

**Northern Territory
Licensing Commission**

2013-14 Annual Report

Table of Contents

Chairman’s Message	3
Licensing Commission Overview	4
The Commission	4
Members of the Commission	4
Legislation	4
Commission Procedures	5
Commission Business	5
Hearings and Meetings 2013-14	5
Liquor	6
Liquor Licences	6
Liquor Related Hearings 2013-14	7
Liquor Hearing Decisions	8
Complaints against Licensed Premises	8
Cancellation of Licence	9
Surrender of Licence	10
Suspension of Licence	10
Licences Transferred	10
Licence Condition Variations	11
Material Alterations	12
Special Liquor Licences	13
Continuing Special Licences	13
Restricted Areas	14
Liquor Permits	15
East Arnhem – Liquor Permit Systems	15
Gove	15
Kava Licensing	16
History	16
Gaming Machine Licensing	17
Distribution of Gaming Machines	18
Gaming Machine Industry Performance in Clubs/Hotels	18
Private Security Licensing	21
Mutual Recognition	21
Provision of Complaints	22
Private Security Licensing Hearing Decisions	22
Escort Agency Licensing	23
Totalisator Licensing	23
Tobacco Licensing	24
Index of Tables	24

Chairman's Message



During the year, the Northern Territory Licensing Commission (the Commission) was advised by the Minister for Business of the Government's intention to abolish the Commission and vest its powers and functions with a statutory appointee within the Department of Business. The Commission is disappointed that an independent authority with community-based membership is being replaced by an individual operating with a government department. However, the Commission has been advised that the new licensing authority will recognise and adopt as precedent, past Decisions handed down by the Commission. On this basis, the Commission wishes the new authority well in carrying out the functions relating to liquor, private security, kava, gaming and escort agency licensing.

The Commission would also like to pay its respects to a valued member who passed away throughout the 2013-14 year. The late Mrs Jane Large contributed to the knowledge and expertise of the Commission for a number of years.

Richard O'Sullivan
Chairman

25 September 2014

Licensing Commission Overview

The Commission

The Northern Territory Licensing Commission (the Commission) is an independent statutory authority with extensive powers to regulate the Northern Territory liquor, private security and gaming industries, as well as other matters through related licensing legislation.

The Commission was established on 14 February 2000, by the *Northern Territory Licensing Commission Act* (the Act), and replaced several individual statutory authorities. The Commission operates as an independent tribunal with responsibility for licensing and related matters covering liquor control, kava management, private security, totalisators, escort agencies and gaming machines.

The Commission is supported in its functions by the Department of Business and the Gambling and Licensing Services Division. The Gambling and Licensing division supports the Commission through investigating complaints, monitoring venues, enforcing liquor, private security and gaming laws and compiling relevant reports.

The Act requires the Commission to prepare a report to the responsible Minister at the end of each financial year detailing the Commission's operations during that year.

Members of the Commission

Members are appointed to the Commission by Ministerial appointment, with a legislative requirement to have a Chairperson and not less than two other persons, one of who must be the Legal Member. As at 30 June 2014, there were seven members of the Commission.

The Commission Members through 2013 - 2014 were:

Mr Richard O'Sullivan (Chairperson)

Mr Philip Timney (Legal Member)

Mr John Brears

Ms Helen Kilgariff

Mr Paul Fitzsimons

Mrs Cynthia-Lee Bravos

Ms Brenda Monaghan*

Mr David Brooker*

Mr Wally Grimshaw*

Mrs Jane Large*

*Members were appointed to the Commission for only part of the 2013-14 year.

The Legal Member and Ms Monaghan are Northern Territory Public Sector employees. All other members receive sitting fees and allowances in accordance with rates determined by the *Assembly Members and Statutory Officers (Remuneration and Other Entitlements) Act*.

Legislation

The Commission is a body corporate that operates as an administrative authority and quasi-judicial tribunal, with responsibility for related matters in accordance with the requirements of the following legislation:

- *Northern Territory Licensing Commission Act;*
- *Liquor Act;*
- *Kava Management Act;*
- *Private Security Act;*
- *Totalisator Licensing and Regulation Act;*
- *Gaming Control Act;*
- *Gaming Machine Act;*
- *Prostitution Regulation Act;* and
- *Tobacco Control Act.*

Commission Procedures

The majority of matters considered by the Commission arise from reports submitted by the Director of Licensing. The Director of Licensing investigates all valid applications, complaints and objections across the various Acts and provides appropriate reports to the Commission.

Major decisions and determinations are made by the Commission through a full corporate meeting or a meeting of a quorum selected by the Chairperson. The Commission maintains records and minutes of all meetings and publishes full written reasons for the majority of its decisions arising from hearings on its website at:

www.dob.nt.gov.au/gambling-licensing/licensing-commission/hearings-decisions/Pages/default.aspx.

Many of the functions of the Commission are delegated by the Commission at its discretion. Delegates include the Chairperson, the Director of Licensing, and the Deputy Directors of Licensing, designated staff of Gambling and Licensing Services, and individual Commission members. All decisions made by delegates are decisions of the Commission, for which it bears ultimate responsibility.

Commission Business

The Commission conducts regular meetings to determine issues across the range of its legislative responsibilities. In addition, special meetings of membership forums and other groupings of members are conducted on an 'as needed' basis in relation to specific and often urgent matters.

Hearings are conducted by panels of members selected by the Chairperson. Under the *Liquor Act*, hearing panels may comprise one or three members. The Commission attempts to conduct all hearings at or near the location where the matter originated. Hearings are often conducted on-site in regional towns and remote communities.

Hearings and Meetings 2013-14

During the 2013-14 year the Commission conducted business for a total of 54 meetings across 74 days. Details of the breakdown of meeting types conducted are located in Table 1.

Table 1: Nature and number of hearings and meetings conducted during 2013-14 compared to 2012-13

Type of Hearing/Meeting	2012-13	2013-14
Scheduled monthly Commission meetings	8	5
Special Commission meetings	11	26
Community Liaison Events	0	4
Escort Agency meetings	0	0
Private Security Inquiries / Reviews	12	16
Review of Public /General Restricted Area	0	1
Conferences attended	3	1
Hearings	20	15
Total	54	68

Note: Does not include consultations with individual persons, organisations and public and community meetings.

Liquor

One of the major responsibilities of the Commission is to ensure that the objectives of the *Liquor Act*, minimising the harm associated with the consumption of alcohol and acknowledging the public interest aspects of associated liquor activities, are achieved.

To carry out its responsibilities under the *Liquor Act*, the Commission assesses applications, conducts public hearings and deals with complaints against licensees who have breached their licence conditions or the *Liquor Act*. Decisions made at hearings are publicly available on the Commission website.

Under the *Stronger Futures in the Northern Territory Act (Cwth)*, the responsible Commonwealth Minister has a variety of powers relating to the operation of liquor licences in the Northern Territory, with a particular focus on minimising harm to Aboriginal Territorians. Commission decisions are made cognisant of these powers and, where appropriate, in consultation the Minister or relevant Commonwealth department.

Liquor Licences

The *Liquor Act* outlines that the Commission may issue a licence for the sale of liquor or the sale and consumption of liquor on, at, or away from a premises in the Northern Territory.

Liquor Licences are referred to as Full Liquor Licences and Special Licences. Further information about the differences between the licence types can be found at www.dob.nt.gov.au/gambling-licensing/liquor/forms-guidelines/Pages/liquor-licence.aspx.

The number of Full Liquor Licences as at 30 June 2014, was 492 as compared to 493 the previous year. Table 2 outlines the new liquor licences that were issued. These new licences and the licences cancelled and surrendered, noted in Table 6, contribute to the variation in licence numbers from 2012-13 to 2013-14.

Table 2: Number of new full liquor licences issued during 2013-14 in comparison to 2012-13

Categories	2012-13	2013-14
Public Hotel	1	0
Private Hotel	2	1
Tavern	2	0
Restaurant	5	1
Vessel	0	0
On Licence	4	2
Liquor Merchant	0	0
Off Licence	1	0
Roadside Inn Unserviced	0	0
Roadside Inn Serviced	0	0
Total	15	4

Liquor Related Hearings 2013-14

The Commission deals with many liquor related matters on the papers. Those matters are usually of a simple nature and conform to the public interest criterion considered by the Commission in all liquor applications.

The Commission holds hearings into matters that it determines are of public interest, or that are specifically required in the *Liquor Act*. Table 3 provides a comparison of the hearings conducted by the Commission between the 2012-13 and 2013-14 years.

Table 3: Summary liquor related hearings conducted during 2013-14 in comparison to 2012-13

Nature of Hearings	2012-13	2013-14
Application for a restricted area	0	0
Application for the grant of a liquor licence	3	2
Application to cancel liquor licence	1	1
Application to vary conditions of liquor licence	6	5
Application to substitute premises	0	0
Transfer of liquor licence	0	0
Requests by Licensees for review of licence conditions	7	0
Application or Reviews into Public Restricted Area	0	1
Reviews into Permit Application Revocations	5	0
Complaint pursuant to Section 69 – Disciplinary Action	1	3
Review of Licensing Commission Decision	0	2
Total	23	14

Liquor Hearing Decisions

All hearings conducted by the Commission require a written decision be provided. Table 4 provides a synopsis of the decisions handed down throughout 2013-14. For details and copies of the decisions see the Liquor Decision webpage located at:

www.dob.nt.gov.au/gambling-licensing/licensing-commission/hearings-decisions/Pages/liquor-decisions.aspx.

Table 4: Liquor Hearing Decisions for 2013-14

Nature of Hearing	Venue	Decision Date*	Decision
Objection to Variation of Liquor Licence - Pursuant to section 32A	Pine Creek Railway Resort	23/08/13	Variation granted.
Objection to Variation of Liquor Licence - Pursuant to section 32A	Chow! A Taste of South East Asia	13/11/13	Variation granted.
Objection to Variation of Liquor Licence - Pursuant to section 32A	Fiddler's Green	12/11/13	Variation granted.
Application for Review of Decision of the NTLC - Pursuant to section 27 of the <i>Northern Territory Licensing Commission Act</i>	Heartbreak Hotel & Malandari Store	18/03/14	Application partially approved, licences amended.
Application for Variation of Liquor Licence - Pursuant to section 32A	Antiquity Greek Restaurant	16/04/14	Variation granted.
Variation of Public Restricted Area - Pursuant to section 86B-G	Katherine Low Level Nature Reserve	19/06/14	Variation granted.
Objection to Grant of a Liquor Licence - Pursuant to section 26	Oyster Bar Darwin	26/06/14	Licence granted.
Application for Review of Decision of the NTLC - Pursuant to section 27 of the <i>Northern Territory Licensing Commission Act</i>	Top Springs Hotel	17/07/14	Review conducted, licence varied.
Complaint - Pursuant to section 110 (x2)	Monte's Lounge	22/07/14	Breach proven, monetary penalty imposed.
Disciplinary Action - Pursuant to section 102	Flynn Drive IGA Supermarket	20/08/14	Breach proven, monetary penalty imposed.

* All Hearings were conducted in the 2013-14 year. Decision Date indicates when the written decision was handed down.

Complaints against Licensed Premises

The granting of a liquor licence by the Commission brings with it a number of responsibilities for the licensee, both under the *Liquor Act* and in the conditions of their licence.

The *Liquor Act* makes provision for complaints to be made against a licensee across a broad range of issues including:

- the licensee has contravened a provision of the *Liquor Act* or their licence;
- the conduct of the licensed premises has caused annoyance or disturbance to persons residing, working or conducting a business within the vicinity of the premises; or

- that the licensee is not a fit and proper person to hold a liquor licence.

The *Liquor Act* requires all complaints to be lodged in writing with the Director of Licensing and to be signed by the person lodging the complaint. The Director of Licensing is required to investigate all complaints and to provide licensees with the opportunity to respond. Complaints that relate to offences at the lower end of the scale may be dealt with directly by the Director of Licensing; however, complex and serious breaches of the *Liquor Act* or licence conditions are normally handled by the Commission via a hearing.

The *Liquor Act* provides the Commission with a variety of disciplinary actions in determining a suitable penalty and they include:

- a formal warning;
- varying, suspending or cancelling the licence;
- imposing a monetary penalty; or
- disqualifying the licensee from holding a licence for a period of time.

For serious breaches of the *Liquor Act*, the Commission may opt to issue a combination of these penalties.

Table 5: Complaints received and actions taken during 2013-14 in comparison to 2012-13

Liquor Complaints Received and Action Taken	2012-13	2013-14
Complaints investigated, but no further action warranted	0	0
Licences cancelled following complaint	0	0
Licences suspended due to breaches of licence conditions	0	0
Complaints heard and finalised monetary penalty imposed	0	3
Total	0	3

Cancellation of Licence

The *Liquor Act* provides the power to the Commission to cancel a licence on a number of grounds including:

- the licensee is no longer a fit and proper person to hold the licence;
- the licensee has been found guilty of an offence against the *Liquor Act*;
- the licensee is serving a term of imprisonment; or
- the licensee has failed to comply with the condition of his or her licence.

The Commission may also cancel a licence on the grounds that the premises no longer meets the needs or wishes of the community. Cancellation on this ground is subject to the payment of compensation. A licence may also be cancelled in those instances where the licensee is no longer operating the business and has not surrendered the licence.

The Commission is required to conduct a hearing before cancelling a licence on any grounds.

During 2013-14 one liquor licence was cancelled, after hearing, due to the business no longer operating.

Surrender of Licence

The *Liquor Act* enables a licensee to voluntarily surrender a licence. Licences are generally surrendered for business reasons such as the premises is no longer viable or the non-renewal of a lease. Licences are required to be surrendered to the Director of Licensing, but remain in effect until accepted by the Commission, which must first satisfy itself that all interested persons are aware of the licensee's intention to surrender the licence. Despite surrendering the licence, a person remains liable for an act or omission done, caused, permitted, or made by him or her prior to the surrender, and for any liability incurred prior to the surrender.

Table 6: Liquor licences cancelled or surrendered during 2013-14 period

Date Cancelled or Surrendered	Premises
15/08/2013	Sakura NT (Cancelled)
09/09/2013	Alice Springs Telegraph Station
03/10/2013	Wickham Point Tavern
24/10/2013	Outback Jacks Bar and Grill Palmerston
14/04/2014	The Peninsular

Suspension of Licence

Liquor licences may be suspended as penalty for breaches of the *Liquor Act* or licence condition, or for non-compliance with directions issued by the Commission. A licence may also be suspended upon request by the Police Commissioner when the licensed venue has been declared a drug premises under the *Misuse of Drugs Act*.

The Commission can only suspend the licence when it is satisfied that the breach is serious enough to warrant suspension, or in cases where the premises are not open for the sale or supply of liquor. The *Liquor Act* allows for the immediate suspension of a licence in an emergency and this would generally be at the request of police during a cyclone, major flood or civil disturbance. A licence may also be suspended pending investigation of a complaint.

No liquor licences were suspended during the 2013-14 period.

Licences Transferred

The *Liquor Act* enables a licensee to transfer a licence to another person or entity. The majority of transfers occur when a business is sold. The conditions of the licence remain in place and the new owner must apply to the Commission if they wish to vary them. The transfer does not take effect until the Commission authorises it. The person or entity whose licence is transferred shall cease to be a licensee, but shall remain liable for an act or omission done, caused, permitted or made by him prior to the transfer.

In the current reporting year, the Commission transferred 23 liquor licenses as outlined in Table 7.

Table 7: Liquor licences transferred in 2013-14

Date Transferred	Premises
06/08/2013	Happy Foodland Supermarket
16/08/2013	Tramontana Restaurant (formerly Spellman's Tramontana)
29/10/2013	Longitude 131
11/11/2013	Epilogue Lounge
19/11/2013	Berry Springs IGA X-press (formerly Berry Springs Centre)
18/11/2013	Flight Path Golf
21/11/2013	Kulgera Hotel
09/12/2013	Ah Toy's Store
18/12/2013	Mount Ebenezer
08/01/2014	Hom Café
14/01/2014	Seadogs Pizza and Pasta Bar
28/01/2014	Crab Claw Island Resort
29/01/2014	Bojangles
08/02/2014	Douglas Street Supermarket
05/02/2014	Asian Gateway
07/02/2014	Stuart Park Supermarket
11/02/2014	Bojangles
28/02/2014	Desert Oaks Motel
19/03/2014	Darwin Indoor Beach Volleyball
19/03/2014	Crackers Lounge
08/04/2014	Berrimah Supermarket
14/04/2014	Evolution Café
05/06/2014	Memo Club Alice Springs

Licence Condition Variations

A licensee may apply to the Commission for a variation of the conditions of their licence. Licence variations are sought for a number of reasons including:

- extension to the licensed area;
- change to trading hours;
- change of business name; or
- to vary the licence conditions.

The Commission may conduct a hearing in relation to a licence variation application if it considers it to be in the public interest. The Commission approved 19 licence variations during 2013-14, as outlined in Table 8.

Table 8: Licence condition variations approved during 2013-14

Premises	Licence Condition Variations
Chow! a taste of South East Asia	Extension of trading hours.
Fiddlers Green	Extension of trading hours in the alfresco area.
Pine Creek Railway Resort	Change of condition pertaining to liquor shall only be sold for consumption on or at the premises, to persons not being bona fide lodgers ancillary to a meal.
Il Lido	Variation to conditions. Addition of conditions. Change trading hours.
Katherine Hotel	Extension trading hours.
Darwin Airport Terminal	Extend licence area 1st floor domestic to incorporate the Dome Restaurant.
Darwin Airport Terminal (Variation Conditions and Material Alterations – 21/11/13)	Extend licensed area to incorporate the whole of the carpeted area/inclusion of two coffee machines and additional fridge's in the temporary bar.
Darwin Airport Terminal (Variation Conditions and Material Alterations – 11/4/13)	Material alteration to Espresso Bar and extend licensed area – ground floor.
The Hotel Darwin	Approve guidelines for strip and lingerie shows.
The Hotel Darwin	Name change from Studio Bar to The Honey Pot Bar. Addition to conditions.
Tracy Village Social & Sports Club	Allow new point of sale for takeaway alcohol to be located at the front reception. The construction of a bistro/alfresco service area.
Antiquity	Removal of conditions.
The Victoria Hotel	Removal of condition pertaining to noise.
Sandpalms	Extend licensed area.
Peppimenarti Club	Variation to trading hours.
MV Spirit of Darwin	Variation to both the "Vessel Underway" and "concept" conditions.
Discovery	Removal of condition.
Lasseters Casino	Removal of licence condition. Amend licence condition.
The NT Rock Bar	Amend licence conditions.

Material Alterations

A liquor licensee may sometimes wish to amend the original floor plan of their venue, to introduce a new bar or perhaps relocate an existing bar to another part of the venue, or overhaul the design of the venue. Under the provisions of the *Liquor Act*, the licensee is required to seek a material alterations approval from the Commission.

Applications, lodged with the Director of Licensing, are assessed by the Commission in accordance with the objectives of the *Liquor Act* and the interests of the community. A hearing may be held if objections to the alterations are received.

Where a licensee carries out unauthorised alterations, the Commission has the power to direct that the alteration is removed and the premise is restored to a satisfactory condition. A licensee may also face disciplinary action for unapproved alterations.

Five premises applied for and were granted approval to conduct material alterations during 2013-14.

Table 9: Approved Material Alterations to Licensed Premises in 2013-14

Premises	Material Alteration
Il Lido	Extend the licensed alfresco areas marked B to be utilised as designated smoking areas. Extend the licensed alfresco areas marked C to be utilised as a dining area.
The Hotel Darwin	Installing three private booths into the area to be known as The Honey Pot Club.
Tracy Village Social & Sports Club	The construction of a bistro/alfresco service area to service the alfresco area.
SKYCITY Darwin	Inclusion of three additional mobile bars for the Beachside Marquee and adjoining lawns. Erecting a purpose built Sports Bar in the Southern Cross area off the Main Gaming Floor and building a new outdoor smoking balcony.
Corroboree Park Tavern	Construction of bottle shop and secure liquor area.

Special Liquor Licences

Special Liquor Licences are generally approved for 'one-off' events, but may also be approved for events that occur on an annual basis, such as the Greek Glenti. Applications for special licences are usually made by service and sporting clubs, or by community organisations wanting to conduct fund raising. Special Liquor Licences are subject to any special conditions as specified by the Commission, including security provisions where appropriate.

The approval of Special Liquor Licences is delegated to the Director of Licensing, except where there are special circumstances, such as police not supporting the application, or where referred by the Director for determination.

During 2013-14 a total of 362 Special Liquor Licences were issued, an increase of 32 from the previous year.

Continuing Special Licences

Continuing Special Licences are generally for the purpose of regular, repeated events such as social clubs and specialised entertainment venues such as Browns Mart. The licences are valid for a maximum period of 12 months and are subject to a number of conditions including maximum trading hours of 30 hours per week. Conditions are tailored to the nature and purpose of the licence and the majority of staff employed in the service of alcohol are generally volunteers or committee members.

The Director of Licensing holds the delegation to approve Continuing Special Licences and they are only referred to the Commission in special circumstances or in the review of the Director's decision.

There was a total of 153 Continuing Special Liquor Licences issued for 2013-14, compared to 97 for 2012-13.

Restricted Areas

There are provisions in the *Liquor Act* that allow the Commission to declare an area a restricted area under which the consumption, possession, sale or disposal of liquor may only occur under a permit or licence. There are a variety of declarations available to the Commission as outlined in Table 10.

Other types of restricted areas (Special Restricted areas, Designated Areas and Alcohol Protected Areas) may be imposed at the discretion of the responsible Northern Territory Minister or the Federal Minister. When considering applications, the Commission is required to ascertain the opinions of relevant parties including residents, licensees and Shire Councils.

Table 10: Types of Restricted Areas

	General Restricted Areas	Public Restricted Areas	Private Restricted Areas
Purpose	Used to control the type and amount of liquor permitted in an area and is generally used by Indigenous residents wanting to control liquor consumption in their community.	Aimed at reducing the incidents of public drinking and the associated antisocial behaviour.	Used to control the consumption of liquor in, and on, private premises.
Declaration	Declared by the Licensing Commission after extensive consultation with affected community.	Declared by the Licensing Commission after extensive consultation with affected community.	Declared by the Licensing Commission with consent of majority of occupiers.
Offences	It is an offence to bring, have, consume or sell liquor, without a licence or a permit.	It is an offence to consume liquor without a permit.	It is an offence to possess, consume or bring liquor into/onto the private premises.
Penalties*	Maximum 100 penalty units or six months imprisonment. Discretionary seizure of vehicle.	20 penalty units. Confiscation/tip out of liquor.	Maximum 100 penalty units or six months imprisonment. Confiscation/tip out of liquor.

*A penalty unit is currently \$149

Table 11 outlines the type and number of restricted areas declared by the Commission in 2013-14, as compared to the previous year.

Table 11: Restricted areas and premises granted in 2013-14 compared to 2012-13

Type of Alcohol Restricted Areas Declared by Commission	2012-13	2013-14
General	0	0
Public	0	1
Private Restricted Premises (private homes and buildings)	515*	38
Total	515	39

*This figure represents how many declared premises were in effect as at 30 June 2013 not the number of declarations granted. The total number of declared premises as at 30 June 2014 was 553.

Liquor Permits

To help control the consumption of liquor in remote Indigenous communities and public spaces, the Commission has the power to declare an area as a restricted area in which liquor may only be consumed, possessed, sold or disposed of under a permit or licence.

The majority of remote Indigenous communities in the Northern Territory are 'dry communities' which prohibit the possession and consumption of liquor, however, a few operate a permit system. This means that to consume liquor legally in the community, an individual must have a liquor permit.

While the Commission ultimately approves a liquor permit, communities are encouraged to establish a permit committee, generally made up of key community residents plus representatives from police and health, to assess the suitability of the applicant for a permit.

Should an application be approved by the Commission, the person will be granted a permit for a period of 12 months, and will be required to abide by any liquor related conditions that exist in the community. For instance, community residents may be restricted to 12 cans of beer a day or that only light beer is to be made available in the community.

Applicants are required to reapply for their permit, and any liquor related issues caused by the holder within the community will often see their renewal rejected. Permits may be revoked at any time should the holder be found to be causing issues at community level due to their consumption of liquor. The holder may appeal the decision to the Commission to have their permit revoked.

A total of 7,702 permits were in effect as at 30 June 2014 as compared to 9,352 at 30 June 2013. Table 12 compares the 2012-13 and 2013-14 permits issued and revoked across all General Restricted Areas.

East Arnhem – Liquor Permit Systems

Alcohol management systems in the East Arnhem region have proved to be an effective way to manage alcohol at a community level.

Groote Eylandt

In July 2005 the Groote Eylandt community established a liquor permit committee to support the liquor permit system. Committee membership includes key stakeholders from relevant NT and Australian Government agencies, Indigenous Elders, community councils, BHP Billiton (owner of the local GEMCO mine), and industry including local licensees. The community has seen a significant reduction in alcohol related crimes since the liquor permit system was introduced, and also a significant improvement in social function and community harmony. Much of this success can be attributed to the ongoing commitment and work of the permit committee.

Gove

In March 2008, a permit system for the purchase of takeaway liquor was introduced. Building on the successes of the Groote Eylandt permit committee, three committees were established to support the permit system. Permit committees are located in Ski Beach, the township of Nhulunbuy and Yirrkala. Similar to the Groote Eylandt

model, membership includes key community stakeholders; administrative support is provided by the Department of Business. The level of alcohol related crime and antisocial behaviour has fallen since the introduction of the liquor permit management system.

Table 12: Liquor permit activity for general restricted areas for 2013-14 period in comparison with 2012-13

Permits	2012-13	2013-14
Issued	2,966	4,219
Revoked	143	178

Members of the community may apply to hold a special event or function in a Public Restricted Area. These events are catered for by issuing a Special Event Permit specifically allowing the consumption of alcohol in a restricted area. In the 2013-14 year a total of 73 permits were issued an increase of 17 from the previous year.

Kava Licensing

History

Kava is a drug made from the ground roots of the plant *Piper methysticum*, a member of the pepper family and is consumed as a drink or supplement. The crushed, ground or powdered root is added to water and drunk like tea. In small doses, its effects include muscle relaxation, sleepiness and feelings of wellbeing. However, long-term use of kava can lead to a range of health problems including malnutrition, weight loss and apathy.

In the early 1980s, kava was brought to Eastern Arnhem Land in the Northern Territory as a substitute for alcohol. Kava was sold through retail and wholesale licences approved by the Commission under powers granted via the *Kava Management Act* which was introduced in 1998 to control the ever growing popularity of the drug, especially in remote Indigenous communities.

In July 2007, when introducing the *Northern Territory Emergency Response Act* (NTER), the Federal Government banned the commercial importation of kava (except for pharmaceutical and research purposes) which effectively dismantled the Northern Territory licensing scheme.

Under current laws, kava quantities not exceeding two kilograms may be imported by persons 18 years and over who are returning from overseas, provided it is for personal use only.

The demand for kava in remote communities continues, resulting in a strong black market and NT Police make regular arrests, which can include the seizure of vehicles transporting the drug. Over two tonnes of kava were seized by police in the financial year ending 30 June 2014.

The Commission utilises its powers under the *Kava Management Act* to make decisions regarding the disposal of kava and related property seized by police. In 2013-14, 10 vehicles were seized with one returned to its owner following investigations.

Table 13: Vehicles seized with kava and kava destroyed during 2013-14 in comparison with 2012-13

Actions Taken	2012-13	2013-14
Vehicles not returned to applicant and approved for destruction or tender by Chairman	9	4
Vehicles returned to applicant by Minister	3	1
Matters still outstanding	9	5
Order of destruction for kava by Chairman	29	50
Seized kava destroyed (kilos)	2,104	2,226

Gaming Machine Licensing

The *Gaming Machine Act* outlines the principal functions for the Commission including:

- determining applications for all gaming machine licences;
- determining the number of gaming machine licences;
- approving tenders for the supply of gaming machines and games contained therein;
- issuing directions to licensees in relation to the conduct of gaming and the administration of licensed premises; and
- disciplinary action against licensees, including the power to suspend or cancel a licence.

The *Gaming Machine Act* does not apply to the Northern Territory's two casinos.

The stated objectives of the *Gaming Machine Act* are to:

- promote the responsible operation and use of gaming machines, ensure the honesty and integrity of participants in the gaming industry;
- ensure the fairness of games, the integrity of gaming systems and the delivery of quality services to game players; and
- ensure that clubs holding gaming licences will improve the amenity of their neighbourhoods in order to maximise the welfare of the community as a whole.

In July 2008, the number of gaming machines approved to operate in community venues (hotels and clubs) was capped by the Government at 1,190. As a result no new gaming machine licences have been issued by the Commission.

The Commission encourages the responsible operation and use of gaming machines required through the Code of Practice for Responsible Gaming. The honesty and integrity of the gaming machine industry is maintained through probity checks and financial assessments of all gaming machine licence applications, including for those persons employed in the industry as gaming machine managers and gaming machine repairers.

Club contributions, the Community Benefit Levy and Community Benefit Fund are all reported in the Community Benefit Fund Annual Report. The Community Benefit Fund received \$2.368 million from the levy on electronic gaming machines in hotels during the 2013-14 year.

Distribution of Gaming Machines

The distribution of gaming machines is monitored on a regional basis. The southern region refers to all gaming machine licensed venues in the Alice Springs and Tennant Creek areas. All other venues are included in the northern region. There was no change to the number of gaming machines in the 2013-14 period. Table 14 shows the gaming machine distribution among the regions.

Table 14: Gaming machine distribution in the southern and northern regions for 2013-14

	Clubs	Hotels	Total
Northern Region	572	350	922
Southern Region	181	78	259
Total	753	428	1,181

Gaming Machine Industry Performance in Clubs/Hotels

The performance of community-based gaming machines has been monitored on a monthly basis since the introduction of cash-paying gaming machines in 1996.

During 2013-14, the average gross profit per machine per day was \$159.69 compared to \$141.00 in 2012-13. Gaming machine gross profit has increased by 12.60% to \$68.838 million in 2013-14, up from \$61.135 million in 2012-13.

Table 15 provides details of gaming machine allocations per club and the gross profit and gaming tax paid during the 2013-14 year. Table 16 similarly outlines the allocations, profit and gaming tax of gaming machines in hotels within the Northern Territory.

Table 15: Machine numbers, gross profits and tax paid by clubs in 2013-14

Name of Clubs	Number of Approved Machines in the Premises*	Gross Profit** (\$)	Gaming Tax*** (\$)
Alice Springs Memo Club Inc. +	45	\$13,558	\$2,106
Alice Springs RSL Club	24	\$241,876	\$43,494
Alyangula Golf Club	8	\$35,809	\$4,718
Alyangula Recreation Club	15	\$361,458	\$70,810
Buff Club	16	\$778,376	\$166,326
Casuarina All Sports Club	45	\$7,375,574	\$2,792,859
Cazalys Palmerston	45	\$6,253,100	\$2,311,205
Club Eastside	14	\$995,236	\$216,504
Darwin Bowls and Social Club	3	\$7,734	\$1,006
Darwin Golf Club	13	\$113,739	\$16,013
Darwin North RSL Services Club	6	\$47,447	\$6,125
Darwin RSL Services And Social Club	30	\$1,815,870	\$465,603
Darwin Sailing Club	10	\$41,489	\$5,913
Darwin Trailer Boat Club	10	\$147,180	\$22,159
Gillen Club	45	\$2,426,120	\$677,128

Name of Clubs	Number of Approved Machines in the Premises*	Gross Profit** (\$)	Gaming Tax*** (\$)
Gove Country Golf Club	12	\$102,871	\$14,838
Humpty Doo & Rural Area Golf Club	10	\$223,702	\$39,250
Jabiru Sports & Social Club	17	\$716,782	\$152,215
Katherine Club	45	\$1,968,423	\$515,808
Katherine Country Club	35	\$2,764,826	\$818,126
Katherine Sports & Recreation Club	19	\$592,991	\$123,854
Nightcliff Sports Club	22	\$1,578,662	\$387,538
Palmerston Golf & Country Club Inc.	22	\$609,153	\$127,557
Palmerston Sports Club	45	\$5,270,004	\$1,889,359
PINT Club	24	\$656,484	\$138,400
Sporties Club Inc.	16	\$509,374	\$104,698
St Marys Football Sporting and Social Club	30	\$590,884	\$123,372
Tennant Creek Memorial Club Inc.	25	\$1,158,357	\$258,897
The Arnhem Club	45	\$2,999,281	\$915,074
Tracy Village Social & Sports Club	45	\$4,172,554	\$1,418,443
Total	741	\$44,568,913	\$13,829,399

Note: Columns may not add due to rounding.

* Venues may have machine entitlements however, are not operating and do not appear in this table.

** While this column is titled 'Gross Profit' to reflect the Act's defined term, the figure actually represents the net loss by players. It represents the revenue flow from gaming machine operations to the venue.

*** Gaming tax is the amount generated in the period specified, not the amount received.

+ Alice Springs Memo Club Inc. did not trade for the majority of the 2013-14 year reopening on 22 June 2014.

Table 16: Gaming Machine details in hotels for 2013-14

Name of Hotels	Number of Approved Machines in the Premises*	Gross Profit** (\$)	Gaming Tax*** (\$)
Airport Hotel	10	\$1,598,557	\$390,409
Ayers Rock Resort Residents Club	3	\$86,112	\$11,117
Beachfront Hotel	10	\$956,023	\$207,025
Corroboree Park Tavern	10	\$108,988	\$14,940
Ducks Nuts Bar & Grill	10	\$247,243	\$44,858
Gapview Resort Hotel	10	\$262,277	\$48,088
Globetrotters Lodge	10	\$475,037	\$96,831
Goldfields Hotel	10	\$289,576	\$54,342
Heavitree Gap Tavern	10	\$158,500	\$24,647
Hibiscus Tavern	10	\$1,575,731	\$386,897
Hidden Valley Tavern	10	\$603,037	\$126,156
Hotel Darwin	10	\$87,418	\$17,366

Name of Hotels	Number of Approved Machines in the Premises*	Gross Profit** (\$)	Gaming Tax*** (\$)
Howard Springs Tavern	10	\$999,182	\$219,236
Humpty Doo Hotel Motel	10	\$741,153	\$158,562
Humpty Doo Tavern	10	\$1,793,981	\$458,399
Katherine Hotel	10	\$641,946	\$135,070
Litchfield Hotel	10	\$517,560	\$106,573
Mataranka Hotel	10	\$200,086	\$33,840
Monsoons	10	\$907,064	\$197,309
Noonamah Tavern	10	\$370,219	\$72,817
Palmerston Tavern	10	\$900,515	\$193,513
Parap Hotel	10	\$1,460,734	\$349,685
Pine Creek Hotel	10	\$454,627	\$92,155
Plaza Karama Tavern	10	\$1,665,599	\$416,149
Quality Hotel Frontier Darwin	10	\$845,140	\$181,622
Rum Jungle Motor Inn	10	\$51,834	\$6,692
Rum Jungle Tavern	10	\$414,238	\$82,902
Shenannigans Irish Pub	10	\$956,245	\$208,333
Squires Tavern / Sensations	10	\$211,866	\$36,887
Stuart Hotel	10	\$218,342	\$38,022
Tennant Creek Hotel	10	\$93,161	\$13,291
The Arch Rival Bar & Grill	10	\$488,542	\$99,925
The Cavenagh	10	\$335,103	\$63,772
The Deck Bar	10	\$171,285	\$27,342
The Fox Ale House	10	\$123,825	\$18,137
The Victoria Hotel	10	\$450,257	\$91,154
Todd Tavern	10	\$380,851	\$75,253
Top End Hotel	0	\$310,245	\$63,077
Virginia Tavern	10	\$957,475	\$208,047
Walkabout Tavern	10	\$471,419	\$96,002
Winnellie Hotel	10	\$688,302	\$145,690
Total	393	\$24,269,296	\$5,312,131

Note: Columns may not add due to rounding.

* Venues may have machine entitlements however are not operating and do not appear in this table.

** While this column is titled 'Gross Profit' to reflect the Act's defined term, the figure actually represents the net loss by players. It represents the revenue flow from gaming machine operations to the venue.

*** Gaming tax is the amount generated in the period specified, not the amount received.

Private Security Licensing

The *Private Security Act* empowers the Commission to grant licences to individuals and firms who wish to conduct security related activities. There are three different types of licence available under the Act:

- crowd controller – employed to control and monitor the behaviour of people, screen people seeking entry to places and remove people because of their behaviour;
- security officer – employed to patrol or guard another person’s property; and
- security firm - a person or partnership that engages in the business of supplying the services of security officers or crowd controllers to other people.

Individuals can hold a crowd controller and a security officer licence at the same time.

The majority of licence approvals are made by the Director of Licensing. Licences are granted for a period of between one and three years. Licence applications are referred to the Commission in cases where the grant or refusal of a licence is outside the scope of Director’s authority, or where the application is contentious. The Commission has broad powers to impose conditions on licences including reporting, training or employment requirements. No licence is issued prior to an applicant undergoing a detailed criminal record check.

Applications are automatically refused where applicants have disqualifying offences and are often refused if the applicant has committed crimes of violence or drug-related offences. Applicants with disqualifying offences may appeal to the Local Court which has discretion to grant licences where the Commission cannot.

During the reporting year there were three appeals to the Local Court against automatic refusals, where the applicants had convictions for disqualifying offences. On two occasions the Magistrate granted the licences applied for, and in the third case upheld the refusal of a crowd controller licence and granted a security officer licence only.

Private Security Licences

Table 17: Private security licences in force as at 2013-14 in comparison to 2012-13

Type of Licence	2012-13	2013-14
Security Officer and Crowd Controller	1,515	1,716
Crowd Controller only	93	96
Security Officers only	175	190
Security Firm	76	82
Total	1,859	2,084

Mutual Recognition

Under the *Mutual Recognition (Northern Territory) Act*, the Commission is required to recognise the registration of a person in another state or territory, as a security officer or crowd controller, by issuing that person with the equivalent Northern Territory licence.

Issues sometimes arise when an applicant, who would not otherwise qualify for a licence under the *Private Security Act*, is granted a licence under the mutual recognition process. The issue normally stems from the applicant having an unacceptable criminal record. In these cases, the Commission has issued the licence as required by the *Mutual Recognition Act*, and then taken immediate action under the *Private Security Act* to challenge what is then a local licence.

Table 18: Licences issued under the Mutual Recognition Act in 2013-14 compared to 2012-13

Licence Type	2012-13	2013-14
Security Officer and Crowd Controller	107	122
Crowd Controller only	11	6
Security Officer only	21	18
Total	139	146

Provision of Complaints

The *Private Security Act* provides a formal complaint process, enabling any person to lodge a complaint against a security provider. The most common complaint against licence holders is the use of undue force in carrying out crowd controller duties. The Commission determines such complaints, with penalties ranging from a reprimand or fine, to the suspension or cancellation of a licence when it is considered that the licensee is no longer an appropriate person to hold a licence when viewed against the criteria of the Act.

The Act provides for the Commission to immediately suspend or cancel a licence where it is shown to be in the public interest. This generally occurs when a licence holder is charged with a disqualifying offence and may remain in place until the determination of the charge by the appropriate court.

In consideration of the public interest, and as a deterrent to licensees, the Commission publishes penalty decisions for persons licensed under the *Private Security Act*. Published decisions can be viewed at:

www.dob.nt.gov.au/gambling-licensing/licensing-commission/hearings-decisions/Pages/security-decisions.aspx.

Private Security Licensing Hearing Decisions

Table 19: Commission Hearings relating to Private Security Licensing

Nature of Hearing	Decision Date	Decision
Complaint pursuant to section 53A <i>Private Security Act</i>	20/08/13	Licence Suspended for a period of three months. Three weeks of the suspension to be served with the remainder suspended for 12 months.
Complaint pursuant to section 53A <i>Private Security Act</i>	29/08/13	Fine \$2,000.
Determination appropriateness to hold Security Licence pursuant to section 15(6)(c) <i>Private Security Act</i>	2/10/13	Security officer and crowd controller licences issued for 12 months.

Nature of Hearing	Decision Date	Decision
Complaint pursuant to section 53A <i>Private Security Act</i>	14/10/13	Fine \$5,000.
Complaint pursuant to section 53A <i>Private Security Act</i>	16/10/13	Reprimand issued.
Complaint pursuant to section 53A <i>Private Security Act</i>	07/05/14	Licence suspended for a period of three months.
Complaint pursuant to section 53A <i>Private Security Act</i>	17/06/14	No Further Action.

Escort Agency Licensing

The Commission may grant licences to operators and managers of escort agencies under provisions contained in the *Prostitution Regulation Act*. The Commission interviews all applicants for new licences in order to assess their suitability to hold a licence. People with previous sexual, violence or drug-related offences may be ineligible to hold a licence or, depending on the offence, deemed to be unsuitable by the Commission. Licences are subject to annual renewal.

There are two Escort Agency Operators' Licences and one Escort Agency Manager Licence current as at 30 June 2014.

Totalisator Licensing

The *Totalisator Licensing and Regulation Act* provides for the Commission to issue totalisator licences in the Northern Territory. There is currently only one totalisator licence in operation in the Northern Territory which is held by NT TAB Pty Ltd, a wholly owned subsidiary of the Tatts Group. The licence has retail exclusivity and expires on 30 June 2015.

The Commission has the authority to approve additional or substituted totalisator agencies.

There are currently 50 TAB outlets, consisting of seven agencies, 40 club/pub licensed outlets and three on-course TAB outlets.

The *Totalisator Licensing and Regulation Act* provides a public complaint mechanism in relation to the conduct of a totalisator licensee, with complaints investigated and determined by the Commission. The Commission has a range of penalty powers ranging from a reprimand or fine, to cancellation of the licence.

No complaints were received during 2013-14.

Table 20: On-course and Off-course Wagering Turnover Figures for 2013-14 in comparison with 2012-13

Wagering turnover	2012-13 \$M	2013-14 \$M
On-course	12.912	13.355
Off-course	108.609	100.533
Total	121.521	113.888

* Further details of taxation raised are contained in the Department of Treasury and Finance's annual report (www.nt.gov.au/ntt/annual_report.shtml)

Tobacco Licensing

The Commission's role under the *Tobacco Control Act* is limited to reviewing refusals by the Director of Licensing to grant, transfer or vary a licence, and any decision where the Director of Licensing suspends or cancels a licence. The *Tobacco Control Act* requires reviews to be conducted in a fair and expeditious manner via a hearing and with due consideration of all the issues.

No applications for review were lodged with the Commission in the reporting period.

Index of Tables

Table 1: Nature and number of hearings and meetings conducted during 2013-14 compared to 2012-13	6
Table 2: Number of new full liquor licences issued during 2013-14 in comparison to 2012-13.....	7
Table 3: Summary liquor related hearings conducted during 2013-14 in comparison to 2012-13.....	7
Table 4: Liquor Hearing Decisions for 2013-14	8
Table 5: Complaints received and actions taken during 2013-14 in comparison to 2012-13.....	9
Table 6: Liquor licences cancelled or surrendered during 2013-14 period	10
Table 7: Liquor licences transferred in 2013-14.....	11
Table 8: Licence condition variations approved during 2013-14.....	12
Table 9: Approved Material Alterations to Licensed Premises in 2013-14.....	13
Table 10: Types of Restricted Areas	14
Table 11: Restricted areas and premises granted in 2013-14 compared to 2012-13	14
Table 12: Liquor permit activity for general restricted areas for 2013-14 period in comparison with 2012-13	16
Table 13: Vehicles seized with kava and kava destroyed during 2013-14 in comparison with 2012-13	17
Table 14: Gaming machine distribution in the southern and northern regions for 2013-14.....	18
Table 15: Machine numbers, gross profits and tax paid by clubs in 2013-14	18
Table 16: Gaming Machine details in hotels for 2013-14.....	19
Table 17: Private security licences in force as at 2013-14 in comparison to 2012-13	21
Table 18: Licences issued under the Mutual Recognition Act in 2013-14 compared to 2012-13.....	22
Table 19: Commission Hearings relating to Private Security Licensing.....	22

Table 20: On-course and Off-course Wagering Turnover Figures for 2013-14 in comparison with 2012-13 23