

Draft Submission to Liquor & Gaming NSW on the Evaluation of the Community Impact Statement requirements for liquor licence applications – Discussion Paper

August 2017

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Opening

Local Government NSW (LGNSW) is the peak body for local government in NSW, representing NSW general-purpose councils and associate members including special-purpose county councils. LGNSW facilitates the development of an effective community based system of local government in the State.

LGNSW thanks Liquor and Gaming NSW (L&G NSW) for the opportunity to respond to the *Evaluation of the Community Impact Statement requirement for liquor licence applications Discussion Paper*.

Local government is a key stakeholder in the Community Impact Statement (CIS) consultation process and is best placed to provide an understanding of the impact of new or expanding liquor licences on communities. Local government has a direct interest in any proposed changes to the CIS process.

This submission is in draft form until it is endorsed by the LGNSW Board in September 2017. Any revisions made by the Board at that time will be forwarded in the form of an updated submission.

Purpose

Most liquor licence applications require a CIS. The CIS process is used by the Independent Liquor & Gaming Authority (ILGA) Board to consider stakeholder feedback on a proposed application. A CIS allows councils, police and communities to provide input on the overall social impact of a liquor licence application and the effects of alcohol supply on the well-being of the local or broader community.

L&G NSW is conducting an evaluation of the CIS requirements for liquor licence applications. The purpose of the evaluation of the CIS requirements is to:

- examine whether or not the current CIS process effectively captures local community concerns and feedback, and suggest improvements if required
- examine how effective the CIS process is in facilitating the provision of feedback and information from local residents and other community stakeholders to support decision making by ILGA and delegated officers
- examine whether and how relevant stakeholders are being consulted by liquor licence applicants under the CIS process, and suggest improvements to increase transparency
- examine existing time and cost impacts on industry to comply with the CIS requirement, and suggest improvements to cut red tape and minimise the potential for delays in the licence approval process
- consider ways in which any duplication in CIS and consultation-related processes across local and state government authorities can be minimised, including information technology enhancements and business process changes
- consider the appropriateness of maintaining separate CIS categories (A and B) which relate to different levels of risk
- consider whether certain liquor application types should continue to be excluded from CIS-type requirements, and whether any types that are not currently excluded from the requirement should be.

L&G NSW released the *Evaluation of the Community Impact Statement Requirements for Liquor Licence Applications - Discussion Paper* with key questions for consideration. This submission is in response to that Discussion Paper. The LGNSW response will focus on key areas of concern for local government.

Comments

Local government's view is that it is essential to include the impacts on a community in the determination of liquor licence applications. The current CIS process attempts to identify and address these impacts but improvements to the process are needed to provide a rigorous, evidence-based and balanced assessment.

The following sections include LGNSW's comments and recommendations on the key areas of concern for local government on the CIS requirements and process:

1. range of stakeholders consulted
2. capacity of applicants to adequately consider community impacts
3. notification of stakeholders
4. availability of submissions
5. consultation time frames
6. information and data
7. integrity of the CIS process
8. separating CIS and Development Application processes
9. scalability of impacts
10. CIS A and B classifications
11. CIS exemptions.

1. Range of stakeholders consulted in CIS

The CIS must be used by the applicant to capture feedback from community stakeholders during the consultative process. The types of stakeholders consulted depend on the category of CIS. Category A applications are mainly for packaged liquor sales (mail order etc) or extension of hours for an existing premise. Category B applications are more likely to have an impact on the community, being for hotels, clubs and other public entertainment venues.

LGNSW recommends that Category B applicants should ensure that consultation is broad and comprehensive. In addition to the groups currently consulted, LGNSW recommends inclusion of Public Health Units, community service providers working on alcohol abuse issues, community Drug Action Teams, domestic and family violence groups, and local Chambers of Commerce.

Local residents and the broader community should also be invited to any consultations and encouraged to make submissions.

2. Capacity of applicants to adequately consider community impacts

Applicants are required to report that the impacts of their proposed liquor license application have been considered. Local government is concerned about the quality and veracity of these reports. There is no provision for training applicants in how to undertake a thorough and comprehensive assessment of the community impacts of their proposed activity. Explicit guidelines and clear processes are recommended to ensure that community impacts have been appropriately considered by the applicant.

LGNSW recommends that L&G NSW develop resources to build the capacity of applicants and others making submissions to ensure all impacts are fully considered. For example applicants should be directed to respond to issues relating to: crime prevention, noise considerations, mental health impacts and approaches to harm minimisation. Councils, Police, Health, community service organisations and other agencies should contribute to the development of the resource.

As stated in item 1 above, the list of stakeholders to be consulted should be comprehensive to ensure that community impacts are fully considered. Guidance and instruction should also be provided to stakeholders on how to provide useful feedback.

While consultation fatigue is a concern, all affected stakeholders should be given the opportunity to respond. Alcohol has a major impact on the health and police systems and the well-being of the community.

3. Notification of stakeholders

Applicants are required to notify listed stakeholders for either Category A or B types of applications. Councils have advised LGNSW that they have frequently not received these notifications. LGNSW therefore recommends that L&G NSW provide notification to all stakeholders upon receipt of an application. The full application should be provided to stakeholders, not just the first page, as is currently often the case. The current system of listing applications via the L&G NSW noticeboard is inefficient and relies on stakeholders knowing that an application is pending. An automated notification system should be implemented. LGNSW also suggests that L&G NSW should ensure that any CIS received includes evidence of notification and consultation, including lists of all stakeholders. The level of detail in the CIS needs to be expanded to include information on issues of interest to the local community such as opening hours, social and economic impacts.

4. Availability of submissions

LGNSW suggests that all submissions on an application include an option to make them publicly available unless confidentiality is requested by those making the submission. Comments should go directly to the L&G NSW, not the applicant, to avoid conflict. L&G NSW should be responsible for assessing the overall impact of the application based on an agreed set of criteria which weights factors according to their impacts on the local community. These criteria and weightings could be agreed in consultation with councils and state agencies, as described in item 2 above.

5. Consultation timeframes

LGNSW considers that the current consultation timeframe of 30 days is adequate but should under no circumstances be shorter. Additional time should be provided over Christmas and holiday periods.

6. Information and Data

Any CIS should include an analysis of community characteristics and demographics. LGNSW suggests that L&G NSW provides standardised data by LGA on key demographics, incidents of alcohol related violence and crime, and health data relating to problem drinking and hospitalisations due to alcohol, for use by applicants and stakeholders.

Additional information on the number of liquor licences approved in an LGA would also be useful in assessing community impacts and accumulative effects.

7. Integrity of the CIS process

As the CIS is undertaken by the applicant, there is concern that some information is being lost in the summary document and that the CIS lacks a rigorous assessment of impacts on the community.

LGNSW supports using qualified independent assessors to develop community impact statements. CIS are sometimes completed by those who do not have the expertise to identify and assess community impacts and devise appropriate responses to address those impacts. Having the CIS undertaken by an independent assessor would build confidence in the CIS process and ensure a balanced assessment.

Undertaking a thorough and independent CIS process at the application stage will reduce potential conflicts or objections and assure the community and stakeholders that their concerns have been adequately addressed.

8. Separating CIS and DA processes

Any suggestion to align the Development Application consultation and CIS consultation is not supported by LGNSW. The DA consultation and CIS consultation are for different purposes, with different considerations, different timeframes, different KPIs and facilitated by different agencies. Local government has the strong view that the two processes need to remain separate.

9. Scalability of impacts

LGNSW believes that liquor applications for large premises where patronage could reach across suburbs/LGAs should require a more robust CIS across the entire area impacted.

10. CIS A and B Classifications

LGNSW believes CIS A and B classifications should be removed and the community provided with the opportunity to comment on any proposed changes to liquor licences in their area. Furthermore, LGNSW proposes that a CIS in high risk areas and areas with high density of liquor licences should require a higher standard of CIS assessment than the current inadequate CIS requirements.

11. CIS Exemptions

LGNSW suggests L&G NSW approach CIS exemptions with caution, particularly:

- online ordering of alcohol and home delivery, which is increasing in popularity
- the cumulative impacts of a high number of small bars in a given area , and
- monitoring is essential

Conclusion

LGNSW is pleased to have the opportunity to provide input to the evaluation of the Community Impact Statement requirements under the *Liquor Act 2007*. Local government is well placed to articulate the impact of increasing the number of liquor licences in communities and LGNSW encourages closer engagement between L&G NSW and councils in the assessment of impacts on the community.

LGNSW recommends that the following factors be considered:

1. range of stakeholders consulted

2. capacity of applicants to adequately consider community impacts
3. notification of stakeholders
4. availability of submissions
5. consultation time frames
6. information and data
7. integrity of the CIS process
8. separating CIS and Development Application processes
9. scalability of impacts
10. CIS A and B classifications
11. CIS exemptions.

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