

# **The Keystone Group**

## **Submission to the Senate Inquiry into Restriction of Personal Choice**

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Senator Sam Dastyari  
Chair - Economics Reference Committee  
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Dear Senator

## **Submission to the Inquiry into Personal Choice and Community Impacts**

### **1. Executive Summary**

The Keystone Group acknowledges that whilst the sale of alcohol beverages creates economic and social benefit, alcohol beverages have the potential to be misused. Where such misuse has the capacity to harm themselves or others, the restriction of personal choice is warranted.

However, for the vast majority of Australians who do not misuse alcohol beverages, policies aimed at restricting their personal choice are not warranted. The Keystone Group strongly supports the responsible sale, service and consumption of alcohol beverages and we make the following observations:

- At the same time that many Australians wish to celebrate and promote a pub culture, there are some who seek to denigrate what is a legitimate business and social activity.
- Keystone supports the notion that members of society who comply with the laws of the jurisdiction should be allowed to do so in safety.
- Keystone is very concerned about individuals that misuse alcohol beverages (quite often mixed with the abuse of illicit substances at the same time) and the negative impact this behaviour has on them, their families and society. Legislation that targets the individuals or businesses that commit crime should be promoted rather than blanket measures that restrict individual freedoms.
- The Group remains committed to working with all stakeholders to combat the misuse of alcohol beverages.

The use of whole of population measures should be avoided where the misuse by specific individuals or groups can be targeted. Furthermore, the singling out of specific precincts such as Kings Cross for the introduction of whole population measures at a level as severe as has been in place unfairly punishes responsible venue operators and simply displaces any related crime to neighbouring precincts that are excluded from such measures. Any policies in regard to alcohol beverages should have regard to the following factors:

- There is a need for policies to target individuals or groups that misuse (or risk misusing) alcohol beverages.
- Policies are and should continue to be targeted at those that misuse alcohol beverages and not at the whole population.
- The impact of any policy upon moderate and responsible consumers should be quantified.
- The effectiveness of the proposed policies should be measured and statistically proven.
- Intervention should be commensurate to the associated risk.

## **2. About The Keystone Group**

The Keystone Group is a national food, beverage and entertainment company which currently employs approximately 1500 staff. The Group has been operating for over 15 years, and has a number of larger late trading licensed entertainment venues across Sydney which sit in the Kings Cross and Sydney CBD precincts.

Over the years the Group has witnessed the vast mix of regulatory changes within the state of NSW at first hand, and is well versed to comment on the strategic impacts of various changes to legislation.

## **3. Kings Cross Plan of Management (PoM) Bill 2012 / 2013 – CBD PoM 2014 – Lockouts**

### **Alcohol Related Assaults - Kings Cross**

The NSW Government implemented via the Kings Cross Plan of Management (KXPOM) a volume of additional restrictions upon the licensed premises in Kings Cross via a 'One Size Fits All' approach without a review of individual premise performance and with no consideration if a venue was on Schedule 4 of the NSW Liquor Act 2007 or if any 'strikes' were recorded against the venue.

### **Evidence Basis**

The major issue for Kings Cross licensed premises with regard to the lockout condition imposed in February 2014 was the fact that conditions already imposed under the KXPOM were not given the opportunity to be properly reviewed for their effectiveness on an evidence basis. In fact NSW BOCSAR statistics showed alcohol related assaults in the precinct had reduced by 37% between the period 2007 and 2012 and a further 21% after the implementation of the KXPOM between December 2012 and December 2013.

The second stage of the KXPOM was implemented in December 2013, aside, from the implementation of ID Scanners into 'high' risk premises in Kings Cross. The ID Scanners were delayed in their introduction due to NSW Government probity issues and after delay were implemented in June 2014. The implementation of the ID Scanners into Kings Cross late trading venues was promoted to the previous Premier of NSW by the KXLA and the Australian Hotels (NSW) as a best practice harm minimisation strategy, based upon positive feedback received from Hoteliers for five late trading venues in the Newcastle CBD who had introduced them on a voluntary basis. ID Scanners identify the person who potentially has been involved in alcohol related crime and support Police banning orders. Lockouts simply lock people out of venues / precincts and lead to massively adverse displacement and economic outcomes.

### **Lock-Outs at 1.30am**

The lockouts in Kings Cross were implemented in February 2014 despite the fact that ID Scanners were still to be introduced to complete the KXPOM conditions. The lockout implementation combined with the additional restrictions imposed upon licensed premises under the provisions of the KXPOM has resulted in substantial business failures in Kings Cross for licensed and non-licensed premises.

The introduction of the lockout provision has resulted in a substantial reduction in patron numbers in the precinct. This has also resulted in a flow on effect to the wider business community beyond licensed premises, including small cafes, restaurants, take-away food stores, backpacker hostels, pharmacies and other general business operators who have experienced a decline in patron numbers, turnover and business failure.

### **City of Sydney – Patron Intercept Surveys**

The City of Sydney has measured an 80% reduction on foot traffic in 2014 in comparison to surveys undertaken by them in 2010 and 2012.

### **NSW BOCSAR Statistics and Displacement**

Kings Cross has historically been a late night entertainment precinct destination with patrons arriving into the area later than most other entertainment precincts. The lockout provision has resulted in displacement to other precincts that do not have any of the restrictions associated with Kings Cross and the CBD.

Kings Cross assaults on licensed premises in the periods measured between July to June from 2010 to 2015 show the largest % reduction was achieved prior to the lockout conditions.

### **Venues Closures – Kings Cross after the Lock-Out Introduction**

The effects on non-licensed premises in Kings Cross has resulted in the closure of thirty five small business operators, landlords reporting the harshest business conditions in 50 years and also a substantial decrease in property values. Further patron capacity availability for licensed premises has reduced by 3,500 patrons with the venue closures.

### **Summary**

The Keystone Group believes that to continue to reduce alcohol related crime that it is imperative to adopt strategies that identify individuals that commit crime and increase educational awareness for increased personal responsibility. We believe that a number of strategies have and are proving to be effective however do not believe that lockouts are an effective strategy.

The unintended social impacts of the Lockout are substantial and need to be considered:

- The lockout has had a personal effect on patrons' nights out in terms of the way in which they structured their night out.
- Patrons feel that the lockout impinges on their human rights.
- Patrons are aggressive towards late night venue licensees and security at being locked out.
- It now takes longer to get a taxi from the Kings Cross precinct around the lockout time.
- After the lockout, there is a switch in focus by security of late night venues from outside a late night venue to inside a late night venue.
- The lockout has placed over-whelming pressure on taxis and public transport services at around the time of the Lockout.
- At around the time of the lockout, there is more aggression and violence on streets due to the over-demand (i.e. lack of supply) for taxis.
- Patrons now leave venues earlier than normal to get to another venue before the lockout.
- Patrons continue to preload – in other words consume alcohol before going out – to counter the lockout.
- Patrons go to the Star Casino and other precincts instead of Kings Cross and CBD venues because it is the only venue they can enter.

Yours faithfully

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The Keystone Group