

# Big bar bang

Bargain-basement liquor licensing fees have spawned a profusion of wine bars and enotecas in the city—but will unexpected costs burst the bar bubble? By **Kerryn Ramsey**.

**U**nder the radical shake-up of some states's liquor laws last year, a slew of bars have popped up, ranging from holes-in-the-walls to sumptuous cocktail lounges. With a nod to Melbourne's booming bar scene, NSW and WA slashed the price of liquor licences and introduced dine-free drinking. Other states are following suit, but the bar bubble could already be in danger of bursting.

The economic meltdown, binge-drinking and street violence can affect any business turnover. However, while these issues affect the restaurant industry, there are more grassroots costs that can cripple any up-and-coming bar or tavern operator.

Local councils have authority over planning and health issues, and can focus on the likes of wheelchair access, car parking allotments and bathroom requirements. Costs vary from council to council and, while these fees are often one-off occurrences, they can flabbergast even the most seasoned proprietors.

According to Brad Hamilton, co-owner of Era Bistro in South Brisbane, it's worth hiring a consultant. "We should have done that when we opened our first venture, Circa," he admits. "We wanted to make as big an impact as we could, but we couldn't open the doors unless we had a fan put in the roof. Our private dining room upstairs was allegedly too far away

from the main exit/entrance point, according to the fire department. We had to have an additional high-velocity fan installed, which cost an extra \$20,000. That had a massive impact on our operating dollars."

While planning permits have been sped up due to the small bar legislation in various cities, tavern owners may still have to be patient. John Marshall, co-owner of Toolangi Tavern near Victoria's Yarra Valley, spent two-and-a-half years trying to get through the planning permit stage. "It involved huge battles with the neighbours, as much as we tried to keep personalities out of it," he reveals. "Some of the locals were particularly bloody-minded and just

objected on the basis of there not being any cost to making an objection. This is a major issue with the town planning laws—the person making the application has to pay for everything along the way, but objectors just come along for a free ride."

For a different perspective, restaurateur Steven Adams of Moo Moo The Wine Bar + Grill on Queensland's Gold Coast designed the expansive bar in conjunction with a large architecture firm and the plans went straight through. "I would always advise a quality architect who has experience in restaurants and council requirements," he suggests.

When applying for a council permission, the most common issues that can slow



Moo Moo The Wine Bar + Grill, on Queensland's Gold Coast, was designed by experienced architects who took care of council regulations.

down the process and cost a bomb are disabled access, fire regulations, car parking, and bathroom requirements.

Guidelines on disabled access can be complex, expensive and often draconian. For Marshall, conflicting advice brought unexpected costs.

"The handrails for disabled people had to be a specific shape and size, but no-one could tell us the correct dimensions—until we had it installed. When we got the right information, we had to have it all replaced."

Disabled access can add expense whether the venue is in a large hotel or a poky basement. Potential proprietors have been snapping up empty basements, due to the cheap rent. However, the cost

of installing safety devices can turn an owner to drink.

Heritage buildings are exempt from providing disabled access, as Nick Hildebrandt of Bentley Restaurant & Bar in Sydney's Surry Hills discovered. "If you have a heritage building, you basically can't touch the dwelling." In any other premises, the cost of providing access must be taken into account.

Still, Hildebrandt advises that it's not worth taking any risks. "In any business, you have to try and eliminate as many risks as possible. Getting open is very hard. I have respect for anyone who opens a restaurant just because of all the hurdles."

Hildebrandt says that following the council guidelines

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Steven Adams, Moo Moo The Wine Bar + Grill, Queensland's Gold Coast

often demands ingenuity. According to the local council, the Bentley team had to install a fire hose a certain dis-

tance from the door—which turned out to be in the centre of the restaurant!

Emergency exits and fire escapes need to be looked at, which can be a challenge when a small bar is upstairs or in a basement.

Meanwhile, car parking allocations can send the coffer levels plummeting. Requirements can vary immensely, ranging from using existing on-street car parking to providing one car park space for every 10 patrons the premises are licensed to hold. Eldred says the one-off fee can be as high as \$50,000 per space in the inner city.

"You may establish a little bar and, a year later, the council announces you have to purchase five car parking

spaces," he explains. "I've seen it done retrospectively, and it can bankrupt you if you have to come up with \$250,000. Otherwise, the council is going to shut you down."

Renowned WA restaurateur Kate Lamont agreed that car parking was the most complex issue when she and her sister Fiona opened Lamont's Wine Store Cottesloe last June. "The payment of cash in lieu of parking and the way it's calculated is a bit of a trap, since it's different across local councils," she explains. "It can be a real shock."

Despite the exorbitant fees, car parking is a key to keeping a business ticking. According to Broadbeach-based Adams: "If people can get to you but they can't park, they won't stop. You need to be visible and accessible."

Another complex issue to address when setting up a bar is the bathroom requirements, particularly the number of toilets, tiling and enclosed cisterns. The number of cubicles and pedestals is usually dependent on the number of seats in the venue. "Designing a space based on those ratios can blow out your floor ratios," says Era Bistro's Hamilton. "On a rental basis, you are still paying per metre, and toilets are a service—you are not getting any return on the floor area. Obviously you have to have them, but it's one of those unforeseen things."

With so many costs in legislative compliance, do they outweigh the benefits in terms of increased patronage and drinks sales? According to Eldred, the eastern coast



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of Australia is already 30 per cent over-subscribed. "With too many businesses, most bars aren't making any money and there will be a large shake-out in the industry in the next 18 months."

After watching recent bars spring up in Sydney, Hildeb-

randt thinks that if operators aren't offering excellent food, they'll be in dire straits before too long. "People think there is a lot of money in alcohol and drinks, but there actually isn't," he says. "There are good margins to be had, but you need to move a lot of volume to reap the rewards."

Despite the economy gloom, new bars are spilling into alleys, vacant basements and rooftops, especially in Melbourne and Sydney. In a recent article in *The Age*, Gin Palace owner Vernon Chalker claimed that only the strongest city bars will survive.

But before taking the plunge and opening the most glam new bar in town, take Lamont's advice. "Don't think hidden costs are all about liquor licensing—it's also about local government." £

