

LIQUOR AMENDMENT (KINGS CROSS PLAN OF MANAGEMENT) BILL 2012

24 October 2012

Page: 1

Bill introduced on motion by the Hon. George Souris, read a first time and printed.

Second Reading

Mr GEORGE SOURIS (Upper Hunter—Minister for Tourism, Major Events, Hospitality and Racing, and Minister for the Arts) [10.12 a.m.]: I move:

That this bill be now read a second time.

Last month the Premier announced the second phase of the Government's response to issues in Kings Cross. The response outlined a broad range of tough measures to tackle alcohol and drug related crime and antisocial behaviour in the Kings Cross precinct. It comprises a whole-of-government approach, including measures to improve transport, licensing and compliance, policing and public spaces. Since then the Government has introduced laws allowing prepaid taxi fares to assist with transporting patrons out of Kings Cross. We have improved late-night bus services and frequency and are developing education and public awareness alcohol campaigns.

The Liquor Amendment (Kings Cross Plan of Management) Bill 2012 will support those measures through a range of liquor licensing reforms that were foreshadowed by the Premier. A key part of the Government's response was an expansion of the existing boundaries of the Kings Cross liquor precinct. Three different definitions of Kings Cross are currently used for liquor licensing purposes: the Kings Cross Precinct Liquor Accord area, the Kings Cross liquor licence and development application freeze area and the area defined by schedule 2 of the Liquor Act which allows for extended trading to be approved past midnight on Sunday. This is complex and confusing for licensees and regulators.

Licensed venues in Kings Cross need to be captured under one geographic boundary to ensure there is a consistent approach to regulatory measures. The broadest area is that specified under the Liquor Act. It is the precinct defined in schedule 2 of the Act. That boundary shall now be used to define the Kings Cross precinct going forward. It will ensure the whole of Kings Cross and areas in the immediate surrounds where there is a concentration of licensed venues are captured. I am advised that there are 129 licensed venues in the expanded Kings Cross precinct and that 64 of these are authorised to trade past midnight.

The definition of Kings Cross will ensure venues in the commercial area of Kings Cross and parts of Potts Point are captured. These areas have seen significant growth in licensed venues as the attractiveness of Kings Cross as a late night precinct has grown in recent years. The increased boundary will ensure consistent licensing measures can be applied to venues, given that they all play a part in attracting people out on to the streets of Kings Cross. A basic level of conditions and restrictions will mandatorily apply to late trading licensed premises within

this expanded precinct. The bill also permits conditions to be applied to venues in the precinct that do not have late trading.

The bill includes regulation-making powers so that these venues may be subject to a range of additional license conditions, which I will speak to a little later. The regulations may authorise the Director General of the Department of Trade and Investment, Regional Infrastructure and Services to exempt a licensed venue from a condition imposed via the regulation-making powers. Regulations authorising such an exemption can be tailored to specific circumstances so that regulatory measures do not impose unnecessary costs on lower impact businesses such as small restaurants and cafes. This will ensure that an exemption can reflect the level of risk posed by different classes of venues.

It will also allow the director general to attach conditions to an exemption which could, for example, require alternative measures to be implemented. However, applications for exemptions will not be used to frustrate the process. Applications will only be entertained in specific circumstances. This is consistent with existing processes under the Liquor Act. Provisions in this bill will terminate the existing Kings Cross Precinct Liquor Accord. This will have the effect of also terminating the process undertaken by the director general relating to the proposed measures on late night trading licensed venues that were announced by the Government in August.

The Government will now prescribe measures to apply to licensed premises in Kings Cross under the regulation-making powers contained in this bill. Consistent with the Premier's announcement on 15 August, the regulations will prescribe conditions to apply to licensed premises located within the newly defined Kings Cross precinct. The conditions that were announced in August are that on Friday and Saturday nights: shots, doubles and ready-to drink beverages over 5 per cent alcohol will not be sold after midnight; no-one will be able to buy more than four alcoholic drinks at a time after midnight; two responsible service of alcohol marshals must be on duty in each venue from 11 p.m.; and no alcohol will be sold or supplied in the hour before closing.

The conditions announced for every night of the week are: glasses, glass bottles and glass jugs will be banned after midnight; venue managers will immediately notify police of any violence causing injury and preserve the crime scene; an incident registers must be maintained at all times; and licensed venues trading past midnight must maintain a digital closed-circuit television [CCTV] system covering entries and exits, the footpath immediately adjacent to the venue and all publicly accessible areas within the venue excluding toilets. The digital CCTV system must operate continuously from opening time until one hour after closing and footage must be provided to authorities within one working day of a request.

The Government is considering a range of information in developing the final form of the regulations. This includes the outcomes of the audit of late trading venues in Kings Cross conducted during July and the lessons learned from the precinct liquor accord process such as the application and impact of licence conditions across different business types with different

risk profiles in Kings Cross. The Government is also considering submissions from licensees as well as other information available from the violent venues scheme, Bureau of Crime Statistics and Research data and density research that is being undertaken by the Allens Consulting Group.

The bill includes a provision confirming the validity of regulations regardless of whether any affected licensee has been given an opportunity to make submissions in relation to the proposed regulation. However, this provision does not mean there will not be consultation. In fact, there has already been extensive consultation on the Kings Cross problem. The provision reflects that we now have a considerable body of information regarding alcohol-related problems in Kings Cross, and a profile of Kings Cross more broadly. The Government has been applying that information to inform its approach. Decisions will be made with the benefit of the information obtained through existing processes and also by further consultation with affected venues if necessary.

The Government's concern is that its reforms should not be undermined by legal or other processes that will delay implementation of solutions that address the very significant problems in Kings Cross. The reforms have been announced and are not a surprise to liquor licensees in the Kings Cross precinct. They are an appropriate response to the alcohol-related problems at Kings Cross. It is also proposed that the regulations will prescribe measures that have been previously put into place via the Kings Cross Precinct Liquor Accord. These measures include conditions to curtail outlaw motorcycle gang activity, to promote late night transport options and "fail to leave" provisions of the liquor laws, and to help keep streets around licensed venues clean. The regulations will ensure that those venues posing a risk of harm to the community are subject to significant constraints to minimise that harm.

The new regulation-making power recognises that the expanded Kings Cross precinct contains low-risk licence types such as producer/wholesaler. These licence categories do not present the same level of risk as night clubs and hotels and therefore should not be subject to the same regulatory controls. The bill permits an informed and sensible approach to regulation when considering the different types of licensed businesses that exist in the Kings Cross precinct. It also recognises that action is required now. The community wants the Government to clean up the Cross, and further delay is unacceptable. A draft of the regulations will be made available when the bill is debated in the Legislative Council. The Government's intention is for the regulations to take effect from 1 December this year to ensure that they are in place for the summer season. The regulations can be fine-tuned through experience and further regulations can be made at a later time if necessary.

The Liquor Act currently imposes a freeze on the granting of new liquor licences to hotels, clubs, public entertainment venues, packaged liquor venues and producer/wholesalers in a defined Kings Cross precinct. The freeze also applies to applications for extended trading hours authorisation under section 23 of the Liquor Act, which, for example, can enable restaurants to sell liquor without meals and where the application will result in an increase in venue patron capacity or an increase in the number of persons entering Kings Cross to

consume alcohol. In addition to affecting prescribed liquor licence applications, the freeze also applies to the granting of development consent by the local council in circumstances where an application under the liquor laws could not be approved because of the freeze. The freeze does not extend to new restaurants and cafes operated under an on-premises licence or to existing restaurants and cafes unless the application would lead to an increase in patron capacity or it would increase the number of persons principally in the precinct to consume alcohol.

The bill will extend the freeze in Kings Cross by three years, to 24 December 2015. The Government will review the operation of the Kings Cross freeze at that time. The bill does not affect the operation of existing licence freezes in Oxford Street, Darlinghurst and the southern Sydney central business district, which will continue until 24 December this year. The bill also expands the Kings Cross freeze area so that it mirrors the new Kings Cross precinct boundaries. The freeze will apply from 19 September 2012 in areas that are currently not captured by the existing freeze legislation. That is the date that the expansion of the freeze was announced by the Government. Liquor licensing and development applications made prior to 19 September can continue to be considered if they have not already been finalised.

The bill will establish an exemption for small venues from the liquor freeze in Kings Cross, Oxford Street, Darlinghurst and the southern Sydney central business district. This will provide a different business model for the industry. Allowing small venues will help to create diversity in drinking establishments, encourage investment and bring back variety to Kings Cross. The Government's response to Kings Cross issues released in September proposed that a separate small bar licence would also be introduced. The legislation for that new licence will be progressed in the first half of 2013. The small venue provisions in this bill will ensure that the new licence will be exempt from the liquor freeze in Kings Cross when that licence is introduced. In the meantime, this bill will allow small venues to be established using existing licence types under the liquor laws.

The bill also recognises the importance of licensees and venue staff in a high-risk precinct such as Kings Cross having up-to-date knowledge of the liquor laws and harm minimisation requirements. It will require licensees and staff involved in selling and supplying liquor or in crowd control and security in Kings Cross licensed premises to have a current responsible service of alcohol competency card by 31 March 2013. This will ensure that staff working in Kings Cross licensed venues will have completed contemporary responsible service of alcohol education and training. The bill establishes offences for licensees and staff where there are breaches of the new responsible service of alcohol competency requirements.

The bill is just one phase of the Government's legislative program to make Kings Cross a safe entertainment precinct for Sydney. The next phase will see measures to support the introduction of identity scanners, the introduction of a small bar licence that can be used across New South Wales, and the ability to revoke responsible service of alcohol competency cards where there is a serious breach of obligations to responsibly serve alcohol. The

Government believes that the reforms in this bill are necessary to reduce alcohol-related and drug-related violence and anti-social behaviour in Kings Cross and to make Kings Cross a safer more enjoyable place to visit, live and work.

The Government is working closely with the City of Sydney Council to develop a Kings Cross plan of management that builds on what has already been announced and provides a comprehensive long-term sustainable solution to the issues faced in Kings Cross. This work demonstrates the Government's resolve to reduce alcohol-related violence, improve the safety of licensed venues and to ensure that the public and visitors to this State can enjoy our entertainment precincts. Over the past 18 months the O'Farrell Government has introduced a tough three strikes disciplinary scheme for licensed venues, along with new move-on powers for police to deal with troublemakers who have been drinking.

The Government has commissioned new research into the cumulative impact of licensed premises so that it has a more informed view of licence density. It is also reviewing the operation of the violent venues scheme under the Liquor Act to ensure that the types of conditions imposed on liquor licences are helping to drive down alcohol-related violence. The Government is also developing new education initiatives to improve public knowledge of responsible drinking and it is trialling on-line responsible service of alcohol training to ensure that training is more accessible to those who need to undertake it. This bill is yet another example of the Government taking decisive action to tackle alcohol-related crime and antisocial behaviour. There is still more to come. I commend the bill to the House.

Debate adjourned on motion by Mr Ryan Park and set down as an order of the day for a later hour.