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# Delivery Plan 2024 - 2026

Compliance, enforcement and assurance priorities for the liquor, gaming, wagering and registered club sectors

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# Our role and purpose

Liquor & Gaming NSW (L&GNSW) administers the regulatory framework for the liquor, gaming, wagering, casino and registered clubs sectors in NSW.

This includes undertaking compliance and enforcement activities, providing policy advice to government, licensing certain activities and delivering industry support and education activities.

As part of its role in regulating these sectors, L&GNSW undertakes audit, assurance, regulatory approval, and compliance and enforcement activities. The methods it uses to do this include probity checking, undertaking audits and inspections, investigating offences and taking enforcement action in response to breaches identified.

## The purpose of this plan

This *Delivery Plan* sets out the harms and risks for the liquor, gaming, wagering and registered club industries that we have identified as priority focus areas. There is a separate *Delivery Plan* for the casino sector available on [our website](#).

We use a variety of compliance, enforcement and assurance tools and programs to address the risks we have identified, including:

- **Monitor and test:** undertake inspections, audits, investigations or any combination of these, to monitor and test compliance with controls and legislation. Monitoring and testing programs will often include covert and overt deployments of inspectors. These programs are generally designed to identify potential points of risk or failure to prevent harm from occurring.
- **Review:** a review allows us to thoroughly consider an issue and determine whether further regulatory intervention is required to address it. We use reviews to further our understanding of a business's operations, and to help identify risks. Where a risk of harm or non-compliance is identified, we may take further action, including by engaging with the operator, by issuing statutory directions, or by investigating and taking enforcement action in relation to breaches.

- **Audit:** an audit allows us to proactively test controls and ensure they are being complied with, to confirm that controls are fit for purpose, and to ensure that obligations (including financial obligations, such as tax or duty payments) are being met.
- **Education:** a program or series of programs focused on providing regulatory education and advice only.
- **Campaign:** a campaign may incorporate any of the above activities, but also generally includes education (of licensees, operators or others) or other assistance and guidance to assist with meeting obligations.

If non-compliance is identified through any of these operations, we will consider the appropriate enforcement action to take (if any), in line with our *Compliance & Enforcement Policy*.

We also respond to emerging risks as they arise, including risks that become apparent during the activities we undertake. Where we identify an emerging risk, we will tailor an intervention (or program) to address that risk.



### Our vision

Vibrant, safe and responsible hospitality and racing sectors for NSW.



### Our mission

Enabling and supporting industry to minimise harm and develop responsibly in step with community expectations and aspirations.

## How we got here

This *Delivery Plan* builds upon the outcomes achieved and emerging risks identified during the 2021-2023 period.

The development of the plan has been informed by:

- listening to what the community has told us, through reports of non-compliance and other submissions
- the results of a stakeholder survey sent to members of the industries we regulate, peak bodies, our co-regulators and other interested parties
- observations made by our inspectors, auditors and investigators, and the results of previous audits and investigations
- an understanding of the changing landscape of our industries since the COVID-19 pandemic.

## Our strategic context

Our activities are also informed and guided by our broader strategic context, which includes the:

- NSW Government and Premier's priorities
- priorities of our portfolio Minister/s
- the Hospitality and Racing *Strategy 2025*
- our Regulatory Priorities, as published from time to time
- NSW Government's *24-hour Economy Strategy*
- our *Compliance & Enforcement Policy*.

In undertaking our compliance, enforcement and assurance activities, we work closely with the Independent Liquor & Gaming Authority and the Office of Responsible Gambling.

## By the numbers



10  
acts to regulate



19,000+  
liquor licenses in NSW



3,600+  
reports of non-compliance received annually



\$3.1 billion  
of revenue assured annually

# Our priorities



Ensuring safety at major or high-risk events, festivals, and precincts



Working with regional and vulnerable communities



Reducing the impact of alcohol in the community



Reducing gambling harm



Ensuring responsible governance, operator integrity and financial accountability



## Ensuring safety at major or high-risk events, festivals, and precincts

### Major or high-risk events and precincts

#### Targeted harms and risks to the community

- Alcohol-related violence and anti-social behaviour occurring at high-risk or major events.
- The creation of entertainment precincts potentially leading to an increase in alcohol-related violence, anti-social behaviour and disturbance due to greater concentration of patrons and extended trading hours.
- Other relaxation of regulatory controls leading to an increased risk of alcohol-related harm.

#### Program deliverables

- **Monitor and test:** Conduct inspections of high-risk or major events (including licensed premises during event periods) to monitor compliance with liquor laws and applicable licence conditions.
- **Monitor and test:** Monitor and review events and event operators associated with higher levels of alcohol-related violence, and consider whether regulatory intervention is required to institute stronger controls to reduce the risk of alcohol-related violence occurring.
- **Campaign:** Undertake an education campaign in entertainment precincts (both when established and ongoing) designed to support industry in maintaining strong responsible service of alcohol practices, and

to ensure that liquor laws and licence conditions relating to the prevention of intoxication and disturbance are adhered to.

- **Campaign:** Conduct educative engagements with licensees when regulatory controls have been (or will be) relaxed, followed by targeted covert inspections focused on testing compliance.

### Music festivals

#### Targeted harms and risks to the community

- Alcohol-related harm occurring at music festivals, including alcohol-related violence and the consumption of liquor by minors.
- Music festivals not being operated in accordance with approved controls, leading to a higher risk of alcohol-related harm occurring.

#### Program deliverables

- **Monitor and test:** Conduct inspections of music festivals to monitor compliance with liquor laws and applicable licence conditions, with a de-brief provided to operators following the inspections.







## Working with regional and vulnerable communities

### Targeted harms and risks to the community

- Increased risk of harm in regional communities due to lower levels of regulatory supervision when compared to the Greater Sydney area or licensees not being exposed to educational campaigns conducted in metropolitan areas.
- Higher incidences of alcohol-related or gambling harm in remote areas, culturally or linguistically diverse areas, or vulnerable communities due to reduced access to regulatory education and engagement with or supervision by the regulator.

### Program deliverables

- **Review:** Engage with industry, Liquor Accords, the community, peak bodies, partner regulators and indigenous organisations to gain a better understanding of the risks and harms present in regional and vulnerable communities.
- **Campaign:** Conduct educative engagements and covert inspections of all licensed premises types in major regional hubs, focused on compliance with liquor and gaming legislation and licence conditions, and present at regional Liquor Accord meetings. Take enforcement action in response to serious or deliberate non-compliance or exploitation of vulnerable communities.
- **Education:** Conduct an educative campaign focused on uplifting controls in venues servicing vulnerable communities, including promoting material in different languages to assist operators in culturally and linguistically diverse areas.





## Reducing the impact of alcohol in the community

### Alcohol-related harm

#### Targeted harms and risks to the community

- Intoxication leading to alcohol-related violence, anti-social behaviour, disturbance and community detriment, including as a result of promotions, products or practices encouraging excessive consumption.
- Higher rates of alcohol-related violence for reasons specific to a particular location, patron group, venue or venue group.

#### Program deliverables

- **Campaign:** Continue a targeted compliance program featuring proactive and reactive inspections and engagements with a focus on the responsible service of alcohol and measures to prevent violence, anti-social behaviour, disturbance due to patron behaviour and access to liquor by minors.
- **Monitor and test:** Undertake proactive monitoring of liquor promotions, event promotions and advertising that may promote the excessive or rapid consumption of alcohol, and take action to restrict high-risk promotions.

- **Campaign:** Active engagement with venues with higher rates of violent incidents, including regular engagements with venue owners and licensees and increased regulatory supervision in the form of overt and covert inspections and testing.
- **Campaign:** Increased educative engagements with industry and/or the community in locations with a rate of non-domestic alcohol-related violence significantly greater than the state average, followed by increased inspection activities and tailored interventions designed to address the cause of the issue.
- **Campaign:** Undertake a compliance campaign focused on responsible service of alcohol accreditation and training, including ensuring staff are accredited where required, testing staff knowledge of responsible service requirements, reviewing venue policies and procedures, and undertaking proactive audits of approved training providers where appropriate.







## Reducing the impact of alcohol in the community *continued*

### Access and service controls

#### Targeted harms and risks to the community

- Minors accessing liquor, including at packaged liquor outlets or through online delivery.
- Unlicensed operators, including unlicensed grocery stores, selling products with undisclosed alcohol content, or unlicensed gig economy providers operating outside the regulatory framework and increasing the risk of access and sale to minors or at-risk individuals.
- Venues ‘morphing’ their business model or otherwise trading contrary to their authorisation, leading to an increased risk of harm due to lack of appropriate controls.
- Significant use of gig economy drivers with gaps in delivery driver responsible service or alcohol training and competency leading to inappropriate deliveries to intoxicated, at-risk persons or to minors.
- A heightened risk of excessive online alcohol deliveries in the online or express alcohol delivery sector, excessive liquor consumption or supply to vulnerable persons, due to insufficient controls around self-exclusion, or at the point of sale or delivery.
- Novel products or practices, such as alcoholic products that have special appeal to minors, self-pour alcohol service or vending machines, being supplied or operated without appropriate safeguards leading to excessive or irresponsible consumption of alcohol and an increased risk of alcohol-related harm.

### Program deliverables

- **Campaign:** Engage with same day delivery providers to review training materials provided to delivery drivers and internal controls in place relating to refusing delivery, identification of intoxication or minors, and the prevention of excessive deliveries.
- **Campaign:** Undertake an educative campaign focused on identifying venues at risk of venue morphing or trading contrary to authority, and provide advice or consider the imposition of licence conditions to address the risk associated with the changed business model. Monitor venue compliance with primary purpose, and take enforcement action in response to deliberate non-compliance or high-risk business models.
- **Monitor and test:** Continue targeted compliance operations (including controlled operations) for same-day alcohol delivery services to ensure inappropriate supply or deliveries do not occur, including to persons who are demonstrating signs of intoxication and to minors, and to ensure there are appropriate controls at the point of delivery.
- **Monitor and test:** Continue covert testing of unlicensed operators, including gig economy providers, with strong enforcement action in response to unlicensed sales.
- **Monitor and test:** Undertake proactive monitoring of purchases from packaged liquor outlets and other bottle shops, particularly those that are at higher risk of being accessed by minors, and engage with licensees regarding controls to prevent sale of liquor to minors.
- **Monitor and test:** Review and assess operator platforms and apps, including the link between liquor licensees and third-party delivery providers, with a focus on age verification and compliance with self-exclusion requirements.



## Reducing gambling harm

### Electronic gaming machine harm-minimisation

#### Targeted harms and risks to the community

- An increase in gambling harm due to a failure by hotels and clubs to comply with gaming harm-minimisation measures, including operating gaming machines outside of authorised hours, publishing gaming machine advertising and the presence of external gaming-related signage.
- Promoting risky or problematic gambling behaviour by providing inducements, incentives or reward schemes encouraging patrons to gamble, or to gamble more intensely.
- Lack of staff training or capability leading to a failure to properly engage with patrons displaying signs of problem gambling or engaging in conduct that increases the risk of gambling harm.

#### Program deliverables

- **Campaign:** Continue a state-wide, zero-tolerance compliance monitoring campaign designed to test compliance with fundamental gaming harm-minimisation measures, coupled with industry communications and education.
- **Campaign:** Continue a state-wide, zero-tolerance compliance monitoring campaign focused on external gaming-related signage visible from outside the venue.
- **Campaign:** Undertake a compliance campaign designed to quantify the level of training and capability of gaming staff, to educate staff on harm minimisation measures including in keeping with gaming plans of management, and to improve industry and community understanding of pathways to monitor and report harmful or non-compliant behaviour.
- **Monitor and test:** Operational deployments to covertly monitor and test venue compliance with the restriction on the provision of free alcohol as an inducement to gamble.
- **Review:** Undertake a proactive review of published gambling advertising, member communications or venue newsletters, and the types of loyalty schemes available.





## Reducing gambling harm *continued*

### Wagering practices, including advertising and inducements

#### Targeted harms and risks to the community

- Increased likelihood of gambling harm occurring due to the publication of inducements encouraging persons to open betting accounts or bet more frequently, both online and on-course.
- Practices designed to retain customers or disincentivise account closures, such as the offer of free bets and the complication of account closure processes and marketing opt-outs, being applied in a way that exacerbates the risk of harm for vulnerable persons.
- Advertising of gambling brands or products in licensed venues leading to normalisation of betting behaviours, exposure of minors to gambling, and negative impacts to people experiencing or at risk of gambling harm.

### Program deliverables

- **Monitor and test:** Continue a proactive, zero-tolerance monitoring program across social media, websites, television and radio to identify unlawful inducements, and take strong enforcement action in response to non-compliant advertising.
- **Campaign:** Undertake a compliance campaign to educate wagering operators on the requirements and application of the National Consumer Protection Framework and associated measures (such as BetStop), followed by testing to ensure compliance with those requirements.
- **Campaign:** Continue to provide education and support to new wagering operators commencing operation in NSW, to ensure those operators are aware of the requirements in NSW and the need to implement appropriate safeguards and internal processes to ensure compliance.
- **Campaign:** Undertake a compliance campaign focusing on in-venue gambling advertising including providing education to licensees and managers around wagering advertising restrictions and testing compliance with venues' primary purpose and ensuring that inducements are not published in venues.
- **Monitor and test:** Implement a compliance program targeted at on-course wagering during major racing events, designed to test compliance with legislative requirements relating to inducements and harm reduction.
- **Monitor and test:** Continue proactive compliance monitoring and testing of online lottery providers operating in NSW without a licence, and use the results to inform enforcement action or legislative change.



## Reducing gambling harm *continued*

### Access to gambling and like products

#### Targeted harms and risks to the community

- Electronic gaming machines being operated outside of authorised hours, or contrary to a venue's primary purpose, leading to increased access to, and harm associated with, electronic gaming machines by the community, particularly during the more harmful late-night period.
- Insufficient or improperly applied processes or staff training relating to self-exclusions, allowing self-excluded patrons to enter venues, access or reactivate online wagering accounts, and to continue to gamble.
- Minors being exposed to or accessing electronic betting terminals, electronic gaming machines or other gambling or gambling-like products including keno and lotteries.
- Practices designed to entice customers or patrons to gamble, such as cold-calling, advertising and other marketing, being undertaken in a manner that targets or increases the risk of harm for vulnerable persons, including minors.

### Program deliverables

- **Monitor and test:** Conduct a proactive compliance program focused on venues operating gaming machines outside their authorised hours, with strong enforcement action to be taken in response to breaches identified.
- **Campaign:** Undertake a compliance campaign focused on improving controls and around preventing minors and vulnerable persons from accessing electronic betting terminals, electronic gaming machines or betting accounts, or otherwise being exposed to or groomed for gambling
- **Campaign:** Undertake a compliance campaign focused on self-exclusion, including components of industry education and communication and covert testing of compliance with self-exclusion requirements.
- **Monitor and test:** Undertake a proactive review of customer attraction, advertising, account closure and marketing practices, and conduct covert testing of these practices.
- **Review:** Undertake a review of affiliate advertising and marketing arrangements in the wagering industry, to determine whether the arrangements present a higher risk of gambling harm.







## Ensuring responsible governance, operator integrity and financial accountability

### Registered clubs governance

#### Targeted harms and risks to the community

- Poor club governance and a lack of understanding of (or compliance with) administrative obligations leading to decisions being made by club CEOs, secretaries and governing bodies that are not in the interests of the club and its members.
- Misappropriation or misuse of club resources, including club funds, leading to a detriment to members and the community.

#### Program deliverables

- **Campaign:** Undertake proactive educative engagements targeting small to medium sized clubs across NSW focusing on commonly experienced governance issues, followed by inspections and reviews to test industry understanding and compliance with club governance requirements.
- **Education:** Engage with ClubsNSW to highlight common points of failure or concern to inform its approach to educating its members and handling matters under the Clubs Accountability Code.
- **Review:** Undertake proactive reviews of conflict of interest registers and contracts entered into by clubs for major projects or supply agreements.
- **Review:** Undertake a proactive review of offers or inducements made to clubs by gaming machine manufacturers for the purchase of gaming machines.

### Ensuring operator integrity

#### Targeted harms and risks to the community

- Infiltration or influence on licensed operators by individuals, entities or contractors who are not suitable to be associated with the operators.
- Vulnerabilities in regulated systems, which may impact on the outcomes and integrity of lotteries.
- Lack of independence in the testing and accreditation of regulated systems and products.

#### Program deliverables

- **Review:** Conduct a review of lotteries and keno contracts and contractors to determine whether they require approval under the regulation of controlled contracts.
- **Review:** Conduct a review of the probity of key employees and contractors currently associated with lotteries and keno operators.
- **Review:** Conduct reviews of the probity of close associates and contractors seeking to be associated with lotteries and keno operators.
- **Review:** Conduct a review of how the lottery and keno operators ensure that their regulated systems and equipment remain free from tampering.



## Ensuring responsible governance, operator integrity and financial accountability *continued*

### Ensuring operators meet their financial obligations

#### Targeted harms and risks to the community

- Reduced taxation revenue collected by the State of NSW as a result of incorrect taxation calculation and payment by operators.
- Reduced funding flowing to the responsible gambling fund and the community development fund, meaning less support for people experiencing gambling harm.

### Program deliverables

- **Campaign:** Undertake proactive engagements and audits of the treatment of unclaimed winnings to ensure that venues comply with their obligations and that controls and procedures are in place.
- **Campaign:** Undertake proactive engagements relating to and audits of the treatment of accumulated jackpot prizes to ensure that venues comply with their obligations and that controls and procedures are in place.
- **Campaign:** Undertake proactive engagements relating to and audits of the treatment of customer funds held by NSW bookmakers to ensure that bookmakers comply with their obligations.
- **Audit:** Audit online betting service providers who accept bets from NSW customers to ensure that they are meeting their financial obligations relating to the NSW Point of Consumption Tax.
- **Campaign:** Undertake proactive engagements, reviews and audits of the ClubGRANTS annual returns lodged under the ClubGRANTS Tax Rebate Scheme.
- **Audit:** Undertake proactive audits of clubs to ensure they are meeting the requirements for disclosure of information to members.

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