



Justice

# Small Bars Review

Information Paper

# About this Document

This Information Paper provides details about the review of the [small bars legislation](#) under the *Liquor Act 2007*, and has been prepared to inform the stakeholder consultation process for the review. It outlines the objectives of the small bars legislation and the review, the features and requirements of a small bar liquor licence, the number and locations of small bars in NSW, key issues for stakeholder comment, and information about how to make a public submission.

## Background

In late 2012, the NSW Government introduced a range of measures to tackle alcohol and drug-related crime and anti-social behaviour in Kings Cross. The [Liquor Amendment \(Kings Cross Plan of Management\) Act 2012](#) supported the measures announced as part of that package. This whole-of-government approach covered liquor licensing, compliance, transport, policing and public spaces.

To encourage investment in smaller, lower risk licensed premises, the amendments introduced an exemption from the liquor licence freeze in the Kings Cross and Oxford Street Darlinghurst precincts for smaller venues with a maximum limit of 60 patrons. Such venues may appeal to patrons wanting a quiet night out in a smaller and more intimate setting, add to the diversity of entertainment venues on offer, and can be associated with a reduced risk of alcohol-related violence compared with larger licensed venues.

The Government indicated at the time that this exemption for small venues was a precursor to a new category of small bar licence. Until then, small bars had been required to operate under a general bar hotel licence, which could also be utilised for a nightclub or other type of licensed venue that has a focus on alcohol sales and consumption.

In February 2013, the NSW Government introduced amendments to the [Liquor Act 2007](#) to create a new category of liquor licence for small bars. The legislation commenced on 1 July 2013.

## Objectives of the Small Bars Legislation

The objectives of the small bars legislation are to:

1. provide clarity about what a small bar constitutes and thereby help to prevent 'venue morphing' (venue morphing occurs when a venue receives a liquor licence for a particular purpose, such as operating a small bar, and over time transforms into a different type of venue which may have an increased risk profile for alcohol-related violence, such as a nightclub);
2. prompt investment in a different business model for licensed venues in NSW, encouraging more diversity in how liquor is sold and supplied and how licensed venues are operated;
3. provide incentives for operators to establish smaller, lower risk venues across NSW; and
4. help reduce the alcohol-related violence and anti-social behaviour that can be associated with larger licensed venues.

## What is a Small Bar Licence?

The key features of a small bar licence are as follows:

- Allows liquor to be sold for consumption on the licensed premises only – no gaming or take-away liquor is permitted.
- Maximum of 60 patrons may be on the premises during liquor trading hours.
- An automatic extended trading authorisation allows liquor to be sold between midday and 2am (except in freeze precincts as defined under the *Liquor Act 2007*, where standard trading hours until midnight apply).
- Exempt from the liquor licence freeze in precincts as defined under the *Liquor Act 2007*.
- Application can be made to the Independent Liquor and Gaming Authority (ILGA) to extend small bar trading from 10am to 5am, either on a permanent basis or to celebrate a special occasion.
- People under 18 years of age are not allowed on small bar licensed premises during liquor trading hours.

- Small bar licence applications are exempt from the requirement to submit a Community Impact Statement (CIS) in some circumstances. (A CIS is prepared by a potential licence holder to show the steps they have taken to consult the local community about their liquor licence application and how they resolved any issues or concerns during this process). This exemption applies where development consent has been obtained from the local council to use the premises as a small bar or to sell liquor during times specified in the application, and police and the Secretary of the NSW Department of Justice have been provided with notification of the development application and any amendments to it within two working days of it being lodged with the local council. In other circumstances, a CIS must accompany a small bar liquor licence application.

A licence application fee of \$350 applies to small bars. They also pay an annual licence fee of \$204 (as of 2016). Small bar licensees receive an exemption from trading hours risk loadings under the annual liquor licence fee system.

By comparison, general bar hotel licences pay an application fee of \$700, and an annual licence fee of \$255 (as of 2016). General bar licensees are also subject to a trading hours risk loading of \$2,500 for premises authorised to trade between midnight and 1.30am on a regular basis, and \$5,000 for premises authorised to trade after 1.30am on a regular basis (except where they are located in small regional and remote communities).

A general bar hotel licence was permitted to be converted to a small bar licence without charge on application (clause 39 of Schedule 1 of the *Liquor Act 2007*), provided the application was within six months of the commencement of the small bars legislation (i.e. by 31 December 2013).

Information on the number and location of small bars in NSW can be found on page 5. Further information about small bars can be found on the [Liquor & Gaming NSW website](#).

## Review of the Small Bars Legislation

Clause 40 of Schedule 1 of the *Liquor Act 2007* requires a review of the small bars legislation to determine whether the policy objectives of the scheme remain valid and whether the terms of the legislation remain appropriate for securing those objectives. The review is to be undertaken after 1 January 2016. A report is to be tabled in Parliament before 1 January 2017.

The overarching objective of the review is to assess whether the policy objectives of the amendments made to the *Liquor Act 2007* and the regulations by the [Liquor Amendment \(Small Bars\) Act 2013](#), remain valid and whether the terms of the amendments remain appropriate for securing those objectives.

In considering these objectives, the review will examine:

- (1) the extent of stakeholder awareness of the small bar licence and its conditions;
- (2) the uptake of small bar licences since their introduction, including factors influencing uptake such as licence conditions, and costs and time associated with regulatory processes and compliance;
- (3) the extent to which venues have converted from a general bar hotel licence or an on-premises licence to a small bar licence, and the reasons for this;
- (4) the extent to which venues that market or describe themselves as a “small bar” operate under a small bar licence instead of another type of liquor licence;
- (5) the appropriateness and outcomes of small bar licence features and requirements, including the 60 patron limit, the automatic extended trading right, and the exemption from the CIS requirements of the *Liquor Act*;
- (6) whether there has been a decrease in the prevalence of venue morphing (e.g. restaurants morphing into bars) since the introduction of the small bar licence;
- (7) whether the availability of a small bar licence has contributed to a decrease in the risk of and actual levels of alcohol-related violence and anti-social behaviour;
- (8) whether there have been any other impacts of the small bars legislation; and
- (9) the extent of any venue non-compliance with the small bar licence requirements.

## Key Issues for Stakeholder Comment

The review is seeking public submissions on the matters discussed above, and other matters that may be relevant to the small bar licence category. In particular, the review is seeking comments on:

1. Small bar licence features and requirements. This may include:
  - a) the 60 patron limit for small bars;

- b) authorised trading hours for small bars, including the automatic extended trading authorisation to 2am (i.e. authorised trading hours are from midday and 2am except in defined liquor licence freeze precincts where standard trading is limited to midnight);
  - c) the availability of extended trading hours for small bars from 10am until 5am; and
  - d) the exemption for small bars from the CIS requirements of the Liquor Act.
2. Factors affecting the uptake of small bar licences. This may include:
- a) awareness of the small bar licence and its conditions;
  - b) the nature of small bar licence conditions; and
  - c) costs and time associated with regulatory processes and compliance.
3. The nature of any positive and negative impacts of the small bars legislation. This may include:
- a) impacts on the prevalence of small bars in NSW;
  - b) impacts on the risk of alcohol-related violence and anti-social behaviour;
  - c) impacts on the prevalence of venue morphing (e.g. venues with a general bar hotel licence operating as nightclubs or venues with an on-premises licence operating as bars); and
  - d) positive and negative community impacts.

## How to Make a Public Submission

Liquor & Gaming NSW is seeking public submissions on any matters relating to the small bars legislation until **Friday, 15 July 2016**. Submissions can be emailed to [smallbars.review@olgr.nsw.gov.au](mailto:smallbars.review@olgr.nsw.gov.au).

All submissions will be published on the Liquor & Gaming NSW website after the closing date.

# Small Bar Licences in NSW

As at 30 May 2016, there were 50 small bar liquor licences in NSW. Table 1 shows the number of small bars as at 31 December each year since the introduction of the small bar licence type on 1 July 2013.

**Table 1:** Number of small bar licences at the following dates:.

Date	Number of small bar licences
31 December 2013	9
31 December 2014	27
31 December 2015	48
30 May 2016	50

Table 2 provides a breakdown by Local Government Area (LGA) of small bars licences as at 30 May 2016. Of the 50 small bar licences in NSW as at 30 May 2016, 28 (56%) were located in the City of Sydney LGA, and 35 (70%) were located in the Sydney metropolitan area. Outside of the Sydney metropolitan area, the LGA with the highest number of small bar licences (4) was Newcastle.

**Table 2:** Number of small bar licences in each LGA in NSW as at 30 May 2016.

LGA	Number of small bars
City of Sydney	28
Newcastle	4
Marrickville	2
Armidale Dumaresq	1
Ashfield	1
Auburn	1
Bellingen	1
Blue Mountains	1
Clarence Valley	1
Cowra	1
Gosford	1
Kogarah	1
Ku-ring-gai	1
North Sydney	1
Orange	1
Port Macquarie-Hastings	1
Shoalhaven	1
Wollongong	1
Yass Valley	1
<b>Total</b>	<b>50</b>

Of the 50 small bar licences in NSW as at 30 May 2016, seven had extended trading authorisations. Of these, five (71%) were in the Sydney metropolitan area, including four (57%) in the City of Sydney LGA.

A full list of small bar licences as at 30 May 2016 is available in Table 3.

**Table 3:** List of small bars in NSW as at 30 May 2016.

Licence Name	Suburb
Downstairs	Armidale
The Bellingen Brewing Company Pty Ltd	Bellingen
Bar Chinois	Chippendale
Saga Bar	Chippendale
Tenancy D3	Chippendale
The Oxley Wine Bar	Cowra
Sidecar@Cremorne	Cremorne
1137 Oxford	Darlinghurst
Cru 282	Darlinghurst
Kubricks	Darlinghurst
Stop Valve Espresso & Bar	Darlinghurst
A Glass of Bubbly	East Gosford
Beyond Vintage Wine Bar	Leura
Skeeta & Jacks	Oatley
Titus Jones	Marrickville
Harvest Bar	Milton
Basement on Market Street	Newcastle
Coal & Cedar	Newcastle
Itch Social	Newcastle
Red Baron's	Newcastle West
Secret Garden	Newtown
The Moose Newtown	Newtown
Washington & Co.	Orange
Bar Florian	Port Macquarie
Cellar 8	Pymble
Peg Leg	Pymont
Moyas Juniper Lounge	Redfern
The Dock Redfern	Redfern
The Temperance Society Bar & Cafe Pty Ltd	Summer Hill
Tokyo Bird	Surry Hills
Barrafina Tapas	Sydney
Bulletin Place	Sydney
Burrow Bar	Sydney
Canvas Bar	Sydney
Cava on Kent	Sydney
Crescent Bar	Sydney
Grandma's	Sydney
Klink	Sydney
Nant Whisky Bar	Sydney
Papa Gede's	Sydney
PS40	Sydney
Spawn Point Small Bar	Sydney
The Easy Eight Bar	Sydney
The Swinging Cat Sydney	Sydney
Wolf Wine Bar	Sydney
Mexica Cocktail Bar	Sydney Olympic Park
The Throsby Wollongong	Wollongong
Peekaboo Bar	Woolloomooloo
Studio General	Yamba
Yazzbar	Yass