



Tab 5 Liquor Amendment (airports) bill 2025

STATEMENT OF PUBLIC INTEREST

Need: Why is the policy needed based on factual evidence and stakeholder input?

The Bill seeks to amend the *Liquor Act 2007* and Liquor Regulation 2018, and make any necessary consequential amendments, to support the transition of regulatory responsibility for the control of liquor on leased federal airports in NSW from the Commonwealth to the NSW Government.

The Commonwealth Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts (DITRDCA) is currently responsible for liquor regulation at leased federal airports in NSW, consisting of Sydney Kingsford Smith (Sydney), Western Sydney (Nancy-Bird Walston) (WSA), Bankstown and Camden airports. The regulation is set out in Part 1A of the Airports (Control of On-Airport Activities) Regulations 1997 (Cth) (COAA Regulations).

As part of its remake of the COAA Regulations, the Commonwealth Government is transitioning responsibility for liquor licensing and regulation at leased federal airports to the NSW Government, from 1 April 2026.

In all other jurisdictions, the respective state or territory government is already responsible for liquor licensing and regulation at leased federal airports within their borders.

Consultation occurred with Sydney Airport and Western Sydney Airport Corporations, Aeria Management Group, NSW Police Force, Australian Federal Police, Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts (Cwth), Department of Home Affairs (Cwth), Independent Liquor & Gaming Authority, NSW Health, Department of Communities and Justice (NSW) and the Bradfield Development Authority. Feedback provided the necessary evidence, to inform the policy reflected in the details of the Bill.

Objectives: What is the policy's objective couched in terms of the public interest?

The proposed amendments aim to ensure the NSW liquor laws are suitable for leased federal airports as the operational requirements and environment significantly differ from other premises licensed under NSW liquor laws. Having suitable liquor licensing and regulation will ensure expectations for both passenger convenience and community safety are met.

The amendments will enable the smooth transition for over 80 licensed premises currently operating at Sydney and Bankstown Airports where they will be able to continue trading as usual without undue disruptions and red tape. This will also ensure the continued level of service experience that the customer expects when transiting through the airport.

The amendments will also ensure that the NSW liquor framework is fit-for-purpose for larger, international airports like Sydney and Western Sydney Airport (when it formally commences operations in 2026). For example, the amendments accommodate the operational requirements and layout of airports where minors pass-through duty-free shops and other premises (which sell alcohol) to reach their boarding gates; and liquor can be consumed in a general shared seating areas such as in food courts or similar areas, outside the licensed premises.

The amendments also support broader NSW Government strategic goals, including the upcoming Western Sydney Aerotropolis and the Bradfield City Centre. For example, alternative liquor trading hours for licenses premises operating outside the Western Sydney Airport passenger terminal would be allowed and determined on a case-by-case basis for the Bradfield City Centre, to reflect the 24-hour hub supporting airport operations.

Safeguards have been put in place to ensure that community safety is not compromised, including:

- All new premises wishing to sell and supply liquor inside the passenger terminals will be issued liquor licences subject to conditions.
- Existing penalties under the Act and Regulation will continue to apply in relation to intoxication, indecent or disorderly conduct, and supplying liquor to minors,
- Licensed venues will be required to display clear signage informing patrons where liquor can and cannot be consumed. Non-compliance with this part will result in a \$2,200 penalty.
- The Secretary will have the ability to tighten restrictions where necessary, if the Secretary is satisfied that the licensee has contravened the Act or Regulation. For example, the Secretary will be able to:
 - reduce the trading hours for the licensed premises.
 - remove or reduce exemptions in relation to minors being permitted to enter licensed premises,
 - remove or reduce the ability to sell liquor for consumption in another part of a passenger terminal, such as a food court or seating area.

Options: What alternative policies and mechanisms were considered in advance of the bill?

The following options were considered:

1. Allowing the Commonwealth to legislate

The Commonwealth Government could have made a unilateral decision to progress the transition by making the required amendments to the *Liquor Act 2007* (NSW) solely via the *Airports (Control of On-Airport Activities) Regulations 1997* (Cth). This would have meant that the NSW Government would have had to administer a framework with licence type allocations that may have been different to the rest of the state.

2. Sublicensing model

Liquor & Gaming NSW explored developing a new licence type/framework for airport passenger terminals with sublicensing capability, replicating the Commonwealth liquor licensing regime, as a possible NSW licensing approach. This would have been inconsistent with NSW current licensing and regulatory approach, complex and costly for Government.

3 Applying the NSW licensing framework

Under the proposed regulatory approach, the Commonwealth-issued General licence and sublicences would automatically transition to NSW, requiring holders to obtain an equivalent NSW liquor licence.

Analysis: What were the pros/cons and benefits/costs of each option considered?

Yes, the pros/cons and benefits/costs of the above options were considered.

Allowing the Commonwealth to unilaterally legislate was not in the best interest of the NSW Government, as it would limit the ability to make future legislative changes to these provisions. Once the Commonwealth legislates, only the Commonwealth can amend those laws - meaning

that NSW would need to request changes each time. This is not practicable and does not provide NSW the flexibility and control over its own laws. It is important that NSW hold the pen. This would have also meant that NSW would have had to administer a framework that would be different to that of the rest of the state, and inconsistent across airports on state land.

Sublicensing model: it proved to be inconsistent with the NSW framework, cost prohibitive as new systems would need to be developed and funded, and would introduce an unnecessary level of complexity.

While this model would have allowed the entirety of the passenger terminal to be licensed, and was preferred by the Airport Corporations, it would not have been in the best interest of the NSW Government as it would not have allowed Liquor & Gaming NSW to take a consistent and proactive approach to licensing and regulating airports and licensed premises across the state.

Applying the NSW licensing framework: is the preferred option. It ensures continuity for airport and business operations, supports growth, and avoids any unnecessary disruption and red tape. If the amendments are not made, NSW laws would not adequately account for the unique needs and environment of airports, negatively impacting passengers and businesses. It also allows the automatic transition of existing licences and sublicences into identified NSW licence types, which will be more efficient, and ensures consistency in licensing of airports across NSW. This approach is easier for existing licensees as they do not need to reapply for licences and more efficient for the Department.

Pathway: What are the timetable and steps for the policy's rollout and who will administer it?

The policy has been developed, and its implementation will be monitored by the Department of Creative Industries, Hospitality, Tourism and Sport (through Liquor & Gaming NSW). The amendments to the *Liquor Act 2007* and *Liquor Regulation 2018* will be administered by Liquor & Gaming NSW.

The Bill will be introduced to the NSW Parliament in September 2025.

As only minor changes will need to be made to systems and processes, all amendments in the Bill will commence upon proclamation in line with the final date set by the Commonwealth (at present this is scheduled for 1 April 2026).

Liquor & Gaming NSW will continue to work closely with DITRDCA to progress the transition and settle technical details. Liquor & Gaming NSW has provided input to inform DITRDCA's drafting instructions and this will be subject to public consultation.

To support implementation, Liquor & Gaming NSW and DITRDCA will work together to inform stakeholders of the transition process and requirements prescribed in the NSW liquor framework, including materials published through various communication channels.

Consultation: Were the views of affected stakeholders sought and considered in making the policy?

Targeted consultation has been undertaken with key external stakeholders through individual and DITRDCA-joint briefings.

The following non-NSW Government stakeholders were consulted:

- Australian Federal Police
- Department of Home Affairs.

Sydney Airport Corporation, Western Sydney Airport Corporation and the Aeria Management Group, have been pre-consulted about the transition and the proposed policies in this Bill.

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A communication plan is being developed to consult with the airports and existing businesses about the NSW licensing approach and requirements prescribed under the NSW liquor framework.

Where appropriate, consultation has also occurred with NSW Government stakeholders to inform the development of the Bill. Where possible, their feedback has been incorporated into the Bill.