



Liquor & Gaming NSW

# STRATEGIC PLAN 2017 – 2019

# Welcome

## to the strategic plan of Liquor & Gaming NSW

I am excited to present Liquor & Gaming NSW's Strategic Plan which speaks to our ambition as a modern and capable regulator. The plan articulates our goals, direction and approach and what we think success looks like.

Liquor & Gaming NSW assumed functions from the previous Office of Liquor, Gaming & Racing and the Independent Liquor & Gaming Authority (ILGA) in 2016. The significant reforms of the liquor & gaming regulatory framework were designed to:

- Improve governance structures to ensure decision making and processes are transparent, accountable and enhance administrative efficiency.
- Create an environment with a greater focus on integrated and coherent risk based supervision.
- Consolidate compliance and enforcement resources to ensure regulatory effort is integrated, better coordinated and targeted where the risks are greatest, while providing capacity to respond to emergent risks.
- Reposition ILGA as an independent statutory decision-making board to deal with higher risk and more contentious licensing decisions, as well as maintain its merits review and disciplinary functions.

A separate Office of Racing was also established to provide increased focus on racing policy and governance while retaining wagering policy and supervision in Liquor & Gaming NSW.

Our Strategic Plan aligns with the NSW Premier's and Government Priorities and supports the NSW Department of Industry Corporate Plan 2015-2019. It underpins

our approach as a contemporary and innovative regulator and trusted policy advisor to Government.

The significant reform to liquor and gaming regulatory arrangements established Liquor & Gaming NSW as an integrated "fit for purpose" regulator, with overall responsibility for administering the regulatory framework and supervision across liquor, gambling and registered clubs in NSW.

Liquor and gambling policy and regulation is issues rich and presents much contest, complexity and challenge including:

- Effectively identifying and targeting higher risk behaviour so as to reduce alcohol and gambling-related harm without imposing undue regulatory burden and complexity on business and the community.
- Ensuring the varied and sometimes opposing views of stakeholders contribute to liquor and gambling regulation.
- Facilitating safe and innovative choices for consumers of liquor and gambling services so that industry can properly meet the needs, expectations and aspirations of the community.
- Strengthening trust in regulatory operations which enhance industry integrity, promote effective governance of the racing and registered clubs sectors, and allow responsible operators to prosper.

A key challenge is to ensure policy approaches and the regulatory framework can still allow the operation of a diverse and vibrant industry; industry that contributes to and builds social

connection and community; industry that enriches NSW cultural and entertainment offering, as well as its attraction as a place people want to live and work and where businesses choose to invest and grow.

The competing challenge is to secure industry integrity, prevent and minimise the risk of alcohol-related and gambling harm, and ensure public safety is central to policy thinking and approaches.

This is not straightforward.

It requires an evidence informed, intelligence led and risk-based approach. It requires candid and inclusive dialogue with diverse stakeholders to give voice to a diversity of views and assist a deeper understanding of concerns and opportunities. It requires a contest of ideas and a measured and responsible approach that effectively manages sometimes competing duties towards industry and economic development, and to regulatory intervention and control to constrain the risk of harm.

There is much challenge.

There is also rich opportunity.

Alcohol-related violence in NSW is declining, with alcohol-related non-domestic assaults falling at around 7 per cent per annum over the past 5 years. While irresponsible practices and poorly run venues exist, and preventing and reducing the risk of alcohol-related violence remains the primary focus, the majority of venues are well run, safe and play an integral part in the cultural fabric of local and broader communities. Where individuals and operators are unwilling or unable to meet obligations under NSW laws, we will take decisive action.

The recent Household Income and Labour Dynamics in Australia survey found about 39 per cent of the Australian population engages in some form of gambling on a regular basis. The survey found lottery type gambling most common with 30 per cent of the population purchasing tickets

monthly followed by 8 per cent playing electronic gaming machines and 5.5 per cent of Australians betting on the races.

While gambling is a highly regulated activity that is enjoyed by many Australians, significant individual and social harms arise where more time or money is spent gambling than can be afforded. Our response to problem gambling must ensure intervention and support for those impacted individuals and families is timely, efficient and effective. But we must do more than repair destructive gambling outcomes. We must achieve a more proportionate focus across the gamut of responsible gambling initiatives. Ensuring a comprehensive research agenda and greater emphasis on community awareness and education helps to empower individuals to make informed choices around gambling participation and helps prevent gambling harm and incidence of problem gambling.

2012 research identified 0.8 per cent of the adult population in NSW are problem gamblers. New prevalence research will be commenced in late 2017 and will update our understanding of the extent of problem gambling. Along with enhancements to the Responsible Gambling Fund, this will support our work to minimise the potential for, and incidence of, harm associated with gambling, and reduce the incidence of problem gambling.

I look forward to confronting the challenges and seizing the opportunities as we take this journey together.



A stylized, handwritten signature in black ink, appearing to read 'Paul Newson'.

**Paul Newson**

Deputy Secretary  
Liquor, Gaming and  
Racing

# Our vision

A NSW where people enjoy vibrant and dynamic, as well as safe and responsible, liquor and gaming environments.

# Our mission

We regulate through evidence informed and risk-based thinking underpinned by innovative and agile approaches that foster responsible and sustainable liquor and gaming industries, ensuring their integrity and minimising harm in line with community expectations.

# Our attributes

We align with the department attributes of:

**Innovation** Think and act creatively to lead the way

**Customer Experience** Put the customer at the centre of our work

**Ownership** Take ownership and follow up

**Collaboration** Work together towards a common purpose

# How we operate in a constantly changing environment

Liquor & Gaming NSW (L&GNSW) operates in a complex and challenging environment that is dynamic and rapidly changing. We regulate the liquor, gaming, wagering, casino and clubs sectors, which confront significant disruption but have much opportunity to diversify, innovate and thrive. Our challenge is to stay abreast of emerging issues and industry trends, maintain a robust yet flexible regulatory framework, and develop a mix of proactive and responsive initiatives that foster a sustainable, vibrant and dynamic industry. Importantly, this must occur in a context where alcohol and gambling harm is minimised. To that end we work with stakeholders to ensure safe and responsible industries which embrace good practices that meet community expectations.

We do this by ensuring we have an ongoing dialogue with all our stakeholders and adopting a rigorous, evidence informed, risk-based, and collaborative approach to our regulatory responsibilities. We ensure our supervision and enforcement focus is where the risks are greatest, and escalate our intervention where non-compliance is wilful, persistent or more serious.

To test our thinking and ensure awareness and understanding of the scope of issues impacted by our strategic approach, we engaged with and heard from community, industry and government stakeholders. They shared their thoughts on upcoming disruptors, difficulties and innovation. This process helped us to develop a deeper understanding of our sectors and associated challenges and opportunities, and refine our strategies and our sector priority activities.

# Our Goals

1

We put the customer first and deliver efficient licensing services that are risk-based and commercially aware

2

We ensure intelligence-led and risk-based industry oversight that minimises burden without compromising regulatory objectives

3

We provide policy leadership that balances responsible industry development with harm minimisation

4

We maximise transparency and stakeholder participation in liquor and gaming regulation and encourage compliant and responsible industry

5

We develop staff that are capable, collaborative and empowered to deliver

# Our Goals and our Strategies to reach them

# 1



We put the customer first and deliver efficient licensing services that are risk-based and commercially aware

## We will:

- Embed a customer-centric approach within the organisation.
- Refine our risk-based framework for licence applications, amendments and approvals.
- Implement processes to improve workflow and build relationships with customers.
- Enhance digital services and customer online experience.
- Support efficient, transparent and effective decision-making by the Independent Liquor & Gaming Authority (ILGA).

## Success is

- Licensing applications, and associated approvals and decision-making, are risk-based and efficient.
- Standard licensing conditions are evidence based and effective.
- Customers are able to transact and monitor status of applications online.
- We adhere to the application, enquiry and decision-making timeframes in our Customer Service Charter.

# 2



We ensure intelligence-led and risk-based industry oversight that minimises burden without compromising regulatory objectives

## We will:

- Deliver an integrated L&GNSW risk-based regulatory program.
- Deliver a comprehensive risk-based revenue assurance program.
- Use strategic intelligence capability to identify emerging issues and regulatory risk, and inform regulatory approaches and interventions.
- Implement a new Centralised Monitoring System to enhance revenue assurance, integrity, regulatory oversight and customer service functionality for gaming machines.
- Implement a contemporary and flexible training framework for the responsible operation of licensed venues.

## Success is

- Publish an annual statement of L&GNSW regulatory priorities and associated initiatives.
- Refreshed Liquor Accord strategy that focuses L&GNSW effort and leverages innovative and impactful initiatives across the liquor accord network.
- Emerging alcohol and gambling related issues are identified and regulatory responses are integrated, targeted, and escalated according to risk.

# 3



We provide policy leadership that balances responsible industry development with harm minimisation

## We will:

- Maintain a contemporary regulatory environment through regular statutory and other reviews of legislation and programs.
- Support program delivery through an evaluation and continuous improvement framework.
- Support informed and effective decision-making through strategic intelligence, analytics capability and research.
- Continuously develop our understanding of the nature and extent of liquor and gambling-related harm experienced in the community.
- Review and modernise the responsible gambling fund program to enhance responsible gambling initiatives and reduce gambling related harm.
- Deliver effective and efficient grants programs.

## Success is

- High levels of community and industry engagement in public dialogue and policy development process.
- Provide considered, rigorous and innovative policy advice to Government and be recognised as a thought leader in regulatory policy and practice.
- Opportunities for improvement and reform identified.

# 4



We maximise transparency and stakeholder participation in liquor and gaming regulation and encourage compliant and responsible industry

## We will:

- Encourage community and industry dialogue and promote participation in liquor and gaming regulation.
- Provide enhanced public access to information, consultation and decisions to foster improved awareness, trust and confidence.
- Support industry to provide safe and responsible liquor and gaming choices and collaborate to minimise related harms.

## Success is

- High levels of stakeholder engagement and opportunity to be heard and influence regulatory policy and decision-making.
- High levels of community awareness of the liquor licensing decision-making process and participation in policy reviews / consultation.
- Increased information, decisions and data made available on L&GNSW website.

# 5



We develop staff that are capable, collaborative and empowered to deliver

## We will:

- Focus on internal engagement to articulate our strategic direction, encourage staff voice and collaboration, and empower our people.
- Build staff and organisational capability, and establish development pathways and staff mobility to attract and retain talent and grow corporate knowledge.
- Promote accountability in decision-making and ethical conduct through articulating expectations and regular conversations underpinning performance management.

## Success is

- Staff engagement score above NSW Government average.
- Staff capability development framework developed and implemented.
- L&GNSW is regarded as a great place to work, we cultivate staff potential and attract and retain high performing staff.

# Our sector activities

## Liquor



L&GNSW administers the regulatory framework for liquor licensing in NSW which includes providing policy advice to Government, liquor licence decision-making, as well as supervision of licensed venues and enforcement of liquor laws across NSW. A key objective of the framework includes ensuring our regulatory approach to the sale and consumption of liquor is consistent with community needs and expectations, which we recognise change over time. L&GNSW balances policy settings and oversight that facilitate responsible industry development and contribute to social and economic benefits for NSW while prioritising harm minimisation and public safety.

L&GNSW also supports the effective operation of ILGA. ILGA determines contentious licensing proposals, reviews certain delegated decisions made by L&GNSW, and conducts disciplinary proceedings where L&GNSW or the NSW Police Commissioner makes a complaint alleging contraventions of liquor legislation.

# What we're doing

Goals	Priority activities
<b>1. Efficient licensing</b>	<ul style="list-style-type: none"> <li>• Implement a transformation plan to maximise self-service and risk-based decision-making.</li> <li>• Introduce standard non-statutory licence conditions by December 2017.</li> <li>• Improve and enhance access to licensing information and decision-making for the community through the L&amp;GNSW website and the Community Access Team.</li> <li>• Continue to reduce red tape for low risk businesses, through the Interim Restaurant Authorisation process and investigation of other opportunities to support provisional approvals for lower risk applications and permissions.</li> </ul>
<b>2. Intelligence led and risk-based oversight</b>	<ul style="list-style-type: none"> <li>• Deliver an integrated risk-based regulatory program that articulates our priorities and focuses our monitoring, engagement and supervisory effort on higher risk conduct, business models and locations.</li> <li>• Early intervention and proportionate, deliberate and integrated action in response to emerging issues.</li> <li>• Decisive and escalating enforcement action where non-compliance is more serious, persistent or wilful.</li> <li>• Build our strategic intelligence capacity to identify emerging risks and to guide policy thinking and effective regulatory interventions.</li> </ul>
<b>3. Policy leadership</b>	<ul style="list-style-type: none"> <li>• Hold an annual regulatory roundtable with key stakeholders to better identify and tackle strategic policy and regulatory issues.</li> <li>• Conduct evaluation and research that identifies and targets emerging risks and issues, and challenges established thinking.</li> </ul>
<b>4. Transparency and stakeholder participation</b>	<ul style="list-style-type: none"> <li>• Better leverage the success of Liquor Accords in providing local solutions to local issues and ensuring impactful initiatives are accessible across the network.</li> <li>• Enhance training standards throughout the industry through the Tiered Training Framework.</li> <li>• Improve community access on how they can have their say on licensing applications.</li> </ul>

# Our sector activities

## Gaming & Wagering



L&GNSW administers the regulatory framework for gaming and wagering activities in NSW which includes providing policy advice to Government, gaming-related licence decision-making as well as supervision of gaming, and wagering operators. Key objectives of the framework include ensuring our regulatory approach minimises the harm associated with problem gambling and fostering responsible gambling which we do in conjunction with the work of the NSW Responsible Gambling Fund. We are also responsible for administering the gaming machine entitlement scheme which provides for a deliberate and gradual reduction in gaming machines in NSW as well as ensuring industry integrity and facilitating balanced industry development.

L&GNSW also supports the effective operation of ILGA. ILGA determines contentious gaming-related applications, reviews certain delegated decisions made by L&GNSW and conducts disciplinary proceedings where L&GNSW or the NSW Police Commissioner makes a complaint alleging contraventions of gaming legislation.

# What we're doing

Goals	Priority activities
<b>1. Efficient licensing</b>	<ul style="list-style-type: none"> <li>• Complete a review of gaming-related licence application handling and decision-making, and develop a reform agenda and implementation plan by December 2017.</li> <li>• Implement the new Centralised Monitoring System by June 2018.</li> </ul>
<b>2. Intelligence led and risk-based oversight</b>	<ul style="list-style-type: none"> <li>• Deliver an integrated risk-based regulatory program that articulates our priorities and focuses our monitoring, engagement and supervisory effort where the risks are greatest.</li> <li>• Early intervention and proportionate, deliberate and integrated action in response to emerging issues</li> <li>• Decisive and escalating enforcement action where non-compliance is more serious, persistent or wilful.</li> </ul>
<b>3. Policy leadership</b>	<ul style="list-style-type: none"> <li>• Participate in inter-jurisdictional initiatives, and implement the agreement on a National Consumer Protection Framework for online wagering.</li> <li>• Investigate and develop a regulatory sandbox approach to identify and trial emerging products and practices in a responsible and controlled environment.</li> <li>• Complete a review of the Responsible Gambling Fund and implement enhanced governance arrangements and capability development plan by December 2017.</li> <li>• Complete a comprehensive review of prohibited features of gaming machines by June 2018.</li> <li>• Hold an annual regulatory roundtable with key stakeholders to better identify and tackle strategic policy and regulatory issues.</li> <li>• Deliver the 5-yearly NSW gambling prevalence study in 2018.</li> <li>• Conduct evaluation and research that supports continuous improvement and innovation in regulatory policy and practice.</li> </ul>
<b>4. Transparency and stakeholder participation</b>	<ul style="list-style-type: none"> <li>• Boost responsible gambling awareness and education for the community.</li> <li>• Enhance the profile of the Responsible Gambling Fund to encourage open and innovative proposals.</li> </ul>

# Our sector activities

## Clubs



L&GNSW administers the regulatory framework for the governance and operation of registered clubs in NSW. Registered clubs are not-for-profit organisations established for a specific purpose and for the benefit of their members and the community.

We investigate and take action in response to failures in registered club governance, including initiating disciplinary proceedings by making a complaint to ILGA where conduct offends requirements in the *Registered Clubs Act 1976* and risks eroding confidence in the integrity of the industry. L&GNSW initiates disciplinary proceedings to protect the public and club members and ensure industry integrity and public confidence.

L&GNSW also administers the ClubGRANTS program in conjunction with ClubsNSW. Parts of the program (Category 1 and 2) enable clubs to contribute to frontline services in their local communities. It provides around \$60 million in grants annually to improve the welfare of low income and disadvantaged people, and provides community development and support activities such as sport and cultural programs. Another part of the program (Category 3) is directly administered by L&GNSW and contributes around \$12 million each year towards large infrastructure projects in the areas of arts and culture, sport and recreation as well as emergency preparedness to benefit the community.

# What we're doing

Goals	Priority activities
1. Intelligence led and risk-based oversight	<ul style="list-style-type: none"><li>• Deliver an integrated risk-based regulatory program that articulates our priorities and focuses our monitoring, engagement and supervisory effort where the risks are greatest.</li><li>• Early intervention and proportionate, deliberate and integrated action in response to emerging issues.</li><li>• Decisive and escalating enforcement action where non-compliance is more serious, persistent or wilful.</li><li>• Develop a co-regulatory approach to improve accountability in the clubs sector.</li></ul>
2. Policy leadership	<ul style="list-style-type: none"><li>• Launch and implement a streamlined infrastructure grants program.</li><li>• Streamline the club amalgamation and de-amalgamation processes.</li><li>• Complete and publish an evaluation of the club industry training framework.</li><li>• Fulfil the Government's commitments under the Clubs MOU.</li></ul>

# Our sector activities

## Casino



L&GNSW administers the regulatory framework for casinos in NSW, and is responsible for casino supervision in conjunction with ILGA. Key objectives of the framework include ensuring the management and operation of the casino remains free from criminal influence or exploitation, ensuring casino gaming is conducted honestly and minimising potential harms to the community.

We work with other State and Federal agencies in securing casino integrity and ensuring casino operations are resistant to criminal infiltration and serious and organised crime.

The casino operator is required to pay a supervisory levy to offset the costs of regulation, and contribute two per cent of its gross revenue to the Responsible Gambling Fund.

# What we're doing

Goals	Priority activities
<b>1. Intelligence led and risk-based oversight</b>	<ul style="list-style-type: none"><li>• Implement an enhanced integrated risk-based casino supervision program by December 2017.</li><li>• Early intervention and proportionate, deliberate and integrated action in response to known and emerging issues.</li><li>• Decisive and escalating enforcement action where non-compliance is more serious, persistent or wilful.</li><li>• Implement enhanced risk-based revenue protection auditing and assurance activities.</li><li>• Implement a revised engagement framework with The Star and partner regulatory and law enforcement agencies by December 2017.</li><li>• Implement the Government response to the Casino Modernisation Review by June 2018.</li><li>• Prepare for the commencement of Crown Sydney including building staff and organisational capability as well as capacity to supervise additional casino operations.</li></ul>



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