

To: The Hon. Ian Callinan AC

Re: NSW Liquor Law Review

Email: liquorlawreview@justice.nsw.gov.au

Dear Sir,

I thank you for the opportunity to provide input in reviewing of the impact of the 2014 liquor law reforms.

I am a statistics analyst by day and a regular patron of Sydney's bars, clubs and karaoke venues at night, particularly in the CBD precinct. I, like many others, have concerns about the safety of myself and others.

Based on my analysis of the statistical reports about the matter in addition to my first hand experiences, I recommend a **removal of the 1.30am lockout** and replaced with more direct solutions to address alcohol related violence including:

- 24 hour access to transport on Friday and Saturday nights, particularly trains
- Expansion of Safe Space stations to aid the recovery of patrons who become intoxicated
- Customisation of restrictions based on individual venue history of alcohol-related violence
- Greater police presence on the streets

I also recommend that the current 3.00am cessation of alcohol supply be more flexible to exemptions for venues that are well managed. I have no comment on the 10.00pm takeaway liquor restriction on NSW or the periodic liquor license fee system.

My reasons for the recommendations are detailed in the attachment below. Thank you for considering my submission.

Yours sincerely,

Albert Luu

1. Impacts on alcohol-related violence, anti-social behaviour and public safety

a) 1.30am lockouts and 3.00am cessation of alcohol supply combined effects

According to the report by Menendez et al. (2015), there are statistically significant declines in the number of assaults across the entire Sydney CBD entertainment precinct (CBD) and Kings Cross precinct (KX) of around 26% and 32% respectively. Since many aspects of the 2014 liquor law reforms (2014 reforms) are not direct mechanisms on alcohol related violence, these results at best suggest a **correlation** between the decline in assaults and the introduction of the 2014 reforms.

The report also stresses that it is unknown whether this is driven by a change in alcohol consumption or visitation numbers in the precincts, before citing evidence which supports the latter. The reduction in visitation appears to be further supported by the City of Sydney's 2015 Late Night Management Areas Research (LNMAR) report¹, which shows that pedestrian counts have decreased significantly by more than 50% across the precincts compared to 2012, particularly after 1.00 am. However, I quote this report with caution since it compares March 2015 and December 2012 figures, so there is no removal of seasonality impacts.

Since the number of assaults is highly correlated with the number people in area, this suggests that the decrease in number of assaults is actually **confounded** by the decrease in the number of overall visitors. Firstly, this implies that the mechanisms of the reforms are likely to be reducing visitation in the area, more so than say reducing excessive alcohol consumption. The second aspect to note is that if the percentage decrease in pedestrian traffic is indeed significantly higher than the percentage decrease in number of assaults, there is in fact an *increased average risk of assault* in the precincts as the assaults are more concentrated across a smaller population.

Population counts are taken into account in Table 6.4 of the LNMAR report (again exercising caution in the comparison between different calendar dates) where the number of anti-social behaviour incidents per 1,000 people had significantly declined in the KX and Oxford Street precincts. Whilst this is a positive observation to see, there were also some noticeable increases per 1,000 people in displacement areas such as Pyrmont and Redfern. This is concerning to see, as these areas changed from having one of the lowest rates of anti-social behaviour to one of the highest, which I doubt can be attributed to any seasonality effects.

Table 6.4 – Number of ASB incidents per 1000 people – 2012 vs 2015

Precinct	Friday 2012	Friday 2015	Change Friday	Saturday 2012	Saturday 2015	Change Saturday	Total Friday & Saturday 2012	Total Friday & Saturday 2015	Change total
CBD South	2.1	6.9	+4.8	8.3	4.0	-4.3	9.5	11.2	+1.7
Glebe	1.8	3.9	+2.1	0.3	3.8	+3.5	1.9	7.8	+5.9
Kings Cross	70.2	2.8	-67.4	71.1	32.4	-38.7	141.5	36.3	-105.2
Newtown	23.4	12.0	-11.4	8.0	5.0	-3	30.2	16.6	-13.6
Oxford St	42.5	8.9	-33.6	19.2	2.7	-16.5	61.1	11.4	-49.7
Pyrmont	3.4	21.3	+17.9	0.9	6.4	+5.5	4.0	26.2	+22.2
Redfern	3.1	21.5	+18.4	0.0	7.2	+7.2	3.3	29.6	+26.3
Surry Hills	24.7	16.4	-8.3	13.0	21.1	+8.1	38.5	37.0	-1.5

Source: City of Sydney LNMAR Report 2015

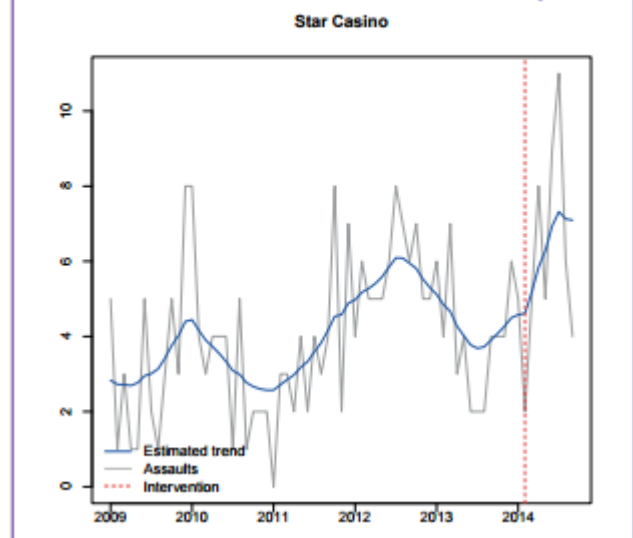
¹ http://www.cityofsydney.nsw.gov.au/data/assets/pdf_file/0011/250202/2015-541941-Report-Late-Night-Management-Areas-Research-Final.pdf

Interestingly, there does not appear to be any significant increase in Newtown. Anecdotal reports suggest that a number of licensed venues in Newtown have taken voluntary measures such as reduction in trading hours as a reaction to the influx of displaced patrons from the main lockout precinct. Considering the larger density of licensed venues in Newtown compared to Redfern and Pyrmont, this may potentially explain why the Menendez et al. (2015) report finds that the number of assaults in potential displacement areas *as a whole* are not statistically significant. The report also notes that The Star casino, which is exempt from the reforms, has seen an increasing trend in assaults with marginal statistical significance (p -value is around 10%) at this stage.

Table B1. Final model estimates of changes in assault at The Star casino in Pyrmont

	The Star casino and surrounding streets	PDA without casino and surrounding areas
β	0.790	-0.105
C.I	(-0.145,1.725)	(-0.672,0.461)
pval	0.097	0.715
Box-Ljung	0.979	0.308
loglik	-163.534	-275.385
AIC	5.233	8.475
Reduction	120.396%	-10.009%
Intervention	Smooth (Feb-May)	Smooth (Feb-Sep)

Figure 12. Estimated trend for the number of assaults in The Star Casino between Jan 2009-Sep 2014



Source: Menendez et al. (2015) 'Lockouts and last drinks'

Thus, in terms of reducing alcohol-related violence and anti-social behaviour the 2014 reforms appear to have achieved some desired statistics on the surface, but are subjected to confounding variable problems and omitted variable bias.

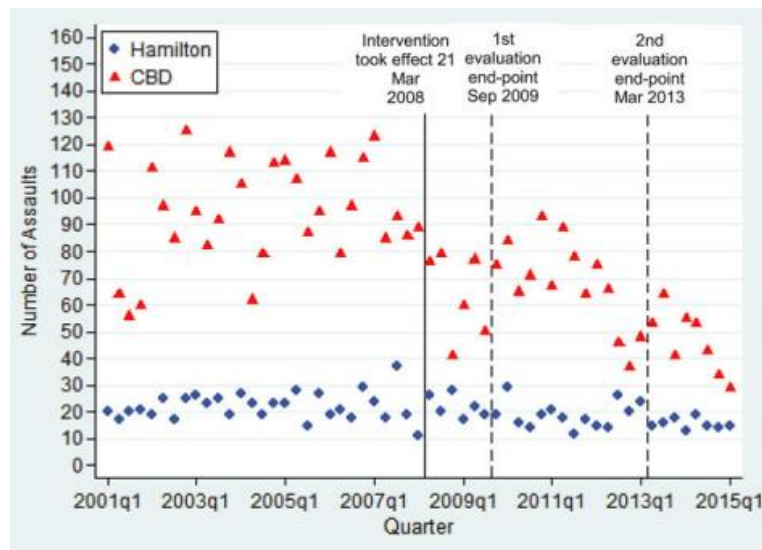
I strongly urge **that these statistics be interpreted with caution** since there are also movements in confounding variables such as the reduction the number of people in the precincts (particularly for Menendez et al. (2005)) or seasonality effects (particularly for the LNMAR report).

When taking into account the effect of reduced visitation, it is *questionable* whether the reforms have actually achieved their objective of improving the safety of the precincts. There may be evidence that the risk of assault has actually increased in the precinct and also evidence of partial (though not full) displacement effects of anti-social behaviour.

b) Separating the effects of lockouts and cessation of alcohol supply

There are some available statistics on smaller precincts in Australia that have been subjected to a lockout only. The Miller et al. (2012) paper concludes that there is no discernable long term of impact on alcohol related emergency attendances from a 3.00am lockout intervention in Ballarat.

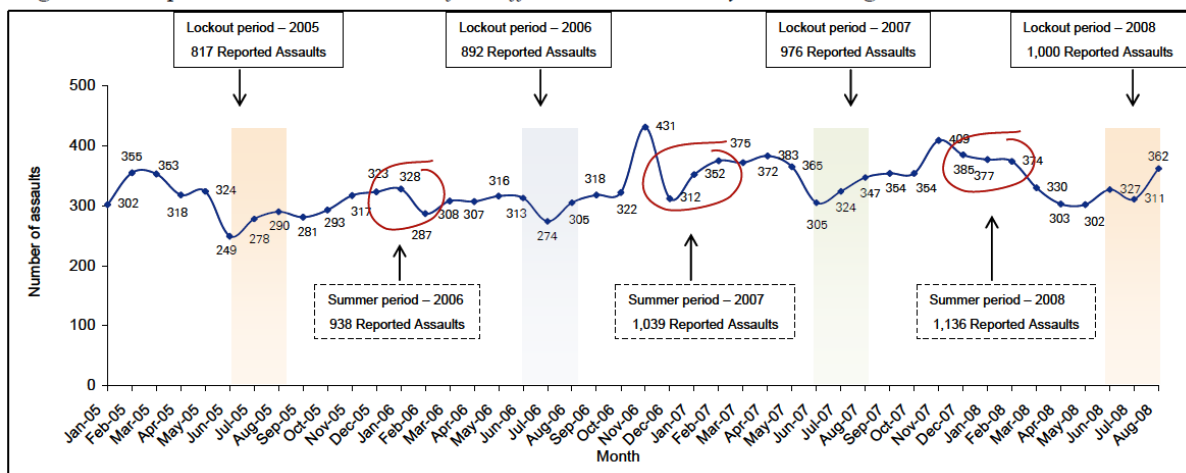
The statistics used in Kypri et al. (2015) contrast the reduction in number of assaults in Newcastle from the combination of 1.00am lockouts and 3.00am closures introduced in March 2008 against Hamilton, which in 2010 introduced a 1.00am lockout only. Whilst number of assaults in Newcastle has significantly fallen, the number of assaults in Hamilton has not changed with any statistical significance since the introduction of the lockouts.



Source: Kypri et al. (2015) 'Night-time assaults in Newcastle 6–7 years after trading hour restrictions'

Another example is the 2.00am lockouts trialled in Melbourne for 3 months in 2008 but had no restricted cessation time for alcohol supply. According to the KPMG Department of Justice report², there were no statistically significant decreases in number of assaults. This contrasts with Sydney, which had a statistically significant decrease well within the 3 months after intervention.

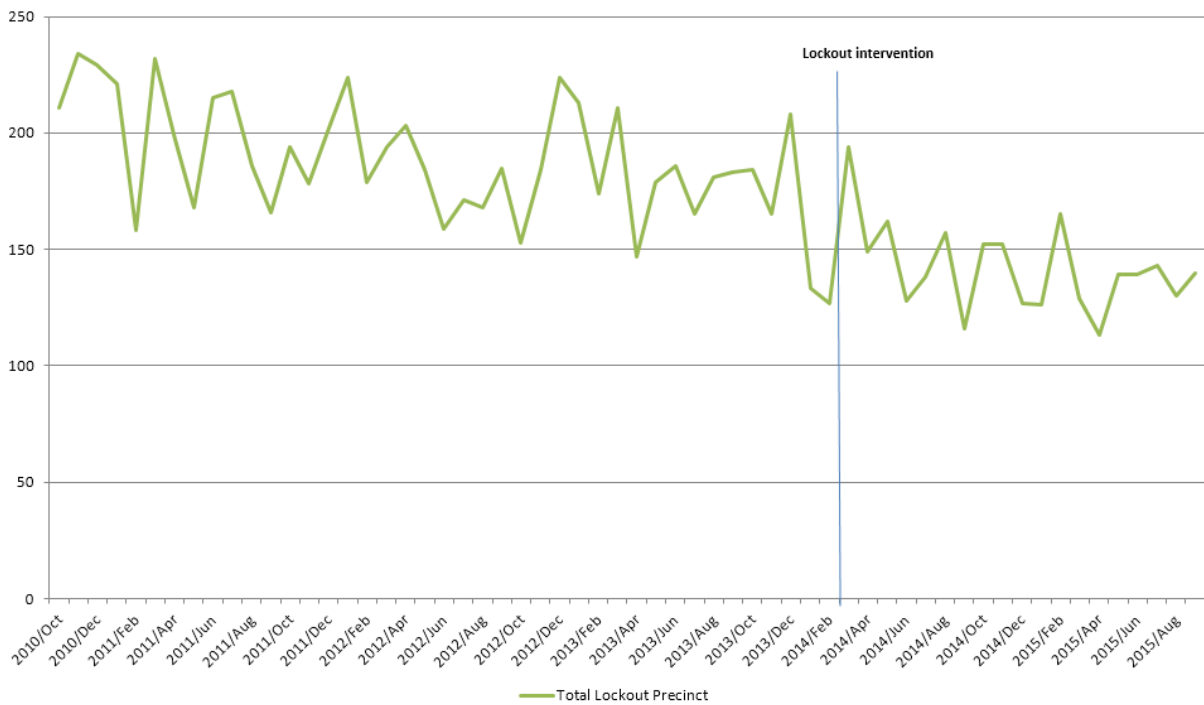
Figure 6.1: Reported assaults across the four affected LGAs January 2005 to August 2008



Source: Data provided by Victoria Police

² https://assets.justice.vic.gov.au/vcglr/resources/68c25687-41ba-4c4a-91a6-e7620fc003d6/evaluation_temporarylatenightentrydeclaration_finalreport.pdf

Non-domestic assault incidents recorded by the NSW Police Force, Total Lockout Precinct



Sources: Department of Justice ‘Evaluation of the Temporary Late Night Entry Declaration’ 2008 and Bureau of Crime Statistics and Research ‘Alcohol Assault Excel Table’ 2015³

However, like Sydney the statistics for Melbourne should be treated with caution as the results may be confounded by other variables (namely granting of stays by VCAT and the fact that the measures were temporary).

There is some evidence to suggest that lockouts on their own do not correlate to a significant reduction in number of assaults. It is important to note that the 2014 reforms introduced a number of concurrent measures to address alcohol related violence. At present, there is little data available that isolates the different measures.

I strongly urge the independent review and BOCSAR attempt to separate the effects of the different components of the 2014 reforms to understand the effects of each component, rather than as a whole.

³ <http://www.bocsar.nsw.gov.au/Documents/RCS-Quarterly/Lockout%20precinct%20data.xlsx>

2. Impacts on licensed venues, live music and patrons

I have difficulty supporting the 1.30am lockouts because it applies an indiscriminate rule on almost all licensed venues in the Sydney entertainment precinct. One of the reasons cited for The Star being exempt from the lockouts is that it has taken measures to control alcohol related violence⁴, despite BOCSAR statistics suggesting an unusually high number of assaults which is on an increasing trend for just one venue. It is difficult to comprehend why other venues that have a clean record of responsible service of alcohol should still be subject to restrictions on their licences that are damaging to their businesses. It is also difficult to comprehend why I, like the vast majority of patrons who have nothing to do with alcohol related violence, are forced to have restricted mobility between venues after 1.30am.

The financial impacts on owners of licensed venues by the suite of measures from the 2014 reforms will no doubt be detailed in other submissions, hence I will offer my first hand observations instead as a patron. Many major licensed venues that I had once visited have permanently closed as a result of reduced patronage particularly driven by the 1.30am lockouts. As a patron, I have great concerns that there are more closures to come if the 2014 reforms remain as they are.

Whilst the 3.00am cessation of serving alcohol is normal across many international cities, Sydney is the only major international city where it is currently illegal to enter a licensed venue after 1.30am⁵. This often catches international patrons by surprise as they would not have ever experienced a lockout at that time of night in other well-known global tourist destinations. They often have to rely on being informed by locals when they arrive to actually become aware of the law.

I have met a number of overseas tourists who intended to explore the multiple facets of the city's nightlife only to have their plans cut short by being locked out of venues. The general reaction from them is often great frustration at the 1.30am lockout and in rare cases this has translated to anti-social behaviour with security guards enforcing those laws. I am deeply concerned that the 1.30am lockout are increasingly disappointing tourists who intend to explore Sydney's nightlife, which will have negative impacts for Sydney tourism in the long term.

I also understand that according to APRA-AMCOS statistics⁶, ticket sales from live performance venues have declined by 40% since the 2014 reforms with a 19% decline in attendances across all live venues. I believe it is the 1.30am lockouts more so than the 3.00am restrictions on alcohol supply that have been particularly damaging to the live music scene. This is partly because venues are unable to book acts to begin past 1.00 am as they would have difficulty bringing in new audiences before the 1.30am lockout.

I find it very concerning that the lockouts are damaging an environment that has nurtured some of Australia's biggest names in music. As much as I would like a reduction in alcohol related violence, I cannot support a law that has an adverse side effect of decimating the live music scene.

⁴ <http://www.smh.com.au/nsw/the-star-doesnt-need-sydneys-lockout-laws-says-casino-boss-20160216-gmvb0g.html>

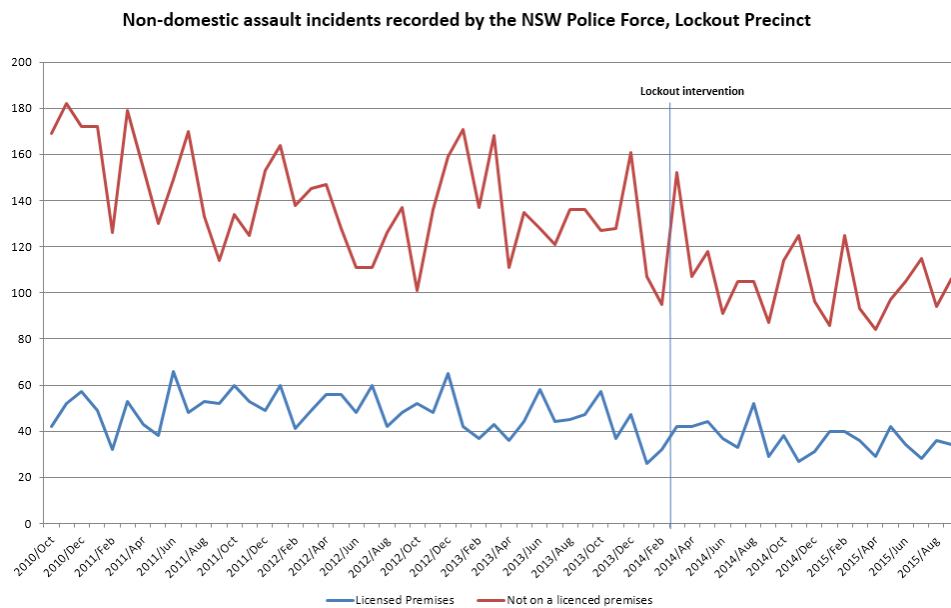
⁵ <http://www.abc.net.au/news/2016-03-16/fact-check-do-other-world-cities-have-lockout-laws/7225790>

⁶ <http://apraamcos.com.au/news/2016/february/sydney-cbd-sees-drop-in-live-performance-revenue-since-introduction-of-lockout-laws/>

3. Recommendations

I recommend that the existing 1.30am lockouts be removed as it is an ineffective intervention to address alcohol related violence. I believe the existing 3.00am cessation of alcohol supply, which is a more direct mechanism, should remain but with stronger flexibility for exemptions where venues have a clean record in responsible service of alcohol.

I also recommend that other more direct measures be put in place (as outlined below), particularly in the streets **outside licensed venues** in the precinct. As shown in the Bureau of Crime's statistics lockout precinct data, assaults in the area are far more frequent outside licensed venues where even effective venue management systems are often unable to intervene.



Source: Bureau of Crime Statistics and Research 'Alcohol Assault Excel Table' (2015)⁷

a) Customisation of restrictions based on individual venue history of non-compliance

Not all venues are managed equally. I think there are some merits in imposing measures such as lockouts for venues which have had histories of non-compliance to responsible service of alcohol. Customised restrictions rather than one size fits all interventions are more targeted measures and ensure venues are incentivised for responsibly managing their service of alcohol.

b) Greater police presence on the streets

The survey in the LNMAR report indicates that there is a greater perception of safety if there is a greater presence of police. From my personal experience, I rarely see a police officer in the CBD precinct at night other than near the train stations. Given that most incidents occur outside venues, I believe heightened police presence that spans across **all** the streets in the precinct would be effective as a deterrent and a means of quick intervention should an incident occur.

⁷ <http://www.bocsar.nsw.gov.au/Documents/RCS-Quarterly/Lockout%20precinct%20data.xlsx>

c) 24 hour access to transport on Friday and Saturday nights, particularly trains

Trains currently cease to operate between around 1.00am to 4.00am on Friday and Saturday nights which means patrons like myself are often left in the streets waiting for night-ride bus services or taxis, which can only take few people at a time. The current difficulty in accessing public transport puts patrons more at risk of being either victims or perpetrators of anti-social behaviour.

By having 24 hour train services on Friday and Saturday nights, there is greater capacity to transport large numbers of patrons at a time away from potentially risky areas with minimal waiting times. This will consequently reduce the risks they face by being stranded on the streets and be more in line with other international night-time economies when it comes to public transport.

d) Expansion of Safe Space stations to aid the recovery of patrons who become intoxicated

A major issue I personally see on a regular basis is intoxicated patrons being left on the streets with little to no support. I am convinced this neglect is a major contributor to alcohol related violence. Whilst it is ideal to prevent intoxication in the first place, there also needs to be measures which prevent those that are already intoxicated from being either victims or perpetrators of violence.

I recently observed the trial of Safe Space stations⁸ near Town Hall championed by the Thomas Kelly Youth Foundation. It aims to offer support and practical advice including providing water to help intoxicated people sober up, organising transport home, or phoning for help.

I think this is a positive step in actually *helping* patrons who are already intoxicated in order to minimise the risks of being involved in alcohol related violence, rather than neglecting or criminalising them. I highly endorse this initiative to be expanded across other areas in the entertainment precinct.

I urge the independent review to consider these recommended measures, which I am confident will balance the need to reduce alcohol related violence and maintaining Sydney's night time economy.

⁸ <http://www.cityofsydney.nsw.gov.au/community/health-and-safety/street-safety/safe-space-program>

5. References

Menendez P, Weatherburn D, Kypri K & Fitzgerald J (2015), 'Lock outs and last drinks: The impact of the January 2014 liquor licence reforms on assaults in NSW, Australia', *Crime and Justice Bulletin*, no.183

Kypri K, McElduff P & Miller P (2015), 'Night-time assaults in Newcastle 6-7 years after trading hour restrictions', *Drug and Alcohol Review*, Volume 35

Miller P, Coomber K, Sønderlund A, McKenzie S (2012), 'The long-term effect of lockouts on alcohol-related emergency department attendances within Ballarat, Australia.', *Drug and Alcohol Review*, Volume 31