



Hon. Troy Grant MP
Minister for Hospitality, Gaming and Racing
Minister for the Arts

17 June 2014

Mr David Blunt
Clerk of the Parliaments and Clerk of the Legislative Council
NSW Parliament
Macquarie Street
SYDNEY NSW 2000

Dear Clerk,

Please find attached the NSW Government's response to the inquiry titled "Strategies to reduce alcohol abuse among young people in NSW" conducted by the Social Issues Committee.

Yours Sincerely

Troy Grant MP

NSW GOVERNMENT RESPONSE
TO “STRATEGIES TO REDUCE
ALCOHOL ABUSE AMONG
YOUNG PEOPLE IN NSW”

NSW GOVERNMENT RESPONSE TO THE LEGISLATIVE COUNCIL STANDING COMMITTEE ON SOCIAL ISSUES REPORT “STRATEGIES TO REDUCE ALCOHOL ABUSE AMONG YOUNG PEOPLE IN NSW”

Introduction

The NSW Government welcomes the report of the Legislative Council Standing Committee on Social Issues entitled “Strategies to reduce alcohol abuse among young people in NSW”.

The inquiry was initiated by the then Minister for Mental Health, Healthy Lifestyles and Western NSW in October 2012. The terms of reference for the inquiry were:

“That the Standing Committee on Social Issues inquire into and report on strategies to reduce alcohol abuse among young people in NSW, and in particular:

- a) the effect of alcohol advertisements and promotions on young people, including consideration of the need to further restrict alcohol advertising and promotion
- b) the effectiveness of alcohol harm minimisation strategies targeted at young people
- c) measures to minimise the impact of alcohol in the workplace
- d) the effectiveness of measures to reduce drink driving
- e) measures to reduce alcohol-related violence, including in and around licensed venues
- f) measures to address the impact of alcohol abuse on the health system
- g) any other related matter.

This response notes that work is underway on other important initiatives, including the NSW Government response to the statutory review of the *Liquor Act 2007* and the *Gaming and Liquor Administration Act, 2007*, improved access to regulatory information for stakeholders, and an evaluation of the Environment and Venue Assessment Tool (EVAT) which is being trialled in two local government areas to help inform liquor licensing decisions.

Recommendation 1:

That the NSW Government establish an inter-agency committee to coordinate research into the issue of pre-loading, and publish a discussion paper which identifies the most effective policy responses to help reduce its occurrence and impact.

Response: ***Supported in principle***

The issue of pre-loading will continue to be considered in the context of existing Government efforts to develop effective policy responses to alcohol related harms more broadly.

Recommendation 2:

That the NSW Government collect and report on alcohol sales data to help understand the true extent of alcohol-related harm in NSW

Response: ***Supported in principle***

The Government has implemented data collection for Kings Cross licensed premises as part of its plan of management for the precinct. Analysis of this data and associated issues commencing in the second half of 2014 will inform consideration of future data collection requirements in Kings Cross and elsewhere.

Recommendation 3:

That the NSW Office of Liquor, Gaming and Racing investigate ways to ensure the view of communities and local councils are reflected in the assessment of liquor licences in their local areas.

Response: ***Supported***

Implementation of options to ensure the views of communities and local councils are taken into consideration when assessing liquor licensing applications will be undertaken in accordance with the Government's response to relevant recommendations (3, 70-73) of the 2013 review of the *Liquor Act 2007* and the *Gaming and Liquor Administration Act 2007*.

Recommendation 4:

That the NSW Office of Liquor, Gaming and Racing investigate emerging industry trends regarding point-of-sale promotions and that the results of this review be reflected in any future update of the liquor promotion guidelines.

Response: ***Supported***

Action can be taken under the *Liquor Act 2007* to ban or restrict a liquor promotion by the Secretary, NSW Trade & Investment, where industry guidelines have been issued by the Secretary, and it is considered that the promotion:

- is likely to have a special appeal to minors because of the use of designs, names, motifs or characters in the promotion that are, or are likely to be, attractive to minors or for any other reason, or
- is indecent or offensive, or
- involves the provision of liquor in non-standard measures or the use of emotive descriptions or advertising that encourages irresponsible drinking and is likely to result in intoxication, or
- involves the provision of free drinks, or extreme discounts or discounts of a limited duration, that creates an incentive for patrons to consume liquor more rapidly than they otherwise might, or
- otherwise encourages irresponsible, rapid or excessive consumption of liquor, or
- the restriction or prohibition is otherwise in the public interest.

Revised liquor promotion guidelines were issued by the Secretary, NSW Trade & Investment, in July 2013 and will be evaluated after 12 months of operation.

Recommendation 5:

That the NSW Government require all liquor licensees within an area covered by a local liquor accord to be a member of that accord.

Response: *Noted*

The Government is committed to promoting the development of effective and sustainable accords across NSW, through voluntary licensee participation.

Reforms to improve the effectiveness and operation of liquor accords will be addressed as part of the Government's response to recommendations 65-67, relating to liquor accords, of the 2013 review of the *Liquor Act 2007* and the *Gaming and Liquor Administration Act 2007*

Recommendation 6:

That the NSW Office of Liquor, Gaming and Racing require each local liquor accord to produce, in consultation with their local community, transparent, accountable action plans which identify how the accord proposes to reduce any alcohol-related harm in their area. These action plans should be published on the OLGR website

Response: *Supported*

Accord terms, or strategies, are member driven solutions to local problems, that foster best practice in liquor regulation, This approach recognises that reductions in alcohol-related harm can sometimes be achieved by adopting better business practices rather than by the imposition of conditions

Reforms to require liquor accords to have terms and be registered are being considered as part of the Government's response to recommendation 65 of the 2013 review of the *Liquor Act 2007* and the *Gaming and Liquor Administration Act 2007*.

Recommendation 7:

That the NSW Government consider increasing the penalties for consuming alcohol in alcohol free areas, and providing legislative powers for the confiscation and disposal of all alcohol

Response: *Noted*

Penalties for drinking in Alcohol Free Zones (AFZs) were removed in 2007. At the same time, police powers to confiscate and tip out alcohol being consumed, or about to be consumed in an AFZ, were simplified and strengthened.

It is also noted that under the Government's Plan of Management for the Sydney CBD Entertainment precinct, that commences on 18 July 2014, licensed premises located in or near an AFZ or alcohol prohibited area under the *Local Government Act 1993*, will be required to refuse entry to persons seen drinking alcohol, or is considered to have been drinking alcohol, on approach to the venue.

Recommendation 8:

That the NSW Government consider the merits of introducing a risk based licensing fee system which provides licensees with financial incentives to reduce alcohol-related harm and adopt more responsible business models.

Response: **Supported**

The *Liquor Amendment Act 2014* provides a statutory framework for the introduction of a risk based licence fee for all licensed premises. Annual fees can encourage better compliance levels to reduce risks associated with trading hours, compliance history, location and venue size.

On 11 April 2014, the Government announced details of the risk based licence fee scheme that will operate from 2015. The *Liquor Amendment (Periodic Licence Fees) Regulation 2014* subsequently prescribed the fees that will apply under the scheme.

The scheme is designed to provide venues with a financial incentive to adopt and maintain safe, low risk practices, in return for reduced annual fees.

Recommendation 9:

That any alcohol education programs developed by OLGR or DEC be evaluated and the results of that evaluation be published

Response: **Supported**

The Government is committed to increasing transparency of expenditure on programs and providing a better understanding of their outcomes. Agencies are expected to evaluate their programs, both new and existing, in line with the *NSW Government Evaluation Framework*.

The Government will continue to promote transparency and accountability through systematic evaluations of programs implemented by departments and agencies.

Recommendation 10:

That the NSW Government consider amendments to legislation to enable controlled purchase operations for alcohol

Response: **Noted**

The Government recognises there are a number of safety issues associated with minors purchasing alcohol, and the need for appropriate controls that consider the sensitivities of these operations.

The NSW Government, with assistance from the packaged liquor industry, will strengthen practices and procedures aimed at reducing minors access to alcohol.

In the meantime, it is noted that the Office of Liquor, Gaming and Racing and the NSW Police Force already have statutory powers to monitor and enforce compliance under the existing legislative arrangements.