



4 April 2016

Hon. Ian Callinan AC  
Chair, Liquor Law Review  
NSW Government's Justice Department  
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Dear Hon Ian Cullinan AC,

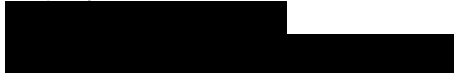
**Re: Liquor Law Review for the NSW Government's Justice Department**

Please find attached the submission of the National Drug and Alcohol Research Centre (NDARC), University of NSW (UNSW Australia) to the Liquor Law Review.

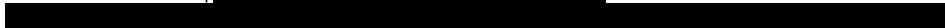
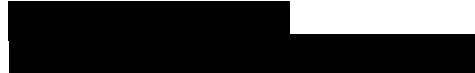
Thank you very much for the opportunity to make this submission. We trust it provides evidence-based information that is useful in informing the deliberations of your review panel.

Yours sincerely,

Professor Anthony Shakeshaft  
Deputy Director



Professor Michael Farrell  
Director



**Submission of the National Drug and Alcohol Research Centre (NDARC), University of NSW (UNSW), to the Liquor Law Review by the NSW Government's Justice Department**

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We submit the following information for the consideration of the Liquor Law Review.

**1. Research in relation to regulations implemented together: i) 1.30am lock out; ii) cessation of alcohol sales at 3am; iii) cessation of take-away liquor sales at 10pm.**

- These three regulations are supply reduction strategies. The Australian National Drug Strategy for 2010-2015, approved by the Ministerial Council on Drug Strategy in February 2011, organises alcohol harm reduction strategies into three pillars: demand reduction; supply reduction; and harm reduction. Supply reduction aims to control, manage and/or regulate the availability of alcohol.
- ***There is no question that the research evidence clearly shows a strong, positive relationship between more restrictive supply of alcohol and a reduction in alcohol harms<sup>1-7</sup>.*** This relationship has been shown in Sydney, in other jurisdictions in Australia and internationally. In other words, tighter supply reduction strategies have consistently been shown to reduce alcohol sales and consumption, which in turn reduces alcohol-related harms.
- Given the strength of the relationship between alcohol supply and alcohol harm, it is entirely expected that the package of supply reduction strategies comprising these three specific laws have been shown to be effective in reducing alcohol assaults in the Kings Cross and City of Sydney areas by the recent BOCSAR analysis, by approximately 40% and 20% respectively.
- Similar laws have engendered similar results in other Australian cities:
  - In Newcastle (NSW), a similar package of laws reduced alcohol-related crime and hospital ED presentations. The Newcastle change in laws, for example, showed a 37% reduction in assaults and there is no evidence that these assaults simply shifted elsewhere<sup>8</sup>.
  - In Perth (WA), the relationship between alcohol supply and harm was demonstrated in the reverse: hotels granted Extended Trading Permits (ETPs) showed a 70% increase in the level of monthly assaults, between 1991 and 1995 associated with a dramatic increase in the wholesale purchase of alcohol by hotels with ETPs<sup>9</sup>.
  - NDARC's own research has shown that the high proportion of late night trading venues in Kings Cross (86% of hotels/clubs are late trading) is associated with significantly more alcohol-related crime than in Darlinghurst, as well as a 40% increase in alcohol-related crime from 2001-2006<sup>3</sup>.

## 2. Research in relation to these regulations individually

- The evidence is less clear about the relative effectiveness of these three different strategies in isolation from each other:
  - Cessation of alcohol sales at a given point in time (in this case 3am) is the strategy with the most evidence for its effectiveness, which makes sense because it makes alcohol in a public venue unavailable.
  - There is little rigorous evidence about the effectiveness of lock-outs. They have been implemented with mixed reactions in Melbourne, regional Victoria and in Manly in Sydney. The Manly approach received some anecdotal support that it was effective in reducing rates of alcohol-related harm, and it appears to be a popular strategy with police. The May 2008 meeting of the Ministerial Council on Drug Strategy (MCDS) resolved to review the evidence on lock-outs. We are not aware about whether this review of evidence was ever released to the public.
  - Cessation of take away liquor sales after a given point in time (in this case 10pm). This strategy is used in cities internationally, but its specific effect on alcohol harms separately from other strategies is unclear. However it is worth noting that probably the biggest supply of alcohol to the community is through this route.

## 3. Research in relation to strategies other than supply reduction

- Demand reduction strategies aim to prevent the uptake and/or delay the onset of alcohol use, reduce the misuse of alcohol in the community and support people to recover from dependence and reintegrate with the community. The demand reduction strategy with the most evidence for its effectiveness is increasing the price of alcohol (usually through the taxation system). While it is clear that increasing price does reduce average consumption across the community, NDARC's research shows that it is unlikely to reduce harms associated with binge drinking (because in response to price increases, Australian drinkers appear to have a strong preference to reduce the number of days on which they drink to preserve their ability to binge drink)<sup>10</sup>.
- Harm reduction aims to reduce the adverse health, social and economic consequences of alcohol use. There are two relevant recent initiatives in Sydney:
  - The establishment and trial of the Sobering Up Centres. We understand that the operation and likely impact of these centres was undertaken by Siggins Miller consulting on behalf of the NSW Government but we are unaware whether these results are available to the public<sup>a</sup>.
  - The Thomas Kelly Youth Foundation has implemented a Safe Space initiative to try to provide better care for intoxicated young people. The Foundation is currently seeking funds to evaluate the impact of this harm reduction initiative<sup>b</sup>.

<sup>a</sup>For the purpose of full disclosure, please note that Professor Shakeshaft, NDARC, acted as a consultant to this evaluation.

<sup>b</sup>For the purpose of full disclosure, please note that NDARC/UNSW and the Thomas Kelly Youth Foundation have an existing relationship governed by a formal MOU.

#### 4. Summary

- It is entirely consistent with international and Australian research evidence that the supply reduction strategies introduced by the NSW Government have reduced alcohol assaults in Kings Cross and the City of Sydney (as shown by BOCSAR's analysis).
- Supply reduction strategies such as these have the most evidence to date that they will reduce alcohol-related harms at high risk times, specifically late at night/early morning in entertainment precincts (there is less or no evidence for the specific impact of demand reduction strategies or harm reduction strategies on these harms).
- Whether the observed impacts would be diluted by removing some strategies is unclear from existing research evidence. Nevertheless, the individual strategy that is likely to have been most effective in reducing harms associated with binge drinking is the cessation of alcohol sales at 3am. If the Review recommends changes to the existing laws, it would be very useful to make one change at a time (as opposed to multiple changes simultaneously) to allow an analysis of the impact of individual laws. This would be a major contribution to evidence to inform future decisions.
- Whether the observed reductions in alcohol harms outweigh the greater restrictions they impose on people's entertainment options, obviously requires careful consideration from a range of perspectives (e.g. local residents, local businesses and the NSW economy). First, a cost-benefit analysis would determine whether the social and economic benefits of the laws (e.g. feeling safer, reduced police and court time, reduced ED time) outweigh the social and economic cost of their design, implementation and enforcement, including the value that the community places on these laws. Second, this information would allow a more informed judgement about whether, on balance, the clear benefits of these laws outweigh their costs for the majority of the community.

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## Independent review of the impact of liquor law reforms

Submission from Drug Policy Modelling Program, National Drug and Alcohol Research Centre, UNSW  
4<sup>th</sup> April, 2016

The review is considering the impact of the 1.30am lock out and 3am cessation of liquor sales laws, and the impact of state-wide 10pm restriction on take-away liquor sales and the annual liquor license fee program.

The suite of measures implemented in Kings Cross and the Sydney CBD (and to a lesser extent those across the state) were a major 'natural experiment' in the management of late night entertainment precincts and represents an opportunity to improve our knowledge of the effectiveness of widely implemented policy measures. This is an opportunity not only to provide crucial public policy evidence for Sydney and New South Wales, but for jurisdictions around Australia and the world. Thus, it is critical that a robust, well- funded and independent evaluation is conducted to measure the positive and negative impacts of the control measures and to assess their overall impact. While it is important to fully document any change in harms related to drugs and alcohol, there are other important outcomes such as restrictions on choice, impact on revenues and amenity.

The Drug Policy Modelling Program advises that a comprehensive evaluation is required, that takes into account multiple aspects and perspectives. To date, the outstanding evaluation conducted by BOCSAR has only considered arrest data on assaults. In our view a much broader evaluation approach is required, as briefly summarised below. The focus of our submission is thus on the kinds of data and research methods necessary to undertake such an evaluation.

### General principles/approach

An evaluation of the impact of the liquor law changes would entail analysis across a range of domains including (but not limited to):

- Health
- Public amenity and societal preferences
- Business impacts on such diverse activities as retail, entertainment and other business enterprises and property values
- Alcohol and drug consumption and harms
- Crime

It would include both quantitative and qualitative data.

The design of an evaluation or assessment, which is intended to determine changes in outcomes directly attributable to the reforms, needs to include:

- A comparison of before and after the introduction of the changes;
- Control sites (to assess displacement; and to compare jurisdictions without the restrictions);
- Time trends (to assess natural variations over time that arise irrespective of the legal changes);
- An assessment of the mechanisms by which change is effected.

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The BOCSAR evaluation of the impacts of the 2014 liquor license reforms on the incidence of detected assaults (arrests data) in Kings Cross and surrounding areas has followed this systematic approach. We strongly recommend that a similar set of analyses occur for public amenity, health, economic activity, other types of crimes and other domains. Importantly, as was noted in the 2015 BOCSAR report (Lockouts and last drinks) and again by Don Weatherburn (BOCSAR) at the Sydney Criminology seminar event on March 14 2016 this year, while the extant BOCSAR research has shown the effect of the liquor law changes on the incidence of detected assaults, the research evaluation methods used to date cannot identify the *mechanism* by which these changes have taken place. For example, the drop in assaults may be attributable to: negative publicity following two high profile deaths, a reduction in the number of people attending Kings Cross, or implementation of either the two main alcohol law reforms (the 1.30am lockouts or 3am cessation of liquor sales). Don Weatherburn further contended that it is more plausible that it is the 3am cessation of liquor sales, and not the lockouts that have led to the reduction in assaults. Such fine grain analysis is essential for understanding the specific impacts of the adopted liquor law reforms. Attending to understanding mechanisms of change when evaluating the effects of this policy across all other domains is also an important undertaking.

### **Evaluation of health impacts**

The relevant health data to inform a comprehensive evaluation include:

- *Emergency department presentation data:* Emergency Department (ED) data provide a relatively reliable means of measuring rates of violence and injury. ED data lack the geographical specificity of police data (i.e. there is no record of where injuries occur), however rates of late-night weekend presentations at major inner-city EDs can be compared with rates at EDs unlikely to be affected by the CBD and Kings Cross intervention. ED data on assault-related injuries and on all injuries should be analysed. The ED data will not be useful for assessing displacement of harms to neighbouring areas, but will provide robust evidence on whether the policies implemented have achieved their overarching goal, a reduction in harms.
- *Ambulance data:* Ambulance data are unique in the health system for their geographic specificity (i.e. ambulances typically attend the location where the injury occurred). Rates of late-night ambulance attendances in the intervention area and neighbouring areas would provide a good complement to police data.
- *Hospital admission data:* Hospital admissions data provide the most reliable coding of violence in the health system and allow for the separation of domestic and non-domestic assaults (including more detailed categories such as assaults by a stranger). Hospital data also reflect the most serious violence, requiring admission to hospital. However, hospital data are not temporally or spatially specific, meaning any effects may be small. As with the ED analyses, a comparison of inner city hospitals and those unlikely to be admitting injured patients from the CBD would provide some measure of the overall effects of the policy changes.

As noted above, comparison sites (potentially including other jurisdictions), and controlling for natural variation (changes over time) must be included in the design of any health impacts.

### **Evaluation of public amenity and societal preferences**

Public amenity includes the extent to which people feel they have access to space, and feel safe and welcome there. Relevant factors include cleanliness of area, noise, level of inclusion/exclusion in community and when 'going out', safety (both personal and for others) and ease of access to transport. It is particularly important to take into account differential impacts of public amenity on marginalised groups e.g. youth, GLBTI communities, and ATSI populations, and to assess whether the measures have contributed to curtailment of young people's use of public space.

Some possible existing data sources include:

*Sydney City activity data:* The City of Sydney conducts regular studies of the night-time economy, measuring pedestrian and street activity (including observations of anti-social behaviour) and intercept interviews with people active in the night-time economy. These data (collected in 2010 and 2012) provide critical baseline data to measure the impacts of the recent measures on the ways that people engage with the night-time economy in Sydney. Importantly, the data already collected cover both intervention and non-intervention areas, meaning displacement effects can be assessed.

*Household travel survey:* The household travel survey, collected by the NSW Bureau of Transport Statistics, collects data on an annual basis on travel within the Sydney Greater Metropolitan Area. It documents travel flows between LGAs, day and time of travel etc.

*Wellbeing (residents) Survey – City of Sydney:* The Wellbeing Survey is conducted by the City of Sydney and assesses resident's views on social and environmental factors and perceptions that affect quality of life in the local area. The survey was conducted in 2011 and 2015 (pre and post the main reforms). It documents levels of civic engagement, community involvement and connectedness, participation levels in recreation and arts activities & public safety.

*The Australian Survey of Social Attitudes (AuSSA).* This is a biennial survey of the social attitudes, beliefs and opinions of Australians, how they change over time, and how they compare with other societies.

New studies and research are required, which may include:

- Surveys of residents within and outside target sites, measuring their perceptions of the impact of the liquor law reforms and their perceptions of safety.
- Observational studies within venues to examine patterns of drinking, service practices and violent incidents
- Observational studies outside venues, including at venue queues, transport hubs and fast food stores
- Street intercept surveys with patrons to assess intoxication levels, pre-drinking and experience of violence. Some pre-intervention data are available from a major study of nightlife conducted in 2012. Similarly, the pre-existing data collected by City of Sydney (discussed above) provide potential baseline data for future data collection.
- In depth qualitative interviews with key informants, including licensees, bar staff, taxi drivers and police.

### **Evaluation of business activities**

There are a number of important aspects to the business activity of relevance for the liquor laws.

These include, for example:

- Hotels, clubs and pubs
- Food outlets/ restaurants
- Entertainment and music industry

Consideration should be given to the impact on employment opportunities through gains and losses of business activities and entertainment venues.

As above, studies of the business activity need to include before-after measures, include measures of displacement and include the ability to control for naturally occurring changes over time (not ascribable to the liquor law changes).



## Evaluation of crime impacts

The BOCSAR evaluation has addressed the major design and data features we note above. But the major focus to date has been on crime data pertaining to the incidence of assaults. Other crimes also warrant attention particularly incidence of public order offences (disorderly conduct, regulated public order offences, offensive conduct), other acts intending to cause injury, and supply and use/possession of illicit drugs and steroids are also relevant: particularly in the Kings Cross area.

Aside from New South Wales Police service and the Bureau of Crime Statistics and Research data other relevant data include demographics of the persons of interest (gender and age). Analysis of demographics in crime data are particularly important for understanding whether particular populations are being disproportionately affected/targeted through the new liquor law reforms. However, as outlined above, it is vital that evaluations of the new liquor law reforms not be done purely through this lens of crime and safety, which has tended to dominate the debate and policy responses.



Prof Alison Ritter  
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