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To the Research Director and Queensland Labor Government,

I am writing this submission in regards to your new proposed legislation in regards the lock out laws of licensed venues.

My understanding from all media I have listen to or read that these laws are being put into place to stop alcohol-fueled violence.

Why is this legislation important to me? I have been working in the hospitality industry all my adult life, for over 25 years. I started off in glassy roles in pubs. I have worked in almost every position there is in venues across several different types of venues, from your old school pub to 5 star hotels and casinos. I have also worked in hospitality across 3 countries, Australia, United Kingdom and the Caribbean.

I have settled myself in bars and clubs in Brisbane simply because Brisbane is my home and my passion has always been to entertain people, and ensure they have a great time when they are out. This passion has lead me to owning three venues in the Fortitude Valley area at the age of 43. These 3 venues employ over 110 people, and the total capital invested into these ventures has been \$1.63M.

I consider all my venues a success, where people have a great time, and the violence that happens in these venues is almost non existent, simply by being aware of what signs to look for with people drinking, communicating properly with these people several times and following standard procedures and cutting all issues off before they occur.

So I believe I am well and truly qualified to talk in depth about this subject. I have a wealth of experience of dealing with people on alcohol, 25 years of it.

I have a strong stance on violence. Any type of violence, alcohol fueled or not is alarming, shocking, gruesome and even dangerous, which has no part in creating a fun atmosphere for people to enjoy. The general public when they go out want to relax, socialize and have fun with their friends.

To be perfectly frank, the most violence I have ever dealt with in a single venue was the Prince Albert Pub at Jupiters Casino, which I finally cleaned up after a year of fighting with casino management to follow normal venue protocols, instead of cutting corners that technically satisfied legislation with security guards. Once I convinced them of these protocols a year later, everyone who came to the venue had a ball, and felt safe,

which even today am very proud of turning a blood bath of a venue into a safe vibrant place to relax and have fun.

In the last 25 years I have noticed cultures changing on how people go out, when they go out, what they drink, what they mix their drinks with and unfortunately even the increase of recreational drugs. I have also seen the impact energy drinks have had on the drinking culture.

Your proposed laws are being put in place to stop alcohol-fueled violence. Unfortunately with my 25 years of experience, understanding how people behave on alcohol, these laws will have zero effect on stopping any alcohol-fueled violence. At best it will transfer any violence to another area of the community, and I strongly believe these laws will increase violence in the short term.

Let me explain in detail why I think these laws will not stop any of these issues. Lets start with where does alcohol get sold in the state of QLD:

Government statistics on the sale of alcohol:

- 73% of liquor is bought from bottle shops
- 27% of liquor is bought in licensed venues

Break down of those stats:

- 73% is consumed at home or friends house
- 11% is consumed at a restaurant
- 16% is consumed in pubs and clubs

The first oversight with the proposed laws they only impact 16% of the alcohol market, and this % includes the sales in casinos. So really your legislation at best is concentrating on approx. 8-9% of the sale of liquor in the state, because the casinos have been exempt on all of this new legislation.

I do not believe the 11% of restaurant goers are an issue, so I don't believe these sales require focus.

I do however believe that the 73% of sales through bottle shops that is consumed at people's houses does need to be addressed. To give you a clearer breakdown here are the statistics that the QLD police put together with the cooperation of Griffith University.

The QLD police & Griffith University survey on "pre-loading" before people went out

Here are the Stats:

- 80% of surveyed people said they preloaded
- 46% of people who preloaded did it to socialize with their friends at home

- 88% of people who preloaded had mixed drinks with energy drinks
- 10% of people who preloaded have been hit (assaulted) while preloading
- 6% of people who preloaded have hit (assaulted) someone while preloading
- .08 was the average blood alcohol limit of people arriving in precincts from preloading

Not published yet, the police have also surveyed the average person's blood alcohol limit when leaving the precincts. The average was still .08. No worse than when they arrived

The current drinking culture in this state is not a surprise to me.

Please consider this:

If Coles supermarkets were allowed to advertise their products across the state without limitations and Woolworths supermarkets were tied up by legislation that stopped them from advertising everywhere except in their supermarket, who would you say will sell the most produce?

The answer would be clearly Coles. For one reason, they are the one place that is allowed to effectively advertise to the public.

Well in the current liquor legislation bottle shops have vertically unlimited advertising capabilities, yet on premise venues have a complete restriction on advertising liquor, except for inside their venue. You cannot advertise a price of any alcohol product on a website, a Facebook page or any type of promotion, not even the words happy hour can be used.

Does it surprise you that 73% of liquor is sold through bottle shops, it certainly doesn't to me.

Why is this a bad thing? The answer to this is very simple. Our current laws actually push people to drink in an unregulated environment. They drink in this state on average till 10pm at night, and then decide to hit the clubs, but current statistics this is literally 80% of these people.

While drinking these drinks 88% of these people said they mixed their drinks with energy drinks. Energy drinks wake people up, "give them energy" which make them feel less intoxicated than what they really are.

When drinking liquor at home, especially spirits people do not stick to standard drinks. When was the last time you used a standard nip pourer at home when making your vodka lime and soda, bourbon & coke or scotch on the rocks? Most people's answer to that is never.

So 73% of people going out to party are drinking in an unregulated environment, with drinks that are not standard measures and mixing them with energy drinks which masks their intoxication.

10% of these people while preloading have been assaulted, 6% of these people have admitted to assaulting others.

THIS IS A CLEAR MESSAGE TO SAY THAT VOILENCE HAPPENS WITH ALCOHOL EVEN IN THE COMPANY OF FRIENDS & FAMILY IN YOUR OWN HOME!

Most likely because they have drunk way more than they should in an unregulated environment.

The current trading hours of bottle shops is greater than normal retail shops. People drink in an unregulated environment. Bottle shops trade longer than Coles and Woolworths, and advertise more. You say you want to stop alcohol fueled violence? Start pushing people to drink in regulated environments by doing the following:

1. Treat bottle shops as retail, and therefore abide by the same trading hours as retail shops
2. Allow licensed venues who have to follow responsible service of alcohol laws advertise to entice people to drink out, rather than at home so they have boundaries
3. If point [2] is not acceptable, stop bottle shop chains from advertising any liquor
4. Curb the sales of energy drinks through taxation or not being able to be sold in conjunction with alcohol.

I hope this paints a clear picture that the proposed laws are concentrating on at best 9% of alcohol sales. Yet as a government you think it will fix alcohol fueled violence. May I also say, if you really want to compare apples with apples, I suggest you look into the domestic violence stats in homes and how many of them actually involve alcohol. My preliminary findings seem to indicate that over 49% of domestic violence involves alcohol, and 73% of alcohol is sold to be consumed at home. I think if you compared the stats of domestic violence with alcohol fueled violence in and around venues, you would clearly see you are concentrating your efforts in the wrong areas.

Finally I would like to cover the main restrictions you are putting into place with drink restrictions after midnight and also trading restrictions.

In the current legislation as a venue owner I can't even have a happy hour after 8pm. It is considered anything after 8pm that changes price will promote binge drinking. You are essentially proposing anything besides beers and mixed spirits will be stopped from midnight. This includes cocktails, shots, bombs, neat spirits, spirits on the rocks and spirits with high alcohol content.

My stance is to create a good environment for my customers to have and enjoy the night. RSA laws are in place, which have heavy fines, for the staff and management. These laws are designed to pick up on people showing signs of intoxication. I also have customers that come in after dinner around 11pm who sit down and relax, have a cheese platter and some cocktails. Our most expensive spirit is \$350 per nip. It is a beautiful cognac that people buy on special occasions normally with a cigar to celebrate. I have several rums ranging from \$25 up to \$290 per nip. All these high-end liquors or

cocktails are not bought to scull and get blind. A 30 year old woman out with her girlfriends celebrating a night out sipping on espresso martinis are not out to get wasted.

I understand as a government you want to try and restrict heavy drinking, but you already have laws in place that stop it. I would be happy to say liquor like absinth, Barcadi 151, or Bunderburg OP have no place in bars, they are dangerous, all sitting around the 70% alc mark. Especially if you are unaware of the alcohol content. So ban them, in bottle shops and in venues, but at this stage you are telling me that if I walk into a bar to have a drink after midnight I cannot sit down and have a nice 15 yr old Havana club rum on ice? That is madness. I would also like to say, when serving people who are celebrating on occasion, they normally celebrate it by having a shot together. You are telling me nobody is ever going to celebrate after midnight? Its not feasible

Back in the late 60s this country had curfews on the pubs closing at 5pm. I remember my father telling me stories how they use to order 7-8 pots of beer and scull them all, because the pub was closing, and you couldn't drink anymore. He use to tell me everyone walked out drunk.

What do you think is going to be the outcome in a bar at 11:30pm – 12 midnight with these laws? You are creating the same scenario. Can I please order 4 shots thanks! Why, because in half an hour I cant have any.... This new regulation is just going to cause a spike in people's alcohol intake and then cause conflict in venues when staff and management are trying to police it.

This piece of legislation will cause more harm than good. You have a government body called liquor licensing. Their job is to police venues, that includes RSA.

Finally the last piece of legislation to cover is the actual hours venues are allowed to trade.

As I have said many times in this document I have had 25 years experience in serving people alcohol. My job is to know how people go out and party. As I said I am 43, I have nights that I finish up at 11pm, I have nights that finish at 2am, I also have nights that finish at 5am, as recently as last Saturday.

I have even had nights in Melbourne where I finished at 7am in the morning. Now a lot of people think that is excessive, and I can tell you most of those people work 9-5 jobs.

I work nights, to be up to 4am in the morning is very normal to me. Getting out of bed at 7am to go to work is very abnormal to me. Why because I work nights. Now because I am out past 2am, does that make me a bad person, a drunk lunatic, or a violent person, of course not, it just means I don't operate my life at Monday to Friday 9-5. Just like all hospitality workers, cleaners, convenient store operators, uber drivers, taxi drivers, security guards, hotel workers, international bankers, international stock brokers etc etc.

This state no longer runs on Monday to Friday 9am- 5am, with everyone taking Saturday off and Sunday church then back to work. If it did, I could understand the trading restrictions, but that simply is not the case.

Why is their violence on the streets? They are a select few idiots who preload and hit precincts, they are already drunk and get refused entry. Ok they get refused once, that's ok, then they get refused a second time, they're not so happy about it, get refused a third time, now they are just plain pissed off. So they wonder around, in high volume crowds and hit someone. That scenario happens all the time, it has nothing to do with venues, it is just some random idiot who has preloaded to a point where he is not welcome anywhere.

Imagine restricting all automobiles acceleration rates because of those select few idiots who think it is fun to do burn outs at lights and accelerate quickly and cause accidents. That would never happen, yet we are looking at doing this to the hospitality industry. Also consider these people are the same people 90% of the time.

Your laws you are looking to put into place closing down an entire industry due to scenarios above that I have just described. In the beginning of my submission I said I believe these laws will increase the violence.

I'm not sure the last time you were out in Fortitude Valley at 1am – 2am in the morning, but what I can tell you is, there are a lot of people out. If the 1am lockdown is introduced you will have a large sector of the population stuck in a precinct, not being able to go enjoy themselves, can't go into a venue, not ready to go home, and even if they were, the place is so busy, they can't get a taxi, there are no buses, all they are left with is to line up for over an hour to leave an area they don't want to leave. All because the government has said, that these laws will stop alcohol fueled violence. Well from my dealing with people on alcohol, that very scenario will cause more fights than anything I know. Because the vast majority of people in this scenario, will be frustrated as hell, and my 25 years of experience says that frustration and alcohol do not mix.

The current 3am lockdown still creates frustration and still creates fights. Why because as a venue, letting someone in at 3:01am can lose your license to trade. Yet to a customer, it is 3:01, he just went outside at 2:50am to have his last smoke for the night, before being locked in, he is relaxed and chatting to people and doesn't hear the last call to get inside and misses out by 1 minute. This person has caused no issues to anyone at that point. His mates or girlfriend are inside, so he wants to tell them they can't get in, nobody picks up their phone in the club, because it is a club with loud music, with people dancing, the whole reason they went out, so he does what every person does, asks the bouncer if he can go in and say goodbye to his friends, or can the bouncer go get his friends, who are amongst the other 150 people in the venue. All which is normally refused because the law says, 3am you can't come in, and the bouncer can't leave the door. That person gets frustrated, angry, upset, all because it's 3:01am. Lockouts cause unwanted conflict it is as simple as that.

Ask yourself this, have you ever been to McDonalds or a restaurant and you have wanted breakfast and it's 10:31am and the girl behind the counter says, sorry breakfast finished at 10:30am, but we do have our lunch menu, with a nice smile. Most people find that annoying, and they are sober, alert, yet still it makes them think, damn this really is ridiculous. Imagine that scenario when you add alcohol to it, but instead of not getting the meal you want, you are told you can't see your friends that you have been

with all night and its time for you to go home. The frustration level is significantly higher.

As a government you need to look at laws that are very clear, have strong RSA regulations and make going out very simple. Strict simple laws that make it very clear.

Setting lockouts and closing times when a lot of people are still out enjoying themselves and restricting what you can drink are all sources that will cause frustration and ultimately more violence.

What is the outcome when this happens, people don't want to go out, because of violence. So what will they do then, have house parties at home, which are all unregulated where the police owns stats from preloading suggest there is an immense more alcohol fueled violence going on due to unregulated drinking with no boundaries, or people will flood to the casino which will be overcrowded, undermanned and cause more frustration, leading to more violence.

As a government who wants to solve alcohol fueled violence, you need to listen to the industry that deals with people on alcohol all the time and create simple rules that are very clear and make sense. For the very few that are violent in general and don't follow the rules, then heavy penalties should apply.

I have been running venues for 25 years creating great places for people to enjoy themselves. I work in the hospitality industry. The word hospitable is to welcome people. If you don't look at changing these laws you are simply going to kill and industry that thrives when the general population wants to go out, having fun and celebrating whatever occasion they might have.

So please take all this on board when putting your submission to the government and ask yourself do you believe these are the best regulations to stop violence that involves alcohol.

Kind Regards

Matthew Bellward



Business Case

Effects of Proposed Reduced trading hours and Lockout Policy

A small venue's perspective of the effects of the proposed legislation

Executive Summary

Alcohol fuelled violence has attracted recent public and government attention. In an attempt to curb such incidences, the LNP introduced a number of Drink Safe Policies, and the new Labour Government now proposes to change the lockout times and closing times of licensed venues.

From a small licensed venue's point of view, while these initiatives may well serve to curb alcohol related incidences in designated entertainment precincts like Fortitude Valley and Brisbane City, we ask, at what cost? Does it serve the greater good? And is it really just shifting the problem to other locations?

Our group represents three small venues (and a building owner) in the Valley with late night trading hours till 5am. We have grave concerns about both the current and proposed legislation. Our patrons are older – usually 28-45 – and of reasonable discretionary income. Our patrons are very well behaved, drink responsibly and are rarely engaged in alcohol-fuelled incidents of any kind. So while we do not condone alcohol-fuelled violence and do see a community benefit to reducing it, our venues and our patrons are not the source. Hence, in consideration of this proposed legislation, this discussion paper summarises the impact on small entertainment venues as collateral damage to the issue at hand.

Sadly, the current standards and proposed new closing times will substantially affect our ability to trade. Our concern is so great, we feel the risk to our viability is at stake. Meaning, we fear that our businesses are at grave risk of becoming insolvent, destroying some \$10m in capital value, with these new trading times. Closure of these business and other like entertainment venues in the Valley will likely lead to a skyrocketing lease vacancy rate in the Valley and consequently plummeting commercial property prices. It could take many years to recover economically and may leave an urban blight of empty and deteriorating buildings that could take decades to revitalise.

At the same time, we also suspect that this new legislation will not solve the underlying problem, it will just shift the pattern of binge drinking and associated violence to different locations. Our belief is that patrons who wish to drink will find a way to do so at their home or at a friend's in after parties, post-3am, migrating the issues to outer lying suburbs where little policing or responsible management exists.

Regards,

Matthew Bellward
Managing Director
Memphis Services Pty Ltd

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Situational Analysis - Summary

Stats on Industry

- Over 2 million patrons visit the Valley on a Friday or Saturday night every year
- 1758 reported incidents in Valley in 12mths to Dec 2012 (arrests, citations, ambulance or Chaplains, interventions)
- This is an incident rate of 0.0879%. The incident rate of assault is 0.00083%.
 - You are 40 times more likely to be **struck by lightning** in your lifetime than be involved in an assault in the Valley in any given year
 - You are 300 times more likely to be **hospitalised from a car accident** than be involved in an assault in the Valley in any given year

Stats on Alcohol Consumption

- Alcohol consumption is down 25% since 1975
- 84% of alcohol is consumed at home, at a friends house or at a restaurant
- 16% of alcohol is consumed in a pub, casino, social club, RSL, nightclub or bar
- 72% of sales are in bottle shops, not late night venues
- Wine is 48% of sales, little of which is sold in late night venues
- **The exclusive focus on late night trading licensed venues is misplaced**

Sources: FARE Annual Alcohol Poll 2014, Queensland Govt DSP Trial Report

Potential Economic Impact

King's Cross has experience an 84% drop in foot traffic. If that were to occur in the Valley,

- As many as 488 business linked to late night hospitality trade will be at risk
- An estimated 200 or more businesses will fail in the first 12mths
- Redundancies of approx. 6000 jobs in the 18-25 year old demographic,
- The problem will likely be pushed out to suburban homes in out of control house parties.

Our business

- We are only three small venues on Wickham St and Brunswick St
- Our group employs approximately 114 people in full and part time roles
- The wages of our employees inject nearly \$5 million into the local economy
- 49.9% of our revenue comes between 1am and 5am, the hours affected

If the legislation came in tomorrow,

- 30% or approx. 40-45 people would be made redundant immediately
- Approx \$2.2 million in wages will be taken out of the local economy immediately
- The proposed legislation has a potential \$10 million impact on our group

And that's just our three small venues. The wider impact on the economy of Brisbane is huge.

Proceed with caution. Involve all stakeholders in an honest discussion for real solutions.

Statistics on the Industry

Alcohol Consumption

- On average Australians consume 2.2 drinks per day, down 24% from the 1975 peak
 - Total sales of alcohol in Australia in 2010 were \$11.213 Billion, comprising of,
 - 72% sales in bottle shops
 - 38% sales in licensed venues
 - Queensland represents approximately 20% of liquor consumption, or \$2.27 Billion
 - Consumption by location in 2014 in Queensland,
 - Home – 59% (est \$1.33b)
 - At a friends house – 14% (est \$423m)
 - At a restaurant – 11% (est \$250m)
 - At pub, club, bar or casino – 16% (est \$363m)
 - Consumption by class is as follows,
 - Wine – 48%
 - Beer – 32%
 - Spirits – 20%
- (FARE Annual Alcohol Poll 2014)

The Queensland Government reports that in 2012 approximately, (<https://publications.qld.gov.au/dataset/drink-safe-precincts>)

Patrons

- 50,000 patrons socialize in the DSP (Drink Safe Precinct) of Fortitude Valley on an average Friday or Saturday night in an estimated 145 licensed venues.
- 30,000 patrons socialise in the DSP of Surfers Paradise on an average Friday or Saturday night in 100 licensed venues.
- We estimate that the City would see an additional 40,000 patrons on an average Friday or Saturday Night in approximately 100 licensed venues. (The Government has not published statistics on the City precinct)
- Late night trading (past 1am) occurs in approx. 45% of licensed venues in these precincts, or in an estimated 155 licensed venues.

Incidents per annum

Fortitude Valley

- 1900 people were arrested in the Valley in 2012 (of which 95 were for assault)
- 775 calls for Ambulance Service were made in the Valley
- **In total there were 1758 reported incidents** between 6pm-6am Friday and Saturday in the Valley for the 12mths of 2012

(<https://publications.qld.gov.au/dataset/drink-safe-precincts>)

Over 10 million patrons on Friday or Saturday night - Extrapolating data from the Valley and Surfers it can be estimated that over 10m visitors per annum enjoy a drink or a meal on the weekend in these three entertainment precincts of the Valley, City and Surfers. This data is only considering Friday and Saturday nights. It is not including weekdays or daytime.

Extrapolating the statistics on incidents, it can be assumed that approx. 5250 incidents per annum (over 7 days in a week) were reported involving police or ambulance, or a 0.0525% incident rate (not all of which are alcohol related, some of which occur on other days than

Friday or Saturday, and some of which occur outside of the Drink Safe hours of 6pm-6am, although the statistics are not specific on that note.) Approximately 5% of incidences (or 265 per annum or 2.5 per weekend night) resulted in arrest for assault related offences across all three precincts combined, half of which were for assault related offences against Police during arrest.

An incident rate of 0.0525%, or 5.2 per 100,000 is a very conservative estimate.

These statistics as reported by the Queensland Government indicate that on average approximately 2 people out of 240,000 were arrested for assault against civilians inside any of the three main entertainment precincts on any given weekend over 12mths. This would be a potential alcohol-related violence incident rate as low as 0.00083% of patrons, or 0.83 assaults per 100,000 people.

(<https://publications.qld.gov.au/dataset/drink-safe-precincts>)

By comparison, your chances of being struck by lightening in any given year are 0.000142% or in your lifetime 0.0333%, or 3.3 people per 100,000.

(www.news.nationalgeographic.com.au)

You are 40 times more likely to be struck by lightening in your lifetime than you are of being involved in violent incident in Fortitude Valley between 6pm-6am on a Friday or Saturday night in any given year.

By comparison, in 2009 Queensland had 15.6m vehicles on the road and there were 40,503 hospitalised casualties and 331 fatalities, or a 0.26% incident rate, with a large proportion of accidents occurring between 10pm and 3am. Based on these statistics, should we then close down all the main arterial roads during hours of 10pm till 3am?

You are 300 times more likely to be injured and hospitalised due to a car accident in any given year than you are of being involved in violent incident in Fortitude Valley between 6pm-6am on a Friday or Saturday night.

In short, this proposed legislation is a drastic solution to a very isolated problem. It is effectively a sledge hammer to tap in a picture nail, and it won't even solve the underlying issues (ie the cultural factors that contribute to excessive drinking and violent tendencies).

But this legislation will potentially kill the entire entertainment industry in these precincts. Newcastle's entertainment culture was decimated with 33% venue closures and 40% drop in revenue to those left standing, and King's Cross has experience an 84% drop in foot traffic while almost all iconic entertainment venues have been closed in the 18mths since Lockout Laws were introduced.

With a collapse of the entertainment precincts due to an 80% or more drop in traffic, this proposed legislation may well accomplish it's aims but at what cost? It will

- Adversely affect the vast majority of patrons who are well behaved,
- Potentially decimate an entire industry in concentrated areas like the Valley, City or Surfers Paradise.
- Lead to urban blight due to vacant buildings and falling commercial property prices,
- Lead to a loss of approx. 6000 jobs in the 18-25 year old demographic, and,

- Likely push the problem out to private house parties at suburban homes – in the time of lowest police presence in those areas – where a similar rate of alcohol-related incidents will still occur.

There are better, more targeted solutions than a broad blanket approach. The direct consequences of similar legislation in Newcastle and Sydney city substantiate our fears.

The Labour Government should be urged to act with caution.

If this legislation leads to loss of 6000 or more jobs, it will be worse than the public sector cuts under the Newman LNP government.

Background of Author

The authors of this submission are a group comprised of the directors and investors of four entities:

- Boa Capital Pty Ltd, building owner 198 Wickham St the Valley
 - Capital invested \$500,000, capital value at risk ≈ \$1,500,000
- Peabody Trading Pty Ltd trading as Candy Club for 30mths
 - Capital invested \$650,000, capital value at risk ≈ \$2,500,000
 - Gross turnover approx. \$3.5m annually
 - Total employee wage payments into the local economy \$2,266,092 annually
- Hermitage Trading Pty Ltd trading as Eye Candy for 12mths
 - Capital invested \$500,000, capital value at risk ≈ \$2,000,000
 - Gross turnover approx. \$3.1m annually
 - Total employment payments into the local economy \$1,940,662 annually
- Memphis Services Pty Ltd trading as Prestige Bar
 - Capital investment \$750,000 capital value at risk ≈ \$1,750,000
 - Budgeted turnover approx. \$2m
 - Budgeted employee wage payments into the local economy \$900k annually

Professionally Managed - This Group is managed by hospitality professionals with decades of experience, highly trained in managing venues to the highest standards while dealing with responsible service of alcohol issues as a constant part of the compliance environment. We do not tolerate drugs. We do not allow gross intoxication. We do not tolerate fraternisation between staff. We are fanatical about compliance as one of our five key business controls.

Small Venues - We prefer to invest in smaller venues. Our venues are much simpler to manage and have a significantly reduced incident rate compared to larger venues. We can watch things more closely. We have excessive video surveillance in every patron space. It's less risk and makes for a much better patron experience.

Incidents in Our Venues – In the last 6mths we have had 22,900 patrons in our two venues. Of those patrons, 19 or 0.083% were involved in an incident that warranted recording in our safety registers (accidents involving a fall, patrons who were asked to leave, patrons who started an altercation, patrons who were inappropriate with staff). Of those 95% of those incidents recorded were connected with forcibly ejecting customers as part of our RSA policies and procedures as well as our basic standards of conduct, 5% were genuine accidents.

Close Ties with Police - We have a great working relationship with the police officers in our precinct and with the officers of OLGR who regularly inspect our compliance registers. We operate in a heavily compliant environment and are considered the boy scouts of our industry. We are impeccably careful with compliance and RSA requirements. We have incentive to be careful – our AEP fees go up dramatically if we are proved to be in breach.

Large Employer - This Group employs approximately 132 people in full and part time roles. The wages and fees of our employees and contractors will direct nearly \$5 million into the local economy. But we're just three small venues out of approximately 75 late-night trading venues in the Valley alone, or just under 300 in southeast Queensland.

Conservative Investors - Our investor base is comprised of approx. 10 or so professionals – dentists, teachers, doctors, lawyers, accountants and other professionals. We are professional investors and are very risk averse. This legislative proposal represents the largest single risk to equity that we have faced.

Reinvesting in the Valley – In the last three years we have averaged opening one venue per annum at an average capital investment of approx \$615k. We are investing heavily in the entertainment precinct of the Valley. Our model is to rejuvenate run down venues to a modern standard. We are part of a trend of revitalising the area of the Valley surrounding the northern end of Brunswick St. We propose to continue our rate of investment in new venues, however the uncertainty in the trading environment surrounding these proposed trading hours has put a halt to all our investment plans.

Cleaning Up Our Industry – We are strong professional operators with a focus on service experiences and extensive staff training. We are competitive because we offer a safe environment, great staff, a good product selection and great service. By simply competing strongly with good business practices, we are actively cleaning up our industry by attrition.

Impact on Our Businesses

While we have a combined turnover of nearly \$8.6m in three venues, we are still considered very small operators in the hospitality space. Our net margins are in line with industry benchmarks, or around 10-15%, but that is only by virtue of our high management standards. It is harder to maintain profitability in a smaller venue – financial swings have greater effect. Hence, any significant swings in overall revenue will have a dramatic impact on our profitability and our ability to remain solvent.

Our financial reports indicate that our revenue averaged across the last two financial quarters currently occurred in these main time frames:

- Between 8pm-1am – 50.06% of revenue
- Between 1am-3am – 31.86% of revenue
- Between 3am-5am – 17.18% of revenue

With the proposed changes to Lockout and Closing times, approx. 49.4% of our revenue is at risk. That is an estimated \$4.2 million in revenue that now comes into question. Will patrons change their entertainment habits arriving at our venues two or more hours earlier? We think not.

We estimate that will experience a 25% drop in revenue from the day these Laws are introduced.

We believe we’ll keep much of our revenue between 1am and 3am due to shifting behavioural patterns of our patron base – meaning, many patrons will know they just have to get into our venues earlier, by 1am. However we estimate that we will lose all of the revenue as constituted by our current trade between 3am and 5am, plus some of the revenue that currently occurs between 1am and 3am due to Lockouts restricting people’s movements in that critical time of the night.

We believe people will change their patterns of late night entertainment by a little, but not by much. What this means is, people will still start socialising at the same times, they will not have dinner and drink socially any earlier because of these legislative changes. They will simply cut their night short.

That is the desired impact of the legislation, to be sure, but in our case that is also the most devastating outcome for all our stakeholders.

As we are small venues, our rooms cannot get any more full than their current size allows, therefore we can’t push more patrons and revenue into the 1am-3am time slot because we simply don’t have the capacity. We also don’t believe we can significantly influence patron behaviour to attract the same number of patrons into our venue before 10pm.

And at this point we should clarify that our patrons are well behaved. They are typically 28-45 and drink modestly. We have an exceptionally low rate of incidents or social disruptions where managers or security need to get involved, and in three years of trading we have not had one incident related to alcohol-fuelled violence. (We have had approx. 5 altercations in our venues, but they were drug related or in direct response to patrons being asked to leave by management and security for inappropriate conduct.)

Financial Implications

With 1am Lockout and 3am Close, we estimate that our gross revenues will contract by at least 25%, or \$2.15 million per annum (venues in King’s Cross experience on average a 40% decline in revenue in the 12mths since the legislation was introduced).

This is potentially catastrophic – our profit margins are only in the order of 10-15%.

If this were to occur, if this legislation were introduced, our financial modelling suggests the following would transpire:

- Approx. 30% of our employees, or 40-45 people, would be made redundant immediately,
- Our remaining employees will have their hours and pay reduced by 20-30% on average in order to remain cost effective,
- The net effect on cash inputs to the economy by employee wages will be a net reduction by \$2.2m or more,
- Our profits would immediately fall to \$0 and we anticipate making a loss of approx. \$70,000 per month for 3mths to 6mths as our business readjusts – we do not have cash reserves to endure for long,

- If we do not survive this readjustment and become insolvent, our investors lose all their capital (\$1.85m-\$2.35m) and our directors will be liable for in excess of \$1m of liabilities associated with broken leases and finance contracts, leading to bankruptcy proceedings.
- With the introduction of new trading hours, we would certainly explore all legal avenues for recovery of financial damages from the Queensland Government. Similar class actions have ensued in New South Wales.

Because so much of our trade comes between 1am and 5am, the direct net financial impact of this new trading hours legislation could be as high \$7.75m in capital value in the building and businesses and a further \$2.2m per annum in cash injections in the local economy.

Thus, this proposed legislation has a potential \$10,000,000 impact on our group. It's significant.

We feel there are more intelligent solutions that will target the specific problem.

Impact on the Hospitality Industry

Our three small venues are not the only venues that will be affected by this potentially catastrophic legislation.

The Queensland government has reported that approx. 6,800 Liquor Licenses have been issued in the State of Queensland, 53% of which are in southeast Queensland, and 33% of which are in the Brisbane region including the Gold Coast, or 1950 venues.

Of those 1950 venues, approx. 145 are in the Valley, of which 51% or 75 venues trade past 12am and thus will be affected by new proposed Lockout and Closing times. If you extrapolate that out to the City and include the DSP of Surfers Paradise, approx. 300 late trading venues will be affected.

It would be easy to argue the social and economic impact of limiting trading hours is minimal in that it only affects 30% of the trading hours of 5% of the industry, but that would be a false logic.

Of the 6,800 licensed venues that trade to 12am, as much as 70% of those are licensed restaurants or pubs that serve full meals. They have a completely different financial model to bars and nightclubs – they serve only 11% of the alcohol consumed in Queensland. Their patrons are already accustomed to the pattern of dining between 6pm-11pm before moving to a bar or nightclub afterwards. As much as 80% of these restaurants are located in suburban areas outside of the Entertainment Precincts where bars and nightclubs are densely populated. Suburban hospitality precincts (like Bulimba, Sunnybank, Park Rd Milton, Racecourse Rd Albion, South Bank, West End, etc) have a long-established pattern of closing around 10pm, thus it can be argued that the proposed new closing times will affect them little.

Smaller regional centres like Toowoomba, Sunshine Coast, Bundaberg, Gladstone, Mackay, Townsville and Cairns follow a similar pattern, a long-term natural trend, of closing around 10pm accept for a select few late trading venues in each small regional centre.

Bars and Nightclubs as much as 10% of the Industry by economic impact

The exceptions to this natural pattern have always been the late night venues in the City, Valley and Gold Coast and other metropolitan cities and towns in the north. While late night venues represent only 5% of all liquor licenses, the total impact group of new trading hours will likely affect twice that number of venues.

Evidence from King’s Cross, where an 84% drop in foot traffic has been realised, suggests that patrons frequent entertainment precincts for their entire product offering, specifically including late night trading venues.

Hence the restaurants and early trading bars in entertainment precincts are frequented because there are late night pubs and nightclubs to move onto afterwards. A concentration of restaurants and pubs and clubs in areas like the Valley or City are symbiotic and rely on each other to provide the full entertainment experience patrons want.

Combined, this entertainment segment represents a far greater proportion of employment and economic activity in southeast Queensland than people might realise – as much as 10% of the hospitality industry (restaurants, bars, pubs and clubs).

In our venues, the trading hours impacted by proposed new trading times represents nearly 50% of our revenue. Other late night trading venues are in a similar position. The knock on effect of these business suffering will impact other bars and restaurants in the entertainment precincts. This proposed legislation puts at risk of failure some 600 small hospitality businesses in the Valley, City and Surfers by conservative estimates.

Further, the buildings in which they trade also represent a large proportion of commercial properties in these areas – approximately 30% of lease hold commercial retail space in these three precincts. Such a large quantity of broken leases and vacancies all at once could also be catastrophic on lease values and subsequently commercial property values.

The wider economic impacts of a rationalised late night industry could be substantial.

Economic Scope of Late Night Venues

In theory, by extrapolating out the numbers in our venues (assuming we are the average size of all late nite venues), one could suggest that these licensed venues engaged in late night trade in the Valley, City and Surfers represent,

- Businesses employing nearly 3000 people, predominantly aged between 18-25yrs old (a demographic that currently has nearly 15% unemployment - www.abs.gov.au)
- Business making employee wage payments into the local economy of \$150,000,000pa
- Businesses turning over nearly \$450,000,000 in the economy annually
- Businesses leasing nearly \$300,000,000 in commercial real estate, or up to 30% of commercial real estate leasehold space in these entertainment precincts
- Businesses investing as much as \$70,000,000 in capital improvements
- Businesses with capital value at resale of these premises in the order of \$300,000,000

This is just the economic scope of late night venues. The cascading effect on symbiotic and linked restaurants and bars that close at 12am is equally significant.

Further, the business and industries that support these entertainment venues (late night retail stores like 7-11's, late night food stores, taxi cab companies, services like cleaning, waste disposal, legal and accounting, etc) all add up to significant economic activity.

After Newcastle introduced this legislation, the Sydney Morning Herald published this article quoting Hospitality Minister, George Souris,

Newcastle-style alcohol restrictions not the only anti-violence answer

Restrictions on alcohol sales at licensed venues in Newcastle should not be viewed as a panacea for alcohol-fuelled violence around the state, says Hospitality Minister George Souris.

In response to NSW Labor's calls to extend the successful Newcastle trial to other areas including Kings Cross and Sydney's CBD, Mr Souris said the approach was not the only way to reduce alcohol-related violence. While there had been a 26 per cent reduction in violent incidents in Newcastle's licensed premises between 2008 and 2012, Mr Souris told Parliament on Tuesday there had been a 28 per cent reduction across the state for the same period.

There was a greater reduction in violent incidents at licensed venues in other areas such as Penrith, where it was 40 per cent over the same period. In Campbelltown, there was a 38 per cent reduction and in Gosford, 36 per cent.

"This completely debunks the claim that Newcastle-style restrictions are the only pathway to achieving real reductions with alcohol-related violence," Mr Souris said.

"This government looks at each precinct individually and it has achieved a significant drop in violent incidents across the state."

- Sydney Morning Herald, November 2013

Loss of Business in Newcastle and Sydney

There are anecdotal suggestions that 33% of pub and nightclub venues in Newcastle have failed since the introduction of the new Lockout and Close legislation, and that Sydney's new reduced trading times have led to,

- The closure of 42 venues in King's Cross alone in the first year,
- A drop of 40% of revenue across remaining venues on average, and
- An 84% reduction in foot traffic in King's Cross on Friday and Saturday nights.

The Death of Kings Cross

Pedestrian traffic is down 84 per cent compared with 2012 levels, according to a City of Sydney submission to a NSW Legislative Assembly inquiry into alcohol violence. "The business community is collapsing," said Kings Cross Liquor Accord chief Doug Grand. "It's going to keep placing venues under more and more pressure, force them to let go of people, close and resell the land."

Businesses have reported up to a 40 per cent loss in revenue since the lock-out laws were introduced. It is understood one large establishment's profits have plunged 75 per cent since 2013.

- Sydney Morning Herald, September 2014

These potential consequences of these actions are substantial. And regrettably, there is growing evidence to suggest that these new trading times do not actually solve the problem.

Professor Ross Homel; Foundation Professor of Criminology and Criminal Justice

And Director of the Institute for Social and Behavioural Research at Griffith University in Brisbane emphatically told a Queensland Parliamentary Committee that... "The 3am lockout is a complete, absolute 100 per cent failure from all of the data that we have been able to observe. I will just say that dogmatically. You can interrogate me at your will on that one, but I can defend that statement. It is what I regard as a politically attractive but completely ineffective strategy."

School of Medicine at Newcastle University & Australian Drug Foundation

Researchers from the School of Medicine at Newcastle University examined the recent situation in Newcastle, NSW, where a lockout was imposed at 1.30am and trading hours were reduced from 5.30am to 3.30am. They stated that "in addition to other sources of data (eg ambulance attendances) in relation to the Newcastle intervention, further research is required to examine the effects of lockouts" - Kypros Kypri et al (2010)

Associate Professor Peter Miller of the Australian Drug Foundation states as follows "There are two measures in place, there is a lockout and restricted trading (can't serve alcohol after 3am). The evidence very clearly points to the effectiveness of stopping alcohol trading after 3am, The evidence doesn't point to lockouts." And conducting peer reviewed research on Newcastle and Ballarat trading restrictions concludes that "The evidence on lockouts thus remains largely inconclusive."

Industry Wide Economic Impact

If the same level of business closures and reduced revenue were to occur in the three entertainment precincts of the Valley, the City and Surfers...

Employee Impact

- As many as 35-65 late night trading venues will become insolvent and likely close within months
- Due to decreased foot traffic, a further 70-100 venues trading till 12am are likely to fail because of the knock on effect on late trading
- Up to 1000 employees made redundant within months of the new trading times
- A further 1000 employees will likely be made redundant as business fail over the following 12 months
- The majority redundancies will be in an age bracket with 15% unemployment already and the chance of re-employment will be small
- An estimated \$100,000,000 in employee wage payments will be eliminated from the local Queensland economy

Business Owner Impact

- An estimated \$200,000,000 in capital value of currently profitable businesses will be eliminated virtually overnight through business failure – a business that could sell for

\$2m today will be worthless with the new legislation. The economic drag on business investment will be felt for years.

- Of those businesses that survive the first few months, a loss of 40% of revenue would be an estimated \$70,000,000 loss of cash flow
- An estimated further \$200,000,000 in reduced capital value of surviving business will occur due to lower revenues and profitability. This will have a significant effect in lending in this sector in Queensland.
- A class action against the Queensland Government for loss and damage will likely ensue as it has in Newcastle and Sydney.

And while these impacts on the Queensland economy and unemployment are weighty, there are further impacts to consider on related industries that service these venues.

It's not hard to acknowledge that a change to late night trading could impact a significant proportion of Queensland's \$17.5 billion tourism and hospitality sector.

But that is not the only potential economic impact.

Cascading Impact on Other Related Industries

The impact on bars and nightclubs is not the only consideration. It's a well known economic principle – an economy is an ecosystem, disrupt one critical part and the ecosystem may collapse.

Just consider that the GFC of 2008 happened because just one Wall St bank was rescued and just one Wall St bank became insolvent within 6mths of each other. As a cascading effect of investor confidence, nearly the Dow Jones Industrial Index fell to half its value within weeks – every body stopped buying, financing, investing in everything until economic certainty and confidence was restored. It's taken years, and 7 years later we still are not fully recovered.

A very quick anecdotal survey (walking around) of the main sections of the Valley adjacent to the Brunswick St Mall reveals that,

- Bars and Nightclubs 44 – 29.7%
- Late Night Food Outlets 26 – 17.6%
- Related Support Businesses 36 – 24.3%
- Daytime Retail – 42 – 28.4%

If you accept this distribution of business in the entertainment precinct that is Fortitude Valley, where there are reportedly 145 licensed venues, up to...

- 145 bars and nightclubs are at risk if the Valley collapses
- 86 after hours Food Outlets will face dramatically reduced traffic
- 118 related support businesses now have to find work elsewhere
- 138 retail stores now rent buildings where urban blight is setting in and no one comes

But that's not all. Consider the transportation knock on effects.

The Taxi Cab Industry

In the 12mths to November 2011, during the research and trial of DSP in the Valley, taxis made nearly 300,000 trips out of the Valley on Friday and Saturday nights taking home an estimated 600,000 patrons.

“Taxi services transported 597,618 people home from the Fortitude Valley Drink Safe Precinct during the first 12 months of the trial. More than 291,200 taxi trips departed from the Fortitude Valley Drink Safe Precinct during this period.”

<https://publications.qld.gov.au/storage/f/2014-06-19T03%3A48%3A43.451Z/fortitude-valley-dsp-12-month-trial.pdf>

At an average fare of \$30, that could represent as much as \$9,000,000 annually in revenue from the Valley, or as much as \$27,000,000 annually in revenue from the three precincts of the Valley, City and Surfers.

And then you have all the support and ancillary business that help make all these enterprises run. Accountants, lawyers, cleaners, architects, construction and fit out workers, etc. Easily 1000-2000 businesses alone in or linked to these three entertainment precincts will be affected by proposed legislation.

Magnified Cascading Economic Impacts

Economists have long since understood that one dollar earned or spent does not just equal one dollar in economic impact. A portion of that dollar is always spent elsewhere. GDP for example is a measure of all economic activity, not just wages earned or retail spending.

The Multiplier Effect of local independent business is a well established economic principle. [Clive Economics](#) in an independent study in 2004 suggests that the local economic impact for an independent local business can be estimated at \$1600 per square meter of leased space.

- That means for our three small venues the Multiplier Effect suggests a further \$1,600,000 economic impact.
- For the 300 late night trading venues threatened by proposed changes, the potential economic impact of the Multiplier Effect could be as high as \$480,000,000 annually.
- If the other half of entertainment venues in the Valley, City or Surfers are similarly at risk, the potential economic impact could be as high as \$1 billion annually.
- Add the risk to trade of supporting service business and the risk could be much higher.

There are potentially very substantial implications to the proposed new legislation – **more than \$1 billion dollars in economic activity in southeast Queensland annually** – that should not therefore be entered into lightly without full and serious consideration of all other options as a solution to mitigating harm with the consumption of alcohol in these entertainment precincts.

The simple affect on unemployment could be staggering – on average 20,000 jobs at risk. Is this really a Labour policy?

Situational Analysis of the Real Issue

Proponents of changes to trading hours and lockout times infer that alcohol or the consumption of it is the only causal link to violence in entertainment precincts. The surface level logic suggests,

- Patrons socialise in entertainment precincts.
- Alcohol is served in entertainment precincts.
- Violence occurs in entertainment precincts.

Therefore,

- Alcohol is the source of the violent behaviour.

However, there may well be more to the matter than just this surface level causal link.

In fact, it is false logic to assume that alcohol is the cause. In statistical terms, a **causal relation** between two events exists if the occurrence of the first causes the other. The first event is called the cause and the second event is called the effect. A **correlation** between two variables does not imply **causation**.

Statistics from the Queensland Government’s DSP Trials indicate that for every 50,000 people who socialised in the Valley in 2012, just 1 person was arrested for assault and 17.5 people on average were involved in an incident where police or ambulance were involved in some way.

So there is a correlation in the data between incidents and consumption of alcohol in the Valley. However there is also a correlation between incidents and,

- Consumption of illicit drugs – ecstasy, cocaine, marijuana, hallucinogens, etc
- High concentration of patrons in the 18-25 yr old demographic (ie crowds)
- Consumption of highly-caffeinated energy drinks – Red Bull, V, Mother, etc
- Consumption of anabolic steroids which is prevalent in the 18-25 age bracket
- Pre-existing history of violence
- Pre-loading – binge drinking at home or at parties before entering the Valley

And when mixed with alcohol these factors can become significant issues,

- Dietary trends – high protein diets that are known to cause irritable behaviour
- Low calorific intake in young women in an effort to be thin and attractive
- Pre-existing psychological issues – severe depression, schizophrenia, etc
- Short term psychological issues – job loss, fight with parents, breakup, etc
- Stress – end of a hard week at work or hard week at Uni

All of which are present in large quantities in Fortitude Valley on any given Friday or Saturday night. Each of these factors have a correlation with incidents, but few would argue that any of them alone are have a causation effect accept perhaps for some drug related incidents.

The Venue’s Role in Harm Minimisation

The entertainment venue’s role in the issue of harm minimisation is an interesting one. Security personnel are trained extensively in identifying, handling and removing intoxicated

patrons without harm. RSA standards and training of bar staff are aimed at a refusal to serve patrons who appear intoxicated.

But there is a systemic issue at play here: the problem stops at the street.

Patrons who pre-load (consume before they enter the Valley) are regularly and often identified and refused entry to venues. However security staff have a responsibility to prevent access to the venue only. An intoxicated patron refused entry is often disgruntled. That individual is obviously well past their best. Their night is over. They should go home. But there is no recourse for anyone present to do so. Security staff have a core responsibility to monitor the venue and its entry points and do not have the time or resources to manage patrons on the street – nor do they have the legal right to do so.

Often intoxicated patrons on the street will try entering several venues and be refused entry to all of them. A coordinated communication effort with authorities may well serve to prevent unruly behaviour before it happens.

The Issue of Pre-loading

One factor in the discussion of alcohol and harm minimisation that must be raised is the issue of pre-loading – patrons consuming alcohol at home (purchased at retail bottle shops) or at parties before they enter the Valley or enter any of the current establishments.

A typical bottle of spirits purchased at a bottle shop that cost \$40 has 23 standard drinks. Those same drinks would cost between \$160 and \$230 purchased in venues in the Valley.

Pre-loading is specifically prevalent in those with less discretionary income, or the 18-25yr old demographic and particularly university students without full time employment.

Statistics indicate that only 16% of alcohol in 2014 was consumed at a pub, club or bar, where 63% on average is consumed either at home or at a friend’s house. In the Gen Y demographic (18-30yrs old), 19% of alcohol consumed was at a friend’s house.

Consumption by location in 2014:

- Home – 59%
- At a friend’s house – 14%
- At a restaurant – 11%
- **At pub, club or bar – 16%**
(FARE Annual Alcohol Poll 2014)

Pre-loading is a significant issue that a change in trading hours will not address. Corey Allen, Inspector of Queensland Police commissioned research published in May that indicates that,

- As much as 60% of patrons frequenting the Valley consume alcohol before entering the Valley,
- More than 30% of patrons 18-25yrs reported they regularly consume 4 standard drinks or more in the hour before entering the Valley,
- 10% of 18-25yr olds indicated they drank more than 8 standard drinks before entering the Valley with the intention of not spending money at venues in the Valley
- 50% of 18-30yr olds indicated they have consumed illicit drugs before entering the Valley.

Pre-loading is real, it is hard to prevent, and changing trading times will not affect it.

Security staff are trained to refuse entry to intoxicated patrons. The problem is these patrons are left on the street frustrated. Many roam from venue to venue until they can straighten themselves up and pass scrutiny.

In Sydney the changes to trading times in the City and King's Cross were prompted by two deaths in quick succession from one-punch king-hit incidences. In interviews with police afterwards, one of the perpetrators revealed that he had consumed 8 drinks quickly before travelling to the Cross. While in the taxi he consumed a further 4 cans of high-alcohol bourbon and cola. Upon reaching the Cross he was refused entry at several venues. In a fit of rage he randomly hit the nearest random passer-by. In this instance, there was no link between the violence and the alcohol served in the precinct.

There is emerging evidence that pre-loading may well be a factor in the majority of incidents of disorderly behaviour and violence or assault in entertainment precincts.

More research needs to be conducted to verify this trend. This factor is the least preventable of all alcohol related issues as far as harm minimisation aspects of the legislation are concerned.

Specific task forces to examine this one issue should be formed. Screening for intoxicated patrons entering entertainment precincts after pre-loading should be a high priority.

Recommendations

Primary Recommendation: Proceed cautiously considering the economic impact of drastic action like reduced trading hours in an industry predominantly operating on thin margins.

Just as Queensland's economy is recovering from,

- Massive LNP cuts to the public sector,
- GFC rationalisation and de-leveraging,
- Massive unemployment in the mining sector,

Now is a very bad time to be hastening legislation that will affect such a large proportion of the entertainment industry and late night economy.

Secondary Recommendation: Recognise and understand that the real issue is limited to a very small percentage of the population – there is a 0.00083% incident rate per year for nearly 2,000,000 people socialising in the Valley. Consumption of alcohol in the Valley is not the problem. The real problem is,

- Over consumption of alcohol in predominantly younger adults,
- In large crowds
- Especially when combined with other psychologically or physiologically altering substances or disorders (ie illicit drugs, steroids, highly-caffeinated energy drinks, dietary imbalances from high-protein diets, malnutrition from eating disorders, etc),
- That leads to disorderly conduct, assault and related incidences.

The vast majority of the adult patrons in the Valley are well behaved and consume alcohol responsibly. Changing the opening times of venues will not alter this fact.

Tertiary Recommendations: Adopt strategies specifically aimed at

- Preventing intoxicated patrons entering the Valley after pre-loading elsewhere,
- Specifically target male patrons 18-25yrs before they enter venues or actively just after they exit venues for intox screening, Banning and Move Along orders and
- Improve police powers or procedures to, examine all possible solutions to target the small group of patrons who represent the greatest risk of harm. Increased police presence at venues known to attract the 18-25yr male demographic, with a focus on early intervention and prevention.
- Clearly delineate between the roles and responsibilities that lie with OLGR, Police, Brisbane City Council (responsible for the Valley Entertainment Precinct), Ambulance service, Chaplain service, venue managers staff and security staff.

Pre-loading is a significant issue, particularly in the demographic of males 18-25yrs.

- Find ways of screening patrons who enter the Valley intoxicated. Security staff at venues certainly turn intoxicated patrons away, but that just leaves them frustrated on the street. Effective measures for screening for pre-loading should be considered,
 - Designated police presence at the Valley Train Station watching for patrons already under the influence and intercepting them before they enter the Valley
 - Designated drop off points for all taxi cabs entering the Valley on Friday or Saturday night so that a police presence can more effectively screen patrons before they enter the Valley
 - Reduced bus stops in the Valley on a Friday or Saturday night so that drop off points are limited to a few locations where police can more easily screen patrons.
- Increased and more effective use and reporting of Banning Notices and Move Along powers by police officers in the Valley. More effective police enforcement and penalties for violating Banning Notices. Greater powers to remove patrons from the Valley.
- Increased fines for disorderly conduct.
- Provide for on-the-spot screening and drug testing for consumption of illicit drugs.
- Triage Approach to Unruly Behaviour – give police the rights to enforce detainment in chill out zones for an hour or more at their discretion. Gross violations arrested and sent to the watch house.
- Consider ways to make policing more efficient instead of tying up three officers for every arrest as currently exists.
- Reduce paperwork burden for arresting officers. Use technology to make citations immediate (as with city council parking inspectors).
- Drink Safe School – Consider mandatory attendance for everyone cited for Drunk and Disorderly at a Drink Safe training program – just like Traffic School with speeding offences in many countries.
- Implement Recommendation 2 and 5 of the Queensland’s Ombudsman’s Liquor Report of December 2013 – “Incorporate all mechanisms for proactive compliance targeting based on risk categorisation, prioritisation and regional intelligence about premises history into the Compliance Plan”, insure timely communication of inspection outcomes to licensees and follow up on recommendations utilising self assessment programs.
- Identify High-Risk Venues by demographic of patrons, size of venue and intox screening at exits and concentrate preventative policing efforts near those venues

- Make strong use of local knowledge by officers and support staff in relevant precincts as well as QPS incident reports in determining risk factors, not just arbitrary criteria established in a central office where “loss of local knowledge” in a centralised compliance program allows problematic premises to escape attention.
- Police intox screening at the waiting lines to enter High-Risk Venues
- The majority of venues are proactive in managing successful and effective compliance and RSA standards, but some venues are not. Common sense suggests that 80% of enforcement should be focussed on the worst performing 20% of high-risk venues.
- More data to effectively target the real issues – is it drugs, alcohol or both - test all patrons where police or ambulance intervention is required to attempt to further distinguish between alcohol related or drug related behaviour.
- Implement Recommendation 9 of the Queensland’s Ombudsman’s Liquor Report of December 2013 – “The Director-General urgently seek the necessary approval, funding and resources to address the most critical information technology issues that are hindering the effective performance of the OLGR’s regulatory functions.” And we would extend that call for the most basic IT resources to Police, as well. It seems ridiculous that Police cannot issue instant fines like traffic wardens, or that they can’t enter a Driver’s License number into a database and get instant feedback on previous citations, violations or banner orders.
- Implement educational campaigns against irresponsible drinking in the Valley, City and Surfers – “No Dickheads, Drink Responsibly” or “Take ‘em Home, Mates Look after Their Mates” or “Send ‘em Home, Drunks Ruin the Party”
- Make unique stamps (“DD” - Drunk & Disorderly) that all support personnel (police, security staff, ambulance, Chaplains service) can use to stamp clearly intoxicated individuals so that they are more easily refused entry the rest of the night.

Cost of Recommendations

It is noted that some of the above recommendations may well require budgeted government funding at a time when city and state budgets are tight. The question is, are the necessary changes as costly as a potential \$1 billion dollar impact on the local Brisbane economy?

The cost of reform is far less than the cost of a decimated industry.

Situational Analysis - Summary

Stats on Industry

- Over 2 million patrons visit the Valley on a Friday or Saturday night every year
- 1758 reported incidents in Valley in 12mths to Dec 2012 (arrests, citations, ambulance or Chaplains, interventions)
- This is an incident rate of 0.0879%. The incident rate of assault is 0.00083%.
 - You are 40 times more likely to be **struck by lightning** in your lifetime than be involved in an assault in the Valley in any given year
 - You are 300 times more likely to be **hospitalised from a car accident** than be involved in an assault in the Valley in any given year

Stats on Alcohol Consumption

- Alcohol consumption is down 25% since 1975
- 84% of alcohol is consumed at home, at a friends house or at a restaurant
- 16% of alcohol is consumed in a pub, casino, social club, RSL, nightclub or bar
- 72% of sales are in bottle shops, not late night venues
- Wine is 48% of sales, little of which is sold in late night venues
- **The exclusive focus on late night trading licensed venues is misplaced**

Sources: FARE Annual Alcohol Poll 2014, Queensland Govt DSP Trial Report

Potential Economic Impact

King's Cross has experience an 84% drop in foot traffic. If that were to occur in the Valley,

- As many as 488 business linked to late night hospitality trade will be at risk
- An estimated 200 or more businesses will fail in the first 12mths
- Redundancies of approx. 6000 jobs in the 18-25 year old demographic,
- The problem will likely be pushed out to suburban homes in out of control house parties.

Our business

- We are only three small venues on Wickham St and Brunswick St
- Our group employs approximately 114 people in full and part time roles
- The wages of our employees inject nearly \$5 million into the local economy
- 49.9% of our revenue comes between 1am and 5am, the hours affected

If the legislation came in tomorrow,

- 30% or approx. 40-45 people would be made redundant immediately
- Approx \$2.2 million in wages will be taken out of the local economy immediately
- The proposed legislation has a potential \$10 million impact on our group

And that's just our three small venues. The wider impact on the economy of Brisbane is huge.

Proceed with caution. Involve all stakeholders in an honest discussion for real solutions.