



Liquor Amendment (Small Bars) Bill 2013 (Proof)

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Second Reading

The Hon. MICHAEL GALLACHER (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [12.47 p.m.]: I move:

That this bill be now read a second time.

In September 2012 the Premier announced 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 is a whole-of-government approach covering liquor licensing, compliance, transport, policing and public spaces. To assist the House, I seek leave to incorporate the remainder of the second reading speech in *Hansard*.

Leave granted.

The *Liquor Amendment (Kings Cross Plan of Management) Act 2012* which was passed in November last year supported the measures announced as part of that package.

Importantly those measures are not wholly about compliance and enforcement.

The Act also provided for a new category of "small venue" liquor licence in the Kings Cross area with a maximum limit of 60 patrons per venue.

The Act exempted these small venues from the liquor freeze in Kings Cross and Oxford Street Darlinghurst to encourage the take up of these licences.

This exemption was introduced to provide an alternative to patrons wanting a quiet night out in a smaller and more intimate setting.

The Government stated that this small venue exemption was a precursor to a new category of small bar licence.

Today the Government is strengthening its commitment to diversity amongst licensed establishments and to reducing alcohol fuelled violence and anti-social behaviour by introducing the *Liquor Amendment (Small Bars) Bill 2013*.

This bill amends the *Liquor Act 2007* to introduce a new category of liquor licence for small bars across the State.

The Liquor Act currently requires small bars to operate under a general bar hotel licence.

There were 89 of these licences as at 15 February 2013.

Many of these general bar hotel licences apply to smaller venues that cater for fewer than 120 persons.

Under the current arrangements limits on patron numbers are generally a matter for local councils and the planning process having regard to factors such as individual premises size, building code requirements and fire safety.

Other than these factors there is nothing to prevent a general bar licence also being utilised for a nightclub or other type of licensed venue.

The Government believes creating a specific new small bar licence category will provide clarity about what a small bar constitutes, thereby helping to prevent the "venue morphing" that currently occurs.

The introduction of a "small bar" licence is expected to appeal to patrons interested in a smaller and more intimate setting rather than a beer barn. This small more intimate entertainment venue is associated with "lower risks" than large scale venues.

It will prompt investment in a different business model for licensed venues in New South Wales, encouraging more diversity in how liquor is sold and supplied and how licensed venues are operated.

This bill provides that a small bar licence will limit a venue to 60 patrons or less.

It will only allow consumption of alcohol on the licensed premises.

Gaming machines will be prohibited under this licence category and food must be available on the premises.

While the venue must be open to the general public, minors will not be permitted within small bars during liquor trading hours.

The temporary freeze on licences will not apply to venues seeking a small bar licence.

Small bars outside of liquor freeze precincts will be automatically authorised to trade between midday and 2.00 a.m. However, small bars in the freeze precincts of Kings Cross and Oxford Street Darlinghurst will need to apply for an extended authorisation to trade after midnight.

The bill includes provisions that allow existing general bar licences to be easily converted to a small bar licence.

A small bar licence will be automatically granted upon application to existing general licence holders who remain in the same premises.

Importantly, a converted small bar licence will be subject to the conditions and compliance history that it was subject to under the previous licence.

This bill also provides a number of incentives for operators to take up this new small bar licence and establish venues across New South Wales.

The application fee for a small bar licence will be 50 per cent of the amount prescribed for an on-premises licence.

An application for an extended trading authorisation for a small bar will also be subject to a reduced fee.

Applicants for small bar licences will not be required to prepare a community impact statement, as is required for higher risk applications applying to other types of liquor venues.

Given the low risk nature of a small bar, the Government believes that a community impact statement is unnecessary where development consent under the *Environmental Planning and Assessment Act 1979* has been granted to use a premises as a small bar or to sell liquor.

As a result a prerequisite to a small bar licence application will be approval of development consent by the local council.

The development consent process includes the requirement for community consultation and submissions.

It requires notification to stakeholders and regulators, in this case police and the Director General of Trade and Investment of the type of business.

The sale of liquor by a prospective business is an important issue that is considered in the development application, with the community being provided with the opportunity to comment.

To fortify this process, planning guidelines will be issued to local councils relating to the consideration of liquor issues where a small bar business is proposed.

It is proposed that the guidelines require councils to consider any submissions made by the police and liquor regulators.

This is supported by a requirement in the bill for small bar applicants to provide notification to the police and liquor regulators of their application for development approval within two working days.

If this notification is not provided then a community impact statement will be required to ensure that the views of stakeholders and regulators are considered. This is a further community protection mechanism.

The need for development consent to operate a small bar will depend on the local planning requirements established under the planning laws.

Where development consent is not required the existing community impact statement and notification requirements in the liquor laws will apply to a small bar licence application.

The approval of a small bar licence and the operation of the premises will still be subject to the extensive requirements of the liquor laws.

These include the ability of stakeholders such as police to make submissions to the Independent Liquor and Gaming Authority in relation to a small bar liquor licence application.

As is the case with other licence applications, administrative arrangements will be put in place to ensure police are notified of applications for small bar licences.

This will be consistent with requirements under section 42 of the Liquor Act.

Police and the Director General of the Department of Trade and Investment, Regional Infrastructure and Services will be able to make submissions on small bar applications.

These will need to be taken into account by the Independent Liquor and Gaming Authority when determining an application. The Authority will retain its existing responsibility to consider alcohol-related harm issues when dealing with an application for a small bar licence.

The Government is committed to evaluating the impact of small bars and making changes if necessary.

The bill provides for the Minister to review this legislation in 2016 to determine whether the policy objectives remain valid and whether the terms of the legislation remain appropriate for securing those objectives.

To this end the bill includes scope for regulatory change within the Act to reduce or increase the number of patrons that may be on a small bar premises.

This evaluation will be one element in our broader approach to alcohol related violence.

The New South Wales Liberals and Nationals Government has undertaken research into the cumulative impact of licensed premises so we have a more informed view of liquor licence density.

We are also reviewing the operation of the violent venues scheme under the Liquor Act to ensure the types of conditions imposed on liquor licences are helping to drive down alcohol-related violence.

The introduction of a new small bar liquor licence will broaden and diversify the entertainment venues on offer to the people of New South Wales and help to reduce the alcohol-fuelled violence and anti-social behaviour that is associated with larger venues.

I commend this bill to the House.