



**Justice**  
Liquor &  
Gaming NSW

# Review of Small Bars Legislation

Report – September 2016

## About this document

This document outlines the activities that Liquor & Gaming NSW (L&GNSW) undertook to review the small bars legislation. The review assessed whether the policy objectives of the legislation remain valid and whether the terms of the scheme remain appropriate for securing those objectives. The outcomes of this review will be reported to the Government and will assist in determining future policy directions in relation to the regulation of licensed venues in NSW.

## Acknowledgements

L&GNSW would like to thank:

- the key stakeholders who participated in the consultation process and provided relevant information and data
- interested parties who provided a public submission to help inform the review
- the NSW Bureau of Crime Statistics and Research (BOCSAR) for providing offence data to inform the review.

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# 1. Executive Summary

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. The purpose of the licence is to:

- reduce alcohol-related violence and anti-social behaviour associated with larger venues
- provide incentives for operators to establish smaller, lower risk venues across NSW
- promote diversity in how liquor is sold and how licensed venues are operated
- clarify what a small bar is in order to prevent venue morphing.

The small bar liquor licence includes features and conditions designed to support these policy objectives. Businesses trading under a small bar licence are:

- allowed up to a maximum of 60 patrons on the premises
- automatically authorised to sell liquor from midday to 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
- exempt from the requirement to submit a Community Impact Statement (CIS) if 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 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 (a description of the CIS process is provided later in this report under finding 9)
- able to apply to the Independent Liquor and Gaming Authority (ILGA) to extend trading from 10am to 5am, either on a permanent basis or to celebrate a special occasion
- prohibited from having people under the age of 18 years on the premises
- prohibited from providing gaming or selling take-away liquor.

The *Liquor Act 2007* required a review to determine if the small bar policy objectives remain valid and whether the terms of the legislation remain appropriate for securing these objectives. The review considered:

- the extent of stakeholder awareness of the small bar licence and its conditions
- 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
- 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
- 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
- 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*
- 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
- 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

- whether there have been any other impacts of the small bars legislation
- the extent of any venue non-compliance with the small bar licence requirements.

To inform its considerations, the review held face-to-face or telephone consultations with eleven stakeholder organisations and invited interested parties to lodge a written submission and complete an online survey. It also considered a range of offence, licensing and compliance data.

## Key findings

The key findings of the review are as follows:

1. While the policy objectives of the small bars legislation remain valid, the terms of the legislation require amendment in order to secure those objectives.
2. While the level of stakeholder awareness about the small bar licence and its conditions was generally high, some industry participants suggested that more could have been done to communicate this information to stakeholders.
3. Administrative delays and complexities associated with small bar planning and licensing approvals are impeding the greater uptake of small bar liquor licences.
4. Very few general bar hotel licences have converted to small bar licences to date, which is largely attributable to the small bar patron limit as opposed to low awareness about small bar licences.
5. A majority of licensed venues marketing themselves as a small bar operate under a different type of liquor licence, such as a general bar licence or an on-premises licence.
6. Some stakeholders support an increase to the current small bar patron limit to support venue viability.
7. Most stakeholders support, in-principle, the availability of automatic extended trading hours for small bars.
8. Despite automatic extended trading hours being a feature of the small bar licence, this entitlement is often unavailable due to trading restrictions imposed by local councils under planning laws.
9. Most stakeholders support the CIS exemption. However, it is evident that some council development approval processes for small bars involve a lower standard of consultation and therefore less community input into the licence approval process.
10. There was agreement among stakeholders that the introduction of small bar licences has had little impact on the prevalence of venue morphing, which is more likely to occur in larger venues holding an on-premises licence with a Primary Service Authorisation (PSA), which allows the sale of liquor without another product or service.
11. Venues with a small bar licence have a lower incidence of alcohol-related violence than venues operating as a small bar under another type of liquor licence. Smaller bars have a lower incidence of alcohol-related violence than other types of licensed venue.
12. There is little evidence of non-compliance by small bars with the licence conditions.
13. Some stakeholders support minors being permitted in small bars for the purpose of attending functions and other events with responsible adults and to maintain consistency with other types of liquor licence.

## Recommendations

Based on these findings the review makes the following recommendations to address issues raised during the review process and to facilitate the realisation of the policy objectives underpinning the small bar licence. These recommendations focus on:

- supporting the commercial viability of small bars
- enhancing industry education and promotion of the small bar licence category
- reducing administrative delays and complexity in the licensing approval process
- ongoing monitoring of small bar regulatory changes and process improvements.

### ***Supporting the commercial viability of small bars***

1. Increase the maximum patron limit for small bar licences to 100.
2. The Government give further consideration to whether minors should be permitted in small bars in the context of the recommended increase in the patron limit to 100.
3. Upon request, convert general bar hotel licences, and on-premises licences where the development consent permits operation of a small bar, to a small bar licence free of charge for a 12 month period.
4. Further consider the exemption of small bar licences from the liquor licence freeze in light of the outcomes of the Callinan review.

### ***Enhancing industry education and promotion of the small bar licence category***

5. Actively promote the features and benefits of a small bar liquor licence, and strategically engage with stakeholders such as the Small Bar Association and local councils to facilitate education of existing and potential venue operators.

### ***Minimising licensing approval administrative delays and complexity***

6. Consider opportunities to expedite L&GNSW consideration and approval of lower risk liquor licence applications, including small bar applications.

### ***Ongoing evaluation of regulatory impacts and process improvements***

7. Conduct an evaluation of the legislative amendments to the small bar liquor licence arising from this review, two years following the implementation of these amendments.
8. Consider further opportunities for reforms to reduce red tape and administrative complexity, including potential expansion of the Service NSW Easy-to-do-Business initiative and enhanced coordination of planning and liquor licensing processes.

## 2. Introduction

### Background

In late 2012, the *Liquor Amendment (Kings Cross Plan of Management) Act 2012* introduced an exemption to the liquor licence freeze in Kings Cross and the Oxford Street Darlinghurst precincts for premises with up to 60 patrons. The aim of the amendment was to reduce alcohol-related crime and anti-social behaviour by encouraging investment in smaller venues. The Government indicated at the time that this exemption was a precursor to the establishment of a new category of small bar liquor licence. Until then, small bars typically operated under a general bar hotel licence, which could also be used 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. The aim of the new licence was to diversify the night time economy by creating incentives for operators to establish smaller and safer venues. It also aimed to address venue morphing (i.e. when a venue receives a licence for a particular purpose, such as operating a small bar, which transforms over time into a different, riskier type of venue such as a nightclub) by clarifying what a small bar is. Venues trading under the small bar licence are:

- prohibited from providing gaming or selling take-away liquor
- allowed up to a maximum of 60 patrons on the premises during liquor trading hours
- automatically authorised to sell liquor from midday to 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*
- exempt from the requirement to submit a CIS if 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 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
- able to apply to the ILGA to extend trading from 10am to 5am, either on a permanent basis or to celebrate a special occasion
- prohibited from having people under the age of 18 years on the premises.

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 licensees 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 table showing the fees for other relevant types of liquor licence is shown below (Table 1).



**Table 1: Liquor licence fees by licence type (as of 12 September 2016)**

Liquor licence type	Application fee	Annual licence fee	Trading hours risk loading <sup>1</sup>
Small bar	\$350	\$204	N/a
Hotel (general bar)	\$700	\$255	\$2,500 (Midnight-1.30am) \$5,000 (after 1.30am)
Hotel	\$2,500	\$510	
On-premises (restaurant) <sup>2</sup>	\$700	\$408	

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).

#### *Uptake of small bar liquor licences*

There has been limited uptake of small bar liquor licences in NSW since the introduction of this new licence category in July 2013, with the majority of small bars being established in and around the Sydney CBD. This limited uptake has occurred despite a number of concessions and incentives enacted under legislation to encourage uptake of these licences.

There were 49 small bar liquor licences in NSW as at 8 September 2016. Fifty licences have been granted since 1 July 2013 (one licence was surrendered on 25 June 2016). The uptake of small bar licences has been most evident in metropolitan areas of NSW. Of the 49 licences, 28 (57%) are located in the City of Sydney LGA, and 35 (71%) are in the Sydney metropolitan area. Outside of the Sydney metropolitan area, the LGA with the most small bar licences (4) is Newcastle.

A breakdown of small bar licences by LGA is shown in Table 2. A full list of small bar licences as at 8 September 2016 is at **Appendix A**.

**Table 2: Number of small bar liquor licences in each LGA in NSW as at 8 September 2016.**

LGA	Number of licences	Number of licences with extended trading authorisation
City of Sydney	28	4
Newcastle	4	0
Marrickville	2	0
Armidale Dumaresq	1	0
Ashfield	1	0
Auburn	1	1
Bellingen	1	1
Blue Mountains	1	0
Clarence Valley	1	0

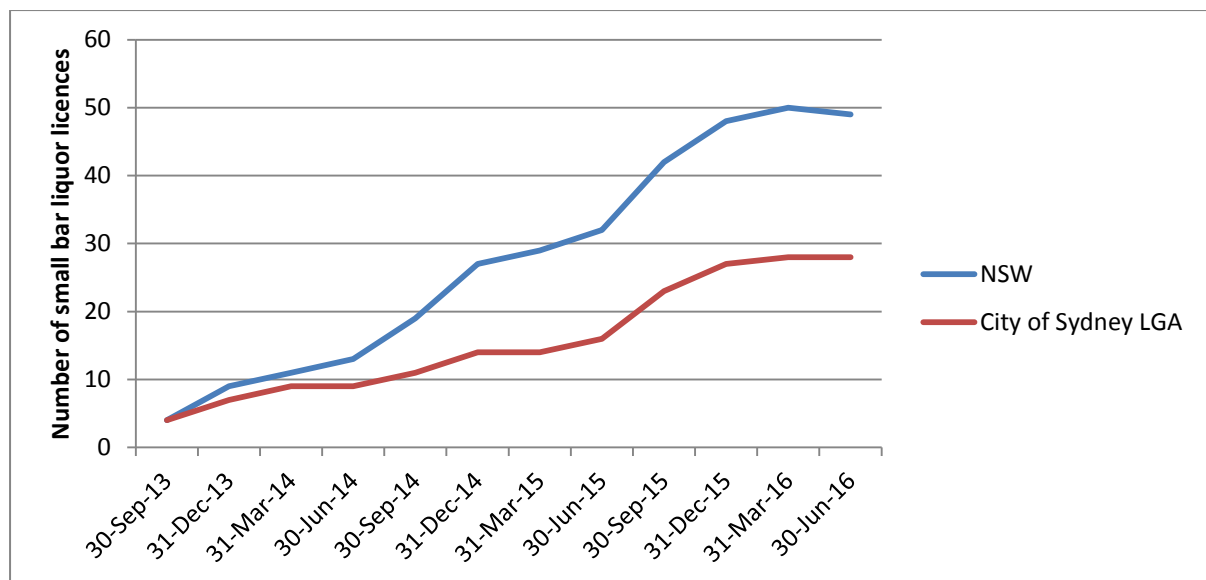
<sup>1</sup> A trading hour risk loading applies when premises trade between these hours on a regular basis, except where they are located in small regional and remote communities.

<sup>2</sup> An on-premises licence allows alcohol to be sold to the public for consumption on the premises with another product or service that is sold, supplied or provided to people on the premises. The trading hours risk loading applies if the on-premises licence is accompanied by a PSA.

LGA	Number of licences	Number of licences with extended trading authorisation
Cowra	1	0
Gosford	1	1
Kogarah	1	0
Ku-ring-gai	1	0
North Sydney	1	0
Orange	1	0
Port Macquarie-Hastings	1	0
Wollongong	1	0
Yass Valley	1	0
<b>Total</b>	<b>49</b>	<b>7</b>

To illustrate the change in the number of small bar liquor licences over time, Figure 1 shows the number of small bar liquor licences in NSW and the City of Sydney LGA at the end of each quarter since the introduction of the licence type on 1 July 2013.

**Figure 1: Number of small bar liquor licences in NSW and the City of Sydney LGA at the end of each quarter since the introduction of the small bar licence type on 1 July 2013.**



### *Small bars in other jurisdictions*

When examining the small bar licence the review also looked at other jurisdictions with a specific licence for small bars. As indicated in Table 3, NSW, Western Australia, South Australia and Queensland have a small bar licence. NSW is the only state with automatic trading until 2am (provided the local council authorises trading until 2am under the development application process) and also has the lowest application fee of any state. Every state has a greater number of small bars than NSW despite NSW having more total liquor licences than any state other than Victoria. The two states with the largest number of small bars also have the larger patron capacity of 120 (Western Australia and South Australia).

**Table 3: Small bar licence features in other jurisdictions**

State	Licence for small bars	Introduced	Number	Patron Limit	Cost	Closing
WA	Yes	2007	106	120	Application fee: \$3417 Annual base fee: \$578	12am
SA	Yes	2013 <sup>3</sup>	73	120	Application fee: \$539 Annual base fee: \$109	12am
VIC	No	N/a	N/a	N/a	N/a	N/a
QLD	Yes	2009	67	60	Application fee: \$1297 Annual base fee: \$648	12am
ACT	No	N/a	N/a	N/a	N/a	N/a
TAS	No	N/a	N/a	N/a	N/a	N/a
NT	No	N/a	N/a	N/a	N/a	N/a
NSW	Yes	2013	49	60	Application fee: \$350 Annual fee: \$204	2am (12am if freeze)

## Review of Small Bars Legislation

Clause 40 of Schedule 1 of the *Liquor Act 2007* requires a review of the small bars legislation to be undertaken after 1 January 2016 and a report to be tabled in Parliament before 1 January 2017. The purpose of the review is to assess whether the policy objectives of amendments made to the *Liquor Act 2007* and the regulations by the *Liquor Amendment (Small Bars) Act 2013*, remain valid and if the terms of the amendments remain appropriate for securing those objectives. In considering these objectives, the review examined:

- (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
- (9) the extent of any venue non-compliance with the small bar licence requirements.

<sup>3</sup> The Hon. T R Anderson QC 2016, *Review of the South Australian Liquor Licensing Act 1997*, p.185

## 3. Review methodology

### Sources of evidence

The review used a mixed methods approach involving qualitative and quantitative data. Qualitative data was sourced from public submissions to the review and to the Callinan liquor law review<sup>4</sup>, Ministerial correspondence, and stakeholder interviews and surveys. Quantitative data was sourced from stakeholder surveys and offence, licensing and compliance data.

#### *Public submissions*

Interested parties were given the opportunity to make a public submission to the review. The submission period opened on 27 June and closed on 15 July. The submission process was promoted via the L&GNSW e-newsletter to 10,500 subscribers, and via e-mail to key stakeholders, on 27 June. Information about the review, including an Information Paper (**Appendix B**), was published on the L&GNSW website.

Fifteen public submissions were received by the small bars review. These were published on the L&GNSW website. A list of parties that lodged a public submission is at **Appendix C**. The review also examined 105 public submissions to the independent Liquor Law Review that referenced small bars.

#### *Surveys*

Stakeholders were invited to complete an online survey. One survey was available for the general public, including residents, patrons, industry groups and policy advocates, to provide feedback on the impacts of the small bars legislation (**Appendix D**). This was completed by 43 respondents. A separate survey, completed by 37 respondents, was available for small bar, general bar and on-premises licensees to provide feedback on small bar licence uptake drivers and barriers (**Appendix E**).

#### *Stakeholder consultations*

Key organisations were consulted via face-to-face or telephone interviews during July. Interview questions focused on the review objectives which most impacted the individual stakeholder groups. The following stakeholders were interviewed:

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<sup>4</sup> In February 2014, the Deputy Premier appointed the Hon. Ian Callinan AC to review the impacts of the 1.30am lock out and 3am cease liquor service restrictions in the Kings Cross and Sydney CBD Entertainment precincts, the 10pm take-away liquor sales restriction, and the annual liquor licence fee scheme.

- Australian Hotels Association (NSW)
- City of Sydney Council
- City Resident Action Groups (CityRAGs)
- Coalition of City Liquor Accords
- Keep Sydney Open
- Live Music Office
- NSW/ACT Alcohol Policy Alliance (NAAPA)
- NSW Business Chamber
- NSW Police (Alcohol & Licensing Enforcement Command)
- Office of the NSW Small Business Commissioner
- Small Bar Association

### ***Ministerial correspondence***

Ministerial correspondence relating to small bars, received since the introduction of the small bar liquor licence category on 1 July 2013, was also considered with regard to the review objectives.

### ***Offence, council, licensing and compliance data***

Data on alcohol-related violent incidents on licensed premises was sourced from BOCSAR. This data covered the period 1 July 2013 to 30 June 2016.

Data regarding complaints about small bar type venues for the period 1 July 2013 to 30 May 2016 was obtained from the City of Sydney council. City of Sydney council also provided data on the DA approved patron capacity for the 128 venues they considered to be operating like a small bar.

Licensing data from 1 July 2013 was sourced from OneGov, including data on small bar licences granted, applications pending a decision, the length of time taken to consider licence applications, and conversions from general bar hotel licences to small bar licences.

Compliance data from 1 July 2013 was sourced from the L&GNSW REGIS system, an internal database used to store and manage data relating to L&GNSW compliance activity and outcomes. An analysis of inspections undertaken and detected breaches of the small bar requirements was conducted.

## 4. Discussion and Findings

### Summary of stakeholder views

There was broad support from stakeholders consulted by the review for the objectives and principles of the small bars legislation. This included, in particular, support for the goal of reducing alcohol-related violence by diversifying the night time economy and encouraging investment in safer licensed venues. Most stakeholders agreed that encouraging the uptake of small bar licences is a potentially effective way to accomplish these objectives.

However, there was disagreement among stakeholders about whether small bar licences in their current form can achieve these objectives. Some stakeholders claimed that current licence conditions are appropriate while others believed the licence restrictions need to be relaxed to improve the commercial viability of small bars and increase their uptake.

Based on this feedback, and an analysis of licensing and crime data, the review considers that an important challenge has been to strike a balance, between supporting lower risk licensed venues while also ensuring that these venues are commercially viable and present a sufficiently attractive proposition for investors.

### Outline of key findings

#### **1. While the policy objectives of the small bars legislation remain valid, the terms of the legislation require amendment in order to secure those objectives**

Based on its consideration of the available evidence, the review has determined that encouraging alternative venue models and diversifying the night time economy remain valid strategies for reducing alcohol-related violence in NSW. Furthermore, it considers the small bar licence is a potentially viable means of achieving these policy objectives, subject to a number of amendments. This finding is based on crime data, and feedback received from stakeholders consulted by the review, which show bars trading under small bar licences tend to experience lower rates of alcohol-related violence and anti-social behaviour, compared to other venue types.

There is an absence of research literature that demonstrates an unequivocal connection between patron numbers and rates of alcohol-related violence. Nevertheless, feedback received from stakeholders during the consultation process, and its own analysis of crime data, has provided the review with some evidence of the positive effect smaller bars can have on the prevalence of alcohol-related violence in licensed premises. There is also evidence that the small bar licence has contributed to some diversification of the night time economy, particularly in the Sydney CBD. OneGov data shows 50 small bar licences have been granted since 1 July 2013, with 49 licences currently active and nine applications pending approval as at 10 August 2016.

Based on these findings, the review considers that the small bar licence is an appropriate means of achieving the policy objectives. Stakeholders consulted by the review unanimously supported the licence. While some stakeholders suggested certain licence features be

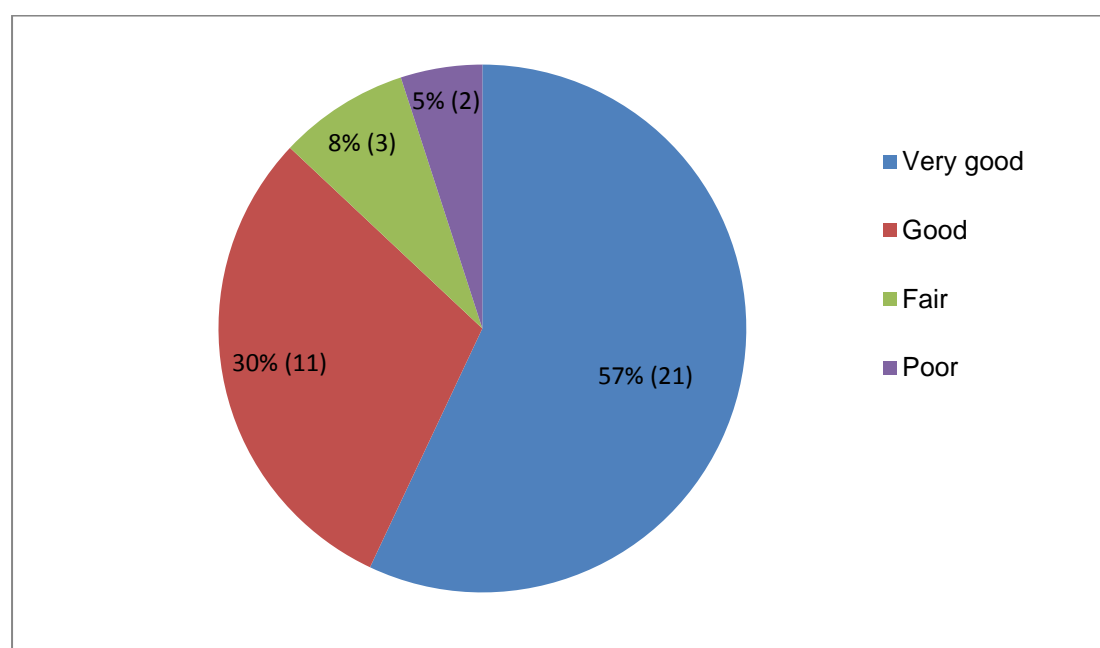
changed, there was broad support for its retention and no alternative measures were recommended in its place. In its considerations, the review evaluated the option of discontinuing the small bar licence and converting existing small bar licences to another licence type. However, it refrained from making this recommendation due to the risk that removing the patron limit of these venues would expose them to greater levels of alcohol-related violence. Furthermore, discontinuing the licence may diminish the incentive for operators to adopt this venue model and thereby undermine efforts by Government to diversify the night time economy.

The review has determined however that some adjustments to the small bar licence are required in order to facilitate its uptake. While the small bar model is emerging as a feature of the NSW night time economy, the proportion of venues trading under this licence remains low. To address this low uptake, the review has recommended that licence conditions be amended in a way that improves the commercial viability of this venue model without increasing the risk of alcohol-related violence.

## **2. While the level of stakeholder awareness about the small bar licence and its conditions was generally high, some industry participants suggested that more could have been done to communicate this information to stakeholders**

Venue survey responses show the level of awareness by licensed venues of the small bar licences is generally high. However, stakeholder feedback shows information gaps do exist in some segments of the L&GNSW target audience, including among aspiring venue operators. The AHA reports that its members have a good understanding of small bar licences, and 87% (32/37) of venue survey respondents reported a 'good' or 'very good' level of awareness (Figure 2). However the Small Bar Association and Coalition of City Liquor Accords claim that many aspiring venue operators are unaware of small bar licence conditions and the exemption to the liquor licence freeze.

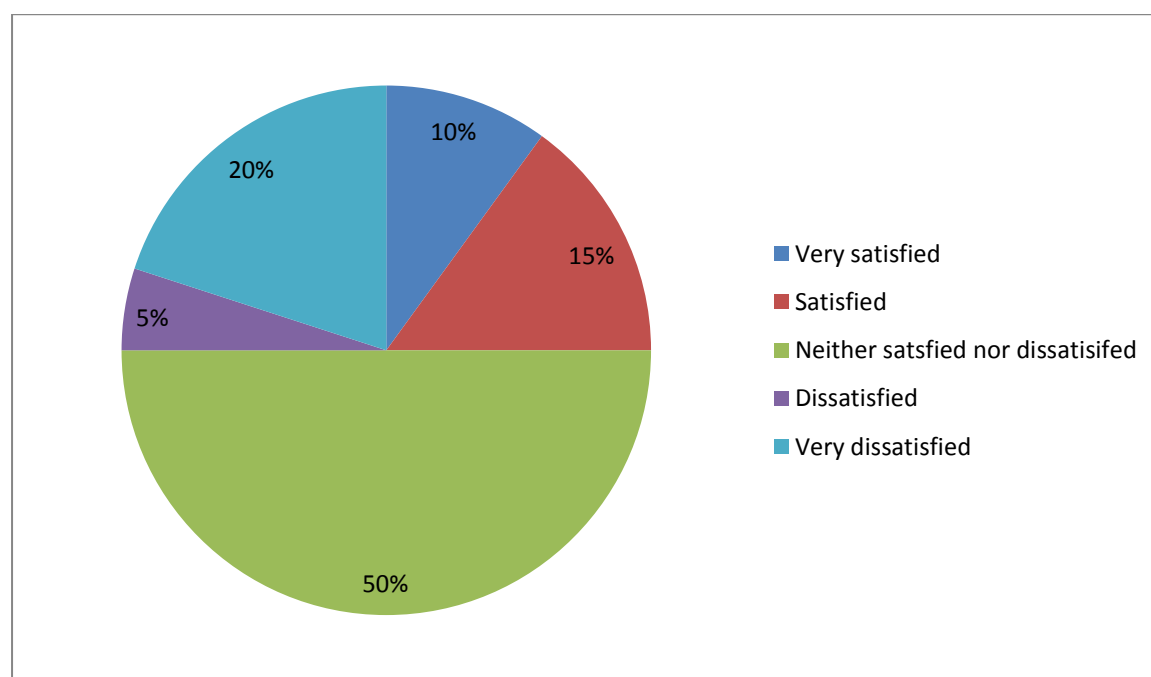
**Figure 2: Awareness of small bar licence conditions among liquor licensees (Source: venue survey)**



It was noted that 52% (15/29) of venue survey respondents, including small bar, general bar hotel and on-premises venues (with a PSA), reported receiving no information about the small bar licence at all. The review considers these licensed venue categories to be important target audiences of L&GNSW communications about the small bar licence. However, among respondents that did receive information, the former Office of Liquor, Gaming & Racing (OLGR)<sup>5</sup> was the main source, although many reported receiving information from multiple of channels. For example, 44% (8/18) of respondents received information from the OLGR website or e-news, 33% (6/18) received it from a liquor accord, and 11% (2/18) received it from an industry association.

Feedback on the quality of OLGR communications was mixed. The Australian Hotels Association (AHA) reported that OLGR had done a good job informing its members about the licence, while only 25% (5/20) of venue survey respondents were 'Satisfied' or 'Very Satisfied' compared to 25% (5/20) that were 'Dissatisfied' or 'Very Dissatisfied' (Figure 3). The review, while acknowledging the negative feedback received from some venue operators, notes the sample size of survey responses was small and consequently it has refrained from placing undue emphasis on this data. The Small Bar Association and Coalition of City Liquor Accords also suggested more should be done to promote the licence to aspiring venue operators.

**Figure 3: Satisfaction of licensed venues with OLGR communication about small bars (Source: Venue Survey)**



There is evidence that there could be better coordination of communication to aspiring venue operators by government agencies and industry associations. The Coalition of City Liquor

<sup>5</sup> When the small bar liquor licence was first introduced, liquor regulation in NSW was the responsibility of the Office of Liquor, Gaming & Racing (OLGR). Reforms introduced in early 2016 led to OLGR being replaced by Liquor & Gaming NSW as the agency responsible for liquor regulation in NSW.



Accords reported that it refers queries from aspiring venue operators about liquor licences to the Kings Cross Police or City of Sydney council rather than L&GNSW. However, the information provided by the City of Sydney council regarding small bars promotes general bar hotel rather than small bar licences. The Small Bar Association indicated that it has promoted on-premises liquor licences to interested stakeholders, rather than small bar licences, as it considers these licence types are generally better suited to the needs of smaller bar operators. These challenges in the coordination and consistency of small bar communications present a key barrier to the uptake of the licence.

### **3. Administrative delays and complexities associated with small bar planning and licensing approvals are impeding the greater uptake of small bar liquor licences**

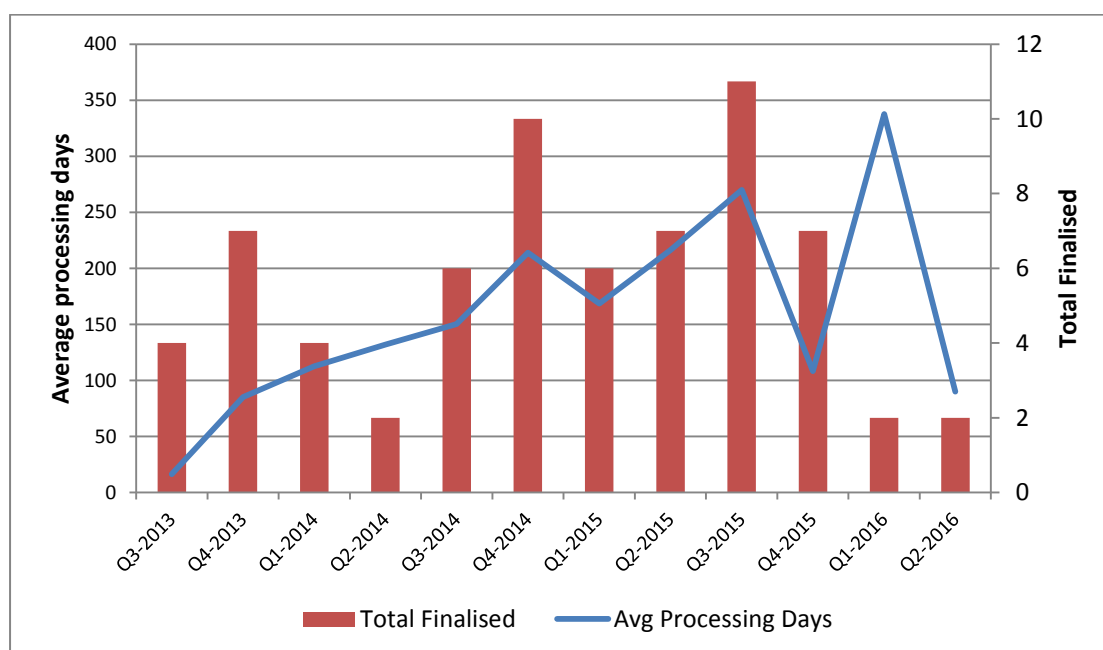
Process complexities involved in gaining regulatory approval for a small bar are further impeding the uptake of this licence. To open a small bar, aspiring venue operators must receive development approval (DA) from the local council and a liquor licence from the ILGA. According to the Office of the NSW Small Business Commissioner, Small Bar Association and Coalition of City Liquor Accords, many aspiring operators find these licensing and approval processes to be onerous and time-consuming.

According to feedback received from stakeholders who provided input to the review during the consultation process, including Mobius Distilling and the Coalition of City Liquor Accords, delays in receiving regulatory approvals discourage venue operators converting to a small bar licence. OneGov data shows the average processing time for a small bar licence is 170 days.<sup>6</sup> The City of Sydney council report that 35 business days are needed for a DA, which is required before a liquor licence application can be lodged. Other councils estimate approval times of between two and three months. Regulatory approvals have required up to seven to nine months in total. Average processing times for small bar applications for each quarter since 1 July 2013 are shown in Figure 4.

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<sup>6</sup> Based on applications completed through to finalisation and excluding withdrawals, from 1 July 2013 to 30 June 2016

**Figure 4: Average processing time for small bar liquor licence applications for each quarter from 1 July 2013 to 30 June 2016 (Source: OneGov)**



Processing delays can result in significant costs for venue operators, regardless of the liquor licence. Mobius Distilling noted however, that small bar operators are particularly vulnerable to these delays as they tend to be less well-resourced than other licensees and run lower revenue businesses. Small bars are also often located in metropolitan areas where rents are high and comprise a large part of business expenditure. For these reasons, small bar licence applicants are ill-equipped to endure long periods without revenue. The venue survey shows, of general bar licensees deciding not to convert to a small bar licence, 50% attributed their decision to costs and time involved in gaining regulatory approvals.

The review acknowledges that a suite of regulatory reforms are currently being developed, piloted and rolled-out across Government to reduce red-tape and licence approval times. For example, L&GNSW is implementing improvements to processing which will ultimately reduce time and costs through the use of measures such as online applications. L&GNSW is also exploring options to merge the community consultation processes currently embedded in the council DA and liquor licencing processes. Furthermore, Service NSW is piloting an *Easy-to-do-Business* initiative which aims to make it easier for individuals to open cafes, small bars and restaurants. In the context of this initiative, L&GNSW is working with Service NSW to streamline the licence application process.

#### **4. Very few general bar hotel licences have converted to small bar licences to date, which is largely attributable to the small bar patron limit as opposed to low awareness about small bar licences**

In the six months grace period for conversions from 1 July 2013 to 1 January 2014, there were six conversions of general bar hotel licences, from a total of 100 as at 1 July 2013.

Stakeholder feedback suggests the main reason for the low conversion rate is the 60 patron limit. The AHA claims that the patron limit, and other licence features outlined in the Introduction to this report, do not align with the preferred business model of many general bar licensees. The Small Bar Association also identified the patron limit as a major deterrent for many aspiring venue operators who instead often take up hotel or on-premises (with PSA) liquor licences as these licence types have no defined patron limits. The patron limit was also cited as the most common reason among general bar licensees in the venue survey for their decision not to convert.

As noted previously in this report, the venue survey suggests that awareness about the small bar licence is generally high, particularly for licensed venues currently in operation, with 87% of respondents having a 'Good' or 'Very Good' level of awareness. This suggests the low rate of conversion of general bar licences to small bar licences is mostly attributable to the patron limit rather than low awareness about small bar licences and their conditions.

It is also relevant that annual liquor licence fees did not exist at the time that general bar licences could be converted into small bar licences. These fees were introduced later, and now provide an incentive to choose a small bar licence over a general bar licence due to the lower annual fees paid by small bars licensees (refer to Table 1 in this report).

#### **5. A majority of licensed venues marketing themselves as a small bar operate under a different type of liquor licence, such as a general bar hotel or on-premises licence**

The review found a majority of licensed venues marketing themselves as a 'small bar' operate under a different type of liquor licence, such as a general bar hotel or on-premises licence. The City of Sydney council provided evidence that of the 128 venues in that LGA which the council considers to be small bars, including a patron limit of 120 or less, only 27 (21.1%) trade under a small bar liquor licence. The review acknowledges some caution must be applied in using feedback from the City of Sydney council as a basis from which to draw broader conclusions about small bars across NSW. However, it considers that as a majority of small bar licences are concentrated in this LGA, the experience of the City of Sydney council is of particular relevance to the review.

The reasons why a licensed venue may elect not to operate under a small bar licence vary. However, stakeholder feedback suggested the small bar patron limit was a key factor in many such decisions. The review notes the licensed venue operated by the President of the Small Bar Association, Mr Martin O'Sullivan, operates under an on-premises licence with a PSA. Mr O'Sullivan suggested that patron capacity was the biggest deterrent in regard to the small bar licence. The City of Sydney council suggested that other restrictions on the licence, including the prohibition on minors (see review finding number 13), also diminished its attractiveness compared to other licence types.

#### **6. Some stakeholders support an increase to the current small bar patron limit to support venue viability**

Stakeholders consulted by the review held a range of opinions on the appropriate patron limit for small bars, with views divided between those who wanted the current limit retained

and those who believed it should be increased. A pivotal issue emerging from these discussions was how to balance concerns about the viability of small bars with the need to minimise the risk of alcohol-related violence and anti-social behaviour, and prevent neighbourhood disturbance. Nevertheless, despite the differences in views, there was evidence of some middle ground in the spectrum of stakeholder opinions.

Stakeholders such as the Small Bar Association, Live Music Office, Music Australia, Sydney Business Chamber and City of Sydney council supported a 120 patron limit, which they considered the minimum needed for a viable business. The council based its view on the number of patrons that can fit in a 'low-impact' premises. The council's 2007 draft of its planning controls defined low-impact premises as those with floor space below 200m<sup>2</sup>. Based on feedback at that time, it converted this to 120 patrons to avoid disadvantaging businesses that serve food and have floor space taken up by back-of-house functions. The Live Music Office and Music Australia also recommended a 120 patron limit, which they considered necessary for live music performance. The Small Bar Association supported 120, claiming many premises currently trading under a small bar licence will go out of business in the next year if the limit is not increased.

On the other hand, residents groups, policy advocates and emergency services stakeholders argued that the 60 patron limit is appropriate. The AHA (NSW), NSW Police, Northern Sydney Local Health District (NSLHD), NAAPA and CityRAGs claimed a 60 patron limit minimises the level of alcohol-related violence, noise and anti-social behaviour, and any increase would heighten the risk of alcohol-related violence in and around these venues. Several stakeholder groups were willing for the limit to be raised subject to certain conditions. For example, the NSW Police did not oppose raising the limit above 60 if risk management measures were adopted and CityRAGs were prepared to consider a patron limit of up to 90 for venues with no history of alcohol-related violence.

## **7. Most stakeholders support, in-principle, the availability of automatic extended trading hours for small bars**

Most stakeholders consulted supported automatic extended trading hours for small bars, with some also arguing for later trading entitlements and greater flexibility in their hours of operation. For example, the City of Sydney supported extended trading, in-principle, on the basis that it allowed for greater flexibility for later trading during special events and to account for seasonal changes in demand. Notwithstanding this support, the review notes that City of Sydney development consent approvals do not currently allow premises to trade until midnight or 2am uniformly across the LGA.

City of Sydney, Keep Sydney Open, the Small Bar Association and Live Music Office argued that trading hours should be extended. In addition, 40% (8/20) of Venue Survey respondents and 40% (17/43) of General Survey respondents considered current hours to be inappropriate with most arguing for a later close due to the low-risk nature of these premises. CityRAGS held no objection to later trading hours in the Sydney CBD.

However, NAAPA and the AHA (NSW) unequivocally opposed any extension to small bar trading hours. NAAPA also opposed the current automatic trading extension. These stakeholders were concerned about the potential for small bars to contribute to a trend of

venue saturation, meaning that small bars could result in higher rates of alcohol-related violence and anti-social behaviour within a particular area, even if those incidents did not occur within the small bar premises.

The views of several other stakeholders depended on changes potentially made to other licence conditions. For example, the NSW Business Chamber suggested trading hours should be restricted only if the patron limit was increased, in order to stagger the number of patrons leaving venues as they close across a precinct. The AHA argued that automatic extended trading hours should be revoked if the patron limit is raised, as this would undermine the risk mitigation measures that were adopted when the licence was introduced. The NSW Police suggested automatic trading to 2am outside the CBD should be approved subject to a risk-based assessment.

**8. Despite automatic extended trading hours being a feature of the small bar licence, this entitlement is often unavailable due to trading restrictions imposed by local councils under planning laws**

Local councils often impose trading hour restrictions as part of their DA process which mandate earlier closing hours than the automatic 2am close (midnight in freeze precincts) permitted under the small bars legislation. For example, the City of Sydney Council enforces mandatory closing times of 11pm, 1am or 2am, depending on the area in question. As a further example, Newcastle council permits trading to 7pm, and will only consider extended trading in limited circumstances and subject to the consideration of issues including the location of the business and its patron capacity.

**9. Most stakeholders support the CIS exemption. However, it is evident that some council development approval processes for small bars involve a lower standard of consultation and therefore less community input into the licence approval process**

A CIS is a written summary that describes the outcomes of consultation with local stakeholders about issues such as local support for a liquor application, and potential harm that a liquor licence might have on a neighbourhood. It helps the ILGA to understand the impact that a licence will have on the local community. It is the responsibility of the potential licence holder to engage with the local community about any concerns that people may have with the application for a liquor licence prior to the application being made. Further, the ILGA cannot grant a licence, authorisation or approval where a CIS is required unless the applicant demonstrates that the overall social impact of the licence will not be detrimental to the well-being of the local or broader community.

Most stakeholders, including the City of Sydney council, supported the CIS exemption for small bars. Similarly, 75% of venue survey respondents (15/20) supported the exemption. However several organisations, including NAAPA and the NSLHD, opposed the exemption on the basis that it adversely impacted the ability of local communities to provide input into the DA consultation process. Some stakeholders, including the AHA (NSW) and Coalition of City Liquor Accords, also confirmed that their support for the exemption was contingent on the patron limit remaining at 60.

The review notes council DAs often involve less community consultation compared to the CIS requirement under the liquor licensing process. For example, the City of Sydney council advertises DAs for 21 days within a 50m radius of the site and seeks input from L&GNSW and the police, whereas Marrickville council does not require any community consultation at all unless the DA is considered controversial (e.g. involves long trading hours or is located in immediate proximity to residential dwellings). By contrast, liquor licence approval involves consultation with a more diverse set of stakeholders, including health and education facilities, places of worship and detoxification facilities.

For these reasons, some stakeholders engaged by the review were concerned that the CIS exemption for small bars is reducing community input into the liquor licence application process and resulting in a cumulative detrimental impact in a local area. These fears were raised by NAAPA and the NSLHD, which both recommended the exemption be revoked and replaced with a mandatory CIS. While acknowledging these concerns, the review considers the Liquor & Gaming Applications Noticeboard<sup>7</sup>, which displays current liquor licence applications in an online format and provides a platform for stakeholders to give feedback on these applications, significantly mitigates any risk arising from the CIS exemption.

**10. There was agreement among stakeholders that the introduction of small bar licences has had little impact on the prevalence of venue morphing, which is more likely to occur in larger venues holding an on-premises licence with a PSA, which allows the sale of liquor without another product or service**

Stakeholders generally agreed that venue morphing is predominately associated with larger venues holding an on-premises licence with a Primary Service Authorisation (PSA), rather than small bars. This was reflected in feedback from NSW Police which confirmed the premises most likely to venue morph were those holding an on-premises licence with a PSA. The City of Sydney council also reported receiving few complaints about small bars, suggesting larger venues with on-premises licences posed a bigger problem to residents. The City of Sydney provided the review with quantitative data about the number of complaints it had received from venues considered to be trading like small bars. A summary is provided in Table 4.

From the council data, it is evident the small bar licence has the lowest incidence of complaints by residents, both on a per venue basis and in total, followed by general bar hotel licences. The highest number and rate of complaints is attributable to on-premises licences with a PSA. Stakeholder feedback suggests that small bar and general bar licences are attracting fewer complaints because residents and surrounding businesses have a prior understanding of the purpose of the business when it is established. By contrast, an on-premises venue with a PSA may have received approval under their DA to operate as a restaurant, but unlawfully morphed into a small bar or other type of venue over time.

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<sup>7</sup> <https://www.liquorandgaming.justice.nsw.gov.au/Pages/public-consultation/online-application-noticeboard/online-application-noticeboard.aspx>

**Table 4: Complaints from July 2013 to May 2016 by licence type in City of Sydney council LGA (for venues which City of Sydney identifies as operating like small bars)**

Licence Type	Number of Licences	Number of Complaints	Average complaints per venue
Small Bar	27	3	0.11
General Bar (hotel)	45	34	0.76
On-premises (with PSA)	56	50	0.89

**11. Venues with a small bar licence have a lower incidence of alcohol-related violence than venues operating as a small bar under another type of liquor licence. Smaller bars have a lower incidence of alcohol-related violence than other types of licensed venue**

Stakeholders generally agreed that small bars experience lower rates of alcohol-related violence and anti-social behaviour, compared to other types of venue. However, there were a variety of views on what factors were primarily responsible for this outcome.

To examine this issue in greater detail, the review used a venue list provided by City of Sydney council to create a profile of the level of violence in venues trading like small bars within the City of Sydney LGA. This was done by compiling data on alcohol-related violent incidents on licensed premises for venues identified by the City of Sydney as trading like small bars. This data reinforces the comparative safety of small bars. In the period from July 2013 to June 2016, there was only one recorded alcohol-related violent incident in a small bar across all of the 30 small bar licences in the Sydney LGA. In comparison there were 16 incidents in the 45 general bars which the City of Sydney council consider to be trading like small bars and 17 incidents in the 56 on-premises licences with a PSA which the council consider to be trading like small bars. The average numbers of incidents per venue for this time period is provided in Table 5.

**Table 5: Alcohol-related violent incidents by licence type in City of Sydney LGA (which City of Sydney identify as trading like small bars) from July 2013 to June 2016**

Licence Type	Number of Licences	Number of alcohol-related violent incidents on premises <sup>8</sup>	Average incidents per venue
Small Bar	27	1	0.04
General Bar	45	15	0.33
On-premises (with PSA)	56	17	0.30
Hotel licences (total)	347	1,529	4.41

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<sup>8</sup> Refers to alcohol-related on-premises violent incidents which include: common assault, riot and affray, assault officer, actual bodily harm, grievous bodily harm, sexual assault, indecent assault, and violent disorder.

The review notes there is little difference in the rate of alcohol-related violence in smaller bars (as identified by the City of Sydney council) until the patron limit exceeds 120 (Table 6). As the patron capacity surpasses 120, an increased trend of alcohol-related violence is more evident. While caution needs to be exercised in interpreting this data given the small number of incidents, data from the City of Sydney council provides a useful and relevant case-study with which to examine the impact of patron limits on incidents of alcohol-related violence in small bar type venues.

**Table 6: Alcohol-related violent incidents in ‘smaller bars’ in the City of Sydney LGA by patron capacity (July 2013 to June 2016)**

Patron Capacity	Number of Licences	Number of alcohol-related violent incidents	Average incidents per venue
0-60	46	5	0.11
61-90	15	3	0.20
91-120	31	8	0.26
121-150	6	5	0.83
200+ or n/a	30	12	0.40

In regard to the underlying reasons for this trend, Keep Sydney Open and the Live Music Office suggested the culture of small bars resulted in a safer environment, while the NSW Police believed lower patron numbers and a different clientele demographic were the major contributing factors.

On the other hand, NAAPA argued that small bars worsen the problem of venue saturation and therefore indirectly increase alcohol related harm. This argument was echoed by the AHA, which suggested some patrons start their evening drinking in a small bar before moving on to a larger hotel where assaults may occur. They noted that crime data records the last venue at which the perpetrator of alcohol-related violence attended, and for this reason small bars may be under-represented in the offence data, despite making a significant contribution to overall rates of alcohol-related violence and anti-social behaviour.

While acknowledging the AHA's concerns, the review is unable to verify the accuracy of those comments as there is not data available which measures rates of assault and identifies where the perpetrator or victim may have been drinking at a small bar venue earlier in the day or night that the incident occurs.

## **12. There is little evidence of non-compliance by small bars with the licence conditions**

Since 1 July 2013, there have been six licence breaches identified among small bars across NSW. Two breaches involved a failure to display appropriate signage (considered to be a very minor offence) and another was for staff not having valid RSA certification. The other three breaches involved failure to comply with specific licence conditions, including not maintaining a Responsible Service of Alcohol (RSA) register, the licensee not being an active participant in the local liquor accord, and failure to make food available under a small bar licence.



The review notes there has been only one breach of conditions that are specific to small bars (failure to make food available under a small bar licence) since the small bar licence commenced on 1 July 2013. This suggests a high level of compliance among small bar licensees. Furthermore, no compliance challenges were raised by venues in the venue survey, or stakeholders during the consultation process. It therefore appears there have been few, if any, compliance challenges experienced by small bar licensees in relation to small bar licence conditions.

### **13. Some stakeholders support minors being permitted in small bars for the purpose of attending functions and other events with responsible adults and to maintain consistency with other types of liquor licence**

Minors are not permitted entry into any area of a venue operating under a small bar licence under any circumstances. The review notes that other types of licensed venue, including general bars and hotels, can apply for authorisation to permit minors entry to certain designed areas of the venue or attend one-off events held on premises via a Minors area authorisation or Minors functions authorisation respectively.<sup>9</sup>

Some small bars claim they lose revenue due to this restriction. One small bar reported the cancellation of an adult birthday party because guests were unable to bring their teenage children. Furthermore, due to the length of time taken to process liquor licence applications, venues sometimes trade as a restaurant until their licence is approved. In this context, venues must cease serving a segment of their clientele, such as family groups who attend the premises, when their licence is approved. These factors can impact the commercial viability of the small bar model. They can also create extra incentives for operators to act in manner that can be contrary to the Liquor Act, by operating a small bar venue under an on-premises licence with a PSA, rather than a small bar licence.

Most stakeholders consulted by the review supported small bars being permitted to have minors on premises, provided they are in the company of a responsible adult. It was suggested that a risk assessment be performed prior to allowing minors on small bar premises.

However, the AHA and NAAPA opposed any changes to the restriction. The AHA argued any change to this requirement would constitute a form of venue morphing and was therefore undesirable. NAAPA argued that exposing minors to the consumption of alcohol and alcohol-induced anti-social behaviour may have a detrimental impact on their wellbeing.

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See: <sup>9</sup> [https://www.liquorandgaming.justice.nsw.gov.au/Documents/liquor/liquor-licences/L\\_F\\_MAA.pdf](https://www.liquorandgaming.justice.nsw.gov.au/Documents/liquor/liquor-licences/L_F_MAA.pdf); and [https://www.liquorandgaming.justice.nsw.gov.au/Documents/liquor/liquor-licences/L\\_F\\_MFA.pdf](https://www.liquorandgaming.justice.nsw.gov.au/Documents/liquor/liquor-licences/L_F_MFA.pdf)

## 5. Recommendations

Based on its consideration of stakeholder feedback and statistical data, and in light of the findings outlined above, the review has made the following recommendations with respect to small bar legislation and the administration by L&GNSW of the small bar liquor licence.

### Supporting the commercial viability of small bars

#### 1. Increase the maximum patron limit for small bar licences to 100.

In the 2<sup>nd</sup> reading speech which accompanied the passage of the small bars legislation through Parliament, the then Minister for Hospitality, Gaming and Racing, Mr George Souris, indicated that while the patron limit had been set at 60, this could potentially be increased at a later date if a review of the legislation showed a higher limit was more appropriate.<sup>10</sup>

Based on its analysis of stakeholder feedback and its review of crime data, the review has recommended the patron limit for small bars be increased to 100.

The review considers this proposed patron limit will improve the commercial viability of the small bar model, without increasing the risk of alcohol-related violence to the level of 'high-risk' venues. During the consultation process, stakeholders including from the Live Music Office, City of Sydney council and Small Bar Association highlighted the challenges small bar licensees face in operating a commercially viable business with the current 60 person patron limit. This feedback is reflected in the low uptake of small bar licences, which shows that some aspiring operators favour other types of liquor licence.

The review found no evidence to suggest that raising the patron limit to 100 would significantly increase rates of alcohol-related violence in these venues. Crime data from the City of Sydney LGA shows rates of alcohol-related violence remain low for venues with a patron limit under 120 and broadly comparable to venues with 60 patrons. The data suggests that such incidents only begin to increase significantly when the patron limit exceeds 120.

The review considers that increasing the patron limit to 100 may result in additional demand for small bar licences from licensed venues across NSW that have a development approval for between 61 and 100 patrons and currently trade under a different liquor licence type. For example, data from the City of Sydney council shows there are an additional 22 licensed venues in the City of Sydney LGA that would potentially become eligible to convert to a small bar licence.

It is noted that the proposed increase will not override existing patron limits that have been imposed on small bars through the development approval process. These limits will continue

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<sup>10</sup>[https://www.parliament.nsw.gov.au/bills/DBAssets/bills/SecondReadSpeechLA/84/2R%20Liquor%20Amendment%20\(Small%20Bars\).pdf](https://www.parliament.nsw.gov.au/bills/DBAssets/bills/SecondReadSpeechLA/84/2R%20Liquor%20Amendment%20(Small%20Bars).pdf)

to apply, although where a development consent permits more than 60 patrons to be on the premises of a small bar licence, these licensees will be able to take advantage of that greater patron limit (up to a maximum of 100 patrons).

While there is little evidence of elevated risk of alcohol-related violence for venues with a patron limit up to 120, it is desirable that there be some distinction between the patron limit for low risk venues such as small bars and the patron capacity that the legislation defines for classification as a high risk venue (i.e. 120). As such, the review has not recommended that the patron limit for the small bar liquor licence be increased to 120. However, the proposed new 100 patron limit should be closely monitored and evaluated to determine its impact on small bar viability and levels of alcohol-related harm (refer to recommendation 7).

## **2. The Government give further consideration to whether minors should be permitted in small bars in the context of the recommended increase in the patron limit to 100.**

The review sees potential benefit in permitting minors on the premises of a small bar while in the company of a responsible adult, as this could remove a barrier to the commercial viability of this licensed venue model which was identified by stakeholders during the consultation process.

Under this scenario, children could accompany parents to an evening meal at a small bar or attend an early evening function on premises with a responsible adult. Small bars could also take bookings for group events such as birthday and anniversary celebrations where children may accompany responsible adults. Furthermore, venues converting to a small bar licence from a general bar hotel or on-premises licence (refer to recommendation 3) could continue to serve their existing clientele, including adults who may be accompanied by their children for meals.

Strict laws which make it an offence for any person (including responsible adults such as parents and guardians) to sell or supply liquor to a minor in a licensed venue, along with laws preventing minors from accessing and consuming liquor in licensed premises, apply equally to small bars as to other types of licensed premises.

Nevertheless, the review does identify risks that may be associated with allowing minors in small bars. These include the potentially detrimental effect of exposing young people to venues that focus on alcohol consumption, and the risk of alcohol-related violence and anti-social behaviour.

Further, the review considers that a possible increase in the maximum patron limit to 100 (as proposed in Recommendation 1) could increase these risks. On this basis, the review does not support immediate changes to the law to allow minors on small bar premises. Instead, this issue should be further considered when there is sufficient data available on the impact of any increase in the patron limit, and this data has been evaluated with reference to the potential impact of a higher patron limit on the operation of small bars. Particular regard should be had to how changes to patron limits may impact the mixture of food and beverage services in small bars, and whether that refocuses these venues more on bar operations.

**3. Upon request, convert general bar hotel licences, and on-premises licences where the development consent permits operation of a small bar, to a small bar licence free of charge for a 12 month period.**

The review recommends that general bar hotel licensees, and on-premises licensees where the development consent permits operation of a small bar, be permitted to convert their licence to a small bar licence, free of charge for a period of time following implementation of the proposed amendments.

A six month grace period was provided when the small bar licence was introduced. It is recommended that a 12 month grace period be provided following any implementation of an increase to the patron limit to create further incentive for venues to convert their licence. The grace period will also address stakeholder concerns about administrative complexity and delays in processing licence applications by providing a simple, guaranteed and free-of-charge process for conversion to a small bar licence.

The review acknowledges that a waiver of the fee to convert to a small bar licence will involve a small financial cost to Government. However, it considers this cost will be more than offset by the benefits of regularising the operation of small bars that are presently operating under other types of liquor licences, including more standardised operating conditions and viability benefits for the businesses involved.

The conversion process will need to recognise the limitations and conditions that apply under existing development approvals. In the case of on-premises licences, there would be a requirement for the Secretary of the Department of Justice to be satisfied that the relevant development consent permits operation of a small bar. For both on-premises and general bar licences, trading hours would be limited to existing hours approved under the development consent and the current liquor licence. Any change to trading hours would necessitate the usual applications under the planning and liquor laws.

**4. Further consider the exemption of small bar licences from the liquor licence freeze in light of the outcomes of the Callinan review.**

Small bar liquor licences are exempt from liquor licence freezes in precincts defined under the *Liquor Act 2007*. This was intended to encourage the uptake of the licence. Most stakeholders supported this exemption, and based on the low level of alcohol-related violence occurring in small bars the review believes there is evidence to warrant its continuation.

Notwithstanding this, the review considers it is appropriate to consider the future of the exemption in light of the outcomes of the Callinan review. The Callinan review will deliver its report to the Government in September 2016 and the Government is expected to respond later in 2016. The future of the licence freeze is an issue for consideration in the Government's response to that review.

## Enhancing industry education and promotion of the small bar licence category

- 5. Actively promote the features and benefits of a small bar liquor licence, and strategically engage with stakeholders such as the Small Bar Association and local councils to facilitate education of existing and potential venue operators.**

The review found that while awareness by licensed venues of the small bar licence is generally high there is a lower level of understanding by aspiring venue operators. These stakeholders sourced information about small bars from a range of channels, including the former OLGR, liquor accords and the Small Bar Association. However, the advice and information they have received has been inconsistent and of variable quality. As a result, the benefits of small bar licences may not be communicated in a sufficiently compelling or coordinated manner to stakeholders wanting to enter the industry.

To address these challenges, the review recommends L&GNSW develop a Small Bar Communications Plan. This will help L&GNSW to promote small bar licences in a more consistent and coordinated manner to target audiences, including general bar and on-premises licensees and aspiring venue operators. It should identify communication pathways to stakeholders that do not currently receive small bar information, including aspiring venue operators. It should also outline an approach to ensure communication activity and stakeholder messaging is more consistent and closely coordinated between organisations involved in stakeholder outreach, including local liquor accords and the Small Bar Association.

## Minimising licensing approval administrative delays and complexity

- 6. Consider opportunities to expedite L&GNSW consideration and approval of lower risk liquor licence applications, including small bar applications.**

The Government, by exempting small bars from precinct-based freezes on new licensed venues and exempting small bars from risk-based loadings under the annual liquor licence fee scheme, has signalled its intent to foster the growth of small bars. To support this commitment, the review recommends additional measures be considered to expedite the approval of small bar licences to ease the regulatory burden on applicants and remove or reduce barriers to uptake.

The venue survey and feedback from stakeholders consulted by the review showed that delays in receiving regulatory approvals are impeding the uptake of small bar licences. Processing delays are not unique to small bar licensees and may also be experienced by other applicants. However, the review considers that aspiring small bars operators are disproportionately affected by such delays. To address this barrier to uptake, the review recommends L&GNSW consider committing to the publication of performance outcomes against processing targets for small bar licence applications, and identify a process-solution to enable better processing of small bar licensing matters.

The review also recommends consideration be given to developing guidelines which outline a set of principles for the inclusion of any necessary conditions on a small bar licence, in addition to mandatory conditions already required under legislation, to reflect the low-risk

nature of these premises. The review considers that these guidelines, by providing clearer instructions on the types of additional conditions that may be appropriate for a small bar, will expedite the approval of small bar licence applications and reduce red-tape regulatory barriers involved in establishing and operating these venues.

### **Ongoing evaluation of regulatory impacts and process improvements**

#### **7. Conduct an evaluation of the legislative amendments to the small bar liquor licence arising from this review, two years following the implementation of these amendments.**

The review recommends that L&GNSW conduct a future evaluation of small bar licences to monitor, assess and report on the impact of any changes to small bar regulatory conditions implemented in response to this review. This evaluation should be undertaken after two years post-implementation to allow time for the impacts of any changes to be fully realised. The review objectives should include assessing the impact of any changes on the uptake of small bar licences, alcohol-related violence and the small bar application process.

L&GNSW has introduced a range of new measures to reduce processing times for liquor licence applications. L&GNSW is monitoring the impact of these measures and will regularly report outcomes to the Deputy Premier. The review considers that the proposed future evaluation of small bar licences should monitor the outcomes of this process improvement initiative with specific respect to small bars, with a particular focus on the impact of these measures on the expediting of approval timeframes.

#### **8. Consider further opportunities for reforms to reduce red tape and administrative complexity, including potential expansion of the Service NSW Easy-to-do-Business initiative and enhanced coordination of planning and liquor licensing processes.**

As part of the future evaluation of small bar licences, the impacts of the Easy-to-do-Business initiative and coordinated planning and liquor licensing project should be monitored, evaluated and reported on. These initiatives will be the subject of separate reviews conducted across Government to evaluate their progress in meeting program objectives. However, the review considers there would also be value in a more focused evaluation of these initiatives with specific reference to their success in removing regulatory red-tape and reducing processing timeframes for licencing applications for small bars and other lower risk venues.

# APPENDIX A

## Small bar liquor licences in NSW (as at 8 September 2016)

Venue 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
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

## **Appendix B**

### **Small Bars Review - Information Paper**



# 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

# Appendix C

## Parties that lodged a public submission

- Australian Hotels Association (NSW)
- Alex Hardie
- Anonymous
- Anonymous (2)
- APRA AMCOS
- Council of the City of Sydney
- Jeff Collins
- Live Music Office
- Music Australia
- NSW/ACT Alcohol Policy Alliance
- Nick Clapham
- Northern Sydney Local Health District
- Potts Point Partnership & Darlinghurst Business Partnership
- Small Bar Association
- Sydney Business Chamber

## **Appendix D**

### **General stakeholder survey**



## Background

A new category of liquor licence for small bars was introduced on 1 July 2013. A small bar licence allows alcohol to be sold for consumption on the premises, is subject to a condition that limits the venue capacity to 60 patrons, and permits the venue to trade to 2am without an extended trading authorisation (midnight in freeze precincts as defined under the Liquor Act 2007). Small bar licences are exempt from any liquor licence freeze. The key features of a small bar licence are outlined in this [fact sheet](#).

The NSW Government introduced the small bar licence to:

1. provide clarity about what a small bar constitutes thereby helping 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 alcohol-related violence and anti-social behaviour associated with larger venues.

Liquor & Gaming NSW is currently reviewing the legislation for small bars licences. The review will assess if the policy objectives of the small bars legislation remain valid and whether the legislation remains appropriate for securing those objectives. More information about the review is on the [Liquor & Gaming NSW website](#).

This short survey forms part of the consultation process for the review. Data collected in this survey will only be used to inform the review. Your responses will be kept confidential and individual respondents will not be named in the reporting of survey findings. If you wish to provide more detailed comment on the small bars legislation you can also send a submission to Liquor & Gaming NSW (email: [smallbars.review@olgr.nsw.gov.au](mailto:smallbars.review@olgr.nsw.gov.au)).

The deadline for completion of the survey and lodgement of public submissions is 5.00pm AEST, Friday, 15 July 2016.

\* 1. Please select the category below that best describes the nature of your interest in small bars.

- ☐ Small bar patron
- ☐ Resident living near a small bar
- ☐ Operator of a premises operating under a small bar licence
- ☐ Operator of a premises operating under another type of liquor licence
- ☐ Other type of business operator
- ☐ Other (please specify)

\* 2. The aims of the small bar licence include:

- providing clarity about what a small bar constitutes to help prevent venue morphing;
- stimulating investment in new business models for licensed venues;
- providing incentives for operators to establish smaller, lower risk venues; and
- reducing the alcohol-related violence and anti-social behaviour associated with larger venues.

How effective has the small bar licence been in achieving these aims?

- ☐ Effective
- ☐ Neither effective nor ineffective
- ☐ Ineffective

\* 3. What impact, if any, has the introduction of small bars licence had on alcohol-related violence and anti-social behaviour in areas where they are located?

- ☐ Very positive
- ☐ Positive
- ☐ No Impact
- ☐ Negative
- ☐ Very negative

\* 4. What impact, if any, has the introduction of small bar licences had on general amenity (pleasantness and liveability) of areas where they are located?

- ☐ Very positive
- ☐ Positive
- ☐ No impact
- ☐ Negative
- ☐ Very negative

5. Small bars have a venue capacity limit of 60 patrons. Do you believe this limit is appropriate?

- ☐ Yes
- ☐ No - should be higher
- ☐ No - should be lower

If higher or lower, by how much?

\* 6. Small bars are permitted to trade from midday until 2 am (until midnight in freeze precincts as defined under the *Liquor Act 2007*). Do you believe these trading hours are appropriate?

- ☐ Yes
- ☐ No

If no, why?

7. What other impacts, if any, have there been of the small bars legislation?

8. Do you have any other comments to make about the small bars legislation?

\* 9. How were you informed about the small bars review?

- ☐ Liquor & Gaming NSW (formerly Office of Liquor, Gaming & Racing) website
- ☐ Liquor & Gaming NSW (formerly Office of Liquor, Gaming & Racing) e-newsletter
- ☐ Direct email from Liquor & Gaming NSW
- ☐ Industry association
- ☐ Liquor accord
- ☐ Local council
- ☐ Media (TV, radio, newspaper)
- ☐ Social media
- ☐ Other (please specify)

## Appendix E

### Licensed venue survey

A new category of liquor licence for small bars was introduced on 1 July 2013. A small bar licence allows alcohol to be sold for consumption on the premises, is subject to a condition that limits the venue capacity to 60 patrons, and permits the venue to trade to 2am without an extended trading authorisation (midnight in freeze precincts as defined under the Liquor Act 2007). Small bar licences are exempt from any liquor licence freeze. The key features of a small bar licence are outlined in this [fact sheet](#).

The NSW Government introduced the small bar licence to:

1. provide clarity about what a small bar constitutes thereby helping 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 alcohol-related violence and anti-social behaviour associated with larger venues.

Liquor & Gaming NSW is currently reviewing the legislation for small bar licences. The review will assess if the policy objectives of the small bars legislation remain valid and whether the legislation remains appropriate for securing those objectives. More information about the review is on the [Liquor & Gaming NSW website](#).

This short survey forms part of the consultation process for the review. Data collected in this survey will only be used to inform the review. Your responses will be kept confidential and individual respondents will not be named in the reporting of survey findings. If you wish to provide more detailed comment on the small bars legislation, you can also send a submission to Liquor & Gaming NSW (email: [smallbars.review@olgr.nsw.gov.au](mailto:smallbars.review@olgr.nsw.gov.au)).

The deadline for completion of the survey and lodgement of public submissions is 5.00pm AEST, Friday, 15 July 2016.

## Introductory Questions

\* 1. Does your venue hold a small bar licence, a general bar hotel licence, or an on-premises licence?

- ☐ Small bar licence
- ☐ General bar hotel licence
- ☐ On-premises licence
- ☐ Other (please specify)

2. How would you rate your venue's awareness of small bar licence conditions?

- ☐ Very good
- ☐ Good
- ☐ Fair
- ☐ Poor
- ☐ Very poor

## Venues with small bar licence

3. Did your venue convert from a general bar hotel licence to a small bar licence, or has your venue obtained a new small bar liquor licence since 1 July 2013?

- ☐ Converted from a general bar hotel licence to a small bar licence
- ☐ New small bar licence since 1 July 2013

## New Small Bar licence

4. What key factors influenced your decision to apply for a small bar liquor licence as opposed to another type of licence?

- ☐ Costs associated with regulatory processes and compliance
- ☐ Time associated with regulatory processes and compliance
- ☐ The automatic extended trading authorisation allowing alcohol to be sold between midday and 2am (except in freeze precincts)
- ☐ The licence freeze prevented me from applying for another type of liquor licence
- ☐ Other (please specify)

#### Converted from general bar hotel licence

5. What factors influenced your decision to convert from a general bar hotel licence to a small bar licence?

- ☐ Costs associated with regulatory processes and compliance
- ☐ Time associated with regulatory processes and compliance
- ☐ The automatic extended trading authorisation allowing alcohol to be sold between midday and 2am (except in freeze precincts)
- ☐ The licence freeze prevented me from applying for another type of liquor licence
- ☐ Other (please specify)

#### Venues with small bar licence

6. Since the commencement of the small bars legislation on 1 July 2013, have you received information about the small bar licence?

- ☐ Yes
- ☐ No

7. If yes, how did you receive this information?

- ☐ Industry association
- ☐ Liquor accord
- ☐ Liquor & Gaming NSW (formerly Office of Liquor, Gaming & Racing) e-newsletter
- ☐ Liquor & Gaming NSW (formerly Office of Liquor, Gaming & Racing) website
- ☐ Other (please specify)

8. Have you received any information from your industry association about a small bar licence?

- ☐ Yes  
☐ No

Other comments

9. How satisfied are you with the communication you received from Liquor & Gaming NSW (formerly Office of Liquor, Gaming & Racing) about the small bar liquor licence?

- ☐ Very satisfied  
☐ Satisfied  
☐ Neither satisfied nor dissatisfied  
☐ Dissatisfied  
☐ Very dissatisfied  
☐ Not applicable

Other comments

10. To what extent do you think that venues that market or describe themselves as a "small bar" operate under a small bar liquor licence instead of another type of licence?

11. Small bars have a venue capacity limit of 60 patrons. Do you believe this limit is appropriate?

- ☐ Yes  
☐ No - It should be higher  
☐ No - It should be lower

If higher or lower, by how much?



12. Small bars that are not in defined liquor licence freeze precincts are permitted to trade from midday until 2am, while automatic trading is limited to midnight in freeze precincts as defined under the *Liquor Act 2007*. Do you believe that these trading hours are appropriate?

☐ Yes

☐ No

If no, why?

13. Small bar licence applications are exempt from the requirement to submit a Community Impact Statement (CIS) where development consent has been obtained from the local council, and police and the Secretary of the NSW Department of Justice have been notified within two working days of it being lodged with the local council. Do you believe that this exemption is appropriate?

Note: 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.

☐ Yes

☐ No

If no, why?

14. Do you have any other comments on the appropriateness of small bar licence conditions?

☐ Yes

☐ No

Please add any comments

15. Do you believe that venues operating under a small bar licence are more, less or equally likely to experience alcohol-related violence and anti-social behaviour compared to venues operating under other types of liquor licence?

☐ More likely to experience alcohol-related violence and anti-social behaviour

☐ Less likely to experience alcohol-related violence and anti-social behaviour

☐ Equally likely to experience alcohol-related violence and anti-social behaviour

Please add any comments

16. What other impacts, if any, have there been of the small bars legislation?

17. What challenges, if any, have you experienced in complying with the small bars legislation?

## Venues with general bar licence

18. Have you considered converting your general bar licence to a small bar licence?

- ☐ Yes  
☐ No

If yes, why?

19. What key factors influenced your decision to retain a general bar hotel licence as opposed to converting to a small bar licence?

- ☐ Costs associated with regulatory processes and compliance  
☐ Time associated with regulatory processes and compliance  
☐ Patron capacity restriction for small bar licences  
☐ Trading hours restriction for small bar licences  
☐ Other (please specify)

20. Prior to the commencement of the small bars legislation on 1 July 2013, did your venue receive information about the commencement of the small bar licence?

- ☐ Yes  
☐ No

21. If yes, how did you receive this information?

- ☐ Industry association  
☐ Liquor Accord  
☐ Liquor & Gaming NSW (formerly Office of Liquor, Gaming & Racing) e-newsletter  
☐ Liquor & Gaming NSW (formerly Office of Liquor, Gaming & Racing) website  
☐ Other (please specify)

22. Have you received any information from your industry association about a small bar licence?

- ☐ Yes  
☐ No

Any other comments

23. How satisfied are you with the communication you received from Liquor & Gaming NSW (formerly Office of Liquor, Gaming & Racing) about the small bar liquor licence?

- ☐ Very satisfied  
☐ Satisfied  
☐ Neither satisfied nor dissatisfied  
☐ Dissatisfied  
☐ Very dissatisfied  
☐ Not applicable

Other comments

24. To what extent do you think that venues that market or describe themselves as a "small bar" operate under a small bar liquor licence instead of another type of licence?

25. Small bars have a venue capacity limit of 60 patrons. Do you believe this limit is appropriate?

- ☐ Yes  
☐ No - It should be higher  
☐ No - It should be lower

Please add any comments

26. Small bars that are not in defined liquor licence freeze precincts are permitted to trade from midday until 2am, while automatic trading is limited to midnight in freeze precincts as defined under the *Liquor Act 2007*. Do you believe that these trading hours are appropriate?

☐ Yes

☐ No

If no, why?

27. Small bar licence applications are exempt from the requirement to submit a Community Impact Statement (CIS) where development consent has been obtained from the local council, and police and the Secretary of the NSW Department of Justice have been notified within two working days of it being lodged with the local council. Do you believe that this exemption is appropriate?

Note: 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.

☐ Yes

☐ No

If no, why?

28. Do you have any other comments on the appropriateness of small bar licence conditions?

29. Do you believe that venues operating under a small bar licence are more, less or equally likely to experience alcohol-related violence and anti-social behaviour compared to venues operating under other types of liquor licence?

☐ More likely to experience alcohol-related violence and anti-social behaviour

☐ Less likely to experience alcohol-related violence and anti-social behaviour

☐ Equally likely to experience alcohol-related violence and anti-social behaviour

Please add any comments

30. What other impacts, if any, have there been of the small bars legislation?

#### Venue with on-premises licence

31. Have you considered applying for a small bar liquor licence for your venue?

☐ Yes

☐ No

32. What key factors influenced your decision to retain an on-premises licence as opposed to converting to a small bar licence?

- ☐ Costs associated with regulatory processes and compliance
- ☐ Time associated with regulatory processes and compliance
- ☐ Patron capacity restriction for small bar licences
- ☐ Trading hours restriction for small bar licences
- ☐ Other (please specify)

33. Prior to the commencement of the small bars legislation on 1 July 2013, did your venue receive information about the commencement of the small bar licence?

- ☐ Yes
- ☐ No

34. If yes, how did you receive this information?

- ☐ Industry association
- ☐ Liquor Accord
- ☐ Liquor & Gaming NSW (formerly Office of Liquor, Gaming & Racing) e-newsletter
- ☐ Liquor & Gaming NSW (formerly Office of Liquor, Gaming & Racing) website
- ☐ Other (please specify)

35. Have you received any information from your industry association about a small bar licence?

- ☐ Yes
- ☐ No

Any other comments

36. How satisfied are you with the communication you received from Liquor & Gaming NSW (formerly Office of Liquor, Gaming & Racing) about the small bar liquor licence?

- ☐ Very satisfied
- ☐ Satisfied
- ☐ Neither satisfied nor dissatisfied
- ☐ Dissatisfied
- ☐ Very dissatisfied
- ☐ Not applicable

Other comments

37. To what extent do you think that venues that market or describe themselves as a "small bar" operate under a small bar liquor licence instead of another type of licence?

38. Small bars have a venue capacity limit of 60 patrons. Do you believe this limit is appropriate?

- ☐ Yes
- ☐ No - it should be higher
- ☐ No - it should be lower

Please add any comments

39. Small bars that are not in defined liquor licence freeze precincts are permitted to trade from midday until 2am, while automatic trading is limited to midnight in freeze precincts as defined under the *Liquor Act 2007*. Do you believe that these trading hours are appropriate?

☐ Yes

☐ No

If no, why?

40. Small bar licence applications are exempt from the requirement to submit a Community Impact Statement (CIS) where development consent has been obtained from the local council, and police and the Secretary of the NSW Department of Justice have been notified within two working days of it being lodged with the local council. Do you believe that this exemption is appropriate?

Note: 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.

☐ Yes

☐ No

If no, why?

41. Do you have any other comments on the appropriateness of small bar licence conditions?

42. Do you believe that venues operating under a small bar licence are more, less or equally likely to experience alcohol-related violence and anti-social behaviour compared to venues operating under other types of liquor licence?

☐ More likely to experience alcohol-related violence and anti-social behaviour

☐ Less likely to experience alcohol-related violence and anti-social behaviour

☐ Equally likely to experience alcohol-related violence and anti-social behaviour

Please add any comments

43. What other impacts, if any, have there been of the small bars legislation?

44. Do you have any other comments to make about the small bars legislation?

45. How were you informed about the small bar liquor licence review?

- ☐ Liquor & Gaming NSW (formerly Office of Liquor, Gaming & Racing) website
- ☐ Liquor & Gaming NSW (formerly Office of Liquor, Gaming & Racing) e-newsletter
- ☐ Direct email from Liquor & Gaming NSW
- ☐ Industry association
- ☐ Liquor accord
- ☐ Local council
- ☐ Media (TV, radio, newspapers)
- ☐ Social media
- ☐ Other (please specify)

46. Please provide your name and contact details if you would like to discuss the feedback you have provided in more detail.

Venue Name

Contact Name

Contact Email Address

Contact Phone Number