

Liquor Licensing Reform Options – Discussion Paper

Aligning liquor licensing and planning approvals and
exploring a new risk-based licensing model

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1. Why are we releasing this discussion paper?

The NSW Government committed to liquor licence reform in the 24-hour Economy Strategy for Greater Sydney ('the Strategy') released in September 2020. The Strategy is a comprehensive plan to enhance the vibrancy, diversity, inclusiveness, and safety of Sydney's 24-hour economy and support COVID-19 recovery.

Through Action 15 of the Strategy, the Government committed to:

- continue to streamline approval processes for licensing and planning applications, develop a plan for integrated processes wherever possible, and reduce overall approval timeframes and duplication.
- explore the introduction of a new risk-based licensing model to reduce the number of liquor licence types and classes and minimise complexity and red tape.

About this discussion paper

Liquor & Gaming NSW has released this paper to facilitate discussion around the potential reform options to address the above commitments.

Part A of this Discussion Paper covers potential licensing and planning reform options.









Part B of the Paper explores the potential for a new risk-based licence model and related reform options to support the 24-hour economy.

Both parts are interrelated, and the options conveyed throughout the paper aim to:

- help move NSW to a modern licensing approach which is risk-based, with an appropriate level of regulation that reflects the risks of harm from activities associated with a licence.
- make it easier and faster to start and operate a licensed business, and for the community to engage constructively around potential impacts.
- reduce red tape and costs by streamlining and simplifying the process for obtaining a liquor licence where there is an associated development consent.
- support diverse licensed businesses to emerge, compete and increase the types of offerings they provide to the public and visitors to NSW.
- continue to manage harms associated with the sale and supply of alcohol and appropriately tailor licence types and conditions to individual businesses, their needs, and associated risks.

Design principles underpinning this discussion paper

Design principles used to shape the licensing reform options presented in this paper include:

 <p>Putting the customer at the centre of everything we do</p>	 <p>Leveraging new and improved digital capabilities</p>	 <p>Streamlining overall approval times</p>	 <p>Reducing duplication and inconsistencies</p>
 <p>Applying the "tell us once" principle</p>	 <p>Inclusive and accessible community consultation</p>	 <p>Supporting more diverse offerings from licensed premises</p>	 <p>Effectively managing the risk of alcohol-related harms</p>

How to have your say

We invite you to read this discussion paper and share your views.

Your feedback will help to inform the Government on potential options for future reform and ensure that liquor licensing continues to reflect the needs of business owners, communities, and government agencies.

Feedback will also help to inform a supporting implementation plan for future reform. Where implementation timeframes have been suggested in the paper, we are interested in your views and whether you foresee any barriers to achieving them.

We'd like to hear from you, particularly if you:

- are involved with the liquor industry, including as a venue owner or operator, licensee, or staff member of a liquor-related business
- have an interest in applying for, or have previously applied for, a liquor licence
- are a community group or local resident with an interest in providing feedback on liquor licensing and planning-related issues in your local community
- are a special interest group or stakeholder interested in the regulation of liquor and hospitality businesses in NSW, including the licensing system and related application and consultation processes.

We are seeking your feedback until 6 December 2022.

If you need to access a translating and interpreting service, please telephone 1300 651 500 or visit the Language Services page of the Multicultural NSW website:

<https://multicultural.nsw.gov.au/services/>

To provide feedback:

- you can complete an **online survey, quick poll, or tell us about your idea** on our website at www.nsw.gov.au/haveyour-say.
- you can **upload a written submission** to the NSW Government's Have Your Say website www.haveyoursay.nsw.gov.au.
- you can **e-mail a written submission** to: liquorpolicy@liquorandgaming.nsw.gov.au
- you can **mail a written submission** to:

Liquor Policy Team
Hospitality and Racing
Department of Enterprise, Investment & Trade
4 Parramatta Square
12 Darcy Street
PARRAMATTA NSW 2150

Written submissions can be in Word or PDF format. Targeted questions are included in this paper to help you prepare your submission. You may wish to comment on only one or two matters of personal interest, or all the issues raised in this paper.

Your submission may be made publicly available. If you do not want your personal details or any part of your submission published, please indicate this clearly. Submissions may be referred to in a report on the outcome of the consultation, however any anonymous submissions will be referred to as such.

There may be times where the Government is required to release the information in your submission, such as under the *Government Information (Public Access) Act 2009*.

Part A: Liquor Licensing and Planning Approvals

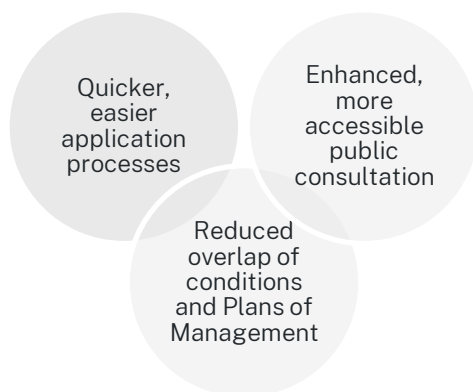


2. Introduction

Part A of this Paper explores potential licensing and planning reform options to help simplify and speed up the process of getting **development application (DA)** and **liquor licence (LL)** approvals.

The reform options are intended to benefit liquor-related businesses in NSW applying for a new or modified development consent (in the form of a development application) and LL, as well as people in the community who have an interest in the establishment and operation of licensed premises in their local area.

Part A covers three key areas for potential reform:



Examples of people who could benefit include:

- the proprietor of a new business such as a restaurant that needs both development consent and a new LL
- an existing licensed business which has development consent but wishes to extend its trading hours, and needs to lodge a new DA and modify its LL
- a member of the community seeking a straight-forward process to raise concerns about a new licensed premises in their local area.

While the reforms in Part A are modelled on existing licence categories, they are intended to be flexible. They could form part of a shift to a new risk-based licensing model, of the type explored in Part B of this paper.

2.1 The need for reform?

Business owners, members of the community and other interested parties may experience challenges in navigating current planning and LL approval processes. To read more about how licensing and planning approvals work now, see **Attachment A**. Some of the key challenges associated with these approvals include:

The applicant experience can be fragmented

A person who wants to open a new licensed business completes two separate applications, the DA and the LL application, through different systems and regulators. Navigating these two processes and their separate requirements may be confusing and can lead to extra time and costs for both the applicant and the regulators.

The application and consultation processes can be duplicative

Applicants may be required to submit the same or similar information in both the DA and LL application forms. Community consultation for the DA and LL can be separate and sequential, causing duplication in efforts for the applicant and approval authorities. The process of preparing and submitting feedback via multiple avenues costs the applicant, the public and interested stakeholders time and money, and delays business start-up and earning potential.

The applicant may experience lengthy approvals

Seeking approvals can be time-consuming, as it includes time taken to obtain DA approval and a LL. Between December 2019 and October 2021, it took an average 75 days for a development consent for a café or restaurant to be granted (from a sample of local councils, and data includes modifications to DAs and reviews of determined applications).

In 2021, the average number of days to process an on-premises LL, which is the usual licence for a restaurant, was 51 days. Unless a business meets the criteria to receive an ‘interim authorisation’ to trade, it can only start trading with liquor service once it has received both approvals. That process that can take up to five to six months for a restaurant in some cases.

Trading conditions imposed by regulators can be inconsistent or duplicated

There can be overlap of requirements for local amenity and safety in a venue’s Notice of Determination provided by council and its LL, granted by the Independent Liquor & Gaming Authority (ILGA) or Liquor & Gaming NSW (under delegation). Each approval authority may comment on the same issue but impose inconsistent or even duplicate trading conditions.

Plans of Management (POMs) may be required separately by a council and by licensing decision-makers. This adds an additional layer of complexity, noting these can also include trading conditions that are inconsistent or duplicated.

Businesses can find it confusing to interpret and comply if contradictory trading conditions are imposed by different regulators. Enforcement can also be difficult, with regulators monitoring a range of conditions from multiple avenues. Businesses can also experience difficulties amending conditions because changes to conditions in one approval are not automatically applied to the other. Businesses must apply separately to each regulator to modify conditions.

The remainder of Part A covers potential reform options to help address these issues.

3. Application reform options

3.1 Quicker, easier application processes

To address the issues identified in section 2.1, it is proposed that a digital platform would be created to support a single joint DA and LL application process. **Attachment F Proposed Applicant Journey** provides a visual overview of the vision and shows how some of the key reforms options presented in Part A could come together.

A fuller integration of DA and LL applications would deliver significant efficiencies for applicants by providing a single interface to upload all necessary DA and LL application documents, engage in community consultation, track progress of application and communicate with decision-makers. However, achieving such an integrated system, while ideal, would be an ambitious reform requiring significant technological, legislative, and administrative changes in multiple portfolio areas and levels of government, and with flow-on effects for all aspects of the planning and liquor licensing systems. For this reason, it is considered a longer-term aspiration (beyond five years).

The reforms in this paper are proposed for implementation in the short term (within two years) to medium term (two to five years), as first steps towards more complete integration in the future.

3.2 A single-entry point to commence liquor and planning applications

A single-entry portal to launch the applicant's parallel DA and LL applications could make applying for a DA and LL easier to complete and provide a foundation for more comprehensive future reform. Such a portal would give applicants the option to go to one place to access and track the progress of the application for their DA and LL. It could also act as an information hub for those wanting to apply to become a licensed business. If using the portal, applicants would only need to “tell us once” about their personal details and information relevant to both the DA and LL applications.

The ServiceNSW Business Profile is a feature within the MyService account for business owners to centrally manage a growing number of interactions with NSW government agencies. The ServiceNSW Business Profile currently acts as a ‘one-stop shop’ for business, offering a range of support and resources for new and potential business owners. Currently, applicants can use the portal to launch applications for licences for cafés, restaurants and small bars. Enhancements to the ServiceNSW Business Profile could see it act as the single-entry point for applicants to launch applications for both planning and LL approvals.

Using their ServiceNSW Business Profile details, an applicant could log in to the portal and be able to access information about all aspects of setting up their business, including for the DA and LL application processes. When the applicant is ready to lodge their DA, they could be provided with a link between the ServiceNSW Business Profile and the Planning Portal interface to lodge their DA, using single sign-on (SSO). The applicant could use the ServiceNSW Business Profile interface to lodge and manage their LL application as is currently the case for café, restaurant and small bar licence applications.

Whichever system the customer uses as the entry point for making an application, whether it is the ServiceNSW portal or the existing e-planning portal, information provided by the applicant could pre-populate DA and LL applications, ensuring the applicant only needs to “tell us once”.

Implementation of a single application entry portal through ServiceNSW

The ServiceNSW Business Profile

The ServiceNSW Business Profile has a vision to be the digital single-entry point for business owners for all interactions with NSW government. It serves as the place for businesses to input their details (address, ABN, contact details) and verify their identity and role (coming soon) which could then be used to pre-populate other digital forms or leverage to facilitate single sign-on (SSO) to other government portals.

Business owners are familiar with the SNSW for Business brand and currently use the Business Profile to apply, manage and track their participation in or application for Government support programs such as Dine & Discover, Stay-NSW, COVID support grants and flood relief.

The Business Profile also provides a channel to communicate to business owners, through inbox notifications and a live chat service with the SNSW Business Concierge team.

Planning Portal

The NSW Planning Portal is an initiative of the Department of Planning and Environment's ePlanning Program. The portal hosts a range of digital planning services, mapping tools and reporting tools to assist everyone involved in a proposed development. From July 2021 it has been the mandated platform used for lodging and processing DAs in NSW. The ePlanning Program is focused on delivering key digital services as part of its commitment to create an end-to-end digital planning service for NSW.

Potential features of the single-entry portal include:

- **Auto population of an applicant's details:** Applicant details could be drawn from the customer's ServiceNSW Business Profile. These details would be automatically transferred to both their LL and DA application forms, ensuring the applicant only needs to give approval bodies the same information once.
- **A customer-friendly LL and DA selector tool:** The tool could allow an applicant to answer a series of questions to determine what type of LL they should apply for along with what development type is suited to their proposed premises, enabling the applicant to access all the information they need in a single location. The tool could then direct applicants into a pre-populated online application form (or forms). The selector tool could leverage the existing [Liquor Licence selector tool](#) on the ServiceNSW website.
- **An application progress tracker:** An application progress tracker and real-time automated alerts could keep applicants informed of the progress of their related DA and LL applications via the single-entry portal. This would enable the applicant to view the status of their related applications in one place.

The applicant could be notified when their application is accepted, when public consultation commences and concludes, when a submission is received, if Council or L&GNSW requests for further information and when approval is granted. With the applicant's consent the tracker could also be made visible to Council and L&GNSW officers to enable them to monitor the pipeline of future applications, adjust resources and schedule decision-making processes such as meetings of the ILGA Board. Overall, this tracking would mean more transparency and accountability when it comes to liquor and planning decisions.

The benefits of a single-entry portal include:

- applicants ‘tell government once’ when accessing services
- applicants view status of related applications in the one location
- saves applicant time, effort and cost by reducing the administrative burden of unnecessary duplications
- easy and straightforward for applicants to access relevant information and know the requirements prior to lodging DA and LL applications
- leverage and build on existing digital systems, tools and processes to save costs and ensures a more consistent applicant experience
- improve transparency and accountability.

With this single-entry portal model, once lodged, the DA and LL application would remain separate and progress through the existing back-end Planning portal and L&GNSW OneGov Systems. However, the customer would now be able to track their applications using a single interface.

This single-entry portal could be considered a first step towards achieving a single, joint application process for planning and liquor approvals. It is likely that the implementation of this reform would take three to five years to allow sufficient time for all functionality to be developed.

3.3 L&GNSW to receive Notice of Determination from Council

Currently, when a decision is made about a planning application, the decision (or Notice of Determination) is loaded into the Planning portal. The applicant is then responsible for informing L&GNSW that they have received development consent to activate their LL application. A relatively simple reform could see the development consent (Notice of Determination) from council (via Planning Portal) automatically sent to L&GNSW.

This change would reduce red tape for the applicant and support faster turn-around of licensing approvals. It would also enable licensing officers to immediately see what conditions have been applied to the approval and take this into account in deciding whether to grant the licence.

There may be scope for additional LL applications or modifications to be accommodated once a new application process is in place and **Attachment B** sets out what these may be.

Targeted questions about applications

1. Is creating a single entry portal for DA and LL applications a good idea?
2. We propose several features as part of the single-entry portal (auto-population of applicant details, a licence selector tool and an application progress tracker). Do you support including these features? What other features should be included?
3. Do you think interested stakeholders and the community should have access to progress alerts as part of the ‘Application Tracker’? These automated alerts would notify interested stakeholders when the status of the application changes, for example, when a decision is made regarding the application.
4. Are there any other ways to make the processes for DA and LL applications easier?

4. Consultation reform options

4.1 Enhanced, more accessible public consultations

Consultation is a key aspect of both the DA and LL application process, as it provides an opportunity for the community and those most affected by a proposed new premises to voice their opinions about the potential impacts for the local and broader community. Approval authorities consider submissions made by various parties when they are deciding whether to approve the DA or LL.

Ideally, consultations for related DA and LL applications could be run on a single digital platform, at the same time, and for the same length of time. This would make it simpler and easier for the community to have a say, reduce duplication and maximise community participation.

However, aligning DA and LL consultations in this way would involve substantial costs and implementation challenges. Councils currently use different systems for their DA consultations and consultation timeframes vary by development

type. Also, development consents do not neatly align with LL categories and timeframes. For this reason, aligning DA and LL consultations is a long-term aspiration. Below we discuss alternative ideas to reform and improve consultation for DA and LL applications in the short-medium term.

For the purposes of Part A of the Discussion Paper, licence types and authorisations classified ‘medium to high risk’ are those which currently require a Community Impact Statement (CIS) and have higher risk of alcohol related impacts in the community. If a new risk-based licensing model is implemented (as part of reform options set out in Part B of this Paper), there may be some change to consultation requirements.

4.2 Linking live DA and LL application consultations

Linking live DA and LL application exhibitions is one way to coordinate consultation periods, without generating the same cost and implementation issues outlined above. Including the corresponding links to the DA and LL consultations would give stakeholders the option to comment on one or both applications, saving them time and ensuring they are aware of both consultation opportunities. The consultations would remain separate processes.

It would also make it easier for interested people to navigate the submission process and provide clarity on where and when they should make a submission, depending on the type of issues they would like to comment on. Enhanced guidance could be provided to the public about the roles and responsibilities of each approving authority and what each decision maker considers when they are considering a DA or a LL.

System and process changes would be needed to support this reform. It would require L&GNSW to be notified when a liquor-related DA is lodged, so that the DA consultation details can be published on L&GNSW’s online Application Noticeboard (‘the Noticeboard’).

4.3 A single licensing consultation process for medium to higher-risk liquor licences

Currently, applicants seeking a medium-high risk LL are required to undertake a 30-day consultation process with community prior to lodging their LL application. This consultation informs a Community Impact Statement (CIS), which is a written summary of the potential impact of the licence on the local community and the measures the applicant will put in place to manage these

risks (see **Attachment C** for more information about CIS and the licences for which it applies).

The CIS consultation is in addition to a second mandated 30-day consultation that occurs through the Noticeboard once the application is formally lodged, where public submissions are sought.

Due to the nature of the CIS consultation requirements, many applicants engage legal firms to manage the process on their behalf, often at great cost. The use of legal firms to run community consultation activities can be perceived as intimidating to some members of the community, which may discourage participation in some cases. Some community members may also feel that their feedback is not going directly to licensing decision-makers through this process - rather it could be shaped or filtered by whoever prepares the CIS.

In response to these issues, the 30-day mandatory pre-application consultation period for medium to high-risk liquor licences could be removed. This would mean that these licence applications move to a single mandatory 30-day consultation period on the Noticeboard. **Figure 1** below sets out what the Applicant's consultation journey would look like with a single consultation process.

This change could have benefits for interested parties and members of the community, who would no longer need to feel obliged to provide feedback on the same licensing proposal at two different points in the licensing process, saving time, effort, and cost. Focusing community consultation at the point at which an application is lodged could give the community greater confidence that licensing decision-makers will be aware of their feedback and will be able to properly consider any concerns they have regarding the risks and impacts of a LL proposal.

It is also important to note that ILGA would retain the discretion to extend the Noticeboard consultation period if necessary to ensure there is adequate opportunity for community participation, for example, if a LL application is lodged over the Christmas-New Year period.

We recognise that the current CIS can provide a forum for constructive engagement between the applicant and the community and help the decision-making authority understand the potential impacts of granting the licence on the local community. Should this change be made, applicants would be strongly encouraged to engage with neighbours and key community stakeholders prior to lodging their application for a medium or high-risk LL, to ensure it has been well informed. While it would no longer be mandated that they need to conduct 30 days of community consultation before lodging an application, community feedback during the mandatory public submission process would help to highlight when the pre-community engagement has been very effective, or poorly done.

In addition, with such a change, it would be important to introduce other reforms that enhance and strengthen consultation and public submissions processes. Potential reform options include:

- **Enhanced notification requirements prior to lodging a LL**

All applicants for medium-high risk LLs could be required to notify neighbouring premises within a 100-metre radius and special interest groups (e.g. the local Aboriginal community, people with disabilities, young people or local schools) at the time they lodge their LL application. For medium risk applications, this is a wider radius than the 50 metres that currently applies. In distributing the notice, they would be required to include a link to the Noticeboard where LL application documents and public submissions can be made.

Systems changes could allow for automatic notifications to be sent to the relevant government bodies once the application is uploaded to the Noticeboard for all LL types (not just low-risk applications as is the case now) creating further efficiencies and ensuring notice occurs. In

addition, the list of stakeholders to be consulted / notified automatically could be expanded to include additional local stakeholders with an understanding of issues affecting their community. For example, automatic notification to the relevant NSW Local Health District could occur, in addition to the notice provided to the Centre for Alcohol and Other Drugs, Ministry of Health.

All automatically notified stakeholders could be encouraged to access the Noticeboard to comment on the application. Industry guidance could also be enhanced to encourage applicants (or their legal representative) to ask stakeholders they have consulted prior to lodging a LL application to sign up to the Noticeboard to receive alerts about when new LL applications in their LGA are out for consultation or granted.

To help promote community confidence, each applicant could be required to list in their application who they consulted when compiling it. A template could be provided to applicants to assist with this process.

To ensure full transparency, and to avoid potential disputes or disagreements concerning the receipt of information, it could be recommended that written confirmation of delivery of notices, such as registered post receipts and tracking numbers or copies of e-mail correspondence, be retained by the applicant and made available for inspection by decision-makers, if required.

For the proposed method of stakeholder notification for LL applications see the table at **Attachment D**.

- **Assistance for applicants to notify neighbours and key community stakeholders via guidelines and a register of special interest groups**

New guidelines and a register of special interest groups could be implemented to help applicants meet their stakeholder notification requirements. The guidelines could detail who the applicant should notify, and the minimum and recommended timeframes within which they should be notified and consulted. The register could include a list of special interest groups, and local Aboriginal organisations for each local Government area to assist applicants to identify appropriate community stakeholders. Broad community consultation to develop the register would ensure that the most appropriate community stakeholders are identified in one central, easy to access place.

- **A new statement about the risk of harm, potential impacts and benefits of the liquor licence**

Instead of the CIS process, applications for licences classified as medium-high risk could be required to include a document called a 'Statement of risk of harm and other potential impacts' or similar, where they address the potential impacts of the LL on the community with their application. This would retain many of the benefits of the CIS, as the applicant would need to anticipate any potential negative community impacts that may arise from the granting of a LL prior to applying, and identify proposed mitigations in their Statement. The document could also contain identified positive impacts. For transparency, this would be exhibited with the application on the Noticeboard, to facilitate community consultation.

The Statement could cover:

- a description of what the community looks like, including nearby points of interest in the local community (e.g. schools, churches, etc.) and other licensed venues

- a profile of alcohol-related violence, including domestic, family and sexual violence, non-domestic assault and other crime in the area
- advice about the applicant's proposed controls or mitigation strategies to address the risk of negative impacts (with specific reference to the community profile provided in the statement), and proposed positive impacts or benefits for the local community.

Enhanced digital solutions would be used to direct applicants to L&GNSW's 'Live Data Tool' so that they are encouraged to draw data from the tool when preparing their Statement, to better understand the community profile of a proposed licence location. This will assist the applicant in identifying key stakeholders in the community to be consulted.

ILGA would still be required to consider the likely community impacts of a new licence, authorisation or approval on the community well-being in accordance with section 48 of the Liquor Act when determining whether to grant approval. With this new approach, ILGA would be required to consider the Statement of risk of harm and other potential impacts, public submissions, and any applicant response to these submissions before determining the application.

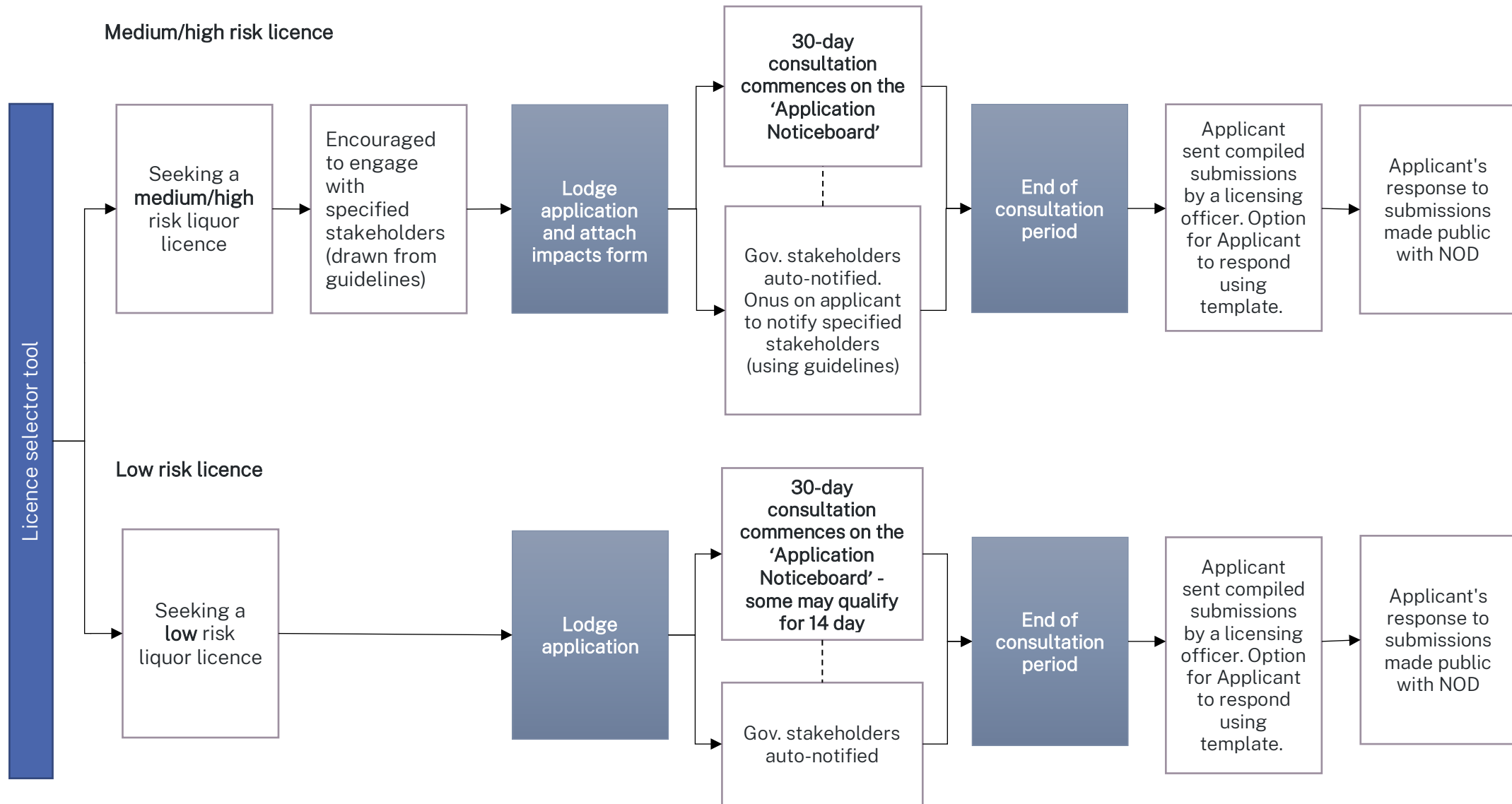
Applicants who ensure their Statement is well informed by proactive, voluntary engagement with the community on these aspects would stand to benefit during the single 30-day consultation stage and decision-making process. Members of the public would be able to see and comment on the Statement when providing submissions directly to licensing decision-makers. All community feedback provided to decision-makers would be unfiltered through this new process, strengthening and enhancing the transparency of the consultation process.

- **Greater transparency for the community on how issues raised during consultation are addressed**

Currently, the applicant is encouraged to respond to concerns raised in consultation submissions before a decision to grant the LL is made. This process could be enhanced to provide greater transparency to the public on how the concerns raised during the consultation process are addressed.

A template could be provided to the applicant at the end of the consultation period, alongside the compiled submissions, to assist them in responding to submissions made. While this would be optional, addressing the concerns of the public is likely to act in the applicant's favour when the LL is being determined. The completed response could be made publicly available at the point the Notice of Determination is published on L&GNSW's website. These enhancements would promote procedural fairness and increase transparency.

Figure 1: Applicant's consultation journey – liquor licence



4.4 Standardised submission templates for LL consultations

A non-mandatory standardised submission template could also be introduced to provide better guidance to stakeholders on the issues that ILGA will consider in assessing an application. The proposed template would focus stakeholders on the key issues that ILGA considers, while still allowing interested stakeholders the opportunity to develop submissions that address other issues not covered in the submission template.

4.5 Tailoring consultation requirements for online liquor businesses

New LLs for businesses that sell liquor ‘online only’ differ from traditional shop-front stores such as bottle shops. Under current consultation requirements, neighbouring premises of the proposed licenced premises must be notified and submissions considered. Given that online only liquor businesses (and some wholesale licence holders) have a much wider customer base, and customers are not permitted to walk-up to these premises to buy alcohol, consideration could be given to different consultation requirements that recognise the different community impact.

We could explore changes to the consultation and stakeholder requirements for online liquor businesses and other business models to ensure consultation is fit-for purpose. This could be achieved by better understanding the primary activity of a business (e.g. small home-office based business or large online business).

Part B of the Discussion Paper includes options about how the applicant’s primary business activities could be better understood. We welcome views on how the existing consultation requirements (i.e. stakeholder notifications) could be adjusted to suit an online business model.

4.6 Improving inclusion and diversity in the liquor licence consultation process

An important aspect of consultation is ensuring all interested people can genuinely engage in the process. Currently, the consultation system for proposed liquor related premises often relies on proactive and highly engaged stakeholders who are aware of the opportunities to comment at different stages of the application process, on different platforms.

The existing LL public submission process is completed entirely online, making it a relatively easy and efficient process. Although there has been a general push towards digitisation of LL processes, we invite you to comment on whether the current Noticeboard format can be improved to promote genuine and equal participation in the consultation process by all members of the community.

In certain circumstances, there could be benefit in adopting alternative forms of consultation, such as face-to-face consultation with vulnerable community groups or for rural communities who may not have easy access to the digital platform. In addition, consideration could be given to extending the 30-day consultation period for certain communities who may require longer.

Another option is for L&GNSW to work with local councils and Aboriginal organisations to create a register of Aboriginal Community groups and organisations in NSW who should be notified about LL applications. This would assist applicants to identify key stakeholder groups when they are notifying stakeholders of their intention to apply for a LL. The stakeholder group could then access the noticeboard or access alternative consultation methods (as noted above) when new LLs are live for

consultation in their area.

There may also be other ways to improve consultation and ensure engagement is meaningful and inclusive. For example, localised Aboriginal community plans could be considered, to help tailor consultation methods towards the needs of Aboriginal organisations, in particular local communities, and improve related engagement in the consultation process.

We welcome feedback about ways to improve consultation with the Aboriginal community about proposed LLs. We also welcome any ideas on community or other groups who may not be reached through the current LL consultation process, or any barriers to participation.

Targeted questions about consultation

5. Some of the challenges of aligning the consultation periods for DA and LL applications include:
 - different consultation timeframes, depending on the development or LL type
 - different systems used by Councils for planning-related consultations
 - DA and LL applications are not always lodged at the same time
 - the time between receipt of a DA and commencement of consultation differs.How can these challenges be overcome?
6. Do you support a single community consultation process for medium to higher-risk LL applications? Are there any risks from removing mandatory pre-application consultation for medium to high-risk LL applications? How could these be addressed?
7. Are there any additional stakeholders who should be automatically notified once a liquor licence is displayed on L&GNSW's Application Noticeboard for consultation? (See Attachment D for proposed stakeholders to be automatically notified)
8. If L&GNSW created a register of special interest groups to be automatically notified of new liquor licence applications in an area, which groups should be included in the register?
9. Do you support a 'risk of harm and other impacts' statement being prepared by applicants for medium to higher-risk LL that the community can comment on during the public submission process?
10. Should community consultation requirements for online liquor businesses (e.g. those that sell liquor online through a delivery service) be different from those for a traditional bottle shop? If yes, what should the consultation requirements for online liquor businesses be?
11. How can the liquor licence consultation process be improved to ensure all parts of the community, including digitally excluded populations, can meaningfully participate?
12. How can we empower diverse and vulnerable populations to participate in the liquor licence community consultation process?

5. Conditions and Plans of Management (POMs)

5.1 Reducing overlap in conditions and plans of management

DA and LL approvals can be subject to similar or inconsistent conditions, which can create confusion and uncertainty for business owners, regulators and the community. Trading conditions which are most frequently duplicated include CCTV, security and crowd management. As an example, a condition of a business's development consent may require a certain number of frames per second for CCTV recordings captured, when the LL may also have a CCTV condition requiring a completely different number of frames or alternative way of promoting image quality.

Plans of Management (POMs) add a layer of complexity for conditions as a licensed premises may be subject to multiple POMs that are duplicated or inconsistent. For example, conditions relating to security and security guards may be included in the DA and LL conditions as well as a POM, leading to confusion over which prevails.

For planning matters, DPE describes a POM as a summary document that outlines how the operations of a venue will be managed and the mitigation measures in relation to safety and operational impacts. For liquor related matters, L&GNSW describes a POM as providing the framework and guidance for patrons and staff in understanding responsible service principles.

The criteria for applying a POM may differ between councils and licensing decision-makers.

Although practices vary, if a licensed venue wishes to amend a council POM that is an approved document in a development consent and referred to in the Notice of Determination for a DA, it would generally be required to apply to council to modify the DA itself. Liquor POMs are usually more flexible than council POMs, as they can be amended with the agreement of the NSW Police Force.

Below we discuss reform options to reduce overlap of these commonly duplicated conditions on both the approvals and the POMs.

5.2 Developing shared conditions

Shared conditions could significantly reduce duplication and inconsistencies in DAs and LLs.

Under the NSW Planning Reform Action Plan, the Department of Planning and Environment (DPE) is developing a set of standard conditions of development consent to apply to a range of development types, including licensed food and drink premises. The conditions will either be:

- prescribed, where they must be imposed on development consents for specified types of development in certain circumstances, or
- model conditions, which are optional best-practice conditions that consent authorities can adopt and impose for certain types of development.

In addition, consent authorities will be able to continue to impose bespoke conditions of consent for site-specific issues. Standard conditions of consent for local and regionally significant development will help speed up approval timeframes and provide greater consistency and certainty. They will also make development consents easier to navigate, and free up councils to focus on more complex aspects of development assessment and compliance.

We propose that agreed shared conditions relevant to both DAs and LL applications could be

included as model conditions in DPE's standard conditions of development consent for licensed food and drink premises. The shared set of conditions could initially be narrow and then be expanded over time as required. The shared conditions list would provide a means for councils and licensing decision-makers to achieve more consistency.

Crowd management, security and CCTV conditions, which most commonly appear as cross-over conditions on both the LL and DA, could be included in the initial set of shared conditions. Consideration could be given to developing a shared condition that allows a council POM to be amended without requiring a modification of development consent or requiring an amendment to a LL condition (see further discussion below about this).

It is appropriate for some common conditions to sit outside DPE's model conditions, to be determined at the discretion of each regulator. A venue's patron capacity, for example, may be set by councils based on crowd management, space and amenity considerations. L&GNSW or ILGA may impose a different patron capacity limit on the same venue based on different considerations, including the risk of alcohol related harms and prescribed patron capacity limits, for example small bars must not exceed a 120 patron limit. In these cases, while it would be ideal for the regulators to confer and agree on the condition on a case-by-case basis, aligning conditions may not always be practical due to the different considerations of each regulator.

Key challenges to this approach may be that regulatory bodies may not agree on the requirements for each shared condition, when they should be applied, or shared conditions may be too restrictive for venues that require unique, tailored conditions. Application of the shared conditions would not be mandatory.

Attachment E sets out which conditions could be suitable to be developed as shared conditions, and which conditions are considered unsuitable for harmonisation.

5.3 A single public database for conditions applied to a venue

Currently, conditions imposed by regulators on a licensed venue are found in different places. Development consent conditions applied to a licensed premises may be held in the NSW-Planning Portal, or on councils' own systems. LL conditions are publicly available on OneGov. In the long term, we propose that a single database or resource could be used (such as the "Look up a Licence" OneGov platform) listing all development and LL conditions that have been applied to a licensed premises.

Visibility over all trading conditions that apply at a licensed premise would be very useful to key government agencies involved in enforcing them, such as the NSW Police Force, as they would have a complete picture readily at hand. It would also benefit the local community, as the public could easily see the conditions that apply to venues in their local area.

Existing systems (such as the NSW Planning Portal or OneGov) could be leveraged to implement this option, either by consolidating planning and liquor licence data, or by providing links to existing databases.

A key challenge associated with this option is that it would take some time to consolidate historical conditions for more than 18,500 existing licensed premises. An incremental approach to the consolidation would likely be required, beginning with new DAs and LLs.

5.4 Plans of Management (POMs)

Currently, a licensed premise may be subject to multiple plans of management (POMs) as part of the DA and LA processes, as described earlier. These are imposed by councils, L&GNSW or ILGA. They often address similar issues, particularly around alcohol management issues and there could be opportunity for greater alignment in approaches.

Inconsistency in POMs can be particularly confusing for venue operators due to uncertainty about which requirements prevail and which apply to their business.

Option 1: Single shared POM

A single POM would eliminate duplication and inconsistent requirements that may arise through separate council and liquor POMs.

With this option, a POM menu could be developed jointly between L&GNSW and DPE and used by applicants, councils, the NSW Police Force and LL approval bodies. The menu could be accompanied by best practice guidelines to provide consistency and demonstrate what a good POM should include. The menu would also include agreed minimum standards for each shared requirement, if they are to be included in the POM, to improve consistency. The applicant would be expected to create the POM using the menu, and then approval authorities and the NSW Police Force could draw from it and potentially add to the POM as they consider the DA or LL application and engage with applicants.

Approval bodies would be permitted to include content in the POM that may address issues relevant to the venue that are not included in the menu. The single POM would be finalised at the point that the LL is determined. Licensees would still be expected to take a proactive approach to modifying POMs in response to changing circumstances.

This reform option does present significant challenges:

- There would need to be a formal mechanism for each approval authority to agree on and finalise the POM, and for amendments to be made.
- A shared POM would only be feasible where the Council has imposed a POM as a special condition of development consent (see discussion in **Attachment E**). This would allow flexibility for POMs to be amended easily after the DA is approved and the LL is granted, without the licensee having to go back to council or L&GNSW/ILGA to amend the DA or LL.
- The location of the single POM would need to be decided, covering its development, modification and final place of storage/access.
- Once finalised, there would need to be an agreed process in place for the POM to be modified if required. This process would need to be agreed to with L&GNSW/ILGA, DPE, OLG and the NSW Police Force.
- This would be easiest to apply for newly developed POMs. Transitioning existing licensed premises that have multiple POMs to a single POM may pose challenges unless there is a clear and easy process in place.

Option 2: Retain separate Council and L&GNSW/ILGA POMs with a clear delineation of matters to be included in the POMs by each approval body.

Currently, POMs required by council, L&GNSW or ILGA may duplicate matters, particularly alcohol management requirements such as security guard numbers and CCTV requirements. This could be resolved by L&GNSW developing best practice guidelines in consultation with DPE and the OLG for use by councils, L&GNSW and ILGA which specify the types of matters that should be included in each POM.

Ideally, the liquor POM would deal with all alcohol management matters, while the council POM would be restricted to planning matters. However, it is possible that some small overlap may remain, due to the common interest both regulators have in matters such as crowd management.

Keeping two separate POMs would allow the council POM to take effect at the point of development approval, without the need to wait for the LL to be determined to finalise the POM.

As noted above, POMs imposed by L&GNSW and ILGA are generally more flexible than council-imposed POMs and can be amended easily. Council POMs generally require a modification of a development consent to amend.

To enable councils to impose more flexible POMs, the *Environmental Planning and Assessment Act 1979* (EP&A Act) could be amended to provide councils with the power to impose a special condition on a development consent under Schedule 8 of the EP&A Act in relation to POMs. The special condition would allow the POM to be reviewed and amended without the need to amend the condition of consent. The reviewable matters would be confined to discrete matters, which could be identified through the discussion paper consultation process and agreed to by the DPE and the OLG. For example, they could include security guard and CCTV requirements.

This would enable councils to review and amend POMs in response to changing circumstances, without the need for an applicant to apply to council for a modification of a development consent every time a POM condition is proposed to be changed. It would support councils to address environmental changes that can impact conditions (e.g. to help address COVID-19 related security staffing shortages, a council could use this power to trial different security conditions and ratios).

This type of reform would be implemented with requirements for councils to consult with the person whose POM condition would be amended through this process. For example, councils could be required to ensure the person has a reasonable opportunity to make submissions in relation to the proposed change, and to take any submissions into consideration before making the decision.

5.5 Greater engagement and information exchange between L&GNSW and Councils

We see value in open communication between each approval body during the DA and LL application process, particularly for high-risk liquor licence premises such as hotels, clubs, nightclubs and bottle shops and applications that involve extending trading hours past midnight.

Ideally, a digital mechanism could enable decision makers who assess DAs and LLs to contact each other and confer on issues of common interest, such as the expected social impacts of a new licensed premises and common or overlapping conditions. This would provide opportunities for decision makers to avoid imposing contradictory or duplicative operating conditions on LL and DAs.

Implementation of such a digital mechanism would be a long-term proposition. In the interim, short-

term reform (within two years) could be adopted to allow for greater engagement and information exchange between L&GNSW and councils. These options are explored below.

- **Automatic notification to L&GNSW once an applicant has lodged a DA on ePlanning**

Currently, the relevant council is automatically notified by L&GNSW when an applicant lodges a LL application, which provides the council with an opportunity to notify L&GNSW of any concerns relating to the application via the L&GNSW Noticeboard. To encourage opportunities to align conditions and POMs prior to development approval being granted, we propose that a reciprocal arrangement could be implemented where L&GNSW is also automatically notified when the DA is lodged, so liquor licensing officers are aware the DA process has commenced. This would enable council officers and liquor licensing officers to confer on matters of common interest at an early stage in the DA application process, prior to planning approval being granted.

Consideration could be given to whether notification should apply to all DAs relating to licensed premises, or only subsets (for example, high risk licence types, or applications for new licenced premises).

- **Licensing Branch contact details to be included in Council notification of liquor licence application**

Currently, the local council is automatically notified when a LL application is received and displayed on the L&GNSW Application Noticeboard. We propose that the contact details of L&GNSW's Licensing Branch be included in this notification. This would make it easier for officers to contact each other directly by phone or email where necessary, rather than relying on engagement through the Noticeboard. This would be an effective and low-cost option for immediate implementation.

Targeted questions about conditions and POM

13. In Attachment E we propose conditions which could be aligned between decision-makers. Are there any additional conditions that we should consider for alignment?
14. Do you support conditions attached to a venue's development consent and liquor licence being publicly available?
15. If decision-makers are required to consult each other and come to agreement on the content of conditions and POMs, when and how should this be agreed?
16. Do you support the option of a single plan of management (POM) drawn from a menu of conditions that covers both liquor and planning requirements? Are there any risks with the option?
17. Do you support the option of restricting councils from including alcohol management issues in council POMs and restricting L&GNSW/ILGA from including planning matters in a liquor POM? Are there any risks with this option?
18. What kind of discrete alcohol management issues should be reviewable in a POM?
19. Are there other ways to align conditions and POMs?

5.6 Summary of implementation approach and potential challenges

Our long-term vision is for a single, joint DA and LL application process. Acknowledging this, the timeline for implementation of the reform options that are presented in this Paper range from short-term to long-term. We welcome feedback on the timeframes that are proposed to implement the reform options presented in the Paper.

The reforms are intended to be implemented using a phased approach, as they would involve significant technological builds and rebuilds. IT systems upgrades to implement the reforms would need to account for current planned upgrades, as well as be future proofed to anticipate a potential move to a new risk-based licensing model (options set out in Part B of this Discussion Paper).

A range of potential reforms to align the planning and liquor licensing systems were explored in developing this part of the Discussion Paper. Not all possible reform options are captured by this project and **Attachment G** sets out the reforms that are out of scope. Additionally, certain types of licences and development pathways may not be relevant to all the reform options included in this paper and these are set out in **Attachment H**.

Implementation Challenges

Leveraging existing government systems as part of the end-solution, such as the NSW Planning Portal, is expected to generate significant cost and implementation efficiencies. However, council and applicant engagement with the portal is still at a relatively early stage. While the online DA service is mandatory for applications, the community consultation on the DA is generally completed through councils' existing systems, which vary across NSW.

Although there are prescribed conditions, which are required to be included on all relevant development consents, there can be significant variation in the additional conditions applied to development consents by each of the 128 local councils in NSW. Whilst this paper proposes reforms to encourage consistency in practices across councils, some variation is likely to remain.

Despite reform, there may also still be lag times for some approvals due to the involvement of three regulators. For example, consultation timeframes may be extended by councils or ILGA, and the ILGA Board meeting schedule needs to accommodate consideration of high-risk LL applications. This affects the ability for the DA and LL to be determined at the same time.

Part B: Risk-Based Licence Model



6. Introduction

NSW has a large and diverse liquor and licensed hospitality industry. There are over 18,500 liquor licences that support businesses such as producers, restaurants, cafés, pubs, registered clubs, nightclubs, entertainment venues, packaged liquor retailers and more.

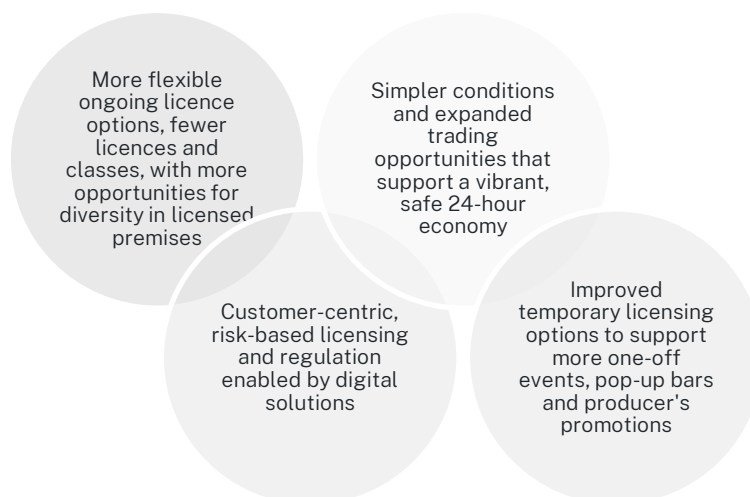
Liquor and hospitality businesses run in an environment that has changed considerably since the current liquor licence model began in 2007 when the *Liquor Act 2007* commenced. In recent years, some of the Government's liquor law reforms to support a vibrant, safe 24-hour economy include:

- lifting outdated licence conditions on live music and entertainment across NSW and removing Sydney's patron lockouts.
- a new incentives and demerit point system for licensees that introduced the concept of demerit points as sanctions for serious offences and poor behaviour, which is also providing incentives for responsible operators such as annual licence fee discounts.
- enhancing alcohol delivery laws to respond to the growth of online and same day alcohol sales.

The COVID-19 pandemic has also had an unprecedented impact on liquor and hospitality businesses, and new initiatives have emerged from related support efforts. These included new, streamlined approval pathways for venues to expand into outdoor dining, and the Government's announced measures to allow restaurants and small bars to sell limited take-away alcohol with meals.

In this context, the NSW Government's 24-hour Economy Strategy for Greater Sydney has set an objective to create a 24-hour city - one that is world-renowned for its vibrancy, diversity, safety and access to amenity right throughout the day and night. The Strategy contains a range of further actions intended to support the diversification of night-time activities, including Action 15 which commits the Government to *"...exploring the potential for introducing a new risk-based model to streamline the number of liquor licence types and classes, and minimise complexity and red tape."*

To help deliver this, Part B of this Discussion Paper considers potential reform options to modernise and simplify the liquor licensing system in ways that enable more diversity in licensed venues and activities and build on the initiatives to support a vibrant and safe 24-hour economy. The proposals for a new licence model are risk-based and aim to ensure an appropriate level of regulation and oversight to manage the risks of harm associated with the broad range of activities that can be run in association with a liquor licence. Part B covers the following key areas for potential reform:



7. Ongoing licensing reform options

7.1 The need for reform?

Aspects of the existing liquor licensing system can at times be challenging for businesses and the community to navigate.

There are six main licence types for businesses that wish to sell liquor on an ongoing basis:



There are many as 38 subclasses under the on-premises licence type alone, ranging from a café to a public entertainment venue like a nightclub. Each licence comes with its own tailored requirements and conditions. Typically, businesses must mould their business offering to fit within an available licence type (and each subclass, where applicable).

An overview of the existing licensing system is provided in **Attachment I**.

There is the potential to reduce the complexity in this system, while cutting red tape and making it easier for businesses to diversify their offering. This could support more competition and innovation and allow businesses to adapt and thrive.

7.2 Reducing the number of licences, red tape and complexity

A new licence model could reduce the number of liquor licences, red tape and complexity, while encouraging more diverse offerings from licensed premises that support the 24-hour economy. It could open more options for licensees to sell and supply liquor in a range of different circumstances using only a single licence.

By reducing the number of licences and subclasses, and the prescriptive requirements that apply, licensees could be given more flexibility to ‘build’ a liquor licence to suit a business’ individual needs.

For example, this could mean one licence could be used by:

- a hotel that wants to expand its premises into a brewpub and sell its own beer for take-away at local markets, while still offering gaming
- a restaurant in a small town that also wants to run as a bar, without meal service, from 10pm on weekends to offer more diverse night-time entertainment options for its community
- a micro-brewery that also wants ongoing approval to sell liquor at catered, off-site community events where liquor is consumed
- a restaurant that wants to diversify by selling limited amounts of packaged alcohol for take-away and home delivery with meals
- a small bar that wants to start selling its own house-made cocktails by wholesale to other licensees
- a caterer that has its own small premises where it will offer pre-event take-away sales to clients of upcoming catered events.

Under the existing licensing system none of the above business models can be easily run using one liquor licence. In most cases, licensees would need to hold multiple liquor licences and/or authorisations to offer these types of diverse offerings. Many require separate applications that often cannot be done concurrently.

Having multiple licences can mean licensees pay high application and annual licence fees, with different sets of conditions applying to each licence. Depending on the types of licences held, there is the potential for conditions to conflict with each other or be unclear. The cost and complexity can be a barrier that stops businesses from diversifying.

Targeted question for discussion

20. The 24-hour Economy Strategy commits the Government to explore reducing the number of liquor licences and classes, as part of actions to support diversification of night-time activities. Would you support a reduction in the number of licences in a way that gives businesses more opportunities to diversify?
21. Are there benefits you see with the existing liquor licensing system and the range of licence types and subclasses that are available? What aspects of the existing system should be maintained?

7.3 More flexibility in licensing through a “licence-builder” approach

A new licence model could allow individuals and businesses to **build a licence** to suit their needs and run diverse business activities on their premises.

Instead of having six prescriptive licence categories, there could be a smaller number of licences – for example:

- An **ongoing licence** for licensees that want to sell and supply liquor on an ongoing basis
- A **club licence** for registered clubs that meet section 10 requirements of the *Registered Clubs Act 1976* and must comply with these club laws. This would maintain the unique conditions that apply to clubs – including automatically allowing them to sell liquor to members (or guests of members) for consumption on or away from the licensed premises.

To support this, **licence endorsements** could allow licensees to sell and supply liquor in a range of different circumstances and be used to recognised venues allowed to operate gaming machines.

Endorsements could:

- become the **“building blocks”** for each ongoing licence
- come with more **common, consistent conditions** where possible, which are easier to understand and comply with and reduce the number of niche authorisations across licence types (noting licensing decision-makers would still maintain powers to impose individual conditions)
- help to reduce licensing costs and approval timeframes for licensed premises where the sale and supply of liquor is **limited** in nature. For example, endorsements could be offered as **‘limited’ in nature**, where they come with specific conditions to limit how liquor is sold or supplied and reduce the overall risk associated with the endorsement.

Potential endorsements that could attach to an ongoing licence are set out in **Table 1** below. The table also shows how trading conditions could attach to each endorsement under the legislative framework.

Table 1 - Potential Endorsements as part of a licence builder approach

ENDORSEMENTS	STANDARD Option	LIMITED Option	Sample Endorsement Conditions
On-premises: Endorses retail liquor sales for consumption on the premises listed on the licence.	No patron limit	Limited to 120 patrons on the premises at any one time (e.g. suitable for a small bar, micro-brewery, small café) Venues with a smaller patron capacity are recognised as being lower risk. Venues with a 120-patron capacity or less in the Sydney LGA were found to have fewer alcohol-related assaults and compliance issues than larger venues ¹ .	<ul style="list-style-type: none"> Standard trading hours 5am to midnight. Extended trading available at other times by application. Staffies – the licensee may continue to sell liquor to staff that have been working on the premises for consumption on the premises for two hours after liquor service stops. Food of a nature and quantity consistent with the responsible service of alcohol must be available whenever liquor is sold or supplied. Free drinking water must be available to patrons wherever liquor is served.
Off-premises: <ul style="list-style-type: none"> Endorses retail and/or wholesale sales where liquor sold is not consumed on the premises listed on the licence (i.e. take-away and delivery). Endorses tastings of products that are available for take-away from the licensed premises to customers and intending customers for consumption on the premises. 	No limit on scale / scope of liquor sold for consumption off premises	Off-premises sales limited by scale and/or scope by condition – examples include: <ul style="list-style-type: none"> online only, producer selling its own liquor products only, wholesale sales only, takeaway and home delivery only in limited quantities with meals. (see section 6)	<ul style="list-style-type: none"> Retail sales: <ul style="list-style-type: none"> Standard trading 5am to midnight No extended trading No same day alcohol delivery between midnight and 9am Adequately separated retail <i>liquor sales area</i> required for any businesses where sale/supply of liquor is not a primary focus (e.g. supermarkets). Wholesale sales allowed 24/7 Take-away sales to staff who have been working on the premises permitted at any time.
Catering: <ul style="list-style-type: none"> Endorses retail sale of liquor for consumption at catered events held on the premises listed on the licence and/or off-site (not required to sell liquor at private domestic premises). 	No limit on the number of catered events* <i>*typically reserved for commercial catering businesses –</i>	Allows up to 52 catered events in any 12-month period (+unlimited social functions for surf clubs and race day events for racing clubs)	<ul style="list-style-type: none"> Standard catering hours 5am to midnight. Extended trading available at other times. Advance notice of catered events required to L&GNSW, Police and local council. Food of a nature and quantity consistent with the responsible service of alcohol must be

ENDORSEMENTS	STANDARD Option	LIMITED Option	Sample Endorsement Conditions
<ul style="list-style-type: none"> Catering can include supply of liquor only or liquor with food. 	<i>food caterers, function centres</i>		available whenever liquor is sold or supplied at a catered event.
Producer Promotions: <ul style="list-style-type: none"> Endorses retail sale, tastings and take-away in sealed containers from off-site <i>promotional events</i> where the liquor being sold is produced by the licensee (the “<i>licensee’s product</i>”). Promotional events include events primarily held for the purpose of promoting and selling produce from the hospitality industry or a particular region. 	No restriction on the number of promotional events	N/A	<ul style="list-style-type: none"> Standard producer promotion hours 5am to midnight. Extended trading can be applied for by event. Advance notice of producer promotions required to L&GNSW, Police and local council.
Gaming: Endorses the operation of gaming machines on the premises. Is deemed to be in place for an ongoing licence for a hotel or club licence if there is a gaming machine threshold. (See section 6)	The number of gaming machines continues to be limited by a venue’s gaming machine threshold* <i>*Only available if the primary business activity is a hotel or registered club.</i>	N/A	<ul style="list-style-type: none"> Standard hours 5am to midnight (or less if trading hours under the on-premises endorsement are more restrictive) Extended hours available at other times

The ‘licence builder’ approach could allow a licensee to combine endorsements to develop more innovative business models. As multiple endorsements would be attached to the one ongoing licence, businesses would only have a single licence with **one set of conditions and annual fees**.

Individuals and businesses could apply for all the endorsements they need when they apply for a licence and add endorsements as they adapt or expand their business’ activities over time.

If this type of model were adopted, existing licence holders could automatically receive all necessary endorsements to continue to sell and supply liquor and operate gaming machines as they currently can. They could also apply for extra endorsements, opening more opportunities to diversify, grow and provide new offerings to the community.

Examples of how different businesses could use this type of licensing model to diversify their operations are shown in **Figures 2, 3 and 4** below.

Figure 2: Supporting diversification at a hotel premises

A hotel initially runs its on-site liquor and gaming operations using an ongoing liquor licence with on-premises, off-premises and gaming endorsements.

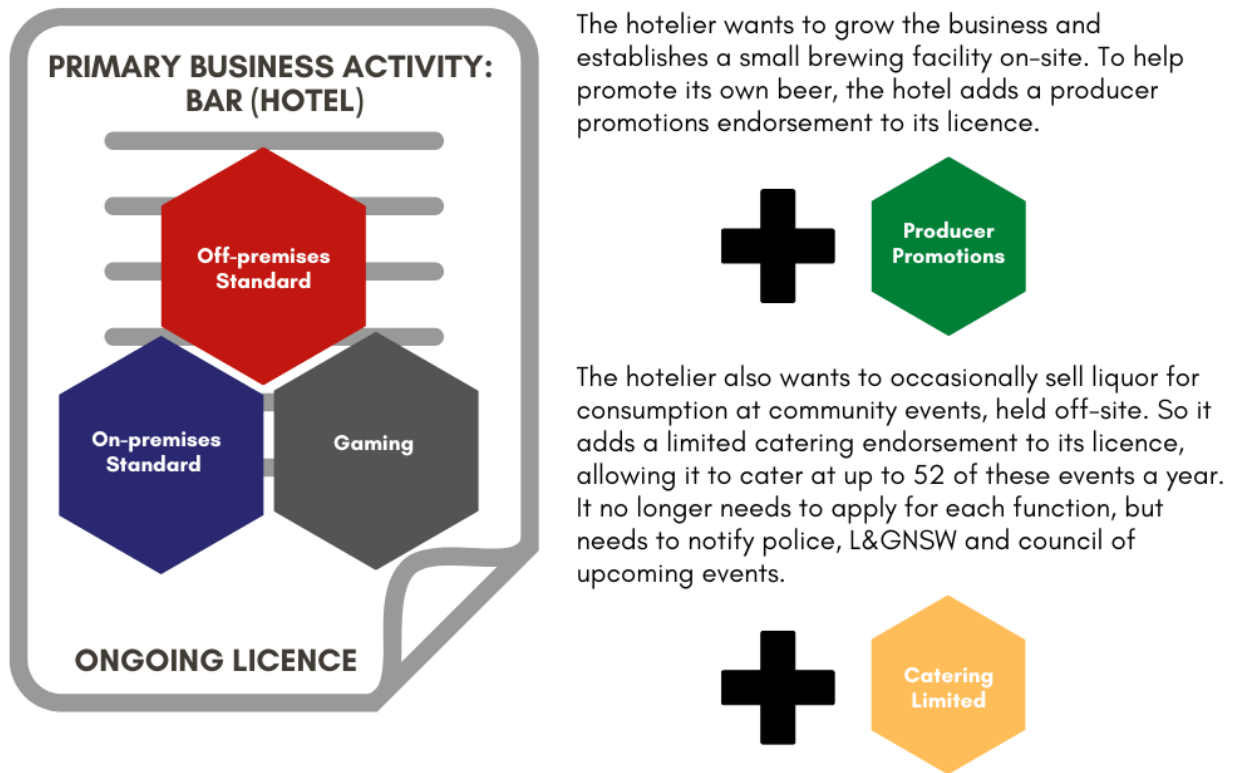


Figure 3: Supporting small businesses and diversification

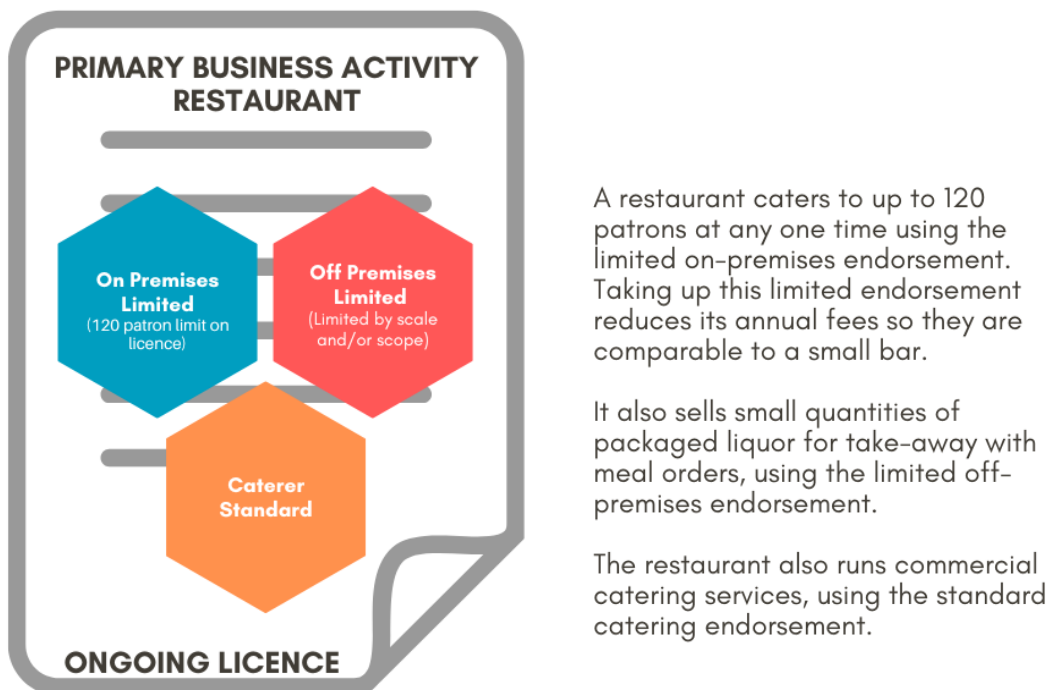
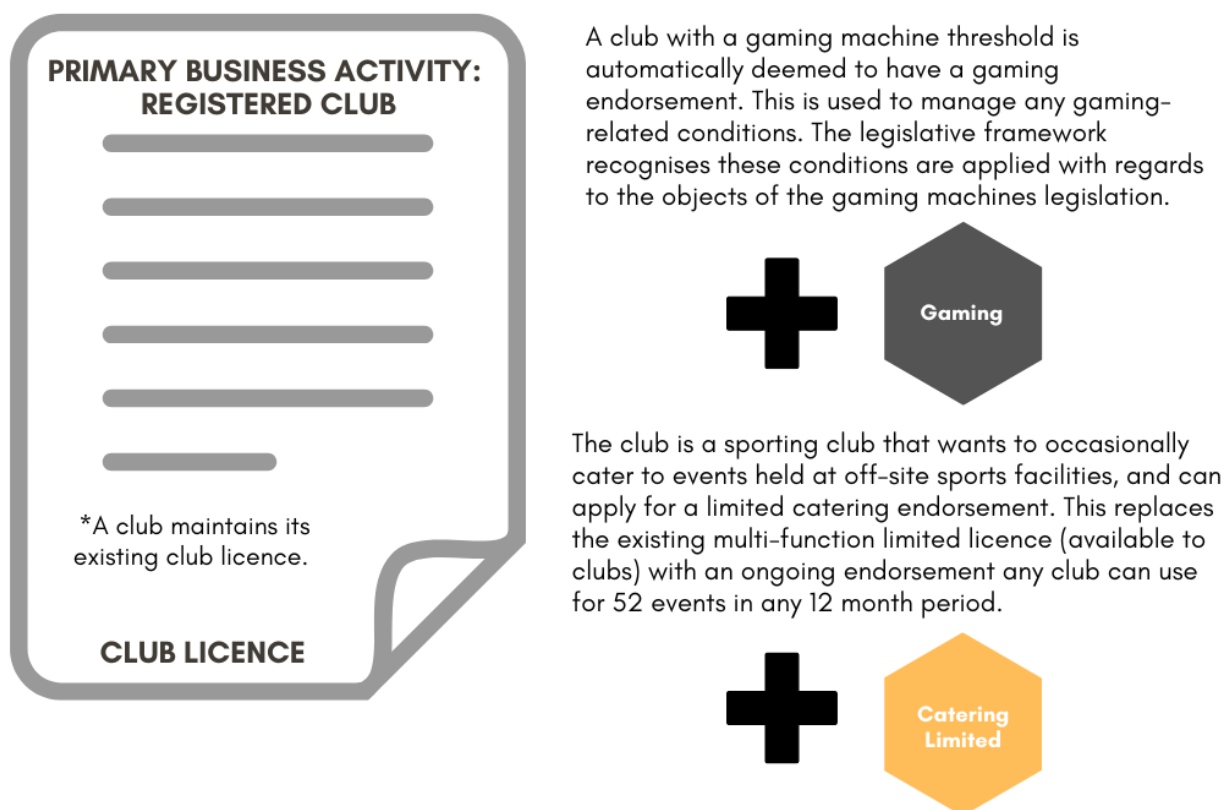


Figure 4: Improved catering options for registered clubs



A licence builder approach could have significant benefits for a range of different businesses that sell and supply liquor. Some of the potential benefits of this type of approach, for different business types, are demonstrated by the examples above.

Endorsements could also support the application of risk-based licensing processes and fees, as discussed in section 7.

Targeted questions about the licence builder approach

22. Would the proposed 'licence builder' approach, with standard and limited endorsement (on-premises, off-premises, catering, producer and gaming endorsements), assist with diversification? Can you see any challenges with how they may work?
23. The licence builder approach is one option to have a more flexible liquor licensing model. Are there better ways to reduce the number of licences and increase flexibility in the liquor licensing system?

7.4 Using a limited off-premises endorsement to sell take-away and home deliver alcohol in limited ways

The limited off-premises endorsement would introduce new options to allow certain businesses to sell packaged liquor for takeaway or home delivery and expand their offering.

The risks associated with venues using this endorsement would be different to those for a regular bottle shop or take-away store with walk-up sales. By limiting the scale and/or scope of takeaway or home delivery that can be sold, this endorsement could help to recognise reduced risk.

The types of circumstances where a limited off-premises endorsement could be used, including relevant conditions, might be specified in the liquor regulatory framework. Examples of proposed eligibility for this endorsement are highlighted below.

Restaurants, cafés and small bars

The limited endorsement would be available to restaurants, cafés, and small bars so they can sell packaged liquor with meal orders in limited quantities, in line with [the NSW Government's announcement in December 2021](#). It would allow these businesses to continue selling take-away and home delivered packaged liquor, under the current conditions in place [under L&GNSW's Statement of Regulatory Intent \(SRI\)](#) in regards to COVID-19 (dated 14 March 2022).

The conditions include:

- any liquor for takeaway and home delivery must be purchased with a genuine meal order (which may include one or more individual meals)
- each customer's order is limited to:
 - one sealed bottle of wine up to 750ml; or
 - up to six sealed containers with a combined maximum volume of 2.25 litres of either:
 - beer,
 - cider,
 - ready to drink alcoholic beverages pre-mixed away from the licensed premises; or
 - for restaurants and cafés, up to four house-made cocktails (alcoholic beverages mixed on the licensed premises) in sealed containers with a combined maximum volume of 1L.
- despite the above, small bars may sell unlimited house-made cocktails with or without a meal order (this is already permitted under section 20A(1)(b) of the *Liquor Act 2007*).

Existing licensees that are already allowed to sell take-away or offering home delivery from their restaurant, café or small bar under the SRI would have a simple application pathway to take up this new endorsement. Provided they have maintained a good compliance record, with no demerit points, they could be eligible to obtain the endorsement.

Caterers

The limited off-premises endorsement could also be used to allow commercial caterers to offer tastings and limited take-away liquor from fixed premises they operate from, to clients and their guests. They could use this new option for pre-event tastings and sales (e.g. for wedding parties), where intending clients sample a range of liquor products for their upcoming catered event/s and could buy a variety of products to take home to try before they settle their catering order.

Online packaged liquor retailers

The limited endorsement could be used by packaged liquor retailers that are only authorised to sell alcohol by taking orders online or via phone or other remote methods where customers do not walk up to or attend the premises to purchase alcohol.

Wholesalers only

The limited endorsement could be used by wholesalers only, who are not authorised to sell liquor for take-away liquor and home delivery to the general public.

Small specialty and concept stores

Small specialty and concept stores cannot obtain a licence to sell packaged liquor if they are in a local area where other take-away liquor services are available, and the store does not have more than 240 square metres of floor space. The restrictions are intended to prevent clustering of packaged liquor outlets and the associated increased risk of alcohol-related harm. However, blanket bans like this could limit the diversity of liquor offerings in a local area.

To address this, the limited off-premises endorsement could be used to allow small speciality and concept stores to sell a limited range of packaged liquor in certain circumstances. For example, using this endorsement a small organic store could be allowed to sell a limited range of organic wine, or an Asian grocery store could be allowed to sell imported liquor products from Asia. This would be approved only if licensing decision-makers are satisfied that the limited scale / scope of liquor to be sold under the limited off-premises endorsement will diversify the local take-away services available and the granting of the endorsement will not be a detrimental social impact on the community. Additional conditions could be applied to the endorsement such as limits on the quantity of liquor the store can sell.

Producers and tourism facilities

The limited off-premises endorsement could also be used by existing licensed businesses like producers and tourism facilities, where long-standing arrangements allow them to sell take-away and/or home delivered liquor in limited ways. For example, licensed producers can only sell liquor products that they produce for take-away and home delivery.

Councils, public authorities and tourist facilities can also currently sell liquor products for take-away to promote tourism or industry in the local area where the premises are located. This includes the sale of souvenir liquor products by public authorities or liquor products made at the public authority's facilities.

The above options would continue to be available through the limited off-premises endorsement, and would mean these licensees would continue to pay lower annual risk-based fees than a full-scale bottle shop or packaged liquor outlet.

Targeted questions about the limited off-premises endorsement

24. Do you think the limited off-premises endorsement provides an easy way to recognise licensed premises that have significant restrictions on how they can sell and supply liquor by retail and/or wholesale for consumption off-premises?
25. Do you agree with the proposed types of business uses for the limited off-premises endorsements – e.g. for restaurants, cafés, small bars, caterers, producers and tourism facilities, small and speciality concept stores, online packaged liquor retailers and wholesalers only? Why or why not?

7.5 Benefits of a “Licence Builder” approach for venues with gaming

As part of a ‘licence builder’ approach, an endorsement to operate gaming machines could be introduced to sit against the ongoing licence of a hotel or a club licence. All hotels and clubs with a gaming machine threshold, or that are successful in applying for one, would automatically be deemed to have this endorsement on their licence. There would be no separate application process.

This gaming endorsement could provide a clear, convenient channel to manage all gaming-related conditions. The conditions that could sit against the endorsement include:

- the venue’s gaming machine threshold
- permitted hours of operation for gaming machines (separately approved from liquor trading hours, but generally must not exceed the liquor trading hours)
- any gambling harm minimisation measures that apply to individual venues, including requirements relating to gaming plans of management.

The processes for recognising the endorsement against a licence and applying conditions would be established under the gaming machines legislation, to reflect that gaming conditions are more closely linked to the objects of this legislation than with liquor legislation.

Should a hotel or club wish to change its gaming machine operating hours beyond midnight, there would continue to need to be a clear avenue for the community to have a say, including through a public submissions process. Any proposal to operate machines after midnight could also continue to trigger a social impact test – where approval authorities must be satisfied the overall social impact of the extension will not be detrimental to the well-being of the local or broader community. In doing so, they would be required to consider the objects of the gaming machines legislation, as well as community feedback and evidence.

The main benefits of this endorsement may include:

- providing an easy way for venues to access, manage and apply to vary gaming conditions under one endorsement
- assisting ILGA to manage community concerns about the harms that can arise in local communities from late-night gaming against the objects of the gaming machines legislation, separately to the distinct harms that may arise from the late-night sale and supply of liquor

- brings NSW more into line with other jurisdictions for gaming-related approvals, as NSW is the only jurisdiction that does not have a specific authorisation for operating gaming machines, to which gaming-related conditions apply
- encourages innovative business ideas, recognising that many venues now wish to operate as “pokies free” venues and may choose to do this at certain times and have this recognised on their gaming endorsement.

Targeted questions about the ‘licence builder’ approach and gaming

26. Do you support the gaming endorsement that is proposed as a way to simply manage gaming-machine related conditions at a hotel or club? If not, why not?

8. Customer-centric, risk-based licensing

Since the current liquor licensing system began in 2007, advances in technology mean that digital solutions can now let us understand licence applicant's needs better to tailor licensing options to match them accordingly.

With any changes to the licensing model, it would continue to be a priority for the system to:

- address risks associated with the sale and supply of alcohol - such as risks of domestic, family and sexual violence, non-domestic assault and other crime and anti-social behaviour, and risks of harm to minors; and
- to ensure the community has clear, direct channels to have a say on the impacts of licensing proposals.

The adoption of digital tools could improve opportunities for risk-based application and community consultation processes.

The following sections consider how customer-centric, risk-based licensing could operate with the licence builder model discussed in section 6.

8.1 Customer insights to match businesses with the right licensing options

With any new licence model, customer-centric digital tools could be introduced to gain insights from each applicant during the application process to build a deeper understanding of what primary activities a business wants to run and when. These tools would also make it easier for applicants to find licence endorsements and other options they may need, like extended trading hours.

New applicants could be asked targeted questions as part of a digital application form to identify what **primary business activity or activities** they wish to provide. For example, this might be a restaurant, nightclub entertainment, live and creative entertainment, adult entertainment, a vessel, a hotel, general bar, small bar, a registered club, and so on.

A list of proposed primary business activities is provided in **Attachment J**. The table shows, if the "licence-builder model" were adopted, how the different licence endorsements could be recommended to the applicant by digital tools as a default, the optional extras that could be selected, and which would typically not be available.

To help customers select their primary business activity or activities, a library of these activities could be provided in the digital system. The system could also show the applicant if there are any statutory conditions that apply at times when a particular activity is run.

By providing information on the primary activity or activities they wish to offer and when, the applicant would help licensing decision-makers and the community to understand their business model and the potential social impacts during the licensing process. The selected primary business activity or activities would also be used to:

- guide applicants to which endorsements are recommended and which might be optional extras to consider
- better understand the risks of the activity and what level of community consultation is required during the licence application process

- help decision-makers apply conditions to manage risks associated with each activity
- identify and offer benefits to licensees for certain activity types where they exist, such as incentives for venues with a primary focus on live and creative entertainment.

Allowing multiple primary business activities

Some businesses may wish to have more than one primary activity. Different primary business activities may run at separate times of the day or on different days of the week. A new licence model could accommodate this kind of diversity. The applicant would need to have the appropriate development consent that allows multiple business activities at the premises. If there are any development consent conditions that prevent multiple primary business activities, these would continue to apply unless a change is sought through a DA.

As an example of how this could benefit businesses, a café in a small town could take up this option to regularly stop serving meals on weekend nights to provide the local community with a bar. Its primary business activity would be a low-risk restaurant at most times, but on weekend nights after a certain time its licence could recognise it has the primary business activity of a bar, where the sale and supply of liquor is the primary activity, the kitchen is not open and there are no meals available. At times when it operates as a bar, it would have more stringent licence conditions and greater regulatory oversight to help manage increased risks.

This type of licensing approach could enhance offerings available to communities – particularly in regional and rural areas – while still managing risks with appropriate conditions. Each venue with multiple activities would also be required to contribute annual risk-based fees based on their highest risk mode of operation.

While the licensing model could allow for this type of flexibility, there are potentially barriers to this type of model in the planning system. We are interested from hearing from venue operators and councils on what the benefits of this type of approach could be, and where the regulatory barriers may exist.

Targeted questions on the primary business activity

27. Identifying a **primary business activity** during the application process is proposed to help assess the level of risk an applicant's business activity poses. Are there other ways of identifying risk?
28. Do you support licensed premises being able to have multiple primary business activities recognised on their licence? What are the barriers that may exist to implement this?

8.2 Risk-based application and community consultation processes

The selection of a primary business activity or activities, together with endorsements and any extras like extended trading or gaming machine entitlements, is one way to assess the level of risk associated with a liquor licence. Proposed risk levels (high, moderate and low) are set out in **Attachment J**, where you can see how the primary business activity and other characteristics like whether a venue trades late at night or has a larger patron capacity could be used to help comprehensively assess risks associated with an ongoing liquor licence.

As part of a strengthened approach to assessing risk, digital tools could be used to inform

applicants of the risk classification associated with their application. The level of assessed risk would inform what application process needs to be followed and the extent of community consultation that is required. It would also identify the application fee and annual risk-based fees, trading conditions and training requirements for licensees, managers and staff.

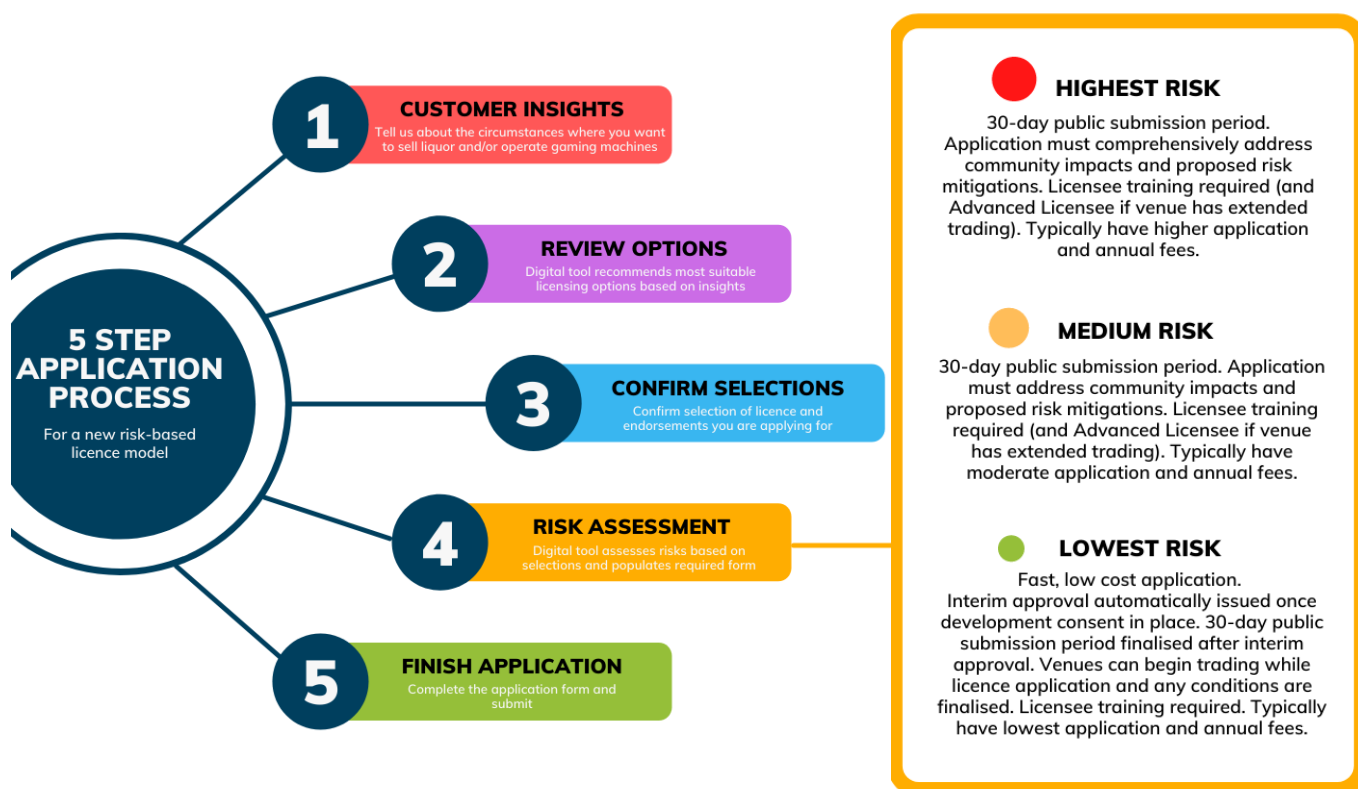
Figure 5 below shows how the assessed risk level would influence the application and community consultation processes to obtain an ongoing licence, as well as fees and training.

As a general rule, higher risk operations typically require greater regulatory oversight and resources. They would be subject to more extensive application and community consultation processes and higher risk-based application and annual fees as compared to lower-risk operations.

The model would continue to encourage all licensees to maintain and improve their performance by imposing higher annual fees for poor compliance – including where a demerit point is incurred for a serious breach of the liquor laws – and rewarding those that maintain a clear record with fee reductions over time.

Most low-risk licence applications could receive an “interim approval” under the new model. This streamlined approval would allow low-risk operations to begin trading as soon as the licence application is lodged and their necessary development consent has been approved by the council or other local consent authority. This type of approval already applies to standard restaurants, cafes and small bars under the existing licence system, but could be extended out to other low-risk businesses like wholesalers under a new licence model. This could allow them to start trading much faster, reducing wait times by many weeks. Digital tools would automatically notify the local council and local police of all interim approvals issued in their LGA.

Figure 5: Key steps in the application process for a new risk-based licence model



Targeted questions on the risk-based application and community consultation process

29. Do you agree with the proposed risk-ratings set out in Attachment J? What would you change?
30. Clubs are identified as a high-risk venue in Attachment J. Is there a better way of assessing the risk they present? What characteristics should be considered?
31. A 5-step process is proposed to assess risk, based on information provided by the applicant. Are there other customer-centric ways to collect information relevant to risk and to assess it?
32. Community consultation requirements are tied to the risk a venue presents in the 5-step application process that is presented. Do you support this approach to determine community consultation requirements? If no, what would you change?
33. How can community consultation on licence applications be improved? Section 4 of the Discussion Paper includes options to improve consultation with diverse stakeholders. Are there other ways specific stakeholders can be better engaged (e.g. regional communities, Aboriginal groups, culturally and linguistically diverse communities)?

8.3 Risk-based intelligence and oversight

The combination of one ongoing licence with endorsements and an associated primary business activity would mean there is a richer data set to gather intelligence on the different types of licensed businesses in NSW. This could support risk-based compliance oversight and response.

Assessed risk levels could be reflected on each licence document. This risk profiling together with operational data – including data on demerit points that have been incurred for serious liquor law breaches, would help L&GNSW Compliance inspectors and NSW Police to direct their resources to locations and venues with the greatest risks. This would also further improve transparency and the licensing information that is publicly available to the community.

Disciplinary provisions under Part 9 of the Liquor Act could be updated so powers to suspend or cancel an individual liquor-related endorsement are introduced, in addition to the existing options to suspend or cancel a full licence. This would provide more options to take more targeted disciplinary action, in response to prescribed complaints under Part 9. For example, if a restaurant is misusing a limited off-premises endorsement and breaches conditions by operating more like a bottle shop with its packaged liquor sales, that endorsement could be suspended for a time or cancelled.

8.4 Improvement notices as a new enforcement option

Improvement notices could give licensees the opportunity to rectify conduct where the liquor laws are breached. Rather than licensees being issued immediately with a penalty infringement notice, improvement notices could be used if appropriate. The notice would work as a remedial enforcement action, in addition to the existing enforcement options that are available to L&GNSW and NSW Police.

Improvement notices could be issued by L&GNSW Compliance inspectors or Police against a licensee or an approved manager in circumstances where they form a reasonable belief that there is or has been a breach of the liquor laws. The notice would need to set out the relevant law, how it is

being (or has been) breached, what action the licensee must take to rectify the breach and the date by when it must be remedied. The time given to comply with the notice must be reasonable given the circumstances.

The licensed venue would be able to continue trading during the period given to satisfy the improvement notice. During this time, other enforcement action would not be taken relating to breaches that the improvement notice covers. However, if the licensee does not remedy the breach by the date specified, enforcement action could be taken by L&GNSW or the NSW Police, with the failure to comply with the improvement notice seen as a serious offence.

In practice, L&GNSW or the NSW Police currently issue warnings or compliance notices for relatively minor breaches, however these have no statutory standing and there is no offence provision for failing to comply with these warnings

Improvement notices would not be suitable where the licensee's conduct amounts to a demerit offence under the *Liquor Act 2007*, as these are serious offences. They are also not likely to be appropriate where a venue has repeated, non-compliance with the liquor laws.

Targeted question on improvement notices

34. Do you support the proposed improvement notice as an additional enforcement option?

8.5 Controls to prevent venues morphing into higher risk business models

To accurately assess risks with this type of new licence model, businesses would need to be transparent about what they want to offer when going through the licensing process.

If a licensed premises ends up primarily offering an activity that is higher risk and did not tell licensing decision-makers or engage with the local community about it through the application and community consultation process, ILGA and L&GNSW would have the power to direct the business to take corrective action. The business would need to complete the application and community consultation appropriate to the risk level.

For certain primary business activities, neighbours and the broader community will expect that liquor will only be sold ancillary to another product or service. For example, if they are informed that a restaurant is moving into their neighbourhood and they are consulted on this, it would be unreasonable for the restaurant to later stop offering meals and run as a bar or nightclub-style operation late at night without any further community consultation. This is because running a bar has a higher social impact. The community would need to be consulted on the higher risk primary business activity of a "bar" before it is offered, and this primary activity at night would need to be reflected on the licence.

In some cases, specific conditions relating to a primary business activity would need to be met to ensure venues are not morphing into higher risk operations. For example, for a restaurant to ensure it is running in line with its primary business activity, during each period where the business activity is a restaurant the sale and supply of liquor is ancillary to the service of meals, where:

- most patrons who attend the venue should be consuming a meal

- most of the premise should be set up for dining – with seating and surfaces being used or ready for use by patrons consuming meals
- there should be enough staff at the premises to prepare and serve meals.

If a restaurant is not run in this way, wilfully breaks the rules and morphs into a venue with a higher impact on the community like a bar or nightclub, corrective action may be taken with additional licence conditions being imposed or even penalties. This simpler approach, which focuses on the common characteristics of a restaurant, could replace the current requirement for restaurants to apply for and obtain a separate “primary service authorisation” to allow them to sell liquor without a meal. If the restaurant wishes to run like a bar at night, and stop serving meals altogether, the licensee will also have the option to apply to vary their licence to reflect that they are operating as a “bar” after midnight. They will need to consult the community as this increases the risk profile.

The table of primary business activities provided at **Attachment J** shows, for restaurants and certain other business activities the sale of liquor is expected to be ancillary to another primary business activity at the premises. This means they must not generally be focused on selling liquor as a primary part of their business or activity on the premises.

Some exceptions could be made for these premises, where the sale and supply of liquor may be the main activity carried out on the premises on an occasional basis – for example, airports and tertiary institutions currently have this flexibility at times when airport or tertiary education services are not being provided (as part of exceptions to the current primary purpose test).

Under a new model, exceptions could also be extended to venues with a primary business activity of nightclub entertainment, adult entertainment, or live and creative entertainment. This would give them more flexibility to occasionally sell liquor to the public for consumption on the premises like a bar without the need to always have entertainment on offer. This approach would allow a nightclub to sell liquor to patrons like a bar, similar to when COVID-19 rules around no singing or dancing have applied in the past. This would support their viability when unforeseen circumstances affect their ability to offer entertainment. Generally, these venues would still need to demonstrate their primary business activity is entertainment.

Targeted question on controls to prevent venues morphing into higher risk business models

35. Venues that morph into higher risk businesses: will need to take corrective action; will undertake the appropriate community consultation; may have additional conditions imposed on their licence; and may face penalties. Do you support these methods to prevent morphing into higher risk business models?
36. Are there other ways that this kind of morphing could be managed?

8.6 Changes to the hotel primary purpose test

Currently, the primary purpose of the business carried out on licensed hotels must at all times be the sale of liquor by retail. If a hotel wishes to offer non-liquor related activities at times when liquor is not sold, it must apply to ILGA for approval.

This test could be seen to be overly restrictive, in that it means ILGA must approve activities such as food services (e.g. a breakfast service) or entertainment at times when liquor is not sold or supplied.

To simplify the approach, the test could be changed so that:

- The primary purpose of the business carried out on the premises must not be the keeping or operation of gaming machines. This would complement the existing conditions for hotels that the keeping or operation of gaming machines must not detract from the hotel's character, or from the enjoyment of people using the hotel otherwise than for gambling. Together, these rules reflect community expectations that hotels are not primarily about gambling, like casinos, and have a broader social and community purpose.
- ILGA approval, in future, is only required for liquor and gaming related approvals – including changes to liquor and gaming licence conditions (e.g. trading hours).

These measures would help ensure there are appropriate mechanisms for managing gambling harm, while giving hotels more flexibility to run food and other entertainment services without the need for separate approval at times when liquor is not sold. Hotels could run these services at any time their development consent allows them to stay open.

Targeted question on changes to the hotel primary purpose test

37. Do you support the introduction of a primary purpose test for hotels that the business carried out on the premises must not be the keeping or operation of gaming machines?

8.7 Risk-based liquor licence fees

If a new risk-based licensing model is introduced, risk-based liquor licence fees would apply to ensure annual fees for each ongoing liquor licence reflect the level of assessed risk, the associated regulatory costs and any compliance issues. The changes would aim to ensure a fair and equitable fee system.

Annual liquor licence fees would largely be determined by the level of risk associated with a businesses' primary business activity, the endorsements they hold, and late-night trading times.

Some principles for fees under the licence builder model could include:

- Licensees have flexibility to pay only for the licence options that they need – for example, if a hotel does not wish to retain its off-premises endorsement, its annual fees could reduce
- Generally, lower application and annual risk-based fees could apply for holding limited endorsements, as compared to standard endorsements. This reflects that the limited endorsements restrict the types of circumstances where liquor can be sold or supplied
- Lower fees should generally apply for venues that do not sell liquor by retail to the public after midnight – tiered loadings should continue to apply the later a venue trades into the night, given this is known to increase risks associated with trading
- Compliance risk loadings must be paid if demerit points have been incurred for a serious breach of the liquor laws or in response to certain complaints, reflecting the elevated risk.

As an example, lower risk businesses such as small bars and small restaurants with a limited on-premises endorsement that restricts the patron capacity to 120 or less would attract a lower annual liquor licence base fee. Venues such as hotels and bottle shops that fall into a higher risk rating would attract higher annual base fees, consistent with the current approach to fees.

For lower risk venues like small restaurants, an exemption to the trading hours risk loading that applies for trade beyond midnight could also be considered to support them to trade until 2am, similar to the exemption that applies for small bars. The venue would need to demonstrate it has addressed amenity and noise impacts on the community to take advantage of this exemption.

As an applicant builds their licence with endorsements to match their business model needs, additional fee components may be included to the annual base fee if risk increases (for example, if an off-premises endorsement is added to a licence). In some cases, licensees could save on their annual fees if they do not want options that have been automatically included in their licence type in the past.

8.8 Simplified compliance risk loadings

Compliance risk loadings must be paid if demerit points have been incurred for a serious breach of the liquor laws or in response to certain complaints. There are compliance history, patron capacity and location risk loadings.

These loadings could be simplified by:

- removing the additional *location risk loading* that only applies to venues in the Sydney CBD and Kings Cross precincts. This would place all venues in NSW on an even footing and recognise the improvements that have occurred in these precincts in recent years

- moving the *patron capacity risk loading* to two tiers instead of four. For example, venues could pay:
 - a lower patron capacity loading if they hold a limited on-premises endorsement (e.g. venues with capacity up to 120 patrons pay approximately \$3,500)
 - a higher patron capacity loading if they hold a standard on-premises endorsement (e.g. venues with capacity over 120 patrons pay approximately \$7,000).

Targeted questions on risk-based liquor licence fees

38. Do you support the approach that liquor licence fees reflect a businesses' primary business activity, the endorsements held and if there is late-night trading? If no, is there a better way to set risk-based fees?
39. Do you support the principles that are proposed as part of determining fees?
- more flexibility for licensees to pay for licence options they want
 - limited endorsements will have lower fees compared to standard endorsements
 - fees will be lower for venues that do not sell liquor to the public after midnight
 - compliance risk loading must be paid if demerit points have been incurred.
- Are there other principles that should underpin risk-based licence fees?
40. To simplify compliance risk loadings, do you support:
- the removal of the location risk loading that only applies to venues in the Sydney CBD and Kings Cross precincts?
 - reducing the tiers of patron capacity risk loading to two tiers instead of four?

9. Other options to support a vibrant, safe 24-hour economy

There may be a range of other options to reform the liquor licensing system in ways that support a vibrant and safe 24-hour economy – for example, by creating more trading opportunities and simplifying conditions. Some examples of possible changes are below.

We are also interested in hearing from you on any other possible options.

9.1 Standard trading hours across all days of the week

One way to simplify conditions for licensed venues could be to adopt one standard trading period for all retail liquor sales from **5am to midnight on all days of the week**.

This is already the standard period for most licensed premises except for:

- Sundays – when the standard liquor trading period is 10am to 10pm for most venues; and
- restricted trading days like Good Friday and Christmas, when liquor trading hours have traditionally been reduced or restricted for most venues.

If adopted, one extended trading period could also apply for retail liquor sales from midnight to 5am on all days of the week. Take-away liquor sales would continue to not be allowed during this period.

Some Australian states and territories have already adopted consistent trading period arrangements across the different days of the week. If the same occurs in NSW, it could simplify conditions and give venues more options to trade on Sundays and restricted trading days.

As a harm minimisation measure, a six-hour closure period would continue to apply under section 11A of the Liquor Act when venues cannot sell liquor by retail on the premises – generally this is between 4am and 10am (but can be varied). This only applies for new licences or extended trading authorisations granted from 30 October 2008.

The key implications of this change would include:

- standard Sunday retail liquor trading times become the same as other days of the week
- venues could choose to trade on Good Friday and Christmas Day like they are normal days, (take-away sales and home deliveries continue to be prevented by NSW retail trading laws)
- small bars would be allowed to start liquor trading at 10am rather than midday (once the standard six-hour closure period is accounted for)
- hotels across NSW could apply for extended trading between midnight on Sunday and 5am on Monday morning like other venues.

If this change were to occur, liquor licensing decision-makers would maintain powers to impose more restrictive trading times within the standard trading period.

Not every venue would automatically benefit – for example, a venue should not receive standard Sunday liquor trading hours if decision-makers have required them to commence trading later or cease trading earlier than the standard time on any other day of the week. Any development consent conditions that set a venue's business trading hours would also continue to apply.

There would also be a need to consider which types of licensed premises should be exempt from the standard rules – for example:

- Registered clubs that existed pre-1 July 2008 maintain unrestricted trading rights in line with clause 94 of schedule 2 of the *Registered Clubs Act 1976*
- Vessels without set trading hours continue to be able to sell liquor by retail to passengers up to one hour before a voyage starts and ending 30 minutes after the voyage is completed
- Trading times for wholesale sales of liquor continue to be allowed at any time (i.e., 24/7).

Targeted questions on trading hours

41. Do you support one standard trading period for all retail liquor sales from 5am to midnight, on all days of the week? If no, why not?
42. Do you support changes to the standard liquor trading period so that liquor trading can occur on Sundays and/or Good Friday and Christmas Day as though they were any other day of the week? Why, or why not?

9.2 Simpler, enhanced protections for minors on licensed premises

Another way to support the 24-hour economy would be to simplify the rules around when minors can enter and remain on licensed premises. This would make it easier for the community and industry to understand and apply them. Currently, the rules vary by each licence type and class.

A **general rule** could apply that minors must be accompanied by a “responsible adult” whenever liquor is being sold/supplied under a licence being used on an ongoing basis. A responsible adult is defined under the *Liquor Act 2007* as an adult who is a parent, step-parent or guardian of the minor, or the minor’s spouse or de facto partner, or a person who is acting in place of a parent.

However, there would need to be **exceptions** to this rule, where minors can be on licensed premises unaccompanied. Exceptions could include:

- when liquor is sold ancillary to another primary business activity – e.g. a restaurant (except for defined higher-risk ancillary activity including nightclub, karaoke and adult entertainment)
- when liquor is sold for takeaway or home delivery from a packaged liquor business that cannot do walk-up sales (for example, where the licensed premises is a home office)
- when the primary business activity is a producer, except during any extended trading hours between midnight and 5am if liquor is being sold for consumption on the premises
- any licenced premises where a minor:
 - is on the premises to have a meal in a dining area (a part of the premises used permanently and primarily for the consumption of meals at tables), or
 - is a resident of the premises if accommodation is supplied, or
 - is employed by the licensee but is not involved in the sale or supply of liquor (unless that has been approved by ILGA), or
 - can be on the licenced premises unaccompanied as part of a ‘minors authorisation’ that is approved by ILGA (see below).

If the above changes were made, minors would continue to not be permitted in any designated gaming machine room of a hotel or club or in any other area of a hotel where gaming machines are

present, irrespective of whether they are in the company of a responsible adult. This would help to minimise the potential for minors to be exposed to gambling activities. However, an exception to this would continue to apply if the minor is an apprentice or trainee and is on the premises for training purposes, or is receiving training and instruction in gaming machine maintenance while supervised by a gaming technician. It would also be possible for ILGA to approve minors to be present in other circumstances – such as for prize-giving ceremonies at clubs.

It would also continue to be the case that individual venues can decide not to allow minors in all or part of their premises, including on harm-minimisation grounds. ILGA and L&GNSW would also continue to have powers to impose more restrictive conditions on individual licences, if necessary to reduce risks of harm to minors in specific circumstances.

Implications of rule changes for certain premises

These above rule changes would strengthen protections for minors at certain NSW premises. For example, minors would no longer be allowed in bottle shops or liquor sales areas of supermarkets without a responsible adult. This would limit potential access to packaged liquor – including cases where unaccompanied minors may be on these premises with the intent of obtaining liquor with fake ID or by theft. This change would bring NSW in line with jurisdictions like South Australia, which introduced changes requiring minors to be in the company of a responsible adult in bottle shops.

For venues where the sale and supply of liquor for consumption on the premises can be a primary focus, such as hotels and clubs, the proposed general rules above would more closely align NSW with certain other major Australian jurisdictions. For example, Victoria allows minors to be in hotel and club bar areas if accompanied by a responsible adult.

Minors Authorisations – Streamlining into one simple form

There are various authorisations under the *Liquor Act* and *Registered Clubs Act* that allow minors in all or parts of licensed premises in different circumstances – such as minors area authorisations, minors functions authorisations, junior members authorisations for clubs, and so on. These could be consolidated into one ‘minors authorisation’ to simplify the approach.

Licensees could be permitted to apply for a ‘**minors authorisation**’ to allow minors to enter and remain on parts of the premises unaccompanied or in the company of a responsible adult – and these may be general or approved only for a specified activity, such as functions or prize-giving. The authorisation would also specify any conditions that apply.

As part of the application process, licensed premises would need to demonstrate why this is appropriate and what harm reduction measures that will be in place. This would combine a range of different minor-related authorisations that are currently available into one simple authorisation.

Targeted questions on minors on licensed premises

43. Do you support changes to help bring together the rules on minors in a more consistent way between different licence types – including a general rule that minors must be accompanied by a “responsible adult” whenever liquor is being sold/supplied under at licence, with specified exceptions? Do you agree with the proposed exceptions when this rule should not apply?
44. Would you support a simpler approach to minors authorisations at licensed premises?

9.3 More support for live performance, creative and cultural spaces

Dedicated live music and performance venues currently receive annual liquor licence fee discounts as part of incentives to encourage more live music and other arts and cultural events. New businesses can apply for these discounts after they obtain a liquor licence.

While existing incentives would continue to apply, creating a further special primary business activity of “entertainment: live and creative” could help to provide additional targeted incentives.

For example, newly licensed spaces that are primarily used for live entertainment and for supporting other creative endeavours in their communities could be exempt from having to comply with the six-hour closure period (when liquor cannot be sold or supplied, generally from 4am to 10am) at times they are hosting a live music performance or other arts or cultural event that is running during the closure period.

To ensure there is transparency on the intended trading hours at these venues, the applicant would need to identify in the development application that they would be seeking to have this special primary business activity recognised on their licence. This would ensure the local council considers the nature of the proposed operation and potential for 24/7 trading as part of the DA process.

If this were introduced, the venue would be required to provide advance notice of the event to L&GNSW, Police and the local council. A definition of a live music performance or other arts or cultural event could also be introduced into the *Liquor Act* to help clarify what these events include – for example, this could include:

- A ‘live music performance’ is an event where one or more persons are engaged to play or perform live or pre-recorded music in person
- An ‘other arts and cultural event’ may include focus on other creative and artistic disciplines that relate to a cultural theme. For example, other types of performance arts (e.g. theatre shows), visual arts (e.g. an art exhibition) or literary arts events.

This would allow new live and creative entertainment venues to establish and trade 24/7 for certain events that contribute to a vibrant 24-hour economy. Reflecting their primary business focus, these venues could be ineligible for take-away liquor sales or gaming.

Targeted questions on supporting live performance, creative and cultural spaces

45. Would you support the creation of a new ‘live and creative entertainment’ primary business activity that provides additional benefits for venues with a dedicated focus on live music, arts and other forms of live and creative entertainment?
46. Do you support new live and creative entertainment venues being exempt from the six-hour closure period when they are hosting a performance or running an event? If no, why not?
47. Are there other ways live performance, creative and cultural venues can be supported through the liquor licensing system?

9.4 More support for producers – brewers, distillers and wineries

Supporting producers to sell their liquor products at ‘promotional events’

One way to support NSW producers could be to allow them to promote and sell their own liquor

products for tastings and take-away at a broader range of promotional events. Currently, producers can promote their own liquor products (the licensee's product) at industry shows, producer's markets and trade fairs using a producer/wholesaler licence.

NSW could move to a more expansive approach that allows producers to promote and sell their own product at any *“event primarily held for the purposes of promoting and selling produce from the hospitality industry or a particular region.”*

This, for example, would allow them to sell their products at regional or Sunday markets that offer a mix of produce, crafts and artisanal products.

Examples of a “promotional event” of the hospitality industry could include:

- industry shows or festivals (wine, beer, spirits or other liquor shows, promoting products from NSW and elsewhere)
- trade fairs

Examples of a “promotional event” in a region could include:

- local farmer's and craft markets
- local artisan and weekend markets selling produce, vintage and craft items (e.g. the local Sunday market)
- regional agricultural shows
- local food and wine events.

Advance notification for all these events would be required to L&GNSW, Police and the local council. This will provide a means to ensure the expanded authorisation is being used as intended to support genuine producer promotions.

Supporting beer and spirit producers with more licensing options

Currently, beer and spirit producers can only obtain an ongoing licence authorisation to sell their own liquor products for tastings and take-away at promotional events like trade fairs if they have their own production facility. The approach could be changed so this type of authorisation can be obtained for beer or spirit products if they are brewed or distilled *by or at the direction of the licensee (or a related corporation) where that licensee or corporation has assumed the financial risk of production.*

This would mean a wider range of producers could benefit from licensing options that readily enable them to promote their products at events. For example, a hop farmer could use off-site, third-party production facilities to brew beer and could also be authorised to sell their beer at promotional events. Other types of gypsy brewers that use third-party production facilities to brew products that are uniquely their own could also benefit from this reform option.

Opening more licensing options for primary production businesses

A primary production business like a truffle manufacturer, who uses its own product to blend with a spirit that has been distilled, currently cannot obtain a licence allowing it to promote and sell that liquor product for tastings and take-away at promotional events. To allow primary producers to innovate, this could be addressed so that they can obtain this type of authorisation provided:

- they qualify as a primary production business – they cultivate plants, fungi or other products or parts, and

- those products or parts are a characteristic ingredient of the liquor product.

The producer would not have to brew or distil the liquor themselves – but would need to have created a unique liquor product where it's clear their own primary product forms a major part of the product, brand and marketing. In the case of the truffle manufacturer, this could mean they can mix their own truffles with a pre-distilled spirit and sell it under their own truffle spirit brand.

Supporting brewers and distillers to market their brand with additional premises

While wineries currently have flexibility to operate multiple premises under one licence, the same does not apply for breweries and distilleries. To open more options for them to market and sell their brands in a specific region or locality, all NSW liquor producers could be allowed to run multiple premises provided the sites are in reasonable proximity.

This change could introduce a standard approach for all producers that allows them to run additional premises under one ongoing licence if the premises are:

- located in the same designated wine region (a geographical indication determined under the Commonwealth Wine Australia Act 2013); or
- located within 20 kilometres of each other if in non-metropolitan areas; or
- located within 5 kilometres of each other if in a metropolitan area.

The additional premises could be a production outlet, retail outlet, wholesale outlet or a mix of these. This would allow a micro-brewery or brewpub to use one licence, with one set of fees and conditions to:

- open a bar up the road from the production facility where they do walk-throughs, provide tastings, and sell take-away;
- run two premises nearby to each other to expand floorspace while marketing both under a single brand; or
- establish a separate wholesale site.

Targeted questions on supporting producers

48. Do you support the reform options that would benefit producers in NSW – including:

- To allow producers to promote and sell their products for tastings and take-away at a broader range of promotional events, provided advance notification occurs to Police, Liquor & Gaming NSW and the local council?
- To open more licensing options for producers that have taken on the financial risks of production of a liquor product, but may not have their own production facilities? (e.g. gypsy brewers)
- To open more licensing options for primary production businesses that use their own products (e.g. truffles) as a characteristic ingredient in a liquor product, when they may not have produced the liquor itself?
- To allow more producers to run multiple premises under one licence to support them in promoting and selling their brands in particular localities?

9.5 Opening more opportunities to extend trade for special events

Extended trading for special events of regional, State or national significance, like major cultural and sporting events, can currently be prescribed for hotels (including general bars) and registered clubs under the liquor regulations. This allows patrons to celebrate these events at licensed premises. For example, extended trading has regularly been provided in central parts of Sydney for Vivid, in Tamworth for the Tamworth Country Music Festival, and state-wide for the NRL Grand Final.

One option to support the 24-hour economy is to allow this extended trading to be available to a broader range of licensed venues, including live entertainment and creative spaces and small bars, not just hotels, general bars and clubs. This recognises that these types of venues also provide spaces where the community may come together around major events that help to activate and diversify the night-time economy and attract visitors to NSW.

Under this option, flexible arrangements could provide access to extended trading for selected venue types, depending on the type of event and its location. For example, during the Vivid Light Festival, on-premises restaurants in The Rocks, Sydney CBD, Barangaroo and Potts Point could be permitted to trade until midnight on Sunday evenings throughout the event.

Before approving extended trading for these additional types of venues, it is proposed that the venue would need to be running events in connection with a special event in their locality – for example, a public entertainment venue in Tamworth may run a live show that is a part of the Tamworth Country Music Festival.

We are interested in views on whether any extended trading hours prescribed under the regulations in future should only extend the hours of operation for liquor trading and not gaming machines for hotels and clubs. This could reflect that the trading extensions are intended to support patrons socialising, watching and celebrating special events together at venues.

Targeted questions on extended trading for special events

49. Do you support extended trading being available to a broader range of licensed venues, (including live entertainment and creative spaces and small bars) not just hotels, general bars and clubs?
50. Do you support venue type, event type, the location of venue and whether the venue is running an event connected to the special event as considerations in determining which venues receive extended trading for special events? Are there other factors that should be considered?
51. Do you support extended trading hours only extending the hours of operation for liquor trading not gaming machines?

9.6 Reducing red tape around licensee training requirements

Former licensees or approved managers who let their RSA competency card expire currently have to complete multiple RSA courses to resume working as a licensee or manager if they wish to re-enter the industry – including a full RSA course, and then a Licensee training course. This fails to recognise their past role and experience in the industry.

One option to streamline this approach could be that past licensees and managers are permitted to re-enter the industry and renew their RSA certification by completing the Licensee training course only. This would eliminate the need to pay for and complete an additional RSA course that takes around 6 hours.

Targeted questions on licensee training requirements

52. Do you support the option for licensees and managers being able to re-enter the industry and renew their RSA certification by completing the Licensee training course only?

9.7 Enhancing approaches for managing intoxicated patrons

To support safety in the 24-hour economy, different options to help licensees and venue staff manage intoxicated patrons and illicit drugs at licensed premises could be considered.

Option to facilitate licensees to establish harm reduction areas

One option to further enhance the safety of patrons is to allow licensees to establish **harm reduction areas**. The aim of a harm reduction area is to provide a space where intoxicated patrons can remain, rather than the licensee being required to immediately remove them from the premises while they are intoxicated and may be vulnerable.

The *Liquor Act* could be amended to recognise that a licensee may create a harm reduction area on the business premises where:

- It would not be an offence for a person to remain if they are intoxicated
- The area is fully outside of the licensed boundaries of the premises where liquor is authorised to be sold and supplied, making it is an offence to sell or supply liquor in that area
- The location of a harm reduction area is clearly identified as being separate from the licensed area in a Plan of Management for the venue.

The licensee would be responsible for the operation and management of a harm reduction area and regulatory approval would not be required to establish one. The licensee would need to ensure intoxicated patrons in a harm reduction area are adequately supervised and that they no longer consume alcohol. The licensee would also need to ensure that intoxicated patrons do not pose a safety risk to other patrons on the premises.

Enhanced guidance around intoxication and drink spiking

Another option to improve patron safety is to enhance industry guidance on how licensees should deal with patrons that are removed from the premises because they are intoxicated or are approaching intoxication, or if there is a reasonable belief a person's drink has been spiked. The guidance could cover the practical ways in which patron safety can be improved in these different circumstances, such as engagement with local police, venue staff arranging transport for the patron, ensuring the patron departs safely with friend and security or venue staff should wait outside with the patron until transport arrives.

Clarification around illicit drugs

Currently, the NSW laws make it an offence to sell liquor to a person if their speech, balance, co-ordination or behaviour is noticeably affected, and it is reasonable in the circumstances to believe

that this is the result of the consumption of liquor.

The laws around intoxication could be further clarified to provide that it is an offence under the *Liquor Act* for licensees to sell or supply liquor to a person who is intoxicated as a result of consuming illicit drugs. This is similar to the approach in Queensland where the statutory definition of ‘unduly intoxicated’ includes intoxication as a result of the consumption of liquor, drugs or another intoxicating substance.

Targeted questions on enhancing approaches to managing intoxicated patrons

53. Do you support the introduction of ‘harm reduction areas’?
54. Would any planning approvals be needed to establish ‘harm reduction areas’?
55. Do you support:
 - a. enhanced guidance on how intoxication and drink spiking should be managed?
 - b. expanding the definition of intoxication to include intoxication as a result of consuming illicit drugs?

9.8 Alcohol-free beer and ultra-light beer and spirits

Due to the way “liquor” is defined under the *Liquor Act*, a liquor licence is currently needed to sell alcohol-free or ultra-light products that is held out to be beer and spirits – for example, to sell a product that has “alcohol-free gin” on the label.

As part of health and wellness trends over recent years, more consumers are seeking out these types of products to reduce consumption of alcohol or abstain completely. The IWSR forecasts from 2020 to 2024 the alcohol-free and low-alcohol market in Australia will grow by over 16%¹.

The drivers of demand for these products have changed over the years as part of health and wellness trends, as health and moderation-conscious consumers seek out alternatives to alcohol.

To reduce red tape and meet demand from these consumers, the requirement for a liquor licence to sell alcohol-free and ultra-light beer and spirit products could be removed. A licence would continue to be needed to sell any beverages with over 1.15% alcohol by volume (ABV).

This change would allow innovative businesses like alcohol-free producers, bars, and packaged retailers to emerge in NSW without substantial oversight from the liquor regulator or related liquor licence fees and regulatory costs. It would build on the flexible, risk-based enforcement approach being taken to the sale and supply of these products under L&GNSW’s Statement of Regulatory Intent (SRI) in regards to COVID-19 (dated 14 March 2022) and provide more certainty for businesses selling these products.

While there is little evidence currently available to suggest that alcohol-free beer and spirit products lead to harm, it would not be appropriate for these products to be promoted in ways that have special appeal to minors. In this regard, L&GNSW could retain powers to investigate complaints and take regulatory action if these products were promoted in ways considered to:

- have special appeal to minors, or

¹ IWSR No- and Low-Alcohol Strategic Study 2021

- pose significant risk to public safety and community wellbeing.

There may also be other measures that could be considered, if appropriate, to help ensure alcohol-free and ultra-light products are not promoted to minors or sold in ways that normalise alcohol use.

The overall approach to regulating these products would recognise liquor licensing, compliance and enforcement resources and regulatory efforts should be risk-based – with a greater focus on the sale of liquor products with greater potential to lead to harm.

Targeted questions on alcohol-free products

56. Do you agree that there should be a risk-based approach taken to regulating the sale of alcohol-free and ultra-light beer and spirit products (under 1.15% ABV) – where a liquor licence is not needed?
57. Do you agree that Liquor & Gaming NSW should investigate related complaints, and take regulatory action, if alcohol-free and ultra-light products (under 1.15% ABV) are promoted in ways that have special appeal to minors or that pose significant risk to public safety and community wellbeing? Or is this not needed?
58. Should any other measures be in place to regulate the sale of alcohol-free and ultra-light beer and spirit products (under 1.15% ABV) if a licence is no longer required? If so, what are they and why?

10. Temporary licensing options

NSW needs a simple system for applicants to apply for a licence to sell and supply liquor at a temporary event. At the same time, the risks related to the sale and supply of liquor at events needs to be managed through appropriate conditions and controls.

A single “temporary licence” could be another way to support the development of vibrant, diverse, and innovative events and activations in NSW.

The temporary licence could allow liquor to be sold and supplied:

- for consumption ancillary to one-off **small, medium and large-sized events**
- for consumption at **pop-up bars** with up to 120 patrons, where the sale of liquor can be a primary focus, or
- for tastings and takeaway at one-off **producer’s promotions** (for example, for events held by NSW licensed producers that do not meet the proposed criteria under that endorsement for a “promotional event” or by interstate liquor producers without a NSW liquor licence).

These could all be sub-options of one temporary licence.

Targeted questions on a single temporary licence

59. Do you support one temporary licence being available, and the three temporary licence sub-options that are proposed of events, pop-up bars and producer’s promotions?

10.1 An applicant-centric, digital system to simplify the application process

A new digital “**Events Portal**” (see **Attachment K** for more detail) could reduce the complexity an applicant must navigate to assess their eligibility for a temporary licence. The system could collect relevant information from applicants in a customer-centric way, to assess eligibility and present the temporary licence sub-options that are available to the applicant. Depending on the kind of event that will be held and its purpose, expected patron attendance and trading hours, the system could identify the best sub-option/s for the temporary licence and inform the applicant of the related level of community consultation and processing timeframe.

Once a temporary licence application is completed using the Events Portal, the systems changes proposed in Part A of this Paper could be leveraged to also allow automatic notifications to be sent to the community, L&GNSW, NSW Police, and the local council with ‘one click.’ This would reduce red tape for applicants who usually need to notify each of these parties individually so they can consider making a submission on the application. In line with existing requirements, no notification would be required for private events with less than 100 attendees.

Targeted question on an applicant-centric, digital system

60. Do you support the proposed Digital Events Portal (see Attachment K for detail) to help applicants apply for a temporary licence and to support licensees to notify of their event with ‘one-click’?
61. Are there other features or additional information that should be collected through the Digital Events Portal to support applicants?

10.2 Simpler, risk-based licensing criteria for temporary events

Simpler, easier to understand licensing criteria for events could be introduced to help support more events that contribute to a vibrant 24-hour economy.

One potential reform option is to change the approach so applicants no longer need to show that an event where a temporary liquor licence will be used will bring economic or social benefits to the community at a “regional, State or national level”. This existing requirement for some limited licences would be removed. Instead, provided licensing decision-makers are satisfied that an event is **genuine and in the public interest** having regard to the objects of the *Liquor Act 2007*, it would be assumed that benefits from it will flow to the community. This would establish the temporary licence as an option that could be used to licence a wide variety of events.

Conditions would be tailored based on the maximum number of patrons that will attend the event on any one day. Examples of the conditions that could apply to different sized events are included in **Attachment L**. The current approach to calculating patron capacity at an event where there are multiple stalls such as a Night Food and Drink Market would remain under a new temporary licence, where the total number of patrons that will attend the event is the licensee’s patron capacity.

It is proposed that a condition requiring an agreed Plan of Management would be included on temporary licences for medium or larger-sized events. This would allow the applicant to agree on a Plan of Management for their event with NSW Police to ensure any risks are adequately managed in agreement with key stakeholders. Applications would also need to be submitted earlier for larger events so there is enough time to consider risks and appropriate controls (see table setting out notification timeframes in **Attachment K**).

Future work to improve visibility over Plans of Management, as proposed in Section 5 of Part A of the Discussion Paper, could also be leveraged for temporary event licensing. This would reduce duplication between the different Plans of Management that may apply at a temporary event across the licensing and planning systems. It could make it easier for licensees to run their events against a common plan.

The temporary licence could be used at a single event, with more than one sub-category applying, if this is what the applicant needs. For example, where a producer would like to sell and serve liquor for consumption at a community event, such as a Night Food and Drink Market, they could also obtain a single approval to provide tastings and sell their product for take-away as part of a producer’s promotion. This will keep temporary licensing simple and give applicants flexibility to take advantage of a wider range of temporary events without needing to apply for second licence. Conditions could be applied to each temporary licence to manage any additional risks these types of diverse operations may present, depending on the event’s individual circumstances.

For events like markets, there will be flexibility for either the organiser of the event to apply for a temporary licence or for the individual stall-holder to apply. If a stall-holder has a catering endorsement, it could be to sell liquor at the market.

Targeted questions on the risk-based licensing criteria for the temporary licence

62. Do you support the proposed requirement for a temporary licence that an event be 'genuine and in the public interest' having regard to the objects of the *Liquor Act 2007*?
63. Are the sample conditions that are proposed (see Attachment L) for the different temporary licence sub-options appropriate?
64. Are the proposed notification timeframes for events and functions (see Attachment K) that will be supported by the Digital Events Portal appropriate?
65. Do you support more than one temporary licence sub-option being available to support diversity at events?

10.3 Improving producers' ability to promote their products at one-off events

Another way to support producers through the temporary licence is for a broader range of primary production businesses to be allowed to apply for a temporary licence to run one-off producer's promotions.

Along with NSW liquor producers, other NSW primary production businesses could be issued a temporary licence to promote unique liquor products where the product they produce is a characteristic ingredient in the liquor. This would include businesses cultivating plants, fungi or their products or parts – where these are a key part of a liquor product (e.g. truffle spirits).

Licensed interstate producers and primary production businesses could obtain a temporary licence to promote their own products in NSW. This would allow licenced producers close to the NSW border to use the temporary licence to sell liquor produced interstate for tastings and take-away in NSW. Consumers will benefit from the greater range of products on offer at such events.

Targeted questions on producers promoting products at one-off events

66. Should NSW primary production businesses be allowed to obtain a temporary licence to promote their unique liquor product if their produce is a characteristic ingredient of it?
67. Should interstate producers and primary production businesses be allowed to obtain a temporary licence to promote their products at one-off events in NSW?

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