated with establishing a SEP. Where councils have the resources and expertise, consultant fees may be reduced by completing these tasks internally.

For example, in a precinct with 20 existing venues, the cumulative cost of securing equivalent trading and entertainment permissions individually could cost between **\$425,200 – \$767,200**. A SEP achieves the same outcome for a one-off council investment, benefiting both current and future operators.

Beyond avoided DA costs, SEPs can also increase revenue by creating a more vibrant and predictable trading environment. By signalling the area as a going-out precinct and attracting higher footfall, SEPs support stronger and more sustainable NTEs.

While early evidence suggests SEPs deliver tangible benefits, current data is limited. Further evaluation is needed once more precincts have been operational for a sustained period, particularly drawing on the seven existing Inner West precincts.

Recommendations

1. Building on this review's preliminary findings, continue to measure the benefits of SEPs as well as unintended impacts as additional precincts become operational.
2. Conduct a formal review, in collaboration with councils, to assess whether SEPs are delivering the anticipated benefits, identify any material costs, and consider improvements to the policy settings or supporting resources.

3.3 Ensure proportionate regulation for low-risk development

SEPs have shown how targeted regulatory reform can unlock vibrant nightlife by reducing friction and providing certainty for businesses.

However, SEPs require a level of upfront resourcing and commitment for councils to establish, can sometimes raise community concerns, and may not be suited to all contexts. For the NTE to grow across NSW, we need to ensure that businesses outside these precincts – particularly small and independent operators with low-risk or low-impact activities – are not weighed down by red tape.

The principle that makes SEPs successful – proportionate, risk-based regulation – should apply more broadly. Many night-time activities, such as extending trading hours for a café or hosting small-scale entertainment, pose minimal risk yet still trigger complex and costly approval or licensing processes. This creates delays, increases costs for businesses and councils and discourages investment in areas that could benefit from more evening activity.

NSW already has a strong foundation for managing low-risk development through the Codes SEPP. This framework allows certain proposals to proceed without a full development application if they meet pre-set standards, or through a fast-tracked complying development pathway.

Expanding and refining these pathways for night-time uses would make regulation more proportionate, reduce costs for small businesses, and free up council resources to focus on higher-risk proposals.

Box 13: What is exempt and complying development?

Exempt and complying development are fast-tracked planning approval pathways in NSW. If a proposal meets pre-set criteria (like building size, location or use), it can go ahead without a full development application. These criteria are set out in the **Codes SEPP**.

- It is intended for **low-risk, low-impact** proposals, such as minor renovations, change of use or small commercial upgrades.
- Exempt development does not need planning approval (but may still require approvals under other legislation, for example, a liquor licence).
- Complying development still requires an application, but involves a simpler process than a full DA, with less paperwork and a faster turnaround (often approved within 20 days).

The Codes SEPP defines what types of developments are eligible, the standards they must meet and the zones in which they apply. Expanding what qualifies under this streamlined process can free up council resources and support more timely, flexible and efficient business investment.

3.3.1 Further deregulate trading and operating hours in business and employment zones

A more flexible, risk-based approach to regulating trading and operating hours is essential to unlocking the full potential of the NTE. Many sectors – like logistics, retail, recreation and creative industries – increasingly operate outside traditional hours to meet demand, reduce congestion and improve efficiency. Yet NSW planning controls still restrict trading, even in zones designed for high-intensity activity.

The 2022 Codes SEPP reforms

In February 2022, the NSW Government amended the Codes SEPP to set standard trading and delivery hours in selected zones as either 24 hours, or 6am to 10pm, without requiring DA approval.⁵⁵ These reforms:

- enabled businesses in commercial centres (such as gyms, recreation and entertainment facilities) to trade later into the evening.
- allowed industrial and warehouse premises in some areas to receive deliveries earlier in the morning and later at night, easing congestion and logistics costs.
- provided more flexibility for mixed-use and business zones, where previously even modest extensions required a DA.

While these reforms demonstrated the benefits of deregulation, they were only partial. They made it easier to trade later but did not retain the 24-hour trading that was permitted during the pandemic.

Opportunities to expand flexibility

Restrictions remain in many zones even where land-use conflicts are minimal. Stakeholders emphasised that limits on operating hours constrain productivity, and that businesses are best

⁵⁵ Department of Planning, Industry and Environment. March 2021. *Building Business Back Better*. Sydney: NSW Government. <https://www.planningportal.nsw.gov.au/building-business-back-better>.

placed to set their work schedules provided amenity is managed through existing tools such as noise and traffic controls. Current rules do not reflect the planning intent of employment and mixed-use zones:

- **E2 Commercial Centres, E3 Productivity Support:** These zones are intended for high-intensity business uses. Allowing 24-hour operation in these zones, whether for all uses or a more targeted set, using the approach of a ‘relevant premises’ clause, would reflect the zones’ purposes and improve land utilisation and competitiveness.
- **E1 Local Centre and SP5 Metropolitan Centre:** These zones host business activities located near residential uses. While not all commercial uses may be suitable for 24-hour operation in these zones, specific uses could potentially be allowed extended trading hours through a relevant premises clause.
- **MU1 Mixed Use:** Businesses are often required to close earlier than residents’ lawful noise allowances (for example, amplified noise until 11 pm on weekends). Aligning trading hours with these standards would support more vibrant mixed precincts.

Overall, current regulation of hours is out of step with the purpose of these precincts. A more flexible, risk-based framework would reduce unnecessary barriers, support productivity and foster a more diverse NTE.

Recommendations

3. Expand permitted trading and delivery hours in selected employment and special purpose zones, subject to further analysis.

This could include:

- amending the Codes SEPP to allow 24-hour operation in higher-intensity zones (E2, E3, SP5)
- introducing a ‘relevant premises’ clause to allow councils to extend hours for low impact uses in E1, E2, E3 and SP5.

4. Align trading hours in MU1 Mixed Use zones with residential noise allowances, ensuring consistency between community and business activities.

3.3.2 Trial a fast-track development application pathway for lower-risk proposals

Delays in DA timeframes were frequently cited as a barrier to business investment. Stakeholders report that even simple, low-risk proposals, such as small-scale changes of use, minor fit-outs or temporary activations, are often subject to lengthy and disproportionate assessment processes. This creates uncertainty, increases costs and discourages investment, particularly for small or night-time operators such as micro-bars, live music venues, or cultural activations.

For councils, these applications can consume a disproportionate share of staff time and resources, despite posing minimal planning risk. If an application is not determined within the statutory 42-day period, it is deemed refused and can be appealed in the Land and Environment Court. Consultation highlighted that councils are then drawn into lengthy and costly litigation against better-resourced

applicants. This diverts staff from assessing new proposals and reduces capacity to progress straightforward DAs efficiently, leaving smaller businesses disproportionately disadvantaged.

This is one of the pervasive challenges in regulatory design: targeting rules for the highest-risk activities without imposing unnecessary burdens elsewhere. While exempt and complying development pathways can provide a streamlined approach for some low-risk proposals, there are many activities that require the judgement of regulators and cannot be fully captured by prescriptive rules.

The current merit assessment DA process tends to be ‘one size fits all’, meaning that even straightforward, low-risk applications are subject to similar scrutiny and documentation requirements as more complex proposals. In many cases, consent authorities could make fast, proportionate decisions based on relatively simple applications, but the system does not currently provide this flexibility.

A dedicated fast-track pathway for low-risk development applications would allow councils to focus on complex proposals while providing greater certainty and efficiency for businesses, particularly those seeking to activate spaces outside of standard trading hours. This model could draw on successful precedents, such as Queensland’s RiskSMART program and Newcastle City Council’s Accelerated Development Application, both of which have delivered significant improvements in assessment timeframes.

Box 14: Newcastle’s Accelerated Development Applications

In 2022, the City of Newcastle introduced an Accelerated Development Application (ADA) process for eligible low-risk development. It provides two streamlined assessment pathways:

- **Authorised Consultant Pathway** – Qualified professionals, authorised by Council, assess applications prior to lodgement, with determinations targeted within ten days.
- **Accelerated Lodgement Ready Pathway** – Preliminary Council review before formal lodgement in the NSW Planning Portal, with determinations targeted within 15 days.

To access either pathway, applicants must meet eligibility criteria, including compliance with planning rules and minimal site constraints. The pathways currently apply to employment-related uses, including change of use and alterations or additions to industrial premises.⁵⁶

Since implementation, average determination times for eligible applications have reduced from **40 days to 7 days**.⁵⁷ Other councils, including Upper Hunter and Muswellbrook, are now exploring similar approaches.

A NSW-wide pilot could adapt this approach to complement the existing complying development pathway by capturing applications that fall outside its scope, such as those affected by environmental overlays or minor departures from development standards but are otherwise low-risk and broadly compliant.

⁵⁶ City of Newcastle. *Accelerated Development Application*. Accessed 19 June 2025. <https://newcastle.nsw.gov.au/development/development-applications/accelerated-development-applications>.

⁵⁷ Planning Institute of Australia. *Streamlining assessment of low-risk housing development in NSW*. Accessed 19 June 2025. <https://planning.org.au>.

As the NSW Government explores harmonisation of liquor licensing and planning approvals (see Section 3.5.6), there is an opportunity to go further by introducing a ‘fast-track lane’ covering both systems. Lower-risk venues (such as a micro-bar with fewer than 50 patrons that does not serve food or small cultural spaces) could be assessed through proportionate, streamlined pathways that reduce duplication and delay while maintaining safeguards.

While there are existing mechanisms in the liquor licence framework that provide a shorter process for some venues, such as interim small bar authorisations, there is an opportunity to explore more avenues for fast-tracking low-risk applications. L&GNSW is currently conducting a Risk Review to modernise and simplify the licensing system, which could also explore new licence classes or categories eligible for fast-tracking.

Recommendation

5. Pilot an ‘opt-in’, state-wide, fast-track development assessment process in partnership with interested councils.

The pilot should focus on streamlining the assessment of low-risk development applications and include the following implementation steps:

- Develop standard eligibility criteria for low-risk applications.
- Draft a Memorandum of Understanding template for council and private sector (private certifiers) authorisation.
- Prepare standard templates for Statement of Environmental Effect and document submission requirements.
- Align with liquor licensing harmonisation and the liquor licence Risk Review to explore how low-risk venues can access fast-track approval across both systems.

3.3.3 Give councils the flexibility to exempt low-impact events from DAs

Low-risk temporary events on public and private land such as street markets, small performances, or art installations should not face the same approval burden as large, complex, permanent developments. Yet many still trigger a full DA simply because they fall outside narrow Codes SEPP criteria. For example, a temporary structure that slightly exceeds the size threshold can require weeks of assessment and costly studies despite having no material off-site impacts.

Councils noted that exempt and complying development standards for temporary structures are ‘overly restrictive’ in some circumstances.

For one concert we needed a 52 m² stage to fit performers and equipment safely, but the 50 m² cap triggered a full DA, weeks of delay, and costly studies for an event with no real off-site impacts...

Council consultation

Stakeholders suggested giving councils delegated authority to identify sites and public spaces where certain temporary activities or structures could be exempt, provided they met locally defined ‘minimal impact’ criteria. They also noted that while the SEP framework partly supports this approach by allowing councils to map public land and set sound rules, it does not cover temporary structures.

Box 15: Wollongong Council’s Generic Event DAs

Wollongong City Council developed ‘Generic Event DAs’ for key public sites. These are site-specific approvals that pre-authorise certain types of events to take place at identified locations, provided they meet set conditions. Once in place, organisers can obtain a simple event licence through a tailored application pathway, rather than lodging a new DA for each event.

Developing the Generic Event DAs required a major cross-organisational effort, involving planning, land use management, property and legal teams. Across multiple sites, the total cost was around \$100,000. Despite the cost and time involved, the approach has proven successful in attracting events, reducing barriers and streamlining processes for organisers.

Current limits on temporary structures, including stages, marquees and large-scale artworks, can be too restrictive for cultural and community events. A more flexible framework, with locally set ‘low impact’ thresholds and nominated public spaces for automatic exemption, would make approvals proportionate to risk, cut delays and encourage more frequent activations.

The NSW Government is exploring ways of easing these burdens. Between November 2024 and February 2025, it exhibited the Cultural SEPP Explanation of Intended Effect, seeking feedback on planning changes to encourage cultural activation, including easier pathways to stage events and more opportunities for live performance, especially outdoors. The outcomes of this consultation have not yet been implemented.

Some locations or activities may not suit a blanket statewide exemption but could be appropriate at the local level. Under the Standard Instrument LEP, councils can already designate additional activities as exempt or complying development (Schedules 2 and 3). Making greater use of these provisions could help reduce unnecessary DAs.

Recommendation

6. DPHI and councils should use existing instruments to broaden the range of low-risk events and temporary uses that can occur without a full DA process.

This could include:

- expanding the Codes SEPP to allow events and other temporary uses on public land as exempt or complying development
- encouraging councils to use the exempt and complying provisions in their LEPs to nominate sites and activities as exempt or complying development that meet locally defined ‘low impact’ criteria.

3.3.4 Unlock more venues for live entertainment

The NSW Government's vibrancy reforms are progressively widening opportunities for live entertainment across the state. As part of the Tranche 2 vibrancy reforms, conditions in development consents or plans of management that prohibited live entertainment at hotels, clubs and small bars have been *deactivated* (see Box 16).

Box 16: Tranche 2 deactivation of live entertainment restrictions

As part of the *Tranche 2 vibrancy reforms*, the NSW Government amended the *Environmental Planning and Assessment Act 1979* to deactivate conditions of development consent or plans of management that prohibited live entertainment at hotels, clubs and small bars.

This change (which is expected to come into effect later in 2025) removed restrictions that had prevented these venues from offering live music or entertainment, including conditions that:

- banned live music or entertainment altogether
- limited entertainment to certain times only.

Hotels, clubs and small bars were chosen first to minimise amenity impacts, as they are already places where live entertainment is established and expected.

Sources: Environmental Planning and Assessment Act 1979 (NSW), Schedule 5.1, section 4;
<https://www.nsw.gov.au/business-and-economy/office-of-24-hour-economy-commissioner/vibrancy-reforms>.

Currently, this deactivation does not extend to other licensed premises such as restaurants, cafés or nightclubs. Industry and councils have raised growing demand for a similar approach to apply more broadly. While a blanket state-wide extension could create amenity risks, there is an opportunity to apply the measure more selectively.

Targeting employment and special purpose zones, where live music and performance are appropriate and expected, would support activation while minimising impacts. Building on Section 3.3.1, this could include:

- E1 Local Centre
- E2 Commercial Centre
- E3 Productivity Support
- SP5 Metropolitan Centre.

In addition to this state-led reform, councils already have a separate power under Schedule 8, Section 1 of the EP&A Act.⁵⁸ Following community consultation, a council may publish a notice declaring that live entertainment conditions in development consents for licensed premises do not apply in all or part of its area, or for specified land uses. In practice, this enables councils to switch off prohibitions on live entertainment where they consider it appropriate.

⁵⁸ Environmental Planning and Assessment Act 1979 No 203 - NSW Legislation

Recommendation

7. DPHI and O24HEC should investigate further deactivation of ‘no live entertainment’ conditions.

This could include:

- a zone-specific deactivation of conditions prohibiting live entertainment
- encouraging councils to use the provision in Schedule 8, s1 of the EP&A Act to deactivate these conditions in their local areas or for additional specific land uses, prioritising areas with strong cultural and economic activation potential and low amenity risks.

3.4 Adapt the planning system for new and evolving business models

As the NTE continues to grow and diversify, the planning system must evolve to support new business types, cultural activations and hybrid models that cut across traditional land use categories. Many operate outside standard hours or involve temporary, event-based uses that do not fit neatly within existing definitions or zoning frameworks. Small, low-impact venues are often subject to the same regulations as large pubs or permanent fit-outs.

A more adaptive system would recognise these differences and apply proportionate safeguards, rather than blanket restrictions. By reducing red tape, planning rules can better support both permanent venues and temporary activations. This would unlock under-used spaces, enable innovation and sustain the growth of vibrant, inclusive night-time precincts.

3.4.1 Modernise land use definitions and permissible uses

The NTE thrives on experimentation and hybrid models that blur traditional land use categories. From late-night gyms that host performances to hospitality venues that double as art galleries or video game arenas, many dynamic operators do not fit neatly within current definitions. For example:

- hybrid hospitality venues combining food, arts and culture, music or other recreation such as board games
- retailers or personal services businesses – such as barber shops, mechanics or book shops – that offer hospitality, live performance and other activities at certain times of day
- local distribution premises supporting same-day retail delivery to households and night-time businesses.

When land uses are too narrow, or when zones prohibit anything not listed, businesses face uncertainty, higher costs and long approval delays.

These rigidities also affect the infrastructure that underpins the broader NTE. Freight, logistics and retail distribution increasingly operate at night: supplying venues, restocking retail and meeting

consumer demand for same-day delivery. Since the Employment Zone Reform in 2021⁵⁹, these industries have evolved rapidly, driven by consumer expectations, digitisation and supply chain pressures. Localised same-day delivery now blurs the boundaries between warehousing, distribution and retail. Outdated definitions create barriers that delay investment and push low-impact operators through unnecessary approvals.

Move from closed to open zones in employment areas

Most councils still use a ‘closed zone’ approach, meaning they only permit uses explicitly listed in the LEP. This automatically prohibits all other uses, even when they align with the zone’s intent and pose minimal land use conflict. For the NTE, this restricts flexibility and responsiveness, making it harder to accommodate innovative models.

By contrast, an ‘open zoning’ approach allows councils to explicitly permit some uses and prohibit others, but alternative uses may be assessed on their merits against zone objectives. Making open zoning the default for employment areas would give councils greater discretion to accommodate new or hybrid night-time uses, while still applying safeguards through the development consent process.

Update land use definitions and employment zone permissibility

Outdated or overly narrow land use definitions add another layer of constraint. For example, the definition of ‘warehouse and distribution centre’⁶⁰ excludes ‘local distribution premises,’ despite overlapping functions in modern supply chains. This prevents low-impact, often night-time operators from using suitable locations and unnecessarily pushes them through complex approvals.

These gaps are particularly problematic for employment zones, which were designed to support a wide range of economic activities but can be limited by missing mandated permissible uses. If a compatible use is not explicitly mandated, it may be excluded even when it aligns with zone objectives and has no adverse impact on surrounding uses. This reduces the flexibility and economic potential of employment zones.

Recommendations

8. Adopt open zoning as the default for employment zones, enabling councils to consider new uses where they align with zone objectives.
9. Review and update Standard Instrument land use definitions to reflect contemporary business models, including hybrid uses.
10. Review mandated permissible uses in employment zones within the Standard Instrument to ensure all compatible, low-impact activities are included, so modern business models are not excluded by omission.

⁵⁹ The employment zones were finalised in December 2021 with the introduction of 5 new employment zones and 3 supporting zones into the Standard Instrument (Local Environmental Plans) Order 2006. The framework was designed to suit the future of work, be fit for purpose, and support productivity and jobs growth.

⁶⁰ Definition from Standard Instrument (local Environmental Plans) Order 2006: ‘Warehouse or distribution centre means a building or place used mainly or exclusively for storing or handling items (whether goods or materials) pending their sale, but from which no retail sales are made, but does not include local distribution premises.’

3.4.2 Broaden the range of permitted ground floor uses in mixed-use zones

Vibrant mixed-use areas are central to a thriving NTE, providing opportunities for people to live, work, shop and socialise in close proximity. However, many ground floors in shop-top housing developments remain vacant because current planning rules limit permissible uses to commercial premises or health services facilities.

This excludes a variety of compatible uses that could activate streets, draw foot traffic and diversify offerings for both day- and night-time activity, such as amusement centres, community facilities, entertainment venues and function centres. Low-impact operations like light industry (which by definition does not affect neighbourhood amenity)⁶¹ and local distribution premises (supporting last-mile delivery without on-site retail) could also operate successfully in these locations.

Expanding the range of permissible uses would help reduce vacancy rates, enable more businesses to locate in well-connected areas and foster more dynamic and inclusive local centres.

Recommendation

11. Amend the Standard Instrument to permit a broader range of compatible ground floor uses in shop-top housing within mixed-use areas.

- This should include uses such as amusement centres, community facilities, entertainment and function venues, light industry, local distribution premises and veterinary hospitals.

3.4.3 Ease burden to optimise the cultural value of heritage

Many buildings and precincts across NSW hold heritage significance – they contribute to the state's identity, create character, attract visitors, and provide distinctive settings for cultural and night-time activity. Heritage places are more than museums; they can be living settings for current and future cultural life. Historic buildings add depth to the NTE, offering distinctive experiences that draw visitors and sustain local identity.

Not all places with heritage significance are formally protected. Conservation can occur with or without statutory protections. Protections are legal mechanisms – such as State and Local Heritage Registers or Heritage Conservation Areas – which may focus on preserving the physical fabric or recognising significant cultural and social uses of sites. When applied well, they safeguard heritage while still enabling tourism, strengthening community identity, and providing unique venues for entertainment.

Heritage protections can create barriers to asset use

Stakeholders highlighted that working with heritage buildings can be complex and burdensome. Large areas of NSW, particularly inner Sydney, are covered by Heritage Conservation Areas that regulate the character of whole precincts, often including buildings that are not heritage listed. In practice, even temporary, reversible or low-impact changes may still face the same costly, time-

⁶¹ Light industry means a building or place used to carry out an industrial activity that does not interfere with the amenity of the neighbourhood by reason of noise, vibration, smell, fumes, smoke, vapour, steam, soot, ash, dust, waste water, waste products, grit or oil, or otherwise, and includes any of the following: high technology industry, home industry, artisan food and drink industry, creative industry.

consuming processes as major works, particularly where places are listed on local registers or fall within Heritage Conservation Areas.

Although some minor works can proceed through exemption pathways, applicants often must still lodge forms, provide heritage impact assessments, or engage consultants. The Codes SEPP also excludes heritage items, meaning even simple internal works like shelving or temporary fit-outs cannot be treated as exempt development. Similarly, short-term cultural activations such as markets or outdoor performances can be caught in approval processes when protections extend to the ‘curtilage’ of a heritage item – that is, the surrounding land considered important to its setting and value. Heritage protections can sometimes extend to an entire site, meaning that even a listed fountain, pavilion, or toilet can restrict the use of a whole park.

The complexity is heightened where sites are subject to multiple overlapping listings – a property might be on both state and local registers, sit within a conservation area and be near other listed items. In these cases, streamlined pathways such as the Codes SEPP cannot be applied. This means that even if no permanent works are proposed, applicants may still be required to commission heritage impact assessments and engage consultants, subjecting temporary or low-impact cultural uses to the same approvals as a redevelopment.

Box 17: Case study: Taylor Square north toilet block

The Taylor Square north toilet block illustrates how overlapping protections amplify complexity. The site is both state and locally listed, sits within the Oxford Street Heritage Conservation Area, and falls within the curtilage of the state-listed Mardi Gras parade route.

Due to these overlapping protections, a recent DA for a temporary market required approval by the Local Planning Panel, referral to Heritage NSW and council heritage officer review. Despite no permanent building works being proposed, the applicant had to provide a heritage impact assessment and was subject to heritage-related conditions, such as requiring consultant oversight during set up.

Local Government NSW, in its submission to the Parliamentary Inquiry into the *Heritage Act 1977*, noted that while activating heritage items is supported in principle, it is often difficult in practice due to the complexity of government approval processes, even for temporary or ancillary uses.⁶² Heritage assets can provide focal points for cultural events and community education, but the current permit process under *Sections 57 and 60* is ambiguous.

There is an opportunity to unlock creative uses while maintaining heritage identity

There are opportunities to make heritage approvals more proportionate, particularly for temporary, low-impact cultural uses. One option could be a ‘presumption to approve,’ drawing on the approach already applied to filming under NSW’ Film Protocol (see Box 18).

⁶² Local Government NSW. 2023. *Submission to the Parliamentary Inquiry into the Heritage Act 1977*. Sydney: NSW Parliament Standing Committee on Social Issues. <https://www.parliament.nsw.gov.au/lcdocs/submissions/72758/0035%20Local%20Government%20NSW.pdf>.

Box 18: NSW Film Protocol as a model for low-impact temporary uses

Under the NSW Film Protocol, temporary filming-related structures and alterations (like lighting rigs or props) are treated as exempt development if they:

- are solely for filming purposes
- last no longer than a set time limit
- are not publicly accessible, preserving heritage integrity.

Councils are required to support filming unless there are exceptional circumstances, with cost-reflective fees and a streamlined approval process. This ‘presumption to approve’ reflects government recognition of filming as a high-priority cultural and economic activity.

Source: Screen NSW. 2025. *NSW Local Government Filming Protocol 2025*. Sydney: NSW Government <https://www.screen.nsw.gov.au/make-it-in-nsw/filming-regulations-resources#Protocol>; <https://legislation.nsw.gov.au/view/html/inforce/current/epi-2008-0572#sec.2.114>.

A similar presumption could be applied to cultural activations, such as markets, outdoor performances or art installations. By explicitly recognising their public value, cultural events could proceed through a streamlined pathway with clear criteria, time limits and preservation safeguards. This would maintain heritage integrity while unlocking dynamic, creative uses that enrich community life.

NSW’ forthcoming Heritage Strategy provides a timely opportunity to modernise the system for State Heritage listed items, balancing conservation with cultural and economic vitality. This leadership could provide a model for local government – who administer local heritage – to follow. Building an evidence base through case studies will be important to demonstrate how heritage places can be adapted or temporarily activated to create new cultural value while protecting what matters most.

Recommendations

12. As part of the NSW Heritage Strategy, the Government Architect NSW, Create NSW and Heritage NSW should develop case studies showing how to maximise the cultural value of heritage through adaptive reuse, temporary and reversible uses.
13. Review heritage approval pathways to identify opportunities to exempt temporary, low-impact cultural activations and other reversible works, while maintaining safeguards for significant heritage fabric.
14. Review how heritage curtilage is treated in planning controls to enable low-impact activities while protecting significant values.

3.4.4 Unlock rooftop activation

Rooftops can be among the most distinctive and valuable spaces for the NTE, offering unique views and a point of difference for hospitality and cultural venues. While some rooftops are used for other building services and functions (like water tanks and air conditioning), they are highly valued by consumers when they are suitable for entertainment purposes. Besides creating a unique experience, rooftops are also an opportunity to expand venue capacity without competing for scarce ground-level space, particularly in dense urban areas.

Currently, there is no streamlined planning pathway for rooftop activation. Most proposals require a full DA and construction certificate to address all relevant structural and safety issues, resulting in costs, delays and uncertainty. Consent authorities are often cautious, citing potential impacts on noise, privacy and heritage character. In many cases, rooftop proposals are only approved for short trial periods or refused altogether.

Stakeholders highlighted that the main barriers to rooftop activation are National Construction Code (NCC) compliance for fire safety, accessibility and egress, along with noise impacts on nearby residences. Without any evidence that the safety standards are excessive, we consider safety-related requirements an appropriate balance between activation and public safety. However, many amenity issues, such as noise and privacy, could be managed through clear, precinct-based development standards rather than case-by-case DAs.

Pilot a regulatory trial of rooftops in SEPs and business zones

To manage risks and build evidence, the review recommends a regulatory trial beginning in SEPs and business zones with low residential interface. These areas are already planned for higher levels of night-time activity and have embedded noise controls, making them suitable testbeds for innovation.

A regulatory trial of streamlined rooftop approvals would allow rooftop dining to proceed under a complying development or non-refusal standard,⁶³ while retaining safety compliance. This type of trial would reduce the risks of reform by allowing government to test in a controlled setting, generate real-world evidence about amenity impacts and business uptake and learn what works before considering expansion to other areas.

Recommendation

15. Pilot a regulatory trial of streamlined rooftop activation in SEPs and business zones with low residential interface.

Development standards should include:

- Safety compliance in accordance with the NCC, including access, amenities, *Disability Discrimination Act 1992* compliance, egress and fire safety provisions, and load-bearing requirements.
- Optional amenity safeguards, as appropriate, such as caps on operating hours, minimum setbacks from residential windows or doors, and restrictions on amplified music.

⁶³ Non-refusal standards, also known as non-discretionary standards, identify development standards for particular matters like building heights, floor space ratio or lot size. They have the effect of prevailing over an equivalent standard set out in a local environmental plan (LEP) or development control plan (DCP) that is more onerous. If the proposed development complies with the non-refusal standard, a consent authority cannot refuse the application on the grounds that the development does not comply with the standard.

3.5 Recognise the benefit of new NTE activity

Stakeholders consistently emphasised the economic, cultural and social value of NTE businesses. These activities generate employment, strengthen the creative and hospitality sectors and contribute to community vibrancy and wellbeing. Consultation also indicated, however, that planning decisions often focus narrowly on managing potential risks, such as noise and anti-social behaviour, while giving insufficient weight to the broader public benefits of night-time activity.

An approach that over-emphasises risk management can discourage investment, constrain trading opportunities and reduce the diversity of experiences available to communities after dark.

In contrast, viewing businesses as making a vital contribution to NSW society encourages more of a 'customer service' mentality to regulation. With this mindset, regulation is necessary, but it should be proportionate, impose no more burden than necessary, and account for the net public benefit of new activity.

3.5.1 Embed vibrancy in planning instruments and decisions

The EP&A Act provides the regulatory framework for planning decisions in NSW. When evaluating development applications, it requires that consent authorities, like local councils and planning panels, consider:

...the likely impacts of that development, including ... social and economic impacts in the locality... [and] the public interest.

Environmental Planning and Assessment Act 1979 No 203, Section 4.15 (1)(b)&(e)⁶⁴

Councils incorporate the considerations required under the EP&A Act into their Development Control Plans (DCPs), which set out the local guidelines for assessing development proposals. However, during consultation we heard that consent authorities often give greater weight to the perceived social and economic costs of the NTE – such as concerns about anti-social behaviour and noise – than to its potential benefits. This reflects a broader challenge within the planning system: while it is important to consider the views of a small number of directly affected neighbours, the beneficiaries of the NTE – including customers, businesses that benefit from foot traffic, and future residents of the area – are more difficult to identify and their perspectives are less visible in the DA process.

This means that efforts to enhance vibrancy in NSW through local development in support of the NTE may be unsuccessful. For instance, we heard examples of:

- development applications being refused that seemed reasonable, like for new venues, or existing businesses seeking modifications to trading hours.
- DCPs with conditions restrictive to night-time trading and, potentially, outside the remit of local government. For instance, one council used to have a condition in their DCP that dictated new businesses had to trade for at least six months before they could lodge an application for extended trading hours.

⁶⁴ NSW Government. *Environmental Planning and Assessment Act 1979 No 203*. Accessed 15 August 2025. <https://legislation.nsw.gov.au/view/html/inforce/current/act-1979-203#statusinformation>.

Despite clear direction from state agencies to encourage diverse, safe and vibrant late-night precincts, local councils often apply an outdated and restrictive planning lens that does not reflect contemporary hospitality practices.

Consume Planning Consultancy submission

In the short term, the NSW Government should look to support councils and planning panels in their interpretation of 'economic and social impacts', and to capture this in council DCPs. This could be implemented by issuing guidance in the form of a planning circular that:

- clarifies the meaning of 'needing to consider social and economic impacts', emphasising that these include benefits and that the net benefit to the community should be the appropriate measure of 'public interest.'
- shares a 'menu' of potential social and economic costs and benefits for councils to use when assessing developments.

While DCPs should be updated every few years, they are often not a priority for councils due to the complexity of the task and lack of resources. As a longer-term action item, the NSW Government should encourage councils to review their DCPs and other local planning policies – like Outdoor Dining Policies, and Local Environmental Plans – to better align with the state's vibrancy agenda. This could include reviewing conditions that restrict night-time trading.

Recommendations

- 16. DPHI to issue a planning circular to councils that clarifies the meaning of considering 'social and economic impacts' and 'public interest' and includes a 'menu' of potential social and economic costs and benefits.**

This planning circular should emphasise that social and economic impacts include benefits and that assessment of the public interest should be focused on the net benefit to the community. The menu of potential social and economic costs and benefits could be used by councils when assessing developments. This may include guidance, resourcing or model provisions to help councils explicitly value and support the NTE while still appropriately managing risk.

- 17. Encourage councils to review their DCPs and other local planning policies to better align with the State's vibrancy agenda.**

These could include reviewing restrictions on trading hours or other conditions impeding night-time businesses.

3.5.2 Limit and standardise the use of trial conditions to create more certainty

There is plenty of potential for regulatory change in NSW. Temporary changes made during the COVID-19 pandemic to allow businesses to continue to meet the community's needs had significant

economic benefits and few, if any, of the feared impacts materialised. Most of these temporary changes were made permanent in 2022.⁶⁵

It can sometimes be difficult to build the support for regulatory change. We also do not want to have to wait for the next global pandemic to identify the opportunities or see the benefits. When properly designed, experimentation can generate valuable evidence about impacts and build evidence for policy change that benefits society.

Trial conditions in the NSW planning system are a simple example of experimentation. They are typically used to test the impact of extended trading hours or entertainment offerings to evaluate the real-world impacts of allowing certain activities. Stakeholders noted that they can support more flexible and progressive planning decisions, helping councils approve proposals that might not otherwise proceed. This is consistent with the Commission's recent report *Smarter regulation through experiments*.

[Trial conditions] are useful getting things over the line where there is limited precedent...

Council feedback

However, stakeholders reported that trial conditions in NSW are often misused. Rather than being structured, time-limited experiments with clear criteria for evaluation, they can be extended indefinitely, creating uncertainty and cost for businesses rather than evidence for regulators. Operators may face repeated trials, such as one-year then five-year extensions, with no guaranteed pathway to permanent approval.

A lot of people have an idea for a business, then they hear it is a DA with trial hours, and they freak out.

Council feedback

Trial renewals often require new documentation, including costly acoustic reports. Conditions are tied to the premises, not the operator, meaning new owners may be unaware they are subject to a trial period until enforcement action occurs. Stakeholders reported inconsistent application across councils, with some using trial hours as a control mechanism rather than a genuine assessment tool.

It is not used as a compliance tool; it is used to keep businesses on a short leash.

Council feedback

Stakeholders also highlighted that the application of trial conditions is inconsistent, not only across councils but even within them. Councils often operate under multiple DCPs, so even within one council area, the rules can vary. Feedback from council planners, suggested that comparable jurisdictions in Australia and overseas make limited or no use of trial conditions, instead managing risks such as noise and behaviour through separate compliance frameworks. In NSW, liquor licensing frameworks already provide a mechanism for managing these impacts, yet do not use trial periods, creating misalignment between planning and liquor approvals.

⁶⁵ See *COVID-19 and Other Legislation Amendment (Regulatory Reforms) Act 2022*.

While trial conditions can be valuable in high-risk or first-time cases, their application should be limited, standardised and clearly defined.

Recommendation

18. Restrict the use of trial conditions by limiting them to a single, time-bound period with clear criteria and an evaluation framework, ensuring they function as genuine experiments rather than ongoing controls.

3.5.3 Leverage the power of AI to support both businesses and regulators

Planning rules in NSW vary by zone, building type and proposed use, creating significant complexity for businesses seeking to understand what activities are permitted on their site. Small businesses in particular reported difficulty navigating these requirements without engaging specialist consultants, adding costs and delaying investment. Councils also noted that many planning queries are repetitive and administrative in nature, diverting staff away from more complex assessments.

Digital tools such as AI-powered chatbots could improve accessibility for businesses while reducing the administrative burden on councils. This approach builds on promising local initiatives, such as Wingecarribee Shire Council's *Daisy* (see Box 19).

Box 19: *Daisy* – NSW' first AI planning chatbot

Wingecarribee Shire Council developed *Daisy*, the first council-operated AI planning chatbot in NSW, to make planning information easier to access and reduce staff workload. It was designed to reduce simple phone enquiries and improve the efficiency of DA processing. Unlike large language generative AI tools, *Daisy* was trained on council-specific rules and documentation, enabling it to give targeted answers linked directly to NSW planning legislation. The chatbot took around 15 months to build, with funding provided through the Early Adopter Grant Program administered by DPHI. It continues to 'learn' from queries and refine its responses. While still in its early stages, *Daisy* demonstrates the potential of AI to help navigate planning complexity.

If successful, a state-supported pilot could scale similar tools across councils, creating a consistent, user-friendly entry point to the planning system. This would lower barriers to participation in the NTE, reduce reliance on consultants and enable planning officers to focus on higher-value work.

Recommendation

19. Pilot an AI chatbot to assist with planning queries, improving accessibility for businesses and efficiency for councils.

It could:

- provide real-time answers to common planning questions
- help users identify what activities are permitted on their site
- flag when a development application or other approval is required
- link users to relevant forms, guidance material and council contacts.

3.5.4 Make grant funding simpler and more predictable for organisers

Grants should help events succeed, not overwhelm organisers with extra administration. Yet we heard that smaller community groups and nightlife venues struggle with complex applications and lack the professional support needed to navigate them. As a result, funding often favours those with resources, rather than those with the best cultural or community ideas.

Application processes should scale with the size of the grant, reducing the burden on small or emerging groups while still allowing fair assessment. Stakeholders also emphasised the need for clearer support to improve ‘grant literacy,’ including better guidance materials, council-led education (like pattern books) and more streamlined application models.

The Commission’s *Review of grants administration in NSW* reinforced these concerns, noting that overly complex processes can deter participation.⁶⁶ It recommended simplifying application processes and scaling reporting requirements to the size, complexity and risk of the grant. Create NSW reached similar conclusions through a recent ‘sludge audit’ (see Section 5.3.3, Box 28), which mapped its grant application processes and identified improvements. It found that applicants faced up to 97 steps and over 500 days of administrative burden, with the most friction occurring during preparation and assessment phases. In response, Create NSW introduced a shorter form, clearer criteria and plain English resources - changes that have received positive initial feedback.

Recurring events face an additional challenge. Many must repeat lengthy funding approval processes each year, even when the event, location and conditions remain unchanged. Multi-year funding is possible under existing frameworks, however, in practice recent budget allocations have been made annually only. Funding can be reallocated over several years to facilitate multi-year agreements. Annual funding allocations can create uncertainty, delay marketing and sponsorships and increase administrative costs for both organisers and government. More consistent use of multi-year funding for recurring events that demonstrate consistent contributions to the state would give councils and organisers certainty to confirm dates, secure sponsors and negotiate longer-term supplier contracts earlier, improving event quality and attendance.

Box 20: Case study – Tamworth Country Music Festival

The Tamworth Country Music Festival is one of Australia’s largest and most iconic annual events, drawing thousands of visitors and generating significant economic and cultural value for the region. Despite its longstanding success, the festival is required to undergo a rigorous reapplication process each year for both approvals and funding.

Organisers report that a multi-year funding model would:

- allow marketing for the following year’s event to continue uninterrupted
- enable planning and programming to start earlier
- provide the certainty needed to sustain the festival and its signature atmosphere.

They also noted that rising costs – like those for event equipment, transport and additional safety requirements – make predictable funding more important than ever.

⁶⁶ NSW Productivity Commission. 2022. Review of grants administration in NSW. Retrieved 27 August 2025 from <https://www.nsw.gov.au/sites/default/files/2024-03/review-of-grants-administration-in-nsw.pdf>.

Recommendations

20. Simplify grant application processes by scaling requirements to the size of the grant and providing clearer support, such as guidance materials and council education, to improve accessibility.
21. Increase the use of multi-year funding agreements for recurring events with consistent formats and demonstrated compliance.

3.5.5 Review the ‘six-hour closure period’ for new licensed venues

The ‘six-hour closure period’ is a regulation that requires licensed premises to cease the sale of liquor for a continuous period of six hours within each 24-hour period. This rule typically applies to any licence granted on or after 30 October 2008.⁶⁷

Usually, the closure period is from 4am to 10am each day. However, the Independent Liquor & Gaming Authority can approve a different six-hour period if deemed appropriate for the specific premises and circumstances. During this closure period, licensed premises are not allowed to sell liquor for on-premises consumption or for takeaway.

While many venues may still be able to operate in the early morning without selling alcohol (for example, a bar operating as a café in the early morning), not all venues have this flexibility. Hotels are restricted by their liquor licence to primarily function for the service of alcoholic drinks; if the hotel were to operate a morning café during its mandatory closure period, it would need to apply for a change to its licence.

This regulation aims to reduce alcohol-related harm by ensuring there is a mandatory break in the availability of alcohol. L&GNSW considers the six-hour closure a key harm-minimisation measure under the *Liquor Act 2007*, helping to manage alcohol-related violence, health impacts and demand on emergency services. Evidence from NSW indicates the stricter licensing rules introduced between 2008 and 2016 reduced harms, and there is evidence linking trading hours and assaults, hospitalisations and emergency department presentations.⁶⁸

While this rule has been in place since 2008, there is no publicly available evaluation of the realised benefits and costs of this specific policy. NSW now has 17-years experience with this policy, including venue-level data on licensing (both licences falling under this policy, and those with 24-hour licences) and metrics on business impacts and harms. The Commission recommends that the NSW Government evaluate the policy and identify opportunities to assess its effectiveness and identify opportunities for improvement. This review must consider public health and safety costs alongside economic and vibrancy objectives.

⁶⁷ The six-hour shutdown for liquor sales followed an equivalent shutdown period for gambling machines that was introduced in 2003. This report does not make any recommendations in relation to gambling.

⁶⁸ BOCSAR has evaluated the impacts of this policy at a high level, as part of a series of changes made between 2000 and 2019. The impact of changes to liquor licensing policy on violent crime in NSW, 2000-2019

Recommendation

22. Evaluate the 'six-hour closure' policy and consider opportunities to improve it.

The evaluation should consider:

- outcomes across NSW, drawing on location-specific data on licences (including the number of 24-hour versus restricted licences) and harms (assaults, health outcomes)
- outcomes relative to jurisdictions with more permissive trading hours.

Drawing on this evidence, it should also consider potential improvements, including shorter closure periods in certain regions, or for certain types of venues. Trials could be used to gather further evidence on this change.

The evaluation should explicitly consider the impact on alcohol-related harm, health system costs and emergency service demand, alongside economic outcomes. Consultation with key stakeholders – including venue operators, local councils, law enforcement, public health experts, emergency services and community groups – should underpin this review.

3.5.6 Streamline liquor licensing and planning approvals to reduce duplication and costs

The current liquor licensing and planning approval processes in NSW are complex, time-consuming and costly, creating significant barriers for businesses. Applicants must first complete a DA before applying for a liquor licence, with no integration between the two systems. This duplication forces businesses to submit the same information twice, navigate multiple agencies and endure long delays – often paying rent and incurring other costs while waiting.

The utopia we've all been hoping for is that the planning system and the licensing system can eventually start to talk to each other...

Mick Gibb, CEO, Night Time Industries Association

The burden of navigating two distinct systems is a barrier to investment and innovation in the hospitality sector. The lack of centralised information and guidance contributes to the problem, leading to incomplete applications, additional consultant fees and costly delays.

I am regularly told that Sydney is the hardest market in the country to work with, because of the licensing and planning framework that starts the approval process with a 'no' and requires operators to work backwards to find a workable situation.

Mick Gibb, CEO, Night Time Industries Association

These inefficiencies have been identified by past reviews (see Box 21).

Box 21: Previous suggestions to pursue harmonisation of the two systems

2013 – Statutory review of the *Liquor Act 2007* made several recommendations regarding the harmonisation of liquor licence and planning approvals.

2019 – NSW Parliament’s Joint Select Committee on Sydney’s Night Time Economy called for an integrated application process for liquor licence and development applications that removes duplication in processes.

NSW Government agencies are currently working to understand the problems with the existing system and explore options to create a simple and consistent application experience for businesses.⁶⁹ This could include:

- a **digital platform** offering a single touchpoint for both liquor and planning applications
- a framework and system for **real-time information sharing** between government authorities as each application is assessed.

Harmonising liquor licensing and planning approvals, carefully designed, will provide businesses with greater certainty, reduce costs and delays and make it easier to open or expand venues. A streamlined process will also improve efficiency for government agencies and support the growth of a vibrant NTE across NSW.

A comprehensive cost-benefit analysis is needed to determine the best options for harmonisation

Streamlining the processes for new liquor licences or changes to existing conditions would reduce both administrative costs and time delays, which represent an opportunity cost in the form of foregone trading.

Administrative costs

Current inefficiencies arise from several factors:

- **Duplicative plans of management (POM):** Both liquor licences and DAs require POM, which often overlap or duplicate conditions. Businesses must submit separate applications to update or remove these conditions across multiple regulators.
- **Lack of centralised guidance:** There is no single reference point for DA and liquor licence requirements. While the L&GNSW Hospitality Concierge (see Section 5.1.1) provides general insights, it cannot advise on behalf of councils.
- **Uncertain submission requirements:** Applicants may be asked for additional reports during the process, which are costly and time consuming to prepare. More than 100 possible report types can be requested for a DA.
- **Duplicative submission requirements:** Similar information (like business details, development consent conditions) must often be provided twice, compounding the administrative burden.

To capture the combined effect of inefficiencies in the current system, the analysis applies three scenarios of estimated tangible administrative costs per application: \$5,000 (low), \$10,000 (central)

⁶⁹ In 2023, the NSW Government’s election plan for the music sector committed to harmonise liquor licence and planning approvals to make it easier to open new venues.

and \$15,000 (high). These figures represent indicative out-of-pocket expenses associated with duplicative reporting, additional documentation and other administrative requirements.^{70 71}

The estimated annual administrative costs for businesses applying for new licences range from \$4.6 million to \$13.8 million, depending on the scenario. For night-time licensed businesses, the corresponding range is \$800,000 to \$2.3 million. These figures should be interpreted as indicative, given variability in reporting requirements across business types and councils.

Time delay costs

Sequential processing of DAs and liquor licence applications creates potential delays before businesses can commence trading. For new businesses, these delays can translate into lost revenue – an opportunity cost that varies by business size and sector. To account for uncertainty, the analysis models three scenarios for average delays: two-weeks (low), four-weeks (central) and six-weeks (high).

Businesses must first lodge and receive a determination on their DA before being able to lodge a liquor licence application, meaning potential delays while they wait for a determination from L&GNSW. The time costs to business may be significant if they are unable to trade while waiting for their liquor licence to be granted. While not all businesses face this cost, as some may still be preparing to open (for example during construction or fit out), this potential forgone revenue represents an opportunity cost to some business.

Under these assumptions, the estimated annual opportunity cost of delays for all new licence applicants ranges from \$40.8 million for a two-week delay to \$122.4 million for a six-week delay. For NTE businesses, the corresponding range is \$6.7 million to \$20.2 million.⁷² These estimates assume that delays fully constrain trading, which may overstate actual impacts, as some businesses could still be completing fit-out or other preparatory work during the waiting period.

Potential cost savings from harmonisation

Combining administrative and time-delay savings, harmonisation could deliver substantial benefits. Under the central scenario (\$10,000 of extra administrative costs and a four-week delay), potential savings are estimated at \$90.8 million a year across all licensed businesses, and \$15.0 million for night-time licensed businesses.

The potential cost savings to all licensed businesses achieve between \$45.4 million and \$136.1 million in business cost savings a year. For night-time businesses, harmonisation may achieve

⁷⁰ The modelling is based on the average number of liquor licences granted over the three years to 2024 (around 927 per year). 46% of applications are for new licences, the group most likely to incur these costs.

⁷¹ The modelling assumes that ‘night-time economy’ businesses are those not operating under reduced trading hours, as these venues are more likely to trade until or beyond standard closing times (midnight). Liquor & Gaming NSW data shows that the majority of licensed businesses (around 85%) operate under reduced trading conditions, either voluntarily or due to regulatory requirements. Consequently, only about 15% of licensed businesses are classified as night-time economy venues. This proportion explains why estimated costs for this group are lower relative to all licensed businesses.

⁷² The analysis estimates the cost per time delay by using the average annual industry sales to identified business types. For example, a restaurant with \$1.8 million in annual sales loses approximately \$137,000 from a four-week delay.

between \$7.5 million and \$22.5 million in cost savings a year. Table 8 summarises the potential cost savings of harmonisation).⁷³

Table 8: Combined annual business cost savings from harmonisation by scenario

	Low	Central	High
All licensed businesses			
Administrative cost savings	\$4.6 million	\$9.2 million	\$13.8 million
Avoided opportunity cost of time delays	\$40.8 million	\$81.6 million	\$122.4 million
Total	\$45.4 million	\$90.8 million	\$136.1 million
Night-time licensed businesses			
Administrative cost savings	\$0.8 million	\$1.5 million	\$2.3 million
Avoided opportunity cost of time delays	\$6.7 million	\$13.5 million	\$20.2 million
Total	\$7.5 million	\$15.0 million	\$22.5 million

Recommendations

23. Improve guidance and coordination to better align liquor licensing and planning.

Publish clear, centralised guidance and checklists for applicants to reduce uncertainty, minimise delays and lower reliance on costly third-party advice. Improve coordination and information sharing between planning authorities and L&GNSW to streamline processes within the current system, even as harmonisation reforms are explored.

24. Assess costs and benefits of options to harmonise liquor licensing and planning.

After completing the detailed assessment of the problem and potential solutions, conduct a comprehensive cost-benefit analysis to compare options. This should build on the illustrative cost assessment above and identify which solution offers the greatest value for money.

25. Implement a solution to harmonise the liquor licensing and planning application process.

Informed by the results of the cost-benefit analysis, the NSW Government should implement an approach to eliminate duplication, reduce costs and provide greater certainty for businesses across the liquor licence and planning domains. One practical approach could be to launch a pilot program, testing a harmonised application process in partnership with a local council.

⁷³Low – \$5,000 in additional costs, followed by a two-week delay to trading (if a new business). Central – \$10,000 in additional costs, followed by a four-week delay to trading. High – \$15,000 in additional costs, followed by a six-week delay to trading.

4 Get around and home safely

As highlighted in Section 2, transport is one of the most significant barriers to participation in NSW' NTE – third to cost-of-living pressures and safety. How easily people can travel to and from night-time precincts shapes where they go, how long they stay, and whether they feel safe doing so.

The structure of NSW' cities add complexity. Unlike global nightlife hubs with dense urban cores, NSW' population is more dispersed, and many precincts are located along major roads or in suburban centres. This makes road transport like private vehicles, taxis, and rideshare are a critical part of the NTE. But reliance on cars brings challenges: congestion, limited kerbside space, and safety concerns.

While transport will likely remain a challenge for NSW cities compared to larger and denser international counterparts, there are promising signs. The NSW Government's Transit-Oriented Development (TOD) program and its focus on infill housing in well-connected locations represent some of the most effective long-term strategies to address these challenges and strengthen Sydney's NTE. The Sydney Metro has also had a significant positive impact on the NTE, enabling city workers living further from the CBD to stay later for leisure and entertainment, and making it easier for night workers to travel into the city. Future Metro expansions are likely to generate similar benefits.

The Metro is a godsend and a considerable opportunity for the night-time economy within Greater Sydney.

Mick Gibb, CEO, Night Time Industries Association

There are also clear opportunities for improvement. The ongoing *Roads Act 1993* review provides a chance to modernise governance and give councils more flexibility to manage kerbside space for night-time activation. Better integration of point-to-point transport services (rideshare and taxis) can make precincts safer and more accessible. And while public transport will always face structural challenges in a dispersed city, targeted improvements in late-night services and on-demand options could unlock participation and boost vibrancy.

4.1 Enabling night-time vibrancy through the *Roads Act 1993* review

Councils across NSW report difficulty coordinating road space in night-time precincts, balancing competing needs such as P2P services, public transport, parking, pedestrian safety, and arterial traffic flow. A key barrier is the lack of clarity around governance and delegated decision-making powers for temporary road closures and changing how space along the edge of the road is used (kerbside reallocation).

The *Roads Act 1993*, which underpins these powers, has seen limited reform over the last 30 years despite significant changes in transport modes, technology, and community expectations. TfNSW is now reviewing the *Roads Act 1993* to ensure the regulatory framework reflects contemporary needs and operational realities. This builds on the *Authorisation and Delegation Instrument – Prescribed*

Traffic Control Devices and Regulation of Traffic, introduced in August 2025, which substantially updated transport powers delegated to councils for local roads.⁷⁴

4.1.1 Empowering councils to manage road space at night for a variety of activations

The ability to regulate traffic and manage road access is critical for councils to activate streets for community and vibrancy purposes, such as night markets, parades or outdoor dining. Under the current legislative framework, councils still face barriers to temporary closures and kerbside reallocation, particularly on classified roads.⁷⁵

The *Roads Act 1993* review provides an opportunity to simplify these processes and embed local decision-making powers for low-risk, time-limited activations. Reform in this space could:

- redefine the role of streets beyond just vehicle movement and transport corridors
- recognise the potential of roads as community spaces that prioritise people, place-making and sustainability
- make it more straightforward for councils to manage classified road space for night-time activation, fostering vibrancy, safety and accessibility
- align with NSW Government's priorities of enhancing vibrancy and enabling inclusive mobility.

4.2 Enhance point-to-point access to support night-time participation

P2P transport, like rideshare, taxis, and similar services, is a critical enabler of the NTE. Unlike fixed-route public transport, P2P offers flexibility, speed and door-to-door convenience, making it the preferred option when services are infrequent or venues are dispersed. For many people, it is the safest and most practical way to get home late at night, particularly in areas with limited public transport or for those travelling in groups.

4.2.1 Coordinate with councils to improve P2P access

Rideshare is now the dominant form of P2P transport in Sydney and is also widely used in regional NSW where available.⁷⁶ However, the current regulatory framework – particularly around how road space is allocated between competing uses – creates barriers for safe, efficient service. Unlike taxis, rideshare and other private car-hire services lack designated pick-up and drop-off zones, ranking privileges at major events, and consistent signage – particularly in night-time precincts.

Consultation with rideshare providers and councils highlighted the lack of safe, well-lit, and clearly marked pick-up and drop-off zones as a key issue. In their absence, drivers often resort to informal

⁷⁴ The delegation enhances council powers to regulate traffic on unclassified (local roads) without the need to consult Local Traffic Committees. The review will consider whether this delegation should be made permanent - i.e. devolved.

⁷⁵ Classified roads do not fall under the expanded powers of the delegation; councils and TfNSW will need to work together on these roads to manage activations night-time uses.

⁷⁶ https://www.ipart.nsw.gov.au/sites/default/files/cm9_documents/Information-Paper-Annual-Survey-of-Point-to-Point-Transport-Use-2024-17-December-2024.PDF

and sometimes unsafe behaviours, such as stopping in traffic lanes to collect passengers, which contribute to congestion and increase risks, for example, exposing passengers to overtaking cars or bicycles.

Rideshare companies should do more to educate drivers and customers on this issue, to reduce the proliferation of unsafe, illegal pick-ups and drop-offs.

Council consultation

TfNSW has acknowledged that while regulatory reform is underway, operational clarity and built environment changes are also needed to support safe, vibrant precincts.

4.2.2 Lessons from the Sydney Airport rideshare trial

The Uber PIN trial at Sydney Airport (see Box 22) demonstrates how designated pick-up areas, supported by compliance mechanisms and clear passenger information, can expand rideshare access in a safe and efficient way.

Box 22: Case study – Uber PIN trial at Sydney Airport

In September 2024, the NSW Government launched a 12-month trial of Uber PIN for rideshare passengers at Sydney Airport's T1 International Terminal. Passengers receive a PIN code and fare estimate in the Uber app, which is provided to a waiting UberX driver in a designated pick-up area.

The pick-up area is located within 20 metres of the terminal entrance, significantly improving accessibility compared to the previous location, which was up to 200 metres away.

To ensure safe operations throughout the trial, Uber is required to submit regular compliance reports to the NSW Point to Point Transport Commissioner and adhere to safety controls:

- **Access control** - Only authorised Uber drivers participating in the trial may enter the pick-up zone, enforced via a boom gate installed by Sydney Airport.
- **On-site management** - Uber must station a traffic manager at the pick-up zone to oversee operations and ensure compliance.
- **Booking verification** - Drivers must be logged into the Uber platform, and passengers must exchange their PIN before entering the vehicle.
- **Signage & passenger alerts** - Clear signage to remind passengers to verify bookings and avoid off-app or cash trips. In-app reminders reinforce these messages.
- **Driver conduct** - Uber must monitor and address driver cancellations post-trip commencement and regularly remind drivers that soliciting and touting is illegal.

Results from other international airports, including Melbourne Airport, show reduced wait times, improved satisfaction and safer operations.

Applying this model in active night-time precincts presents unique challenges not encountered in controlled environments like airports. Urban design constraints (such as cycle lanes, narrow kerbs and mixed-use zoning) require tailored solutions that balance accessibility, safety and amenity. This

case study highlights what can work in a controlled setting with a single provider and the considerations that must be addressed when adapting similar approaches to vibrant precincts.

4.2.3 Managing kerbside space and empowering councils

A major challenge to introducing dedicated P2P zones is the competing demand for limited kerbside space. At any given time, the same space may be needed for private vehicle parking, bus pick-ups, loading zones or to maintain traffic flow. Dynamic allocation offers a way to balance these competing needs. For example, by allowing private vehicle parking during the day, but converting the same space into P2P pick-up and drop-off zones during peak night-time periods or for events. This approach would maximise scarce kerbside space and better respond to fluctuating demand in night-time precincts.

However, implementation could be complex. While councils have powers to establish these zones, complications arise when they are located on classified roads (such as Enmore Road), which fall under NSW Government control. Better coordination between councils and the NSW Government is needed in precincts that include classified roads.

Parking requirements also present barriers as many councils are constrained by mandatory provisions in their DCPs. These requirements can be a significant obstacle to change, even when they limit flexibility for night-time activation.

Parking is one of the most contentious issues for local councils...The benefits of lowering parking requirements, especially for creative, cultural and hospitality businesses need to be shown to councils...to make changes to DCPs.

Sydney metro council feedback

Actions to empower councils

For councils to establish safe, accessible P2P zones more effectively, several actions are required:

- **Clearer guidance** on existing and any expanded powers under the *Roads Act 1993* and related instruments, including the *Authorisation and Delegation Instrument* introduced in August 2025.
- **A standardised framework** for assessing suitable locations, balancing safety, demand, accessibility and urban design compatibility.
- **Collaboration with TfNSW** to ensure consistency across LGAs and alignment with broader transport strategies.

To begin, TfNSW, local councils, and local communities (including people with disability, older people and others with accessibility or mobility challenges) could co-design dedicated pick-up and drop-off zones in a selection of SEPs. The focus should be on precincts located along classified roads, such as the Enmore Road SEP.

The role of signage and digital tools

Alongside regulatory reform, councils and rideshare providers highlighted signage as a practical way to support awareness and compliance with new zones. Strategically placed, consistent signage helps delineate authorised areas, reinforce safe behaviour, and discourage unsafe or informal practices such as soliciting or touting. TfNSW and councils should co-develop a state-wide signage

standard for P2P transport, ensuring clarity, recognisability, and integration with digital navigation platforms.

For road users, digital signage could indicate when and how dynamic zones are available for different uses. By enabling councils to act decisively and equipping them with the right tools and frameworks, NSW can create safer, more accessible precincts that support a vibrant 24-hour economy.

Recommendations

26. TfNSW and local councils should collaborate with P2P providers to identify high-demand or congested pick-up and drop-off locations, to inform decision-making on the coordination of road space and wayfinding.

27. TfNSW should work with local councils to develop safe, accessible P2P pick-up and drop-off zones in selected night-time precincts.

Initial trials could be informed by data on peak P2P usage and congestion impacts, support new and existing SEPs, and incorporate dynamic road space allocation.

28. Drawing on the experience of co-developing P2P zones, TfNSW should publish clear guidance for councils.

This should include guidance on existing and expanded council powers under the *Roads Act 1993*, as well as considerations for councils when developing P2P zones (including cooperation with the NSW Government on classified roads, signage, and managing temporary kerbside reallocation).

29. TfNSW should investigate a state-wide signage standard for P2P transport with councils.

This should include clear, consistent wayfinding signage and integration with digital navigation platforms and local council Geographic Information Systems to support safe, accessible and compliant pick-up and drop-off.

30. TfNSW should encourage local councils to share road signage data with third-party map providers to boost accessibility and increase safety.

This could include data on loading zones, no-stopping zones and legal pick-up and drop-off zones, enabling rideshare drivers, private car-hire drivers, taxi drivers, and members of the public, to easily identify safe locations for pick-up and drop-off.

4.3 Make public transport more predictable, accessible and frequent

A vibrant NTE relies on safe, consistent, and accessible transport options. While rideshare and taxis play an important role, especially where public transport is limited, public transport remains the backbone of equitable and sustainable mobility. This is particularly true for shift workers, young people, and those without access to private vehicles.

However, across NSW, public transport services reduce significantly at night. Lower frequency, limited coverage and gaps in late-night timetables create barriers to participation and reduce precinct vibrancy. Consultation with councils, businesses and community groups highlighted the need for more predictable and frequent services after dark. In many precincts, services taper off well before venues close or events end, forcing patrons to leave early or rely on much more expensive alternatives. Long waits for public transport and the perceived safety risks associated with this (especially for women and others who experience higher safety risks at night) are a disincentive to going out at night.

Limited late-night transport also affects workers. For example, one hospitality stakeholder described a bar that had to close its kitchen earlier than trading hours permitted, simply so kitchen staff could catch the last train home.

The primary barriers to expanding late-night services (such as Sydney's night-time rail replacement bus service, NightRide,⁷⁷ or other night-time bus services) are operational rather than regulatory, including the cost, fleet maintenance, and competing network priorities. However, targeted interventions likely remain feasible. The NSW Government is already trialling 'on demand' public transport, which provides smaller-scale, flexible services to fill gaps in the rail, bus and ferry networks. Expanding these trials to more locations and later hours, as well as prioritising timetable amendments to existing night-time bus services, or better promotion of their availability, could further support access to NTE precincts.

4.3.1 Quantify the economic impacts of doubling night-time public transport frequency

Doubling public transport frequency in key night-time precincts could generate more than \$58.7 million in consumer surplus from time saved and \$76.8 million in net new spend for the NTE. Improving public transport accessibility has been shown to significantly influence participation in the NTE (see Box 23 below for a case study demonstrating the impact of increasing night-time public transport in London, UK) and can deliver measurable benefits in two ways:

- **Time savings**, for existing NTE participants, particularly in poorly connected precincts.
- **Induced demand**, where better transport options encourage more people to participate in night-time activities.

Economic analysis for this review estimates the effect of doubling the frequency of public transport services to and from 13 key nightlife precincts in the City of Sydney and the Inner West. It assumes that increased frequency would reduce average wait times by five minutes before midnight and 11 minutes after midnight.

Lower wait times reduce the 'generalised cost of travel,' meaning the total perceived cost of a trip, including time, money, and inconvenience. When travel feels easier and faster, more people use public transport, and some make trips they otherwise would not.

⁷⁷ In Sydney, NightRide buses replace most train services between midnight and 4.30am, stopping at railway stations or on main roads near railway stations.

To estimate this behavioural response, the analysis applies an elasticity of demand⁷⁸ for public transport with respect to service frequency of 0.41. This means that doubling the frequency of services (a 100% increase) is expected to raise public transport trips by around 41%.⁷⁹

Applied to a baseline of 16.6 million late-night public transport trips (9pm – 6am),⁸⁰ this results in 23.6 million trips annually.⁸¹ Of the extra 7 million trips:

- Approximately 4.3 million would be people switching from private motor vehicles
- Approximately 2.7 million would be entirely new trips.

The economic benefits are twofold: time savings and additional spending. As outlined in Tables 9 and 10, shorter waits generate consumer surplus valued at \$58.7 million, while new visits are estimated to contribute \$192 million in precinct expenditure annually, based on an average spend of \$71 per trip.⁸²

Table 9: Time savings (lower generalised cost of travel) in key precincts

Trips taken	Value
For existing users of public transport ⁸³	\$46.5 million
For users switching from private motor vehicle transport to public transport ⁸⁴	\$7.5 million
New users of public transport (induced demand) ⁸⁵	\$4.8 million
Total	\$58.7 million⁸⁶

⁷⁸ Elasticity measures how strongly public transport demand responds to changes in service frequency. A value of 1 means trips increase in the same proportion as the frequency change. A value below 1 means trips still rise when services become more frequent, but by a smaller percentage than the increase in frequency.

⁷⁹ Transport for NSW's *Economic Parameter Values* (2025) indicates that the direct elasticity of off-peak service levels is 0.5, this was adjusted to remove the effect of substitution between public transport forms, reducing it to 0.41.

⁸⁰ Baseline visitation used for this analysis based on data sourced from NTIA Quarterly Night Time Economy Insight Reports 2025

⁸¹ Estimated using survey measures of public transport usage for respondents' choice of transport on a night out in Greater Sydney and transport mode choice of workers in metropolitan Sydney.

⁸² Average spending per visitor on food, beverage, and recreation in key precincts is derived from NTIA Quarterly Night Time Economy Insight Reports 2025. This was adjusted to get the average spend per public transport trip – \$70.63.

⁸³ Transport for NSW (TfNSW) values private travel time at \$20.62/hour and applies a wait-time multiplier of 1.40 to reflect people's preference for in-vehicle time over waiting. This gives a private wait-time value of \$28.87/hour. Wait-time benefits are calculated as: Number of trips × reduction in wait time × value of private wait time.

⁸⁴ Using TfNSW's (2025) 'rule of half', the consumer surplus for trips switching from private vehicles to public transport is valued at half the private wait-time value (\$14.43/hour).

⁸⁵ Similarly, the consumer surplus for induced trips is valued at half the private wait-time value (\$14.43/hour), consistent with TfNSW's 'rule of half'.

⁸⁶ Subtotals may not sum to total due to rounding.

Table 10: Visits and spending in key precincts

Parameter	Value
New public transport trips (induced demand)	2.72 million
Average spending per public transport trip	\$70.63
Total new night-time spending (displaced spend + net spend)	\$192.0 million
Net new spending	\$76.8 million

While much of the additional spending reflects substitution away from other times or locations, it also indicates stronger consumer preferences for night-time activity when access improves. Around 60% of new spending is assumed to be displaced⁸⁷ from other times or locations (\$115.2 million), leaving \$76.8 million in spending that would not have otherwise occurred.

Importantly, the benefits are not confined to the 13 precincts analysed. Increasing the frequency of public transport along these corridors is likely to generate wider network effects, including increased visitation and spending in other areas served by the same routes, and reduced wait times for passengers travelling to destinations beyond the key precincts. These broader benefits, while not quantified here, suggest the overall economic impact of improved night-time transport could be higher.

Box 23: Case study – The Night Tube, London, UK

Since 2016, the Night Tube has been operated by Transport for London (TfL), offering 24-hour travel on Fridays and Saturdays across five London Underground lines, and some sections of the London Overground service. The service supports a wide range of participants in the NTE including shift workers, nightlife patrons, and tourists. It is complemented by an extensive NightBus network and taxi services. The Night Tube is estimated to boost London's night-time economy by GBP£77 million annually and supports around 2,000 permanent jobs.⁸⁸

Key facts:

- Trains typically run every 10–20 minutes.
- Cuts night-time journey times by approximately 20 minutes, with some routes saving over an hour.
- Off-peak fares apply. Oyster cards, contactless payments, and Day Travelcards are valid until 04:29 the next day.
- Daily capping still applies, making it cost-effective for late-night travel.
- All stations are staffed during Night Tube hours. British Transport Police patrol the network.
- Emergency help points and alarms are available at all stations.

⁸⁷ An average displacement rate of 0.6 is assumed based on the literature, including Stevely et al., 2021, Sherk et al., 2018, and Chikritzhs et al., 1997.

⁸⁸ Greater London Authority. 'The Night Tube'. London City Hall. Accessed 18 August, 2025. <https://www.london.gov.uk/transport/rail-and-underground/night-tube>

Recommendations

31. O24HEC and TfNSW should jointly identify opportunities to expand late-night transport.

This should involve ways to support transport to and from SEPs (especially in regional areas) and could include trialling extended late-night services to incentivise late-night trade.

32. Assess the costs and benefits of increased public transport access in night-time precincts.

This assessment should inform future investment and service planning, ensuring that operational decisions are grounded in robust evidence of economic and social benefit.

33. Prioritise operational solutions for public transport that are cost-effective and scalable.

These may include:

- minor timetable extensions or frequency increases in high-potential precincts.
- better promotion of existing late-night services.
- data-driven trials in areas where latent demand is likely to be unlocked by improved access.
- ongoing collaboration with councils and industry to align service provision with night-time activity patterns.

4.3.2 On-demand and shuttle transport in regional and low-service areas

While increasing the span and frequency of scheduled public transport is critical for metropolitan precincts, regional and outer-urban areas face unique challenges. Some regional councils report that public transport services often cease after 5pm, with limited or no late-night options. Taxi and rideshare availability is also constrained, and small vehicle pools can lead to significant price surges at peak times, making these services unaffordable for many. As a result, people rely on informal arrangements, such as family pick-ups, or wait until early-morning buses resume. In some cases, this lack of safe, affordable transport contributes to drink driving⁸⁹ and reduces safe participation in the NTE.

On-demand transport services can bridge these gaps by providing flexible, pre-booked options that connect people to nightlife precincts or transport hubs. The B-ConX On-Demand service in the Northern Rivers⁹⁰ region demonstrates the potential of this model. Operating since 2019, B-ConX allows passengers to book trips via an app to key destinations or transport hubs, improving connectivity for communities with limited fixed-route services. While currently a daytime service, its popularity suggests strong potential for evening extensions.

⁸⁹ Centre for Road Safety, Drink Driving Attitudes and Behaviours in NSW: Summary Report, *Transport for NSW*, June 2020, accessed 20 August 2025, <https://www.transport.nsw.gov.au/system/files/media/documents/2023/Drink%20driving%20attitudes%20and%20behaviours%20in%20NSW%20-%20Summary%20Report.pdf>

⁹⁰ Transport for NSW, 'Northern Rivers On Demand Service'. *Transport for NSW*, accessed 21 August, 2025. <https://transportnsw.info/travel-info/ways-to-get-around/on-demand/northern-rivershttps://transportnsw.info/travel-info/ways-to-get-around/on-demand/northern-rivers>

Some councils have expressed interest in trialling local shuttle loops during peak night-time periods. These services could operate on fixed or semi-flexible routes between major venues, accommodation areas, and transport nodes. Shuttle trials offer two key benefits:

- immediate safety improvements by reducing reliance on private vehicles and informal transport.
- evidence generation to inform TfNSW about latent demand and cost-effectiveness, supporting future investment in formal public transport or expanded on-demand services.

The main barriers to implementing on-demand or shuttle services include funding, regulatory approvals, and coordination with existing operators. However, councils report strong community support for innovative transport solutions, particularly when linked to broader safety initiatives such as improved lighting, CCTV, and the Purple Flag accreditation program (see Section 5.2.3).

Recommendations

34. Trial on-demand transport in low-service areas.

The NSW Government should extend existing services into evening hours and pilot new on-demand options in regional and outer-urban locations. These trials should capture usage, cost and safety data to inform future service planning and investment.

35. Introduce night-time shuttle loops as an interim solution while on-demand transport services are developed.

Councils should work with local operators to run shuttle services during peak NTE periods, such as weekends and event nights. These trials would improve safe access immediately and could provide evidence to support future TfNSW decisions on permanent public transport or on-demand services.

5 Understand and promote the state's night-time economy

The NSW Government has already passed two tranches of Vibrancy Reforms to reduce regulatory barriers and support a thriving 24-hour economy. While many of the reforms have been implemented and are demonstrating initial impacts, some of these reforms are yet to commence, and the NSW Government has signalled intent to progress further changes in the coming year.

These reforms represent a significant shift in how planning, licensing, and activation are managed, and their success depends on more than just legislative change. Businesses, councils and enforcement agencies need clear, consistent communication to understand what has changed (or will change) and how to take advantage of new opportunities.

Equally important is allowing time for these reforms to be 'bedded down' and evaluating their real-world impact. Understanding what works and what doesn't will help government refine its approach, avoid unintended consequences, and build confidence among stakeholders. Unlocking the unrealised potential of the NTE, as outlined in Section 2, requires more than just regulatory change, it requires awareness, confidence, and trust.

This section focuses on three priorities:

- communicating reforms effectively to businesses and councils so they can act on new opportunities.
- improving public perception to ensure that regulatory changes translate into increased participation and demand.
- building an evidence base through better data and evaluation to guide future decisions.

Together, these actions will ensure that the benefits of past reforms are fully realised and that future interventions are informed by evidence, not assumptions.

This section refers to a range of surveys of NSW residents and businesses (see Appendix G).

5.1 Communicate better to businesses, councils and enforcement agencies

NSW Government agencies have made a considerable effort to communicate Vibrancy Reform changes to different stakeholder groups. But the reforms have been fast-paced, complex and target a wide range of businesses. As a result, consultation highlighted an awareness and implementation gap. Many businesses and councils remain unsure what has changed under the Vibrancy Reforms and how to access the opportunities. Several councils also reported variable enforcement approaches across agencies, which undermines confidence and uptake.

5.1.1 Make businesses aware of new and existing opportunities

As discussed in Section 2.3, businesses are still unclear about all the opportunities created by the Vibrancy Reforms and other existing planning pathways, such as extended trading hours, live music incentives, and simplified outdoor dining approvals. This is despite awareness campaigns by the

O24HEC, including a three-part video series to explain to businesses what has already changed as part of the Vibrancy Reforms.⁹¹

Stakeholders said the pace and complexity of reforms have made it difficult for operators to keep up, leaving many unsure about what they can and cannot do. While retailers were not the core focus of the Vibrancy Reforms, a national business peak industry group summed this up in its submission.

Member awareness of recent vibrancy reforms remains limited. Businesses often cite communication gaps and implementation complexity as reasons for not engaging with available reforms.

Business industry group submission

However, there is some evidence that this is improving. In a recent Have Your Say survey (May–June 2025), 88% of licensed venues said they were fully or somewhat aware of the Vibrancy Reforms.⁹² This has not always translated into action on individual reforms. For instance, the same survey found that only 40% of licensed venues involved in live music or performance had registered with L&GNSW to access incentives like licence and application fee discounts.⁹³ The most common reason for not registering was ‘unaware of incentives.’

The Property Council of Australia highlighted that property owners and investors have not been looped in on the positive benefits of the recent Vibrancy Reforms and what they mean for property activation.

There is a lack of clear guidance for property owners and prospective investors on the impact of recent vibrancy reforms. The value of reforms such as Special Entertainment Precincts have not been translated to the sector in a meaningful way. We see a gap in knowledge and an opportunity to educate and promote the uptake of these policy changes.

Property Council of Australia submission

The NSW Government could improve awareness of existing programs, like the Hospitality Concierge and Service NSW Business Bureau (see Box 24), which provide free, tailored advice to NTE businesses. These could be enhanced to include proactive outreach to businesses in identified high-priority precincts or industries.

⁹¹ Office of the 24-Hour Eco3nomy Commissioner. ‘Vibrancy Reforms’. n.d. Accessed 26 August 2025. <https://www.nsw.gov.au/business-and-economy/office-of-24-hour-economy-commissioner/vibrancy-reforms>.

⁹² NSW Department of Customer Service. ‘Have Your Say: Impact of NSW Vibrancy Reforms on Licensed Venues’. 23 July 2025. p. 7.

⁹³ NSW Department of Customer Service. ‘Have Your Say: Impact of NSW Vibrancy Reforms on Licensed Venues’. 23 July 2025. p. 13 & 14.

Box 24: Hospitality Concierge and the Service NSW Business Bureau

Hospitality Concierge⁹⁴

The Hospitality Concierge, an initiative by L&GNSW, aims to function as a 'one stop shop' for hospitality businesses for personalised support on new liquor licence reforms and related initiatives. Businesses who can book a call back with an expert online.

In the Have Your Say survey (May–June 2025), 85% of licensed venues ranked the Hospitality Concierge service as 'somewhat-' or 'very-helpful'.⁹⁵

Service NSW Business Bureau⁹⁶

The Service NSW Business Bureau provides free personalised local support to small businesses on a range of issues including how to start a business and how to access government programs and services. Businesses can book a call with a Business Concierge via:

<https://mybusiness.service.nsw.gov.au/book-a-call>.

Consultation also revealed that businesses want to see real life before-and-after stories of other businesses who have successfully implemented new or existing opportunities like the Vibrancy Reforms and the associated benefits – like increased patronage and turnover. Businesses want practical, relatable evidence and case studies, not just policy summaries. The O24HEC already shares news, events and case studies on its 'Neon Marketplace' webpage.⁹⁷ The NSW Government could approach businesses who have made the most of these opportunities to build on these case studies.

Recommendations

36. Improve awareness of existing programs, like the Hospitality Concierge and the Service NSW Business Bureau.

These provide free, tailored advice for NTE businesses on a range of issues, including the Vibrancy Reforms and related initiatives. These could be enhanced to include proactive outreach to businesses in identified high-priority precincts or industries.

37. Build on the case studies on the O24HEC's Neon Marketplace.

Showcase real businesses that have successfully leveraged reforms, including costs, steps taken and benefits (like increased patronage and revenue uplift). Include examples from SEPs and outdoor dining initiatives. Proactively share these case studies with businesses where take-up may be limited by an awareness barrier.

⁹⁴ Liquor & Gaming NSW. 'Hospitality Concierge'. n.d. Accessed 21 August 2025.

<https://www.liquorandgaming.nsw.gov.au/operating-a-business/running-your-business/hospitality-concierge>

⁹⁵ NSW Department of Customer Service. 'Have Your Say: Impact of NSW Vibrancy Reforms on Licensed Venues'. 23 July 2025. p.23

⁹⁶ Service NSW. 'Personalised support for your business'. Jul 2, 2025. Accessed 7 August 2025.

<https://www.service.nsw.gov.au/business/business-concierge-service>

⁹⁷ Office of the 24-Hour Economy Commissioner. 'Neon Marketplace'. n.d. Accessed 22 August 2025.

<https://www.neonmarketplace.nsw.gov.au/article-event/>

5.1.2 Empower councils to educate businesses on the implications of reforms in their LGA

Many councils told us they have taken on a major role in helping businesses navigate the Vibrancy Reforms. This has been challenging because planning and business engagement functions are often separate within local government. Communication between planning officers (who understand the reforms) and engagement officers (who liaise with businesses) has not always kept pace due to time and resource constraints. Survey data reflects this gap. In the Have Your Say survey, 43% of licensed venues rated council communications about outdoor dining changes as 'very-' or 'somewhat-' ineffective.

Despite these challenges, councils are well placed to communicate with businesses because they understand local conditions, processes and relevant stakeholders. Councils asked that the NSW Government continue to work with them to improve internal understanding of the reforms, so that they can communicate clearly and consistently with businesses. The NSW Government should:

- **Provide councils with a standardised communications toolkit and briefing on the Vibrancy Reforms.** This could include plain-English templates, FAQs, and visual guides that councils can adapt and send to businesses to educate them on the reforms.
- **Ensure councils understand the guidance documentation and provide clarity to councils on these documents when necessary.** Most councils have found the guidance documents produced to date wanted, practical and easy to understand. However, some councils suggested aspects of the guidance materials could be made clearer to help staff and communities better understand and implement requirements.
- **Work with Local Government NSW to encourage councils who are champions of the Vibrancy Reforms to share best practice resources.** This could include a council-to-council best-practice library. For example, the Inner West Council could share its 'Good Neighbour Policy' noise complaint handling framework and with other councils to reduce duplication and increase speed of adoption.⁹⁸

O24HEC is already developing a template 'Good Neighbour Policy' for councils to adapt and apply in their LGAs, including within SEPs. The library could complement the SEP Community of Practice, a forum established by O24HEC, to share learnings between councils for the successful implementation and management of SEPs. It provides a platform to submit ideas and feedback and connect SEP councils to one another.

Councils could then deliver tailored support to businesses on the reforms through channels like:

- hosting sessions for NTE businesses to explain the reforms and their local implications. For example, Inner West Council hosts free webinars to educate businesses on SEP benefits.⁹⁹
- establishing a business concierge function or a one-stop shop, as Inner West Council has done.
- engaging influential local businesses to spread the word among the NTE business community.

⁹⁸ Inner West Council. 'Good Neighbour Policy'. Apr 16, 2024. Accessed 15 August 2025. <https://yoursay.innerwest.nsw.gov.au/good-neighbour-policy-pe>

⁹⁹ Inner West Council. 'Special Entertainment Precincts Business Webinars'. Aug 5, 2025. Accessed 15 August 2025. <https://yoursay.innerwest.nsw.gov.au/seps/special-entertainment-precincts-business-webinars>

Recommendations

38. The NSW Government should continue to work with councils to improve their understanding of the Vibrancy Reform changes.

This could include:

- providing councils with a standardised communications toolkit and briefing on the Vibrancy Reforms
- ensuring councils understand guidance documentation and provide clarity to councils when necessary
- working with Local Government NSW to encourage councils who are champions of the Vibrancy Reforms to share best practice resources.

39. Councils should explore the benefits of delivering proactive and tailored support to help businesses navigate and embrace the Vibrancy Reforms, including through education, concierge-style assistance and peer-led engagement.

5.1.3 Ensure enforcement of new rules is consistent across the state

Agencies with enforcement responsibilities, such as NSW Police Force (NSWPF) and L&GNSW, are critical partners in delivering the objectives of the 24-Hour Economy Strategy. Their engagement during both policy design and implementation is essential to ensure shared understanding and ensure reforms are applied consistently.

Consultation revealed varying perspectives on enforcement. Several stakeholders were concerned about perceived inconsistencies in enforcement across different areas, creating uncertainty for businesses. Some noted challenges in aligning enforcement practices with local vibrancy initiatives, particularly around extended trading hours or activating public spaces. Others observed that enforcement approaches can vary across precincts and regions, sometimes appearing more conservative or reactive. Recognising some discretion is required in the risk-based application of regulation, there was a view that clearer guidance and more consistent collaboration would support reform objectives.

Stakeholders also held differing views on the visibility of enforcement. Some suggested that a heavy police presence can influence patron behaviour and lead to worse perceptions of safety, while others believed visible policing reassures patrons, deters antisocial behaviour, and creates the safe environment in which a NTE can thrive.

To support alignment and address these differing perspectives, the NSW Government should consider whether there are opportunities to improve communication and joint planning between councils, enforcement agencies, and other partners, and whether practical guidance could be used to improve consistency.

Recommendation

40. The NSW Government should investigate opportunities to improve cooperation between businesses, councils and enforcement agencies to address perceptions of inconsistency

This could involve improved communication on compliance expectations (for example through circulars, scenario-based guides, and precinct briefings) to ensure rules are enforced in a way that builds confidence and improved vibrancy.

5.2 Strengthen public perception of NSW' night-time economy

Despite measurable improvements in venue numbers (see Section 2.2), public perception of Sydney's nightlife remains subdued. Survey data underscores this challenge:

- **DCS Customer Sentiment Survey** (September 2024): Compared to 12 months ago, more NSW residents feel that nights out are getting better than worse. Satisfaction with the availability of night-time entertainment remains steady with September 2023. While more people see Sydney CBD as offering high-quality options than their local area, a greater share of residents' report going out locally in the past seven days.¹⁰⁰
- **Ipsos Survey:** Perceptions have declined across Greater Sydney and surrounding metro areas. Fewer residents now agree that nightlife is safe, inclusive, accessible, and affordable. A 'lack of interesting activities' and 'too much focus on alcohol in nightlife' were two of the top five identified barriers to going out at night.¹⁰¹
- **Have Your Say survey:** One-third of businesses in NSW believe the Vibrancy Reforms have improved night-time activity in their local area (30% of regional respondents, half of metropolitan respondents).¹⁰²

This data highlights a persistent tension: while residents express a desire to 'do more' at night, many businesses cite 'no demand' as a reason for limited late-night operations. This disconnect is compounded by lingering reputational effects from the lockout laws and COVID-19 lockdowns.

Although these effects may fade as Vibrancy Reforms take hold and SEPs become more visible, perception change will not happen automatically. It requires visible activity, consistent and effective messaging, and strong leadership from businesses and councils – not just government.

5.2.1 Shift the narrative with businesses and councils as champions of nightlife

The NSW Government has laid the groundwork through reforms and targeted programs, but the most credible advocates for a vibrant nightlife are the businesses and councils. Marketing Sydney's

¹⁰⁰ NSW Government. 'DCS Customer Insights: Understanding sentiment on the night-time economy'. 6 November 2024. p. 3 & 5.

¹⁰¹ Ipsos. 'NSW Night Time Economy: Wave 4 research report'. June 2025. p. 26.

¹⁰² NSW Department of Customer Service. 'Have Your Say: Impact of NSW Vibrancy Reforms on Licensed Venues'. 23 July 2025. p. 10.

NTE should not be seen as a government responsibility alone. Businesses (like hospitality, retail, entertainment) are major beneficiaries of increased night-time spending and should lead in promoting the experience. Councils, as primary coordinators of local activation, are equally critical.

Government's role should focus on enabling and amplifying these efforts. This includes:

- **Leveraging existing programs:** Uptown Districts, Neon Marketplace and Community Improvement Districts, already enable shared branding, collateral, and economies of scale for precinct marketing (see Box 25).
- **Encouraging councils and business collectives** to use these platforms to tell positive stories about their precincts, events, and cultural offerings.
- **Building confidence through visibility:** as SEPs and other reforms become embedded, businesses that embrace extended trading, live performance, and diverse offerings will help shift perceptions faster than any campaign.

Cultural expectations take a long time to change. The public will respond to what they see – businesses and cultural industries creating a nightlife offering – not the reforms themselves.

Sydney metro council submission

Cultural expectations take time to change, but perception follows experience. Residents will respond to what they see: lively venues, safe streets, and diverse offerings, not policy announcements. Businesses and councils that embrace reforms and actively market their precincts will accelerate this shift, while government can support by:

- providing access to shared content libraries and branding assets.
- facilitating collaboration between councils and business groups.
- continuing to promote success stories through existing media and digital channels.¹⁰³

¹⁰³ Office of the 24-Hour Economy Commissioner. 'Neon Marketplace – Districts'. n.d. Accessed 16 August 2025. <https://www.neonmarketplace.nsw.gov.au/district/>.

Box 25: Existing initiatives driving change

Uptown Districts

Supports local business groups to create distinctive precinct identities and marketing campaigns. For example, the Uptown District Acceleration Program helped to successfully bring Penrith's business community together, helping them market and brand their precinct. The key advantage has been clustering businesses geographically to create a stronger destination identity.¹⁰⁴

Neon Marketplace

A business-to-business digital platform developed by the O24HEC to accelerate connections between local businesses, artists, creatives, producers and local councils and find opportunities for collaborations and partnerships to activate, celebrate and promote precincts across NSW.¹⁰⁵

Community Improvement Districts (CIDs)

Creates an alternative way for businesses to coordinate to co-invest in marketing and activation. The Inner West Ale Trail – promoting breweries across Marrickville, Newtown, and surrounds – demonstrates how joint promotion can create a destination brand and attract new audiences.¹⁰⁶

Recommendation

41. Encourage businesses and councils to leverage existing precinct-based initiatives.

The NSW Government should prioritise enabling and amplifying business initiated and driven initiatives. For example, through programs like Uptown Districts, Neon Marketplace and CIDs.

5.2.2 Boost awareness and accessibility of affordable NTE activities

As discussed in Section 2.1.1, affordability remains the most regularly cited barrier to participation in NSW' NTE.

There is already a wealth of low-cost and free NTE activities available across Sydney and NSW, many of which are provided or supported by the NSW Government and local councils. These include regular night markets, outdoor movie screenings, community festivals, live music in public spaces, art exhibitions, and cultural performances.

¹⁰⁴ Office of the 24-Hour Economy Commissioner. 'Uptown District Acceleration Program.' n.d. Accessed 22 August 2025. <https://www.nsw.gov.au/business-and-economy/office-of-24-hour-economy-commissioner/uptown-program>.

¹⁰⁵ Office of the 24-Hour Economy Commissioner. 'About Neon Marketplace.' n.d. Accessed 22 August 2025. <https://www.neonmarketplace.nsw.gov.au/about-us>.

¹⁰⁶ Transport for NSW. 'Community Improvement District Pilot Program.' n.d. Accessed 15 August 2025. <https://www.transport.nsw.gov.au/industry/cities-and-active-transport/cities-revitalisation-and-place/festival-of-place-3>.

Major events like Vivid Sydney, where over 75% of the program is free,¹⁰⁷ attract large and diverse audiences. Councils such as the City of Sydney, Parramatta, and Inner West regularly curate and promote free or affordable activities through platforms like 'What's On' and local event calendars.

Opal fares are 30% cheaper on Fridays, weekends, public holidays and outside of peak times, making NTE travel more affordable.¹⁰⁸ The development of key NTE centres in places outside Sydney CBD through SEPs can also help bring transport barriers down as people can go out closer to home.

These initiatives make it possible for residents and visitors to enjoy the city after dark without significant cost, and they play a crucial role in ensuring the NTE is accessible and inclusive for all. The NSW Government can play an enabling role, linking people looking for low-cost activities with the opportunities, by both amplifying existing affordability messages and making these options easier to find via search engines and AI assistants. This includes:

- **Optimising government and council websites for discovery:** Review and update NSW Government and council web properties (like Destination NSW, event listings) to ensure search engines and AI crawler bots can reliably identify free and low-cost offers.
- **Promoting existing aggregators:** Encourage councils and business collectives to list events on platforms like City of Sydney's 'What's On' and 'Time Out,' which already have geographic and affordability filters.
- **Using existing assets:** Leverage the Destination NSW Content Library and government-owned channels to help councils and businesses promote affordable options without additional marketing spend.
- **Coordinating short-term alignment:** Partner with councils (as SEP leaders) and businesses to showcase free and low-cost itineraries anchored by major events and local activations.

There are still plenty of people that may not even be looking for night-time activities to participate in. While individual preferences are not the focus of this review, the benefits of engagement warrant some attention. One potential response could be a coordinated campaign to encourage people to get out and experience our cities and towns together, with a particular focus on solo visitors, newcomers, and those who may not typically participate in night-time activities. By promoting 'join in nights' or 'open nights' at galleries, museums, and other government-run venues on a regular basis (for example one night a month), and by partnering with councils and community groups (including sporting, cultural, and faith-based organisations), the campaign could help foster a sense of belonging and encourage people to connect with neighbours and the broader community.

¹⁰⁷ Destination NSW. 'Everything free at Vivid Sydney 2025'. Mar 18, 2025. Accessed 16 August 2025. <https://www.vividsydney.com/blog/everything-free-at-vivid-sydney>.

¹⁰⁸ Transport for NSW. 'Adult fares'. n.d. Accessed 18 August 2025. <https://transportnsw.info/tickets-fares/fares/adult-opal-fares>

Recommendation

42. Prioritise the discoverability and amplification of affordable and free NTE activities.

Achieve this by optimising NSW Government and council websites for search engine and AI crawler access, and by leveraging existing platforms to amplify visibility of low-cost and free options.

43. Initiate a coordinated 'Friday Night Live' campaign to encourage participation in the NTE.

This campaign could include:

- coordinated promotion of government-run and council-supported experiences (e.g. galleries, museums, community events), with a focus on 'join in nights' or 'open nights' that welcome solo visitors and newcomers.
- provision of campaign materials and toolkits for councils and community groups (including sporting, cultural, and faith-based organisations) to promote local participation.
- investigation of initiatives to encourage people to 'bring a neighbour' or connect with others outside their usual networks.

5.2.3 Promote uptake of existing safety initiatives

Safety remains a critical determinant of night-time participation. As discussed in Section 2.1.1, safety is a key barrier to going out at night.

Improving safety encourages more people, especially women, Aboriginal and Torres Strait Islander peoples, LGBTIQ+ people, and people with disability, to go out. This, in turn, makes public spaces busier and safer. A safe environment is essential to fully realise the benefits of the Vibrancy Reforms and ensure a night out is enjoyable for everyone.

Respondents to the Safer Cities Survey shared that lighting is the biggest factor influencing the route they take and that they feel safest in public spaces with lots of people around like high streets, town centres and plazas.¹⁰⁹

¹⁰⁹ Transport for NSW. 'Safer Cities Survey Report: Perceptions of safety in public spaces and transport hubs across NSW'. July 2023. Accessed 22 August 2025.
https://www.transport.nsw.gov.au/system/files/media/documents/2023/Safer-Cities_Survey-Report_0.pdf.

We know that women feel more confident about engaging in the night-time economy when other people are present and this could be achieved by having more people living in the city going about their lives day and night.

Paul Nicolaou, Executive Director, Business Sydney¹¹⁰

The NSW Government should seek to create vibrant spaces after dark by making it easier to open and run night-time businesses and by helping people get around and home safely. It should also focus on promoting and scaling existing safety initiatives while exploring innovative approaches that have proven effective internationally (see Box 26).

Councils and businesses need to see these initiatives as part of their precinct identity and marketing strategy. A stronger focus on safety will increase participation – particularly among women – creating busier, more vibrant precincts and reinforcing the benefits of the Vibrancy Reforms.

¹¹⁰ Taylor, Andrew. 'Why 90 per cent of women in Sydney don't feel safe at night'. Mar 4, 2023. *The Sydney Morning Herald*. Accessed 22 August 2025. <https://www.smh.com.au/national/nsw/why-90-per-cent-of-women-in-sydney-don-t-feel-safe-at-night-20230228-p5co8m.html>

Box 26: Current initiatives in NSW and overseas

Current initiatives in NSW

Purple Flag is an international accreditation program that has been found to reduce rates of crime and anti-social behaviour. The NSW Government launched the initiative in late 2022 and now has four Purple Flag areas – York, Clarence and Kent Streets in Sydney CBD, Parramatta CBD, Haldon Street in Lakemba and Illawarra and Marrickville Roads in Marrickville. O24HEC has recently opened registrations of interest to other Greater Sydney councils and precincts.^{111 112 113}

The **Safer Cities Program** is a TfNSW plan to improve perceptions of safety in cities and towns, with a particular focus on women, girls and gender diverse people. The program is investing \$30 million in initiatives like:

- The Safer Cities: Her Way partnership program with councils improves perceptions of safety in local public spaces and transport hub precincts. For example, the City of Sydney is testing out temporary improvements at Belmore Park like wayfinding, creative lighting, temporary seating, welcome banners, decorative graphics and community-led workshops and activities.
- The ‘Safer Cities State Partnerships’ to improve perceptions of safety on NSW Government-owned land. For example, TfNSW repurposed lights from VIVID to improve safety between public transport interchanges and Allianz Stadium in Moore Park.
- The ‘Street harassment has No Grey Area’ campaign to educate people around what constitutes street harassment.¹¹⁴

Community education programs like ‘**Think Safe to Drink Safe**’, which aims to inform the community about safer drinking behaviours and share tips on reducing risks to personal safety.¹¹⁵

International models of visible safety presence

Several global cities have introduced uniformed, non-police teams to improve safety and visitor experience in nightlife districts.

- Amsterdam deploys red-jacketed ‘hosts’ in areas like Rembrandtplein and Leidseplein on busy nights to welcome visitors, provide directions, remind patrons of local rules, and report issues to authorities – a visible, hospitality-style presence that reassures without policing.¹¹⁶
- The City of Brussels’ prevention service – the Bravvo – has ‘Bruciteam’ stewards who wear recognisable red jackets and patrol the city centre between 7 am – 8 pm on weekdays. They help maintain a safe and pleasant environment by assisting the public with questions or problems; monitoring cleanliness, street furniture and public behaviour; and liaising with city services and not-for-profit organisations.¹¹⁷
- The City of Paris funds street mediators who help mediate minor conflicts, help vulnerable people and alert municipal teams to street maintenance or cleaning issues.¹¹⁸
- Across the UK, ‘Street Pastors’ are volunteer Christians who support late-night revellers on Friday and Saturday nights by offering first aid, directions, and help getting home safely, reducing pressure on emergency services.¹¹⁹

These models demonstrate how visible, approachable teams can boost perceived safety, de-escalate low-level issues, and enhance the NTE experience without replacing formal policing.

Recommendations

44. Enhance visibility and uptake of existing safety initiatives like Purple Flag.

The NSW Government should promote programs such as Purple Flag by highlighting their benefits through government channels, encouraging councils and venues to participate, and showcasing success stories.

45. Explore the feasibility of introducing night-time host programs.

The NSW Government should explore the viability and benefits of working with councils and businesses to trial non-police night hosts in precincts identified through community feedback, public health data, and policing insights as safety concerns. These hosts would provide wayfinding and early intervention, create a welcoming environment and reinforce perceptions of safety without replacing formal enforcement.

5.3 Identify and address data gaps to improve decision making

Robust data and information flow are critical to evaluating the NSW 24-Hour Economy Strategy and guiding evidence-based decisions. Better access to insights for NSW Government, councils and industry will enable more targeted interventions and stronger economic outcomes.

¹¹¹ Office of the 24-Hour Economy Commissioner. 'Purple Flag.' n.d. Accessed 12 August 2025. <https://www.nsw.gov.au/business-and-economy/office-of-24-hour-economy-commissioner/purple-flag>

¹¹² Association of Town & City Management. 'Purple Flag.' n.d. Accessed 12 August 2025. <https://www.atcm.org/purple-flag>

¹¹³ Box, Laura. '24-Hour Economy Commissioner opens ROIs for Purple Flag.' *Hospitality magazine*. 12 August 2025. <https://www.hospitalitymagazine.com.au/24-hour-economy-commissioner-opens-rois-for-purple-flag-initiative/>

¹¹⁴ Transport for NSW. 'Safer Cities Program.' n.d. Accessed 12 August 2025. <https://www.transport.nsw.gov.au/industry/cities-and-active-transport/cities-revitalisation-and-place/festival-of-place-0>

¹¹⁵ Liquor & Gaming NSW. 'Think Safe to Drink Safe toolkit.' May 14, 2025. Accessed 25 August 2025. <https://www.nsw.gov.au/business-and-economy/liquor-and-gaming/liquor-licensing/resources/think-safe-to-drink-safe-toolkit#:~:text=Think%20Safe%20to%20Drink%20Safe%20aims%20to%20educate%20the%20community,community%20and%20keep%20patrons%20safe.>

¹¹⁶ Henley, Jon. 'The stuff of night mayors: Amsterdam pioneers new way to run cities after dark.' *The Guardian*. Mar 21, 2016. Accessed 20 August 2025. <https://www.theguardian.com/cities/2016/mar/21/night-mayor-amsterdam-holland-mirik-milan-night-time-commission>.

¹¹⁷ Bruxelles Avance Brussel Vooruit. 'Stewards Bruciteam.' 2018. Accessed 22 August 2025. https://bravvo.bruxelles.be/sites/default/files/users/user139/BRUCITEAM-flyer_2018_A6_web.pdf.

¹¹⁸ La Ville de Paris. '135 médiateurs pour tranquilliser les quartiers.' Oct 31, 2024. Accessed 22 August 2025. <https://www.paris.fr/pages/la-mediation-de-rue-les-mediateurs-18392>.

¹¹⁹ Ascension Trust. 'What is a street pastor?' n.d. Accessed 22 August 2025. <https://www.streetpastors.org/about-us/what-is-a-street-pastor/#:~:text=Street%20pastors%20are%20trained%20volunteers,are%20out%20on%20the%20streets.>

NSW Government should also look to expand the use of quantitative and qualitative data to measure the social and cultural benefits of the NTE.

Currently, access is constrained by two key factors:

- data availability and procurement
- permissions to share insights with specific audiences, which remain a significant barrier due to commercial agreements with other NSW Government agencies and data providers.

DaD platform already plays a central role by combining, visualising and comparing the economic performance of the NSW NTE over time. It supports decision-making on interventions and tracks the impact of policy and program initiatives at a state and precinct level.

The *24-Hour Economy Commissioner Act 2023* provides a legislative basis for inter-departmental data sharing, reinforcing the Commissioner's mandate to drive collaboration, raise awareness of NTE issues and advocate for policy improvements. Expanding access to the DaD, as well as growing the data sets that feed into the platform, aligns with this remit.

Despite the significant investment in proprietary datasets within DaD, these resources are not always being fully leveraged. In some cases, existing data is difficult to interpret or insufficiently aligned with decision-making needs. To maximise value, O24HEC should not only close data gaps but also audit existing datasets to ensure they are fit-for-purpose and delivering on their intended objectives.

5.3.1 Close data gaps and unlock opportunities with data after dark

Several key gaps in the data available to DaD inhibit the ability to comprehensively measure outcomes and inform policy. Addressing the gaps identified in Table 11 will strengthen the evidence base for decision-making across NSW.

Table 11: Current NTE data gaps

Data gap	Why it matters to policymakers
<p>Precinct-level safety data for incidents</p> <ul style="list-style-type: none"> • Precinct level NSW Bureau of Crime Research and Statistics (BOCSAR) data • Incidents at night-time venues • Police callout and solicited/unsolicited inspection data in the precincts • Incidents on public transport (TfNSW incident data) 	<p>DaD only has SA2 level data on safety incidents, which is too large for the precinct-level analysis. Currently BOCSAR data only captures severe incidents and does not get down to SA1 level.</p> <p>This data would allow for precinct-level insights and more insights into safety concerns, wellbeing of residents and the NTE.</p> <p>This data would enable better understanding of the gaps between actual crime incidents and night-time safety perception.</p>
<p>Google API (business trading hours) or hourly spend data</p>	<p>Current data does not accurately capture ‘take up’ of later trading opportunities. This data would enable monitoring of the changes in business trading hours in response to regulatory interventions that extend trading hours (like SEPs, Codes SEPP amendments, live music incentives).</p> <p>This approach would assess the extent to which businesses take up trading hours (Google API or spend data) relative to permitted trading hours (based on Codes SEPP/LEP or liquor licences).</p> <p>This allows policymakers to better evaluate the impact and outcomes of reforms (like the Vibrancy Reforms) and determine where there is additional demand for future reforms.</p>
<p>Precinct/small region spending data</p>	<p>Access to this data would enable more detailed assessment of the impact of regulatory/policy changes in a specific precinct or region (like a SEP).</p>
<p>Hourly or three-hourly spend data</p>	<p>Access to this data would improve analysis of late-night trading patterns and aligns spend data with other granular datasets.</p>
<p>Overseas visitors spend</p> <ul style="list-style-type: none"> • A major credit card provider can provide this data. 	<p>The current bank transaction provider does not provide these insights.</p> <p>Access to this data would strengthen visitor economy analysis and inform targeted precinct strategies to attract and serve overseas visitors.</p>

Data gap	Why it matters to policymakers
<p>Residential property values and rental data</p> <ul style="list-style-type: none"> Residential property values near SEPs can act as a proxy for the business value and consumer benefit that SEPs create. 	<p>Access to this data would allow testing of the positive and negative amenity impacts of increased night-time activity in precincts (like SEPs) for businesses and consumers (like SEPs).</p> <p>This data can also reflect the improved amenity and desirability of living close to vibrant, well-managed precincts.</p>
<p>Transport mode shares</p>	<p>Existing mobility data available to DaD underrepresents public transport usage, resulting in unreliable estimates of mode share.</p> <p>Access to this data would enable understanding of how people travel to and from night-time precincts, particularly during peak evening and late-night periods.</p> <p>Improved data would support more targeted transport planning, including identifying precincts that may benefit from increased public transport frequency, extended service hours or alternative transport options. It would also enable more robust evaluation of public transport policy interventions.</p>

Recommendations

46. Prioritise acquisition of proprietary data by clearly weighing intended use cases and expected benefits against costs.

Where the benefits are significant and cost-effective, the NSW Government should strengthen inter-agency data collaboration to address identified data gaps. Relevant data custodians such as NSWPF or TfNSW should support the DaD project and work with O24HEC to overcome barriers to deliver maximum value for monitoring, policy evaluation and decision-making. As part of this prioritisation, the O24HEC should discontinue, pause or renegotiate spend on datasets that are not serving their intended purpose, and redirect investment to higher-value datasets or alternative sources that better meet decision-making needs.

47. Audit DaD's data sources and reporting objectives, to confirm alignment with strategic needs, then work with the ABS to identify opportunities to use existing ABS data assets.

This engagement should also map critical data gaps that have been identified by O24HEC – particularly robust measures of employment and hours worked in the NTE by industry – and explore how the ABS can help address them.

48. Work towards making parts of the DaD platform publicly available, while safeguarding commercial and privacy considerations.

Real-time, open access to some of this data will enhance transparency, support evidence-based decision-making and empower businesses and communities to foster a vibrant NTE.

49. Explore commercial licensing of DaD data under strict confidentiality agreements.

Revenue from these arrangements should be reinvested to improve the granularity, quality, and coverage of the data available.

50. Actively promote awareness and use of DaD by councils.

This could include communicating what data is available, continue to refine the dashboard on platform design and data acquisition (according to user feedback) and publishing case studies that showcase successful applications of the platform.

5.3.2 Use wellbeing framework to track NTE outcomes and investigate the quantification of its social and cultural benefits

Funding proposals for NTE initiatives routinely quantify costs (including policing and health services), but benefits such as social connection, cultural participation and perceived safety are difficult to quantify (see Section 3.5.1) and often treated qualitatively or omitted entirely. That skews decisions against proposals that deliver real – but under-measured – community value. Stakeholder consultations echoed this with one council emphasising the role of cultural and creative organisations in agglomeration and precinct vitality is rarely captured in current measurement.

The NSW Government's Performance and Wellbeing Framework provides a structured way to link government spending to outcomes that matter to communities (see Box 27).¹²⁰ Outcomes under the framework with the strongest links to the NTE are under the 'prosperous' and 'community' themes and include:

- A vibrant and diverse economy that supports improving living standards.
- Creative and cultural sectors are sustainable and growing.
- Communities are diverse, engaged and cohesive.

As part of the framework, the NSW Government tracks metrics aligned to these outcomes, such as nominal night-time in-person spending, cultural institution visitation, and live performance attendance. Considering how proposals contribute to relevant wellbeing outcomes helps to ensure that proposals are assessed not only on economic returns but also on their contribution to wellbeing and social value.

Box 27: NSW Performance and Wellbeing Framework

The NSW Performance and Wellbeing Framework maps progress against the NSW Government's key priorities by regularly reporting on a targeted set of performance and wellbeing measures.

The Framework has eight wellbeing themes: healthy, skilled, prosperous, housed, secure, community, connected and sustainable.

Under these themes sit 28 NSW outcomes that represent the focus areas for government that contribute to wellbeing. Selected wellbeing metrics and performance indicators are then used to track performance towards achieving outcomes and how government spending is delivering on its key priorities.

The ACT Government has integrated its Wellbeing Framework¹²¹ into policy appraisal, including its 'Night-time Economy Review' which emphasises embedding wellbeing benefits into decision-making. For example, the review suggested considering wellbeing benefits like mental health and social connection when assessing proposals related to the NTE.¹²²

Internationally, the UK has gone further: the Department for Culture, Media & Sport commissioned Frontier Economics to monetise the health and social care impacts of cultural engagement. It used insights from a literature review and culture and heritage engagement data to develop 10 valuation models that measured the impact of specific interventions (like weekly organised arts activities) on outcomes (like mental health) for set groups (like young adults). The study found that the individual

¹²⁰ NSW Government. 'NSW Budget 2025-26 Budget Paper No.02 Performance and Wellbeing.' Jun 24, 2025. Accessed 14 August 2025. <https://www.budget.nsw.gov.au/sites/default/files/2025-06/bp2-performance-and-wellbeing-statement-nsw-budget-2025-26.pdf>.

¹²¹ ACT Government. 'ACT Wellbeing Framework.' 2020. Accessed 31 July 2025. https://www.act.gov.au/_data/assets/pdf_file/0004/1498198/ACT-wellbeing-framework.pdf.

¹²² ACT Government. 'Night-time Economy Review: Better Regulation Taskforce Reform Program to July 2024.' Feb 2024. Accessed 31 July 2025. https://www.act.gov.au/_data/assets/pdf_file/0012/2790948/Night-time-economy-review-paper.pdf.

benefits of specific engagements range from GBP£68 per person per year to GBP£1,310 per person per year. Society-wide benefits range from GBP£18.5 million a year to GBP£8 billion a year.¹²³

Similarly, Museums Victoria engaged Ethos Urban to quantify the combined economic and social value of its cultural institutions (including Melbourne Museum, the Immigration Museum and Scienceworks), demonstrating that these benefits can be credibly measured.¹²⁴

The NSW Government should encourage policymakers to refer to the NSW Performance and Wellbeing Framework when developing NTE-related proposals. Embedding wellbeing into NTE decision-making will:

- provide a balanced view of costs and benefits, reducing bias against socially valuable initiatives.
- strengthen the case for investment in cultural and creative sectors, which underpin vibrant precincts.
- align NTE policy with the NSW Government's broader commitment to wellbeing as a driver of resource allocation.

The NSW Government could also undertake work to value the social and cultural benefits of the NTE in NSW. This work will support evidence-based analysis for business cases and regulatory impact analysis for NTE-related policy changes.

Recommendations

51. Encourage policymakers to use the NSW Performance and Wellbeing Framework when developing NTE-related proposals.

In particular, policymakers should consider the outcomes under the 'prosperous' and 'community' themes when developing and assessing NTE proposals.

52. Measure the social impacts of the Vibrancy Reforms and other NSW Government initiatives.

Use methods such as surveys, focus groups and interviews to capture social outcomes like perceived safety, social connection and cultural participation, complementing evidence of economic outcomes already gathered. Ensure data collection and reporting reflect the experiences of different demographics and social groups, so insights inform inclusive policy and program design.

53. Develop guidance on how to value and apply social and cultural benefits of the NTE initiatives in NSW that can inform business cases and regulatory impact analysis.

Use this work to support ongoing improvement of the 'menu' of benefits and costs of NTE businesses in Recommendation 16.

¹²³ Frontier Economics. 'Culture and Heritage Capital: Monetising the impact of culture and heritage on health and wellbeing. Prepared for the Department for Culture, Media & Sport.' Nov 12, 2024. Accessed 24 July 2025. https://assets.publishing.service.gov.uk/media/678e2ecf432c55fe2988f615/rpt_-_Frontier_Health_and_Wellbeing_Final_Report_09_12_24_accessible_final.pdf

¹²⁴ Ethos Urban. 'The Economic and Social Value of Museums Victoria.' n.d. Accessed 15 August 2025. <https://ethosurban.com/projects/the-economic-and-social-value-of-museums-victoria/>

5.3.3 Conduct a ‘sludge audit’ of planning and regulatory processes for small and mid-sized businesses

Small and medium-sized businesses (and councils themselves) consistently report that planning and regulatory systems are complex, duplicative and costly. Yet there is little visibility at the state level of the cumulative burden these processes create. Even modest frictions can deter operators from investing or expanding, particularly in the NTE.

A **sludge audit** (see Box 28) provides a systematic way to identify and reduce these barriers. It maps the end-to-end user journey, traces all approvals, forms, fees and sequencing, and distinguishes which steps are truly essential versus those that add avoidable friction.¹²⁵

Box 28: What is sludge?

What is sludge?

Sludge refers to the unnecessary frictions that make it harder for people to achieve their goals when interacting with government. For example, confusing forms, duplicative requests or avoidable delays.

Sludge audits go beyond traditional red tape reduction by also capturing behavioural and psychological burdens. Evidence shows that even small frictions can significantly reduce take-up of services or compliance with regulations.

Source: NSW Government, Behavioural Insights Unit (2025). *Sludge Toolkit*.

NSW has conducted over 100 sludge audits across government, improving services by reducing processing times, cutting unnecessary follow-up calls, increasing service uptake and saving time for both business and government. These methods are now recognised internationally. The Organisation for Economic Co-operation and Development has published guidance based on the NSW approach, and other jurisdictions are adopting sludge audits as a systematic tool for red tape reduction.¹²⁶

If applied to planning and regulatory processes, sludge audits would provide an evidence base to streamline requirements for small and medium-sized businesses, target reforms and make regulatory interactions clearer, faster and more inclusive.

¹²⁵ NSW Government, Behavioural Insights Unit (2025). *Sludge Toolkit*, <https://www.nsw.gov.au/departments-and-agencies/behavioural-insights-unit/sludge-toolkit>

¹²⁶ OECD, 12 June 2024, Fixing frictions: ‘sludge audits’ around the world, https://www.oecd.org/en/publications/fixing-frictions-sludge-audits-around-the-world_5e9bb35c-en.html

Recommendations

54. Commission a 'sludge audit' to map the end-to-end planning and regulatory process for a typical small to medium-sized night-time economy business.

The audit should:

- identify all approvals, fees and forms required for common NTE activities (e.g. extending trading, adaptive reuse/change of use and small-scale entertainment).
- highlight opportunities to streamline processes, eliminate duplication, or improve sequencing across agencies.
- test whether the complexity and cost of DA submissions exceed what is required for a safe and effective planning system.
- benchmark actual DA timeframes against what should reasonably be expected.

55. Consider implementation of reforms arising from the 'sludge audit.'

This should include:

- changes that the NSW Government can make to its regulatory policy processes.
- support for councils to simplify their processes and communicate them in a simpler way.

Appendix A: Terms of reference

Review purpose

Identify barriers to productivity in the night-time economy across the state and quantify the economic impact of these barriers for venues, events and precincts operating within, or with intent to operate within, the night-time economy.

Provide recommended actions for the NSW Government and other stakeholders to address these barriers, informed by ongoing work and existing analyses by NSW Government and other sources as required.

Scope

- With reference to consultation and research undertaken to date by NSW Government agencies, review current planning, liquor licensing and environmental barriers (including built environment, noise, and barriers to point-to-point access) impacting the cost and ease of establishing, operating and growing night-time economy businesses including:
 - **Venues** (licensed and unlicensed) that host entertainment (for example live music, performance) and/or may or may not serve food and beverages.
 - **Entertainment-related events** (for example community festivals or performances) held in venues, public spaces, or on streets, from planning and approval to delivery.
- Identify the productivity and wider economic impacts of these barriers.
- Analyse the role of key stakeholders in overcoming these barriers.
- Provide prioritised recommendations to the Minister for the Arts, Music and the Night-time Economy to address key identified barriers (which may include legislative or regulatory changes).

Review process

The review will be undertaken by the NSW Productivity and Equality Commissioner, Mr Peter Achterstraat AM.

The work will be carried out utilising resources (funding and personnel) from NSW Treasury, Transport for NSW, and the Department of Creative Industries, Tourism, Hospitality and Sport and in consultation, as required, with the Vibrancy Regulatory Reforms Steering Committee.

The Commissioner will deliver a final report to the Minister for the Arts, Music and the Night-time Economy by end of August 2025. As part of this process, the Minister's Office should be briefed on the likely findings and recommendations in early August.

In undertaking its review, the Commissioner may:

- consult with NSW Government agencies, external stakeholders, and the community, as appropriate.
- assemble and analyse relevant data.
- draw on best practice in other jurisdictions, previous reviews, and published research.

The review will have regard to relevant reviews and documentation:

- NSW Parliament Inquiry into the music and arts economy (established 23 November 2017)
- Liquor & Gaming NSW Liquor licensing reform options discussion paper (late 2022/early 2023)
- Vibrancy Reforms (Tranche 1) (late 2023)
- Vibrancy Reforms (Tranche 2) (late 2024)
- Department of Planning and Environment Outdoor Dining Explanation of Intended Effect (October 2023)
- Department of Planning, Housing and Infrastructure Cultural SEPP Explanation of Intended Effect (December 2024)
- Relevant internal reports and documentation.

A governance framework is to be included in consultation with NSW Treasury, the NSW Productivity and Equality Commissioner, the Office of the 24-Hour Economy Commissioner, and Transport for NSW.

Appendix B: Scope of the review

Table 12: The NTE sectors included in the Review, based on the ANZSIC classification framework

Sectors	Title	ANZIC code
Core NTE		
Drink	Liquor Retailing	4213
	Pubs, Taverns and Bars	4250
Leisure and Entertainment	Motion Picture Exhibition	5513
	Creative and Performing Arts Activities	900
	Sports and Physical Recreation Activities	911
	Amusement and Other Recreation Activities n.e.c.	9139
	Clubs (Hospitality)	4530
Food	Cafes and Restaurants	4511
	Takeaway Food Services	4512
Non-Core NTE		
Retail	Electrical & Electronic Goods Retailing	422
	Clothing, Footwear & Personal Accessory Retailing	425
	Department Stores	4260
	Pharmaceutical and Other Store Based Retailing	427
	Sport & Camping Equipment Retailing	4241
	Entertainment Media Retailing	4242
	Toy & Game Retailing	4243
	Newspaper & Book Retailing	4244
	Marine Equipment Retailing	4245
Transport	Taxi and Other Road Transport	4623
	Parking Services	9533
	Rail Passenger Transport	4720
	Water Passenger Transport	4820
	Interurban and Rural Bus Transport	4621
	Urban Bus Transport (including Tramway)	4622

Table 13: The NTE sectors excluded from the review (ANZSIC definition)

Sectors	Title	ANZIC code
Core NTE		
Leisure and Entertainment	Horse & Dog Racing Activities	912
	Gambling Activities	920
	Brothel Keeping and Prostitution Services	9534
Non-Core NTE		
Care	Public Order and Safety Services	771
	Hospitals	840
Arts Education	Arts Education	8212
Libraries and Archives	Libraries and Archives	6010
Design	Architectural, Engineering and Technical Services	692
Food	Supermarket and Grocery Stores	4110
	Fresh Meat, Fish & Poultry Retailing	4121
	Fruit & Vegetable Retailing	4122
	Other Specialised Food Retailing	4129
Accommodation	Accommodation	4400
Infrastructure	Waste Collection, Treatment and Disposal Services	29
	Central Government Administration	7510
	Local Government Administration	7530
	Regulatory Services	7720
	Laundry & Dry-Cleaning Services	9531
Other Education	Adult, Community and Other Education n.e.c.	8219
Promotion	Advertising Services	6940
Research	Market Research and Statistical Services	6950
Sports Education	Sports and Physical Recreation Instruction	8211
Supply NTE		

Sectors	Title	ANZIC code
Drink	Beverage and Tobacco Product Manufacturing	12
	Liquor and Tobacco Product Wholesaling	3606
Leisure and Entertainment	Motion Picture and Video Activities	551
	Sound Recording and Music Publishing	552
Food	Food Product Manufacturing	11
	Catering Services	4513

Appendix C: Night-time economy milestones 2014-2025

Table 14: NTE timeline of milestones¹²⁷

Date	Milestone	Description
February 2014	Introduction of 'Lockout Laws'	Imposed 1:30am lockouts and 3:00am last drinks in the Sydney CBD and Kings Cross precincts, along with other restrictions, in response to concerns about alcohol-related violence.
March 2018	Committee for Sydney – Sydney as a 24-Hour City report	The report explored ideas to move the debate on the nighttime economy forward in Greater Sydney. It provided recommendations on expanding the diversity of nighttime activities, effective governance and regulation, integrated approaches to planning and transport, and the promotion of Sydney as a global 24-Hour city.
November 2017 – November 2018	NSW Legislative Council Planning and Environment Committee Inquiry into the music and arts economy in NSW	The Inquiry investigated cultural policies such as permanent and temporary venue spaces, the Government's response to the Night-Time Economy Roundtable Action Plan, realistic noise restrictions and environmental targets within local councils, and development applications for places of entertainment.
May 2019	Joint Select Committee on Sydney's Night Time Economy	A parliamentary inquiry was established to report on Sydney's NTE, including the impact of the lockout laws and measures to enhance safety and vibrancy.
September 2019	Joint Select Committee Report Published	The committee's final report made 40 recommendations, including the removal of the lockout laws in the Sydney CBD and a comprehensive overhaul of planning and licensing regulations.
January 2020	Relaxation of the lockout laws	The NSW Government began easing the lockout laws, introducing major relaxations in the CBD and Oxford Street precincts. Kings Cross remained subject to certain restrictions.

¹²⁷ This table represents an example of some programs, policy, and events that have played a part in shaping the night-time economy, it is by no means an exhaustive list.

Date	Milestone	Description
March – May 2020	COVID-19 pandemic – restrictions on gathering and movement – ‘lockdown #1’	Public health orders put in place by the NSW Government restricting the movement of people and gathering in public places, to combat the spread of COVID-19.
	Relaxed rules to temporarily allow late trading	Ministerial order put in place to allow certain activities without planning approval (e.g. 24-hour retail trading and dark kitchens)
September 2020	Original ‘24-Hour Economy Strategy’ launched	The original NSW Government blueprint for revitalising Greater Sydney’s night-time economy.
November 2020	<i>Liquor Amendment (Night-time Economy) Act 2020</i>	The first major legislative response to the Joint Select Committee’s recommendations, continuing the process of repealing lockouts and introducing measures to support live music and streamline regulations.
March 2021	Removal of most of the remaining lockout laws	The NSW Government removed almost all remaining lockout law restrictions, aligning with the government’s 24-Hour Economy Strategy.
April 2021	Appointment of the inaugural 24-Hour Economy Commissioner	Michael Rodrigues appointed NSW’ first 24-Hour Economy Commissioner, and the Office of the 24-Hour Economy Commissioner is established.
June – October 2021	COVID-19 pandemic – restrictions on gathering and movement – ‘lockdown #2’	Public health orders put in place by the NSW Government restricting the movement of people and gathering in public places, to combat the spread of COVID-19.
October 2021 – March 2022	Fun SEPP	Changes made to the State Environmental Planning Policy (Exempt and Complying Development Codes) 2008 to support hospitality, events and arts industries to recover and emerge from lockdown.
	Building Business Back Better	‘Building Business Back Better’ reforms make include making extended trading hours exempt development (6am-10pm), and 24-hour operation in some zones (for deliveries, not trading).

Date	Milestone	Description
	The Festival of Place Summer Night Fund	Every council in NSW was eligible to sign up for up to \$15,000 for free activations or events that enlivened public spaces in the evening or at night. This was part of the government's efforts to re-energise local centres in the evening and at night following lockdowns in 2021.
August 2022	First Purple Flag district receives accreditation – YCK	The international Purple Flag night-time precinct safety and vibrancy accreditation program begins rollout in Sydney across four pilot areas. The first accredited district is 'YCK' – York, Clarence and Kent Streets in the City of Sydney. This is followed by the accreditation of pilots in Parramatta, Lakemba and Marrickville.
September 2022	Uptown District Acceleration Program begins	Two-stage program (Uptown Accelerator and Uptown Grant) designed to fast-track the formation of local business communities and facilitate the growth of their districts into vibrant going-out hubs
October 2022	Hospitality Concierge launched	Hospitality Concierge is launched by Liquor & Gaming NSW to provide business owners with a more streamlined process for engaging with NSW Government.
April-December 2023	Establishment of the first SEP in NSW – Enmore Road	In April 2023, following a pilot phase, the NSW Government approved the Enmore Road precinct to progress towards becoming permanent. IWC declared the SEP permanent in December 2023.
November 2023	<i>24-Hour Economy Legislation Amendment (Vibrancy Reforms) Act 2023</i>	The first tranche of the Vibrancy Reforms, a package of legislation that removes red tape and boosts NSW' night-time economy, benefiting live music, dining and creative sectors. This included streamlining the state's entertainment sound management framework.
	Venues Unlocked program launched	O24HEC launches the Venues Unlocked program in partnership with Sound NSW to support venues offering regular live performance programming
December 2023	<i>24-Hour Economy Commissioner Act 2023</i>	Laws commence that establish the 24-Hour Economy Commissioner as a statutory appointment, with an expanded, statewide remit.

Date	Milestone	Description
January 2024	TfNSW launches Vibrant Streets Package	\$39 million investment to inject vibrancy into streets and create thriving local spaces that support businesses, creative sectors, and the community. Including two grant programs – Open Streets and Permit/Plug/Play
February 2024	Inaugural Live Performance Venue Accelerator	The first Live Performance Venue Accelerator takes place, providing dozens of small hospitality venues skills and knowledge in establishing and promoting live entertainment programming.
September 2024	Refreshed ‘24-Hour Economy Strategy’ launched	The new strategy takes on a statewide remit as well being informed by the perspectives of First Nations people, night-time workers and an emphasis on data-driven decision making.
October 2024	<i>24-Hour Economy Legislation Amendment (Vibrancy Reforms) Act 2024</i>	The second tranche of Vibrancy Reforms, providing additional support for venues and artists to flourish, further simplifying the management of entertainment sound, and removing red tape for local councils to host special events and outdoor activation.
	‘Data After Dark’ platform publicly launched	Data platform to track economic activity, mobility and safety across the state’s NTE.
	‘Neon Marketplace’ platform publicly launched	B2B platform enabling local businesses, artists and creatives to connect and collaborate to create more vibrant going-out destinations.
November 2024	Ministerial SEP Guidelines, supporting resources and SEP Kickstart Grant launched	O24HEC published the NSW SEP Guidelines, along with supporting resources for councils including a Handbook, Acoustic Toolkit and templates. The SEP Kickstart Grant opens, providing funding to councils to assist them in establishing SEPs.
May 2025	<i>Community Improvement Districts Act 2025</i>	Legislation passes establishing CIDs following a TfNSW pilot program. CIDs are place-based partnerships between local government and the community, led by local businesses, to support and grow local economies, town centres and main streets.

Appendix D: Stakeholders consulted

Table 15: List of stakeholders consulted

Category	Stakeholder
Members of Parliament	The Hon. Kevin Anderson MP The Hon. Tim Crakanthorp MP The Hon. Alex Greenwich MP The Hon. Jo Haylen MP The Hon. Dr Sarah Kaine MLC The Hon. Jacqui Munro MLC The Hon. Dr Marjorie O'Neill MP The Hon. John Ruddick MLC
NSW Government agencies	Create NSW Department of Customer Service, Data Analytics Centre Department of Planning, Housing and Infrastructure Destination NSW Heritage NSW Liquor & Gaming NSW NSW Building Commission NSW Police Force NSW Small Business Commission Office of Local Government Office of the 24-Hour Economy Commissioner Screen NSW Transport for NSW
NSW local councils	Byron Shire Council City of Sydney Inner West Council Penrith City Council Tamworth Regional Council Wingecarribee Shire Council Wollongong Council

Category	Stakeholder
Industry or industry representatives	<p>Australian Hotels Association</p> <p>Australian Retailers Association</p> <p>Consume Planning Consultancy</p> <p>Ingenium Research</p> <p>Night Time Industries Association</p> <p>NSW Taxi Council</p> <p>Property Council of Australia</p> <p>Uber</p>

Appendix E: Consultation insights

Summary from Members of Parliament

Regulatory and planning barriers

- **Council resistance** to relinquishing control remains a major obstacle, even when state frameworks like SEPs are in place.
- **Planning and licensing misalignment** (for example DA vs. liquor licences) creates confusion and delays for businesses.
- **Noise restrictions, insurance costs, and red tape** hinder venue flexibility, especially for live music and extended trading.
- **One-stop shop models** within councils are seen as effective in streamlining approvals and resolving regulatory discrepancies.
- **Soundproofing grants** are helping venues adapt to compliance requirements.

Community and regional engagement

- **Community-led festivals** are popular but face challenges in funding, seasonal viability, and navigating council processes.
- **Good neighbour policies** help mediate tensions between residents and businesses, especially in contested precincts.
- **Public and third spaces** (for example parks, libraries, cafés) are vital for social connection, particularly in areas with limited private space.
- **Heritage sites** are being creatively repurposed, but accessibility and controversy around adjacent landmarks can complicate use.
- **Transport hubs** like Sydenham should be leveraged as cultural anchors, not just transit points.

Economic and social impact

- Emphasis on **non-monetary benefits** such as mental health, social cohesion, and cultural vibrancy.
- **Successful precinct models** (for example Newcastle's Midtown) demonstrate how targeted reforms can drive local economic uplift.
- **Cost-of-living pressures** mean reforms must be low-friction and supportive of time-poor businesses and modest consumer desires.
- **Regulatory experimentation** could be used to assist in any future trials. One suggestion was trial zones for alcohol liberalisation (for example public drinking during COVID) showed minimal adverse effects and are supported by international examples.
- **Mini-bus services, suburban venue growth, and informal trading** (for example food trucks, lemonade stand style businesses) show promise in decentralising vibrancy.

Workforce and industrial relations

- **Staffing shortages** persist in hospitality and specialist trades, particularly in regional areas.

- **Visa restrictions** (for example 417 visa limitations) hinder access to labour and disproportionately affect regional hospitality venues.
- Concerns about **worker protections**, especially for overseas workers, highlight the need for education and oversight.
- **Police and enforcement bodies** may need a better understanding of SEP provisions to manage events effectively.
- **Buskers and informal traders** seek deregulated opportunities, with a belief that the free market will self-regulate.

Grants and funding accessibility

- **Smaller community groups struggle** with complex grant applications and lack professional support.
- **Application processes should scale** with funding size to reduce administrative burden.
- Funding should be directed to initiatives with **clear community and cultural benefits**, not just economic metrics.
- **Concurrent application models**, council education (for example pattern books), and streamlined support are recommended to improve access and implementation.

Summary from councils

Systemic and structural barriers

- Planning and development complexity
 - DA processes are burdensome and costly.
 - Trial conditions lack limits, creating uncertainty.
 - Acoustic modelling challenges for SEP due to existing venue noise.
 - Planning portal has removed council control over processes.
- Regulatory overlap and inconsistency
 - Conflicting requirements between TfNSW, councils, and police.
 - Mixed-use businesses face unclear land use definitions.
 - Liquor licensing and planning misalignment.
- Infrastructure and transport limitations
 - Rideshare zones and loading areas face congestion and compliance issues.
 - Classified roads limit council powers for curbside adjustments.
 - Lack of signage and coordination for P2P transport.
- Economic constraints
 - Access to capital is a major barrier for small and young businesses.
 - Cost of venue upgrades and compliance deters activation.
 - Local ratepayer resistance to NTE spending.

Policy and reform implementation

- SEPs
 - SEPs are supported but vary in maturity and scope.
 - SEP implementation is costly and time-consuming.
 - Councils seek case studies and peer learning.
- Exempt development and Codes SEPP
 - Calls for expanded exempt development provisions for temporary events and low-risk uses.
 - Pre-approved event sites reduce red tape.
 - Suggestions to amend Codes SEPP to support adaptive reuse.
- Dual occupancy and adaptive use
 - Interest in enabling dual-purpose venues to reduce costs and increase flexibility.
 - Current planning instruments don't support shared use models.

Engagement and communication

- Business awareness and reform communication
 - Vibrancy Reforms are poorly understood by businesses and council staff.
 - Communication channels need improvement to reach small operators.
 - NSW Business Concierge is helpful but underfunded.
- Council and interagency coordination
 - Councils often bear the burden of educating stakeholders.
 - Fragmented internal communication within councils.
 - Need for whole-of-government coordination, especially with police.
- Community perception and cultural factors
 - Lower night-time demand in regional areas due to demographics.
 - Cultural differences influence night-time activity patterns.
 - Community resistance to NTE investment without visible benefits.

Summary from industry and agencies

- Planning and zoning reform
 - Calls for more flexible zoning to support mixed-use precincts.
 - Emphasis on streamlining planning approvals and aligning state-local policy frameworks.
 - Concerns about DA complexity and cost, especially for small businesses and accommodation providers.
 - Building code compliance triggered by planning changes; older buildings face upgrade cost burdens.

- Suggestions for incentives to convert underutilised commercial spaces and voluntary certification for night-use suitability.
- Transport infrastructure and access
 - Advocacy for improved pick-up/drop-off infrastructure in entertainment precincts.
 - Concerns raised about kerbside access due to cycle lanes and urban design changes.
 - Proposals for secure, well-lit transport hubs and shared-use zones.
- Regulatory duplication and cost burden
 - Frustration with overlapping planning and licensing requirements.
 - Highlighted cost disparities between different transport service models.
 - Small businesses face high insurance and public liability costs, and procurement challenges.
 - Building code mandates minimum facilities; egress and occupancy limits can restrict trade.
 - Property sector calls for concierge services to help navigate regulatory complexity.
- Accessibility and inclusion
 - Identification of declining availability of wheelchair-accessible transport.
 - Recommendations for integrated booking systems, increased driver incentives, and targeted funding.
 - Building code includes disability access provisions; heritage overlays may complicate upgrades.
- Economic activation and precinct development
 - Support for incentives to encourage late-night retail and cultural activity.
 - Interest in leveraging temporary events and pop-ups to stimulate precinct vibrancy.
 - Suggestions for precinct-based marketing and shared services.
 - Proposals for shared tenancy models, NEON Marketplace expansion, and precinct-level coordination.
- Communication and awareness
 - Noted gaps in awareness of recent reforms among businesses and councils.
 - Recommendations for clearer public guidance, planning circulars, and stakeholder engagement.
 - Need for better navigation of planning and building systems; loss of integration between regulatory bodies.
 - Property sector calls for education on vibrancy reforms and activation toolkits.

Appendix F: Principles

This appendix outlines five guiding principles adopted by the Commission in its evaluation of regulatory barriers within the 24-hour economy. These principles focus on promoting efficiency, effective risk management, reducing entry barriers, strengthening precincts, and improving communication.

Maximise asset use, day and night

Achieving a vibrant 24-hour economy requires the optimal utilisation of both public and private assets throughout the entire day-night cycle. This principle recognises that physical capital, from commercial buildings to kitchen equipment, generates economic value only when actively deployed. Facilitating more productive use of assets and equipment allows businesses to spread fixed costs, like rent and insurance, over a larger revenue base, thereby boosting capital productivity and return on investment.

The inefficiencies and opportunity costs associated with constraining the ability of businesses to operate flexibly and adapt their spaces to meet demand are significant. Allowing adaptive reuse not only enhances individual business performance but contributes to broader economic dynamism and urban renewal.

Maximising asset utilisation by extending operating hours would also allow businesses to better serve diverse customer needs, including those who work non-traditional hours or seek services outside conventional times.

Balance risk and benefit

Ensuring that regulations are proportionate and evidence-based is crucial for maintaining a balanced approach to risk and benefit. Overly stringent regulations can stifle innovation and NTE activity, while insufficient regulation can lead to negative externalities and public harm. A balanced regulatory framework should be informed by empirical data and tailored to the specific needs and risks of the 24-hour economy.

Regulatory interventions must be proportionate to identified risks. Disproportionate rules deter investment, curb innovation and dull precinct vibrancy; lax oversight, by contrast, can magnify noise, safety and nuisance harms. Where possible, cost-benefit analysis should systematically weigh the economic impact of regulatory measures against their effectiveness in addressing identified harms. This requires robust data infrastructure to quantify the scale, frequency, and severity of problems, enabling regulators to calibrate responses appropriately rather than implementing broad-based restrictions.

Crucially, any appraisal must capture social benefits that often spread across a broad pool of transient visitors – richer cultural life, enhanced social cohesion – while recognising that social costs typically fall on a narrower group of permanent residents. Because those costs are more visible and frequently championed by vocal stakeholders, the diffuse benefits risk being overlooked. A balanced assessment should make those intangible gains explicit, ensuring they carry proper weight in policy decisions.

Support market competition and access

Reducing unnecessary costs and complexity is essential for encouraging new entrants and fostering innovation within the market. A competitive market environment drives efficiency, lowers prices, and lifts the quality of goods and services. By streamlining regulatory processes and eliminating redundant requirements, policymakers can lower barriers to entry and create a more inclusive and dynamic NTE.

Simplifying licences, trimming compliance costs, and ensuring rules apply evenly across business types can make it easier for start-ups and smaller operators to take part. A fairer, more accessible system expands consumer choice and stimulates growth.

Supporting market competition and access involves using evidence on approval times, compliance costs, and business outcomes to inform policy decisions. Applying cost-benefit assessments ensures that reforms deliver net benefits by lowering barriers without undermining safety and amenity. Reducing red tape and regulatory frictions is fundamental to building a resilient and vibrant 24-hour economy.

Build vibrant, connected precincts

Encouraging and supporting clusters of venues and activities is essential for creating lively, high-value destinations that attract both residents and visitors. SEPs and similar place-based initiatives demonstrate the agglomeration dividend: heavier foot traffic, longer dwell-times, and increased economic activity. The benefits extend beyond commerce; destination precincts can support social interaction, enhance perceptions of safety, and strengthen local identity. At the same time, clearly defined noise and amenity standards give both operators and residents confidence that growth will be managed responsibly.

Regulatory frameworks should recognise and facilitate these positive spillover effects by supporting the development of precincts and reducing barriers to their formation. Stakeholders also underline the need for frequent, safe, and reliable public transport, supported by private transport, to support night-time accessibility. Embedding transport considerations into precinct planning can turn otherwise-isolated precincts into coherent night-time ecosystems that lift economic activity and broaden participation.

Learn, adapt and communicate effectively

Continuous improvement of regulations through feedback, data, and controlled experimentation is vital for maintaining a responsive and effective regulatory framework. Conducting small-scale trials enables policymakers to monitor outcomes closely and adjust regulatory settings promptly, addressing potential externalities without defaulting to an overly cautious, non-interventionist approach.

Clear and strategic communication of vibrancy initiatives and other regulatory reforms is critical to ensuring that businesses and local councils are fully aware of the opportunities presented by the new measures. Well-informed businesses are likely to experience reduced compliance costs and demonstrate a greater willingness to adopt reform initiatives aimed at promoting NTE activity. Additionally, it is important for consumers to understand the nature of nightlife-related reforms to help to dispel outdated perceptions from previous policy eras.

By combining agile regulation with targeted, effective communication, government can bridge information gaps to maximise the benefits of prior reforms.

Appendix G: Surveys referenced

This report refers to a range of surveys of NSW residents and businesses.

Table 16: Surveys referenced in this report

Survey	Timing	Respondents	Previous surveys
DCS Customer Insights - Customer Sentiment Survey ¹²⁸	9 September 2024	850 NSW residents	Compares with survey results from 25 September 2023.
DCS Customer Insights - Business Sentiment Survey ¹²⁹	September to October 2024	1000 NSW small and medium businesses	Compares with survey results from September to October 2023.
Ipsos survey ¹³⁰	5 to 28 May 2025	2355 NSW residents	Wave 4 of a series that began in June 2022.
Have Your Say survey ¹³¹	13 May to 13 June 2025	170 NSW licensed venues	
Safer Cities Survey ¹³²	13 December 2022 to 8 February 2023	4,850 NSW residents aged 16 years and over	
Destination NSW Brand Engagement Monitor ¹³³	July 2024 to June 2025	6,030 domestic travellers	An ongoing monthly survey among domestic travellers. Compares with survey results from the July 2023 to June 2024 period.

¹²⁸ NSW Government. 'DCS Customer Insights: Understanding sentiment on the night-time economy.' 6 November 2024.

¹²⁹ NSW Government. 'DCS Customer Insights: Understanding sentiment on the night-time economy.' 6 November 2024.

¹³⁰ Ipsos. 'NSW Night Time Economy: Wave 4 research report.' June 2025.

¹³¹ NSW Department of Customer Service. 'Have Your Say: Impact of NSW Vibrancy Reforms on Licensed Venues.' 23 July 2025.

¹³² Transport for NSW. 'Safer Cities Survey Report: Perceptions of safety in public spaces and transport hubs across NSW.' July 2023. Accessed 22 August 2025.
https://www.transport.nsw.gov.au/system/files/media/documents/2023/Safer-Cities_Survey-Report_0.pdf.

¹³³ Destination NSW. 'Drivers of Appeal & Travel Intention.' June 2025.

Appendix H: Ingenium Research data

Table 17: Key assumptions for metropolitan and non-metropolitan NSW NTE comparisons, 2023/24

Local government area	Core NTE businesses	Total economy businesses	Core NTE businesses as % of all businesses	Total economy GRP (\$b)	Population
NSW	45,230	895,975	5.0%	\$820.8	8,479,314
City of Sydney	5,945	58,100	10.2%	\$154.7	237,278
Newcastle	1,079	15,889	6.8%	\$22.7	176,860
Parramatta	1,542	32,803	4.7%	\$31.0	274,956
Penrith	745	16,583	4.5%	\$15.5	228,661
Willoughby	668	13,297	5.0%	\$13.1	79,634
Hornsby	631	14,278	4.4%	\$9.0	154,834
Port Macquarie-Hastings	405	7,473	5.4%	\$6.7	90,835
Wollongong	1,038	15,929	6.5%	\$17.6	221,894
Central Coast	1,545	26,735	5.8%	\$20.8	354,803
Bathurst	163	3,868	4.2%	\$3.0	44,939

Table 18: Metropolitan and non-metropolitan NSW comparative statistics, 2023/24

Local government area	Core NTE sales turnover (\$m)	Core NTE sales turnover per capita (\$k)	Core NTE sales turnover as % total turnover	Core NTE sales turnover as % total GRP	% Core NTE businesses open at night*
NSW	\$56,403.8	\$6.7	3.4%	6.9%	73%
City of Sydney	\$6,140.8	\$25.9	3.9%	4.0%	68%
Newcastle	\$2,270.7	\$12.8	5.3%	10.0%	71%
Parramatta	\$1,557.8	\$5.7	3.3%	5.0%	72%
Penrith	\$647.4	\$2.8	2.4%	4.2%	79%
Willoughby	\$550.3	\$6.9	2.5%	4.2%	68%
Hornsby	\$486.5	\$3.1	2.4%	5.4%	71%
Port Macquarie-Hastings	\$411.6	\$4.5	4.1%	6.2%	-
Wollongong	\$1,034.4	\$4.7	4.3%	5.9%	72%
Central Coast	\$1,284.2	\$3.6	2.8%	6.2%	73%
Bathurst	\$195.2	\$4.3	3.3%	6.5%	-

* NSW figure represents the weighted performance of all LGAs in the Six Cities region, rather than wider NSW

Table 19: International NTE comparisons 2023/24 (Australian dollars)

Locality	Core NTE sales turnover (\$b)	Core NTE sales turnover per capita (\$k)	Core NTE sales turnover as % total turnover	Core NTE sales turnover as % total GDP
NSW	\$56	\$6.7	3.4%	6.9%
Australia	\$188	\$6.9	3.5%	7.2%
Japan	\$446	\$3.6	-	7.3%
United Kingdom	\$282	\$4.1	2.1%	5.2%
United States	\$2,639	\$7.8	3.1%	5.9%

Table 20: Scenario analysis matching sales turnover per capita rates (Australian dollars)

Locality	Estimate (\$b)	Potential NSW uplift (\$b)	% Uplift
NSW	\$56	-	-
Australia	\$59	\$2.2	3.9%
Japan	\$31	(\$25.8)	(45.8%)
United Kingdom	\$35	(\$21.8)	(38.6%)
United States	\$66	\$9.4	16.6%

Table 21: Scenario analysis matching sales turnover as a % of GDP rate (Australian dollars)

Locality	Estimate (\$b)	Potential NSW uplift (\$b)	% Uplift
NSW	\$56	-	-
Australia	\$59	\$2.8	5.0%
Japan	\$60	\$3.7	6.6%
United Kingdom	\$42	(\$14.0)	(24.8%)
United States	\$49	(\$7.6)	(13.4%)

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