

## Responses received to additional questions

**Diageo**

Mr Jules Norton-Selzer

**1. Is there a way to distinguish between rules governing the rapid consumption of shots and the consumption of neat, often high end, spirits?**

While it might be possible from a regulatory point of view to distinguish between the two, we believe this is the wrong approach. On top of an already overly-complex list of prohibited drinks after midnight, this would create more confusion for consumers, more micro-regulation and continue a misguided focus on beverage type rather than on behaviour.

Therefore, we recommend:

- 1) Repeal of current wording in Schedule 4 5.1 of the *Liquor Act* on 'rapid intoxication drinks'
- 2) Removal of corresponding wording from NSW Liquor & Gaming prevention of intoxication guidelines (Section 3d) e.g. which bans drinks of more than 30ml or cocktails not on the menu

To regulate excessive consumption, instead we recommend:

- 3) Enforcement of RSA and;
- 4) Focus on principles and practical examples of irresponsible behaviour
- 5) Targeted programs that support moderation and reduce alcohol-related harm (see our submission), especially on education, venue management, moderation and self-responsibility

As part of RSA training, Liquor & Gaming NSW identifies key principles i.e. not serving anyone under the age of 18 and not serving anyone who is intoxicated. The best mechanism to determine intoxication is to understand the concept of standard drinks and the number of standard drinks consumed over a certain time period. Put simply, it does not matter what drink someone is drinking – whether it's a tequila in a short glass or a schooner - if RSA and effective venue management is being applied.

Regarding 2) above, some of these principles are already contained within the [Liquor & Gaming prevention of intoxication guidelines](#) (apart from the elements that target specific beverage types). For example, the sale of liquor should not involve 'the availability of liquor in receptacles that encourage rapid consumption' i.e. 'serving liquor in a yard glass for skolling; pouring liquor straight into a patrons' mouth'.

Updated prevention guidelines that focus on behaviour and principles (rather than beverage choice) and the Three Strikes Scheme should be the backstops to the RSA requirements that are already prescribed in the Liquor Act.

**2. What other steps or regulatory changes could be taken to encourage small bars in NSW?**

It's worth re-iterating that drinking trends are changing quite dramatically. Whether or not venues operate under a 'small bar' licence or not, people are choosing to drink better (quality) rather than more (volume). This is a wider consumer trend where people seek a more holistic balance in life, demand more 'experiential' cultural activities and are focused on quality and provenance.

The first step that will encourage small bars – and the hospitality sector more generally - is more footfall. That is why we support more diverse night-time activities in the CBD to make it a 24-hour city and more late-night transport to get people into the city. Specifically, more late-night shopping and trading for non-licensed premises, more flexible opening hours for other services, piloting more night-time precincts/districts and more consistent late-night transport, especially trains and trams (most Sydney trains stop service at around 12.30am on Friday and Saturday nights).

For venues, the overarching change should be moving away from a model of 'guilty until proven innocent' to a default regulatory position that operators who have a good compliance history be exempt from onerous restrictions. While some restrictions do not apply to venues with a small bar licence (liquor licence freeze, post-midnight drinks restrictions), what one could consider a 'small bar' operate under a variety of licences apart, and therefore face these types of restrictions on their trade. Another issue is the overlapping areas of state and council regulation which means that even though a small bar can apply for a 2am licence, this is often rejected.

Regardless of whether you have a small bar, a general bar or even a restaurant licence, the common thread is excessive regulatory burden disproportionate to the risk. The NSW Government could simplify a range of regulatory processes to make them less costly, time-consuming and growth-disrupting:

- Recognise and reward good venue management by only imposing restrictions on venues with a poor history of compliance
- Re-orientating the focus of compliance on key risk areas of intoxication and irresponsible behaviour, rather than very minor infringements (wrong glassware, security label on badge not being large enough etc)
- Remove CBD liquor licence freeze in Liquor Act (Division 41A Section 47)
- Amend or repeal the CBD Plan of Management regulations so lockouts and/or related restrictions only apply to venues with a poor history of compliance
- Streamline the liquor licence application process by integrating local and state government applications
- Create a single application for council development, noise complaints and liquor licence applications
- Quicker processing time for licensing, approval and renewal applications for venues with good compliance (average waiting time is six months), with greater transparency on rationale for long processing times
- Prioritise processing of (licensing) applications with potential social, cultural and tourism benefits to improve Sydney's night-time economy
- Create a single bar licence to replace the three different liquor licences currently available in NSW to trade as a bar (no capacity limit – subcategory for small bars allowing capacity of up to 150 patrons)

## **Appendix**

### **[Liquor and Gaming - Prevention of intoxication on licensed premises guidelines](#)**

#### **Section 3d**

*the following drinks are not sold or supplied between midnight and 5am:*

- i. any drink (commonly referred to as a 'shot', a 'shooter' or a 'bomb') that is designed to be consumed rapidly,*
- ii. ii. any ready to drink beverage with an alcohol by volume content of more than 5%, and*
- iii. iii. any drink prepared on the premises that contains more than 30 ml of spirits or liqueur, other than a cocktail that contains spirits or liqueur (or both) mixed with other ingredients and that is not designed to be consumed rapidly*