Correcting the Sydney lockout myths

AUGUST 2016
Summary

In February 2014, the New South Wales (NSW) Government introduced a range of measures to reduce alcohol-related violence. This included the restriction of entry to new licensed premises (‘lockouts’) after 1:30am and the cessation of alcohol sales (‘last drinks’) at 3am in the newly established Kings Cross and Sydney CBD Entertainment Precincts.

Trading hour restrictions have been identified as one of the most effective policy interventions to reduce alcohol harm, including alcohol-related violence.¹ Australian and international research demonstrates that for every additional hour of trading, there is a 16 to 20 per cent increase in assaults and, conversely, for every hour of reduced trading there is a 20 per cent reduction in assaults.²,³

Since their introduction in 2014, there has been misrepresentation of information and propagation of myths in relation to the impact of the lockout and last drinks measures (the liquor law reforms). With an independent review of the measures currently underway, it is important that the facts are clearly established. For this reason, the present study uses newly available data with other sources of robust information to evaluate the impact of the liquor law reforms in Kings Cross.

The study identifies a variety of claims in relation to the impact of the liquor law reforms as either false or grossly exaggerated. In particular, evidence was found to suggest the following.

### Myth

**“The lockouts have dramatically reduced pedestrian traffic in Kings Cross”**

**The Facts**

- The average decline in foot traffic in Kings Cross between 5pm and 4am on Friday and Saturday nights was 19.4 per cent, and not the 80 per cent reported by some sources.

- Pedestrian traffic in the evenings before lockout (5pm to 1am) did not change significantly between 2012 and 2015.

**Busted**

### Myth

**“A large number of businesses have closed as a result of the lockouts”**

**The Facts**

- There were four fewer businesses trading at any point between 5pm and 4am on Friday and Saturday nights in Kings Cross, from 170 in 2012 to 166 in 2015. This is despite claims of 40 business closures resulting from the liquor law reforms.

- The number of pubs, taverns, bars and clubs trading during this time reduced from 30 in 2012 to 27 in 2015. This represents a net reduction of just three businesses.

- Over the same period, at least 70 new businesses have been observed across the region.

**Busted**
“LAND VALUE HAS DECLINED DRAMATICALLY IN THE KINGS CROSS AREA”

**THE FACTS**

- Between 2014 and 2015, there was a 15 per cent increase in mixed use property values in Woolloomooloo, Potts Point, Elizabeth Bay and Darlinghurst, and a 35 per cent increase in residential property values in The Bays and Potts Point.

- At the same time, commercial property values in the Potts Point Local Centre declined by 20 per cent.

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“THE LIQUOR LAW REFORMS HAVE NOT BEEN EFFECTIVE IN REDUCING ALCOHOL-RELATED HARM”

**THE FACTS**

- Following the introduction of liquor law reforms, non-domestic assaults during the lockout period on weekend nights reduced by 70.2 per cent in Kings Cross and 30.7 per cent in the Sydney CBD Entertainment Precinct. Non-domestic assaults reduced by 75.5 per cent following last drinks in Kings Cross and by 41.5 per cent in the Sydney CBD Entertainment Precinct.

- Between 2012 and 2015, there was a 76.6 per cent reduction in serious antisocial behaviour (physical and verbal fights and arguments, shouting and verbal abuse) in Kings Cross.

- There was also a 73.3 per cent reduction in the less serious antisocial behaviour (drunken behaviour including staggering, falling, loud music, urination, vomiting, street drinking, and vandalism) in Kings Cross.

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“THE LOCKOUT AND LAST DRINKS MEASURES HAVE DISPLACED HARM TO OTHER REGIONS”

**THE FACTS**

- Assaults in surrounding and alternative entertainment precincts remained stable following the introduction of the liquor law reforms.
Method

This study investigated claims relating to the impact of liquor law reforms introduced by the NSW Government in 2014. A variety of information sources were used to assess the veracity of such claims, including:

- data collected in preparation of the City of Sydney’s Late night management areas research (LNMAR) reports
- a report prepared by the NSW Valuer General examining property prices in the Kings Cross region
- research conducted by the NSW Bureau of Crime Statistics and Research (BOCSAR).

The use of these information sources is described in the sections below.

The Late night management areas research report series

The City of Sydney published a series of reports, the Late night management areas research (LNMAR) reports, to support planning and management of the city’s night-time economy. The LNMAR report series has included four phases. Although the reports, which cover data collected in 2010, 2012 and 2015,\(^4,^5,^6\) are publicly available, the underlying data was not published. The Foundation for Alcohol Research and Education (FARE) obtained a copy of the dataset under the Government Information (Public Access) Act 2009 (GIPA).

While data for 2010 (two of the four phases) was not available, data relating to 2012 and 2015 allowed assessment of change over this period, which included the commencement of new liquor regulations in 2014. Data for phase three (2012) was collected on evenings beginning Friday 14 December and Saturday 22 December, while data for phase four (2015) was collected on evenings beginning Friday 13 March and Saturday 21 March. It is important to note that seasonal variation may overstate any decline in pedestrian traffic, with December likely to be busier than March. Despite this, analysis of this data allows for an assessment of the veracity of claims being made in relation to the impact of the liquor law reforms.

Three sets of data were collated in the preparation of the LNMAR reports. These included pedestrian counts, observations, and survey results. Hourly pedestrian counts were collected between 5pm and 4am at a variety of locations within several precincts, including Kings Cross. Observations were also made during these times of congregation, footway congestion, antisocial behaviour, and ‘temporal economic diversity’\(^7\) or the variety of businesses open at different times throughout the night. The researchers also surveyed pedestrians to collect information about their reasons for visiting, the types of venues they visited, movement between precincts, methods of travel, times of departure, demographic characteristics, and place of usual residence.

Pedestrian traffic was counted at eight locations within Kings Cross for 15 minutes on each hour, and multiplied to provide an hourly rate. Counting was conducted between 5pm Friday and 4am Saturday, and between 6pm Saturday and 4am Sunday, inclusively. Because the observation point in one location was changed between 2012 and 2015, this location was excluded from analysis based on advice from the City of Sydney. The remaining seven locations were used to examine change in pedestrian traffic relative to the corresponding location, time period and day between 2012 and 2015.

Due to violations of the assumption of normality, analysis of pedestrian data was undertaken using non-parametric techniques. In particular, Wilcoxon signed rank tests were used to assess whether pedestrian traffic in Kings Cross changed significantly prior to commencement of the lockout (from 5pm to 1am), during the lockout (from 2am to 3am) and following last drinks (at 4am). Symmetry of difference scores were supported on visual inspection.

In order to examine rates of antisocial behaviour while accounting for the reported reduction in the number of businesses trading in the night-time economy, Chi Square Test of Contingencies was used to assess whether the proportion of open businesses where antisocial behaviour was observed changed significantly between 2012 and 2015. Relevant statistical assumptions were met, with frequencies of at least five expected in each instance.

Chi Square Tests of Contingencies were also used to assess changes in the proportion of respondents that reported having visited or intending to visit particular venue types. This included examination of those that report having visited or intending to visit a pub, bar or nightclub. Relevant statistical assumptions were met, with frequencies of at least five expected in each instance.
**Licence data from the New South Wales (NSW) Office of Liquor, Gaming and Racing**

Data was obtained by custom request from the NSW Office of Liquor Gaming and Racing (OLGR). These data included a time series of licence class numbers by NSW Local Government Area (LGA). Licence classes in the City of Sydney were examined to provide an indication of the impact of the 2014 liquor law reforms.

The classes examined included *Club*, *Hotel*, *On-premises*, *Packaged Liquor*, *Producer-Wholesaler* and *Small bar* licences. Club licences allow venues to sell alcohol and operate gaming machines. Hotel licences allow venues to sell alcohol, operate gaming machines, and provide takeaway sales. On-premise licences allow venues to sell alcohol for consumption with, or ancillary to, another product or service (such as restaurants). Packaged liquor licences allow venues to sell takeaway liquor to the public through a bottle shop or liquor store, or via home delivery by telephone, mail order or the internet. Producer-wholesaler licences are for liquor producers or wholesalers that want to sell alcohol to individuals or businesses that hold a liquor licence. A new small bar licence class was introduced in 2013-14 and allows venues with a patron capacity of 60 people or less to sell alcohol for consumption on the premises but not to sell takeaway liquor or operate gaming machines.

While 2015-16 data is affected by a change in methodology (resulting from cancellation of licences due to non-payment in the periodic licence fee scheme), change between 1 July 2014 and 1 July 2015 provides an indication of the impact of liquor law reforms introduced in February 2014. Change in the number of licences across this period was used to assess the impact of the liquor law reforms on the licensed trade industry.

**Potts Point/Kings Cross Report land value review – report for the Land Valuation Advisory Group**

The present study also makes use of a report prepared by the NSW Valuer General for the Land Valuation Advisory Group in response to objections to estimated property values in the Kings Cross region. While the report was not made publicly available, media reporting of its contents was misrepresentative and, in places, categorically incorrect. A copy of the report was obtained by FARE and used to investigate the accuracy of claims, correcting the representation of statistics by media sources where required.

**Research conducted by the NSW Bureau of Crime Statistics and Research**

Robust analysis by the NSW Bureau of Crime Statistics and Research (BOCSAR) was used to assess the veracity of claims relating to the impact of the liquor law reforms on rates of assault. Specifically, the reports were used to evaluate two claims: that the reforms have not been effective in reducing alcohol-related violence during the lockout period in Kings Cross, and that they have increased the rate of assault in adjacent and alternative entertainment precincts.
Results

MYTH

"THE LOCKOUTS HAVE DRAMATICALLY REDUCED PEDESTRIAN TRAFFIC IN KINGS CROSS"

THE FACTS

☑ The average decline in foot traffic in Kings Cross between 5pm and 4am on Friday and Saturday nights was 19.4 per cent, and not the 80 per cent reported by some sources.

☑ Pedestrian traffic in the evenings before lockout (5pm to 1am) did not change significantly between 2012 and 2015.

The myth

The LNMAR reports provide, among other measures, statistics relating to the peak counts of pedestrian traffic in different regions across the city of Sydney. Various parties have attempted to extrapolate these figures to determine the changes that have occurred in pedestrian counts following the introduction of the liquor law reforms. One commonly reported figure is a reduction in pedestrian count of 80 per cent on 2012 levels. While it is difficult to ascertain the source of this figure, it appears to align with both the change in peak pedestrian count observed at 4am on Sunday morning (89 per cent), reported by one source as just over 80 per cent, and the change in pedestrian congestion reported in a City of Sydney submission to the NSW Legislative Assembly Inquiry into Alcohol and Drug-related Violence.

To consider change in peak pedestrian count at 4am on Sunday morning as being representative of the overall change in pedestrian traffic in Kings Cross is inappropriate for two key reasons. Firstly, peak pedestrian traffic reflects the pedestrian count at the busiest location within each region at each discrete time point. The busiest location is likely to change over the course of the evening and at the same hour across the years. Change in peak pedestrian count does not reflect aggregate change in pedestrian traffic because other factors, including distribution of pedestrian traffic across the region, may influence these figures. Secondly, reporting the change at 4am as reflective of an adverse change in pedestrian traffic in Kings Cross does not consider either changes in pedestrian traffic earlier in the night, or that a reduction in pedestrian traffic at 4am is actually evidence of the success in achieving the policy objective of last drinks at 3am. Lockouts are specifically designed to allow people to continue their night out while remaining in one venue. During this time, patrons are discouraged from moving between venues, with the intention being to reduce the incidence of alcohol-related violence. A reduction in pedestrian traffic during the lockout period is, in this way, reflective of the effectiveness of the measure.

The change reported by the City of Sydney is also not a reliable measure of pedestrian traffic. The reported figures actually relate to observations of excessive pedestrian congestion, rather than traffic. The City of Sydney has advised in personal communication that the figure should not be used as a measure of pedestrian traffic and that they have advised numerous parties against its use for such purposes. This point is also made clearly in the LNMAR reports. Indeed, the limitations of this figure are made clear in robust analysis of aggregated pedestrian traffic counts.

The evidence

As demonstrated in Figure 1, the observed reduction in total pedestrian count over Friday and Saturday evenings was a relatively modest 19.4 per cent between 2012 and 2015. This included a 25.9 per cent reduction on Friday night and 12.9 per cent reduction on Saturday night.

aDarlinghurst Rd & Victoria St Jn between KX Road & Craigend St was excluded due to a change in collection methodology, based on advice from the City of Sydney.
Evidence suggests that the measure has been successful in achieving the objective of reducing pedestrian traffic during the lockout period and following last drinks, while maintaining relatively high levels outside this period (see Figures 2 and 3). The total reduction in pedestrian traffic before 1am (inclusive) was just 10.4 per cent and not statistically significant, $T = 22.0, z = -1.33$ (corrected for ties), $N – Ties = 12, p = .182$. Relative to 2012, five observations ranked as having less pedestrian traffic in 2015 (Sum of Ranks = 22.0), while seven observations ranked as having more pedestrian traffic (Sum of Ranks = 56.0). At the same time, two observations ranked as having the same levels of pedestrian traffic in 2012 and 2015. While still relatively modest, change in pedestrian traffic prior to commencement of the lockout was more marked on Friday night than on Saturday night (17.0 per cent and 3.5 per cent, respectively).

Pedestrian counts taken at 2am and 3am (during the lockout period) identified a statistically significant 51.7 per cent reduction between 2012 and 2015, $T = 8.0, z = -2.43$ (corrected for ties), $N – Ties = 12, p < .05$. Relative to 2012, nine observations ranked as having less pedestrian traffic in 2015 (Sum of Ranks = 70.0), while three observations ranked as having more pedestrian traffic (Sum of Ranks = 8.0). At the same time, two observations ranked as having the same levels of pedestrian traffic in 2012 and 2015. This effect size is considered large, $r = -.65$.

The 73.0 per cent reduction observed at 4am was also found to be statistically significant, $T = 77.0, z = -2.981$ (corrected for ties), $N – Ties = 12, p < .05$. Relative to 2012, 11 observation locations ranked as having less pedestrian traffic in 2015 (Sum of Ranks = 288.5), while one observation location ranked as having more pedestrian traffic (Sum of Ranks = 31.5). At the same time, two observation locations ranked as having the same levels of pedestrian traffic in 2012 and 2015. This effect size is considered large, $r = -.86$.

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**Figure 1. Kings Cross total pedestrian count, Friday and Saturday nights, 2012 and 2015**

Source: City of Sydney – Late Night Management Areas Research data

bThe LNMAR report includes counts by hour from 5pm Friday to 4am Saturday, and from 6pm Saturday to 4am Sunday. For consistency across nights, total counts included here represent 6pm to 4am for both Friday and Saturday night.
Figure 2. Mean pedestrian counts by time period, Kings Cross, 2012 and 2015

Source: City of Sydney – Late Night Management Areas Research data

Figure 3. Hourly pedestrian counts, Kings Cross, 2012 and 2015

Source: City of Sydney – Late Night Management Areas Research data
Taken together, far from suggesting a large adverse impact, these data indicate that pedestrian traffic did not change significantly outside of lockout times and that the measures were successful in reducing pedestrian traffic after 1:30am. This is consistent with policy intentions to reduce harm while continuing to support a sustainable and diverse night-time economy. That pedestrian traffic was not found to reduce significantly earlier in the evening, prior to commencement of the lockout, is contrary to arguments suggesting that patronage has declined. It also does not support suggestions that the decline in pedestrian traffic was greater than the decline in assaults, which have been used to postulate that assaults per person have actually increased. As such, these arguments should be treated with a high degree of scepticism.
"A LARGE NUMBER OF BUSINESSES HAVE CLOSED AS A RESULT OF THE LOCKOUTS"

**THE FACTS**

- There were four fewer businesses trading at any point between 5pm and 4am on Friday and Saturday nights in Kings Cross, from 170 in 2012 to 166 in 2015. This is despite claims of 40 business closures resulting from the liquor law reforms.

- The number of pubs, taverns, bars and clubs trading during this time reduced from 30 in 2012 to 27 in 2015. This represents a net reduction of just three businesses.

- Over the same period, at least 70 new businesses have been observed across the region.

**The myth**

Some reports have suggested that the liquor law reforms have resulted in businesses in the Kings Cross “fleeing” and that this has led to “40 closures”. The haste with which business closures have been attributed to the liquor law reforms was also evident following the recent collapse of Keystone Group, an investment fund that owned the Australian arm of the *Jamie’s Italian* franchise among other ventures. The Keystone Group, which had taken on more than $80 million in debt, was put into receivership when it was unable to make a required $25 million repayment. Despite strong revenue ($120 million in the previous financial year), the group’s directors suggested that heavy interest repayments resulted in Keystone Group entering receivership. Trade creditors were critical of the group’s decision to enter into debt under such conditions, criticising the eight per cent interest rate paid to private equity lender KKR in particular. The attribution of the Keystone Group collapse was quickly debunked, with one article identifying that although “the impact of Sydney’s lockout laws... were whispered as contributing to the collapse. In reality, a far simpler story emerges – overreach in the competitive world of food and beverage and too much debt”.

**The evidence**

Data from the LNMAR report allow for further examination of the net impact of the liquor law reforms on the number of businesses operating between 5pm and 4am on Friday and Saturday evenings in Kings Cross. The data suggests that there was a 2.4 per cent reduction in the number of open businesses at any time on Friday or Saturday nights, from 170 in 2012 to 166 in 2015 (see Figure 3). That is, between 2012 and 2015, there was a net reduction of just four businesses operating across Friday and Saturday nights in Kings Cross. At the same time, a larger (26.0 per cent) reduction was observed in the number of closed businesses, which reduced from 73 in 2012 to 54 in 2015. Taken together, there were 19 fewer businesses that were observed to remain closed across Friday and Saturday night in the region. The reductions in the number of open and closed businesses were accompanied by an increase in the number of locations identified as ‘Not Applicable’. This category represents landmarks, accommodation, and residential dwellings (as well as some establishments that occupy several adjacent locations and have been counted elsewhere). Overall, this might suggest that the principal source of change involved a transition from businesses that were closed at all times across Friday and Saturday nights (that is, those involved in the day trade) to residential and accommodation buildings. Of remaining storefronts (those that were either open or closed on Friday or Saturday nights), 75.5 per cent were observed to be open in 2015, compared with 70.0 per cent in 2012.
The data indicates that there was a modest change in the composition of businesses in the Kings Cross region between 2012 and 2015. The number of shops or retailers increased by 26.8 per cent, from 41 in 2012 to 52 in 2015. Similarly, the number of cafes or restaurants increased by 29.6 per cent, from 27 in 2012 to 35 in 2015. At the same time, a 10.0 per cent reduction was observed in the number of pubs, taverns, bars or clubs, from 30 in 2012 to 27 in 2015. This represented a net reduction of just three businesses, however, reflecting relative balance between businesses exiting and entering the market. This is consistent with reports that at least 70 new businesses have been observed to enter the market, including antiques dealers, ice-cream vendors, chemists, restaurants, hairdressers and yoga studios, as well as a number of new bars.19
Relative stability in the number of businesses observed in the Kings Cross night-time economy is also reflected in licensing data from the NSW Office of Liquor, Gaming and Racing. Over the period, the number of liquor licences in the City of Sydney increased by 3.7 per cent (see Figure 6). This increase was more than twice the rate of New South Wales population growth over the same period (1.4 per cent), indicating an increase in the number of liquor licences per capita. By individual licence type, the number of Club Licences decreased by a total of three, from 34 on 1 July 2014 to 31 on 1 July 2015. The number of Hotel Licences remained stable at 355. At the same time, there was growth in the number of On-premises, Packaged liquor and Wholesaler licences (with 4.4 per cent, 3.0 per cent and 2.9 per cent growth respectively). There were also seven new Small bar licences granted, representing 78 per cent growth (albeit from a small base).

However, a question remains about the extent to which business closures reflected normal business dynamism (the natural flow of businesses in and out of the market) or an adverse result of the liquor law reforms. The 40 businesses that were reported to have closed as a result of the liquor law reforms were documented in a blog post, and may be evaluated individually. That several of the closures were readily identifiable as having been misattributed to the liquor law reforms (see Box 1) is reflective of the overall inaccuracy of these claims. In addition, many of those making up the list of 40 businesses were contained at single locations, including six venues in the Exchange Hotel and two venues contained in Hugo’s Lounge.
Box 1. Business closures wrongfully attributed to liquor law reforms

1. Goodgod Small Club – owners explicitly stated that the closure was not related to the new regulations.26

2. McDonalds restaurant on George and Bridge street – management identified the move as a “strategic repositioning” in light of competition with other food retailers.27

3. Soho Nightclub – owner described a “massive backlash” to his son’s conviction of rape on the premises (for which a retrial has now been ordered) in the preceding months.28,29

4. Bada Bing – shut down by the NSW Office of Liquor, Gaming and Racing due to “a raft of licence breaches, including staff allegedly selling cocaine to patrons”.30 It was reported that undercover officers were able to purchase cocaine at the club on multiple occasions in 2015, including from a responsible service of alcohol marshal.

5. Piano Room – closed several years prior to introduction of the liquor law reforms.31

6. The Village – NSW Police had specifically advised the City of Sydney to reject an application for extended trading hours from The Village due to, among other things, 70 police events including attempted murder, assault, drugs, stealing, malicious damage, domestic incidents and street offences.32,33

Overall, while there have been business closures in the Kings Cross region following the introduction of the measures, the relative balance between exiting and entering businesses has meant that the net number of businesses operating in the night-time economy has remained relatively stable. Many of the businesses attributed to the liquor law reforms are likely to have closed as a result of other factors. This provides further evidence that the liquor law reforms have not only been effective in reducing alcohol-related harm in the Kings Cross Precinct, but that this has been achieved while maintaining high levels of pedestrian traffic and a strong local economy.
The myth

A report was recently prepared by the NSW Valuer General in response to recommendations from the Land Valuation Advisory Group pertaining to valuation of land in the Kings Cross region. Although the report is not publicly available, its findings were reported by a limited number of media outlets. Unfortunately, coverage of the report was skewed and in some instances categorically incorrect. This included such claims as that “the controversial lockout laws have led to a 20 per cent cut in the value of commercial and residential properties in... Kings Cross”.34

The evidence

FARE obtained a copy of the Potts Point/Kings Cross report land value review – Report for Land Valuation Advisory Group. While the report identifies a reduction in the value of some properties in the region, the scope of these reductions is confined with respect to zoning and location. Specifically, there was an estimated 20 per cent reduction in the value of commercial properties in the Potts Point Local Centre between 2014 and 2015. This estimate was based on objections from the Land Valuation Advisory Group in relation to the value of nine properties in the local centre. The adjustment included an “overall 10% allowance to reflect the possible effect of the lockout laws on land values”.

The apparent reduction in the value of some commercial properties in the Potts Point Local Centre is consistent with the observed gentrification of the region. Some of the large commercial operations are being replaced by a more diverse range of businesses. In fact, the NSW Valuer General’s report also identifies that “the vacancy rate remains relatively low”. In the two years to June 2015, there was a marked increase in the number of Accommodation and Food Service businesses (which includes Pubs, Bars, and Nightclubs) in both Darlinghurst (10.8 per cent) and Potts Point-Woolloomooloo (7.7 per cent).35 In addition, the report identifies a ten per cent reduction in the value of these commercial properties in the 12 months leading up to the liquor law reforms. Therefore, at most, the laws may have accelerated an existing trend.

Increases were observed in residential and mixed use properties across the region between 2014 and 2015. Land value in mixed use zones increased by 15 per cent in Woolloomooloo, Potts Point, Elizabeth Bay, and Darlinghurst following the introduction of the liquor law reforms. Land value in small general residential zones in The Bays and Potts Point increased by 35 per cent over the period. It is likely that the increased value of mixed use and residential property have created considerable net growth in property value in the region. Overall, the report concludes that, “a minor reduction has been made while the locality goes through this adjustment and when the locality has completed the gentrification process, it is expected future land values will increase for all zones and property uses” (p. 14).
"THE LIQUOR LAW REFORMS HAVE NOT BEEN EFFECTIVE IN REDUCING ALCOHOL-RELATED HARM"

**THE FACTS**

☑ Following the introduction of liquor law reforms, non-domestic assaults during the lockout period on weekend nights reduced by 70.2 per cent in Kings Cross and 30.7 per cent in the Sydney CBD Entertainment Precinct. Non-domestic assaults reduced by 75.5 per cent following last drinks in Kings Cross and by 41.5 per cent in the Sydney CBD Entertainment Precinct.

☑ Between 2012 and 2015, there was a 76.6 per cent reduction in serious antisocial behaviour (physical and verbal fights and arguments, shouting and verbal abuse) in Kings Cross.

☑ There was also a 73.3 per cent reduction in the less serious antisocial behaviour (drunken behaviour including staggering, falling, loud music, urination, vomiting, street drinking, and vandalism) in Kings Cross.

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**The myth**

There have been several assertions that the lockout measure has not reduced alcohol-related assaults in the Kings Cross Precinct. For example, one article stated that, “there was no significant drop in violence between the 1:30am lockout time and the 3am closing time [in Kings Cross].”

**The evidence**

Analysis undertaken by BOCSAR revealed that the number of assaults on weekends, when the vast majority of non-domestic assaults occur, reduced significantly during the lockout period and after last drinks following the introduction of liquor law reforms in both the Kings Cross and Sydney CBD Entertainment Precincts. In the Kings Cross Precinct, assaults on Friday and Saturday have declined by 70.2 per cent in the lockout time between 1:30am and 2:59am, and by 75.5 per cent between 3am and 6am (see Table 1). In the Sydney CBD Entertainment Precinct, assaults declined by 30.7 per cent between 1:30am and 2:59am and by 41.5 per cent between 3am and 6am. These findings suggest that both the lockout and last drinks measures have achieved reductions in assault.

**Table 1. Reduction in non-domestic assault following introduction of liquor law reforms, by region and time period**

<table>
<thead>
<tr>
<th>AREAS</th>
<th>6:00PM - 1:29AM</th>
<th>1:30AM - 2:59AM</th>
<th>3:00AM - 6:00AM</th>
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<tr>
<td>Kings Cross Precinct</td>
<td>-54.2%</td>
<td>-70.2%</td>
<td>-75.5%</td>
</tr>
<tr>
<td>Sydney CBD Entertainment Precinct</td>
<td>Stable</td>
<td>-30.7%</td>
<td>-41.5%</td>
</tr>
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<td>Proximal displacement area(^a)</td>
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<td>Stable</td>
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<tr>
<td>Distal displacement area(^**)</td>
<td>Stable</td>
<td>Stable</td>
<td>Stable</td>
</tr>
</tbody>
</table>

Source: NSW Bureau of Crime Statistics and Research\(^12\)

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\(^*\)Includes parts of the following suburbs: Pyrmont (including The Star casino), Ultimo, Chippendale, Haymarket, Surry Hills, Elizabeth Bay, Rushcutters Bay, and Darlinghurst.

\(^*\)Includes Bondi Beach, Coogee, Double Bay, and Newtown.
The reduction in violent crime following introduction of the liquor law reforms in the Kings Cross region was also reflected in injury presentations to Darlinghurst’s St Vincent hospital. In the two years following introduction of the measures, alcohol-related trauma admissions to intensive care reduced by 44 per cent. Over the same period, the number of serious facial fractures requiring surgery reduced by 60.0 per cent, from 145 cases in the two years to February 2014 to 58 in the two years following.

Further evidence of the effectiveness of the liquor law reforms is evident in the LNMAR data. In particular, these data contain observations of incidence of antisocial behaviour. These observations are divided into three levels of severity, including non-serious, less serious and serious. Less serious antisocial behaviour comprised “drunken behaviour including staggering, falling, loud music, urination, vomiting, street drinking, and vandalism”. Serious antisocial behaviour includes “physical and verbal fights and arguments, shouting and verbal abuse”.

The proportion of open businesses at which less serious antisocial behaviour was observed was found to have reduced significantly, from 48.8 per cent in 2012 to 18.1 per cent in 2015, \( \chi^2 (1, N = 336) = 35.58, p < .001 \). The effect size is considered medium, \( \Phi = -.33 \). Similarly, a significant reduction was observed in the proportion of open businesses at which serious antisocial behaviour was observed over Friday and Saturday night, from 27.1 per cent in 2012 to 7.2 per cent in 2015 (see Figure 5), \( \chi^2 (1, N = 336) = 23.12, p < .001 \). The effect size is considered small, \( \Phi = -.26 \). However, the proportion of open venues at which non-serious antisocial behaviour was observed did not change significantly between 2012 and 2015, \( \chi^2 (1, N = 336) = 0.51, p = .477 \).

These findings provide further evidence of the effectiveness of the new measures in reducing alcohol-related harm. While the data suggests that the change in proportion of open businesses exhibiting non-serious antisocial behaviour was not significant across the period, significant reductions were observed in more serious antisocial behaviours.

Examination of change in the total count of antisocial incidents by night reveals a particularly marked reduction across serious and less serious antisocial behaviour in particular (see Figure 6). A 76.6 per cent reduction was observed in the number of serious antisocial behaviour, from 235 observed incidents in 2012 to 55 in 2015. A similar reduction (73.3 per cent) was observed in the number of less serious antisocial behaviour, from 487 observed incidents in 2012 to 130 in 2015.
Data collected in preparation of the LNMAR reports suggest that serious antisocial behaviour reduced most markedly earlier in the evening, with a 98.4 per cent reduction between 5pm and 1am (see Figure 7). While still sizable, the reductions in serious antisocial behaviour between 2am and 3am, and at 4am were less (53.7 per cent and 47.1 per cent, respectively). In comparison, the reduction in less serious antisocial behaviour was more consistent across the evening (see Figure 8). A 72.6 per cent reduction was observed between 5pm and 1am. In comparison, a 69.5 per cent reduction was observed between 2am and 3am, and there was an 88.0 per cent reduction at 4am.
Together, although evidence suggests that pedestrian traffic has not declined significantly in the earlier evening, the rate of antisocial behaviour has declined markedly.

Source: City of Sydney – Late Night Management Areas Research data
"THE LOCKOUT AND LAST DRINKS MEASURES HAVE DISPLACED HARM TO OTHER REGIONS"

**The Facts**

- Assaults in surrounding and alternative entertainment precincts remained stable following the introduction of the liquor law reforms.

**The Myth**

Anecdotal reports by opponents to the lockout laws have perpetuated the myth that the measures applied to alcohol trade in Kings Cross and Sydney CBD have led to an increase in alcohol-related harm in surrounding regions. One commentator asserted that, “lockouts move the problem down the road; they move it inside houses, down lanes or to other pubs in other suburbs”.

**The Evidence**

Robust analysis has demonstrated that the liquor law reforms have not resulted in displacement of alcohol-related assaults or associated injury to surrounding regions. Research by BOCSAR identified that while non-domestic assaults have reduced significantly in precincts covered by the lockout measures, assaults in surrounding and alternative entertainment precincts have remained stable. Despite suggestions that evidence of stability suggests a deterioration of conditions in that a downward trend existed previously, the structural time series approach is able to identify such breaks in series. That is, evidence of stability in assaults in surrounding regions suggests that there was no significant change to the trend in assaults following introduction of the liquor law reforms. Although other research found evidence of an increase in assaults at The Star casino following the introduction of the liquor law reforms, this was small and vastly outweighed by the reduction in assaults within the entertainment precincts.

In addition to research demonstrating stability in trends in assault in adjacent and alternative entertainment precincts, research has demonstrated stability in alcohol-related hospital presentations in regions surrounding the Kings Cross and Sydney CBD Entertainment Precincts. A 24.8 per cent reduction was observed in the number of alcohol-related serious injury presentations to St Vincent’s Hospital Sydney (which services the Kings Cross and Sydney CBD Entertainment Precincts) in the 12 months following the introduction of the new measures. A the same time, no significant increase was observed in assault-related presentations to the Royal Prince Alfred Hospital (which services a large portion of Sydney suburbs outside the entertainment precincts where the liquor law reforms were applied).

Figure 10 presents alcohol-related non-domestic assaults by Sydney suburb in 2013 and 2015. These data support research findings that the number of assaults, in absolute terms, have reduced dramatically in key entertainment precinct suburbs affected by the liquor law reforms. At the same time, relative stability has been observed in surrounding regions.
Conclusion

This report aimed to investigate the veracity of several claims relating to the impact of the liquor law reforms introduced in New South Wales in 2014. Analysis of independently collected data from the City of Sydney clearly refutes suggestions that the reforms have adversely affected pedestrian traffic or business activity in the Kings Cross region between 2012 and 2015. In particular, pedestrian traffic was not found to have changed significantly in the hours preceding commencement of the lockout period. Consistent with policy intentions, reductions were observed during the lockout period and following last drinks. That the number of businesses operating on Friday and Saturday evenings decreased by only four businesses, from 170 in 2012 to 166 in 2015, is further evidence of the continued health of the local economy.

The report has also addressed misleading representations of land value statistics. Specifically, the modest reduction in some commercial property values was outweighed by strong increases in residential and mixed use property values. Accordingly, the report prepared by the NSW Valuer General described the impact on commercial properties as a minor reduction and forecast future growth across all zones and property uses.

Finally, fallacious claims that the liquor law reforms have led to a displacement of harm to surrounding regions have been rebutted using robust analyses of assault and injury data. In particular, no evidence was found for displacement of assaults to adjacent and alternative entertainment precincts. Additionally, observed reductions in alcohol-related injuries in locations closer to the precincts were not accompanied by increases in such injuries in neighbouring areas. Taken together, these results suggest that the liquor law reforms have been successful in curbing antisocial behaviour, while supporting a diverse range of business opportunities and a safe environment for patrons, tourists, and residents.


43 St Vincent’s Hospital Sydney. (August 2016) Personal communication to Jonathan Horton QC, Counsel Assisting the Hon. Ian Callinan AC QC, NSW Independent Review of the 2014 Liquor Law Reforms

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57 NSW Bureau of Crime Statistics and Research. (2016). Custom data provided to the Foundation for Alcohol Research and Education.

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About the Foundation for Alcohol Research and Education

The Foundation for Alcohol Research and Education (FARE) is an independent, not-for-profit organisation working to stop the harm caused by alcohol.

Alcohol harm in Australia is significant. More than 5,500 lives are lost every year and more than 157,000 people are hospitalised making alcohol one of our nation’s greatest preventive health challenges. For over a decade, FARE has been working with communities, governments, health professionals and police across the country to stop alcohol harms by supporting world-leading research, raising public awareness and advocating for changes to alcohol policy. In that time FARE has helped more than 750 communities and organisations, and backed over 1,400 projects around Australia.

FARE is guided by the World Health Organization’s (2010) Global strategy to reduce the harmful use of alcohol for stopping alcohol harms through targeted preventive strategies, problem directed policies, and direct interventions.

If you would like to contribute to FARE’s important work, call us on (02) 6122 8600 or email info@fare.org.au.