

# NORTHERN TERRITORY LICENSING COMMISSION

2011-12 Annual Report

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## NORTHERN TERRITORY LICENSING COMMISSION

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The Hon Peter Chandler MLA  
Minister for Business  
PO Box 3668  
PALMERSTON NT 0831

Dear Minister

**RE: ANNUAL REPORT 2011-2012**

In accordance with the requirements of Section 21 of the *Northern Territory Licensing Commission Act*, I submit to you the Annual Report on the performance of the activities and operations of the Northern Territory Licensing Commission for the year ending 30 June 2012.

Yours sincerely



Richard O'Sullivan  
CHAIRMAN

9 October 2012

# Chairman's Message



Richard O'Sullivan,  
Chairman

The Commission is pleased to advise that during the 2011-12 year there was a lessening of complaints brought to the Commission for alleged breaches of the *Liquor Act* by Licensees. Hearings convened to specifically consider complaints have reduced from twenty-nine in the previous year to thirteen in the year of this report. In line with information exchanges with the liquor industry and other stakeholders, the Commission views this downturn in complaints as an indicator of greater Licensee compliance with licence obligations and conditions.

Unfortunately although the Northern Territory has experienced a decline in liquor-related complaints, there has been a significant increase in complaints referred to the Commission over the conduct of Crowd Controllers licensed under the *Private Security Act*. In 2009-2010 there were two complaints heard by the Commission rising to three in 2010-2011 and eleven in the 2011-2012 year. Most of these complaints have related to a breach of the Code of Practice for Crowd Controllers

through the use of undue force.

In the year there were two significant decisions handed down by the Commission, one related to Discovery where the Commission handed down a fourteen day suspension penalty and the other related to a complaint laid against the Beachfront Hotel which was not made out.

Discovery was found to have breached its licence conditions on several occasions through serving intoxicated persons, failure to remove intoxicated persons, allowing a minor to enter licensed premises, permitting indecent conduct, non-compliance with CCTV licence requirements and the supply of complementary drinks to wet T-Shirt contestants.

The complaint against the Beachfront established the principle that a Licensee is not liable for the conduct or acts committed by patrons outside the licensed premises as "the Licensee has no duty, and in fact no power or authority, to deal with these issues."

During the year the Racing Commission established more formal guidelines for its role in adjudicating disputes between clients and licensed Sports Bookmakers. It has determined that where parties cannot agree and the monetary amount in dispute is over \$10,000, or where an important governance principle is involved, that the matter is to be referred to the Commission for adjudication. This has resulted in an increasing number of disputes being referred to the Commission.

The Commission wishes to place on the record its appreciation of the productive working relationship it has experienced with stakeholders of the liquor industry, particularly the Australian Hotel Association and the co-operative engagement with officers of the Licensing, Regulation and Alcohol Strategy, Department of Justice, the Northern Territory Police and Health officials.

A handwritten signature in black ink, appearing to read 'Richard O'Sullivan', written in a cursive style.

Richard O'Sullivan  
CHAIRMAN

# Licensing Commission Overview

## THE COMMISSION

The Northern Territory Licensing Commission is an independent statutory authority with extensive powers to regulate Territory liquor, private security, gaming and 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 Chairperson and up to five Members of the Commission also comprise the full membership of the Racing Commission.

The Commission is supported in its functions by the Department of Justice and the Licensing, Regulation and Alcohol Strategy Division. The Division supports the Commission through investigating complaints, monitoring venues, enforcing liquor laws and compiling reporting.

The Act requires the Commission to prepare a report to the Minister for Racing, Gaming and Licensing at the end of each financial year detailing the Commission's operations during the year.

## MEMBERS OF THE COMMISSION

Members are appointed to the Licensing Commission by the Minister for Racing, Gaming and Licensing. The term of appointment extends to three years with provision for re-appointment.

Licensing Commission Members as at 30 June 2012 were:

- Mr Richard O'Sullivan (Chairperson)\*
- Mr Philip Timney (Legal Member)\*
- Mrs Jane Large
- Mr John Brears
- Ms Helen Kilgariff
- Mr Wally Grimshaw\*
- Mr Paul Fitzsimons
- Mrs Cynthia-Lee Bravos
- Mr David Brooker\*
- Mr Micheil Brodie (Executive Director, Licensing, Regulation and Alcohol Strategy)\*

\* Denotes membership of the Racing Commission pursuant to the *Racing and Betting Act*.

The Legal Member and Executive Director 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*
- *Racing and Betting Act* (as the Racing Commission)
- *Tobacco Control Act*

## FUNCTIONS AND POWERS OF THE COMMISSION AND ITS CHAIRPERSON

Section 5 of the *Licensing Commission Act* sets out the Commission's powers and functions and section 7 of the Act refers to the role, functions and powers of the Chairperson.

### 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 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 <http://www.nt.gov.au/justice/commission/decisions.shtml>.

Many of the functions are delegated by the Commission at its discretion. Delegates include the Chairperson, the Director of Licensing, Deputy Directors of Licensing, designated staff of Licensing, Regulation and Alcohol Strategy, 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 quorums and other groupings of members are conducted on an 'as needs' 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 2011-12

Table 1: Nature, number and duration of hearings and meetings conducted during 2011-12

Type of Hearing/Meeting	Hearings & Meetings		Hearings and Meetings No. of Days	
	2010-11	2011-12	2010-11	2011-12
Scheduled monthly Commission meetings	8	8	11	8
Special Commission meetings	3	2	3	2
Community Liaison Events	6	0	7	0
Escort Agency meetings	0	0	0	0
Private Security Inquiries / Reviews	12	21	9	18
Review of Public /General Restricted Area	0	0	0	0
Conferences attended	3	3	8	8
Hearings	51	47	50	41
<b>TOTAL</b>	<b>83</b>	<b>81</b>	<b>88</b>	<b>77*</b>

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

\* Number of days is less than the number of Hearings and Meetings as more than one Hearing or Inquiry was conducted on some days.

# Liquor

Since 2007 the Commonwealth Minister for Indigenous Affairs has had powers similar to the Commission but limited to operation in specific geographic areas of the Northern Territory (now) under the *Stronger Futures Act 2011* (Commonwealth). Commission decisions are made cognisant of those powers and where appropriate in consultation with the Minister or relevant Commonwealth department.

## LIQUOR LICENSING

The *Liquor Act* requires the Commission to make decisions and, where necessary, conduct Hearings in a range of circumstances. Important objects guiding the Commission when granting new liquor licences or dealing with complaints against existing Licensees are the protection of community amenity and the minimising of harm. In its normal course of business, the Commission conducts public Hearings into new liquor licence applications where objections have been lodged and for any unresolved complaints against existing Licensees.

## LIQUOR RELATED HEARINGS 2011-12

**Table 2: Summary all liquor related hearings conducted during 2011-12 in comparison to 2010-11**

Nature of Hearings	2010-11	2011-12
Application for a restricted area	0	0
Application for the grant of a liquor licence	1	6
Complaint pursuant to S 48 – breach of <i>Liquor Act</i>	13	7
Complaint pursuant to S 48 – (other -eg noise) of <i>Liquor Act</i>	16	6
Section 124AAA (additional penalty) of the <i>Liquor Act</i>	1	1
Application to cancel liquor licence	3	0
Application to vary conditions of liquor licence	6	4
Application to substitute premises	0	1
Transfer of liquor licence	0	0
Requests by Licensees for review of licence conditions	0	0
Application or Reviews into Public Restricted Area	0	0
Reviews into Permit Application Revocations	11	4
*Complaint pursuant to Section 69 – Disciplinary Action	N/A	2
<b>TOTAL</b>	<b>51</b>	<b>31</b>

• As at 1 September 2011 complaints are now lodged under Section 68 of the *Liquor Act* and Section 69 allows for disciplinary action.

## LIQUOR HEARINGS DECISIONS 2011-12

**Table 3: Liquor Hearing Decisions for 2011-12**

Nature of Hearing	Venue	Decision Date	Decision <small>For details see <a href="http://www.nt.gov.au/justice/commission/decisions.shtml">http://www.nt.gov.au/justice/commission/decisions.shtml</a></small>
Complaint pursuant to Section 48 - 119	Katherine Sports and Recreation Club	11/07/2011	PROVEN PENALTY (Reprimand)
Complaint pursuant to Section 48 – 121	The Tap on Mitchell	26/07/2011	PROVEN NO PENALTY
Complaint pursuant to Section 48 - 102, 121, 106B, 106C, 110, 105	Discovery	04/08/2011	PROVEN PENALTY (14 days suspension)
Request for Hearing pursuant to Section 33(2) Objection to Licence Variation	Malandari Store Hearbreak Hotel	04/08/2011	OBJECTION OVERTURNED Licences varied
Additional Penalty pursuant to Section 124AAA	Tennant Creek Memorial Club	04/08/2011	PROVEN PENALTY (1 day suspension – 4 Hours served. Remainder suspended)

<b>Nature of Hearing</b>	<b>Venue</b>	<b>Decision Date</b>	<b>Decision</b> For details see <a href="http://www.nt.gov.au/justice/commission/decisions.shtml">http://www.nt.gov.au/justice/commission/decisions.shtml</a>
Directions	Beachfront Hotel	05/08/2011	DIRECTIONS ISSUED
Objection to Grant of New Liquor Licence	Silver Screen Café	16/08/2011	LICENCE GRANTED
Variation of Liquor Licence pursuant to Section 32A	Shenannigan's Irish Pub	02/09/2011	REFUSED
Complaints pursuant to Section 48 – 110, 121	Stuart Hotel	06/09/2011	PROVEN PENALTY (Reprimand)
Complaint pursuant to Section 48 – 102	Katherine Hotel	13/09/2011	PROVEN PENALTY (3 days suspension of Bottleshop)
Objection to Variation of Trading Conditions	Lasseters Casino	16/09/2011	APPROVED
Control and Management of Liquor Licence	Wurankuwu Aboriginal Corporation	19/09/2011	DIRECTIONS ISSUED
Complaint pursuant to Section 48 – 110	Renner Springs Desert Hotel/Motel	17/10/2011	PROVEN PENALTY (1 day suspension of Takeaway Component)
Variation of Liquor Licence pursuant to Section 32A and Substitution of Premises pursuant to Section 46A	Berry Springs Hotel	20/10/2011	APPROVED
Complaint pursuant to Section 48 – 110	Katherine Hotel	24/10/2011	DIRECTIONS ISSUED
Complaint pursuant to Section 48 – 31A(5) (a)	Katherine Hotel	02/11/2011	PROVEN PENALTY (Reprimand)
Re-open of Hearing Granting In Principle Liquor Licence	Darwin City Waterfront	03/11/2011	IN PRINCIPLE APPROVAL CURRENT
DIRECTIONS ISSUED			
*Complaint pursuant to Section 48 – 102	Malandari Store	07/11/2011	PROVEN
Complaints pursuant to Section 68 – 110	Monte's Lounge	05/12/2011	PROVEN PENALTY (\$400 fine and licence conditions varied)
*Penalty	Malandari Store	06/12/2011	PENALTY (1 day suspension suspended for six months)
Re-open of Hearing granting In Principle Liquor Licence	Coolalinga Brewery	09/12/2011	IN PRINCIPLE APPROVAL CURRENT DIRECTIONS ISSUED
Complaints pursuant to Section 48 – 110	Darwin Railway Sports and Social Club	13/12/2011	1. NOT PROVEN 2. PROVEN PENALTY (Written warning)
Variation of Liquor Licence conditions pursuant to Section 32A	Monte's Lounge	16/12/2011	REFUSED
Complaint pursuant to Section 48 – Other	Beachfront Hotel	12/01/2012	NOT PROVEN Noise Condition changed and new Environmental Plan Condition added to Licence
Material Alterations and Variation of Liquor Licence Conditions pursuant to Section 32A	Gapview Resort Hotel	09/03/2012	APPROVED Noise Condition added
Application for New Liquor Licence	The Haven Backpacker Resort	30/04/2012	APPROVED Noise Condition added
Variation of Liquor Licence conditions pursuant to Section 32A	Fiddler's Green	16/05/2012	REFUSED
Application for Material Alterations pursuant to Section 119	Discovery	25/06/2012	APPROVED

## COMPLAINTS AGAINST LICENSED PREMISES

The *Liquor Act* makes provision for complaints to be made against a licensed premise in the following areas:

- the conduct of the business at licensed premises,
- the conduct of the Licensee in relation to the business of a licence, or
- that the Licensee is not a fit and proper person.

The *Liquor Act* requires all complaints to be in writing, to be lodged 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. Although there are some complaints that allow the Director of Licensing the opportunity to informally mediate, a number of complaints proceed to Hearing.

**Table 4: Complaints received and actions taken during 2011-12 in comparison to 2010-11 period**

Liquor Complaints Received and Action Taken	2010-11	2011-12
Complaints investigated, but no further action warranted	0	0
Licences cancelled following complaint	0	0
Licences suspended due to breaches of licence conditions (section 66(1)(b))	11	3
Complaints heard and finalised without licence suspension	10	3
Complaints withdrawn	9	5
* Complaints heard and monetary penalty imposed	N/A	1
<b>TOTAL</b>	<b>30</b>	<b>12</b>

\* As at 1 July 2011 Section 70 of the *Liquor Act* allows the Commission to impose a monetary penalty.

## LIQUOR LICENCES

**Table 5A: Number of Full Liquor Licences (ie excluding special and continuing specials) in existence as at 30 June 2012 in comparison to 30 June 2011**

Liquor Licences as at 30 June 2012	2010-11	2011-12
<b>TOTAL</b>	<b>488*</b>	<b>487</b>

\*The 2010-11 figure has been amended to reflect a counting error.

**Table 5B: Number of new full liquor licences issued during 2011-12 in comparison to 2010-11**

Categories	2010-11	2011-12
Public Hotel	1	0
Private Hotel	0	1
Tavern	0	0
Restaurant	4	1
Vessel	2	1
On Licence	4	5
Liquor Merchant	0	0
Off Licence	0	0
Roadside Inn Un-serviced	0	0
Roadside Inn Serviced	1	0
<b>TOTAL</b>	<b>12</b>	<b>8</b>

## CANCELLATION OF LICENCE

Cancellation of a liquor licence usually occurs due to the premises not having been used for the sale or supply of liquor for a period of 90 days. Cancellation can also occur on the grounds that:

- 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, but cancellation on this ground is subject to the payment of compensation.

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

**Table 6: Liquor licences cancelled during the 2011-12 period**

Cancelled Date	Premises
13/09/2011	Crooze Licensed Café and Restaurant
18/01/2012	Tennant Creek Trading

## SURRENDER OF LICENCE

The *Liquor Act* enables a Licensee to voluntarily surrender a licence. The surrender has no effect until accepted by the Commission, which must first satisfy itself that all interested persons have been given at least two weeks' notice of the Licensee's intention to surrender the licence. The person whose licence is surrendered 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 7: Liquor licences surrendered during 2011-12 period**

Surrendered Date	Premises
05/08/2011	La Chaumiere
02/09/2011	Darwin Wharf Precinct Cruiseship Facility/Function Centre
15/09/2011	Wallis Fogarty Steakhouse
13/10/2011	Poinciana Inn
21/11/2011	Erlunda Cattle Station
23/04/2012	Madigans
21/05/2012	Arafura Pearl and Sea Cat 2

## 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. The Commission can only suspend the licence when it is satisfied that the breach is of sufficient gravity to justify 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 or pending investigation of a complaint. Such suspensions would normally be at the request of the Police during a cyclone, major flood or civil disturbance.

**Table 8: Liquor licences suspended during 2011-12 and reason for suspension**

Licence No	Suspended Date	No of Days / Section	Premises
81415350	08/07/2011	Indefinitely 66(1)(b)	Wurankuwu Aboriginal Corporation
80117506	21/07/2011	1 Day 66(1)(b)	Mataranka Hotel
80316240	10/08/2011 – 24/08/2011	14 Days 66(1)(b)	Discovery and Lost Arc
81402774	14/08/2011	4 Hours 66(1)(b)	Tennant Creek Memorial Club
80101789	27-30/09/2011	3 Days Takeaway 66(1)(b)	Katherine Hotel
81202669	02/11/2011	1 Day 66(1)(b)	Renner Springs Desert Hotel Motel

Note: *Liquor Act* sections: 66(1)(b) – Breach of *Liquor Act*, 66(1)(c) – Licence not being used, 48A – Emergency Powers

## LICENCES TRANSFERRED

The *Liquor Act* enables a Licensee to transfer a licence to another person or entity. The transfer does not take affect until the Commission authorises the transfer and the Director of Licensing issues a certificate of transfer. Licence conditions are not affected by the transfer. 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.

Thirty licences were transferred in 2011-12.

**Table 9: Liquor licences transferred in 2011-12**

Transfer of Licences	Premises
80300296	Kitty O'Sheas Irish Bar, Café and Nightclub and KOB Sports Bar
80515460	Golden Orchid (formerly Lemon Grass on the Bay)
80518072	Bahn Thai Restaurant Palmerston
81202869	Wauchope Hotel
80816700	The Granites Social Club
81415350	Club Ranku (formerly Wurankuwu Aboriginal Corporation)
80900814	Anula Foodland
80216470	Mary River Park
80203967	The Diplomat Hotel
80305040	Uncles Tavern
80217364	Katherine Motel
80900092	Virginia Store
80202513	Elkira Resort Motel
80518020	Bangkok Hut (formerly Alaturka Turkish Restaurant)
80316240	Discovery
80505105	The Groove
80802460	Bojangles (formerly Bojangles Saloon and Restaurant)
80316249	Discovery
80201864	Vitina Studio Motel (formerly Comfort Inn Vitina)
80303858	Crackers Lounge (formerly GD McGee's)
80900070	Red Gum Caravan Park
80816952	The Planet
8051514	Cornucopia Museum Cafe
80504462	Ming Court
80515180	Salvatores Cafe
80900070	Red Gum Caravan Park
80515740	Pee Wees @ The Point (formerly Pee Wee Beachfront Café)
80901757	Sabine Supermarket
80517853	Borrooloola Hotel Motel
80516210	Batchelor Butterfly Farm and Tea House

## LICENCE CONDITION VARIATIONS

A licensee may apply to the Commission for a variation of the conditions of their licence. The Commission may conduct a Hearing in relation to the application if it considers it to be in the public interest. The Commission approved nineteen licence variations during 2011-12.

**Table 10: Licence condition variations approved during 2011-12**

Premises	Licence Condition Variations
Barkly Homestead	Insertion of new takeaway conditions
Wildman Wilderness Lodge	Extension of trading hours
Alice Springs Shooting Complex	Extension of trading hours
Café Uno	Removal of licence condition relating to service of liquor and insertion of two new conditions relating to service of food and liquor
Pit Lane Liquor	Variation of takeaway and concept conditions
Aileron Roadhouse	Variation of takeaway restriction condition
Heavitree Gap Tavern	Extension of licensed area and insertion of a noise condition.
Wycliffe Well Store	Variation of takeaway restriction condition
Tilmouth Well Roadhouse	Removal of review condition
Elliott Hotel	Variation of takeaway restriction condition
Elliott Store	Variation of takeaway restriction condition
Dunmarra Inn	Variation of takeaway restriction condition

Premises	Licence Condition Variations
Renner Springs Desert Hotel/ Motel	Variation of takeaway restriction condition
Independent Grocers	Removal of "Minimum 9 Litres To Be Sold" condition
Banka Banka Station	Variation of Supply of Liquor condition
Top End Hotel	
	Excision of the Honeypot from the Top End Hotel Liquor Licence
Café Uno	
	Service of liquor now available from the bar for patrons
The Cavenagh Hotel	
	Variation of liquor licence over six months to include Shed 1, 48 McKinnon Road, Pinelands
Flight Path Golf	Variation of licence condition removing Licence Non-transferable condition

## MATERIAL ALTERATIONS

The *Liquor Act* requires a Licensee to obtain the approval of the Commission make a material alteration to the premises. An application must be lodged with the Director of Licensing with supporting documentation including a copy of the plans and specifications for the alteration. The Commission considers the application in accordance with the objectives of the Act and the interests of the community. Where unauthorised alterations are made to a licensed premise, the Commission may direct that the alteration is removed and the premise is restored to a satisfactory condition.

Changes to the *Tobacco Control Act* commenced on 2 January 2010. The Commission recognised that these changes were likely to require liquor licensees to advertise alterations to licensed premises twice, before seeking the necessary approvals from the Development Consent Authority and the Commission has waived the requirement to advertise material alterations of licensed premises where advertising is being conducted for Development Consent purposes, and where the Commission is satisfied that the sole purpose of the alterations is to comply with the *Tobacco Control Act*.

Twenty premises applied for and were granted approval to conduct material alterations in 2011-12.

**Table 11: Approved Material Alterations to Licensed Premises in 2011-12**

Premises	Alterations Undertaken
SKYCITY Darwin	Expansion of casino to accommodate 2 VIP Villas and additional rooms, restaurant, and lagoon pool including additional bars and high-roller area
Darwin RSL Services and Social Club	Install a new 1st floor non-smoking balcony including a slight increase in the licensed area; the refurbishment of the existing 1st floor League Office to be renamed the Coffee Lounge; and minor refurbishment of the current Gaming room and rear outdoor smoking area
Discovery	Raise the existing sunken dance floor to make the entire floor one level (ground level); remove the two existing bars currently located along the walls of the ground floor; construct one central bar which will be located in the middle of the ground floor (opposite the stage); move the existing front face of The Lost Arc (wall and bi-fold windows) three metres towards the inside bar area, to extend the outdoor area; build a low containment wall to keep patrons within the extended outdoor area; and construct a new and easier access ramp to the downstairs toilets
Hibiscus Tavern	Install a covered in alfresco area outside Dolly O'Reilly's. Replacement/refurbishment of internal bars, exterior double glazed fencing enclosing smoking area, conversion of office to cool room and renovation to entry area and entry doors.
Palmerston Tavern	Install an outdoor smoking deck for Gaming area and Bistro bi fold doors and alfresco deck
Pirlangimpi Community Club	Renovations to kitchen, establishment of an air conditioned dining room, an increase in female toilets from 2 to 4 and the creation of an outside patio undercover area with tables and chairs
Litchfield Cafe	Construction of a new building after fire destroyed previous premises
Airport Hotel	Replace and upgrade two existing large, stand alone umbrellas in the rear Beer Garden with a new single shade sail structure
Diplomat Hotel	Renovations to the Red Sea Restaurant and Uncles Tavern

Premises	Alterations Undertaken
Gapview Hotel	Renovations and alterations to the Front Bar, carpark and other cosmetic improvements
Pit Lane Liquor	Extension of the bottle shop area for the purpose of storage of liquor
St Mary's Football Sporting and Social Club	Extension of rear verandah of the club to accommodate for the smoking regulations
Casuarina All Sports Club	Construction of outdoor smoking area and extension of the licensed area
Daly River Roadside Inn	Extension of licensed area
Howard Springs Tavern	Install a cover over the TAB smoking area in the form of a skillion roof
Darwin Trailer Boat Club	Erection of permanent shade structure
Knotts Crossing Resort	Enclose existing external bar area and store, and replacement of shade structures
Ocean Fresh	Extension of licensed alfresco area by approximately sixty square metres to allow for an additional twenty diners
The Lodge of Dundee	Combine bottle shop and secure liquor storage area extending one metre beyond the existing licensed premises.
Throb	Renovate toilets and slightly increase the licensed area

## SPECIAL LIQUOR LICENCES

Special Liquor Licences are generally for the purpose of 'one-off' events although these may occur on an annual basis such as the Darwin Beer Can Regatta. Applications for special licences are usually made by service and sporting clubs or by community organisations wanting to fund raise. Staff employed to work serving alcohol at these events are generally volunteers or club members. Special Liquor Licences are subject to adequate safety and security provisions and any special conditions as specified by the Commission.

**Table 12: Total Special Liquor Licences issued in 2011-12 in comparison with 2010-11**

Special Liquor Licenses Issued	2010-11	2011-12
<b>TOTAL</b>	<b>365</b>	<b>319</b>

## CONTINUING SPECIAL LICENCES

Continuing Special Licences are subject to a number of conditions including maximum trading hours of 30 hours per week. Continuing Special Licences are generally for the purpose of regular repeated events such as social clubs and specialised entertainment venues such as Browns Mart. 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.

**Table 13: Total Continuing Special Liquor Licences issued in 2009-10 in comparison with 2008-09**

Continuing Special Liquor Licences Issued	2010-11	2011-12
<b>TOTAL</b>	<b>119</b>	<b>87</b>

**Table 14: Total Special Event Permits received for Public Restricted Areas**

Special Event Permits Received for Public Restricted Area	2010-11	2011-12
<b>TOTAL</b>	<b>159</b>	<b>59</b>

## LIQUOR PERMITS

The Commission may grant permits to residents of and visitors to some alcohol restricted areas. Liquor permits allow the holder to possess, control and consume liquor within the restricted area. Permits are often restricted to a class, category or amount of liquor. The Commission regularly delegates initial assessment of permit applications to a local committee with a Constitution approved by the Commission. A permit is revoked when a holder fails to comply with or breaches a condition of their permit. Permits are normally revoked at the request of local police, both in individual cases or where a blanket revocation is necessary to meet an emergency situation. Generally, permits are current for one year and need to be renewed annually.

Restricted Areas where permits exist are governed by permit committees or endorser groups. The Licensing Commission recognises the importance of community groups having input and providing advice relating to their community and access to alcohol. As such, the Licensing Commission increasingly provides community groups and committees with clear definitions and structured processes to assist them in providing this advice.

Additional support to community groups is also provided by Licensing, Regulation and Alcohol Strategy officers, through processing, administrative support and support to governance continues.

**Table 15: Liquor permit activity for restricted areas for 2011-12 period in comparison with 2010-11**

Permits	2010-11	2011-12
Issued	5,809	4272
Revoked	129	118
Cancelled	105	0*
In Effect	9,855	9,681

\* Permits are allowed to expire rather than be cancelled

## EAST ARNHEM – LIQUOR PERMIT SYSTEMS

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

### Groote Eylandt

In July 2005 the Groote Eylandt community established a liquor permit committee to support the management. Committee membership includes key stakeholders such as representatives from relevant Territory and Australian Government agencies, Indigenous Elders, community councils, BHP Billiton (the local GEMCO mine), and industry including local Licensees. Since the liquor permit system was introduced there has been a significant reduction in alcohol related crimes and a dramatic 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 alcohol was introduced. Building on the successes of the Groote Eylandt permit committee, three permit committees were established to support the alcohol management 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 and administrative support is provided by the NT Department of Justice. Evidence indicates that since the alcohol management system was introduced there has been a decrease in alcohol-related crimes and anti-social behaviour.

## RESTRICTED AREAS

The *Liquor Act* empowers the Commission, upon application, to declare an area to be a general restricted area, a public restricted area or a private restricted premise. Other types of restricted areas (ie Special Restricted areas and Prescribed Areas) may be imposed at the discretion of the Northern Territory or the Federal Minister. When considering applications, the Commission is required to ascertain the opinions of relevant parties including residents, licensees and shire councils.

	General Restricted Areas	Public Restricted Areas	Private Restricted Areas
<b>Declaration</b>	Declared by Licensing Commission after extensive consultation with affected community.	Declared by Licensing Commission after extensive consultation with affected community.	Declared by Licensing Commission with consent of majority of occupiers.
<b>Offences</b>	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 onto the restricted area.
<b>Penalties</b>	1st offence – max. penalty of \$1000 or 6 months jail. 2nd or subsequent offence, max. penalty of \$2000 or 12 months jail. Discretionary seizure of vehicle	The maximum penalty for consumption of liquor is \$500. Confiscation/tip out of liquor	Maximum penalty of \$500. Confiscation/tip out of liquor

**Table 16: Type and number of restricted areas/premises in 2011-12 in comparison with 2010-11**

<b>Type of Alcohol Restricted Areas Declared by Commission</b>	<b>2010-11</b>	<b>2011-12</b>
General	112	112
Public	9	9
Private Restricted Premises (private homes and buildings)	447*	497
<b>TOTAL</b>	<b>568</b>	<b>618</b>

\* Differs from 2010-11 report due to a transcription error.

# Kava Licensing

## HISTORY

Kava is a mood-altering drink prepared from the crushed root of the pepper plant. Widely used in South Pacific countries in a ceremonial context, it was first introduced into the Arnhem Land area of the Territory in the early 1980s and was readily adopted in most coastal and island communities across the Top End. Within a decade, over-use of kava in Aboriginal communities was causing concern amongst health professionals and others. Kava acts as a sedative, and its long-term heavy use was linked to emerging community apathy and dysfunction.

## LEGISLATION

The *Kava Management Act* came into effect in 1998. The *Kava Management Act* prohibits the possession of kava outside a declared licence area except in accordance with a licence.

## KAVA LICENCE AREAS AND KAVA LICENCES – AUSTRALIAN GOVERNMENT INTERVENTION

In June 2007 the Australian Government in conjunction with its intervention into the Northern Territory triggered by the *Little Children are Sacred Report*, imposed severe restrictions on the importation of kava to Australia. Commercial quantities of kava can now only be imported for pharmaceutical or research purposes.

Whilst provisions for licensing of kava still exist within the *Kava Management Act*, the impact from the changes made to import restrictions has resulted in the cessation of the regulated trade of kava in the Northern Territory.

Since the restrictions were imposed, there has been a substantial increase in the sale of black market kava in the Northern Territory.

The Commission powers under the *Kava Management Act* are retained for the disposal of all property, including vehicles and kava seized under the Act.

**Table 17: Vehicles seized with kava and kava destroyed during 2011-12 in comparison with 2010-11**

	2010-11	2011-12
Vehicles not returned to applicant and approved for destruction or tender by Chairman	7	5
Vehicles returned to applicant by Minister	8	3
Matters still outstanding	9	11
Order of destruction for kava by Chairman	10	25
Seized kava destroyed (kilos)	1,500	2,207

# Gaming Machine Licensing

## LEGISLATION

The principal functions of the Commission pursuant to the *Gaming Machine Act* are:

- determination of applications for all gaming machine licences;
- determination of the number of gaming machine licences;
- approval of tenders for the supply of gaming machines and games contained therein;
- issue of 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 casinos.

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

- promote the responsible operation and use of gaming machines, ensure the probity 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.

## RESPONSIBLE OPERATION AND USE OF GAMING MACHINES

A Code of Practice for Responsible Gaming was developed by a working party consisting of government, industry and social service providers as a measure to promote the responsible operation and use of gambling facilities. Adoption of the code began on a voluntary basis and was gazetted and became mandatory in June 2006.

## PROBITY AND INDUSTRY PARTICIPANTS

In order to ensure the probity and integrity of the gaming machine industry, the Director of Licensing conducts extensive probity checks and financial assessments of all applicants for gaming machine licences which are referred to the Commission. The Commission must be satisfied as to the suitability of every applicant. Probity checks include a fingerprint search and criminal history check. All persons employed in the industry, including machine managers and repairers of gaming machines require licences.

## COMMUNITY IMPACT

Amendments to *Gaming Machine Act* in September 2004 provided a greater focus on harm minimisation and introduced the need for applicants to submit a community impact analysis with their gaming machine licence application.

The Act requires that the community impact analysis must enable the Commission to assess:

- The suitability of the premises in relation to the size, layout and facilities for the proposal;
- The suitability of the premises in relation to whether or not the primary activity of the premises is that of a hotel or club;
- The suitability of the proposed location, having regard to the population of the area, the proximity to other gaming venues and the proximity to sensitive areas;
- The appropriateness of problem gambling risk management and responsible gambling strategies; and
- The economic impact of the proposal.

When assessing the community impact, the Commission must also take into account any submissions made by the community.

## COMMUNITY CONTRIBUTION

Clubs with gaming machines are required to contribute to their neighbourhood amenity and report thereon to the Director of Licensing. Contributions towards the development of a club's neighbourhood may take various forms including improvements to the club's facilities and services and donations to local community, recreational or service organisations.

Gaming machine Licensees holding a liquor licence other than a club licence are subject to a community benefit levy, assessed on the basis of a prescribed percentage of gross profit. The Community Benefit Fund receives the levy and funds are disbursed by the Community Benefit Committee.

### GAMING MACHINES CAP

In July 2008, the then Minister for Racing, Gaming and Licensing announced that the number of gaming machines able to operate in the Territory would be capped at 1190. When announcing the cap, the Minister advised that a trading scheme would be developed whereby hotels and clubs could purchase gaming machine entitlements from within the existing pool. The matter is now with Government to devise an appropriate trading model for the Northern Territory.

### 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

**Table 18: Gaming machine distribution in the southern and northern regions for 2011-12 in comparison to the 2010-11 period**

Gaming Machine Distribution		In Clubs	In Hotels	TOTAL
2010-11	Northern Region	577	350	927
	Southern Region	181	78	259
	TOTAL	758	428	1186
2011-12	Northern Region	572	350	922
	Southern Region	181	78	259
	TOTAL	753	428	1181

### 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 2011-12, the average gross profit per machine per day was \$144.78 compared to \$144.49 in 2010-11. Gaming machine gross profit has increased by 0.2% to \$62.674 million in 2011-12, up from \$62.550 million in 2010-11.

**Table 19: Machine numbers, gross profits and tax paid by clubs in 2011-12**

Name of Club	Number of Approved Machines	Gross Profit (\$)*	Gaming Tax (\$)
Alice Springs Golf Club	8	3,233	580
Alice Springs Memorial Club Inc	45	965,955	226,144
Alice Springs RSL Club	24	66,647	11,726
Alyangula Golf Club	8	98,298	13,000
Alyangula Recreation Club	15	675,211	142,691
Buff Club	16	619,893	130,018
Casuarina All Sports Club	45	5,941,640	2,177,558
Cazalys Palmerston	45	5,147,746	1,836,898
Club Eastside	14	574,265	119,564
Darwin Bowls and Social Club	3	30,769	3,972
Darwin Golf Club	13	133,285	19,584
Darwin North RSL Services Club	6	53,835	6,950
Darwin RSL Services And Social Club	30	1,281,114	294,040
Darwin Sailing Club	10	55,790	7,202
Darwin Trailer Boat Club	10	206,529	35,316
Gillen Club	45	1,901,409	493,754
Gove Country Golf Club	12	116,839	18,998
Humpty Doo & Rural Area Golf Club	10	144,584	22,353
Jabiru Sports & Social Club	17	749,587	159,730

Name of Club	Number of Approved Machines	Gross Profit (\$)*	Gaming Tax (\$)
Katherine Club	45	1,708,121	430,143
Katherine Country Club	35	2,134,800	577,068
Katherine Sports & Recreation Club	19	647,951	136,439
Nightcliff Sports Club	22	1,451,846	346,378
Palmerston Golf & Country Club Inc	22	484,924	99,096
Palmerston Sports Club	45	5,002,130	1,774,414
PINT Club	24	629,936	132,318
Sporties Club Inc	16	403,868	80,526
St Marys Football Sporting and Social Club	30	737,547	156,972
Tennant Creek Bowling Club Inc **	4	47	6
Tennant Creek Memorial Club Inc	25	1,410,707	343,414
The Arnhem Club	45	3,352,275	1,066,461
Tracy Village Social & Sports Club	45	4,322,085	1,482,607
<b>TOTAL</b>	<b>753***</b>	<b>41,052,835</b>	<b>12,345,926</b>

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

\*\* The Tennant Creek Bowling Club was unable to trade for most of 2011-12 due to an inability to obtain the services of licensed repairers to maintain their gaming machines.

\*\*\* The number of approved gaming machines has decreased by 5 due to the dissolution of the Darwin Rugby League  
Note: Columns may not add due to rounding.

**Table 20: Gaming Machine details in hotels for 2011-12**

Name of Hotel	Number of Approved Machines	Gross Profit (\$)*	Gaming Tax (\$)	Community Benefit Levy (\$)
Aileron Roadhouse	4	7,864	1,015	786
Airport Hotel	10	1,157,917	257,148	115,792
Ayers Rock Resort Residents Club	3	21,754	2,808	2,175
Barkly Homestead	5	-	-	-
Beachfront Hotel	10	865,263	186,232	86,526
Corroboree Park Tavern	10	90,445	11,796	9,045
Dowlings Parap Village Tavern	10	1,057,121	232,040	105,712
Ducks Nuts Bar & Grill	10	237,005	43,298	23,700
Gapview Resort Hotel	10	302,350	57,268	30,235
Globetrotters Lodge	10	365,825	71,811	36,583
Goldfields Hotel	10	300,022	56,735	30,002
Heavitree Gap Tavern	10	219,749	38,344	21,975
Hibiscus Tavern	10	1,251,646	285,794	125,165
Hidden Valley Tavern	10	546,907	113,296	54,691
Howard Springs Tavern	10	723,562	153,768	72,356
Humpty Doo Hotel Motel	10	698,968	148,133	69,897
Humpty Doo Tavern	10	1,312,295	300,789	131,229
Katherine Hotel	10	631,280	132,626	63,128
Kitty O'Sheas Irish Bar - Cafe and Nightclub - KO Bar	10	567,689	118,057	56,769
Litchfield Hotel	10	415,904	83,283	41,590
Mataranka Hotel	10	235,319	41,912	23,532
Monsoons	10	659,260	139,036	65,926
Noonamah Tavern	10	330,683	63,759	33,068
Palmerston Tavern	10	684,454	144,808	68,445
Pine Creek Hotel	10	442,755	89,435	44,275
Plaza Karama Tavern	10	1,398,636	329,241	139,864

Name of Hotel	Number of Approved Machines	Gross Profit (\$)*	Gaming Tax (\$)	Community Benefit Levy (\$)
Quality Hotel Frontier Darwin	10	857,357	184,420	85,736
Rum Jungle Motor Inn	10	96,868	13,116	9,687
Rum Jungle Tavern	10	431,986	86,968	43,199
Shenannigans Irish Pub	10	660,867	139,405	66,087
Squires Tavern / The Time Nightclub	10	436,692	88,046	43,669
Stuart Hotel	10	323,888	62,203	32,389
Tennant Creek Hotel	10	187,964	31,434	18,796
The Arch Rival Bar & Grill	10	451,275	91,387	45,128
The Cavenagh	10	353,583	69,260	35,358
The Deck Bar	10	203,509	34,817	20,351
The Fox Ale House	10	150,569	23,213	15,057
The Victoria Hotel	10	26,317	4,029	2,632
Threeways Roadhouse	6	5,910	802	621
Todd Tavern	10	404,526	80,677	40,453
Top End Hotel	10	557,275	115,672	55,728
Town & Country Tavern	10	236,134	45,098	23,613
Virginia Tavern	10	560,430	116,394	56,043
Walkabout Tavern	10	603,983	126,372	60,398
Winnellie Hotel	10	546,954	113,307	54,695
<b>TOTAL</b>	<b>428</b>		<b>4,529,056</b>	<b>2,162,106</b>

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

Note: Columns may not add due to rounding.

Barkly Homestead recorded nil activity in 2011-12 as machines were not operating due to inability to secure cost-effective maintenance.

# Private Security Licensing

The *Private Security Act* provides for the licensing and regulation of security providers and crowd controller. There are three following categories of security providers and security firm licence:

- Crowd controller
- Security officer
- Security firm

Crowd controllers are usually employed at licensed premises, places of entertainment, and sporting events and concerts. Private security officers are normally employed to care of property, such as performing duties of bank guards, payroll escorts and undertaking security patrols of offices, shops, car yards and shopping centres. Persons can hold dual Crowd Controller and Security Officer licences.

The majority of licence approvals are delegated to the Director of Licensing. Licence applications are referred to the Commission in cases where the grant or refusal of a licence is outside the scope of the Director's authority or whether the application is contentious.

Applications are automatically refused where applicants have disqualifying offences and are often refused if the applicant has committed crimes of violence at any level or drug-related offences. The Commission has broad powers to impose conditions on licences including reporting, training or employment requirements.

The grant of a licence may be valid for up to three years. A licence renewal may not be refused without the applicant being given an opportunity to show cause against the refusal. Appeal rights exist to the Local Court where disqualifying offences apply, which has a wider discretion to grant licences than the Commission. During the 2012 year there were two appeals against a Commission decision not to grant a dual Crowd Controller and Security Officer licence, both involving unspent convictions. The Magistrate in one appeal granted the Security Officer licence but not a Crowd Controller licence. In the other appeal, a dual licence was appointed by the Magistrate.

## PRIVATE SECURITY LICENSING HEARING DECISIONS

Table 21: Commission Hearings relating to Private Security Licensing

Nature of Hearing	Decision Date	Decision
Complaints pursuant to Section 53A <i>Private Security Act</i>	01/07/2011	1 month suspension
Complaints pursuant to Section 53A <i>Private Security Act</i>	01/07/2011	Suspended indefinitely
Complaint pursuant to Section 53A <i>Private Security Act</i>	01/07/2011	Licence cancelled
Complaints pursuant to Section 53A <i>Private Security Act</i>	04/07/2011	Fine \$1,000
Application for Crowd Controller Licence	29/12/2011	Refused
Two complaints pursuant to Section 53A <i>Private Security Act</i>	04/01/2012	Fine \$300. Dismissed
Cancellation of Dual Licence	27/01/2012	Licence cancelled
Complaint pursuant to Section 53A <i>Private Security Act</i>	31/01/2012	6 month suspension
Consideration of whether a Review of previous decision required	06/02/2012	Conduct Review
Complaint pursuant to Section 53A <i>Private Security Act</i>	13/02/2012	Fine \$300
Application for dual Crowd Controller/Private Security Licence	01/03/2012	Refused
Complaints pursuant to Section 53A <i>Private Security Act</i>	12/03/2012	12 month suspension
Complaints pursuant to Section 53A <i>Private Security Act</i>	24/04/2012	Proven. Penalty submissions to be provided
Complaint pursuant to Section 53A <i>Private Security Act</i>	30/04/2012	Suspended indefinitely and adjourned
Complaint pursuant to Section 53A <i>Private Security Act</i>	08/05/2012	Dismissed
Penalty	28/06/2012	6 months suspension (three months suspended) Crowd Controller Licence only

## PROVISION OF COMPLAINTS

The *Private Security Act* provides a formal complaint process, enabling any person to lodge a complaint against a security provider. The Commission determines such complaints, with penalties ranging from a reprimand or fine to suspension or cancellation of licence where the Licensee is no longer considered an appropriate person within the criteria provided by that Act. The Licensee is generally given the opportunity to show cause against a proposed suspension or cancellation, unless the Commission is satisfied that immediate suspension is required in the public interest. If a Licensee is charged with a disqualifying offence, the Commission may immediately suspend their licence, pending determination of the charge by the appropriate court.

Following the consideration of legal advice the Commission determined to publish penalty decisions for persons licensed under the *Private Security Act*. Such publication is considered in the public interest and a deterrent to breaches of licence conditions. The most common complaint against licensed persons is the use of undue force in carrying out crowd controller duties.

The number of complaints lodged against Licensees for over zealous restraint and force is of concern to the Commission and such cases appear to be increasing. Published decisions can be viewed at <http://www.nt.gov.au/justice/commission/decisions>

## LICENCE NUMBERS

The Act requires a Crowd Controllers' Register and a Security Officers' Register to be maintained listing all full licence and provisional licence holders. A full licence holder will have completed an approved training course. Provisional licence holders generally obtain the qualification required to become a fully licensed officer during the provisional period of three months. A provisional licence may be issued to an applicant on the basis that he or she attends an approved training course and on the condition that they are supervised at all times while on duty.

No licence is issued prior to an applicant undergoing a detailed criminal record check.

## PRIVATE SECURITY LICENCES

**Table 22: Private security licences in force as at 2011-12 in comparison with 2010-11**

Licence Type	2010-11	2011-12
Dual security/crowd controller	1,568	1,537
Sole crowd controller	102	112
Sole private security officers	236	225
Security firm	79	79
<b>TOTAL</b>	<b>1,985</b>	<b>1,953</b>

## MUTUAL RECOGNITION

Section 17 of the *Mutual Recognition Act* (Commonwealth) requires the Commission 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 for mutual recognition would not otherwise qualify for a licence under the Territory legislation, particularly where such an applicant would be automatically disqualified from obtaining a licence under the *Private Security Act* on the basis of an unacceptable criminal record. In the latter cases, the Commission has issued the licence as required by the *Mutual Recognition Act*, then taken immediate action under the *Private Security Act* to challenge what is then a local licence.

**Table 23: Licences issued under the *Mutual Recognition Act* in 2011-12 in comparison to 2010-11**

Licence Type	2010-11	2011-12
Crowd Controller	9	12
Security Officer	22	20
Dual Licence	189	154
<b>TOTAL</b>	<b>220</b>	<b>186</b>

# Escort Agency Licensing

The Commission determines licences applications for the operators and managers of escort agencies. While no formal complaint process is provided by the *Prostitution Regulation Act*, in practice the Commission gives the applicant the opportunity to attend any licence application inquiry.

The Commission interviews all applicants for new licences in order to assess their suitability to hold a licence. People with previous sexual, violent or drug-related offences may be ineligible to hold a licence or held to be unsuitable by the Commission, depending on the offence. Licences are subject to annual renewal.

There are three Escort Agency Operators' Licences and one Escort Agency Manager Licences current as at 30 June 2012.

# Totalisator Licensing

There is only one totalisator licence in operation in the Northern Territory, UNITAB.

From time to time the Commission approves additional or substituted totalisator agencies.

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

No complaints were received during 2011-12.

Throughout the Northern Territory there are 56 TAB outlets, consisting of 9 agencies, 44 club/pub licensed outlets and 3 on-course TAB outlets.

**Table 24: On-course and Off-course Wagering Turnover Figures for 2011-12 by comparison with 2010-11**

Wagering turnover	2010-11 \$M	2011-12 \$M
On-course	17.151	12,989
Off-course	118.570	124,372
<b>*TOTAL</b>	<b>135.721</b>	<b>137.361</b>

\* Further details of taxation raised are contained in Northern Territory Treasury's annual report ([www.nt.gov.au/ntt/annual\\_report.shtml](http://www.nt.gov.au/ntt/annual_report.shtml))

# Tobacco Licensing

The Commission's role under the *Tobacco Control Act* is limited to reviewing refusals of the Director of Licensing to grant, transfer or vary a licence, and decisions of the Director of Licensing suspending or cancelling a licence. Section 41 of the *Tobacco Control Act* requires reviews to be conducted in accordance with Part 4 of the *Northern Territory Licensing Commission Act*, which mandates a fair and expeditious manner of hearing and proper consideration of the issues.

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

# Racing and Betting

## FUNCTIONS OF COMMISSION

The principal functions of the Commission pursuant to the *Racing and Gaming Act* are:

- investigate and make to the Minister such recommendations as it thinks fit with respect to such matters relating to the administration or operation of this Act, or
- as are referred to it by the Minister for investigation or as it from time to time thinks fit;
- control, supervise, regulate and develop trotting and greyhound-racing;
- grant licences and permits in accordance with this Act;
- define the duties and functions of a person employed as a key employee;
- allot race days for such period or periods as it thinks fit to registered clubs;
- prosecute persons for offences against this Act;
- adjudicate disputes between Sports bookmakers and clients; and
- determine Sports Bookmaker licence conditions and governance requirements.

In performing its functions, the Commission must have regard to the following principles:

- minimum regulatory intervention by government;
- maximum co-operation between industry and government;
- performance-based risk management controls;
- proactive and competitive industry positioning;
- long-term viability of the racing industry;
- a balanced approach to problem betting.

## POWERS OF COMMISSION

Subject to this Act, the Commission has power to do all things that are necessary or convenient to be done for or in connection with or incidental to the performance of its functions and the exercise of its powers.

Without limiting the generality of subsection (1), the Commission may, in the performance of its functions and the exercise of its powers, including powers or functions conferred on it elsewhere in this or any other Act:

- investigate any matter referred to it by the Minister and report to the Minister thereon;
- subject to the approval of the Minister, enter into contracts;
- do all such things as it considers necessary or desirable for the proper regulation and control, in the interests of the public, of betting by and with bookmakers or by means of a totalisator conducted in pursuance of a licence granted under section 111;
- do all such acts and things as it considers necessary or desirable for the proper regulation and control, in the interests of the public, of bookmakers, horse-racing, trotting and greyhound-racing; and
- do anything incidental to any of its powers.

The Commission may make rules providing for the custody of its property and the form and use of its common seal.

## PROMOTE PROBITY AND INTEGRITY IN RACING AND BETTING IN THE TERRITORY

The Racing Commission monitors the thoroughbred industry's Principal Club activities, and oversees the activities of the greyhound industry, through the Department's Chief Steward.

A major function is the licensing of bookmakers, both on course bookmakers and sports corporate bookmakers. For on course bookmakers, key employees must hold a permit or licence issued by the Commission.

The Commission also monitors and control activities of the all registered and licensed bookmakers in the Northern Territory.

In order to ensure the probity and integrity of the racing industry, the Commission, through Departmental staff, conducts extensive probity checks and financial assessments of all applicants

in the wagering industry. Probity checks include fingerprint criminal history checks for key persons employed in the industry. The Commission must be satisfied as to the suitability of every applicant.

The Commission also licences certain persons engaged in the greyhound industry, pursuant to the Greyhound Racing Rules.

#### Bookmakers: Sports and On Course

The Commission, through Departmental staff, ensures all wagering systems, used by bookmakers, are fully evaluated before approval to ensure compliance with requirements. They are regularly monitored through risk based and on-site assessment to ensure continued compliance.

The Commission determines disputes and complaints in a timely manner. Significant disputes referred to the Commission are adjudicated and formal reasons for decision handed down. Copies of Decision can be found on the Racing Commission website [http://www.nt.gov.au/justice/racingcommission/racing\\_decisions.html](http://www.nt.gov.au/justice/racingcommission/racing_decisions.html)

#### Reduce Adverse Social Impact of Betting

From 1 January 2010, the Government replaced the Northern Territory's current corporate bookmaker turnover tax with a tax based on gross wagering profits. The Government has capped the tax each Corporate bookmaker has to pay at a maximum of \$250,000.

**Table 25: Turnover and related tax for licensed bookmakers for 2011-12 in comparison to 2010-11**

Category	Turnover (\$M)			Category	Taxes (\$M)		
	2010-11	2011-12	% Change		2010-11	2011-12	% Change*
Racing	4,068	4,224	3.83	Gross Profit	2.218	2.350	5.95
Sports	1,474	1,507	2.24	Turnover	0.024	0.022	-8.33
<b>TOTAL</b>	<b>5,542</b>	<b>5,731</b>	<b>3.41</b>		<b>2.242</b>	<b>2.372</b>	<b>5.80</b>

**Table 26: Total number of Licensed Bookmakers for 2010-11 in comparison to 2009-10 period.**

Bookmakers operating in the NT	2010-11		2011-12	
No of Corporate Bookmakers	13	13	12	13
No of On-Course Bookmakers	36	36	38	38
<b>TOTAL</b>	<b>49</b>	<b>49</b>	<b>50</b>	<b>51</b>

'Licensed' refer to how many bookmakers were licensed as at 30/6/12.

'Operated' includes bookmakers who operated throughout the year but ceased to be operational as at 30/6/12.

#### DISPUTE DATA

During the year, the Commission formalised complaint procedures and established guidelines for the adjudication of disputes between clients and Sports Bookmakers.

While Departmental Officers investigate and resolve minor complaints, the major complaints, or those of substantial public interest, are referred to the Commission for determination. The Commission, at its discretion, publishes such determinations in the public interest.

In 2011-12, of the 173 complaints received, 7 were referred to the Commission and resulted in published decisions.

Complaint Outcomes:	2010-11	2011-12
Determined as bookmaker not in error	108	83
Client complaint upheld	13	3
Settled to satisfaction of both parties	72	70
Not within Northern Territory jurisdiction	4	1
Liquidator Registered Disputes	0	16*
<b>TOTAL</b>	<b>197</b>	<b>173</b>

\* During the 2011/12 year, MyBetShop went into voluntary liquidation and contested client claims for outstanding funds are included in this category.