

Patrick Paroz APM

2 February 2018

Review of licence conditions for 14 Newcastle CBD venues

Mr Jonathon Horton QC

Dear Sir

I retired from the NSW Police Force on 14 January 2016, having joined on 14 February 1983. From 2010 until my retirement I was the Commander – Drug and Alcohol Coordination, which for much of that time also included the role as Corporate Sponsor for Alcohol.

During this time, I was responsible for, but not limited to, the following activities:

- The development and implementation of the NSW Police Force Alcohol Plan 2014 – 2018
- Coordination and implementation of alcohol strategies, which significantly contributed to consistent reductions in alcohol related crime from 2010 – 2015
- Providing advice and executive support on drug and alcohol legislation and policy
- Stakeholder engagement with key stakeholders including, but not limited to, Australian Hotels Association; Liquor Stores Association of NSW; Liquor & Gaming NSW; local Councils and the NSW Health Department
- Media commitments on alcohol related issues

I also had the opportunity to be seconded to Liquor & Gaming NSW (then known as the Office of Liquor Gaming & Racing) to perform the role of Acting Director – Compliance Branch for a period of 3 months in 2011. I am the only individual to have performed the most senior roles in both major NSW regulatory bodies. This provides me with a unique understanding of the challenges faced by the liquor industry due to the competing and often conflicting priorities for Police and L&GNSW.

The ‘Newcastle experience’ was often raised by stakeholders. Not surprisingly there were widely varying points of view in relation to the issue. It was my experience that some saw the imposition of the conditions as the solution for all harms arising from alcohol misuse. Others saw the conditions as unnecessary and a harmful imposition on business and the rights of the individual.

Rather than identifying particular stakeholders, I generally refer to these interested parties as being at the extreme ends of the spectrum – those in the anti-alcohol industry, and those working and supporting the alcohol industry. I don't criticize any of these stakeholders for their views, I just don't share them. I believe the most effective solution to any issue involves understanding all of the arguments and then developing strategies that are acceptable to and supported by the majority (because it is impossible to please everyone), and which will deliver the desired policy outcome.

As a police officer, and having had the opportunity to work within the industry regulator in 2011, and work closely with them over an extended period of time, I believe I demonstrated an impartial and consistent approach to the regulation of the liquor industry and the enforcement of legislation.

It was my experience that enforcement alone was not the answer to driving down alcohol-related crime and harms. It was a necessary part of the policy tool-box, but not the only option, and in my opinion, not always the most effective option.

I think that the Newcastle area provides an excellent case study in this regard.

I realise, of course, that you are completely conversant with the background to the imposition of the Newcastle conditions, but I would still offer some further background in order to put my submission into context.

Newcastle 2008

In the years leading up to the decision to impose the conditions, there had been an 'escalation of alcohol-fuelled violence and antisocial behavior and community complaints'¹. I was not involved in the regulation and enforcement of liquor in those days, and had not worked in the Newcastle area, so I had no understanding of the local issues that lead to the initial decision. (Note: I personally think the term 'alcohol-fuelled' violence is incorrect. 'Alcohol-related' is the official term used by the NSW Bureau of Crime Statistics and Research (BOCSAR). There is no official definition of 'alcohol-fuelled', and the consumption of one alcoholic drink is sufficient for police to mark an incident as 'alcohol-related')

The original complaint was made under s104 of the Liquor Act 1982, which referred to the 'undue disturbance of the quiet and good order of the neighbourhood of licensed premises'. One of the leading community campaigners, Mr Tony Brown, is reported to have said at the time, 'the industry now must take responsibility and stop blaming everybody else'².

¹ 'Dealing with alcohol-related harm and the night-time economy' (DANTE) Monograph Series No. 43. Funded by the National Drug Law Enforcement Research Fund. (2012)

² www.crikey.com.au/2008 Newcastle comes down hard on pubs and hooliganism. Author Alex Mitchell.

Having had the opportunity over the years to closely analyse the issue, it was apparent that there was a problem and that, ultimately, the NSW Liquor Administration Board decided it was necessary to impose the conditions. Something needed to be done.

Newcastle 2012

I now fast forward to 2012. The conditions have been in place since 2008 and the reductions in alcohol-related assault in the Newcastle area have been well documented. One of the factors that has not received much attention when discussing the reductions, is the 'escalation of alcohol-fuelled violence' in the Newcastle area in the years prior to 2008. Newcastle was starting from a high base, in terms of the number of alcohol-related assaults. This is what led to the imposition of the conditions in the first instance.

Despite the conditions being in place, Newcastle licenced venues were still over-represented, in my opinion, on the NSW Government Declared Premises scheme (the scheme). The table below demonstrates that as late as round 6 of the scheme (taking into consideration date from the period 1/7/10 – 30/6/11), three of the venues were on level 1 restrictions and two were on level two restrictions.

Declared Premises Scheme Round:	MJ Finnegans	Fannys of Newcastle	King Street Hotel	Cambridge Hotel	Queens Wharf Brewery
2		17	14		17
3		22	17		14
4		29	13	16	
5	19	25	15	20	
6	26	19	15	19	13
7	31	30	16	14	12
8	21	28			
9	7				

What has always been of great interest to me, is what changed in Newcastle from round 7 of the scheme onwards, when it was apparent there had been a further (and sustained) reduction in alcohol-related assault.

Whilst still in the Police Force I attempted to generate interest in an academic study being conducted, in order to identify any measures or strategies that had contributed to the continued reductions in alcohol-related assault. Suffice to say, I did not have much luck.

I would now like to provide some background as to what I believe contributed to the continued reduction in alcohol-related violence.

On 7 June 2012, I was invited to a meeting in Newcastle with the senior members of the NSW branch of the Australian Hotels Association (AHA) and the licensees of five local hotels. Also invited was Superintendent John Gralton, then Commander of the Newcastle LAC, and members of his licensing team.

It was immediately apparent to me that all of the licensees wanted to work with police to reduce the number of alcohol-related assaults in and around their venues. As shown in the table above, several of the venues were on Level 1 of the scheme and others on Level 2 – despite the *'Newcastle conditions'* having been introduced in 2008.

The licensees, supported by the AHA, and in conjunction with local police and the regulator, worked proactively to reduce the number of incidents being attributed to their venues. The results are reflected in the above table. By round of the scheme, only one venue is on the scheme (at level three, where no restrictions are imposed). After round 9, none of the venues are on the scheme and have not returned to the scheme.

I do not believe that these excellent results have ever been fully acknowledged. In my opinion, these outcomes demonstrate that reductions in alcohol-related assault are not completely reliant on disciplinary proceedings or legislative changes imposing conditions on venues. The *'Newcastle conditions'* had been in place since 2008, yet Newcastle was still over-represented, in my opinion, on levels 1 and 2 of the scheme until 2012.

The five licensees, and there may be others involved that I am not aware of, formed what is known as the Newcastle Entertainment Precinct (NEP) – a company that enable them to share information to identify and refuse entry to problematic patrons, which in my opinion has proven to be very effective in reducing the incidents of alcohol related assault in Newcastle. BOCSAR statistics supports this.

Working together, venue management and police have brought about further sustained reductions in alcohol-related crime in the Newcastle CBD. From my discussions with some of the licensees, I am aware that there are a range of other strategies and management initiatives that they have implemented, which have also very likely contributed to the outcomes. I don't question the impact the 2008 conditions had on the level of alcohol-related violence, but I also believe that this is not the only factor which has contributed to the sustained reductions since 2008.

I would like to point out that this is not an opinion I have formed in support of this submission. In 2012, in response to the Newcastle LAC receiving a Crime and Violence Prevention Award, I made the comment that the award involved hard work and *'included working closely with the licensed venues, which have adopted a very proactive approach to reducing alcohol-*

*related incidents in and near their premises*³. I believe that comment is as relevant today as it was in 2012.

In support of my belief that the imposition of conditions on a liquor licence is the only, or the most effective, policy tool, I refer to the following table, which provides a comparison of alcohol-related assault across a number of Local Government Areas (LGA) and NSW as a whole for the period October 2007 to September 2017⁴:

Location	October 2007 to September 2017	
	Alcohol-related assault – downward trend per year	Alcohol-related assault on licenced premises – downward trend per year
New South Wales	10.4%	11.5%
Newcastle LGA	6.7%	6.9%
Lake Macquarie LGA	6.1%	8.4%
Maitland LGA	7.7%	13.3%
Wollongong LGA	8.1%	10.9%

The LGA's I have selected are either in close proximity to Newcastle (Lake Macquarie and Maitland) or, as is the case with Wollongong, is often compared to Newcastle in terms of similar characteristics and demographics.

To the best of my knowledge, there have been no similar conditions imposed on multiple venues in any of these LGA's, yet they have achieved similar, and in many cases better, reductions in alcohol-related assaults. I don't think simplistic comparisons such as this can take into consideration all of the variables that impact on a particular community, but I do believe it supports my belief that there are many effective ways to reduce alcohol-related violence.

Newcastle today

BOCSAR statistics alone indicate that Newcastle today is a very different place to what it was in 2008, and the years leading up to the decision by the Liquor Administration Board.

As an outsider looking in, it is apparent to me that the culture of the whole liquor industry, in Newcastle, has been transformed. I have maintained infrequent contact with some of the licensees and I have no doubt that they have played a significant role in bringing about, in fact leading, this cultural change.

The conditions imposed by the Liquor Administration Board, in my opinion, will also have contributed, in that there is now a generation of young people who have grown up in Newcastle under different circumstances from their predecessors.

³ www.police.nsw.gov.au Accessed 26/11/2017

⁴ www.crimemapping.

The changing patterns of alcohol consumption in Australia, particularly by young people, is another factor. The National Drug Strategy Household Survey 2016 delivered the following findings:

- The proportion of people drinking on a daily basis declined from 8.3% in 2001 to 5.9% in 2016
- Young adults were less likely to drink 5+ standard drinks on a single occasion at least monthly, falling from 57% in 2001 to 42% in 2016 (18-24 year olds) and from 44% in 2001 to 36% in 2016 (25-29 year olds)
- More teenagers are abstaining from drinking, having risen from 72% in 2013 to 82% in 2016

I firmly believe that this review presents an opportunity to recognise the important role of management. There is ample academic evidence which identifies poor management as a contributing factor to alcohol-related violence in and around licensed premises. This includes:

- there are a number of factors which influence the likelihood of violence being associated with licensed premises, with research indicating that the single most prominent indicator of 'violence in licensed premises is the characteristics of the venue itself'⁵
- high levels of intoxication signal a generally permissive environment⁶
- staff in affecting behavioural patterns within nightlife spaces⁷
- ensure management practices comply with legislative requirements, and reduce risk of harm to staff and patrons⁸
- the quality and style of management by licensed venue operators has been consistently identified as a significant situational factor impacting on the level of alcohol-related problems (Arnold & Laidler, 1994)
- the top priority should be better management of the whole range of risk factors leading to violence – badly trained and aggressive bouncers, lack of comfort, crowding, inadequate food and seating, and so on⁹
- Violence has also been shown to be perpetuated by poor management (Homel at al 1992) in (footnote 8)

⁵ Quigley, Leonard & Collins (2003) 'Characteristics of violent bars and bar patrons'

⁶ Homel & McIlwain (2001) 'Creating Safer Drinking Environments'

⁷ Grahm & Homel (2008) 'Raising the Bar: Preventing aggression in and around bars, pubs and clubs'

⁸ Doherty, S. & Roche, A. (2003) 'Alcohol and Licensed Premises: Best Practice in Policing. A monograph for police and policy makers'

⁹ Homel, R. & Clark, J. (1994) 'The prediction and prevention of violence in pubs and clubs'

The evidence is, and I believe it to be true, that poor management is a risk factor for violence in and around licensed premises. I believe it is also true that good management is a protective factor against violence.

I believe the Newcastle experience is an example of this. Since first meeting the Newcastle licensee group in 2012 I have been very impressed with their attitude and commitment to providing safe environments for patrons, their staff, and the wider community. The BOCSAR statistics reflect they have been successful.

I believe that the licensees are very committed not only to the success of their businesses (and they understand that to be successful means to be safe), but they are also committed to the wider Newcastle community. They reside locally and there is a stability of hotel ownership that indicates they want to stay in the area and continue to contribute.

I believe that given all of the changes that have occurred since 2008, there is now the opportunity for liquor licensing conditions to be more flexible, rather than the 'one-size-fits-all' approach that was taken (probably by necessity) in 2008.

As stated earlier, Mr Brown said in 2008, '*the industry now must take responsibility and stop blaming everybody else*'¹⁰. It is my experience, and I believe this is supported by BOCSAR, that the many responsible licensees in Newcastle have done just this. They have taken responsibility; they have implemented new initiatives; they work closely with police and Liquor & Gaming NSW. They understand that ultimately, they are responsible for the outcomes attributed to their venues.

I believe they are now deserving of the opportunity to take even further responsibility through a more tailored approach to liquor licence conditions imposed on individual venues. Should management of individual venues demonstrate they are incapable of dealing with this additional responsibility, there should be a simple mechanism through which individual venues can be dealt with, rather than seeking to treat all venues the same.

I wish you every success with this important review

Yours respectfully

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¹⁰ www.crikey.com.au/2008 Newcastle comes down hard on pubs and hooliganism. Author Alex Mitchell.