

Licensing NT Annual Report

2021-22



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Director's Foreword



The residual impact of COVID-19 proved to be a challenge for the liquor, gambling, racing and hospitality industries throughout 2021-22. Worker shortages across sectors was a legacy of the impact of the virus with some predicting it will take at least another year for industries within the Northern Territory to return to pre-COVID levels. Licensing NT was proud to again partner with Hospitality NT in the creation of an online Responsible Service of Alcohol (RSA) course to address some of those shortages.

While we battled our own response to the virus, Licensing NT continued to support and regulate the liquor, racing and gambling industries. Of particular note:

- Licensing NT also partnered with Hospitality NT to ensure staff at venues where gambling is available complete a Responsible Service of Gambling course every three years as part of an updated *Code of Practice for Responsible Gambling*.
- Creation of three new positions to specifically regulate, educate and ensure compliance of the NT's two casinos.
- Sixty per cent of the recommendations from the independent review into Darwin Greyhound Association and its operations were completed, creating a better framework for race meets and governance of the industry.
- Significant work was undertaken to progress the review of the *Racing and Betting Act 1983* to develop a robust regulatory framework.
- The 12-month technical review of the *Liquor Act 2019* was completed and changes to the Act were passed through the Legislative Assembly.
- An alcohol permit system was implemented in the township of Elliott.
- Jabiru and nominated homelands in Kakadu began trialling an alcohol permit system.
- A quarterly newsletter detailing the latest news from Licensing was developed and two editions distributed to subscribers.

I would like to acknowledge and thank the staff at Licensing NT for their continuing efforts to regulate, monitor and educate the racing, gambling and liquor industries while supporting businesses and the economic growth of the Northern Territory.

Philip Timney
Executive Director
Liquor, Racing & Gaming

31 October 2022

Overview

During the reporting period the Executive Director Liquor, Racing and Gaming had responsibility for matters under the following legislation:

- *Liquor Act 2019*
- *Gaming Control Act 1993* (except provisions about taxes and levies)
- *Gaming Machine Act 1995* (except provisions relating to tax and levies)
- *Kava Management Act 1998*
- *Racing and Betting Act 1983*
- *Tobacco Control Act 2002* (provisions about smoking in liquor licensed premises, licensing and enforcement)
- *Totalisator Licensing and Regulation Act 2000* (except provisions about wagering tax)

Licensing NT provides administrative support for the functions under the above legislation.

As at 30 June 2022, Philip Timney held the following statutory appointments:

- Director of Liquor Licensing
- Director of Gaming Control
- Director of Gaming Machines
- Director of Totalisator Licensing and Regulation
- Director of Kava Management
- Director of Tobacco Control

Activities of the Director

1. Liquor

During the reporting period, liquor in the Northern Territory was regulated under the *Liquor Act 2019* (the Liquor Act).

Authorised officers are required to take into account the primary purposes of the Act, which include:

- protecting and enhancing community amenity, social harmony and wellbeing through the responsible sale, supply, service, promotion and consumption of liquor
- regulating the sale, supply, service, promotion and consumption of liquor in a way that contributes to the responsible development of the liquor industry and associated businesses in the Territory
- facilitating a diversity of licensed premises and associated services for the benefit of communities in the Territory
- regulating the sale, supply, service, promotion and consumption of liquor in a way that stimulates the tourism and hospitality industries.

New liquor licences



There were seven licences surrendered in the reporting period.

Licences transferred

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



Liquor licences with a special event authority

The implementation of the Liquor Act has provided for specific authorities to be attached to a liquor licence. These include a special event authority. Applications for a special event authority are most often made by service and sporting clubs, or by community organisations and existing licensees wanting to conduct fundraising events, or other operations not covered by an existing licence.

The number of **special liquor licences** issued by the Director (or delegate) under Delegation from the NT Liquor Commission in 2021-22



Restricted Areas

The Liquor Act 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 that can be declared under the Liquor Act are outlined in Table 1.

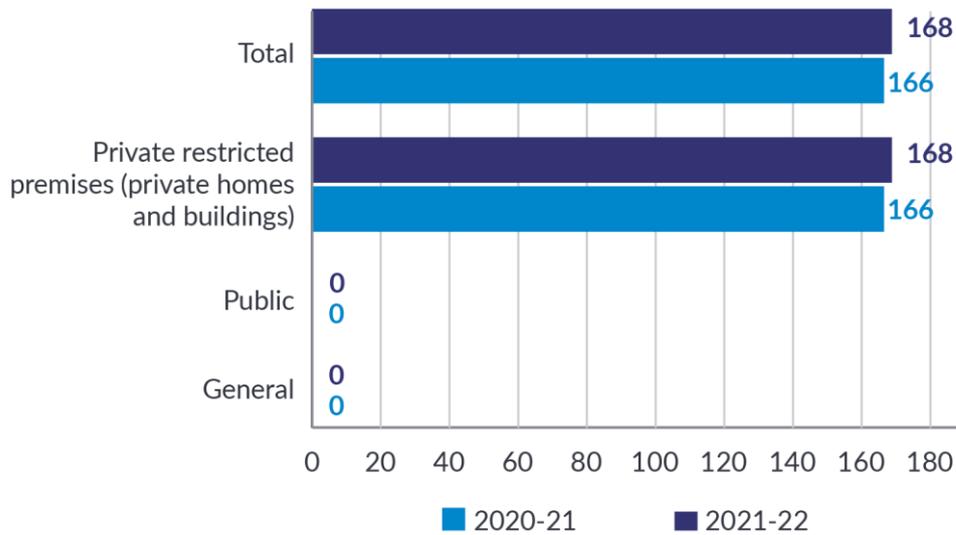
Other types of restricted areas (such as Special Restricted Area or Designated Area) may be declared at the discretion of the responsible Minister.

All public places in Alice Springs, Darwin, Katherine, Tennant Creek, Palmerston, Darwin Waterfront Precinct, any place within 2 kilometres of licensed premises or any place prescribed by regulation have been declared to be prohibited public places where the consumption of liquor is prohibited. The local council may exempt an area for certain times or days to permit liquor consumption in a public place.

Table 1: Types of Restricted Areas as at 30 June 2022

	General Restricted Areas	Private Restricted Premises
Purpose	Used to control the type and amount of liquor permitted in an area and is generally used by Aboriginal residents wanting to control liquor consumption in their community.	Used to control the consumption of liquor in, and on, private premises.
Declaration	Declared by the NT Liquor Commission after extensive consultation with affected community.	Declared by the Director with consent of majority of occupiers.
Offences	It is an offence to bring, possess, have, consume or sell/supply/serve liquor, without a licence or a permit.	It is an offence to possess, consume or bring liquor into/onto the private premises.
Penalties*	Maximum 200 penalty units or 12 months imprisonment. Discretionary seizure of vehicle.	Maximum 100 penalty units. Confiscation/tip out of liquor.

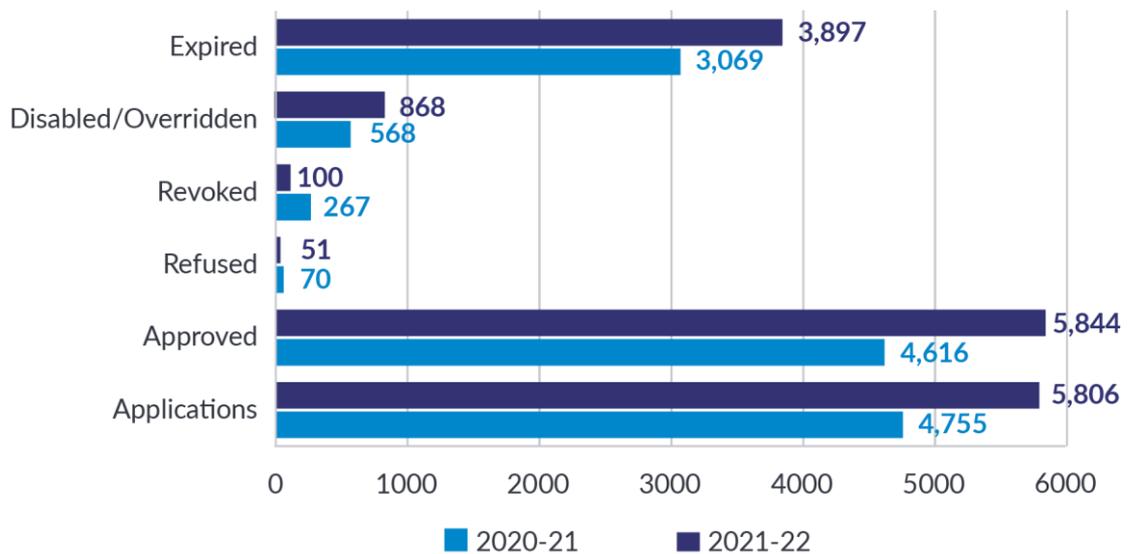
Figure 1: Restricted Areas and premises granted over the past two years



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.

Figure 2: Liquor permit activity for General Restricted Areas for 2021-22 compared to 2020-21



Complaints against licensed premises

The 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.

Table 2: Complaints received and actions taken by the Director over the past three years

Liquor complaints received and action taken	2020-21	2021-22
Complaints under investigation as at 30 June with outcome yet to be determined	4	3
Complaints investigated, but no further action warranted	33	52
Complaints investigated, formal warning issued	10	14
Licences cancelled following complaint	0	0
Licences suspended due to breaches of licence conditions	0	0
Complaint investigated and monetary penalty or infringement notice imposed	3	5
Complaint referred to the NT Liquor Commission for disciplinary action	17	7
Total	67	81

Compliance and enforcement

Licensing Inspectors are employed within Licensing NT and hold appointments as liquor inspectors under section 16 of the *Liquor Act 2019* in addition to specific appointments under the *Private Security Act 1995*, *Gaming Machine Act 1995* and *Tobacco Control Act 2002*. Inspectors are based in Darwin, Katherine, Tennant Creek and Alice Springs.

During the 2021-22 reporting period, 2338 compliance visits were undertaken, compared to 2594 in 2020-21.

Abandonment of licence (liquor)

Liquor licences are considered abandoned if the licensee ceases to operate the licensed premises for more than 6 months without the prior approval of the Director.



During 2021-2022, **6** licences were cancelled under this provision. This compares to **8** in 2020-2021.

Harm minimisation

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

Harm minimisation audits were introduced with the commencement of the new Liquor Act. They are thorough and complex, taking several weeks to complete.

From 1 July 2021 to 30 June 2022,

1 Harm Minimisation Audit was conducted reflecting better licensee compliance.



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 or area. 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.

A list of accords can be found at <https://nt.gov.au/industry/hospitality/law-and-management/local-liquor-accords>

Director referrals to the Northern Territory Liquor Commission

In some instances, the Director does not have the power to make decisions. In these instances, the Director refers the matter to the Liquor Commission. Further information regarding these referrals can be found in the NT Liquor Commission Annual Report.



Ben Poveda-Alfonso, co-founder and chair of Kindness Shake, Phil Timney, Executive Director Liquor, Racing and Gaming and Jimena Espitia from Kindness Shake at the launch of the RSA Certificate for International Students.



Tony O'Donohoe, Principal Compliance Officer (Alice Springs), Remote Sgt George Ciolka and Bernard Kulda, Manager Compliance, Liquor, Tobacco and Community Gaming meet on the roadside outside Alice Springs for some cross-agency collaboration.

Licensing NT partnership with Hospitality NT

Licensing NT has once again partnered with Hospitality NT to strengthen the industry through the implementation of a free, online Responsible Service of Gambling course.

Staff are required to complete the course every three years to ensure they are up to date with the latest harm minimisation strategies for problem gamblers.

The course is part of measures contained in an updated Code of Practice for Responsible Gaming, which was created following a review in early 2022.

The Code aims to minimise the harms associated with problem gambling by providing clearer information to enable patrons to make informed decisions about their gambling habits and self-exclusion options; and to provide clearer training requirements and pathways for staff.

The Code can be viewed on the NT Government website: www.nt.gov.au



Left to right: Philip Timney, Executive Director, Liquor, Racing and Gaming, Penny Phillips with her Responsible Gambling Certificate and Alex Bruce, Hospitality NT CEO

2. Community gaming machine licensing

The stated objectives of the *Gaming Machine Act 1995* 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.

The maximum number of gaming machines that can operate under a gaming machine licence held by clubs is 55, while a gaming machine licence held by a hotel or tavern can operate up to 20. Neither a club nor a hotel/tavern can hold a gaming machine licence without first holding a liquor licence under the Liquor Act.

Distribution of community gaming machines

As at 30 June 2022, the total number of community gaming machines authorised to be operated under the 73 gaming machine venue licences issued under the *Gaming Machine Act 1995*, including operational and non-operational, was 1,575.



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 3: Distribution of gaming machines

Region	2020-21			2021-22		
	Clubs	Hotels/taverns	TOTAL	Clubs	Hotels/taverns	TOTAL
Northern	660	680	1340	660	704	1364
Southern	164	50	214	161	50	211
TOTAL	824	730	1554	821	754	1575

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 2021-22 reporting period, the average gross profit per operational machine per day was \$260 compared to \$291.59 in 2020-21. Gaming machine gross profit decreased by 9% to \$133.814 million in 2021-22, down from \$147.513 million during the 2020-21 reporting period.

Table 4: Top 10 licensed clubs based on gaming machine Gross Profit for 2021-22

Each group in alphabetical order
Casuarina All Sports Club
Cazaly's Palmerston Club Inc.
Club Eastside
Darwin Golf Club
Gillen Club
Katherine Club
Katherine Country Club
Palmerston Golf and Country Club
Silks Darwin Racing
Tracy Village Social & Sports Club

Table 5: Top 10 licensed hotels/taverns based on machine gaming Gross Profit for 2021-22

Each group in alphabetical order
Airport Hotel
Bell Bar & Bistro
Hibiscus Tavern
Howard Springs Tavern
Humpty Doo Tavern
Landmark
Palmerston Tavern
Parap Village Tavern
Plaza Karama Tavern
Walkabout Tavern

Community Benefit Fund

The Community Benefit Fund levy reduced in 2021-22, in line with the decrease in gross profits.



The Community Benefit Fund **levy on electronic gaming machines** in hotels and casinos.

Further information regarding the Community Benefit Fund can be found in the Community Benefit Fund Annual Report for 2021-22.

3. Gaming machine managers

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

Gaming machine manager licences

The number of **gaming machine manager licences**



1000
in 2021-22

895
in 2020-21

4. Gaming equipment submissions processed

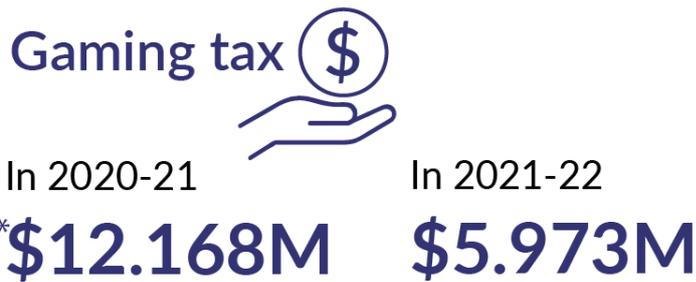
Applications for approval of technology centric gambling equipment are evaluated against one of either the Australian / New Zealand Gaming Machine National Standard, the Director of Gaming Controls' requirements, or other International best practice standards. Equipment includes but is not limited to:

- Internet Gaming Apps
- Gaming Machines
- Table Game Jackpot Systems
- Gaming Machine Monitoring Systems
- Lottery Systems
- Fully and Semi Automated Table Game Systems
- Table Game and Cage Management Systems
- Card Shufflers
- Player Loyalty Systems



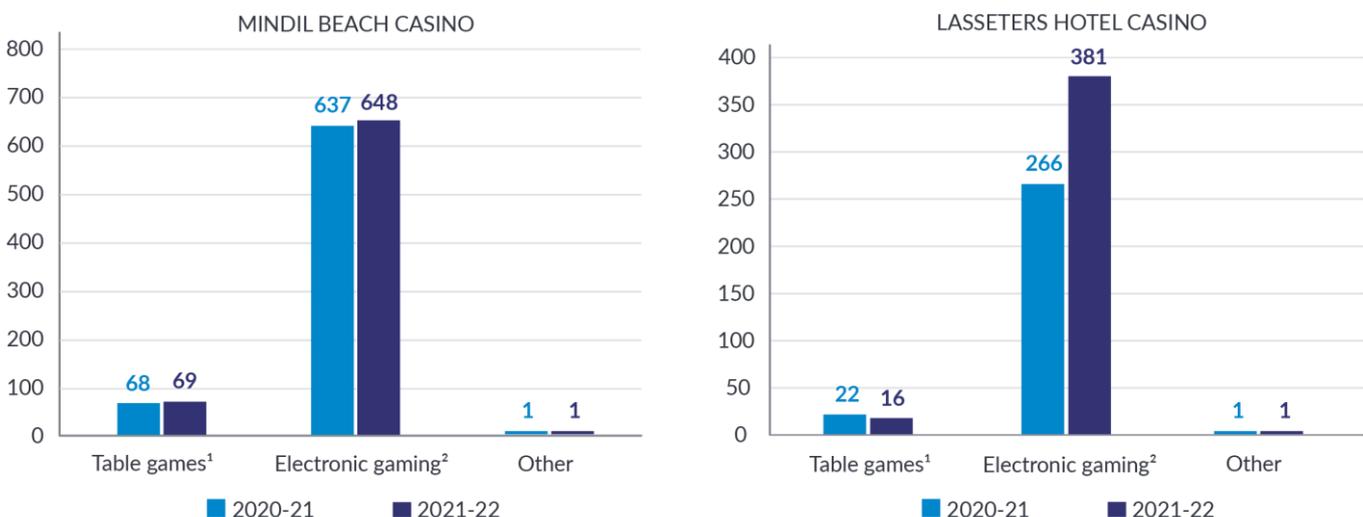
5. Casinos

There are currently 2 casinos licensed to operate in the Northern Territory. Casinos are permitted to operate approved games (table games) and gaming machines. The agreement with Darwin Casino also allows for the provision of Keno within the Northern Territory. There are currently 65 venues permitted to conduct NT Keno in the Northern Territory.



*Community benefit levy is not included and therefore is lower than published in prior year reports (which had community benefit levy added to the total).

Figure 3: Northern Territory casinos gambling product distribution

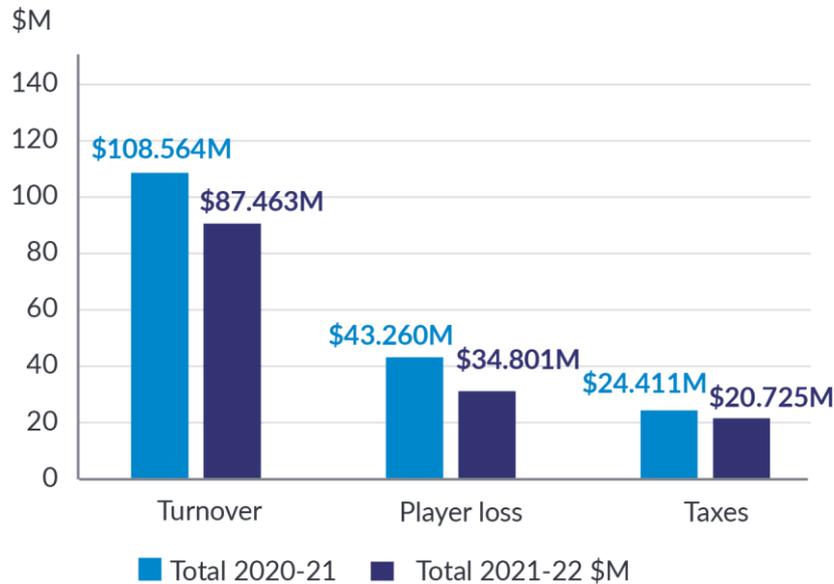


¹ Includes Semi Automated Table Games (SATGs) ² Includes Fully Automated Table Games (FATGs)

6. Lotteries

In accordance with the *Gaming Control Act 1993*, the Director may approve the way a lottery business is conducted and direct the licensee to provide details from time to time. The Director also has administrative responsibility for the *Soccer Football Pools Act 1978*.

Figure 4: Lotteries turnover, player loss and revenue generated comparisons

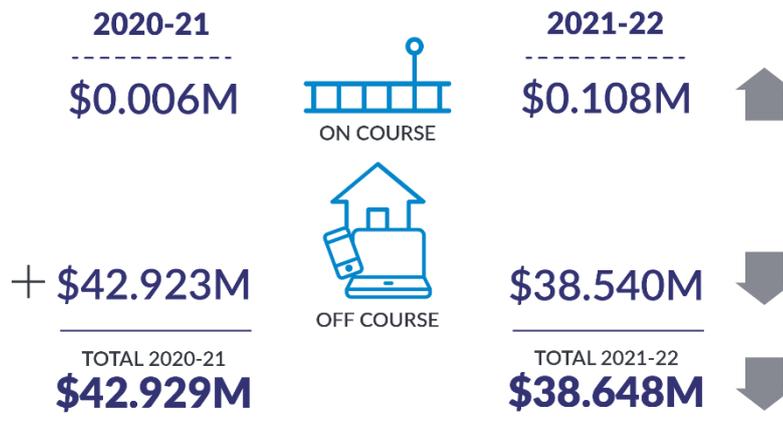


Sales are made up of lottery products, instant 'scratchies' and soccer pools.

Totalisator licensing

UBET NT Pty Ltd (UBET), which is a subsidiary of TABCORP Limited, holds the only totalisator licence in the Northern Territory. UBET operates from 50 outlets across the Territory, consisting of 2 independent retail venues, 44 club/hotel licensed premises and 4 on-course venues. UBET also holds a sports bookmaker licence, issued by the Director.

The Director investigates and determines complaints with a range of penalty powers available. No complaints were received during the reporting period.

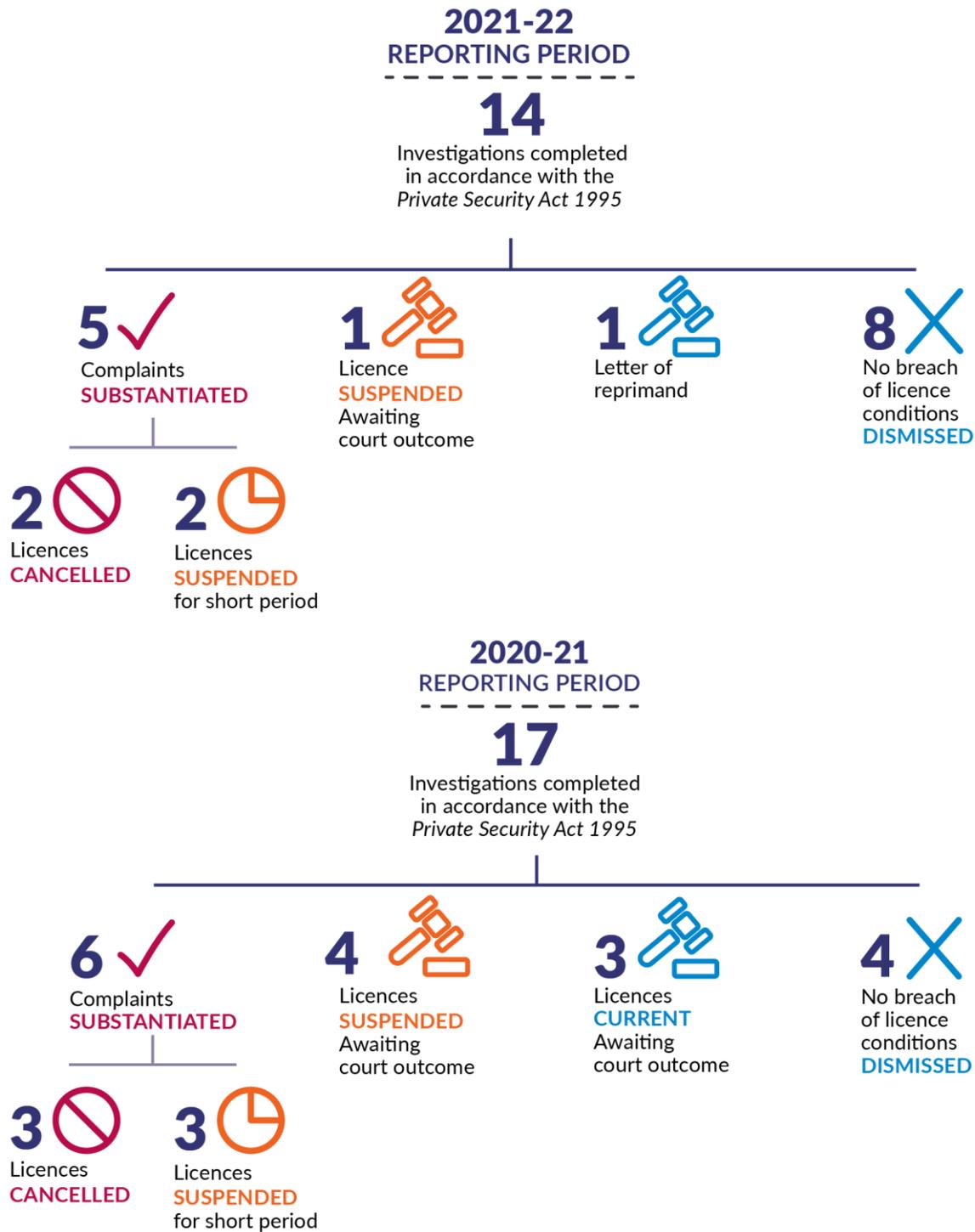


Further details of taxation raised are contained in the Department of Treasury and Finance annual report <https://treasury.nt.gov.au/publications/annual-reports>

7. Private security

The *Private Security Act 1995* provides for a formal complaint process. The Director determines such complaints and may impose penalties against the licensee.

Complaints against security providers



8. Kava

The Director has powers under the *Kava Management Act 1998* to deal with kava and associated matters, including the disposal of kava and related property seized by police for kava-related offences.



Destruction of kava seized is dependent on the finalisation of judicial proceedings, which can account for significant variations year on year.

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