

RESPONSES TO QUESTIONS ON NOTICE FROM JOINT SELECT COMMITTEE
LIQUOR & GAMING NSW

1. How are the high risk venues listed in Schedule 3 of the Liquor Regulation in the Sydney CBD Entertainment precinct and the Kings Cross precinct treated differently?

The venues listed in Schedule 3 are subject to two specific measures:

- long-term banning orders, where specified people may be prevented from entering or remaining on any of the listed venues for up to 12 months; and
- if located in the Kings Cross precinct, mandatory patron ID scanning from 9pm each day (venues listed in the Sydney CBD Entertainment precinct are not currently subject to this requirement, as no scanning system has been mandated for use in that precinct).

2. Clause 90 of the Liquor Regulation 2018 appears to contain a comprehensive list of premises to which the 3am cessation of liquor applies (90(2)(a)-(f)). However, the Liquor & Gaming website states that this condition applies to 'higher risk only' venues. Can you clarify the situation for the Committee?

The list of licenced premises in Clause 90 is a comprehensive list to which the 'last drinks' measure applies. The list is also available on the Liquor & Gaming NSW website together with information about each of the conditions that apply in the Kings Cross and Sydney CBD Entertainment precincts.

The term 'higher risk only' is occasionally also used on the website as a shorthand way of referring to all licenced premises on that list.

3. Since the introduction of the suite of legislation in 2014, has there been a significant change in the number of:

a. bars and hotels operating during the late trading period in the Kings Cross Precinct and the Sydney CBD?

The following tables show the number of hotels, registered clubs, public entertainment venues and bars authorised to continue trading beyond midnight in each precinct by year from 2013. They show:

- an increase in the number of small bar licences with authorised extended trading;
- some decrease in the number of registered club licences with unrestricted trading; and
- for other licence types there has been no change.

Whether or not a hotel or bar chooses to open during any authorised extended trading period is a matter for each business.

Kings Cross Precinct	2013	2014	2015	2016	2017	2018	2019
Hotel	10	10	10	10	10	10	10
Registered Club ¹	1	0	0	0	0	0	0
On-premise licence (Public Entertainment Venue; or Bar class) ²	3	3	3	3	3	3	3
Small Bar	0	0	0	0	0	1	1

Sydney CBD Precinct	2013	2014	2015	2016	2017	2018	2019
Hotel	158	159	159	159	159	159	159
Registered Club ¹	25	23	19	19	19	19	19
On-premise licence (Public Entertainment Venue; or Bar class) ²	29	29	29	29	29	29	29
Small Bar	3	3	3	18	32	39	43

¹Clubs listed above have unrestricted trading rights to allow 24/7 trading. Not all clubs exercise these rights, and some (7 out of 19 in the Sydney CBD Entertainment Precinct) have elected to limit their late trading to a maximum of twelve times per year to reduce their annual liquor licence fees.

²Note: An on-premises licence may have multiple business classes – for example, when a public entertainment venue (such as a theatre or nightclub) also operates a restaurant. All on-premises licences with a 'restaurant' class are included in the response to part B of the question below, irrespective of whether there are other classes also against the licence, to ensure they are not double counted in the above tables.

b. restaurants operating during the late trading period in the Kings Cross Precinct and the Sydney CBD?

The following table shows the number of licensed restaurants with authorised extended trading hours (beyond midnight) in each precinct by year since 2013. The number of restaurants with authorised extended trading has increased in the Sydney CBD Entertainment precinct, while remaining unchanged in the Kings Cross precinct. Whether or not a restaurant chooses to open during any authorised extended trading period is a matter for each business.

Precinct	2013	2014	2015	2016	2017	2018	2019
Kings Cross Precinct – On-premises licence (restaurant class)	26	26	26	26	26	26	26
Sydney CBD Precinct – On-premises licence (restaurant class)	153	154	154	156	158	164	164

4. Since the introduction of the suite of legislation in 2014, how many venues have closed in:

Liquor & Gaming NSW maintains records of the number of licences cancelled or surrendered. There are some significant limitations to relying on this data to provide an accurate picture of venue closures, as:

- new licences can at times be granted to incoming businesses at the same location or premises where a licence has been cancelled or surrendered;
- the introduction of an annual liquor licence fee (ALLF) in 2015 led to a significant number of unused licences being surrendered or cancelled that year following the first fee payment cycle and non-payment of annual fees. This is a contributing factor to much larger numbers of licences being cancelled in 2015. In many cases the cancellations were for licences sitting dormant (sometimes for many years) rather than representing actual venue closures in 2015.
- licence holders may retain their licence despite a venue ceasing to trade for a variety of reasons (for example, to later re-open or transfer the licence to another business).

a. the Kings Cross precinct;

The following table sets out how many liquor licences have been cancelled or surrendered in the Kings Cross precinct since 2014:

Precinct	2014		2015		2016		2017		2018		2019		Total	
	Cancelled	Surrendered	C	S	C	S	C	S	C	S	C	S	C	S
Kings Cross Precinct	0	3	28	3	7	1	3	0	4	0	5	3	47	10
Comments			All 28 cancellations correlate with the ALLF cancellation date.		All 7 cancellations correlate with the ALLF cancellation date.		All 3 cancellations correlate with the ALLF cancellation date.		All 4 cancellations correlate with the ALLF cancellation date.		All 5 cancellations correlate with the ALLF cancellation date.			

b. the Sydney CBD?

The following table sets out how many liquor licences have been cancelled or surrendered in the Sydney CBD Entertainment precinct since 2014:

Precinct	2014		2015		2016		2017		2018		2019		Total	
	Cancelled	Surrendered	C	S	C	S	C	S	C	S	C	S	C	S
Sydney CBD Precinct	0	6	259	10	33	2	50	8	40	4	55	3	437	33
Comments			All but 2 of the cancellations correlate with the ALLF cancellation		All 33 cancellations correlate with the ALLF cancellation date.		All 50 cancellations correlate with the ALLF cancellation date.		All 40 cancellations correlate with the ALLF cancellation date.		All 55 cancellations correlate with the ALLF cancellation date.			

5. Since the introduction of the suite of legislation in 2014, has there been a significant change in the number of liquor licences operating in:

a. the Kings Cross precinct;

The table below sets out the number of liquor licences operating in Kings Cross precinct by year:

Kings Cross Precinct	2013	2014	2015	2016	2017	2018	2019
Club Licence	1	0	0	0	0	0	0
Hotel:Full hotel	11	11	11	11	11	11	10
Hotel:General bar	2	2	2	2	2	2	0
On-premises	101	101	74	68	72	69	67
Packaged Liquor	5	5	5	5	5	5	5
Producer wholesaler	5	6	2	2	2	1	1
Small Bar	0	0	0	0	0	1	1
Total Kings Cross Precinct	125	125	94	88	92	89	84

b. the Sydney CBD?

The table below sets out the number of liquor licences operating in Sydney CBD Entertainment precinct by year:

Sydney CBD Precinct	2013	2014	2015	2016	2017	2018	2019
Club Licence	26	24	20	20	20	20	20
Hotel:Full hotel	180	180	175	172	171	171	167
Hotel:General bar	28	28	28	27	23	23	23
Limited Licence	3	4	3	2	3	3	4
On-premises	928	951	752	774	785	793	759
Packaged Liquor	62	63	60	57	53	51	49
Producer wholesaler	59	61	37	38	38	39	38
Small Bar	6	10	19	22	33	39	43
Total Sydney CBD Precinct	1292	1321	1094	1112	1126	1139	1103

6. How many small bar licences currently operate in:

a. the Kings Cross precinct;

In the Kings Cross precinct one small bar currently operates under a small bar licence.

However, it should be noted that other licence types are also used to operate small bar-style business models. In recognition of this, there is currently a free conversion process allowing hotel (general bars) and on-premises licences to convert to a small bar licence – and take up the benefits (such as lower annual fees) – so long as they have appropriate development consent to operate a small bar.

b. the Sydney CBD?

In the Sydney CBD Entertainment precinct, 43 small bars currently operate under a small bar licence.

7. How many of these licences have been issued since the introduction of the suite of legislation in 2014?

38 of the 44 (86%) precinct small bar licences have been issued since the introduction of the 2014 legislation.

8. How many venues have strikes against them under the Three Strikes scheme?

The Government reformed the Three Strikes Scheme in 2017 so that strikes are now typically incurred by the relevant licensee, rather than being imposed against a venue's liquor licence (unless the venue is a registered club). Currently, 36 individual licensees or managers have received first strikes under the Three Strikes Scheme. 11 of the 36 strikes (30%) have resulted from serious

breaches of the NSW liquor laws at venues in the Sydney CBD Entertainment Precinct. There are no current strikes associated with venues in the Kings Cross precinct.

Liquor & Gaming NSW maintains a public registry of strikes on its website:

<https://www.liquorandgaming.nsw.gov.au/resources/three-strikes-scheme>. The register includes strikes that are in force and the offences that led to them. The register is updated on a monthly basis.

9. Can you provide the Committee with information on the Violent Venues Scheme?

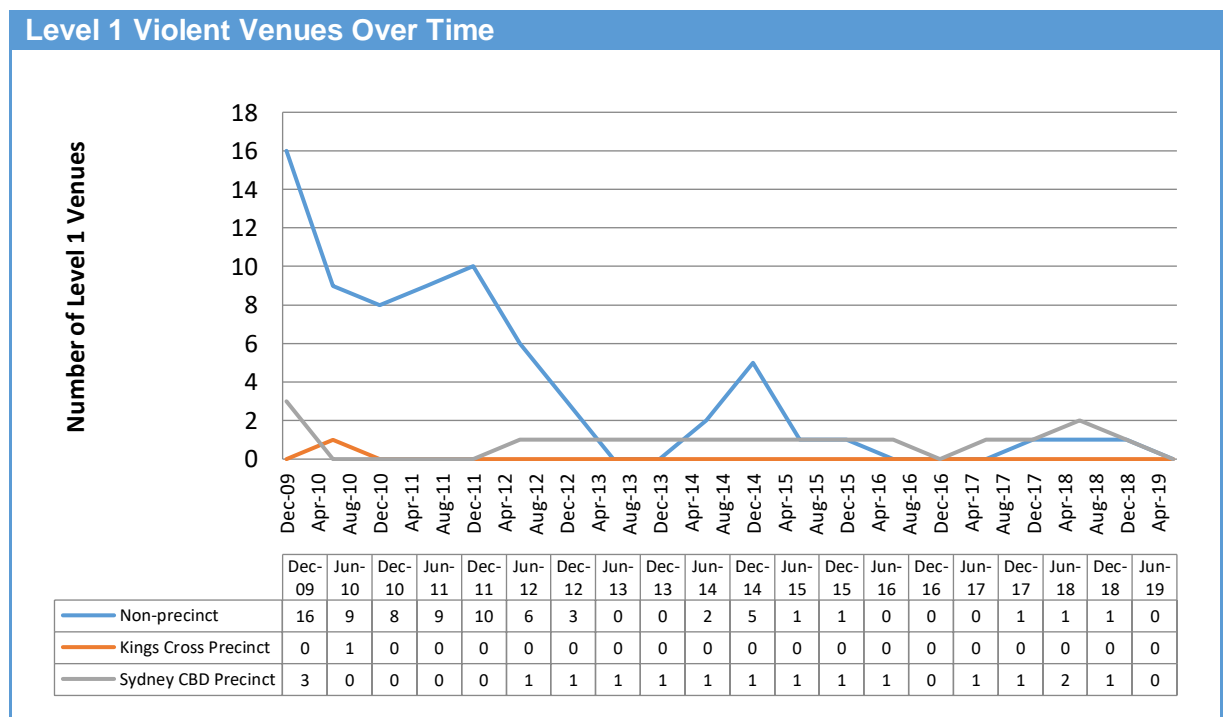
Liquor & Gaming NSW operates the Violent Venues Scheme ('Declared Premises Scheme') to regulate licensed premises with higher levels of assault and other violent incidents. The scheme commenced on 1 December 2008 and aims to reduce alcohol-related violence. It focuses on acts of violence associated with a particular venue which are considered offences under the *Crimes Act 1900* (unlike the Three Strikes Scheme which focuses on compliance with the liquor laws).

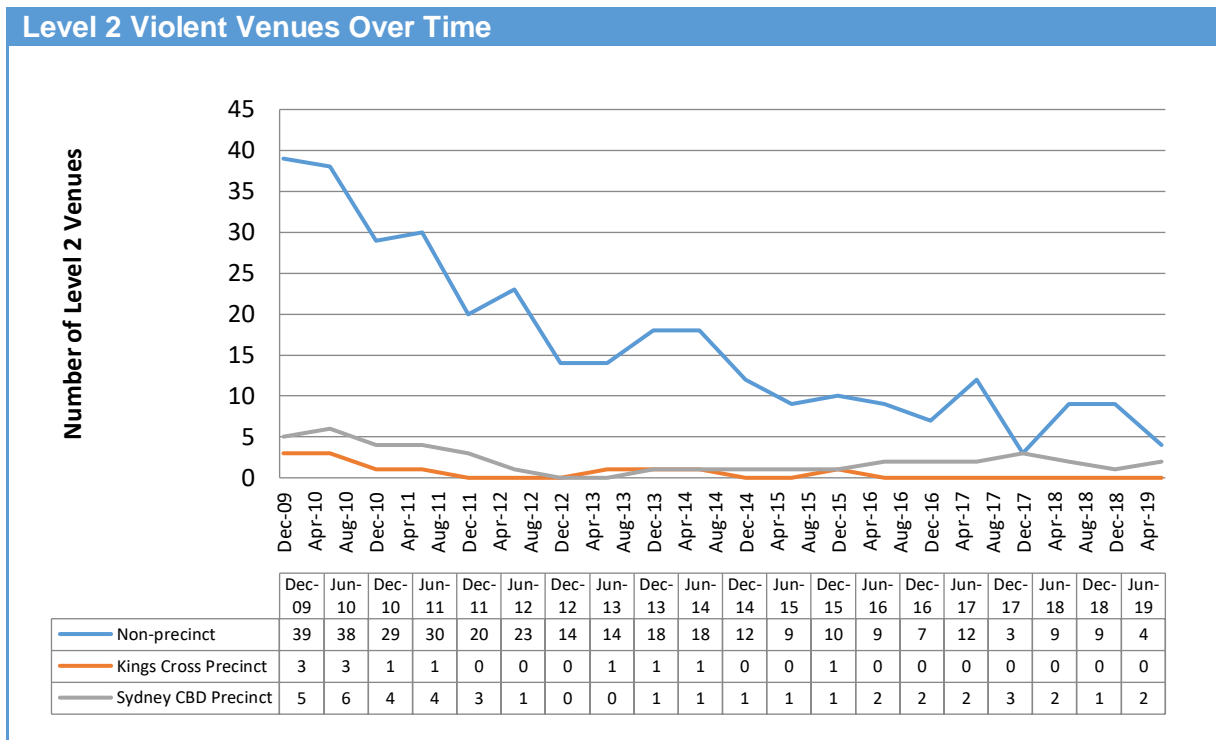
Licensed premises are categorised based on the last 12 months of alcohol-related incident data that is compiled by BOCSAR. New 'rounds' of the Scheme are implemented on 1 June and 1 December each year, with Level 1 and 2 venues included on the Declared Premises list (or Violent Venues list):

- Level 1 - typically 19 or more incidents over a 12 month period.
- Level 2 - typically 12 to 18 incidents over a 12 month period.
- Level 3 – typically 8 to 11 incidents over a 12 month period.

Additional special licence conditions are placed on a venue that is prescribed as a Level 1 or 2. Level 3 venues are effectively put on notice that they are near the threshold for regulatory intervention and are encouraged to develop or review their venue safety plans.

The graphs below show the trend in venues captured as Level 1 or Level 2 venues over time - including in the Kings Cross and Sydney CBD precincts and non-precincts (i.e. the rest of NSW).





More information on the Violent Venues Scheme is available here:
<https://www.liquorandgaming.nsw.gov.au/resources/violent-venues-scheme>.

10. How many long term banning orders have been applied for by NSW Police?

Liquor & Gaming NSW has processed 578 applications for long term banning orders from January 2017 to 31 July 2019, seven of which are currently pending. Prior to January 2017, the applications were processed by the Independent Liquor & Gaming Authority – with approximately 519 processed from 2013 to 2016.

a. How many of these banning orders have been granted?

483 orders were issued from January 2017 to 31 July 2019.

Approximately 448 orders were issued from 2013 to 2016 during the time applications were processed by the Independent Liquor & Gaming Authority.

11. How many venues currently operate ID scanners?

18 venues are operating the Patron Scan system in the Kings Cross precinct.

a. Do any venues in the Sydney CBD operate ID scanners?

Venues in the Sydney CBD Entertainment Precinct may opt to invest in and operate ID scanners voluntarily using their provider of choice. Liquor & Gaming NSW is aware that a number of CBD venues voluntarily use scanners as an additional security measure, but does not capture or retain information about the specific venues or overall numbers.

12. Have you received any applications for venues to be exempt from ID scanning?

Seven applications for an exemption to Kings Cross ID scanning requirements have been received from four venues. One application is currently pending.

a. Were any of these applications granted?

Two venues have been granted exemptions to the Kings Cross ID scanning requirements.

13. Can you provide the Committee with information on the trials undertaken using facial recognition technology, as an alternative to ID scanning?

Liquor & Gaming NSW is aware that a trial of the technology was run by one provider at two Parramatta venues, coordinated through the Kings Cross Liquor Accord.

Liquor & Gaming NSW appreciates the potential benefits that may come from the adoption of emerging facial recognition technologies and has indicated that the issues – including the capabilities of this alternative technology – could be further examined as part of a broader trial at a suitable time.

The adoption of any such technology, as an alternative to the current mandatory ID scanners in the Kings Cross precinct, would require changes to the current legislative, commercial and system arrangements. These arrangements are all based on a sole service ID scanning provider model.

14. How many venue inspections does Liquor & Gaming conduct each year?

The table below sets out the number of venue inspections in the precincts undertaken by Liquor & Gaming NSW each year:

Row Labels	2013	2014	2015	2016	2017	2018	2019	Grand Total
Kings Cross Precinct	200	298	71	7	57	10	7	650
Sydney CBD Precinct	339	760	195	172	409	192	77	2144
Grand Total	539	1058	266	179	466	202	84	2794

In relation to the above figures:

- There was a peak in the number of inspections in 2014 as Liquor & Gaming NSW 'front-loaded' inspection activity to help ensure venues operators understood how to comply with the introduction of key special precinct conditions, including lockout laws, in early 2014. Liquor & Gaming NSW always envisaged that it would reduce activity after this initial surge to more sustainable levels. This approach was successful as it set the tone early, and there have been high levels of compliance with the precinct conditions from that point on.
- Following the decline in alcohol-related assaults in the precincts after 2014, monitoring, engagement and supervisory efforts have been more distributed on higher risk conduct, business models and locations across the State.
- Uneven distribution of inspection numbers in the precincts across years reflects that Liquor & Gaming NSW undertakes deliberate and integrated action in response to emerging issues. For example, in 2017 we ran a targeted inspection program on restaurants operating with primary service authorisations. The inclusion of precinct restaurants in that program resulted in a higher number of inspections in the precincts for that year.
- A lower number of inspections in 2019 reflects that this figure is only for the calendar year to date. In line with our risk-based approach, we apply our resources to times where there is the greatest risk. The peak of inspection activity in any year is usually in the warmer months and lead up to Christmas.

a. Has there been any noticeable changes in the behaviour of venues, venue staff and patrons since the introduction of the suite of legislation in 2014?

Liquor & Gaming NSW does not collect specific data which would provide a reliable indicator of change in venue, staff or patron behaviour since the introduction of the 2014 measures.

15. What information does Liquor & Gaming collect about venues' adherence to policies and incidents?

The NSW liquor laws require incident registers to be kept by certain licensed premises at prescribed times. An incident register is a record of particular types of incidents that may occur and any action taken in response to such an incident - e.g. any incident involving violence or anti-social behaviour occurring on the licensed premises.

While Liquor & Gaming NSW does not routinely collect information from all registers, a licensee must make their register available for inspection and allow us to take copies of any such register or remove the register from the venue. The information recorded in the register must be retained for at least three years from when the record was made.

Liquor & Gaming NSW also collects information about breaches of the NSW liquor laws.

Liquor & Gaming NSW and NSW Police regularly engage to share information about a range of operational matters to help inform our monitoring, engagement and supervisory efforts with venues.

16. What information does Liquor & Gaming make available for venues and patrons to increase awareness of the laws in place and encourage responsible behaviour?

Liquor & Gaming NSW supports both venues and patrons to understand their responsibilities through a range of awareness and education initiatives, including:

- mandatory training comprising RSA training for frontline staff and new Licensee and Advanced Licensee training for licensees, approved managers and club secretaries which address their higher level responsibilities.
- RSA training for frontline staff working in higher risk venues prior to major events – e.g. Schoolies, Tamworth Country Music Festival, snow season.
- The Liquor & Gaming NSW website, which includes up-to-date information about operating a business, working in the industry and community involvement.
- a monthly e-newsletter highlighting recent legislative changes, licence fee payment information, key liquor or gaming decisions and liquor accord initiatives.
- direct emails to stakeholders affected by regulatory or legislative changes.
- liquor accord engagement, which encourages venues to voluntarily adopt and promote patron safety campaigns that encourage responsible behaviour.
- mandatory venue signage that educates patrons on the conditions in place in different venues.

17. What work does Liquor & Gaming do with liquor accords?

Liquor & Gaming NSW has a dedicated Liquor Accords team who support and service approximately 140 Liquor Accords in NSW. The team provides information and guidance to Liquor Accords on regulatory updates and in limited instances attends meetings. The team also contributes to the establishment of new accords (particularly in regional areas), reinvigorates underperforming accords and assists with developing patron safety campaigns and patron behaviour resources.

Liquor & Gaming NSW has also formed a Liquor Accord Governance Advisory Committee, which is made up of industry peak associations, NSW Police representatives and the City of Sydney Council. This committee meets on a regular basis to exchange information and data, and to drive initiatives to support and build capability within accords. Current initiatives that are underway include the development of campaign kits, governance and operation packs, case studies and an accords only newsletter, as well as delivering Liquor Accord conferences and an annual liquor accord survey.

18. When was the RSA course last reviewed?

The RSA course is delivered in NSW by approved training providers (ATPs). There are currently 90 ATPs. Each training provider designs their own RSA course, and must incorporate the materials provided nationally by the Australian Quality Skills Authority (ASQA) and by Liquor & Gaming NSW, so they can deliver the:

- National unit of competency – *Responsible Service of Alcohol (unit code: SITHFAB002)* in the nationally endorsed Tourism, Travel and Hospitality Training Package, which was last updated in March 2016.
- NSW RSA competency –

For the NSW RSA competency, Liquor & Gaming NSW provides student notes. These student notes were last updated in February 2018. We are currently reviewing the NSW student notes with the intention of releasing an updated version in the next few months.

The student notes are being updated to ensure an increased focus on the responsibilities of the frontline worker, as new mandatory Licensee and Advanced Licensee courses have been designed for licensees to address their higher level responsibilities.

In addition, alongside updated student notes, Liquor & Gaming NSW will release a new Course Development Guide for ATPs to provide further assistance in designing learning modules for the RSA.

19. Can you provide the Committee with information on the new licensee and advanced licensee courses?

In response to the 2013 review of the *Liquor Act 2007*, the NSW Government committed to the development of a tiered training framework for the liquor industry.

The RSA course addresses the training requirements of frontline staff, however, it does not adequately address the extensive compliance responsibilities of licensees, approved managers¹ and club secretaries (hereafter just referred to as licensees). The new training consists of:

- Licensee training – this is for most new and existing licensees to address industry-specific NSW legislative and licence management responsibilities. It provides them with best practice strategies to improve business operations, and assess and address associated risks to minimise alcohol related harm.
- Advanced Licensee Training – this is additional training for licensees operating in higher risk environments, such as those trading regularly after midnight, certain business types (eg nightclubs and karaoke bars), subject to a regulatory scheme, and as directed by ILGA or Liquor & Gaming NSW. The training provides guidance to licensees on how to lead a culture of compliance by proactively identifying and introducing controls to address alcohol related risks, and applying best practice strategies to address the higher level of risk of their business environment.

The new training framework has been co-designed with the Industry Peak Bodies (i.e. Australian Hotels Association, Clubs NSW, Club Managers Association, Retail Drinks Australia and Restaurant & Catering Association) and eight Liquor & Gaming NSW approved training providers (ATPs) selected via an EOI process.

The Liquor Regulation 2018 introduced the new training framework on 1 September 2018, which was rolled out in December 2018 and courses started opening in January 2019. Courses are available across the State in classroom, virtual classroom and fully online environments.

20. Can you provide the Committee with information on the work done regarding the Environment and Venue Assessment Tool?

In 2012, the Allen Consulting Group (now ACIL Allen Consulting) developed the Environment and Venue Assessment Tool (EVAT) as part of a research project commissioned by the former Office of Liquor, Gaming & Racing (OLGR). EVAT was created to provide location and venue risk assessments for individual liquor licence applications based on evidence-informed risk factors. It analysed a range of data sets including liquor licence and crime information.

EVAT was further developed over time and the principles underpinning the tool are informing the evidence base that supports liquor licence decision-making in NSW. While EVAT itself is no longer

¹ *Approved managers* – the *Liquor Act 2007* requires a licensee to appoint a manager approved by the Authority should the licensee be unable to manage their business for a period of more than 28 days. Registered clubs with more than one set of premises must appoint a different manager approved by Authority for each set of premises of the club at which the Club Secretary is not in attendance for a period of *more than 2 months*.

used due to system issues, Liquor & Gaming NSW is currently enhancing its approach through work which will better automate the provision of accurate, reliable and real-time data to decision-makers.

21. From December 2018 to February 2019, venues in NSW were encouraged to apply to have obsolete conditions removed from their licence conditions through a free and streamlined process.

a. How many venues applied to have conditions removed during this period?

21 venues (however one of these was withdrawn).

b. How many venues were successful in the application?

20 venues had obsolete conditions removed or varied.

Information about the relevant venues, and conditions removed or varied as at 18 June 2019, can be found on Liquor & Gaming NSW website at <https://www.liquorandgaming.nsw.gov.au/news-and-media/outdated-live-entertainment-conditions-axed>.

22. How much does Liquor & Gaming spend each year on ensuring that hotels, clubs and bars adhere to their licensing conditions?

The cost of running Liquor & Gaming NSW, the NSW liquor and gaming regulator, is approximately \$43 million. This includes employee-related costs and operating expenses.

a. How much money does Liquor & Gaming collect each year from licence fees, and other related payments?

Approximately \$18.8 million net revenue was collected by Liquor & Gaming NSW in licence fees in 2018-19. Consistent with the intent of annual licensing fee system, this helps to offset some of the total costs associated with the regulation of the liquor industry.