

Director-General of Licensing Annual Report 2017-18

Director-General of Licensing

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Dear Attorney-General and Minister for Justice

In accordance with section 19 of the *Licensing (Director-General) Act*, I am pleased to present, for your information and presentation to the Legislative Assembly, the Annual Report of the Director-General of Licensing for the financial year ended 30 June 2018.

The Annual Report has been prepared in accordance with the provisions of section 19(1) of the *Licensing (Director-General) Act*.

Yours sincerely



Cindy Bravos
Director-General of Licensing

24 September 2018

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Overview

The Director-General of Licensing (Director-General) is an independent statutory appointment established under section 5 of the *Licensing (Director-General) Act* with extensive powers to regulate the Northern Territory liquor, private security and gaming industries, as well as other matters through related licensing legislation.

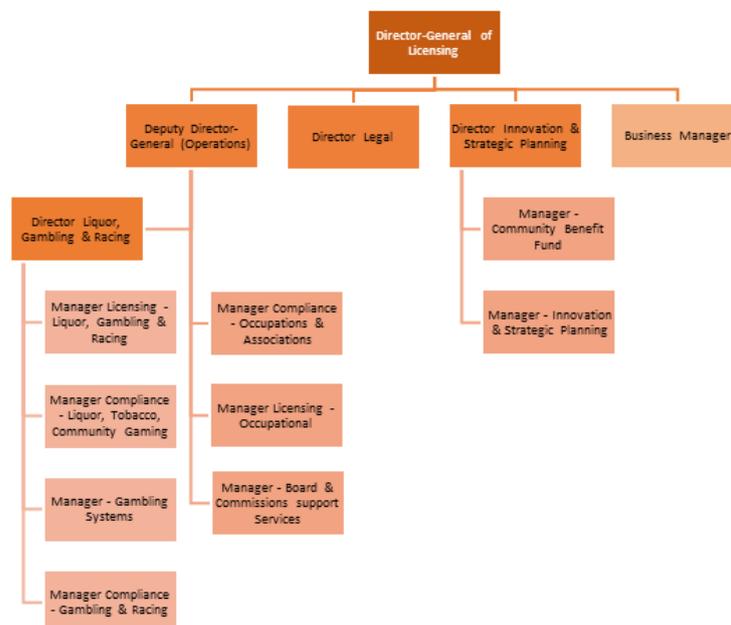
The Act also provides for the Director-General to delegate those powers and functions under relevant legislation. Delegate decisions are able to be reviewed by the Director-General under the *Licensing (Director-General) Act* and either confirmed or replaced, creating a more efficient and transparent decision-making process.

The Northern Territory Civil and Administrative Tribunal (NTCAT) is able to review decisions made by the Director-General, ensuring consistency, transparency and integrity in decision making processes.

The Director-General has responsibility for matters in accordance with the requirements of the following legislation:

- *Licensing (Director-General) Act*
- *Liquor Act*
- *Gaming Control Act* (except provisions about taxes and levies)
- *Gaming Machine Act* (except provisions relating to tax and levies)
- *Kava Management Act*
- *Private Security Act*
- *Prostitution Regulation Act*
- *Racing and Betting Act*
- *Tobacco Control Act* (provisions about smoking in liquor licensed premises, licensing and enforcement)
- *Totalisator Licensing and Regulation Act* (except provisions about wagering tax).

Administrative support for the functions of the Director-General of Licensing is provided by Licensing NT.



Activities of the Director-General

1. Liquor

Liquor in the Northern Territory is regulated under the *Liquor Act*. The primary objective of the *Liquor Act* is to regulate the sale, provision, promotion and consumption of liquor so as to minimise the harm associated with the consumption of liquor and in a way that takes into account the public interest in respect of a licence or licensed premises.

The *Liquor Act* requires any person exercising a power or performing a function under the *Liquor Act* to take into account the primary and further objects of the *Liquor Act* which are to protect and enhance community amenity, social harmony and wellbeing through the responsible sale, provision, promotion and consumption of liquor; to regulate the sale of liquor in a way that contributes to the responsible development of the liquor and associated industries in the Territory and to facilitate a diversity of licensed premises and associated services for the benefit of the community.

On 27 October 2017, the Liquor Regulations were amended to introduce a policy direction to the Director-General which required that consideration be given to the Government's moratorium policy that no new takeaway licences be issued for 2 years when considering an application for liquor licences which sought authority to sell liquor for consumption away from the premises. A five year moratorium on the issue of new takeaway liquor licences was subsequently enshrined in the *Liquor Act* in February 2018. No new liquor licences were issued between 27 October 2017 and 28 February 2018 which authorised the sale of liquor for consumption away from the premises.

In February 2018, the *Liquor Act* was also amended to expand the public interest considerations established in section 6 to include a community interest test, with the Minister empowered to approve community impact test guidelines.

On 28 February 2018, the Northern Territory Liquor Commission was established, and as a result of consequential amendments made to the *Liquor Act*, the Director-General was no longer required to make decisions on liquor licence applications, but is now required to refer applications to the Liquor Commission for decision.

The effect of the amendments are that whilst various powers and authorities are now vested in the Liquor Commission, the Director-General remains independently responsible for a number of matters. These matters include determining whether it is in the public interest to require applications to be advertised, to receive and investigate complaints, to determine complaint matters and issue warning letters and infringements arising from complaints which do not warrant disciplinary action and also, accepting applications in relation to general and public restricted places including undertaking consultation in relation to those applications, and the issue of permits.

1.1. Public Hearings

Public hearings were not mandated or required by the *Liquor Act* prior to 28 February 2018 however, to enhance transparency in decision making processes, on 3 February 2017, I issued a Guideline pursuant to section 125A of the Act which provided for public hearings to be held in relation to certain applications and complaint matters.

Public hearings provided interested parties in relation to liquor licensing matters with the opportunity to expand on written submissions or objections, or to discuss inquiry issues in a

public forum. Any organisation or person could attend a hearing, either to speak to a submission or objection, or to simply observe the proceedings. The following table relates to matters which were considered and determined by me or by a delegate between 1 July 2017 and 28 February 2018 and which were dealt with in accordance with the Public Hearing Guideline issued in February 2017.

Following the establishment of the Liquor Commission on 28 February 2018, and subsequent changes to the *Liquor Act*, applications relating to liquor licences were referred to the Liquor Commission for consideration and determination.

Table 1: List of matters that were dealt with by the Director-General in a Public Hearing during 2017-2018

Licensee/Applicant	Matter	Date Held	Outcome
Opium	Complaint – Contravention of s106B(1) of the <i>Liquor Act</i>	11/07/17	Complaint dismissed pursuant to s68(5)(a)(ii). Although grounds existed for making the complaint, it did not warrant any further action to be taken.
Mataranka Supermarket	Complaint – Contravention of s110 of the <i>Liquor Act</i>	10/08/17	Complaint substantiated. Infringement Notice issued with reference to Regulation 7A(2) of the <i>Liquor Regulations</i> , a penalty of five (5) penalty units (\$770) was imposed.
One Mile Brewery	Application for a permanent variation of Liquor Licence conditions	26/09/17	Licence conditions varied and amended for restricted on licence hours and volume per person.
Alyangula Golf Club	Complaint – Contravention of s102 and s112 of the <i>Liquor Act</i>	19/12/217	Complaint substantiated. Infringement Notice issued with reference to Regulation 7A(2) of the <i>Liquor Regulations</i> , a penalty of seven (7) penalty units (\$1078) was imposed.
The Chipipo	Complaint – Potential breach of s67(3)(h), 67(3)(i), and 67(3)m of the <i>Liquor Act</i>	21/11/17	Complaints substantiated and finding that the former licensee was not a fit and proper person to hold a liquor licence or to be the manager for a liquor licence. The former licensee was issued with a formal warning pursuant to s68(5)(b)(ia) and a copy retained should the former licensee make application for a liquor licence in the future.

Licensee/Applicant	Matter	Date Held	Outcome
Hotel Darwin	Application for a permanent variation of Liquor Licence conditions	09/11/17	Licence conditions amended to allow trade for on premises consumption on Good Friday and Anzac Day with special conditions.
The PINT Club	Complaint – Noise	22/11/17	Complaint substantiated and determination made to take disciplinary action – licence conditions amended in accordance with section 67(2)(b) of the Act. Warning issued to the Nominee and Management Committee.
The PINT Club	Application for a permanent variation of Liquor Licence conditions	08/12/17	Application refused.
Austin Lane Social Club	Application for the grant of an On-Premise Liquor Licence	26/10/17	Liquor Licence granted with some special conditions ¹ .
Horizen Café	Application for a permanent variation to Liquor Licence conditions	14/11/17	Determination to extend the licensed area to include the 16 th floor for pre-booked functions between 10.00 am and 1.00 am the following day.
Katherine Hotel	Complaint – Potential breach of s67(3)(m)(i) of the <i>Liquor Act</i> .	07/02/2018	Delegate Decision – Complaint substantiated and determination made to take disciplinary action in accordance with s68(5)(b)(i) of the Act. Notice of intention to impose additional conditions on the licence to restrict amplified music in the Garden Bar on specified days however, prior to imposition of sanction, the matter was referred to the Liquor Commission for disciplinary action ² .
The Chippo	Application for grant of a Liquor Licence	n/a	Application withdrawn prior to Public Hearing.
Jingili Foodland	Complaint – Contravention of	25/01/2018	Complaint substantiated that the licenced premises was no

¹ On 24 November 2017 the decision was reversed as there was no premises from which the licence could be operated.

² The complaint proceedings were affected by transitional provisions which were part of the amendments to the *Liquor Act* which commenced on 28 February 2018. Whilst the intended disciplinary action had been determined, it had not been implemented and the matter was required to be referred to the Liquor Commission for determination in accordance with s170 of the *Liquor Act*.

Licensee/Applicant	Matter	Date Held	Outcome
	s67(3)(g)(i) of the <i>Liquor Act</i>		longer being used for the sale or supply of liquor. Licence cancelled.
Timber Creek Hotel	Complaint - Potential breach of s106B(1) and 106CA(1)(a) & (b) of the <i>Liquor Act</i>	06/02/2018	Delegate Decision - Complaint substantiated and determination made to take disciplinary action in accordance with s68(5)(b)(i) of the Act. Notice of intention to suspend the licence for two (2) days with the sanction to be suspended for 12 months was notified in accordance with s69(2) of the Act however, prior to the imposition of sanction, the matter was referred to the Liquor Commission for disciplinary action ³ .

1.2. New liquor licences issued by the Director-General

During the reporting period eight (8) new liquor licences were issued by the Director-General (or delegate), five (5) of which were for cafés/ restaurants, one (1) hotel, one (1) on-licence and one (1) store. A further three (3) licences were issued by the Liquor Commission and information regarding these can be found in the Liquor Commission Annual Report.

Table 2: New liquor licences issued by the Director-General and trading as at 30 June 2018

Premise	"Business Model"	Location	Date Issued
Zuccoli IGA Fresh	Store	Zuccoli	20/07/2017
Barrel and Cruze Bistro	Restaurant	Katherine	25/07/2017
Spice Garden	Restaurant	Nightcliff	03/08/2017
Godinymayin Yijard Rivers Arts & Culture Centre	On Licence	Katherine	16/08/2017
Riva Café Restaurant Bar	Restaurant	Bellamack	11/09/2017
Hale River Homestead	Private Hotel	Hale River (via Alice Springs)	20/09/2017
Good Thanks	Restaurant	Darwin City	20/09/2017
The Coffee Club Gateway	Restaurant	Palmerston	24/11/2017

³ The complaint proceedings were affected by transitional provisions which were part of the amendments to the *Liquor Act* which commenced on 28 February 2018. Whilst the intended disciplinary action had been determined, it had not been implemented and the matter was required to be referred to the Liquor Commission for determination in accordance with s170 of the *Liquor Act*.

The process of applying for a liquor licence requires the applicant to provide the Director-General materials that satisfy the requirements of the *Liquor Act* including considerations as to the suitability and need for the licence and, the appropriateness of the applicant to be a licensee. An applicant must also disclose all persons who would be in a position to exert influence or derive a benefit from the licence. These people are then subjected to a rigorous probity examination including criminal history checks and fitness to be involved in the sale of liquor.

The *Liquor Act* requires that a notice of applications for the grant of a liquor licence are published. Ordinarily, this involves advertisements in relevant newspapers as well as a notice at the proposed premises which must be displayed for a period of 30 days. Advertisements will include details of the application as well as the type of licence being sought and any relevant conditions. The Northern Territory Police, the Northern Territory Fire and Rescue Service, the Department of Health and relevant local authorities or councils are also informed of the application.

Public notification of the application allows a person who works or resides in the neighbourhood or who owns or leases land in the neighbourhood as well as agencies that perform functions related to public amenities including health, education and public safety to be aware of the application that has been made. Should any of these persons or organisations have concerns that the granting of the licence will adversely affect the amenity of the neighbourhood or the health, education, public safety or social conditions in the community, they may lodge an objection to the application for consideration along with the application.

Prior to the establishment of the Liquor Commission, any objections received in relation to an application, and any responses provided by the applicant to the objections were considered by the Director-General when determining an application. Additional information to ensure proper assessment of an application could be sought by the Director-General.

After considering all materials in relation to an application, the Director-General was required to issue the licence under any conditions determined appropriate or, to refuse to grant the licence. Once an application was determined, a decision notice was required to be issued to all affected persons, including the applicant and any person who lodged an objection.

The establishment of the Liquor Commission saw the role of the Director-General change such that it is to facilitate the application process, through the publication of notices of an application where necessary, notification to required stakeholders, provision of objections to the applicant for response and ultimately, referral of the application to the Liquor Commission for consideration and determination.

The number of liquor licences active as at 30 June 2018 was 541 compared to 538 the previous year. Eight (8) licences were cancelled or surrendered during the year due to non-trading.

Table 3: Liquor licences issued by the Director-General (or delegate) and non-trading as at 30 June 2018 (venues under construction)

Premise	"Business Model"	Location	Date issued
Darwin Turf Club – Fannie Bay Racing & Sporting Club *	Club	Fannie Bay	23/12/2016
Coolalinga Village Tavern *	Tavern Licence	Coolalinga	05/06/2017

* these licences were issued in the 2016/2017 reporting period

1.3. Director-General referrals to the Northern Territory Liquor Commission

Between 28 February 2018 and 30 June 2018, the Director-General referred five (5) applications for new liquor licences to the Liquor Commission for consideration, three (3) of which were issued. Further information regarding the outcome of these applications can be found in the Liquor Commission Annual Report.

1.4. Liquor decision notices issued by the Director-General

A number of decisions made under the *Liquor Act* require a decision notice to be issued by the decision maker, whether that be the Liquor Commission, the Director-General or a delegate. A decision notice is a written notice setting out, among other things, the decision made and the reasons for that decision.

Table 4 provides a synopsis of the decision notices issued under the *Liquor Act* by the Director-General (or delegate) during 2017-18.

Table 4: Director-General (or delegate) liquor decisions made during 2017-18

Date	Nature of Matter	Venue	Decision
11/07/2017	Complaint – Contravention of s106B(1) of the <i>Liquor Act</i>	Opium	Complaint dismissed noting that although grounds existed for making the complaint, it did not warrant any further action to be taken.
05/09/2017	Complaint – Contravention of s110 of the <i>Liquor Act</i>	Mataranka Supermarket	Complaint substantiated. Infringement Notice issued with reference to Regulation 7A(2) of the <i>Liquor Regulations</i> , a penalty of five (5) penalty units (\$770) was imposed.
17/10/2017	Application for permanent variation to liquor licence conditions	One Mile Brewery	Licence conditions amended for restricted on licence hours and volume per person
31/10/2017	Application for the grant of an On-Premise Liquor Licence	Austin Lane Social Club	Liquor Licence granted with some special conditions ⁴ .

⁴On 24 November 2017 the decision was reversed as there was no premises from which the licence could be operated

Date	Nature of Matter	Venue	Decision
11/12/2017	Application for a permanent variation of Liquor Licence conditions	Hotel Darwin	Licence conditions amended to allow trade for on premises consumption on Good Friday and Anzac Day with special conditions.
05/01/2018	Complaint - Potential breach of s67(3)h, 67(3)i, and 67(3)m of the <i>Liquor Act</i>	The Chippo	Complaints substantiated and finding that the former licensee was not a fit and proper person to hold a liquor licence or to be the manager for a liquor licence. The former licensee was issued with a formal warning pursuant to s68(5)(b)(ia) and a copy retained should the former licensee make application for a liquor licence in the future.
31/01/18	Complaint - Potential breach of s67(3)(m)(i) of the <i>Liquor Act</i>	The PINT Club	Complaint substantiated and determination made to take disciplinary action - licence conditions amended in accordance with s67(2)(b) of the Act. Warning issued to the Nominee and Management Committee.
21/02/2018	Complaint - Potential breach of s67(3)(g)(i) of the <i>Liquor Act</i>	Jingili Foodland	Complaint substantiated and accepted that the licenced premises was no longer being used for the sale or supply of liquor. Licence cancelled.
25/02/2018	Complaint - Potential breach of s106B(1) and 106CA(1)(a) & (b) of the <i>Liquor Act</i>	Timber Creek Hotel	Delegate Decision - Complaint substantiated and determination made to take disciplinary action in accordance with s68(5)(b)(i) of the Act. Notice of intention to suspend the licence for two (2) days with the sanction to be suspended for 12 months was notified in accordance with s69(2) of the Act however, prior to the imposition of sanction, the matter was referred to the Liquor Commission for disciplinary action ⁵ .

⁵ The complaint proceedings were affected by transitional provisions which were part of the amendments to the *Liquor Act* which commenced on 28 February 2018. Whilst the intended disciplinary action had been determined, it had not been implemented and the matter was required to be referred to the Liquor Commission for determination in accordance with s170 of the *Liquor Act*.

Date	Nature of Matter	Venue	Decision
27/02/2018	Complaint – Potential breach of s67(3)(m)(i) of the <i>Liquor Act</i> .	Katherine Hotel	Delegate Decision – Complaint substantiated and determination made to take disciplinary action in accordance with s68(5)(b)(i) of the Act. Notice of intention to impose additional conditions on the licence to restrict amplified music in the Garden Bar on specified days however, prior to imposition of sanction, the matter was referred to Liquor Commission for disciplinary action ⁶ .
09/03/2018	Application for permanent variation of liquor licence conditions	The PINT Club	Application refused.
21/03/2018	Application for a permanent variation to Liquor Licence conditions	Horizen Café	Extend licensed area to include 16 th floor for pre-booked functions between 10.00 am and 1.00 am the following day.
03/05/2018	Complaint – Contravention of s102 and s112 of the <i>Liquor Act</i>	Alyangula Golf Club	Complaint substantiated. Infringement Notice issued with reference to Regulation 7A(2) of the <i>Liquor Regulations</i> , a penalty of seven (7) penalty units (\$1078) was imposed.
11/07/2017	Complaint – Potential Breach of s106B(1) of the <i>Liquor Act</i>	Opium	Complaint dismissed pursuant to s68(5)(a)(ii). Although grounds existed for making the complaint, it did not warrant any further action to be taken.
05/09/2017	Complaint – Potential breach of s110 of the <i>Liquor Act</i>	Mataranka Supermarket	Complaint substantiated. Infringement Notice issued with reference to Regulation 7A(2) of the <i>Liquor Regulations</i> , a penalty of five (5) penalty units (\$770) was imposed.
17/10/2017	Application for permanent variation to liquor licence conditions	One Mile Brewery	Licence conditions amended for restricted on licence hours and volume per person

⁶ The complaint proceedings were affected by transitional provisions which were part of the amendments to the *Liquor Act* which commenced on 28 February 2018. Whilst the intended disciplinary action had been determined, it had not been implemented and the matter was required to be referred to the Liquor Commission for determination in accordance with s170 of the *Liquor Act*.

1.5. Licences transferred

The *Liquor Act* enables a licensee to transfer a licence to another person or entity.

The majority of transfers occur as a result of the sale of an operating business where the sale of liquor is permitted as part of the business. Where an application for transfer is made, any existing conditions of the licence remain in place. Where it is sought to vary the conditions as part of the transfer, the new owner must make an application to vary the licence once the transfer has been granted. The transfer is of no effect until authorised by the Director-General. Upon establishment of the Liquor Commission, authority to authorise a transfer of a licence was vested in the Liquor Commission.

The person or entity whose licence is transferred ceases to be a licensee, but remains liable for any breach of the *Liquor Act* or licence contravention committed prior to the transfer.

Unlike an application for a new liquor licence, prior to the February amendments to the *Liquor Act* public notification of a transfer application was not required, and accordingly objections not received or considered in determining an application. However, following amendments to the *Liquor Act* which came into effect in February 2018, notice of transfer applications is now required to be given to the Department of Health, the Commissioner of Police, and the shire or regional council to which the application relates. The same process of probity and appropriateness which applies to the grant of a licence is now required to be applied to the transfer of a licence, and also requires a disclosure of all persons who would be in a position to exert influence or derive a benefit from the licence. These people are also subjected to rigorous probity examinations including criminal history checks and fitness to be involved in the sale of liquor.

The establishment of the Liquor Commission saw the role of the Director-General change in relation to transfer application such that it is now to facilitate the application process through the notification to required stakeholders and ultimately, referral of the application to the Liquor Commission for consideration.

Between 1 July 2017 and 28 February 2018, the Director-General (or delegate) approved 10 liquor licence transfers. In addition to the transfers approved by the Director-General, between 1 July 2017 and 28 February 2018, a number of applications have been made and referred to the Liquor Commission for determination during the remainder of the reporting period.

Table 5: Liquor licences transferred by Director-General (or delegate) in 2017-18

Date	Premise Name
27/07/2017	The Bark Hut Inn
11/08/2017	Salt and Pepper Café
05/08/2017	Rosebery IGA
26/10/2017	Adelaide River Show Society (to Administrator)
01/11/2017	Daly Waters Pub

Date	Premise Name
04/12/2017	Shenannigans Irish Pub
18/12/2017	Darwin Free Spirit Resort
15/01/2018	Mitchelli's Pizza Café
15/02/2018	Viva La Vida/Frankies Pizza
27/02/2018	Zuccoli IGA

1.6. Director-General referrals to the Northern Territory Liquor Commission

Between 28 February 2018 and 30 June 2018, the Director-General referred four (4) applications for transfer of liquor licences to the Liquor Commission for determination. Further information regarding the outcome of these applications referred can be found in the Liquor Commission Annual Report.

1.7. Licence condition variations

A licensee may apply to the Director-General for a variation to the conditions of their licence. Licence variations are sought for a number of reasons including extensions to the licensed area; change to trading hours or days; change of business name and/or change to special conditions which may apply to that licence conditions.

Variations may be on a permanent or temporary basis. Temporary variations are by far the most common application and generally involve an extension of hours or licensed area to cater for a special event. There were 211 temporary variation applications in the 2017-18 year. 203 of these were in the period up to 28 February and a further 8 referred to the Liquor Commission after that time.

Where considered to be in the public interest, the Director-General will require notice of an application for variation of a licence to be published, thereby allowing for public objections. This is more likely to occur when the application is for a permanent variation.

Prior to 28 February 2018, the Director-General would consider the variation application, determine the matter and issue a decision notice. Since the establishment of the Liquor Commission, it is required to determine such matters and the role of the Director-General is to facilitate the application process through notification to the required organisations, collation of all relevant material and referral of the application to the Liquor Commission for consideration and determination.

Between 1 July 2017 and 28 February 2018, the Director-General (or delegate) approved 12 permanent licence variations. In addition to these, a number of variation applications have been made and referred to the Liquor Commission for determination during the remainder of the reporting period.

Table 6: Permanent licence condition variations authorised by the Director-General during 2017-18

Date	Premise	Licence condition variations
05/07/2017	Katherine Country Club	Section 33 by DG – implement KRAG recommendations ⁷
05/07/2017	Katherine Club	Section 33 by DG – as above
05/07/2017	Riverview Caravan Park	Section 33 by DG – as above
05/07/2017	Boab Resort	Section 33 by DG – as above
05/07/2017	5 Rivers Store and Liquor	Section 33 by DG – as above
05/07/2017	Stuart Hotel	Section 33 by DG – as above
05/07/2017	Katherine Hotel	Section 33 by DG – as above
15/0/9/2017	BWS Beer Wine Spirits Katherine	Section 33 by DG – as above
03/08/2017	Lasseters Casino	Provision for off-site catering of private functions
08/08/2017	SKYCITY Casino	Variation to section 104(3)(g) declarations and hours of trade in Sportsbar and Bar 8
10/08/2017	Bar3 / Sinsations	Provision for portable bar
12/12/2017	Hotel Darwin	Allowance of conditional trade on Good Friday and also ANZAC Day

1.8. Director-General referrals to the Northern Territory Liquor Commission

Between 28 February 2018 and 30 June 2018 the Director-General referred eight (8) applications to the Liquor Commission for temporary variations; no applications for permanent variations were referred. Further information regarding the outcome of these applications referred can be found in the Liquor Commission Annual Report.

1.9. Material alterations

Under the provisions of the *Liquor Act*, licensees are required to seek approval to undertake material alterations to licensed venues. For example, licensees may seek to amend the original floor plan of their venue to introduce a new bar, relocate an existing bar to another part of the venue, or overhaul the design of the venue.

Where considered to be in the public interest, the Director-General will require notice of an application for material alteration of a licence to be published, thereby allowing for public objections.

⁷ In accordance with the Katherine Region Action Group (KRAG) recommendations, the condition relating to sales to taxi drivers changed from "There will be no sales to taxi drivers on duty" to "There shall be no takeaway sales to taxi drivers on duty". The condition relating to purchased products changed from "No purchased takeaway products are to be kept on the premises within an on licence for later collection" to "All purchased takeaway products must be immediately removed from licensed premises, except for legitimate bush orders".

Prior to 28 February 2018, applications and any objections were assessed by the Director-General in accordance with the objectives of the *Liquor Act* and the public interests.

Since then, the Liquor Commission has been required to determine such applications and the role of the Director-General has been to facilitate the application process, through the publication of notices of the application where necessary, notification to the required organisations, provision of objections to the applicant, collation of all relevant material and referral of the application to the Liquor Commission for consideration and determination.

Where a licensee carries out unauthorised alterations, the licensee can be directed to remove the alteration and have the premises restored to a satisfactory condition. A licensee may also be subject to complaint and disciplinary action for unapproved alterations.

In the reporting period, the Director-General (or delegate) authorised five (5) material alterations; these are outlined in Table 7. In addition, a number of material alteration applications were made and referred to the Liquor Commission for determination.

Table 7: Director-General authorised material alterations to licensed premises in 2017-18

Date	Premises	Material alteration
08/08/2017	SKYCITY Casino	Relocation of VIP gaming area and other works
09/08/2017	Meat House Coolalinga	Increase of licensed area
09/08/2017	PM Eat and Drink	Increase of licensed area to include adjacent tenancy
05/01/2018	Barrel and Cruz	Replace existing manual, hinged front doors with automatic sliding door
27/02/2018	Pee Wees	Deck and enclosed area

1.10. Director-General referrals to Northern Territory Liquor Commission

Between 28 February 2018 and 30 June 2018 the Director-General referred five (5) applications for material alterations to the Liquor Commission for consideration. Further information regarding the outcome of these applications referred can be found in the Liquor Commission Annual Report.

1.11. Special liquor licences

Special liquor licences are issued under Part VI of the *Liquor Act* and are generally approved for 'one-off' events, or but may also be approved for events that occur on an annual basis such as the V8 Supercars.

Applications for special licences are most often made by service and sporting clubs or by community organisations wanting to conduct fundraising events and may be issued subject to any conditions considered necessary, and may include specific requirements for security where appropriate.

Prior to 28 February 2018, the Director-General was responsible for considering and determining special licence applications. Given the volume of special licence applications, they were ordinarily considered and approved by delegates of the Director-General except where there were special circumstances such as key stakeholders not supporting the

application, or where the application was for a major event, the Director-General would consider and determine applications.

The amendment to the *Liquor Act* in February 2018 conferred power on the Liquor Commission to determine special licence applications however, the Liquor Commission immediately delegated authority for determination of specified categories of special licence applications to the Director-General who further delegated the approval process. The delegation was limited to special licences relating to events which anticipating having no more than 300 people attend at any one time. For applications which did not fit within the delegation, the role of the Director-General has been to facilitate the application process, notification to the required organisations, collation of all relevant material and referral of the application to the Liquor Commission for consideration and determination

During the 2017-18 reporting period, the Director-General (or delegate) issued 244 special liquor licences. Prior to 28 February 2018 these special liquor licences were issued pursuant to power vested in the Director-General under the *Liquor Act*, and following this date by delegation from the Liquor Commission.

1.12. Director-General referrals to the Northern Territory Liquor Commission

Between 28 February 2018 and 30 June 2018 the Director-General referred 49 applications for special licences to the Liquor Commission for consideration. Further information regarding the outcome of these applications referred can be found in the Liquor Commission Annual Report.

1.13. Continuing special licences

Continuing special licences are generally issued pursuant to Part VI of the *Liquor Act* for the purpose of regular repeated events such as social clubs, specialised entertainment venues and sports venues. These have been developed as an administrative licence, and work is ongoing to have organisations with continuing special licences to apply for a liquor licence pursuant to section 26 of the *Liquor Act*.

Such licences may be issued and remain valid for a maximum of 12 months and are subject to conditions which are tailored to the nature and purpose of the licence.

Continuing special licences are generally limited to venues which do not operate for more than 30 hours per week. Where operations regularly exceed those hours and where the operation appears to have changed to more of a commercial basis, licensees are encouraged to submit an application for an 'on premise' licence and to demonstrate that the grant of a licence is in the public interest.

As at 30 June 2018 there were 121 continuing special liquor licences.

1.14. Restricted Areas

The *Liquor Act* that provides that a geographical area can be declared a 'Restricted Area' under which the consumption, possession, sale or disposal of liquor may only occur pursuant to a permit or licence. The types of restricted areas which can be declared under the *Liquor Act*

are outlined in Table 8. When considering applications, the Director-General is required to consult with relevant parties including residents, licensees and shire councils.

Prior to 28 February 2018, the Director-General was obliged to undertake consultation and determine a restricted area. However, following the establishment of the Liquor Commission, the obligation to undertake consultation in relation to restricted area applications remained with the Director-General who must prepare and present a report to the Liquor Commission for considering and determining whether a declaration of a restricted area should be made. The exception to the transfer of responsibility is in relation to restricted Private Premises, which remains with the Director-General.

Other types of restricted areas (ie Special Restricted Area, Designated Area) may be declared at the discretion of the responsible Minister. In addition to restricted areas declared under the *Liquor Act*, the Commonwealth Minister responsible for the *Stronger Futures in the Northern Territory Act* (Cth) is able to declare areas to be an Alcohol Protected Area. Such a declaration is deemed to be a General Restricted Area for the purposes of the *Liquor Act*.

Table 8: Types of Restricted Areas as at 30 June 2018

	General Restricted Areas	Public Restricted Areas	Private Restricted Premises
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 Liquor Commission after extensive consultation with affected community.	Declared by the Liquor Commission after extensive consultation with affected community.	Declared by the Director-General 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 6 months imprisonment. Discretionary seizure of vehicle.	20 penalty units. Confiscation/tip out of liquor.	Maximum 100 penalty units or 6 months imprisonment. Confiscation/tip out of liquor.

* A penalty unit during the reporting period was \$154

Table 9: Restricted Areas and premises granted in 2017-18 compared to 2016-17

Type of Alcohol Restricted Areas Declared	2016-17	2017-18
General	0	0
Public	0	0
Private restricted premises (private homes and buildings)	121	162
Total	121	162

1.15. Liquor permits

Some communities in General Restricted Areas operate a permit system which allows an authorised permit holder to legally possess and/or consume liquor within the community.

While the Director-General has power to approve liquor permits, communities are encouraged to establish a permit committee (generally made up of key community residents with representatives from police, health and other organisations where appropriate) to help assess the suitability of a permit applicant, and the rules and conditions relating to the permit.

Should an application be approved, the applicant can 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 in the quantity or type of liquor that can be purchased, possessed or consumed.

Applicants are required to reapply for additional permits and any liquor related issues caused by the permit holder within the community may see their renewal rejected. A permit may be revoked if there are reasonable grounds to believe that the permit holder has breached a condition of the permit, including circumstances where the permit holder is involved in adverse issues at community level due to their consumption of liquor.

A permit holder may seek a review of a decision to revoke the permit. Where a permit holder leaves the community, their permit is marked as disabled to ensure accurate active permit numbers.

As at 30 June 2018, 4506 permits were in effect across the Northern Territory.

Table 10 compares the 2017-18 and 2016-17 permits across all General Restricted Areas.

Table 10: Liquor permit activity for General Restricted Areas for 2017-18 compared to 2016-17

Permits	2016-17	2017-18
Issued	5061	4506
Revoked/Disabled	153	412

* This figure includes all permits issued including those issued and expired within the period such as visitors.

Members of a 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.

During the 2017-18 reporting period, the Director-General (or delegate) granted 45 such permits.

1.16. Complaints against licensed premises

Liquor licences contain numerous responsibilities under the *Liquor Act* and in the conditions of the licence which the licensees must comply with.

The *Liquor Act* allows for complaints to be made against a licensee on several grounds including:

- where the licensee has contravened a provision of the *Liquor Act* or their licence
- where 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
- 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-General. They must be investigated unless the Director-General (or delegate) is satisfied that the complaint is frivolous or vexatious. Licensees must be provided with the particulars of the complaint and given an opportunity to respond.

Following the investigation, the Director-General (or delegate) is able to take a variety of actions in relation to the complaint which include:

- Dismiss the complaint either because there is insufficient evidence for a ground of complaint, or notwithstanding there is evidence to support the ground, it does not warrant any further action;
- Give the licensee a formal warning;
- Issue an infringement notice;
- Enter into an enforceable undertaking.

Prior to 28 February 2018, the Director-General was also empowered to take specific disciplinary action against the licensee. Where the Director-General determined that the complaint warrants disciplinary action, the licensee was issued with a notice of the intended disciplinary action. The licensee was then entitled to make submissions about the proposed action to be taken, thereby affording natural justice.

There were a variety of disciplinary actions available to the Director-General (and subsequently the Liquor Commission) under the *Liquor Act* when determining a suitable penalty. These include:

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

For serious breaches of the *Liquor Act*, the Director-General may choose to issue a combination of these penalties.

The amendment to the *Liquor Act* brought significant change to the complaint process, introducing a two-tiered decision making process for the determination of serious complaint matters. The effect is that the Director-General remains independently responsible for the investigation of complaint matters and is required to determine what, if any action is to be taken in relation to the complaint. If satisfied that the breach is substantiated, the Director-General may issue a warning to a licensee, issue an infringement notice or enter into enforceable undertakings with a licensee. However, if the Director-General determines that disciplinary action is warranted, the complaint must be referred to the Liquor Commission for determination.

Table 11: Complaints received and actions taken by Director-General during 2017-18 compared to 2016-17

Liquor complaints received and action taken	2016-17	2017-18
Complaints under investigation as at 30 June with outcome yet to be determined	10	23
Complaints investigated, but no further action warranted	7	7
Complaints investigated, formal warning issued	0	1
Licences cancelled following complaint	0	1
Licences suspended due to breaches of licence conditions	1	0
Complaint investigated and monetary penalty or infringement notice imposed	^3	4
Complaint investigated, disciplinary action taken	*-	1
Complaint referred to the Liquor Commission for disciplinary action	*-	5
Other actions	0	0
Total	^21	42

* not recorded separately for 2016-17

^ adjustment of figure from what was reported last year following receipt of additional information.

1.17. Compliance and enforcement

Compliance officers are employed within Licensing NT and hold appointments as inspectors under section 18 of the *Liquor Act*, in addition to specific appointments under other relevant Acts administered within the division. Compliance officers are based in Darwin, Katherine, Tennant Creek and Alice Springs.

Compliance officers undertake activities based on a risk assessment, compliance history and inspection targets. Non-scheduled compliance activities are both proactive and reactive and may involve compliance officers working with licensees, providing assistance and education to ensure positive and long-term compliance outcomes.

During the 2017-18 reporting period over 1900 operational visits were undertaken in which compliance activity occurred. During these visits, compliance officers checked venues for compliance with licence conditions and relevant legislation including the *Liquor Act*, *Private Security Act*, *Gaming Machine Act* and *Tobacco Control Act*.

1.18. Review of delegate decisions (liquor)

During the 2017-18 reporting period there were no reviews conducted by the Director-General regarding applications made under the *Licensing (Director-General) Act*.

1.19. Northern Territory Civil and Administrative Tribunal reviews (liquor)

The Director-General's decisions can be reviewed by the Northern Territory Civil Administrative Tribunal (NTCAT). One (1) liquor decision was referred to NTCAT for review during the 2017-18 reporting period.

Lawson & Lawson v Director-General of Licensing & Pint Club Incorporated

On 22 November 2017, the Director-General conducted a public hearing in respect of noise complaints lodged against the PINT Club Incorporated (the Club) by a number of residents of the nearby Northlakes residential estate in Marrara. The complaints alleged that noise disturbances from outdoor concerts held at the Club between May and July 2017 impacted adversely on their residences. Two complainants, who reside in Marrara, were amongst the residents who had lodged complaints. One complainant gave evidence at the public hearing.

In a Decision Notice published on 31 January 2018, the Director-General determined that the licensee for the PINT Club had used the licensed premises in a way which has caused annoyance or disturbance to persons residing in the neighbourhood.

On 16 February 2018, the Director-General advised the Nominee for the Club that it was proposed to take disciplinary action by varying the licence conditions attached to the Club's liquor licence. The proposed variations include the addition of a new condition requiring the licensee to comply with the provisions of its recently implemented 'Noise Complaint Policy' and to amend the licence conditions to stipulate that any entertainment conducted in the outdoor areas of the Club's premises is to cease at 11.00 pm on Friday and Saturday nights, and by 10.00 pm on any other night.

In addition, the Nominee for the Club was issued with a formal warning for failing to notify the Director-General prior to holding concerts at the Club, which were open to the general public.

The management committee of the Club were issued with a formal warning for failing to exercise effective supervision and control over the club's management, to ensure that no breaches of the Act or the conditions of this licence occur.

On 21 February 2018, the complainants filed an application seeking a review before NTCAT of the Director-General's decision. They sought further amendments to the conditions of the Club's liquor licence to require the Club to prepare a Noise Management Plan providing a regime for compliance monitoring within maximum approved levels of noise emissions,

and outlining procedures based on broadly accepted community standards for music noise emissions.

The parties appeared at a preliminary directions hearing on 23 March 2018 at which it was ordered that the club be joined in the proceeding, and that the parties attend a compulsory conference on 12 April 2018. No agreement was reached at the compulsory conference and the matter was set down for hearing on 6 June 2018.

On 12 June 2018 NTCAT published its reasons for decision and orders in respect of the review. NTCAT dismissed the application made by Mr and Mrs Lawson and determined that the decision of the Director-General of 31 January 2018 was confirmed.

1.20. Harm minimisation

The primary objective of the *Liquor Act* is to regulate the sale, provision, promotion and consumption of liquor to minimise the harm associated with its consumption in a way that takes into account the public interest in those liquor activities.

Harm minimisation strategies can include education to influence safer drinking choices, regulation of drinking environments to manage the availability and convenience of alcohol supply, and engaging stakeholders to change community tolerance of irresponsible and risky behaviours.

Banned Drinker Register (BDR)

From 1 September 2017, all Territorians and visitors to the Northern Territory are required to produce approved photo identification to buy takeaway alcohol. The change was part of the BDR initiative led by the Department of Health. The register identifies people who are subject to alcohol-related court, police or other orders and are banned from possessing, consuming or purchasing.

The deployment of Banned Drinker Register (BDR) infrastructure to meet the Government's commitment to re-introduce the BDR by 1 September 2017 was a significant body of work undertaken by the Director-General and Licensing NT during the reporting period.

Following a risk-based assessment of all liquor licences authorised for takeaway sales, the Director-General recommended Schedule 1 of the Liquor Regulations be amended to identify 48 licensees not required to comply with section 31A(5) of the *Liquor Act*. The Minister was supportive of this recommendation and amendments to Schedule 1 of the Liquor Act Regulations were gazetted on 26 July 2017.

A staggered approach to the BDR infrastructure roll out was undertaken throughout the Northern Territory, with scanning in 71 licensed premises authorised for takeaway sales in Nhulunbuy, Groote Eylandt, Katherine, Tennant Creek, Alice Springs and Milikapiti commencing from 19 August 2017. The BDR infrastructure was rolled out in the remaining licensed premises, and scanning commenced across the Territory on 1 September 2017.

In response to concerns raised by industry, a mobile solution for the BDR was developed for licensed premises with drive through capacity. This solution was rolled out to all 27 licensed

premises with drive through capacity across the Northern Territory and operational by 15 September 2017.

For licenced premises which offer online or telephone sales, a BDR Online Portal was also released and available from 1 September 2017, through which licensees are permitted to manually enter purchaser's details into point of sale devices to ensure that take-away alcohol purchased for delivery or collection is not sold to banned drinkers. Security enhancements were subsequently developed for the BDR Online Portal and completed on 5 January 2018, and complete redevelopment of the portal system was completed in March 2018 which ensured compliance with NTG Security, branding and accessibility requirements.

During August 2017 Licensing NT delivered education sessions for licensees and staff in relation to the operation of the BDR infrastructure throughout the Northern Territory.

In addition to targeted industry engagement, Licensing NT officers manned a stall at all regional shows across the Territory which contributed to public engagement prior to BDR implementation. The stall included a computer with touch screen and flatbed scanner which formed part of the BDR infrastructure rolled out to licensed premises, and members of the public were able to have their identification scanned.

Liquor accords

A liquor accord is a written agreement between licensed venues and other stakeholders which provides a framework for working together to reduce alcohol misuse and associated harms within a local community. The agreement can cover the supply of liquor, the opening and closing hours of licensed premises, or other aspects of the management or conduct of business on licensed premises. Liquor accords are made under Part XA of the *Liquor Act* for the purpose of preventing or reducing alcohol-related violence.

The following current liquor accords operate in the Northern Territory. In accordance with recommendation 2.5.35 of the Alcohol Policies and Legislation Review, these are now published on the nt.gov.au website: nt.gov.au/industry/hospitality/local-liquor-accords

- Darwin Inner City Packaged Liquor Accord
- Darwin Late Night Licensee Liquor Accord (currently not active)
- Darwin Northern Suburb Liquor Accord
- Jabiru Liquor Accord
- Katherine Liquor Accord
- Tennant Creek Liquor Accord
- Alice Springs Liquor Accord

Alcohol management plans

Alcohol Management plans (AMPs) have been used by a number of Northern Territory communities to develop community driven strategies to reduce not only supply of liquor, but also the demand for and harm arising from irresponsible consumption.

Following the change to Administrative Arrangements in 12 September 2016, responsibility for alcohol management planning, alcohol policy transferred to the Department of Health.

Tennant Creek Restrictions

Exercise of power pursuant to section 48A of the Liquor Act

On 27 February 2018, the Director-General exercised powers pursuant to section 48A of the *Liquor Act* to vary conditions of several liquor licences in Tennant Creek for a period of seven days as it was considered it in the public interest to do so. The varied conditions took effect from 28 February 2018 and reduced the hours of trade for takeaway licences, prohibited takeaway sales on a Sunday, and limited the purchase of certain products.

In reaching this decision, the Director-General had regard to statistical data made available by the Commissioner of Police regarding the number of alcohol related offences that had occurred in Tennant Creek over a three week period between 1 and 21 February 2018 compared to the same period in 2017. Consideration was also given to 2016 wholesale alcohol supply data (which was unpublished at the time) and which indicated a trending increase of consumption of alcohol in Tennant Creek, in particular wine and spirits. The Director-General also met with senior police stationed at Tennant Creek, the Chair of the Tennant Creek Alcohol Reference Group and liquor licensees at Tennant Creek before making the decision. A decision notice was published on the same day.

On 5 March 2018, the Director General again travelled to Tennant Creek to meet with a range of stakeholder including senior police officers stationed in the town, a number of traditional owners, the Mayor of Tennant Creek and all but one of the affected licensees. The Chairperson of the newly established Liquor Commission, Mr Richard Coates also attended these meetings. The purpose of the consultation was to consider whether a further exercise of the power pursuant to section 48A by the Director-General was warranted.

Having conducted the further meetings and consultations with a number of stakeholders in Tennant Creek and reviewing the data as detailed above, on 6 March 2018 the Director-General formed the view that whilst the early indications were that the restrictions imposed on 27 February 2018 had partly alleviated adverse conditions at Tennant Creek, the sale, provision and consumption of takeaway liquor and its subsequent harm in the community was still of significant concern.

On the same day the Director-General determined that it was appropriate given the circumstances to exercise the powers available pursuant to section 48A of the Act to vary conditions of a licence for a further period of seven days, expiring on 14 March 2018. A decision notice was issued on 6 March 2018 in relation to that determination.

Exercise of power pursuant to section 33AA of the *Liquor Act* by the Attorney-General and Minister for Justice

On 13 March 2018, the Attorney-General and Minister for Justice (the Minister) exercised powers pursuant to section 33AA of the *Liquor Act* in relation to the same licensed premises in Tennant Creek to which the Director-General's aforementioned decisions were made. The Minister determined to impose additional licence conditions on these licensees which

gave effect to the same restrictions imposed by the Director-General from 14 March 2018 to 13 June 2018.

Exercise of power pursuant to section 33 of the *Liquor Act* by the Liquor Commission

On 8 May 2018, in accordance with s 33(2) of the *Liquor Act*, the Liquor Commission issued written notice comprising proposed variations of licence conditions together with reasons for the proposed variations ('the notice'), to liquor licensees with takeaway authority in Tennant Creek and the broader Barkley Region. The notice invited the licensees to submit a response to the proposed variations within 28 days. Following consideration of submissions from both licensees and other interested parties, on 12 June 2018 the Liquor Commission determined to vary the conditions of the liquor licensees who received the notice on 8 May 2018, however in more moderate terms than what had initially been proposed. Further information can be found in the Liquor Commission Annual Report.

2. Community gaming machine licensing

The *Gaming Machine Act* outlines the principal functions for the Director-General including:

- determining applications for gaming machine licences
- determining the number of gaming machines authorised for use
- 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
- 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 which are regulated under the *Gaming Control Act*.

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

- promote probity and integrity in gaming
- maintain the probity and integrity of participants in the gaming industry and promote fairness, integrity and efficiency in the operations of those engaged in the gaming industry
- reduce adverse social impact of gaming
- promote a balanced contribution by the gaming industry to general community benefit and amenity.

From 1 July 2015, the number of gaming machines that clubs could operate increased from 45 to 55 and that hotels and taverns could operate increased from 10 to 20. This allowed for an additional 10 machines per venue with venues under their allowable limit permitted to raise their gaming machine totals from the pre-cap limit to the advertised limits and then apply for the extra 10 machines.

The levy based on the licence authority to obtain extra gaming machines was 9,010 revenue units (\$10,361 per machine) for clubs, and 45,045 revenue units (\$51,901 per machine) for hotels/taverns, and is paid into central revenue.

2.1. Reduction of the gaming machine cap

In December 2016, the NT Government reinstated a cap on the aggregate number of gaming machines authorised for use under gaming machine licences in the Northern Territory. This cap was set at 1852 gaming machines.

In October 2017, the Director-General reviewed the community gaming machine cap and recommended that the Attorney-General and Minister for Justice reduce the cap to 1734. The Attorney General and Minister for Justice agreed and the necessary amendments to the Gaming Machine Regulations took effect from 4 July 2018 to reduce the aggregate cap to 1734.

2.2. New gaming machine licences and new gaming machines

During the reporting period no applications for new gaming machine licences or new gaming machines were approved.

2.3. Gaming machine decision notices issued by the Director-General

During the reporting period no decision notices were issued under the *Gaming Machine Act* by the Director-General (or delegate).

2.4. Distribution of community gaming machines

As at 30 June 2018, the total number of community gaming machines authorised to be operated under the 82 gaming machine licences issued under the *Gaming Machine Act*, including operational and non-operational, is 1716. The distribution of community gaming machines is monitored on a regional basis. The southern region refers to all community gaming machine licensed venues in the Alice Springs and Tennant Creek areas. All other venues are included in the northern region. Table 12 shows the distribution among the regions for gaming machines licenced.

Table 12: Community gaming machine distribution for 2017-18

	Clubs	Hotels/Taverns	Total
Northern region	806	658	1464
Southern region	189	63	252
Total	995	721	1716

2.5. 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 the 2017-18 reporting period, the average gross profit per machine per day was \$188.35 compared to \$171.16 in 2016-17. Gaming machine gross profit has increased by 11.83% to \$103.397 million 2017-18, up from \$92.461 million during the 2016-17 reporting period.

Table 13: Licensed clubs based on machine gaming metered win for 2017-18

Each group in alphabetical order	
Top 10	11-20
Casuarina All Sports Club	Alyangula Golf Club
Cazalys Palmerston Club Inc.	Arnhem Club
Club Eastside	Humpty Doo & Rural Area Golf Club
Darwin RSL Club	Jabiru Sports & Social Club
Gillen Club	Palmerston Golf and Country Club
Katherine Club	PINT Club Darwin
Katherine Country Club	RAOB Club (Darwin) Inc
Nightcliff Sports Club	Sporties Club
Palmerston Sports Club - The Hub	St Marys Football Sporting & Social Club
Tracy Village Social & Sports Club	Tennant Creek Memorial Club
21-25	
Darwin Golf Club	
Darwin Bowls & Social Club	
Darwin North Sub Branch RSL	
Darwin Trailer Boat Club	
Gove Country Golf Club	

Table 14: Licensed hotels/taverns based on machine gaming metered win for 2017-18

Each group in alphabetical order	
Top 10	11-20
Airport Hotel	Beachfront Hotel
Bell Bar & Bistro	Discovery Darwin
Cavenagh (The)	Gapview Resort Hotel
Hibiscus Tavern	Globetrotters Lodge
Howard Springs Tavern	Katherine Hotel Motel
Humpty Doo Tavern	Lizards Bar & Restaurant
Monsoons	Shenannigans Irish Pub
Palmerston Tavern	TAP on Mitchell (The)
Parap Village Tavern	Virginia Tavern
Plaza Karama Tavern	Walkabout Tavern
21-30	31-40
Archrival & Nirvana Restaurant	Corroboree Park Tavern
Berry Springs Tavern	Darwin River Tavern
Frontier Hotel Darwin	Humpty Doo Hotel
Goldfields Hotel	Landmark (The)
Hidden Valley Tavern	Mataranka Hotel
Hotel Darwin	Pine Creek Hotel
Noonamah Tavern	Precinct Tavern (The)
Rum Jungle Tavern	Rorkes Beer Wine Food
Todd Tavern	Stuart Hotel (The)
Winnellie Hotel Darwin	Tennant Creek Hotel
41-46	
Ayers Rock Resort	
Deck Bar (The)	
Ducks Nuts Bar and Grill	
Heavitree Gap Tavern	
Litchfield Motel	
Squires Tavern	

2.6. Community Benefit Fund

The Community Benefit Fund is established by Part 5A of the *Gaming Control Act*, and the Director-General is required to maintain the Fund. This is done via the Community Benefit Fund (CBF) Secretariat team located within Licensing NT.

While the Director-General maintains the fund, during the reporting period the Community Benefit Committee, also established by Part 5 A of the *Gaming Control Act*, was responsible for assessing most CBF grants, and making recommendations to the Minister. The Community Benefit Fund received \$11.117 million from the levy on electronic gaming machines in hotels and casinos during 2016-17.

Further information regarding the Community Benefit Fund can be found in the Community Benefit Fund Annual Report.

3. Gaming machine managers

Each venue which is licensed to operate gaming machines is required to have a licensed gaming machine manager on site while gaming machines are active.

3.1. Gaming machine manager licences

The total number of gaming machine manager licences issued during the reporting period is 137.⁸

3.2. Northern Territory Civil and Administrative Tribunal review (gaming machine manager)

During the 2017-18 reporting period no gaming machine manager licence decisions were referred to NTCAT for review.

4. Casinos

The *Gaming Control Act* provides for the Minister to enter into an agreement to grant licences to casinos. There are currently two casinos licensed to operate in the Northern Territory. Casinos are permitted to operate approved games (table games) and gaming machines. The agreement with SKYCITY Casino also allows for the provision of Keno within the Northern Territory.

There are currently 69 venues permitted to conduct NT Keno in the Northern Territory.

The Director-General is responsible for approving the rules, procedures and equipment used for playing approved games and may give directions and issue guidelines around the operation of casinos.

Table 15 compares combined tax generated from both casinos for two financial years. Tax is payable on gross profit for table games, gaming machines and keno revenue. The tax is generated from the gambling products listed in Table 16, which outlines changes to the approved number of gambling products across both casinos for those financial years.

Table 15: Northern Territory casinos taxes

	2016-17 \$M	2017-18 \$M
Gaming tax	*10.945	11.303

* Total Revenue for 2016-2017 was adjusted following Audit reported in September 2017.

⁸ The Director-General previously sought to report on regional numbers of gaming machine managers but as these managers can work throughout the Northern Territory has determined to now only record the total.

Table 16: Northern Territory casinos gambling product distribution

	SKYCITY			Lasseters Hotel Casino		
	*Table games	**Electronic gaming	Other	Table games	Electronic gaming	Other
2016-17	53	596	1	22	320	1
2017-18	41	575	1	22	307	1

* Table games include Chip Suspense

** Electronic Gaming includes 25 Fully Automated Table Games (FATG's) (Big Wheel & Vegas Star)

Table 17 is a combination of handle (the amount of money exchanged for gaming chips at a gaming table) and turnover (the amount wagered on a gambling activity). It is difficult to record the amount of each wager made on a table game, therefore it is difficult to report casino turnover accurately. Hence, the only amount reported for table games is handle.

Table 17: SKYCITY Casino performance, turnover and player loss comparisons

Game	2016-17		2017-18	
	Handle \$M	Player loss \$M	Handle \$M	Player loss \$M
Table Game	74.089	^18.374	97.821	17.382
*Electronic Gaming	#641.850	#52.470	704.271	54.146
**Keno	56.182	16.514	57.111	11.103
Total	#772.841	#^87.358	859.203	85.631

Note: Columns may not add due to rounding

* Electronic Gaming includes FATG's and Poker Machines

** Keno includes SKYCITY, Lasseters and NT Keno

^ Figures adjusted following Audit and reported in September 2017.

Figures adjusted following notification of an internal processing error (Reported in January 2018)

Table 18: Lasseters Hotel Casino performance, turnover and player loss comparisons

Game	2016-17		2016-17	
	Handle \$M	Player Loss \$M	Handle \$M	Player Loss \$M
Table game	12.224	2.955	11.345	2.495
Poker machine	261.633	20.548	277.575	21.731
Total	273.857	23.503	288.920	24.226

Note: Columns may not add due to rounding

5. Lotteries

In accordance with the *Gaming Control Act*, the Minister may grant a business a licence to conduct lotteries. The Director-General may approve the manner in which a lottery business is conducted and direct the Licensee to provide details from time to time. The Director-General also has administrative responsibility for the *Soccer Football Pools Act*.

On 19 February 2018, the Minister approved an amendment to the Tatts NT Lotteries Pty Ltd Agreement to make changes to the Powerball game structure.

On 26 March 2018, the Minister finalised a five year review of the Agreement with Tatts NT Lotteries Pty Ltd and determined Tatts NT has achieved a satisfactory outcome having regard to matters set out in the Agreement.

On 5 April 2018, the Minister revoked the Soccer Football Pools Licence issued to Tatts NT Lotteries Pty Ltd effective 25 June 2018.

Table 19 shows the lottery sales data comparison for two financial years. Sales are made up of lottery products, instant scratchies and soccer pools.

Table 19: Lotteries turnover, player loss and revenue generated comparisons

Lotteries	2016-17 \$M	2017-18 \$M
Turnover	106.375	120.352
Player loss	42.457	48.063
Taxes	*23.392	26.314

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

* Figures adjusted following Audit and reported in September 2017.

6. Totalisator licensing

The *Totalisator Licensing and Regulation Act* provides for the Director-General to issue totalisator licences in the Northern Territory.

UBET NT Pty Ltd (UBET) holds the current Totalisator Licence and has retail exclusivity with the licence expiring on 1 November 2035.

There are currently 52 TAB outlets consisting of seven agencies, 42 club/hotel licensed outlets and three on-course TAB outlets.

UBET also holds a sports bookmaker licence under the *Racing and Betting Act* issued by the Director-General.

The *Totalisator Licensing and Regulation Act* provides a public complaint mechanism for the conduct of a totalisator licensee, with complaints investigated and determined by the Director-General. The penalty powers available to the Director-General range from a reprimand or fine to cancellation of the licence.

There were no complaints against UBET received during 2017-18.

Table 20: On-course and off-course wagering turnover figures for 2017-18 compared to 2016-17

Wagering Turnover	2016-17 \$M	2017-18 \$M
On-course	5.259	4.216
Off-course	63.256	59.149
Total	68.515	63.366

Further details of taxation raised are contained in the Northern Territory Treasury's annual report (<https://treasury.nt.gov.au/about-us/annual-reports>)

7. Private security licensing

The *Private Security Act* empowers the Director-General to grant licences to individuals and firms who wish to conduct security related activities. There are three types of licences available under the *Private Security 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
- Security firm - a person or partnership that supplies 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 delegates of the Director-General. Licences may be granted for one, two or three years. Licence applications may be referred to the Director-General in cases where the grant or refusal of a licence is outside the scope of a delegate's authority or where the application is contentious. The Director-General 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 must be refused where applicants have disqualifying offences and may be refused if the applicant has committed crimes of violence or drug-related offences. Applicants affected by a decision may seek a review of a delegate's decision to the Director-General, or appeal a decision of the Director-General to the Northern Territory Civil and Administrative Tribunal.

7.1. Private security licences

Table 21: Private security licences in force as at 2017-18 compared to 2016-17

Type of Licence	2016-17	2017-18
Security officer and crowd controller	1604	1682
Security Officer	183	217
Crowd Controller	41	91
Security firm	90	94
Total	1918	2084

7.2. Mutual recognition

Under the *Mutual Recognition (Northern Territory) Act*, the Director-General is required to recognise the registration of a person as a security officer or crowd controller in another state or territory, and to issue such applicant with the equivalent Northern Territory licence.

Table 22 outlines the number of licences issued under Mutual Recognition for the 2017-18 reporting period.

Table 22: Licences issued under the Mutual Recognition Act in 2017-18 compared to 2016-17

Type of Licence	2016-17	2017-18
Security officer and crowd controller	99	94
Crowd controller only	12	6
Security officer only	10	21
Total	121	121

7.3. Complaints against security providers

The *Private Security Act* provides a formal complaint process which enables any person to lodge a complaint against a security provider. The most common complaint against licensees is the use of undue force in carrying out crowd controller duties. The Director-General determines such complaints and may impose penalties against the licensee. The Director-General has the power to reprimand or fine and to suspend or cancel 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 *Private Security Act*.

The *Private Security Act* provides for the Director-General to immediately suspend or cancel a licence where it is shown to be in the public interest. This may occur in circumstances where a licensee is charged with a disqualifying offence but the matter has not been finalised in court.

During the 2017-18 reporting period, 10 investigations were conducted in accordance with the *Private Security Act*. Four (4) of the complaints were substantiated and resulted in two (2) formal reprimands being issued, one (1) licence suspended for a week and one (1) licence cancelled. Three (3) complaints required no further action. Three (3) complaints have ongoing investigations.

7.4. Private security decision notices issued by the Director-General (or delegate)

Table 23 provides a synopsis of the decision notices issued under the *Private Security Act* by the Director-General (or delegate) during the 2017-18 reporting period.

Table 23: Director-General private security licensing decisions for 2017-18

Date	Nature of Matter	Decision
11/10/2017	Cancellation of licence, convicted of disqualifying offences	Licence cancelled.
27/11/2017	Breach of Code of Conduct for Crowd Controllers	Licence suspended for one week
19/12/2017	Breach of Code of Conduct for Crowd Controllers	Reprimand letter issued.
28/02/2018	Breach of Code of Conduct for Crowd Controllers	Reprimand letter issued.

7.5. Review of delegate decisions (private security licensing)

During the 2017-18 reporting period, the Director-General received no applications for an internal review in respect of delegated decisions.

7.6. Northern Territory Civil and Administrative Tribunal review (private security licensing)

During the 2017-18 reporting period, no security licence decisions were referred to NTCAT for review.

8. Escort agency licensing

The Director-General may grant licences to operators and managers of escort agencies under provisions contained in the *Prostitution Regulation Act*. 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 Director-General. Licences are subject to annual renewal.

As at 30 June 2018 there are no escort agency operator licences and no escort agency manager licences.

9. Tobacco licensing

The Director-General works under delegation to issue tobacco retail licences to allow the sale of tobacco products. As at 30 June 2018, there were 451 licences valid for the Northern Territory.

10. 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, ostensibly as a substitute for alcohol. Kava was sold through retail and wholesale licences approved by the former Northern Territory Licensing 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.

The *Northern Territory National Emergency Response Act* introduced by the Australian Government in July 2007 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. However, the continuing demand for kava in remote communities has resulted in a strong 'black market'. Police make regular arrests in relation to kava offences which regularly result in the seizure of kava and the vehicles used to transport it.

The Director-General has powers under the *Kava Management Act* to deal with kava and associated matters, including the disposal of kava and related property seized by police for kava related offences. Table 24 shows actions taken throughout 2017-18 regarding kava.

Table 24: Vehicles seized with kava and destroyed during 2017-18 compared to 2016-17

Actions taken	2016-17	2017-18
Vehicles not returned to applicant and approved for destruction or tender	6	1
Vehicles returned to applicant by Minister	0	0
Matters still outstanding	2	0
Order of destruction for kava	1	3
Seized kava destroyed (kilograms)	20 kgs	91228 kgs

⁹ A significant portion of this kava was from previous years' seizures, which had not been disposed of at that time.

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