

# NSW Independent Liquor & Gaming Authority

Mr Michael Squires Former Licensee Southgate Inn Hotel	Mr Darren Duke A/Director of Compliance & Enforcement Unit NSW Department of Creative Industries, Tourism, Hospitality and Sport
Section 140(3) – Third parties TPG Hotels Operating Pty Ltd Business Owner	Section 140(3) – Third parties TPG Hotels Property Pty Ltd Premises Owner
Section 140(3) – Third parties Mr Laarn White Current licensee Southgate Inn Hotel	

Our ref: DOC25/447658

14 January 2026

Dear Sir/Madam

## Decision regarding a complaint about Mr Michael Squires under section 139 of the *Liquor Act 2007*

### Ground of complaint

The ground of complaint is that:

- the licensee has failed to comply with any other requirement under the *Liquor Act 2007* (**the Act**) or the regulations (or under the former Act), relating to the licence or the licensed premises – section 139(3)(d) of the Act.

The following 2 sections of the Act are alleged to have been breached, giving rise to the disciplinary complaint:

- a licensee must not permit intoxication on the licensed premises – section 73(1)(a) of the Act.
- a licensee or an employee or agent of a licensee must not, on the licensed premises, sell or supply liquor to an intoxicated person – section 73(2) of the Act.

### Our decision

We are satisfied that the ground of complaint is established and have determined to:

- disqualify** Mr Michael Squires (**Mr Squires**) from holding a licence, or from being the manager of licensed premises or the close associate of a licensee for a period of 12 months under section 141(2)(f) of the *Liquor Act 2007*.

### Background

On 9 February 2023, L&GNSW received a complaint from a member of the public in relation to an incident at the Southgate Inn Hotel on 7 February 2023.

The complaint alleged that [REDACTED] consumed a substantial amount of alcohol at the hotel before falling outside, hitting his head, and losing consciousness for 60 to 90 seconds.

██████ was attended to by police and paramedics, transported to Tamworth Base Hospital, and admitted to the ICU with multiple injuries including a head laceration, cervical spine fracture, wrist pain, and intoxication.

Medical records indicated ██████ was placed in an induced coma and that his blood alcohol level was 0.33, nearly seven times the legal driving limit.

### ***Disciplinary complaint***

On 19 July 2024, a disciplinary complaint was made to the Independent Liquor and Gaming Authority (the **Authority**) from ██████, A/Director of Compliance & Enforcement, Liquor & Gaming NSW (**L&GNSW**), as a delegate of the Secretary of the NSW Department of Creative Industries, Tourism, Hospitality and Sport (**the Complainant**) about Mr Michael Squires (**the Respondent**) as the former licensee of the Southgate Inn Hotel (LIQH400118481) located at 16A Kent Street, South Tamworth.

### ***Details of the incident***

Between 5:15pm and 10:30pm on 7 February 2023, patrons ██████ and ██████ consumed 16 and 15 alcoholic beverages respectively, including beers and mixed spirits.

Both patrons allegedly exhibited visible signs of intoxication.

Despite this, ██████, a hotel employee, allegedly sold them a 700mL bottle of Bundaberg Rum from the hotel's bottle shop.

CCTV footage shows signs of intoxication from 8:56pm onwards, including ██████ stumbling and knocking over a chair at 10:09pm.

Around this time, ██████, a hotel employee, asked ██████ and ██████ to leave but did not escort them or prevent further alcohol purchase.

The CCTV footage ends at 10:27pm, leaving a 33-minute gap in beer garden coverage, which is critical to understanding the patrons' behaviour and alcohol consumption after the purchase of the bottle of rum.

The complaint alleges that staff did not follow the L&GNSW Intoxication Guidelines, failing to monitor alcohol consumption and intervene when intoxication was apparent.

### ***Licence details***

Mr Squires was the licensee of the hotel from 8 May 2020 until March 2024. He was the licensee of the Hotel at the time of the incident and is now the former licensee. The new licensee of the Hotel has been in this position since 9 April 2024.

In accordance with the definition of licensee under section 137(1) of the Act, which includes a former licensee, a complaint may still be made against Mr Squires.

### ***Submissions and consultation***

On 1 July 2025, the Authority's Disciplinary Committee determined to issue a show cause notice to Mr Squires, the business and premises owner of the Hotel and L&GNSW.

On 11 August 2025, a joint submission was received from a legal representative on behalf of Mr Squires, the business owner of the Hotel (TPG Hotels Operating Pty Ltd) and premises owner of the Hotel (TPG Hotels Property Pty Ltd). On 12 August 2025, video footage that was initially inaccessible in this submission was provided by the legal representative.

The submission also referenced the following documents that were provided as an addendum:

- an Affidavit from Mr Squires

- character references for Mr Squires
- report from Mr Patrick Paroz (**Mr Paroz**)
- photographs of the Southgate Inn
- Intoxication Guidelines as referred to in section 5(3) of the Act
- an Affidavit from Ms Kerry Theresa Sheridan (**Ms Sheridan**)
- case law.

This submission and associated addendum are summarised below.

**Joint submission from the respondent, business owners and premises owners (collectively referred to hereafter as the respondents) dated 11 August 2025:**

*Professional background of Mr Squires*

- Mr Squires is a hospitality professional with over 25 years of experience.
- He currently serves as the General Manager of a hotel in NSW.
- He was the licensee of the Southgate Inn from November 2016 to March 2024 and previously held the same role at the Shoal Bay Country Club Hotel for nearly eight years.
- Mr Squires has not been subject to any breach action in the past decade.
- He has held leadership roles in industry bodies, including Secretary/Treasurer of the Tamworth & District Liquor Accord for nearly seven years and currently serves on the executive committee of the Maitland Liquor Accord.
- Character references submitted attest to Mr Squires' good reputation and high regard within the community.

*Limitations of CCTV in assessing intoxication*

- The Respondents argue that CCTV footage of the incident is limited in detecting intoxication, as it does not capture speech, behaviour, or smell.
- They note that signs of intoxication may not be visually apparent to staff, even if captured on camera.

*Alcohol consumption and blood alcohol content*

- The Respondents highlight uncertainty regarding the quantity of alcohol consumed by the patron from a 700ml bottle of rum after leaving the hotel at 10:27pm.
- They emphasise that the Act defines intoxication based on observable signs, not blood alcohol readings.
- Reference is made to Starkie v Van Tobruk [2007] WASC 51 (R5), where a bartender was found not guilty despite the patron's high blood alcohol level. The respondents state that [REDACTED] and [REDACTED] were not showing clear signs of intoxication, noting that CCTV footage does not show either man appearing to be unsteady on their feet or swaying. The submission further states that a "reasonable observer", Ms Sheridan, was present during the relevant period. The respondents note that due to her experience in the industry Ms Sheridan understands the signs of intoxication and in her affidavit Ms Sheridan said there was "no suggestion" that the men were intoxicated when they engaged in conversation with her.

*Observations and references*

- The Respondents assert that the patron did not exhibit noticeable signs of intoxication while inside the hotel, supported by sworn testimony from the employee who sold him the bottle of rum.
- An affidavit from Ms Sheridan, a former barmaid present during the incident, states that the patrons did not appear visibly intoxicated, except for brief swaying observed on CCTV.

*Respondents' position on allegations*

- The Respondents refute the allegations made by the Complainant, citing a comprehensive review of CCTV footage with expert input from Mr Paroz who conducted a covert audit and reviewed the Hotel's Plan of Management, concluding

that the Hotel is well managed with responsible service practices and adequate staffing.

- They argue that the Authority's disciplinary powers are not applicable, referencing Penplay Pty Limited v Independent Liquor and Gaming Authority [2023] NSWCATAD 52 as Mr Squires has not been convicted of an offence under section 139(3)(d).
- They maintain that there was no breach of duty by staff in the bottle shop or in failing to exclude the patrons earlier.
- The Respondents deny claims that the Notice to Produce CCTV footage was not complied with, stating all required footage was provided.

#### *Analysis of patron behaviour*

- CCTV footage shows the patron was in control of his faculties, with signs of swaying only after exiting the bottle shop.
- The Respondents argue that excluding the patrons at that point would have been ineffective as they were already leaving.
- They attribute the patron's condition, as observed by ambulance officers, to the consumption of takeaway alcohol in the car park.

#### *Conclusion and recommendations*

- The Respondents submit that the grounds of complaint are not proven to the required civil standard.
- They recommend that if any grounds are found, sanctions should be proportionate, and in this case, no action should be taken.
- They emphasise that this was an isolated incident and that robust controls were in place during Mr Squires' tenure as licensee.

#### **Affidavit Mr Michael Squires, dated 25 July 2025:**

##### *Employment and licensing history*

- Mr Squires was the licensee of the Southgate Inn, Tamworth, on 7 February 2023.
- He commenced employment at the Southgate Inn in November 2016 as Venue Manager and was appointed licensee in May 2021, serving until March 2024.
- Mr Squires is currently employed as the General Manager of the Regal Inn, Maitland.

##### *Professional background and compliance record*

- Mr Squires is a career hospitality professional with over 20 years of experience in full-time hospitality roles.
- Over the past 10 years, he has not received any notices alleging breaches of liquor laws.

##### *Incident*

- Mr Squires was not on duty at the Southgate Inn on the evening of 7 February 2023, having completed his shift at 5:00pm.
- He was informed of the incident the following day by [REDACTED], who reported that he had asked [REDACTED] to leave the premises.

##### *Venue management and responsible service measures*

- The hotel implemented a range of measures to prevent intoxication.
- The hotel operated under a formal Plan of Management, and all staff received training on its contents prior to commencing employment.

##### *Industry engagement*

- Mr Squires actively participated in local Liquor Accord meetings.
- He served as Secretary of the Tamworth Liquor Accord for approximately 7 years.

##### *Incident review and response*

- Mr Squires did not know the patron.
- Upon reviewing the CCTV footage, Mr Squires concluded that neither [REDACTED] nor [REDACTED] appeared intoxicated.

- He complied with the Notice to Produce issued by L&GNSW, providing all relevant CCTV footage of the patrons' attendance at the hotel.
- He refutes the claim by L&GNSW that his response to the Notice to Produce was incomplete.

*Post-incident actions*

- Following the incident, Mr Squires reiterated to all staff the importance of adhering to rules regarding the prevention of intoxication.

**Summary of report prepared by Mr Paroz, dated July 2025:**

*Engagement and professional background*

- Mr Paroz, a former senior Police Officer with experience as Superintendent, Local Area Commander, and Commander of the Alcohol & Licensing Enforcement Command, was engaged by Hatzis Cusack Lawyers.
- Mr Paroz was tasked with conducting covert observations at the Southgate Inn to assess staff adherence to Responsible Service of Alcohol (**RSA**) principles and compliance with the Hotel's Plan of Management and reviewing CCTV footage from 7 February 2023 to determine whether staff failed to identify signs of intoxication in two male patrons.

*Covert observations – July 2025*

Mr Paroz conducted observations over two consecutive nights and reported the following findings:

- The Hotel was under the supervision of a proactive manager.
- Staffing levels were adequate to support effective RSA practices.
- Management and staff actively patrolled the premises and engaged with patrons.
- Alcohol service practices were responsible and aligned with L&GNSW Liquor Promotion Guidelines.
- Hotel sections and entry points were closed based on patron numbers, effectively reducing the area requiring monitoring.

*Recommendations for the Plan of Management*

Based on his observations, Mr Paroz recommended the following enhancements to the Hotel's Plan of Management:

- The Hotel should always operate under the direct supervision of the licensee or suitably experienced supervisory staff when liquor is sold or supplied.
- Staff should report any signs of intoxication or risky drinking behaviour to management or security immediately.
- As patron numbers decline, designated areas and entry/exit points should be closed and secured accordingly.

*CCTV footage review – 7 February 2023*

Mr Paroz reviewed the CCTV footage related to the incident and made the following observations:

- In the final 15 minutes of [REDACTED] and [REDACTED] presence at the Hotel, both exhibited signs of potential intoxication.
- Due to the patrons being seated for most of their visit, it was more difficult to detect signs of intoxication.
- His review supported Ms Sheridan's assessment that a reasonable person would not have concluded the patrons were intoxicated in the outdoor area before they began leaving the premises at approximately 10:25pm.

**Affidavit Ms Sheridan, dated 4 August 2025:**

- Ms Sheridan has lived in Tamworth for 40 years and regularly attends the Hotel as a social outlet.
- On being shown the CCTV footage, her memory of the evening of the night of the incident was refreshed..
- She is RSA trained and worked as a barmaid for around nine years and knows the signs of intoxication.
- She is of the view that both [REDACTED] and [REDACTED] were not showing noticeable signs of intoxication up until the time that they were leaving the hotel where she states they appeared to stumble a couple of times and sway a little.

**On 22 October 2025, a submission was received from the complainant and is summarised below:**

*Incident overview*

- On 7 February 2023, between 5:15pm and 10:30pm, [REDACTED] and [REDACTED] consumed approximately 19 and 20 standard drinks respectively at the Hotel. The number of drinks listed in the complainant submission differs from the original complaint material. The original complaint material states that [REDACTED] and [REDACTED] consumed 16 and 15 drinks respectively.
- There was no evidence of food consumption during this period.
- L&GNSW asserts that the volume of alcohol consumed should have prompted staff to assess the patrons' intoxication levels, in accordance with the Act and Intoxication Guidelines.

*Assessment of intoxication*

- L&GNSW disputes Mr Hatzis' claim that intoxication cannot be assessed via CCTV footage. The guidelines require only one observable sign such as speech, balance, coordination, or behaviour to establish intoxication.
- CCTV footage showed noticeable impairment in coordination and balance. [REDACTED] blood alcohol concentration was recorded at 0.33, over six times the legal driving limit, supporting the conclusion of intoxication.

*Staff response and incident register*

- [REDACTED] stated that the patrons were asked to leave before returning to purchase a bottle of rum. Although another employee, [REDACTED], did not recall this, the incident register recorded that patrons were refused service and asked to leave.
- L&GNSW emphasises that once intoxication is identified, service must be refused and patrons must be removed from the premises.

*Evidentiary weight of affidavit*

- L&GNSW argues that the affidavit by Ms Sheridan should not be given evidentiary weight.
- The affidavit was sworn over two years after the incident, and Ms Sheridan had minimal interaction with the intoxicated patrons. Her RSA training does not override the lack of direct observation or responsibility.

*Interpretation of section 139(3)(d) of the Act*

- L&GNSW rejects the interpretation that disciplinary action under section 139(3)(d) requires proof of a criminal offence. The standard of proof is the balance of probabilities.
- This interpretation is consistent with prior decisions of the Authority.

*Breach of licensee obligations*

- Mr Squires failed to prevent intoxication and the sale of liquor to intoxicated persons, breaching sections 73(1) and 139(3)(d) of the Act.
- The incident also contravenes the Objects of the Act, which promote responsible liquor service and community amenity.

#### *Aggravating factors*

- The incident was aggravated by the patrons' excessive alcohol consumption, failure of staff to intervene, and the subsequent injury sustained by one patron requiring hospitalisation.

#### *Conclusion*

- L&GNSW maintains its position as outlined in the original disciplinary complaint submitted on 22 July 2024 and supports the Authority's consideration of disciplinary action against Mr Squires.

**On 10 November 2025, a final submission was received from the respondent and is summarised below:**

#### *Quantity of drinks consumed*

- The Complainant emphasises the number of 'standard drinks' consumed by [REDACTED] and [REDACTED] over 5.25 hours, alleging it was excessive and indicative of intoxication.
- The concept of 'standard drinks' is designed for personal monitoring, particularly for driving, and is not applicable to determining intoxication under the Act.
- Legal precedent confirms intoxication must be assessed based on observable signs, not drink counts or blood alcohol levels.
- Counting drinks is impractical and unreliable due to unknown prior consumption and individual alcohol tolerance.

#### *Legal definition of intoxication*

- Section 5 of the Act defines intoxication by objective manifestations such as impaired speech, balance, coordination, or behavior.
- Staff are only obligated to cease service when a reasonable belief is formed that a person is noticeably affected by alcohol.
- Ms Sheridan, an experienced RSA-trained staff member, observed no signs of intoxication in [REDACTED] or [REDACTED] until they were leaving the Hotel around 10:27pm.

#### *CCTV footage analysis*

- CCTV footage supports the absence of intoxication indicators until the final moments when the patrons were exiting the premises.
- No speech impairment or concerning behavior was observed throughout the evening.
- Apparent signs of impaired coordination occurred only after [REDACTED] exited the bottle shop at 10:25pm.
- [REDACTED] demonstrated physical coordination inconsistent with intoxication.

#### *Blood alcohol content*

- [REDACTED] blood alcohol reading was taken after leaving the Hotel and consuming additional alcohol, rendering it irrelevant to staff conduct while on duty.
- Legal precedent establishes that, as a matter of law, a blood alcohol reading cannot be used to establish that a person was showing signs of intoxication at any particular time.

#### *Objective evidence and reasonable person standard*

- Ms Sheridan's observations, corroborated by CCTV, serve as reliable evidence under the reasonable person test.
- No reasonable observer would have concluded the patrons were noticeably affected by alcohol prior to their departure at 10:27pm.

#### *Allegation of patrons being 'kicked out'*

- The claim that [REDACTED] and [REDACTED] were 'kicked out' before returning is based on a statement by [REDACTED], which contradicts his own contemporaneous incident register entry.

- The incident register indicates the patrons were asked to move on at 10:45pm, well after leaving the Hotel building.
- CCTV footage and staff testimony confirm no request to leave was made prior to the bottle shop transaction.
- [REDACTED] did not cooperate with the investigation and left his position at the Hotel shortly after the incident.

#### *Weight of Ms Sheridan's evidence*

- The Complainant argues Ms Sheridan's affidavit should be given little weight due to its timing as it was sworn two years after the incident. However, the delay was due to the Complainant's own delay in lodging the complaint.
- Ms Sheridan demonstrates clear recall of events and interactions with [REDACTED] and [REDACTED], describing them as friendly, polite, and not exhibiting any concerning behavior.
- She has nine years of experience as a frontline barmaid and states she would have alerted staff if she observed signs of intoxication. Her failure to do so supports the conclusion that no such signs were present.
- The claim that Ms Sheridan had 'minimal' interaction is contradicted by CCTV footage showing her seated near the patrons from 6:21pm to 10:27pm, including direct conversation with both men shortly before their departure.

#### *Jurisdictional limits of the Authority under section 139(3)(d) of the Act*

- The Complainant relies on section 139(3)(d) of the Act to invoke the Authority's disciplinary powers.
- Section 139(3)(d) refers to failure to comply with "any other requirement" under the Act or Regulations, which must be read in conjunction with subsections (a)–(c).
- Subsection 3(a) requires a conviction for an offence under the Act. No such conviction exists in this case.
- The disciplinary regime under Part 9 is intended to follow, not replace, criminal proceedings. This interpretation is supported by Penplay Pty Limited v Independent Liquor and Gaming Authority [2023] NSWCATAD 52.
- The Complainant's assertion that requiring a criminal conviction is 'absurd' lacks legal support and contradicts established precedent.
- Reference to the Keegan case is unpersuasive, as the present jurisdictional argument was not raised in that matter.

#### *Alleged sale of rum to intoxicated patrons*

- The Complainant claims the bottle of rum was sold after the patrons showed signs of intoxication.
- CCTV footage and staff observations (particularly [REDACTED]) indicate no signs of intoxication at the time of sale.
- [REDACTED] later high blood alcohol content and injury occurred after leaving the Hotel and consuming additional rum, which was the proximate cause of his condition.
- It would be inappropriate to attribute this later state to the Hotel staff, who acted within their responsibilities while the patrons were on the premises.

#### *Consideration of penalty*

- Should the Authority determine its powers are enlivened and the complaint upheld, the respondent seeks to make further submissions on penalty.
- Mr Squires had implemented extensive measures to prevent intoxication, as detailed in his affidavit dated 25 July 2025.
- Mr Squires has over 20 years of experience in hospitality and has managed multiple venues.
- Mr Paroz's July 2025 report supports the effectiveness of the Hotel's management plan, noting proactive staff conduct, sufficient staffing, responsible service practices, and strategic venue closures on quiet nights.



- These factors mitigate the need for disciplinary action, even if a breach were found.

### **Our findings**

We are satisfied that the ground of complaint under section 139(3)(d) of the Act has been established. This ground of complaint relates to:

- section 73(1)(a) of the Act - a licensee must not permit intoxication on the licensed premises; and
- section 73(2) of the Act - a licensee or an employee or agent of a licensee must not, on the licensed premises, sell or supply liquor to an intoxicated person.

We are satisfied that employees of the Southgate Inn Hotel, South Tamworth, [REDACTED] and [REDACTED] sold and supplied the liquor that led to the intoxication of [REDACTED] and [REDACTED] at the hotel. [REDACTED] and [REDACTED] continued serving alcohol to [REDACTED] and [REDACTED] despite clear signs of intoxication, breaching responsible service of alcohol obligations.

[REDACTED] suffered a severe fall outside the Hotel, was hospitalised with multiple injuries, placed in an induced coma, and recorded a blood alcohol level of 0.33.

[REDACTED] and [REDACTED] sold alcohol to intoxicated persons and did not comply with L&GNSW Intoxication Guideline 1(a). Further, they did not follow L&GNSW Intoxication Guidelines 2(b), 2(c) and 2(d) for monitoring the patron's liquor consumption and patron behaviour and did not intervene when [REDACTED] and [REDACTED] could be reasonably observed to have been consuming liquor irresponsibly given the number of alcoholic drinks [REDACTED] and [REDACTED] sold to them face-to-face where their intoxication was visibly apparent from approximately 9pm onwards.

By selling [REDACTED] and [REDACTED] a substantial quantity of alcohol, the employees of the Hotel permitted [REDACTED] and [REDACTED] to become intoxicated on the licensed premises leading to a contravention of section 73(1)(a) of the Act.

Whilst Mr Squires, the licensee at the time of the incident, was not on the Hotel premises on the night of the incident, under section 149 of the Act, if an employee or agent of the licensee, in contravention of the Act, sells or supplies liquor on the licensed premises, the licensee is guilty of an offence and liable to the punishment specified for the offence. Further, a licensee is responsible for the supervision and management of the licensed premises at all times under section 91 of the Act. We are therefore satisfied that Mr Squires, as licensee of the Hotel at the time of the incident, is liable for the contraventions under section 73(1)(a) and section 73(2) of the Act.

### **Relevant legislation**

Part 9 of the Act

### **Prescribed grounds of complaint**

We are satisfied that the complaint was made validly and that the established ground of complaint is prescribed ground under section 139(3)(d) of the Act.

### **The material we considered**

In determining the disciplinary complaint, the following material was considered:

- disciplinary complaint from L&GNSW, received 19 July 2024
- a joint submission from a legal representative on behalf of Mr Squires, the business owner of the Hotel (TPG Hotels Operating Pty Ltd) and premises owner of the Hotel (TPG Hotels Property Pty Ltd), received 11 August 2025. This included further video footage that was provided on 12 August 2025

- an Affidavit from Mr Michael Squires, dated 25 July 2025
- a submission from L&GNSW, received 22 October 2025
- a final submission from the respondent, received 10 November 2025.

**If you are dissatisfied with this decision**

The respondent or complainant may apply to NCAT for a review of this decision under the *Administrative Decisions Review Act 1997*.

For more information, please contact the NCAT Registry at 1300 006 228 or visit the NCAT website.

This decision may be published on the website.

**If you have any questions**

Please contact the Office of ILGA at [office@ilga.nsw.gov.au](mailto:office@ilga.nsw.gov.au) if you have any questions.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jeff Loy', with a long, sweeping horizontal stroke extending to the right.

Jeff Loy  
**Chair, Disciplinary Matters Committee**  
**NSW Independent Liquor and Gaming Authority**