

## Fact sheet 5 GOVERNMENT RESPONSE TO INDEPENDENT LIQUOR LAW REVIEW

# Further changes to liquor legislation

In addition to its response to the Callinan review, the Government is moving forward with a range of other reforms to further improve regulation of the liquor industry.

## Liquor licence freeze in the Kings Cross and Sydney CBD Precincts

The Government is proposing to apply a modified liquor licence freeze in the Sydney CBD and Kings Cross until 1 June 2018.

The freeze was introduced to curb the proliferation of venues that may increase the risk of alcohol-related violence and crime.

It has frozen the granting of new liquor licences for high impact venues such as hotels, clubs and bottle shops.

The Callinan review found the freeze may have prevented some venues from adapting or improving their premises.

The changes to the freeze will provide businesses with greater opportunity to refurbish their premises to attract customers and provide more diverse and sophisticated offerings for the public.

Small bars will remain exempt from the liquor licence freeze, with an increased patron capacity of 100.

## Kings Cross ID scanners

In June 2014, the Government introduced ID scanners at high-risk venues in Kings Cross to improve safety and reduce alcohol-related crime and violence.

Between 9.00pm and 1.30am, patrons entering these venues must have their photo ID scanned and be photographed.

Liquor & Gaming NSW's review of the scanners found they are effective in keeping out known troublemakers who have been banned from venues. They also help police identify patrons who have broken the law inside and outside venues.

To help maintain the safety and amenity of Kings Cross, the Government proposes keeping the ID scanners with minor reforms to improve their operation.

For example, system improvements will be considered to allow licensees to enforce patron bans initiated by a venue to manage troublesome patrons.

For venues in the Sydney CBD and other areas of the State, the review findings support the actions some have taken to voluntarily adopt ID scanners to help keep out problem patrons and assist in responding to and deterring crime.

## Three Strikes disciplinary scheme

The Three Strikes Scheme has reduced serious breaches of liquor laws by targeting repeat offender licensed venues.

Businesses that have incurred strikes face a range of escalating penalties including licence suspensions, cancellations and disqualifications.

However, the attachment of strikes to a venue's licence has also had some undesirable consequences.

When venues are sold, new owners and operators have been unable to remove strikes incurred by the previous management, often causing unintended hardship for operators who are ready to comply with the liquor laws.

Banks have also refinanced loans on venues after they received just one strike, causing financial hardship for the owners and sometimes forcing the sale of their asset.

To resolve this issue, the Government is proposing that strikes be incurred by individual licensees rather than attaching to a venue's licence.

The Independent Liquor and Gaming Authority Board will determine strikes, with an appeal mechanism to the NSW Civil and Administrative Tribunal.

This will ensure venue operators can put their case to an independent decision-maker or review body.

## Further changes to liquor legislation

To help venues address the risks that led to a strike, licensees may be subject to remedial action such as the requirement to undergo relevant training.

Escalating penalties may also be imposed on venues in certain circumstances, including where multiple strikes are incurred at a venue by the same licensee. This will ensure that in appropriate circumstances penalties may apply to a consistently problematic venue even where a licensee has left that venue.

Licensees that can demonstrate they have complied with any remedial action and effectively manage the risks that led to a strike will be able to apply to the Authority for a review to have a strike lifted after six months.

Safeguards will be put in place to prevent the cycling through of licensees to avoid further sanctions.

### Minors Sanctions Scheme

The Minors Sanctions Scheme targets licensed venues that sell alcohol to under-18s with licence suspensions, cancellations and disqualifications.

Recognising the scheme can have severe financial penalties for venues and their staff, the Government is proposing that first offence sanctions be determined by the Independent Liquor and Gaming Authority Board. This is consistent with comparable schemes such as the three strikes disciplinary scheme.

Venues that have a first offence sanction will have an appeal mechanism to the NSW Civil and Administrative Tribunal.

As with the Three Strikes scheme, this change will allow arm's length decisions on sanctions for offending venues and independent review.

### Retention of annual liquor licence fee system

The Callinan review found that the system, which imposes annual licence fees to offset the costs of regulation, is an appropriate measure to encourage venues to comply with the law.

The review found the system may impact on business viability by raising licensing costs.

However, these higher costs are an intended consequence of the system and therefore consistent with its objectives.

The system will be retained.

### Provisional licence approval for low-risk venues

To make it easier for restaurants and cafés to do business, the Government will introduce a provisional approval system for these low-risk licence applications at venues where alcohol is sold with meals.

It will mean these businesses can begin liquor trading when they have lodged an application online.

To be eligible, liquor trading for the venue may only be sought between standard hours of 5am to midnight Monday to Saturday, and 10am to 10pm on Sunday.

Applicants must also have planning approval to use the premises as a restaurant or café, with the local council informed of the intention to operate as a licensed premises as part of a publicly exhibited application for that approval.

The police and the local council will be automatically notified of any new provisional licences through an online system.

Other advertising and submission requirements won't apply to these types of applications.

### Staff drinks

Venues will be allowed to have "staffies" drinks for a maximum of two hours after the cease of trading on any day of the week.

This will apply to staff and other people providing entertainment or other services on the premises immediately before cease of trading.

The initiative will enable workers to wind down and socialise with their colleagues in a relaxed environment at the end of their shifts.

Further information about key reforms to the NSW liquor laws can be found in the other related fact sheets detailed below:

- 1 – Overview of NSW Government reforms to liquor laws
- 2 – Lockout laws in Sydney CBD and Kings Cross
- 3 – Extension of takeaway alcohol sales
- 4 – Small bar liquor licence changes

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