



Department
of Industry

Liquor & Gaming

Regulatory Impact Statement

Liquor Regulation 2018

August 2018

Public Consultation

This RIS has been prepared to inform the consultation process for the making of the proposed Liquor Regulation 2018 (the 'proposed Regulation').

Before the proposed Regulation can be made, consultation with the public, relevant interest groups and industry and commerce sectors is essential, and must occur in line with the requirements under the *Subordinate Legislation Act 1989*.

Notice of the availability of a public consultation draft of the proposed Regulation, together with the RIS, has been provided to relevant Government agencies and stakeholder groups.

Notice has been published in The Sydney Morning Herald and The Daily Telegraph. Public comment has also been invited via Liquor & Gaming NSW's website and the NSW Government's 'Have Your Say' public consultation website. A Media Release entitled 'New trial supporting craft beer producers' also invited comment on aspects of the proposed Regulation.

Submissions

Submissions about the proposed Regulation can be made:

By email: Policy.Legislation@liquorandgaming.nsw.gov.au
By mail: 2018 Remake of the Liquor Regulation
Liquor & Gaming NSW
GPO Box 7060
SYDNEY NSW 2001

Closing date for submissions: **Tuesday 24 July 2018**

All submissions will be treated as public and may be published, unless the submission indicates that it is to be treated as confidential.

Requests for submissions to be treated as confidential must be accompanied by supporting reasons. They will be considered in light of Government principles and requirements relevant to the public release of, and access to, information, including those established by the *Government Information (Public Access) Act 2009*. Should such a request not be granted, appropriate opportunity will be provided for the submission to be withdrawn.

Update to the RIS - August 2018

This RIS was updated on 17 August 2018 to reflect the outcomes of public consultation. Updates have been made to page 2, and a new appendix (**Appendix 3**) has been added to detail the changes made to the final Liquor Regulation 2018 since the draft was released. This includes any changes made in response to stakeholder feedback. The Consultation Draft of the Liquor Regulation 2018 and related RIS were open for public submissions and comments for 26 days, from 29 June 2018 until 24 July 2018. 27 submissions were received from industry, health, government and community stakeholders, as well as members of the public. Liquor & Gaming NSW also met with a range of these stakeholders.

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1. Introduction

1.1 Title and proponents of the proposed Regulation

The proposed Regulation, a regulation due to be made under the *Liquor Act 2007* ('the Act'), has been developed by Liquor & Gaming NSW within the NSW Department of Industry. The Act and the Liquor Regulation 2008 (the 'current Regulation') are administered by the Minister for Racing, the Hon. Paul Toole MP. The Minister is proposing the remake of the current Regulation.

1.2 Why is the proposed Regulation being made?

Section 10 of the *Subordinate Legislation Act 1989* provides for subordinate legislation to sunset after a set period of time. In most cases, regulations are automatically repealed after five years (or for a longer period of time where this has been approved). The Liquor Regulation 2008 is currently due for automatic repeal on 1 September 2018.

When a regulation is due for repeal, the responsible agency must review the regulation, its social and economic impacts, and the need for the regulation, and decide whether it should lapse or be remade. The results of this review are typically required to be published in a Regulatory Impact Statement (RIS), with submissions invited from the public.

This RIS has been prepared to inform public consultation on a draft of the proposed Liquor Regulation 2018.

1.3 Status of the proposed Regulation

The proposed Regulation is a draft for the purpose of consultation. It has been released with this RIS so interested parties can review and provide any comments and suggestions. All submissions received will be considered and may result in amendments to the proposed Regulation. The proposed Regulation will be finalised and published on the NSW Legislation website to enable it to commence on 1 September 2018.

2. Legislative Background

2.1 *Liquor Act 2007 and regulations*

The primary legislation regulating the sale and supply of liquor and operation of the liquor industry in NSW is the *Liquor Act 2007*. The Act also regulates certain aspects of the use of premises on which liquor is sold and supplied. The Act and the current Regulation both commenced on 1 July 2008.

The major objectives of these liquor laws, as set out under the Act, are to:

- a) regulate and control the sale, supply and consumption of liquor in a way that is consistent with the expectations, needs and aspirations of the community,
- b) facilitate the balanced development, in the public interest, of the liquor industry, through a flexible and practical regulatory system with minimal formality and technicality, and
- c) contribute to the responsible development of related industries such as the live music, entertainment, tourism and hospitality industries.

In securing these objectives, the Act requires that persons who exercise functions under the Act (including licensees) have due regard to the need to:

- a) minimise harm associated with misuse and abuse of liquor (including harm arising from violence and other anti-social behaviour),
- b) encourage responsible attitudes and practices towards the promotion, sale, supply, service and consumption of liquor, and
- c) ensure that the sale, supply and consumption of liquor contributes to, and does not detract from, the amenity of community life.

The current Regulation provides the primary means for setting out the necessary legislative support and specific administrative detail to underpin the effective operation of the Act.

Various sections of the Act require or allow for the regulations to prescribe certain things, including standards and requirements for liquor licence applications and licensing, fees, Responsible Service of Alcohol (RSA) training and accreditation, harm minimisation measures, and other aspects relating to the management and control of licensed premises.

The Act also provides that the regulations may prescribe conditions for licensed premises in prescribed precincts, including the Kings Cross and Sydney CBD Entertainment precincts.

The Act and the current Regulation can be accessed from the NSW legislation website at <http://www.legislation.nsw.gov.au/>.

2.2 *Gaming and Liquor Administration Act 2007*

The Act and current Regulation are supported by the regulatory framework under the *Gaming and Liquor Administration Act 2007* (the GALA Act), which establishes the Independent Liquor & Gaming Authority (the Authority). It also specifies, among other things, the functions of the Authority (including functions that can be delegated to Public Service employees), and confers investigation and enforcement powers for the purposes of this legislation.

2.3 *Regulatory bodies*

Liquor & Gaming NSW sits within the Department of Industry. Under the NSW liquor laws, the Secretary of the Department also has a range of functions and powers, many of which are exercised by Liquor & Gaming NSW staff under delegation.

Liquor & Gaming NSW, as the industry regulator, has overall responsibility for administering the regulatory framework and supervision across liquor, gambling and registered clubs in NSW. Its vision is to support “a NSW where people enjoy vibrant and dynamic, as well as safe and responsible, liquor and gaming environments.”

In administering the liquor regulatory framework in NSW, Liquor & Gaming NSW provides policy advice to Government, undertakes certain liquor licence decision-making, and enforces liquor laws across the State.

Liquor & Gaming NSW also supports the Authority in determining contentious liquor licensing proposals. The Authority also reviews certain decisions made by Liquor & Gaming NSW under powers that have been delegated to it by the Authority, and conducts disciplinary proceedings where Liquor & Gaming NSW or the NSW Police Commissioner make a complaint alleging contraventions of liquor legislation.

3. Objectives of the Proposed Regulation

The overarching objective of the proposed Regulation is to help secure the policy objectives of the Act by providing the necessary legislative support and administrative detail to support the Act.

The specific objectives of the proposed Regulation are to:

- specify fees payable under the Act and supporting arrangements (including for a range of licence applications, Responsible Service of Alcohol (RSA) accreditation, and annual licensing fees to help cover related administrative costs and costs of regulating the industry),
- provide effective standards and requirements for applications for licences and authorisations under the Act. This includes specific obligations for notifying, advising and consulting the community in ways that facilitate responsible industry development; benefits the NSW community; and prioritises harm minimisation and public safety,
- support and enhance industry standards for the responsible sale, supply, service and promotion of liquor, by specifying requirements for the provision and conduct of RSA training and miscellaneous harm minimisation measures relating to the supply of liquor,
- designate the Kings Cross and Sydney CBD Entertainment precincts as “prescribed precincts” for the purposes of the Act, and apply special licence conditions in those areas targeted at reducing alcohol-related violence and harm and improving amenity,
- prescribe special events extended trading periods for hotels and registered clubs for major events considered to be of regional, State or national significance,
- convey a range of other requirements relating to licences and licensed premises, such as conditions for mandatory signage, to support the responsible management and control of licensed venues and other liquor outlets across NSW,
- specify offences under the Act and the proposed Regulation that may be dealt with by means of a penalty notice, and
- provide other miscellaneous provisions relating to the Act, such as exemptions and exceptions to certain provisions of the Act.

4. Assessment of Options to Achieve Objectives

4.1 Option 1 - Make the proposed Regulation

Licensed premises provide important social and economic benefits to communities across the State. To allow for these benefits, and to meet community expectations, a robust yet flexible liquor regulatory framework is essential. This ensures there are opportunities for industry to develop and grow in vibrant and diverse ways, while also prioritising the need to minimise harms that can arise from irresponsible practices and alcohol misuse, and to ensure public safety.

The proposed Regulation supports these outcomes. It provides a means to enable rigorous, risk-based regulatory approaches to liquor that can also be flexible and responsive to changes in community expectations.

A regulation provides the only viable means to enforce mandatory, uniform standards and requirements for a range of matters contemplated or required by the Act, consistent with the intention of the NSW Parliament. Without the proposed Regulation, or in the absence of specific legislation, there would be much more limited means to provide for a range of critical matters. This includes, but is not limited to:

- ensuring those that benefit from the licensed industry contribute to the cost of its regulation by paying annual licensing fees,
- obliging those working in the industry to undertake courses of training to enable them to serve alcohol responsibly and improve related standards, and
- ensuring venues adopt a range of harm minimisation and control measures that respond to the nature of their licensed activities and related risk posed to the community. Measures range from providing free drinking water and reporting key incidents on the premises through to lockout laws.

Without these types of mandatory standards and requirements, there would be much more limited means to hold poor or rogue operators to account, and ensure harm minimisation measures are funded and implemented to reduce risks to the community.

While the making of the proposed Regulation will result in the liquor industry continuing to incur compliance costs, these will be commensurate to ensuring appropriate oversight of the overall liquor regulatory framework.

An alternative approach could be to prescribe requirements imposed by the proposed Regulation in the Act. This would ensure that the regulator would continue to have appropriate regulatory levers to respond to behaviour in the liquor industry. However, this approach would require changes being progressed through Parliament, and would make it difficult for Government to respond quickly and appropriately to emerging issues, and respond to genuine concerns face by industry and the community.

The regulatory framework for the administration and oversight of the liquor industry through the Act and regulations is already in place. Many matters not dealt with through the proposed Regulation will continue to be managed administratively where that is possible, in support of government policy to minimise the number and complexity of regulations.

4.2 Option 2 – Allow the current Regulation to lapse

Failing to remake the Regulation in advance of its repeal on 1 September 2018 would impair the operation of the Act, and result in significant deregulation. In a deregulated environment, penalties for non-compliance would no longer exist as there would be no minimum compliance standards or requirements to meet.

The Act is written in a form that requires many of the matters necessary for its effective operation to be dealt with by regulation. The absence of a regulation to specify the related requirements would jeopardise the achievement of the policy objectives of the Act.

It would also mean that government, community and industry stakeholders would not have access to clear statutory rules about crucial matters relating to the responsible sale and supply of liquor and operation of licensed premises across NSW.

This option would significantly reduce measures in place to help minimise alcohol-related violence and other related harms across the NSW community. For example, it would be difficult to lift standards for RSA in the absence of a mandatory framework for RSA training. It would also remove certain special licence conditions from venues in the prescribed precincts found to be effective in reducing alcohol-related harm and improving public safety.

The ability of Government to be adaptable and flexible in minimising harm to the community could not be guaranteed without the proposed Regulation being made. It is likely that public confidence in the oversight and operation of the liquor regulatory regime would be undermined.

This option would also mean that there would no longer be a formal regulatory mechanism, as envisaged by the Act, to enable fees to be charged to help cover the costs associated with regulating the industry. The Act provides that annual licensing fees and application fees may only be prescribed by regulation. While this may have an immediate direct benefit for industry, the costs of operating in a significantly deregulated environment are likely much higher for the community.

4.3 Option 3 – Industry self-regulation or co-regulation

This option would place greater responsibility on the NSW liquor industry for the development and oversight of certain aspects of the regulatory framework for the sale and supply of liquor, and the operation of premises on which liquor is sold or supplied.

Self-regulation could rely on industry developing voluntary rules or codes of practice, with the industry solely responsible for compliance. Co-regulation could involve the industry developing and administering similar arrangements, with the government providing legislative backing to enable the arrangements to be enforced.

The costs of this option are high for the matters addressed by the proposed Regulation. The Act does not envisage, or provide for, self-regulatory or co-regulatory approaches as a primary regulatory means by which to achieve its objectives.

While greater self-regulation that achieves positive outcomes for the community should continue to be encouraged, including the work of local liquor accords, this should not occur at the expense of appropriate oversight of the liquor industry by the regulator. This approach encourages the voluntary adoption of measures that address local alcohol issues in local communities.

The broader adoption of self-regulation or co-regulation approaches, to address the matters contained in the proposed Regulation, would likely increase uncertainty about how standards and requirements would apply at a state-wide level.

It would also raise strong concerns in the community about whether there is an appropriate control over the sale and supply of liquor and the operation of licensed venues. It is unlikely any industry body or association would have proper incentive to regulate the liquor industry in the public interest. There is not a strong market mechanism to incentivise the liquor industry to develop and comply with rules or a code of practice that would firmly focus on minimising harms to the community, underpinned by a measured, evidence-based approach.

4.4 Option 4 – Address matters through administrative procedures

This option would address matters through administrative procedures rather than through the proposed Regulation. However, there are limits to the matters that can be dealt with administratively, as the Act requires that regulations be made in some circumstances.

Further, dealing with matters related to the licensing and operation of all NSW venues administratively would not provide the necessary legal certainty. Administrative requirements would not have the force of law, heightening the potential for any set standards to be

disregarded by some in the industry in favour of economic or other gains. There would be a significant risk that harms to the community from the sale or supply of liquor would grow and overall integrity of the liquor regulatory system would be undermined.

Administrative procedures could provide some greater flexibility to adapt to changes in circumstances as future administrative changes can be more readily approved and implemented than can regulatory changes. However, any benefits are likely to be greatly outweighed by decreased legal certainty and non-compliance.

4.5 Recommendation

The preferred option for supporting the objectives and provisions of the Act is to make the proposed Regulation (Option 1). It is considered that this is the only option that will provide a net social and economic benefit, based on the evaluation of the respective impacts on government, community and industry stakeholders and overall comparison of options below.

Option 1	Costs	Benefits	Overall Benefit
Option 1	Medium	High	Positive
Option 2	High	Low	Negative
Option 3	High	Low	Negative
Option 4	High	Low	Negative

5. Summary of significant changes

The proposed Regulation remakes the current Regulation with a number of minor and machinery reforms aimed at meeting the objectives detailed above. The format of the current Regulation has been changed to provide a more logical sequence and grouping of clauses. A summary of the significant proposed changes is set out below.

Fees

The proposed Regulation introduces a number of changes to the fee structure for the liquor industry, which seeks a more contemporary approach to fees. Key changes are:

- Introducing a 'fee unit' enabling the simplified annual updating of fees in line with CPI.
- Introducing a pro-rata licence fee scheme for new licences so that they make a fairer contribution to the costs of regulating the industry.
- Adjusted fees for large-scale commercial events to reflect risk and regulatory effort.

Proposed change	Reason for Change
<p>Fees – Adjustments to reflect inflation Including: Clauses 6, 7, 10, 11, 12, 13, 14, 16, 17, 34, 126, and Schedule 1.</p> <p>Fees across the board have been adjusted to reflect annual rises in inflation since the related fee provisions were introduced or last updated based on the Consumer Price Index (All Groups Index) for Sydney published by the Australian Statistician.</p>	<p>The proposed changes reflect the principle that fees should reflect wider price increases in the economy so that the industry is charged the real cost of processing application and the provision of related services.</p> <p>In some instances, the pricing of each fee has remained unchanged since the year it was introduced to the Regulation.</p> <p>Annual Liquor Licence fees, with the exception of the base fees, have not been updated since the scheme took effect in 2015.</p>
<p>Schedule 1 – Adjustment of fees for inflation (new provisions)</p> <p>A new approach will be introduced to enable fees prescribed in the regulations to be automatically adjusted each year for inflation, in line with the Consumer Price Index (All Groups Index) for Sydney, published by the Australian Statistician.</p> <p>Fees are now expressed in fee units instead of dollar amounts. This concept is similar to the penalty units system used in NSW to describe the amount payable for a fine. For example, the fee unit for a hotel licence application is 27.54. As the fee unit for the 2017-18 financial year is set at \$100, this fee is \$2,754 (27.54 x \$100).</p> <p>Fees will be adjusted annually before 15 March each year from 2020-21 onwards, reflecting that the first full year in which CPI growth will occur is the 2019-20 year.</p>	<p>These proposed changes will make it easier to adjust liquor fees annually to reflect inflation. They ensure there is a framework in place for updating fees annually by CPI and transparently informing industry of the changes each year.</p>
<p>Clause 9 – Pro-rata periodic licence fees for new licences (clause 5B of current Regulation)</p> <p>From 16 March 2019, new licences that come into force after the assessment date of 15 March in any year will be charged a reduced “pro-rata” periodic licence fee based on the date of grant. The fee will comprise the relevant base fee for the</p>	<p>This change promotes greater consistency with the intent of the Annual Liquor Licence Fee (ALLF) system to ensure each licensee makes a fair and reasonable contribution to the costs of regulating the industry based on the nature and risk of their licensed operations.</p> <p>It means new licensees make a proportionate</p>

Proposed change	Reason for Change
<p>licence with reductions as follows:</p> <ul style="list-style-type: none"> • Grant on or after 16 March but not later than 15 June - 25% reduction on total fee • Grant on or after 16 June but not later than 15 September - 50% reduction on total fee • Grant on or after 16 September but not later than 15 December - 75% reduction on total fee • On or after 16 December but not later than 15 March - no fee payable in initial assessment year. 	<p>contribution in their first year of operation.</p>
<p>Clause 34 – Large-scale commercial event applications (new provision)</p> <p>Single Function – Trade Fairs and Special Events</p> <p>If a special event, trade fair, or function is anticipated to be open to the general public (including ticketed and non-ticketed events) and attended by 2000 or more patrons on any day, the related application must be made to the Authority not less than 28 days before the first day on which it is to be held and the following processing fees will apply:</p> <ul style="list-style-type: none"> • Limited licence – Special Event - \$650, • Limited licence – Trade Fair - \$650, • Hotel function on other premises - \$450. <p>The Authority may still accept overdue applications in exceptional circumstances, if satisfied there is sufficient time to properly consider the merits of the application. The Authority may impose an additional fee of \$110 for late lodgement.</p>	<p>Current fee and application lodgement arrangements for commercial public events in NSW are out of step with other Australian jurisdictions, and do not reflect the degree of regulatory effort involved in processing and assessing related applications and monitoring, engagement and supervisory effort targeted at the events.</p> <p>These changes will ensure events run by for-profit entities cover a fair share of the costs of regulating the events. The changes will also mean there are longer lead times for regulators to assess and plan resourcing for commercial public events attracting large numbers that involve higher risks to the community. It will also allow sufficient time for regulators to determine any Licensee training requirements for the operators of these events.</p>

Responsible service of alcohol training

The proposed Regulation makes significant changes to the responsible service of alcohol (RSA) training framework.

Sections 58 and 99 of the Act enable regulations to be made with respect to the responsible service of alcohol training. Part 5 of the Regulation prescribes the RSA training framework and requirements. The regulation has been updated to provide for a new tiered industry training framework for the liquor industry, including new licensee RSA and advanced RSA licensee training requirements for certain licence types. The part prescribes the training requirements for staff members, RSA marshals, bouncers, security guards, managers (including club secretaries) and licensees.

Key changes are detailed in the table below.

Proposed change	Reason for Change
<p>Clause 58 – Definitions (clause 39 of current Regulation)</p> <p>Clause 58 introduces a number of definitions (and amended definitions) to support the rollout of the tiered industry training framework. Other definitions have been removed from this clause as they are included elsewhere in the Regulation.</p>	<p>The proposed changes to definitions are aimed at underpinning changes to the framework that will support the introduction of new tiered industry training requirements later in 2018.</p> <p>The arrangements will impose new training requirements on licensees and approved managers of tier 1 and tier 2 licensed premises to undertake certain courses of training targeted at licensees, and lifting related standards in respect to the management of licensed premises to promote RSA.</p> <p>Tier 1 includes hotels, packaged liquor, club, small bars and on-premises licences.</p> <p>Tier 2 relates to these licences where they trade after midnight or otherwise have extended late-night trading hours.</p>
<p>Clause 59 – RSA requirements to sell liquor by retail on licensed premises (Clauses 40, 41 and 43 of current Regulation)</p> <p>The three clauses have been merged and set out the type of RSA training a person is required to have depending on their role (e.g. staff members, promotional staff, licensees of non-tier 1 and 2 licensed premises and licensees of tier 1 or tier 2 licensed premises).</p> <p>The clause sets out the penalties that apply for not having completed the relevant RSA training course.</p>	<p>The change assists in the implementation of tiered industry training through clarifying which levels of tiered industry training are applicable in each of the circumstances and the penalties for not having completed the required training.</p>
<p>Clause 60 – RSA requirements for crowd controllers and bouncers (Clause 42 of current Regulation)</p> <p>The clause is amended to set out the type of RSA training a crowd controller or bouncer, or the licensee of a non-tier 1 or tier 2 licence (or a tier 1 or tier 2 licence) employing them, has to have completed.</p>	<p>The proposed change supports the introduction of tiered industry training by requiring that crowd controllers or bouncers have to have completed industry RSA training.</p> <p>Licensees must complete RSA training as follows:</p> <ul style="list-style-type: none"> • Licensees of non-tier 1/ 2 licences who employ crowd controllers or bouncers have to complete the same industry RSA training. • Licensees of tier 1 licences who employ crowd controllers or bouncers have to complete licensee RSA training. • Licensees of tier 2 licences have to complete advanced licensee RSA training.

Proposed change	Reason for Change
<p>Clause 61 – RSA requirements for RSA marshals (Clauses 42A and 42B of current Regulation)</p> <p>The requirement for RSA marshals to have completed industry RSA training now applies state-wide, instead of only in the prescribed precincts (Kings Cross and Sydney CBD entertainment precincts). This means any person acting in a capacity as an RSA marshal outside of the precincts must also have successfully completed the industry RSA training course.</p> <p>The clause is amended to set out the type of training requirements that those who employ RSA marshals have to have completed.</p> <p>Licensees must complete RSA training as follows:</p> <ul style="list-style-type: none"> • Licensees of non-tier 1/ 2 licences who employ RSA marshals, have to complete the industry RSA training course. • Licensees of Tier 1 licences who employ RSA marshals have to complete licensee RSA training. • Licensees of tier 2 licences have to complete advanced licensee RSA training. 	<p>Requiring all RSA marshals to complete industry RSA training, will improve RSA standards, compliance with the liquor laws and help ensure alcohol is served responsibly.</p> <p>Other changes support the introduction of tiered industry training by clarifying training requirements.</p>
<p>62 – RSA training to become licensee or manager of tier 1 licensed premises or tier 2 licensed premises (new provision)</p> <ul style="list-style-type: none"> • Requires licensees and approved managers of tier 1 licensed premises to have completed a licensee RSA training course before an application for such a licence is: <ul style="list-style-type: none"> ○ Granted (new licence) ○ Removed (within the meaning of the Act) ○ Transferred ○ New manager approved • Requires licensees and approved managers of tier 2 licensed premises to have completed an advanced licensee RSA training course before an application for such a licence is: <ul style="list-style-type: none"> ○ Granted (new licence) ○ Removed (within the meaning of the Act) ○ Transferred ○ New manager approved 	<p>The clause requires that licensees and approved managers (including applications to transfer a licence and new manager approvals) of tier 1 and tier 2 licensed premises will need to undertake certain courses of training targeted at licensees. This will lift related standards in respect to the management of licensed premises to promote RSA.</p>

Proposed change	Reason for Change
<p>63 – RSA requirements for grant of limited licences for large-scale commercial events (new provision)</p> <p>The clause requires that an applicant for a limited licence for a trade fair or a special event, where the expected attendance each day at the event is 2,000 or more persons, is required to have undertaken licensee RSA training.</p> <p>Where the applicant seeks to trade after midnight, the applicant is also required to have completed advanced licensee RSA training.</p> <p>The Authority may exempt an applicant from having to undertake the training if the Authority considers that completion of the course (or courses) is unnecessary to reduce the risks of alcohol-related violence or anti-social behaviour at the event.</p>	<p>It is recognised that large scale events are more likely to experience higher risks of alcohol-related violence or anti-social behaviour than smaller events.</p> <p>The amendments will require licensees that are running these events, to have completed relevant training to help them manage these risks.</p>
<p>64 – Secretary may require applicant for any licence to hold recognised competency card with licensee RSA endorsement or advanced licensee RSA endorsement (new provision)</p> <p>The clause provides the Secretary with a general discretion to require any applicant (or class of applicants) for a licence that is not a tier 1/ 2 premises to undertake licensee RSA training or advanced licensee RSA training. The Secretary must be of the opinion that the training will be effective in reducing the risk of alcohol-related violence or anti-social behaviour on or about the licensed premises.</p>	<p>The clause provides the Secretary with a power to require any applicant (or class of applicants) that is not mandated as a licensee of a tier 1 or tier 2 licensed premises to undertake relevant training. To require the training, the Secretary must consider that the training will reduce the risk of alcohol-related violence or anti-social behaviour at the premises.</p> <p>This will enable the Secretary to consider on a case by case basis whether a particular licensee (or class of licensees) should undertake training.</p>
<p>65 – Secretary may require licensee or manager of any licensed premises to hold recognised competency card with licensee RSA endorsement or advanced licensee RSA endorsement (new provision)</p> <p>The clause provides the Secretary with a general discretion to require any licensee (or approved manager) of a licensed premises, who is not a licensee of a tier 1 or tier 2 licensed premises to undertake licensee RSA training if the Secretary is of the opinion that the training will be effective in reducing the risk of alcohol-related violence or anti-social behaviour on or about the licensed premises.</p> <p>The clause provides the Secretary with a discretion to require licensees or managers of licensed premises to complete advanced licensee training if:</p> <ul style="list-style-type: none"> • The licensed premises trade after midnight on a regular basis. • The licensed premises are a Level 1 declared premises under Schedule 4 of the Liquor Act. • The licensed premises have had the licence suspended or cancelled under the minor’s sanctions scheme. 	<p>The clause provides the Secretary with a power to require any existing licensees or managers that are not mandated as a tier 1 or tier 2 licensee-holder to undertake relevant training if the Secretary consider the training will reduce the risk of alcohol-related violence or anti-social behaviour at the premises.</p> <p>This will enable the Secretary to consider on a case by case basis whether a particular existing licensee or manager should complete licensee RSA training or advanced licensee RSA training when they trade after midnight on a regular basis or when the venue is subject to a sanction.</p>

Proposed change	Reason for Change
<p>Clause 67 – Interim certificates;</p> <p>Clause 68 – Issue of recognised competency card with endorsements;</p> <p>Clause 69 – Expiry of recognised competency card endorsements; and</p> <p>Clause 70 – Renewal of recognised competency card endorsements.</p> <p>(Clauses 39A and 39C of current Regulation)</p> <p>Clauses 39A and 39C in the current Regulation have been merged in the proposed Regulation</p> <p>The new clauses outline how interim certificates and recognised competency cards are issued and their expiry and renewal.</p> <p>The clauses outline how competency cards are issued, the types of endorsements a person may have on their competency card, depending on the course they have undertaken and the issuing, expiry and renewal of recognised competency card endorsements.</p>	<p>The change assists in the implementation of tiered industry training by recognising that RSA training now comprises three tiers and that differing expiration dates apply to each competency.</p> <p>The three training tiers are:</p> <ul style="list-style-type: none"> • Industry RSA endorsement, • Licensee RSA endorsement, and • Advanced Licensee RSA endorsement.

Authorisations and processes

Proposed change	Reason for Change
<p>Clause 33 – Inner West micro-brewery applications (new provision)</p> <p>Enables micro-breweries with a producer/wholesaler licence to apply for a drink-on premises authorisation under section 50 of the Act with special conditions attached requiring that:</p> <ul style="list-style-type: none"> • In the case of a beer and/or cider producer, that any beer or cider sold for consumption on the premises must be the licensee’s product (as defined under s. 33(3) of the Act) • In the case of a spirits and/or liqueur producer, any spirit or liqueur sold for consumption on the premises must be the licensee’s product (as defined under s. 33(3) of the Liquor Act) • No spirits or liqueurs are to be sold under the authorisation unless they are the licensee’s product. <p>This special authorisation is subject to the condition that liquor may only be sold or supplied for consumption on the licensed premises under the authorisation if:</p> <ul style="list-style-type: none"> • the number of patrons on the premises does not exceed 100; • food of a nature and quantity consistent with the responsible sale, supply and service of alcohol is made available whenever liquor is 	<p>To support a 12 month trial in the Inner West LGA of a drink on-premises authorisation with special conditions tailored for lower risk micro-breweries. Subject to successful outcomes, this could be expanded across the State and made available to other micro-breweries.</p> <p>The trial intends to address a key issue of some micro-breweries relying on the definition of “tastings” under section 4 of the Act when operating their premises.</p> <p>This trial will only operate in the Inner West Local Government Area.</p>

Proposed change	Reason for Change
<p>sold or supplied under the authorisation; and</p> <ul style="list-style-type: none"> it is within standard trading hours. <p>For 12 months, no application fee will apply for applications under this clause.</p>	
<p>Clause 38 – Incident registers (clause 27 of current Regulation)</p> <p>A new requirement, for the purposes of section 56(2)(d) of the Act, is introduced requiring that any incident involving a substance being found on the premises that is reasonably believed to be a prohibited or controlled drug is to be recorded in the incident register.</p>	<p>The proposed change responds to an issue identified through evaluation of incident register requirements, and is intended to assist in management and control of licensed premises and policing of illicit substances on late-trading licensed premises.</p>
<p>Clause 42 – Authorisation to trade on premises other than licensed premises (clause 20 of current Regulation)</p> <p>The Secretary of the Department of Industry has been added to the list of entities which must be notified of any proposal to provide catering services under the authorisation.</p> <p>New “tiered arrangements” for notification to the police, local council, and Secretary have also been introduced based on levels of risk as follows:</p> <ul style="list-style-type: none"> No notification is required for non-ticketed functions that are not open to the public and that are to be attended by 100 persons or less. 28 days notification is required for ticketed or non-ticketed functions that are open to the general public and that are anticipated to be attended by 2000 or more patrons on any day. <p>Otherwise, a standard 14 day notification period still applies.</p>	<p>By requiring applicants to notify the Secretary whenever the catering authorisation is to be exercised, Liquor & Gaming NSW will be better positioned to make risk assessments and monitor the compliance of licensed caterers where they exercise the authorisation.</p> <p>Red tape is reduced for lower-risk private functions of 100 or fewer people. This will provide more flexibility to caterers to provide their services at short notice to these types of functions, which can often occur in the lead up to and festive occasions such as Christmas.</p> <p>A longer notice period for major functions serviced by licensed caterers will ensure regulators have sufficient time to prepare for and plan for large-scale events. It will also allow time to consider whether or not specific conditions should be imposed on the use of the caterer’s licence in the circumstances.</p>
<p>Clause 90 – “Round the clock” incident register (Clause 53L of current Regulation)</p> <p>The requirement to maintain a round the clock register will now only apply to high risk venues within the meaning of s. 116B of the Act.</p> <p>A new requirement is introduced so that any incident involving a substance being found on the premises that is reasonably believed to be a prohibited or controlled drug must be recorded in the round the clock incident register.</p>	<p>The proposed changes responds to issues identified through an evaluation of the “Round the clock” incident register requirements.</p> <p>The proposed change to the application of the round the clock requirement is intended to reduce red tape on lower risk premises in the prescribed precincts.</p> <p>The proposed change relating to recording of incidents relating to prohibited or controlled drugs is intended to assist in the management and control of licensed premises and policing of illicit substances on high risk licensed premises.</p>

Proposed change	Reason for Change
<p>Clause 130 – Conversion of existing licences to small bar licences (Clause 70D of the current Regulation)</p> <p>Will re-open the free conversion process for a further 12 months, so existing general bar licences or on-premises licences can be converted to small bar licences at no cost where certain criteria are met.</p>	<p>Continues support for those who wish to convert to a lower risk small bar licence with a cap of 100 patrons, to take advantage of lower ongoing fees and (in some cases) more flexible trading hours.</p>

Community consultation

As part of the ongoing evaluation of the community impact statement (CIS) requirements under the Regulation, Liquor & Gaming NSW has received stakeholder feedback that a simplified and streamlined process may be more effective in capturing community viewpoints.

In particular, feedback indicates that the two-stage CIS process, in which consultation occurs both prior to and after an application is made is complex and inefficient. To improve the process it is proposed to strengthen notification of impacted stakeholders so that the Authority may consider a fuller and wider spectrum of viewpoints at a single public submissions stage.

Liquor & Gaming NSW invites feedback on the proposed approach, which will be complemented by amendments to increase the radial distance within which residents and surrounding businesses must be consulted. In addition Liquor & Gaming NSW intends to provide greater community education and promotion of the stakeholder consultation process to improve awareness, thereby enhancing stakeholder contributions to liquor licensing outcomes.

Proposed change	Reason for Change
<p>Clause 118 – Exemption relating to community impact statement (CIS) (new provision)</p> <p>The proposed regulation will exempt persons making an application within the meaning of section 48 of the Act from the requirement that the application is accompanied by a community impact statement.</p> <p>An application under this provision must still comply with the requirements of Division 1, Part 3 of the proposed Regulation.</p> <p>The effect of this is that the proposed Regulation will enhance advertising and consultation requirements that apply to applications, but will no longer require a CIS to be completed, in most instances, prior to making a relevant application.</p> <p>This provision will exempt applications from the operation of section 48(3) of the Act, and is made pursuant to the regulation making power under section 159(4) of the Act.</p>	<p>The CIS evaluation found that the existing two stage consultation phase is confusing and costly for many community stakeholders and applicants, many of whom are consulted twice in a matter of weeks on the same application. In practice, feedback from stakeholders is overwhelmingly received directly by decision-makers in the second 30 day period.</p> <p>To simplify the process for community stakeholders and applicants alike, it is proposed that community consultation occurs in a targeted way at the point the application is lodged. Community stakeholders will have 30 days to make their submission, and will also be provided with additional support to assist them in contributing effectively and meaningfully to that process.</p> <p>Separate to the Regulation, improved guidance to industry and community will lead to better information supplied to decision makers when considering community impacts.</p>
<p>Clause 20(1) – Definitions: Notification radius for advertising requirements (Clause 6 of current Regulation)</p> <p>The notification radius for neighbouring premises has been expanded from 100 metres to 200</p>	<p>The proposed changes apply more rigorous notification requirements to higher and medium impact applications.</p> <p>Applications that currently require a Category A CIS will now be subject to notification of</p>

Proposed change	Reason for Change
<p>metres.</p> <p>The requirement for notice to be provided has been extended to include applications that were formerly subject to a Category B CIS to also include applications formerly subject to a Category A CIS.</p> <p>The Authority may determine a shorter or longer distance, on a case-by-case basis, where it considers there are special circumstances that warrant a different notification radius.</p> <p>Where an application relates to a premises that is in a larger complex, such as a shopping centre, the notification radius will apply from the boundary of that larger complex</p> <p>Applications for hotel, club, packaged-liquor licence in relation to an application for a change of boundaries, if the premises operate outside of standard trading hours as determined by section 12 of the Liquor Act 2007 are now subject to the expanded notification requirement.</p>	<p>neighbouring premises requirements. This will ensure that stakeholders in the local area will be notified of the application and alerted to the opportunity to make a submission to the Authority.</p> <p>Expansion of the notification radius to 200 metres, and changes to premises within larger complexes will improve visibility of local liquor applications impacting the local community.</p> <p>Discretion to alter the notification radius will enable the Authority to better align stakeholder feedback based on the degree of impact of a given application.</p>
<p>Clause 22 – Other persons to be notified of application (Clause 8 of current Regulation)</p> <p>An applicant is required to notify the neighbouring premises within 200 metres, and any other body organisation as directed by the Authority.</p> <p>Notification is also to be provided to:</p> <ul style="list-style-type: none"> • the local consent authority, • if the premises to which the relevant application relates are, or will be, situated within 500 metres of the boundary of another local government area—the local consent authority for that other area, • if the premises to which the application relates are, or will be, situated on Crown land within the meaning of the Crown Lands Act 1989—the Minister administering that Act, • local police, • Department of Health, • Department of Family & Community Services, • Roads and Maritime Services, • Gambling Help Services in the local government area (LGA), where an application relates to permanently extended trading hours by hotels and clubs that operate gaming machines, • Organisations or bodies related to domestic violence support services in the local government area to which the application relates. • The nearest aboriginal medical services to the local government area to which the application relates. 	<p>The proposed Regulation would exempt applications from having to be accompanied by a CIS.</p> <p>In its place, it is proposed that applications for licences and authorisations will have to undergo additional consultation by requiring applicants to notify relevant persons that an application is being made.</p> <p>This change is intended to support the enhanced community consultation that will occur after an application has been made that will allow the bodies listed in clause 22 of the proposed Regulation to make a submission on the application to the Authority.</p>

Proposed change	Reason for Change
<p>Clause 27 – Submissions in relation to applications (Clause 12 of current Regulation)</p> <p>A discretionary power to the Authority to refuse an application where it believes notification requirements have not been adequately met-</p>	<p>With the removal of CIS requirements from the Regulation, enabling the Authority the discretion to refuse an application will provide a significant control to ensure that the expanded notification requirements are met by applicants.</p>

6. Impact Assessment of the Proposed Regulation

This section of the Regulatory Impact Statement (RIS):

- Discusses the provisions of the proposed Regulation;
- Weighs up the costs and benefits of the significant proposed changes to the current Regulation on the liquor industry, government and the general community.

The proposed Regulation is broken up into Parts and Schedules. Each of the Parts and Schedules will be analysed separately below.

Where a provision in the proposed Regulation replicates a provision in the current Regulation, this provision is not considered in ‘proposed amendments’.

Part 2 – Fees

Overview of provisions

This Division provides for the prescription of fees payable under the Act, in Schedule 1 of the Regulation, including fees for licences, transfers, removals and extended trading. The grounds for a refund, and a discount for completing online applications, are also provided.

Proposed Amendments

These clauses are carried forward from the current Regulation. However, amendments have been made to convert the fees from a fixed dollar amount to fee units. This will enable yearly adjustments for CPI increases to be made.

The proposed Regulation introduces pro-rata periodic licence fee requirements for new licences. In the new provisions the annual fees for a new licence will be calculated based on the three-monthly periods following the annual assessment date. Previously, no fees were payable until the following assessment year if a licence was granted after 15 March. This resulted in significant periods of time in which licensees were able to liquor trade without contributing to the regulatory costs.

Assessment of costs and benefits of proposed amendments

Division 1 of Part 2 establishes that fees to be paid by applicants when lodging certain liquor applications to the Authority, will be specified in a schedule of fees annexed to the regulation. The imposition of application fees supports cost recovery by the Government for the ongoing work required to process the applications and maintain the liquor licensing regime. It significantly benefits the community and the Government, as these costs would otherwise need to be met through general taxation revenue.

Applicants can benefit from a ten per cent reduction in the processing fee for certain licence applications if they are lodged online in accordance with clause 4 of the proposed Regulation.

Converting the fee amounts from dollars to units provides for annual fee adjustments in line with CPI increases. The increased cost to industry is commensurate with the increased cost of processing the applications, a cost which Government would have to fund if it did not impose a cost-recovery fee model.

Annual adjustments to fees will ensure that the costs of liquor licences and related authorisations are more accurately representative of the costs to NSW of regulating the

liquor industry, and that industry makes a fair and reasonable contribution to this ongoing cost of regulation.

Part 3 – Applications

Overview of provisions

The Division ensures that the sale, supply and consumption of liquor does not detract from the amenity of community life, and that regulation and control of liquor is consistent with the expectations, needs and aspirations of the community. Sufficient notice is to be provided so that the community may comment on liquor-related applications.

Division 2, Part 3 provides the process for making submissions in relation to a licence application, for requesting a reason for a decision by the Authority, and for the referral and advertising requirements for applications.

Division 3, Part 3 in the main these provisions recognise different risk profiles associated with different applications, and aim to reduce regulatory cost and burden on low risk licence types whilst providing the ability to refuse to consider, or impose additional late processing fees, on higher risk applications categorised as large scale commercial event applications.

Proposed Amendments

Clause 20 increases the notification radius for advertising requirements from 100 meters to 200 meters. This will better allow residents and business who may be impacted by a licence application to have their say. The Authority will also have the discretion to alter this distance if it sees fits so that additional community viewpoints can be considered.

Clause 22 expands on the persons to be notified of an application to include local government area organisations that provide Aboriginal medical, domestic violence support and gambling help services.

Clause 23 will require notices are to be affixed near every public entrance of the premises. This will ensure that members of the public who access the premises by an entrance other than the main entrance will be alerted to the application. Former Clause 11A relates to temporary exemptions to the CIS requirement which have expired and is now redundant.

Clause 27 reduces the time for submissions to be made in relation to a restaurant licence that does not require a CIS to 14 days.

Clause 33 provides for a new restrictive ‘micro-brewery’ drink on-premises authorisation, which would be first trialled in the Inner West LGA for 12 months with no application fee to help assess whether it is suitable for state-wide rollout. Existing micro-breweries without a drink on-premises authorisation would be able to apply for this special authorisation where they do not have a standard drink on-premises authorisation in place, and are relying on the Act definition of tastings to run substantial on-site ‘bar-like’ operations. The authorisation will also be available for newly establishing micro-brewers.

The authorisation comes with a set of conditions aimed at ensuring at the operation of the micro-brewery remains consistent with a lower risk profile and satisfies liquor and council planning requirements.

Clause 34 has been inserted to address large-scale commercial event applications. It introduces a 28 day notice period and a late application fee for large events expected to be attended by 2,000 or more people on any day. This provision applies to events carried out under a limited licences for a trade fair or special event, and for a function on other premises authorisation for a hotel, where that function a ticketed function or a function that is open to the public.

The reference to commercial events recognises the government intent not to subject fundraising and not-for-profit events to the same requirements.

Assessment of costs and benefits of proposed amendments

The amendments to the process of community consultation on liquor licensing applications will make it simpler and more effective in capturing community viewpoints. While the changes retain the core purpose of the existing Community Impact Statement (to inform

decision-makers on community views), they help to reduce the complexity of current arrangements by moving the community consultation process from before to after an application is lodged with the Authority.

This change allows the community to have greater confidence that decision-makers will be aware of their feedback, and will be able to properly consider any concerns that they have regarding the risks associated with a proposed licence or authorisation. Removing the pre-application “first stage” will also reduce complexity and costs associated with the consultation process (clause 118 of the proposed Regulation), while still providing applicants with the opportunity to seek informal feedback from stakeholders prior to submitting an application.

At the same time, the changes ensure there is better targeting of relevant stakeholders (such as domestic violence organisations in the local community) and better information provided on how the application process operates. This will promote greater transparency and certainty for both the community and industry in terms of how decision-makers will assess community impacts.

As a safeguard, the Authority will have the discretion to refuse an application if it is not satisfied that the extended notification requirements have been met, and may still direct applicants to notify particular stakeholders if it sees fit.

Clause 22 imposes minor costs on applicants and the liquor industry. However, stakeholders are better positioned to make submissions to the Authority on the potential impact of an application on the local community. In turn, the Authority will be better aware of key information that may influence its decision in relation to an application and whether its grant is in the community’s best interest. The removal of former Clause 11A is mechanical and imposes no particular costs or benefits.

Reducing the time for submissions under clause 27 is not expected to hamper the community input into the process, but it will significantly reduce regulatory burden on the business. The reduction in waiting times for authorisation will improve the businesses ability to compete in the volatile entertainment and hospitality industry.

The Micro-brewery drink on-premises authorisation under clause 33 has been developed in consultation Inner West Council and the Inner West Brewery Association. The authorisation will assist micro-breweries by making it more straightforward to start up and operate, while removing doubt for those micro-breweries that have relied on the definition of tastings contained in the Liquor Act. The proposal supports a key NSW Government priority to make it easier to conduct business in NSW, while ensuring that appropriate safeguards are in place to facilitate the responsible and safe service of liquor.

The new clause 34 is intended to address the disparity between NSW and other major Australian jurisdictions, which have licensing approaches that recognise large-scale, public events require greater regulatory effort. These jurisdictions, accordingly, charge applicants higher fees for assessing and determining applications for these events. They also require longer periods for submission of the applications, providing extra time for assessment and related planning for these events.

It is contended that ‘2,000 attendees on any single day’ is an adequate marker for a large event, and is the point at which risk can significantly escalate. The 2,000 figure provides sufficient flexibility for smaller events to be conducted without incurring additional costs and administrative burden, while better recognising risks that other jurisdictions with a 5,000 attendee count overlook. A table of approaches to large-scale events in other major Australian Jurisdictions is supplied for your reference in Appendix 1.

The longer notice period of 28 days will place some additional administrative burden on applicants. However, this will be offset by the greater benefit to the community stemming from an improved ability for L&NSW, Police and local councils to assess risk and deploy mitigation strategies.

An increase in the application fee is proportionate, based on cost recovery principles, and better recognises that it is appropriate that for-profit events should bear a truer reflection of the regulatory costs associated with them.

Part 4 – Licences and licensed premises

Overview of provisions

Division 1, Part 4 establishes restrictions and exemptions for different licence types based on the potential risk of harm. The restrictions include maximum patron numbers for small bars, exemptions for cinemas and theatres from restrictions relating to minors and a prohibition on gambling in general bars and small bars. In addition, this division imposes general requirements about incident reporting, licence closure periods and the availability of authorisations.

Division 2, Part 4 provides for authorisations for on-premises licensees to trade on premises other than licensed premises, and away from licensed premises. It also includes controls to be applied to licensed vessels for the dropping off and picking up of passengers in the Sydney CBD Entertainment precinct. The limitation does not apply on New Year's Eve or during periods specified by the Secretary in a change to a licensee's authorisation following an application by the licensee.

Division 3, Part 4 prescribes requirements on the display of signs and notices. Licensees are required to display signage indicating their licence details, that the sale and supply of liquor is prohibited to minors, the conditions under which minors can enter certain licenced premises and conditions around the use of breath analysis instruments installed on a licenced premise.

Division 4, Part 4 prescribes licence conditions requiring notification of the Authority. It requires licensees to notify the Authority if there is a change in relation to persons, other than the licensee or a financial institution, that become interested in the business. It also requires the licensee to notify the Authority when there is a resumption of trade following a period of more than 6 weeks during which the licensed premises ceased trading.

Division 5, Part 4 prescribes the applicant notification requirements to Police and the Authority for industry shows and producers' markets or fairs. Notice of a licensed fair, market or show must be made in writing, and sufficient written notice by the licensee must also be made to the local council that they will be selling or supplying liquor at the show, market or fair. It is also prescribed that a fair, market or show must be marketed as such and have at least 10 stalls so that the event is rightfully a producers' markets or fair.

Division 6, Part 4 contains requirements for wine producers. A minimum percentage of wine that has to be produced by the licensee for that wine to be considered the licensee's product is prescribed for the purpose of section 33(3) of the Act. The region that the wine producer's licensed premises is located in is prescribed as the wine region, so that it may be known from which region a wine producer's product originates.

Proposed Amendments

A minor amendment to clause 38 removes the previous requirement for licensed premises to record incidents that occur outside of trading hours, and introduces a new requirement to record any incident involving drugs as defined by the misuse of drug legislation.

NSW Police indicate that, as recording incidents involving drugs is not currently a requirement, details on when or where drugs have been found have generally not been recorded. While the proposed amendments will introduce minor new red tape for licensees, the assistance to NSW Police in pursuing drug-related offences on licensed premises will benefit both licensees and the wider community through a reduction in drug-related crime and harm.

Clause 42(4)(c) has been amended to extend the time a licensee has to provide notice of their intention to provide catering services for a function of more than 2000 people. This requirement is consistent with the requirement for large scale event applications introduced by the new clause 34.

The clause has also been amended to exempt licensed caterers from the notification requirements, where they run small, non-ticketed functions or events that are attended by no more than 100 persons.

Assessment of costs and benefits of proposed amendments

The increased incident reporting requirements under clause 38 will represent an increased cost to liquor licence holders.

The benefit that will stem from this measure is that it will better allow government and the licensee to monitor incidents with a view to identifying and responding to risk. Improved incident reporting should also improve public safety.

Changes to on-premises licences in Division 2, Part 4 by removing the conditions which attach to an authorisation to allow liquor to be sold without another product or service will reduce the impost of licensees. It will also provide greater clarity to industry and other stakeholders of the need for on-premises restaurants to not, at any point in time, have the sale or supply of liquor be the primary purpose of their premises.

It is anticipated this will assist in reducing “venue morphing”. This is when restaurants with a primary service authorisation operate a small bar or nightclub-type operation, where the sale of liquor becomes their primary purpose, despite technically being able to meet the primary purpose test by having food for sale at all times they are licensed to liquor trade.

Extending the time to give notice of an event should not cause any increase in cost to the licensee, it will however reduce processing pressure on Liquor & Gaming NSW which may ultimately prove to be beneficial to staff resourcing.

Longer notice periods will also allow evaluation of risks associated with the proposed function or event in order to undertake action or allocate appropriate resources to mitigate those potential risks. The requirement to notify the Secretary will ensure that the regulator has the required visibility to adequately conduct risk assessments prior to, and monitor compliance during, these events.

Exempting caterers from notification requirements, where they run small events, recognises that the current 14-day notification requirement can prevent licensed caterers from taking up low-risk business opportunities where requested by potential customers at short notice.

The 100 person limit maintains consistency with the risk-based approach adopted for small bars, under which a maximum patron capacity of 100 has previously been deemed to present a lower risk of alcohol-related harm.

Part 5 – Responsible service of alcohol (RSA) training

Overview of provisions

Significant amendments have been made to Part 5 to introduce the tiered industry training framework.

Division 2, Part 5 sets out the RSA training requirements of people who are working in the liquor industry. Staff who sell, supply or serve liquor by retail on licensed premises are required to have successfully completed industry RSA training (clause 59). Crowd controllers, bouncers, promotional staff (who serve or supply liquor), RSA marshals and non-tier 1 or tier 2 licensees of licensed premises are also required to complete industry RSA training (clauses 60 and 61).

Licensees of tier 1 licensed premises are required to undertake licensee RSA training and licensees of tier 2 licensed premises, advanced licensee RSA training. (clause 62). Division 2, Part 5 also imposes additional training obligations on licensees and managers, and for licensees of trade fairs and special events. This Division also details the Secretary's discretion with respect to training requirements.

Division 3, Part 5 deals with recognised competency cards, including the procedure for obtaining a recognised competency card, the issuing, expiry and renewal of recognised competency card endorsements, and the inspection, suspension and revocation of recognised competency cards.

Division 4, Part 5 deals with the application and approval process for registered training organisations (RTOs) to provide approved RSA training courses including applications to provide approved training courses and the types of approved training courses (industry RSA training, licensee RSA training and advanced licensee RSA training). The Division sets out the conditions and terms of approval to provide RSA training course, as well as providing the Secretary with a power to vary, suspend or cancel approvals to provide RSA training courses.

Division 5, Part 5 (transitional provisions) provides that:

- new licensees and approved managers who apply for a licence for a tier 1 or tier 2 licensed premises between 1 September 2018 and 1 April 2019 will be given until 1 April 2019 to undertake the required training.
- for existing licensees and approved managers, the requirement to undertake licensee RSA training (for licensees of tier 1 premises) and advanced licensee RSA training (for licensees of tier 2 premises) will be aligned with the expiry of their industry RSA competency card or by 1 April 2024, whichever is earlier.

Proposed amendments

Definitions have been updated and new definitions included to provide for the new tiered industry training framework (TITF). New definitions include a definition of a tier 1 licence and a tier 2 licence and to provide that a tier 1 or tier 2 licenced premises is a premises to which a tier 1 or tier 2 licence relates.

Clause 59 sets out the type of RSA training a person is required to have completed depending on their role (e.g. staff members, promotional staff, licensees of non-tier 1/2 licensed premises and licensees of tier 1 or tier 2 licensed premises).

Clauses 60 and 61 set out the RSA training requirements for crowd controllers and RSA marshals. Clause 61 provides that all persons employed as RSA marshals (not just those employed in prescribed precincts) have to undertake industry RSA training.

Clause 62 outlines the training requirements for licensees and approved managers (including club secretaries) of tier 1 and tier 2 licenced premises. Licensees and approved managers of tier 1 licenced premises have to complete licensee RSA training and licensees of tier 2 licenced premises, have to complete advanced licensee training (as well as licensee RSA training).

Clause 63 requires that applicants for a limited licence for a trade fair or a special event, where the expected attendance each day at the event is 2,000 or more persons, is required to have undertaken licensee RSA training. If it is proposed to trade after midnight at the event, the applicant is also required to have completed advanced licensee RSA training.

Clauses 64 and 65 provide the Secretary with a general discretion to require any applicant for a licence, or licensee or approved manager of a licensed premises that is not a tier 1 or tier 2 licensed premises to undertake licensee RSA training or advanced licensee RSA training (for licensed premises that trade after midnight on a regular basis or if the venue is subject to a sanction). However, the Secretary must be of the opinion that the training will be effective in reducing the risk of alcohol-related violence or anti-social behaviour on or about the licensed premises to require the training.

Clause 66 specifies that a person who has undertaken licensee RSA training and holds a recognised competency card with a licensee RSA endorsement is also taken to hold an industry RSA endorsement.

Under clause 67, 'interim RSA certificates' are now referred to as 'interim certificates'. The clause sets out the courses that an interim certificate can be issued for, including approved RSA training, privacy training and industry RSA refresher training.

Clauses 68, 69 and 70 provide for the issue, expiry and renewal of recognised competency cards with endorsements. The endorsements that can be included on a competency card if a person has completed the relevant training include industry RSA, licensee RSA, advanced licensee RSA, privacy and RCG training.

Clause 70 sets out the course/s a person has to complete to renew their endorsement. The clause has been amended to include new endorsements. In the case of an existing licensee or approved manager, if they complete licensee RSA training, their competency card will renew for a further five years with licensee RSA training and industry RSA training competencies included on it. An RCG endorsement will also renew for five years, if the licensee elects to undertake the RCG refresher training at the same time as undertaking the licensee RSA training.

Clause 72 prescribes that competency cards (and all of its endorsements) or individual recognised competency card endorsements can be suspended or revoked by the Authority. For instance, a licensee RSA endorsement could be suspended for a period of time, which would prevent a licensee from continuing to work in that capacity during the suspension period.

Clause 76 is amended to include statutory conditions of approval that approved training providers (known as RTOs) must satisfy to conduct licensee RSA and advanced licensee RSA training courses.

Assessment of costs and benefits of proposed amendments.

Competency card and RSA training requirements

Part 5 seeks to ensure that those who work in the liquor industry are appropriately trained, and are well placed to ensure compliance with the liquor laws. These laws seek to reduce irresponsible consumption of alcohol, which can lead to individual and community harms, including alcohol-related violence.

Part 5 imposes a number of penalties for failure to comply with RSA training and competency card requirements. While this imposes costs on industry, this is offset by the improved skillset people working at all levels in the sector will possess, and their improved ability to manage and mitigate alcohol-related risks, harm and violence. Compliance with licence conditions, particularly around intoxication and impacts on minors, is expected to be substantially improved.

Clause 72 creates a power to suspend or revoke competency cards or competency card endorsements. This power may impose costs on individuals from responding to processes initiated under this provision, as well as to the consequences if their competency card is suspended or revoked. However, there are significant benefits that flow to regulators and the community, as it enables a licensee or approved manager to have their licensee RSA training competency suspended or revoked if necessary. The threat to a licensee or approved manager of losing their licensee RSA training competency (and thus losing the ability to be a licensee or approved manager) provides a significant incentive for licensees and approved managers to comply with the law.

Registered Training Organisation changes

The amendments to Part 5 increases the fees for applying for approval to conduct RSA training courses for RTOs) and imposes additional costs on them.

However, it is considered that these additional fees are appropriate. The fee increases allow for the partial recovery of government costs associated with processing applications and developing certain RSA training course materials. The proposed fee increases are considered reasonable, as they take into account inflation since the fees were first introduced as well as ongoing costs to government in developing RSA training course materials.

Providers are able to pass these costs onto consumers through determining and setting individual pricing for the provision of RSA training courses. The regulation does not prescribe the fee an approved training provider can charge. Pricing is determined and set based on market forces.

The proposed fee increases will allow for more ongoing review of the delivery of RSA training courses by Liquor & Gaming NSW to ensure they remain compliant with the conditions of approval.

Significant benefits flow to licensees and the community as the requirements uphold the quality and integrity of the training by providing a supporting framework and ensuring those providing it are suitably qualified or experienced.

Part 6 – Harm minimisation

Overview of provisions

The provisions address discount liquor promotions, undesirable liquor products and the availability of water. It also provides the secretary with the power to approve codes of practice on the responsible sale, supply, service and promotion of alcohol.

Proposed Amendments

This Part is carried forward from the existing Regulation with the only amendments being to simplify the title from 'Miscellaneous harm minimisation measures', to 'Harm minimisation', and provide that the Secretary, rather than Authority, can approve a code of conduct.

Assessment of costs and benefits of proposed amendments

There is no related cost or benefit associated with this Part.

Note: Liquor & Gaming NSW is reviewing the existing Liquor Promotion Guidelines separately, but concurrent to, the remake of Liquor Regulation.

Part 7 – Prescribed Precincts

Overview of provisions

Division 2, Part 7 provides conditions and requirements for licensed premises located in prescribed precincts or that that are defined as subject premises.

Division 3, Part 7 prescribes powers to refuse entry to a licensed premise in certain circumstances, and requirements for RSA marshals during trading periods.

Division 4, Part 7 recognises that, historically, the Kings Cross precinct has experienced elevated levels of alcohol-related violence and applies specific measures to curb this issue.

Under Division 5, Part 7, in recognition of their lower risk profile, exemptions from special licence conditions are provided for accommodation establishments, live entertainment venues and other premises individually specified by the Secretary.

Division 6, Part 7 provides for the operation of patron ID scanning.

Division 7, Part 7 provides that information on persons banned from high venues in Kings Cross may be shared with other high risk venues in the Kings Cross precinct, enabling a 'banned from one, banned from all' patron barring scheme to take effect.

Proposed Amendments

Amendments to clause 90 will prescribe a change in the "round the clock" incident register requirement which shall only apply to high risk venues and not all defined subject premises, but that high risk venues must record drug related incidents in the round the clock register (within the meaning of the *Drug Misuse and Trafficking Act 1985*). This reflects the amendments proposed to clause 38.

Following changes to Police's former Local Area Commands and related new roles that need to be notified, clause 91 has been updated to prescribe police contacts that the licensee is to report violent incidents to.

The repeal of clause 53T and 53P of the current Regulation removes the requirements on subject premises located in Kings Cross to record the amount of liquor sold and to regularly remove litter during late trading. Clause 96 now requires the framerate for CCTV changed to be 10, rather than 6 frames per second.

Clause 104 provides that staff members operating ID scanners must have a recognised competency card with a current privacy endorsement.

Assessment of costs and benefits of proposed amendments

An evaluation of the incident registers requirement indicated limited value in maintaining a 'round-the-clock' incident register requirement for low risk venues in the Kings Cross and Sydney CBD Entertainment precincts. The 'round-the-clock' incident register requirement will be maintained, but only for higher risk venues within the precincts, reducing regulatory burden on lower risk venues.

Reducing the scope of the round the clock incident register so that it only applies to high risk venues will reduce the costs on industry overall ensuring that only the most high risk venues will be required to maintain around the clock incident registers. The benefit will be experienced by subject premises that operate a low risk business model such as a restaurant that only serves liquor ancillary to a meal.

The removal of the requirements for licensees to collate data on the sale of alcohol is considered appropriate, following an Liquor & Gaming NSW evaluation of the alcohol sales data requirement that found that the requirement has made only a limited contribution to informing policy decisions by the Government and has contributed little to shaping compliance efforts in Kings Cross.

Ceasing the requirement to remove litter from outside the premises is also considered appropriate, on the basis that while the condition may contribute to improved local amenity it does not reduce alcohol-related harm and risks.

Removing the alcohol sale data and litter-related requirements will cut unnecessary costs of venues, which will not need to allocate resources to satisfying these regulatory requirements. It is anticipated that there will be no costs associated with these requirement's removal.

Part 10 – Miscellaneous

Overview of provisions

Part 10 provides for a number of miscellaneous provisions that support the liquor regulatory framework. This includes (but is not limited to):

- Prescribing that the Australia Post Keypass identity card and digital driver licence are valid 'evidence of age' documents.
- Clarify that a 'person authorised to sell liquor' under the Act so that wholesale liquor can be sold to venues in The Star Casino complex.
- Providing that the National Art School is a 'tertiary institution'.
- Exemptions to the restriction on take away sales after 10pm.
- Allow small bars in a prescribed precinct to sell or supply liquor on their premises to 2am.
- Allow the sale and supply of liquor to staff members after closing time in certain circumstances.
- Allow minors in licenced premises in relation to a live performance or show.
- Tourist accommodation establishments within the Sydney CBD Entertainment precinct are exempted from temporary freezes on their licences.

Part 10 also sets out the period of the freeze as well as provides for exemptions from the freeze (clause 122) and extends no-cost conversions to small bar licences for a further 12 months (clause 130).

Assessment of costs and benefits of proposed amendments

The amendment of clause 122 extends the current freeze on the approval of new licence and other authorisations in prescribed precincts which does not impose additional regulatory costs but may provide some protection to premises in those precincts that have struggled to remain viable.

Different reviews into the introduction of the lock out laws have identified opportunities to increase live entertainment including live music as part of a safe and diverse night time economy. A two year trial of a 30 minute relaxation to the lockout and last drinks measures

for venues that stage live entertainment after midnight is underway, and will be reviewed in 2019. Not only does this improve nightlife options for the public it also creates improved employment opportunities for entertainers and represents some respite for the industry.

Schedule 1 Application fees

Overview of provisions

Part 1 covers fees for licence applications, Part 2 covers fees for applications for extended trading authorisations, Part 3 covers fees for other applications and Part 4 covers adjustment of fees for inflation.

Proposed Amendments

Part 4 of Schedule 1 introduces a ‘fee unit’ model that makes it easier to make annual adjustments to those fees. The fee unit is initially priced at \$100 and all fees are expressed as a multiple or fraction of that unit. The fee unit will be adjusted in line with CPI increases every year on 15 March, allowing each of the respective fees to be automatically updated. The updated fees will be published by the Secretary annually on the NSW Legislation and Liquor & Gaming NSW websites.

Assessment of costs and benefits of proposed amendments

The introduction of the fee unit model will substantially simplify the updating annually of fees for inflation, providing greater transparency and predictability of costs for industry, and the regulator, Liquor & Gaming NSW.

Schedule 2 Prescribed precincts

Overview of provisions

Kings Cross and the Sydney CBD Entertainment precincts are prescribed as prescribed precincts.

Proposed Amendments

Nil.

Assessment of costs and benefits of proposed amendments

There are no related costs or benefits associated with this Schedule.

Schedule 3 High risk venues and high risk venue exceptions

Overview of provisions

The schedule states the licence number and name of premises are high risk venues for the purposes of Division 4 of Part 6 of the Act.

Proposed Amendments

Schedules 1B, 1C, 1D and 1E of the current Regulation are consolidated in the new Schedule 3.

Assessment of costs and benefits of proposed amendments

The consolidation of these clauses in the one Schedule provides greater clarity and logical ordering.

Schedule 4 Licensed premises subject to “lock out” and liquor sales cessation restrictions

Overview of provisions

Schedule 4 prescribes Kings Cross and Sydney CBD Entertainment precinct venues subject to the “lock out” and liquor sales cessation restrictions.

Proposed Amendments

Nil.

Assessment of costs and benefits of proposed amendments

There are no related costs or benefits associated with this Part.

Schedule 5 Special events extended trading for hotels and clubs

Overview of provisions

Schedule 5 prescribes special events extended trading hours for hotels and clubs during which liquor may be sold or supplied for consumption on the premises.

Proposed Amendments

Nil.

Assessment of costs and benefits of proposed amendments

There are no related costs or benefits associated with this Schedule.

Schedule 6 Penalty notice offences

Overview of provisions

A summary of penalty costs and their relevant sections of the Liquor Act or Liquor Regulation.

Proposed Amendments

Nil.

Assessment of costs and benefits of proposed amendments

There are no related costs or benefits associated with this Schedule.

Appendix 1: Approaches to large-scale public events in other major Australian jurisdictions

Jurisdiction	Primary licensing option	Licensing options	Criteria for determining “large-scale”	Cost per event (single applicant)	Cost per event (multiple applicants)	Lead time for assessment
NSW	3 options: - Limited licence (special event) - Limited licence (trade fair) - Hotel function on other premises	Required for for-profit entities seeking a one-off limited licence or authorisation to run a large scale public event, trade fair or “function on other premises”.	If function or event is open to public (whether ticketed or non-ticketed) and anticipated number of patrons is 2000 or more on any day.	Proposed to be \$650 for large special events and trade fairs, \$450 for large public events catered to by hotels.	N/A	Proposed to be a minimum of 28 days. Late lodgement can attract an additional fee of \$100.
Victoria	Major event licence	Required for anyone (including licensed venues) intending to supply liquor at a venue or site of a major event or in conjunction with a major event.	Determined by the Commission based on: - Likelihood of > 5000 patrons AND/OR - Significant impact due to: <ul style="list-style-type: none"> • Required amount of effort or oversight by authorised persons • Impact on provision and organisation of public transport and emergency services • Impact on public safety or amenity of the area or both 	\$947.10 *Single applicant can make multiple applications on behalf of others.	\$142.10 per licence holder.	Major event organisers need to advise VCGLR at least two to three months in advance – including on whether it will be an event with a single applicant or multiple applicants.

Jurisdiction	Primary licensing option	Licensing options	Criteria for determining “large-scale”	Cost per event (single applicant)	Cost per event (multiple applicants)	Lead time for assessment
Queensland	Commercial public one-off event permit	Required for existing licenses with a catering away endorsement for public events away from the premises (e.g. festival, public ball, race meeting, rock concert). Permit is not needed for private functions. Submitted by event organiser.	Permit required for any size of public commercial event. Additional standard event conditions apply for public events deemed to be “high risk community and commercial” based on a range of risk factors, for example: large patron numbers >2000 on any day, length and time, demographic, compliance history, presence of minors, consumption area, noise and amenity.	\$671.10 for the first day + \$67.70 for each additional day (one-off events). Community liquor permit is \$67.70 per day.	N/A	28 days lead time.
Western Australia	Occasional liquor licence *Licence not needed if <100 patrons running for up to 2 hrs, or <75 running for up to 4 hrs. Must finish by 10pm.	Open to anyone seeking authority to sell and supply liquor at an occasion (gathering, function or event, including sports, trade or other fairs or receptions). Recommends use of other existing licences if they already provide that authority.	>10000 patrons	\$4650	N/A	60 days
			5001 to 10000	\$2275	N/A	60 days
			1001 to 5000	\$1137	N/A	30 days
			501 to 1000	\$226	N/A	30 days
			250 to 500	\$110	N/A	14 days
			Up to 250	\$53	N/A	14 days

Jurisdiction	Primary licensing option	Licensing options	Criteria for determining “large-scale”	Cost per event (single applicant)	Cost per event (multiple applicants)	Lead time for assessment
South Australia	Limited licence	<p>Targeted at persons not holding a liquor licence intending to sell or supply liquor at a special event – whether it is public or private.</p> <p>* All fees may be waived if event is assessed as being for a charitable purpose or other community organisations/events.</p>	<p>Higher fee payable if event is large commercial or “high risk”:</p> <ul style="list-style-type: none"> - Is outdoors, can trade past 1am and max. patron capacity >300 - Contemplates boxing, wrestling or other adult entertainment - Can trade past 1am and max. patron capacity across all days of the event is >1000 - Max. patron capacity across all days of the event is >5000 - The licensing authority determines the event requires devotion of significant resources for the purposes of administration or enforcement of the Act. 	\$788 for commercial higher risk events (payable on grant) + a per day fee for the application of \$82.50	<p>The per day fee differs where there are multiple applicants for the same event:</p> <p><4 applicants: \$160 4-6: \$319 7-10: \$559 11-15: \$851 16-20: \$1224 >20: \$1596</p>	<p>60 days for large commercial or high risk events or show or exhibition lasting more than 3 days, 14 days for others</p> <p>Late lodgement can attract an additional fee of \$82.50 if the application is processed.</p>

Appendix 2 – Fee comparison table

Fee type	Current Fee	Proposed Fee
Annual Liquor Licence Fee		
Hotel licence (other than general bar licence or former community liquor licence)	\$532	\$543
General bar licence	\$266	\$272
Club licence	\$532	\$543
Small bar licence	\$213	\$218
On-premises licence	\$426	\$435
Package liquor where the licensee holds 3 or less such licences	\$532	\$543
Packaged liquor where the licensee holds more than 3, but not more than 9 such licences	\$1,062	\$1,084
Packaged liquor where the licensee holds more than 9 such licences	\$2,123	\$2,166
Producer/wholesaler licence	\$213	\$218
Multi-function limited licence	\$107	\$110
Compliance history risk loading element		
if 1 relevant prescribed offence event has occurred	\$3,000	\$3,246
If 2 relevant prescribed offence events have occurred.	\$6,000	\$6,492
if 3 or more relevant prescribed offence events have occurred	\$9,000	\$9,739
Trading hours risk loading element		
Between midnight and 1.30 am (but not after 1.30 am) on any day	\$2,500	\$2,705
Between 1.30 am and 5 am on any day	\$5,000	\$5,405
Multi-occasion extended trading authorisation is in force in respect of the premise	\$1,000	\$1,082
Location risk loading element		
Location risk loading element of a periodic licence fee for a licence	\$2,000	\$2,164
Patron capacity loading element		
Not more than 60 patrons	\$1,000	\$1,082
More than 60, but not more than 120, patrons	\$3,000	\$3,246
More than 120, but not more than 300, patrons	\$5,000	\$6,492
More than 300 patrons	\$8,000	\$8,657
Late payment fee		
Multi-function limited licence or a former community liquor licence	\$50	\$55
For any other type of licence	\$100	\$110
Application for reinstatement fees		
Reinstatement	\$250	\$271
Application fees		
Hotel licence (other than general bar licence)	\$2,500	\$2,752
General bar licence	\$700	\$770
Club licence	\$500	\$550
Small bar licence	\$350	\$385
On-premises licence	\$700	\$770
Packaged liquor licence	\$2,000	\$2,201
Producer/wholesaler licence	\$700	\$770
Limited licence (single function) Electronic	\$80	\$88
Limited licence (single function) other	\$150	\$165

Fee type	Current Fee	Proposed Fee
Limited licence (multi-function)	\$500	\$550
Limited licence for large-scale commercial event	\$150	\$650
Limited licence in respect of a function that is a trade fair	\$150	\$165
Limited licence for a special event	\$150	\$165
Application for Extend Trading Authorisations (ETA)		
Ongoing ETA allowing trading until midnight	\$300	\$330
Ongoing ETA allowing trading after midnight subject to the requirement that liquor may only be sold ancillary to a meal or the provision of accommodation	\$300	\$330
Ongoing ETA - not later than 1.30 am	\$2,500	\$2,752
Ongoing ETA - any time after 1.30 am that is not later than 5 am	\$3,500	\$3,852
Ongoing ETA - catering service	\$100	\$110
Special occasion ETA	\$100	\$110
Ongoing ETA for a small bar	\$1,250	\$1,376
Multi-occasion ETA if the licensed premises to which the application relates were authorised to trade on a regular basis until at least 3 am within the period of 6 months before the application is made	\$150	\$162
Multi-occasion ETA in any other case	\$1,000	\$1,082
Other Applications under the Liquor Act 2007		
Application under section 11A (5) for Authority's approval (other than an application for approval of a different 6-hour closure period that is, in the opinion of the Authority, temporary in nature)	\$300	\$330
Application under section 15A (2) for approval to cease selling liquor and to continue to provide other services and facilities	\$400	\$440
Application to vary on-premises licence	\$100	\$100
Application under section 46A to suspend licence or to vary or revoke licence suspension	\$200	\$216
Application for any licence-related authorisation (other than an extended trading authorisation)—section 51 (2)	\$100	\$100
Application by licensee under section 53 (2) or 54 (2) to vary or revoke a licence condition (other than an application to vary trading hours)	\$100	\$110
Application by licensee under section 53 (2) or 54 (2) to vary or revoke a licence condition that would result in increased trading hours (other than for an on-premises licence relating to a catering service or a licence for a small bar):		
(a) allowing trading until midnight, or	\$300	\$330
(b) allowing trading after midnight with, or ancillary to, a meal or the provision of accommodation)	\$300	\$300
(c) allowing trading after midnight until any time that is not later than 1.30 am (not subject to requirement as to provision of meals or accommodation)	\$2,500	\$2,752
(d) allowing trading at any time after 1.30 am that is not later than 5 am (not subject to requirement as to provision of meals or accommodation)	\$3,500	\$3,852

Fee type	Current Fee	Proposed Fee
Application by licensee under section 53 (2) or 54 (2) to vary or revoke a licence condition that would result in increased trading hours for an on-premises licence relating to a catering service	\$100	\$110
Application by licensee under section 53 (2) or 54 (2) to vary or revoke a licence condition that would result in increased trading hours for a small bar	\$1,250	\$1,376
Application by licensee under section 53 (2) or 54 (2) to vary or revoke a licence condition that would result in decreased trading hours	Nil	Nil
Application under section 60 or 61 to transfer hotel licence or packaged liquor licence	\$700	\$770
Application under section 60 or 61 to transfer limited licence	\$100	\$110
Application under section 60 or 61 to transfer any other type of licence	\$400	\$440
Application under section 62 to carry on licensee's business	\$100	\$110
Application under section 68 for approval of person to manage licensed premises	\$100	\$110
Application under section 78 (other than by the Secretary or the Commissioner of Police) for banning order	\$100	\$110
Application under section 92 for approval to lease or sublease part of licensed premises	\$100	\$110
Application under section 94 to change boundaries of licensed premises	\$200	\$220
Application under section 95 to alter name of licensed premises	\$100	\$110
Application under section 96 to carry on business on temporary premises	\$100	\$110
Application under section 27 (3), 28 (3), 92 (1) (a), 119 or 124 (3) (c) for Authority's approval	\$100	\$110

Appendix 3 – Changes made to Liquor Regulation 2018 after initial release of RIS

In feedback provided during the consultation process, stakeholders were broadly supportive of the making of the draft 2018 Regulation subject to some changes. Actions taken to address stakeholder feedback, and make other changes, in the final Liquor Regulation 2018 to commence on 1 September 2018 are detailed below.

Community Consultation and Advertising on Liquor Applications

Stakeholders provided extensive feedback on proposed changes to community consultation and advertising processes put forward in the draft 2018 Regulation. In the final 2018 Regulation these proposed changes have been removed and existing Community Impact Statement (CIS) and advertising provisions in the 2008 Regulation restored. This is necessary to allow more lead time to coordinate implementation of changes to the CIS processes and ensure industry and community readiness.

Feedback received from Liquor & Gaming NSW's separate CIS Evaluation this year, as well as through consultation on the draft 2018 Regulation, is now informing final changes to CIS processes and the overall implementation approach. Final changes are proposed to be published in a separate CIS Evaluation report, and will take effect at a later stage separate to the commencement of the Liquor Regulation 2018.

Fee Changes Generally

The draft 2018 Regulation proposed increases to fees to adjust for inflation, and introduced a mechanism to annually adjust for inflation from early 2020. While understanding of the rationale behind adjusting for inflation, some industry stakeholders were opposed to the increases. Others suggested different methods of calculating for inflation. Most supported the proposed introduction, from 16 March 2019, of a new 'pro-rata' annual fee in the first year after a licence has been granted. Some stakeholders also suggested broader changes to the Annual Liquor Licence Fee (ALLF) system, including either to increase certain fees (e.g. apply patron capacity loading to all licences) or decrease fees for specific licence types.

Fee provisions in the final 2018 Regulation were not varied in response to this feedback as, generally, the fee increases are intended to account for inflation only and use a standard CPI adjustment measure adopted across NSW Government.

Any larger scale changes to the ALLF system would also require more comprehensive re-analysis of the costs involved in regulating industry and related cost modelling. The ALLF system was introduced in 2015 so licensees make a fair and reasonable contribution to the cost of regulating the liquor industry, with fee amounts determined at the time in relation to the costs of regulatory activities. Proposals for more substantial change would be considered as part of any broader review of ALLF future, rather than through the remake process.

Liquor & Gaming NSW will provide additional guidance to industry to assist in communicating the new fee arrangements under the final 2018 Regulation, as requested by some stakeholders.

Tiered Industry Training Framework – RSA requirements

The draft 2018 Regulation proposed the introduction of a Tiered Industry Training Framework (TITF) to complement existing Responsible Service of Alcohol (RSA) training. TITF includes new 'licensee' and 'advanced licensee' training courses which will become mandatory for licensees and managers of certain types of licensed venues to help improve industry training standards.

Stakeholders were united in supporting its introduction, noting industry is being closely consulted to inform its development. However, many industry stakeholders advocated for Recognition of Prior Learning (RPL) in relation to the two new courses. While the 2018 Regulation does not include provisions specific to RPL, there may be potential for the conditions of approval for registered training organisations delivering the training to be amended to allow for RPL. This aspect, and the issues raised by industry peak bodies relating to RPL, will need to be further considered as part of implementing the TITF.

Significant changes made to the TITF provisions in the final proposed 2018 Regulation are set out in the following table:

Clause	Description	Change(s)	Explanation or Benefit
7	RSA fees	Clarified competency cardholders who undertake a full course in lieu of a refresher course do not have to pay additional fees for the renewed endorsement to be added to their card, and reduced the fee payable for an advanced licensee training course.	Resolves certain administrative issues, while also ensuring costs of new training are reasonable.
58 (now 62)	Definitions	Clarified licensees and managers of all karaoke bars and adult entertainment venues are to undertake advanced licensee training, not just those trading after midnight.	Recognises these venues can be high risk (irrespective of trading hours) and addresses that risk by ensuring licensees and managers are appropriately trained.
59 (now 63)	Retail on licensed premises	Inserted 'supply or serve' after 'sell' in clause heading.	Ensures use of standardised terminology throughout regulatory instruments.
62 (now 66)	Licensee or manager	Clarified ILGA will not be able to grant certain types of authorisations (e.g. to extend a venue's trading hours after midnight) without the applicant holding the relevant RSA endorsements.	Machinery amendment to ensure applicants are appropriately trained to address additional risks associated with authorisation grant.
67 (now 71)	Interim RSA certificates	<p>Provided the Secretary with a power, in exceptional circumstances, to extend the 90 day period that an interim certificate is usually valid for.</p> <p>Inserted note that a person may produce an interim certificate together with an extension notice, instead of a recognised competency card, if asked to produce their card for inspection.</p>	Provides greater flexibility for TITF operation, and ensures a course does not need to be redone after 90 days if there is valid justification. Also clarifies related requirements when producing card for inspection.
69 (now 73)	Endorsement on competency card expiry	Clarified when endorsements on competency cards expire and aligned the expiry dates.	Better reflects established system and process arrangements for expiry.
70 (now 74)	Renewal of competency card endorsement	1. Removed stricter RSA training requirements for competency card renewals for Kings Cross licensees and staff, so they are now able to undertake a refresher course like	<p>1. Standardises requirements across NSW in relation to refresher training.</p> <p>2. Better reflects</p>

		<p>all others outside the precinct can.</p> <p>2. Clarified industry RSA endorsement renews upon completion of the licensee RSA course, and when the renewal can occur.</p> <p>3. Consolidated expiry provisions in clause 69.</p>	<p>established system and process arrangements for expiry.</p> <p>3. Machinery amendment.</p>
71 (now 75)	Inspection of competency cards	Inserted note that an interim certificate/certificate extension that certifies course completion is, when valid, taken to be equivalent to a recognised competency card with the relevant endorsement.	Machinery amendment to clarify requirements in relation to the production of a recognised competency card.

Authorisations and processes

The draft 2018 Regulation also proposed improvements to liquor licensing processes and arrangements that received substantial support. Some key changes included:

- A 12-month trial of a tailored licensing option (a 'special drink on-premises authorisation') for micro-breweries and small distilleries in the Inner West Local Government Area.
- Amendments to address issues identified during Liquor & Gaming NSW's Incident Register Evaluation.
- Risk-based notification requirements for licensed caterers.
- Re-opening, for 12 months, no-cost conversions to small bar licences.

Some stakeholders generally opposed initiatives to support small bars, such as no cost conversion and automatic 2am extensions to trading hours, suggesting there was no evidence they have a lower risk profile.

No changes were made to the small bar provisions in the final 2018 Regulation, other than to re-open the no-cost conversion process. Liquor & Gaming NSW's 2016 evaluation of the small bar legislation found venues in NSW with a patron capacity of 100 or less had lower rates of alcohol-related violence and fewer compliance issues. A future review of the small bar reforms by Liquor & Gaming NSW in 2019 will provide an opportunity to closely examine current arrangements and the risk profile of small bars in future.

Significant authorisation and process changes in the final proposed 2018 Regulation, in response to stakeholder feedback, are set out in the below table:

Clause	Description	Change(s)	Explanation or Benefit
30	Submissions in relation to applications	Amended to clarify that the Authority cannot further shorten the proposed 14 day public submissions period for low-risk online restaurant applications not required to be accompanied by a CIS.	Provides clarity and assurances to local consent authorities that consultation time will be provided of no less than 14 days.
33 (now 37)	Inner-West Microbrewery Applications	Renamed to reflect that special authorisation captures small distilleries (as well as micro-breweries). New subclause inserted to clarify this	Clarifies application of policy.

		special authorisation is available to producers of beer, cider and spirits only.	
38 & 90 (now 42 & 96)	Incident Registers	Clarified the circumstances where an incident must be recorded on a mandatory incident register involving a prohibited plant or drug, to include where there is 'possession or use' suspected on the premises.	Ensures greater consistency with section 77 of the Act and removes unintended subjectivity.
90 (now 96)	"Round the clock" incident register	Restored the corresponding clause from the 2008 Regulation so it will apply to 'subject premises' (rather than only 'high risk premises') and amended further to exclude certain lower-risk subject premises operating under an on-premises licence, and packaged liquor licences.	Machinery amendment which enables a more targeted exclusion from the requirement to lower risk premises, and packaged liquor licences (where trading is permitted until 11pm only).
95 (now 94)	RSA marshals in Kings Cross	Reduced requirement from two marshals down to one for class 1 'subject premises' and removed delineation of classes of 'subject premises'.	Better standardises precinct requirements and reduces regulatory burden.
96 (now 95)	CCTV Systems	Restored the six-frame CCTV requirement of the 2008 Regulation until 1 September 2020, when a 10-frame requirement will commence.	Responds to concerns of disproportionate cost impact on precinct venues if 10-frame requirement imposed earlier on 1 September 2018. Also ensures better alignment over time with contemporary CCTV conditions being imposed elsewhere (e.g. under development consent).
97 (formerly)	Approved managers in high risk venues	Removed this clause.	Better standardises precinct requirements and reduces regulatory burden.
127 (now 128)	Definition of 'metropolitan area'	Included 'Central Coast' LGA in meaning of 'metropolitan area'.	Rectifies unintentional omission and is consistent with 2008 Regulation definition.
132 (new)	Fees for former community liquor licences	Reinserts the fee arrangements for former community liquor licences, noting three such licences are still in existence.	Clarifies the fees that apply to this licence type.