



The Royal Australasian
College of Physicians

**Submission to NSW government's
independent review of the impact of
liquor law reforms**

April 2016

Introduction

The Royal Australasian College of Physicians (RACP) welcomes the opportunity to contribute to the NSW Government's independent review of the Liquor Amendment Act 2014.

Our submission will focus on the effectiveness of these reforms, which we will henceforth refer to as the 'liquor law reforms':

- The 1.30am lock out for licensed premises in the Sydney CBD Entertainment and Kings Cross precincts
- The 3am closing hours for licensed premises in the same precincts; and
- The state-wide 10pm restriction on take-away liquor sales - in addressing alcohol-related harms in NSW.

The evidence shows that measures which reduce the availability of alcohol, in particular by reducing outlet trading hours, can effectively reduce alcohol-related violence. Overall the liquor law reforms meet this characterisation of an effective evidence-based policy for reducing alcohol-related violence. The most recently available evidence suggests that it has, **at the very least**, significantly reinforced the recent trend towards reduced alcohol-related violence. In addition, and contrary to recent media reports and criticisms, the evidence also shows that these reforms have achieved these benefits without any statistically discernible displacement effects to adjacent locations.

We believe it must be recognised that any concerns about displacement effects can be easily managed by extending the current package of restricted trading hours for licensed premises across the State. Such an extension would be justified by the demonstrated effectiveness of the liquor law reforms to date and would also be consistent with the recommendations of the RACP's recently released Alcohol Policy, co-developed by the Royal Australian and New Zealand College of Psychiatrists (RANZCP).

Alcohol consumption and availability leads to greater rates of interpersonal violence

Research shows a well-established nexus between alcohol consumption and incidents of violence, including domestic and non-domestic assault.¹ This is not surprising because alcohol consumption has been found to increase the likelihood and extent of aggressive behaviour whilst also reducing the cognitive or verbal capacity to resolve conflicts, which thereby increases the likelihood of fights and assaults as well as other forms of physical violence.²

Alcohol-related violence is not just a problem peculiar to NSW but a nationwide issue. In Australia, between 3.3 per cent³ and 4 per cent⁴ of the community report being physically abused by someone

¹ Morgan, A. and A. McAtamney 2009, 'Key issues in alcohol-related violence', Australian Institute of Criminology, Canberra; Hobday M, Chikritzhs T, Liang W, Meuleners L. The effect of alcohol outlets, sales and trading hours on alcohol-related injuries presenting at emergency departments in Perth, Australia, from 2002 to 2010. *Addiction*. 2015 Dec;110(12):1901-9. doi: 10.1111/add.13063. Epub 2015 Aug 13.

² National Health and Medical Research Council (Cth), Australian guidelines to reduce health risks from drinking alcohol, 2009, pp 21-22.

³ Australian Bureau of Statistics. Personal Safety, Australia 2012. Cat. no. 4906.0; 2013

affected by alcohol, while 24 per cent of people report being verbally abused, and 12 per cent report being 'put in fear' by someone affected by alcohol.⁵

The relative effectiveness of measures to reduce alcohol availability

A Norwegian study has found that every additional hour of trading in on-licence premises is associated with a 16 per cent increase in assaults.⁶ Another study found that regions of Perth, Australia with greater off-premises alcohol sales and counts of on-premises alcohol outlets, particularly those with extended trading hours, appear to have higher levels of alcohol-related injuries.⁷

A 2015 review of studies on the effects of alcohol control policies on interpersonal violence⁸ identified 19 that dealt with alcohol trading hours and of these, the vast majority of the studies (more than 60 per cent) found that earlier closing times of licensed establishments could lead to significant reductions in violent crime rates. The remaining studies that did not find such a strong relationship were focused on other ways in which changes in trading hours affected violence such as staggered closing times and lockouts, where 'lockouts' in this specific context refers to measures where new entrants to licensed premises are not allowed after a certain time, but those already on the premises are allowed to continue drinking.⁹ When the impact of lockouts is able to be assessed separately from that of earlier closing times, evidence that it has impacts on violence is less conclusive.¹⁰

The effectiveness of earlier closing times in reducing alcohol-related violence is therefore well established,¹¹ and studies of Australian trials of earlier closing times for licensed establishments including of the NSW liquor law reforms reinforce this.

Earlier closing times for pubs in Newcastle, Australia resulted in a one-third reduction in recorded assaults that has been sustained over at least five years.¹² Using data up to September 2014, the NSW Bureau of Crime Statistics and Research (BOSCAR) concluded that the average monthly

⁴ Australian Institute of Health and Welfare, 2010 National Drug Strategy Household Survey. Drug Statistics Series no. 25; Canberra: AIHW; 2011

⁵ Laslett A et al. The range and magnitude of alcohol's harm to others. Fitzroy, Victoria: AER Centre for Alcohol Policy Research, Turning Point Alcohol and Drug Centre, Eastern Health; 2010, p. 63

⁶ Rossow I, Norström T. The impact of small changes in bar closing hours on violence: the Norwegian experience from 18 cities. *Addiction* 2011;107:3:530–537.

⁷ Hobday M, Chikritzhs T, Liang W, Meuleners L. The effect of alcohol outlets, sales and trading hours on alcohol-related injuries presenting at emergency departments in Perth, Australia, from 2002 to 2010. *Addiction*. 2015 Dec;110(12):1901-9. doi: 10.1111/add.13063. Epub 2015 Aug 13

⁸ Fitterer J, Nelson T, Stockwell T. A Review of Existing Studies Reporting the Negative Effects of Alcohol Access and Positive Effects of Alcohol Control Policies on Interpersonal Violence. *Front Public Health*. 2015; 3: 253.

⁹ The lack of rigour in the use of the term in the popular press means that the term 'lockouts' is typically used to refer to both types of licensing restrictions.

¹⁰ Miller P, Coomber K, Sønderlund A, McKenzie S. The long-term effect of lockouts on alcohol-related emergency department attendances within Ballarat, Australia. *Drug Alcohol Rev*. 2012;31:370–376; De Andrade D, Homel R, Townsley M. Trouble in paradise: The crime and health outcomes of the Surfers Paradise licensed venue lockout. *Drug Alcohol Rev* 2016;36.

¹¹ Fitterer J, Nelson T, Stockwell T. A Review of Existing Studies Reporting the Negative Effects of Alcohol Access and Positive Effects of Alcohol Control Policies on Interpersonal Violence. *Front Public Health*. 2015; 3: 253.

¹² Kypri K, McElduff P, Miller P. Restrictions in pub closing times and lockouts in Newcastle, Australia 5 years on. *Drug Alcohol Rev* 2014 May;33(3):323–326

assault rate had fallen by 32 per cent in the Kings Cross and 26 per cent in the Sydney CBD Entertainment precincts¹³ following the introduction of the liquor law reforms. A forthcoming study by BOSCAR, which is currently under peer review, extends the analysis to June 2015 and still reports a reduction in the monthly assault rate by 45.1 per cent in Kings Cross and 20.3 per cent in the Sydney CBD Entertainment precinct.¹⁴

Displacement effects not statistically significant

One criticism of the NSW liquor law reforms has been that they have led to so-called ‘displacement effects’ i.e. that the liquor licensing restrictions in the Kings Cross and Sydney CBD Entertainment Districts has merely led to people moving on to geographically adjacent parts of Sydney resulting in increased violence in these areas. This issue is directly addressed by the BOSCAR research which has found (in both its published forms and the follow up research currently being peer-reviewed) that the displacement effects are not statistically significant. This analysis included consideration of the alleged displacement of violence to the Star casino with the published BOSCAR research concluding that¹⁵:

‘... the confidence intervals around the parameter estimates for The Star casino analysis are rather large and the effect appears to be not significant ... even if we take the apparent increases in assaults at The Star casino at face value, the increase in absolute terms (i.e., 2.8 per month) was much smaller than the decreases in the Kings Cross (from 39.6 in 2013 to 24.6 in 2014) and Sydney CBD Entertainment (from 151.8 in 2013 to 125.3 in 2014) Precincts (41.5 assaults per month across the two Precincts).’

Liquor law reforms have made a difference even if they didn’t initiate the trend towards less violence

Published BOSCAR research shows that while there was already a downward trend in alcohol related violence before the introduction of the liquor law reforms in 2014, the reforms have accelerated this downward trend.¹⁶

The benefits of restricting supply of alcohol go well beyond reducing interpersonal violence

Interpersonal violence is just one of a long list of social problems caused by alcohol. Any evaluation of the NSW liquor licensing reforms should be considered in a broader perspective. Studies estimate the annual social costs of alcohol misuse in Australia at between \$15 billion¹⁷ and \$36

¹³ 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.

¹⁴ http://www.bocsar.nsw.gov.au/Pages/bocsar_news/Lockouts-Forthcoming-Research.aspx

¹⁵ 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.

¹⁶ <http://www.abc.net.au/news/2016-02-10/crime-statistician-refutes-bairds-sydney-assault-figures/7154804>

¹⁷ Collins D, Lapsley H. The avoidable costs of alcohol abuse in Australia and the potential benefits of effective policies to reduce the social costs of alcohol. DoHA Monograph Series No. 70; 2008, p. ix

billion¹⁸ with the higher estimate incorporating a comprehensive assessment of harms to individuals other than the drinkers. The NSW Audit Office estimated NSW's share of these annual costs to be at least around \$3.87 billion.¹⁹

Alcohol-related costs are extremely broad and include: dealing with crime (such as interpersonal violence); lost productivity arising from sickness and premature death; reductions in the workforce and absenteeism; associated healthcare costs; costs due to pain and suffering; and loss of life. The costs of alcohol do not only affect people who drink to risky levels but also the broader population, including those who do not drink. Cumulatively, these broader costs mean that the current price of alcohol does not reflect its full social cost to the community. Reducing alcohol consumption can therefore produce benefits to society (even after taking account of the inconveniences it produces, including potentially reduced employment in alcohol-related industries).

Given these broader costs associated with alcohol consumption, measures to restrict its availability, including increasing the price of alcohol, have broader benefits than reducing interpersonal violence and these must be taken in to account.

Conclusions and recommendations

There is a well-established relationship between alcohol consumption and incidents of violence including domestic and non-domestic assault.

The NSW liquor law reforms have been shown to reduce alcohol availability and the rates of associated violence. Average monthly assault rates have fallen by 32 per cent in the Kings Cross and 26 per cent in the Sydney CBD Entertainment precincts since the introduction of the liquor law reforms, with little evidence of displacement effects to adjacent areas. However, if displacement effects were a genuine concern, they could be easily managed by extending the current package of restricted trading hours for licensed premises State-wide.

As interpersonal violence is not the only social problem caused by alcohol, any evaluation of the NSW liquor licensing reforms needs to move beyond this narrow perspective. Current levels of alcohol consumption result not only in higher levels of interpersonal violence but also lost productivity arising from sickness and premature death, reductions in the workforce and absenteeism, associated healthcare costs and costs due to pain and suffering and loss of life.

In light of this overwhelming evidence of alcohol-related harms we can conclude that the benefits to society of the liquor law reforms significantly outweigh any potential costs. This and the demonstrated effectiveness of the liquor law reforms therefore justify the state-wide implementation of these laws.

¹⁸ This estimate combines Collins D, Lapsley H 2008. The costs of tobacco, alcohol and illicit drug abuse to Australian society in 2004–2005. Canberra: Commonwealth of Australia; and Laslett A-M et al. 2010. The range and magnitude of alcohol's harm to others. Melbourne: AER Centre for Alcohol Policy Research and Turning Point Alcohol and Drug Centre, Eastern Health. Note however, that it may involve an element of double counting.

¹⁹ Audit Office of NSW 2013, 'Cost of alcohol abuse to the NSW Government'.