

# Hotels struggle against pop-up Adelaide Festival and Fringe venues, The Stag closes

891 ABC Adelaide

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**The closure of prominent Adelaide pub The Stag highlights the financial pressures across SA's hospitality industry, the Hotels Association says.**

Receivers took over The Stag in Adelaide's East End recently but it kept trading until the doors finally shut this week, prompting anger from some people who already had paid for future events bookings.

Australian Hotels Association chief executive Ian Horne told 891 ABC Adelaide a range of issues probably led The Stag to close, but there were no doubt factors common to other city traders.

"It's an iconic premises in a key location and it's just come through the 'Mad March' period with the Fringe, with all the activities, but even that wasn't enough to sustain it," he said.

"There's no one, single issue but it's an accumulation of the costs of doing business.

"Every year your costs go up well in excess of CPI but your revenues simply don't."

Mr Horne said SA had low population growth but a very high number of licensed premises per head of population.

He took a swipe at the Adelaide City Council for a focus on events venues, which he said was at the expense of bricks-and-mortar city businesses.

"The fascination of the city council in creating the biggest pop-ups [venues] in the country during February-March [let] multi-million-dollar businesses drain the entire hospitality sector in the city and suburbs," he said.

"The sort of revenues that are generated in alcohol sales and things like that at the venues in Victoria Square, the venues in the east parklands ... these are significant venues that run for 30 days, with multi-million-dollar sales.

"They're extraordinarily popular but we've reached a tipping point.

"The newest thing is the most popular, no doubt, but our problem is the Fringe in particular is predominantly a domestic market and there is a level of cannibalisation going on here."

## Trading slow despite busy festivals season

The Association repeated its earlier warning that trading in the busy end of summer and early autumn period had been slow for many restaurants, cafes and small bars.

"February and March trading was particularly flat for a lot of traders," Mr Horne said.

"The feedback we've had is February-March this year has been some of the toughest trading they've experienced for six or seven years."

Hoteliers are keen for the council to bolster its support for bricks-and-mortar venues, but Mr Horne warned the immediate outlook seemed bleak.

"We're now going into the cold winter months and I think there will be more casualties," he said.



**PHOTO:** The Stag is the latest city hotel to cease trading. (ABC: Spence Denny)

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The Stag was first licensed in 1849 but receivers were appointed in mid-March.

Other city pubs such as the Colonel Light Hotel and Dog and Duck also have closed.

A caller to 891 pointed out the woes were not confined to city pubs, as hotels at Palmer and Tungkillo also had shut their doors.

**Topics:** economic-trends, business-economics-and-finance, hospitality, small-business, industry, community-and-society, community-and-multicultural-festivals, adelaide-5000, sa

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**PHOTO:** Ian Horne said many venues had slow trade for February and March.