

# Director-General of Licensing Annual Report 2015-16

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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 2016.

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

29 September 2016

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## Director-General of Licensing's Message

It is my pleasure to present the Annual Report of the Director-General of Licensing for the year ended 30 June 2016.

The commencement of the *Licensing (Director-General) Act 2014* on 1 January 2015 created the position of the Director-General of Licensing when the *Northern Territory Licensing Commission Act* was repealed. Mr Séan Parnell was appointed as the first Director-General of Licensing for the Northern Territory and served in that position until my appointment as the Director-General on 1 October 2015. This Annual Report therefore necessarily reports on the exercise of powers and performance of functions by both Mr Parnell and myself in our statutory roles as the Director-General throughout the 2015-16 financial year.

The portfolio of the Director-General is extremely diverse, ranging from the regulation of the liquor, private security and gaming industries through to the licensing of escort agencies and disposal of seized kava. In addition, the Director-General has been delegated the independent statutory powers and functions of the Commissioner of Consumer Affairs under the provisions of the *Consumer Affairs and Fair Trading Act* in relation to motor vehicle dealers, pawnbrokers and second-hand dealers and the *Associations Act* and *Commercial and Private Agents Licensing Act*. The Director-General is also administratively responsible for the *Auctioneers Act*, *Soccer Football Pools Act* (except provisions about duties) and the *Unlawful Betting Act*.

The position of the Director-General is supported by Licensing NT which also provides administrative support to the various boards that licence and regulate building related occupations including building practitioners, electricians, plumbers and drainers, architects and surveyors as well as to the Agents Licensing Board and the Racing Commission.

Given such a broad spectrum of regulatory responsibility, it is extremely important that the Director-General determines matters on the basis of the law and on the evidence available and that those decisions are not unduly influenced by matters outside the scope of the law. In determining matters, the Director-General is responsible for ensuring the policies set by Parliament in the law are being implemented while taking into account the views of parties with a legitimate interest in the matter, be they individuals, communities, organisations or industry representatives.

During the reporting period, Licensing NT underwent a re-structure so as to streamline our business practices, reduce processing times and improve responsiveness to client demands. The organisational changes have allowed us to also develop a more proactive risk based compliance plan for all of the industries that we regulate. Another major change for Licensing NT throughout the year was the move by our Darwin team to new premises at NAB House in Smith Street.

With such significant change, I would like to extend my sincere appreciation to all Licensing NT staff for their efforts and professionalism throughout the year. I hope that looking back over the highlights of 2015-16 in this report serves as a reminder of the significant contribution made by the Licensing NT team to the regulatory environment of the Northern Territory.



Cindy Bravos  
Director-General of Licensing

## 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.

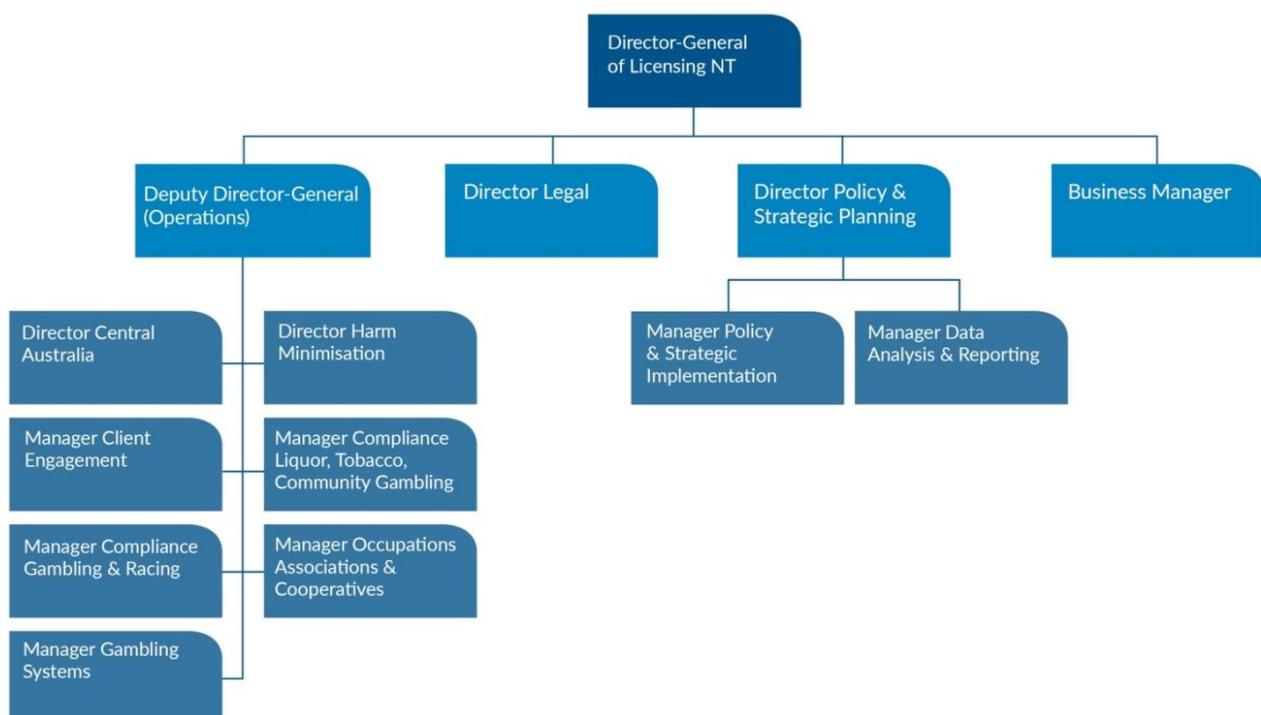
The Act also provides for the Director-General to delegate those powers and functions under relevant legislation. Delegate decisions are able to be reviewed by the Director-General under the Act and either confirmed or replaced, creating a more efficient and transparent decision-making process.

The Northern Territory Civil and Administrative Tribunal (NTCAT) is able to review decisions made by the Director-General, further enhancing the decision making process.

The Director-General has responsibility for related 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 Director-General, when exercising a power or performing a function under the *Liquor Act* must also take into account the 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.

### 1.1. New liquor licences

During the reporting period 38 new liquor licences were issued in the Northern Territory, 29 of which were for cafés, restaurants, catering businesses, private lodges, new resorts and speciality businesses.

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* also requires that all applications for the granting of a liquor licence are to be publicly disclosed. This involves advertisements in the relevant newspapers as well as a notice at the proposed premises which must be displayed for a period of 30 days. The advertisement includes 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 the relevant local authority or council 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 the consideration of the Director-General.

Any objections received in relation to an application must then be considered by the Director-General including any responses provided by the applicant to the objection. In considering the application, the Director-General may also require the applicant, or a party to the application to provide additional information or material considered necessary to make a proper assessment of the application. A similar process exists for the permanent variation of a liquor licence if sought by the licensee.

After considering all materials in relation to the application, the Director-General must issue the licence under any conditions determined appropriate or refuse to grant the licence. Once the application is determined a decision notice is issued to all affected persons, this includes the applicant and any person who lodged an objection. Determinations made by the Director-General or their delegate are open to review at the application of an affected person. The process for such a review is included in the decision notice. Decisions made by a delegate may be reviewed in the first instance by the Director-General, while decisions made by the Director-General may be reviewed by the Northern Territory Civil and Administrative Tribunal.

The number of liquor licences active as at 30 June 2016 was 537 compared to 502 the previous year. Three licences were also cancelled or surrendered during the year due to non-trading. In addition, a further 15 licensed premises have been identified as not currently operating and action under the *Liquor Act* is to be taken to cancel these identified licences.

**Table 1: New liquor licences issued and trading**

Premise	"Business Model"	Location	Date Issued
The Finch Café	Restaurant	Katherine	25/08/15
Kim's Fish n Chips	Restaurant	Darwin City	1/09/15
The Venue At Fannie Bay	Restaurant	Darwin	29/09/15
Shillelagh's	Restaurant	Darwin	30/09/15
Little Miss Korea	Restaurant	Darwin City	28/10/15
Cucina Italian Diner	Restaurant	Darwin	26/11/15
Horizen Café	Restaurant	Darwin City	9/12/15
Foreshore Cafe & Restaurant	Restaurant	Darwin	5/02/16
PM Eat and Drink	Restaurant	Darwin City	21/03/16
Catalyst Cafe and Grill	Restaurant	Darwin City	11/04/16
Tandoori Vibes - Bar and Restaurant	Restaurant	Darwin City	5/05/16
The Meat House at Quest	Restaurant	Darwin City	20/05/16
Three C's Café	Restaurant	Nhulunbuy	20/05/16
Fannie Bay Super Pizza	Restaurant	Darwin	22/06/16
Rydges Palmerston Hotel	Hotel Restaurant & Bar	Palmerston	14/08/15
Sage Resort Darwin	Hotel, Restaurant, Pool & Bar	Darwin	4/06/16
Arnhem Land Barramundi Lodge	Lodge	West Arnhem land	8/06/16
Murwangi Safari Camp	Lodge	East Arnhem land	8/06/16

Table 1: New liquor licences issued and trading (cont'd)

Premise	"Business Model"	Location	Date Issued
Enchanted Moments	Functions on demand	Darwin City	18/05/16
Henry's at Cullen	Functions on demand	Darwin City	22/01/16
Kingpin Bowling	Special licence	Darwin	31/07/15
Tommy Guns Original Barbershop	Special licence limited to one drink per person	Darwin	26/02/16
Rorkes Beer Wine Food	Tavern	Darwin City	7/09/15
Rosebery IGA	Take-away	Palmerston	12/10/15
BWS-Beer Wine Spirits	Take-away	Palmerston	31/05/16
<b>TOTAL</b>			<b>25</b>

Table 2: New liquor licences issued and non-trading as at 30 June 2016

Premise	"Business Model"	Location	Date issued
Punjabi Tandoor	Restaurant	Darwin City	28/10/15
* Mad Mex Casuarina Square	Restaurant	Darwin	21/04/16
* Shop 362, Casuarina Shopping Square	Restaurant	Darwin	27/04/16
* Shop 364, Casuarina Shopping Square	Restaurant	Darwin	27/04/16
* Shop 365, Casuarina Shopping Square	Restaurant	Darwin	27/04/16
* Stone House Wine and Kitchen	Restaurant and limited take-away (boutique wines only)	Darwin City	12/04/16
* Coolalinga Brewery	Micro brewery bar	Coolalinga	19/10/15
* Six Tanks Brewing Co	Tavern and limited take-away (craft beers only)	Darwin City	22/06/16
* Gateway Tavern	Tavern	Palmerston	14/03/16
* The Flynn Tavern	Tavern and limited take-away (limited to members only)	Palmerston	13/04/16
* One Stop Bottleshop Pinelands	Take-away	Darwin	22/07/15
* Liquorland Coolalinga	Take-away	Coolalinga	16/10/15
* Gateway Select Wine, Beer & Spirits	Take-away	Palmerston	8/02/16
<b>TOTAL</b>			<b>13</b>

\* Under construction

## 1.2. 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 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 3 provides a synopsis of the decision notices issued under the *Liquor Act* by the Director-General during 2015-16.

**Table 3: Director-General liquor decisions for 2015-16**

Date	Nature of Matter	Venue	Decision
13/08/15	Complaint pursuant to section 68 of the <i>Liquor Act</i>	The Darwin Turf Club	Noise complaint dismissed
10/09/15	Application for variation of conditions of liquor licence	Milikapiti Sports & Social Club	Re-instatement of authority to sell take-away
28/09/15	Review of delegate decision to revoke liquor permit	N/A	Decision of the delegate set aside and liquor permit re-instated
14/10/15	Application for variation of conditions of liquor licence	The Tap on Mitchell	Variation approved - liquor licence endorsement from Authority On-Licence to Authority Tavern
15/10/15	Application for grant of a restaurant liquor licence	Shillelagh's	Restaurant liquor licence granted
16/10/15	Application for grant of store liquor licence	Rosebery IGA	Store liquor licence granted (take-away sale)
19/10/15	Application for variation of conditions of liquor licence	Lazy Lizard Caravan Park	Variation approved – allow Keno in licensed premise
28/10/15	Breach of sections 106C and 106CA of the <i>Liquor Act</i>	Devils Marbles Hotel	Suspension of licence for 2 days (suspended)
12/01/16	Complaint pursuant to section 67 of the <i>Liquor Act</i>	The Settlers Functions Rooms	Liquor licence cancelled – non operation of premises
14/01/16	Review of delegate decision that objection was invalid	Flynn Tavern	Decision of the delegate affirmed, however, objector granted standing as an objector in her own right
11/03/16	Complaints pursuant to section 68 of the <i>Liquor Act</i>	Memo Club	No further action taken (see Case Study)
5/04/16	Application for variation of conditions of liquor licence including take-away	Savannah Way Motel Borroloola	Application to sell take-away liquor refused, other variations approved
13/04/16	Application for the grant of a liquor licence including take-away	The Flynn Tavern	Tavern licence granted with authority for sale of take-away liquor to members only
6/05/16	Review of delegate decision to grant liquor licence	Tommy Guns Original Barbershop	Decision of the delegate affirmed
17/05/16	Application for special licence (BassintheGrass)	Darwin Amphitheatre	Special liquor licence granted
20/05/16	Application for grant of a restaurant liquor licence	Three C's Cafe	Restaurant liquor licence granted - Nhulunbuy
6/06/16	Application for special licence (Summer Session)	Darwin Amphitheatre	Special liquor licence granted
8/06/16	Variation of conditions of liquor licence	Viva La Vida Wine & Tapas Bar	Amend licence to remove condition relating to compliance with City of Darwin's outdoor dining policy

Date	Nature of Matter	Venue	Decision
8/06/16	Application for liquor licence including take-away	Six Tanks Brewing Co	Tavern liquor licence granted; take-away liquor licence granted for locally brewed products only
16/06/16	Application for liquor licence	Enchanted Moments	Restaurant/liquor merchant licence granted
23/06/16	Application for liquor licence	Sage Resort Darwin	Liquor licence granted for resort restaurant & pool bar

### Case Study - Flynn Tavern

An application was lodged with the Director-General seeking the grant of a liquor licence allowing for the sale of liquor both on and off premise. The application was for premises that were in the early stages of construction at 127 Flynn Circuit, Bellamack. The application attracted objections from local residents and other stakeholders.

In response to the objections, the Director-General hosted a community forum to gather further information about the community concerns over the proposed licence. Issues which arose at the forum included whether there was a need for another take-away liquor outlet in the area, the need for a tavern, and the potential for disruption of the amenity of the community. Residents for and against the grant of a liquor licence attended the forum.

After considering the concerns of the community and other stakeholders, the submissions of the applicant and whether there was a proliferation of take-away liquor outlets in the new area, the Director-General was satisfied that the applicant would implement actions to address the most significant concerns expressed by objectors.

The application was granted subject to the applicant implementing a membership/registration scheme for persons purchasing take-away liquor from the Tavern to the satisfaction of the Director-General. The licence will not become operative until the applicant has provided the Director-General with all required approvals and certifications for the occupancy of the building.

### 1.3. 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 a business being sold. The conditions of the licence remain in place and the new owner must apply to the Director-General if they wish to vary them once they have been granted the licence. The transfer does not take effect until authorised by the Director-General.

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

Unlike the grant of a new liquor licence, a transfer does not need to be publicly disclosed. The same process of probity and appropriateness applied to the grant of a licence is applied to the transfer of a licence. An applicant for the transfer of a licence must also provide the Director-General materials that satisfy the requirements of the *Liquor Act*, as well as considerations as to the appropriateness of the applicant to be a licensee and 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.

During the 2015-16 reporting period, the Director-General (or delegate) approved 27 liquor licence transfers.

**Table 4: Liquor licences transferred in 2015-16**

Date	Premise Name
1/07/2015	Schooners Bar and Grill
3/07/2015	Bahn Thai
1/08/2015	Hibiscus Tavern
15/08/2015	The Hotel Darwin
31/08/2015	Elan Soho Suites
1/09/2015	Aralia Street Supermarket
17/09/2015	Opium
25/09/2015	Hong Kong Restaurant
26/09/2015	Lake Bennett Resort
30/09/2015	Seafood on Cullen
12/11/2015	Todd Tavern
27/11/2015	Dominos Pizza Darwin City
30/11/2015	Ming Court
4/12/2015	Litchfield Hotel
16/01/2016	Gastro Pub and Restaurant
23/01/2016	Wanguri Supermarket
30/01/2016	Heavitree Gap Store
31/01/2016	Wycliffe Well Store
31/01/2016	The Tap on Mitchell
19/02/2016	Borrooloola Hotel Motel
29/02/2016	Safari Lodge Motel
18/03/2016	Eldorado Motor Inn
29/03/2016	Hanuman Alice
15/04/2016	Outback Jacks Bar & Grill NT

Date	Premise Name
29/04/2016	Litchfield Tavern
17/06/2016	Best Foods Darwin
30/06/2016	Riverview Motel and Caravan Park

#### 1.4. Licence condition variations

A licensee may apply to the Director-General for a variation of the conditions of their licence. Licence variations are sought for a number of reasons including an extension to the licensed area; change to trading hours; change of business name and/or change to 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 372 temporary variations in the 2015-16 year.

The Director-General may require an application for variation of licence to be advertised thereby allowing for public objections, if it is considered to be in the public interest. This is more likely to occur when the application is for a permanent variation.

During the 2015-16 reporting period, the Director-General (or delegate) authorised 33 permanent licence variations.

**Table 5: Permanent licence condition variations authorised during 2015-16**

Date	Premise	Licence condition variations
22/07/15	Darwin Golf Club	Amend to allow sale of liquor from golf cart on course
31/07/15	Green Chillies Darwin	Amend to allow increase to hours of trade without serving liquor
27/08/15	Istanbul Kebab	Amend to remove ancillary to a meal licence condition
28/08/15	Palmerston Sports Club	Amend to change to membership conditions
31/08/15	NT Oriental Emporium	Amend conditions to change approved product range
10/09/15	Milikapiti Sports & Social Club	Amend to provide for take-away sales
11/09/15	Yum Cha Chinese Restaurant	Amend to increase trading hours
17/09/15	Palm City Resort	Amend to change authority to an on licence
25/09/15	Ducks Nuts Bar and Grill	Amend to allow consumption of liquor on footpath alfresco dining area
30/09/15	Eat a Pizza	Amend to remove ancillary to a meal condition
30/09/15	Darwin Surf Life Saving Club	Amend conditions to licensed area
14/10/15	The Tap on Mitchell	Amend to change authority from an on licence to a tavern
19/10/15	Lazy Lizard Caravan Park	Amend to provide for keno to be played

Date	Premise	Licence condition variations
30/10/15	Lazy Susan's	Amend trading hours to provide for Yum Cha on weekends
31/10/15	Lola's Pergola	Amend conditions to allow for entertainment
31/10/15	Groote Eylandt Lodge	Amend conditions and licensed areas to allow permit holders and guests to consume liquor in those areas
17/12/15	Shenannigans Irish Pub	Amend conditions to allow consumption of liquor on footpath alfresco dining area and add noise condition
30/11/15	Shenannigans Irish Pub	Trading hours varied
1/12/15	Lasseters Hotel Casino	Amend trading hours to provide for earlier trading on Christmas Day
17/12/15	Haven Backpackers	Amend condition to increase trading hours and allow for sale of wine in containers rather than plastic cups
23/12/15	Katherine Hotel	Bush order condition variation
15/01/16	Alyangula Golf Club	Trading hours varied
1/02/16	Discovery / Honey Pot	Amend conditions to rename Discovery's Bar 4 to the Honey Pot Club Amend conditions to include private dancing areas
19/02/16	Sails in the Desert	Amend conditions to allow for the supply of complimentary liquor from the Red Ochre Spa
19/02/16	Darwin Sailing Club	Amend conditions to allow people to enter between 08:00 and 10:00 on Saturdays and Sundays from the first Saturday in April until the last Sunday in October each year
19/02/16	Batji Bar	Amend conditions to remove restrictions on the types of liquor sold, obligation to identify bona fide lodgers; patrons to be guests of bona-fide lodgers and allow recorded music
5/04/16	Savannah Way Motel Borroloola	Amend conditions to allow the sale of liquor at pre-arranged functions and to bona-fide lodgers without a meal
6/05/16	Sea Darwin	Amend licence to add an additional vessel
16/05/16	Virgin Lounge	Amend conditions to increase trading hours on Thursdays and Fridays
20/05/16	NT Rock Bar	Amend conditions to allow trading on Good Friday
6/06/16	McArthur River Mine	Amend conditions to provide for trading seven days of the week
8/06/16	Viva La Vida Wine & Tapas Bar	Amend conditions to provide for alfresco dining, functions, entertainment and mobile bar
30/06/16	Tandoori Vibe Restaurant	Amend conditions to allow for breakfast trade and to change the name of the venue to Vibe Restaurant

## 1.5. 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.

The Director-General may require an application for material alteration of a licence to be advertised thereby allowing for public objections, if it is considered to be in the public interest. Applications and any objections are then assessed by the Director-General in accordance with the objectives of the *Liquor Act* and the public interests.

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

During the 2015-16 reporting period, the Director-General (or delegate) authorised 20 material alterations. These are outlined in Table 6.

**Table 6: Authorised material alterations to licensed premises in 2015-16**

Date	Premises	Material alteration
22/07/15	Shenannigans Irish Pub	Increase gaming room area
31/07/15	Cazalys Palmerston	Increase gaming room area
31/07/15	Lasseters Hotel Casino	Renovations
28/08/15	Outback Pioneer Hotel	Increase licensed area
31/08/15	Throb	Internal renovations to bar area
17/09/15	Winnellie Hotel	Renovations
31/10/15	Borrooloola Hotel Motel	Excise area
31/10/15	Alyangula Recreation Club	Change licensed area
9/11/15	Turnt Bar and Restaurant	Renovations
20/11/15	Darwin RSL	Renovations
18/12/15	King Ash Bay	Expand licensed area
31/01/16	Beachfront Hotel	Renovations
19/02/16	Sails in the Desert	Increase licensed area
29/02/16	Devils Marbles Hotel	Increase licensed area
1/03/16	Discovery / Honey Pot	Renovations
11/03/16	Howard Springs Tavern	Variation to licensed area
31/03/16	Beagle Motor Inn	Renovations
25/04/16	Darwin RSL	Create smoking area and move gaming area
29/05/16	Karama Tavern	Renovations
16/06/16	Darwin Airport Tavern	Increase licensed area

## 1.6. Special liquor licences

Special liquor licences are generally approved for 'one-off' events but may also be approved for events that occur on an annual basis such as the Greek Glenti.

Applications for special licences are usually made by service and sporting clubs or by community organisations wanting to conduct fundraising events. Special liquor licences may be subject to any conditions specified by the Director-General including a requirement for security where appropriate.

Special liquor licence approvals are completed by delegates of the Director-General except where there are special circumstances such as Police not supporting the application, or where referred for determination.

During the 2015-16 reporting period, the Director-General (or delegate) issued 323 special liquor licences.

## 1.7. Continuing special licences

Continuing special licences are generally for the purpose of regular repeated events such as social clubs and specialised entertainment venues such as Browns Mart.

Such licences are 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 2016 there were 121 continuing special liquor licences.

During the 2015-16 reporting period, the Director-General (or delegate) issued 14 new licences and renewed 107 licences.

## 1.8. Restricted Areas

There are provisions in the *Liquor Act* that allow the Director-General to declare an area a 'Restricted Area' under which the consumption, possession, sale or disposal of liquor may only occur pursuant to a permit or licence. There are a variety of declarations available to the Director-General as outlined in Table 7. When considering applications, the Director-General is required to consult with relevant parties including residents, licensees and shire councils.

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 7: Types of Restricted Areas

	General Restricted Areas	Public Restricted Areas	Private Restricted Areas
<b>Purpose</b>	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.
<b>Declaration</b>	Declared by the Director-General after extensive consultation with affected community.	Declared by the Director-General after extensive consultation with affected community.	Declared by the Director-General with consent of majority of occupiers.
<b>Offences</b>	It is an offence to bring, have, consume or sell liquor, without a licence or a permit.	It is an offence to consume liquor without a permit.	It is an offence to possess, consume or bring liquor into/onto the private premises.
<b>Penalties*</b>	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 \$153

Table 8: Restricted Areas and premises granted in 2015-16 compared to 2014-15

Type of Alcohol Restricted Areas Declared	2014-15	2015-16	Total in force
General	0	0	114
Public	0	0	11
Private restricted premises (private homes and buildings)	51	72	529
<b>Total</b>	<b>51</b>	<b>72</b>	<b>654</b>

### 1.9. 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 2016, 2716 permits were in effect.

Table 9 compares the 2015-16 and 2014-15 permits across all General Restricted Areas.

**Table 9: Liquor permit activity for General Restricted Areas for 2015-16 compared to 2014-15**

Permits	2014-15	2015-16
Issued	5082	4622*
Revoked/Disabled	175	95

\* 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 2015-16 reporting period, the Director-General (or delegate) granted 39 such permits.

### 1.10. 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, if the Director-General (or delegate) determines that the complaint warrants disciplinary action, the licensee is issued with a notice of the intended disciplinary action. The licensee is then entitled to make submissions about the proposed action to be taken, thereby affording natural justice.

There are a variety of disciplinary actions available to the Director-General under the *Liquor Act* when determining a suitable penalty. These include:

- a formal warning
- 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.

**Table 10: Complaints received and actions taken during 2015-16 compared to 2014-15**

<b>Liquor complaints received and action taken</b>	<b>2014-15</b>	<b>2015-16</b>
Complaints investigated, but no further action warranted	3	11
Complaints investigated, formal warning issued	1	5
Licences cancelled following complaint	0	0
Licences suspended due to breaches of licence conditions	0	1
Complaint investigated and monetary penalty or infringement notice imposed	1	3
<b>Total</b>	<b>5</b>	<b>20</b>

### Case Study - Memo Club

Throughout 2015, Licensing NT received and investigated a number of complaints against the Memo Club of Alice Springs in relation to the sale and supply of alcohol. As an outcome of these complaints, the Director-General and the management committee of the Club met and agreed to work together to ensure that the Memo Club was operating in compliance with the condition of its licence and the *Liquor Act*.

This involved Licensing NT inspectors appointed under the *Liquor Act* (inspectors) working at the Memo Club with staff and management in a proactive and cooperative partnership over a five-week period with the aim to develop more effective and responsible service of alcohol, security and compliance. The partnership commenced on 11 December 2015 and, after a two week break over the Christmas period, was completed on 22 January 2016. Progress was monitored throughout the partnership with weekly meetings between Licensing NT and the Memo Club management committee to give and receive feedback.

Licensing NT evaluated the impact and effectiveness of the partnership and discussed the results and recommendations with the management committee. A new General Manager subsequently made changes to improve the Club's focus on compliance and responsible service of alcohol.

Licensing NT continued to carry out regular inspections and found that the Club acted on feedback and advice provided during the partnership and continued to refine and improve its practices. The management committee also looked at ways to better engage with the community and to create more community participation in the Club.

Police commented that from their perspective it was good to see the premises making such a significant improvement with a positive effect on improving community safety.

### 1.11. 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 2015-16 reporting period 1164 operational visits were undertaken in which compliance monitoring 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*.

### 1.12. Review of delegate decisions (liquor)

During the 2015-16 reporting period the Director-General conducted three reviews regarding applications made under the *Licensing (Director-General) Act*. One was to affirm the delegate's decision to grant a liquor licence, one was to affirm the decision of the delegate regarding group standing as an objector but granted standing as an objector in her own right and the other was to overturn a decision to revoke a liquor permit.

### 1.13. Northern Territory Civil and Administrative Tribunal reviews (liquor)

The Director-General's decisions can be reviewed by the Northern Territory Civil Administrative Tribunal (NTCAT). Three liquor decisions were referred to NTCAT for review during the 2015-16 reporting period.

#### **One Stop Bottleshop Pinelands – grant of take-away liquor licence**

NTCAT confirmed the Director-General's decision to grant a take-away liquor licence to the applicant.

NTCAT found that the Take-away Liquor Guidelines were valid and correctly applied and that the proposed business was in the public interest in accordance with the objectives set out in section 3 of the *Liquor Act*.

NTCAT was also satisfied that the proposed licensed premises would protect and enhance the community amenity, contribute to the responsible development of the liquor industry and facilitate a diversity of licensed premises and associated services for the benefit of the community.

#### **Rosebery IGA – grant of take-away liquor licence**

The application to review the grant of a take-away liquor licence to the Rosebery IGA store was withdrawn during formal mediation conducted by NTCAT.

The Licensee made minor concessions in respect of the trading hours applicable to the licence.

#### **Savannah Way Motel – refusal to grant take-away liquor licence**

The Savannah Way Motel Licensee in Borroloola applied to the Director-General for a variation of the conditions associated with their liquor licence so as to allow for the sale of take-away liquor. The existing licence authorises the sale of liquor only for consumption ancillary to the purchase of a meal on the premises.

The Director-General granted the application to the extent that it applied only to bona-fide lodgers of the Motel but refused to authorise the sale of take-away alcohol to the general public.

One of the significant considerations in assessing the application was the capacity to effectively monitor and enforce the limit on purchases where two licensees would sell take-away alcohol independent of each other.

The Malandari Store is a licensed premise also located in Borroloola that is authorised to sell take-away liquor subject to strict conditions limiting take-away alcohol sales to mid strength beer in quantities not exceeding 18 cans of beer per person per day for Borroloola residents.

The Director-General determined that there were no effective means of preventing purchasers from “double dipping” by purchasing the daily limit of liquor from both premises.

On 29 April 2016 the licensee sought a review of the Director-General’s decision. As at 30 June 2016 the review is adjourned at the request of the applicant and NTCAT had yet to review the decision.

#### 1.14. 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.

During the 2015-16 reporting period, key harm minimisation initiatives have included:

- liquor accords
- alcohol management plans
- liquor supply plans.

##### **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.

During the reporting period, the Australian Hotels Association (NT) was funded by the Department of Business to assist industry develop and promote liquor accords, which are currently in place in Darwin, Central Australia, Katherine, Casuarina, Tennant Creek, Kakadu and Nhulunbuy.

### **Alcohol management plans**

Alcohol management plans (AMPs) have been developed and implemented in more than 30 communities and are a key tool to inform stakeholder actions and improve regulatory responses. AMPs describe the agreed extent of supply restrictions such as total prohibition or restricted access, or permits systems and management.

### **Liquor supply plans**

In some communities the process of negotiating an AMP can also lead to the development of a specific liquor supply plan. These plans most commonly target low price and high volume alcohol products such as cask or fortified wines, and restrict or prohibit their availability in take-away outlets. Liquor licensees are informed of the provisions of these plans and licence conditions can be varied to support compliance with these initiatives.

## **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.

On 1 January 2015, as part of Government policy the Northern Territory-wide cap of 1190 community gaming machines was removed.

Additionally, from 1 July 2015, as part of Government policy the number of electronic gaming machines available to individual venues was increased. Hotels/taverns (Category One) were previously allowed 10 machines while clubs (Category Two) were allowed 45 machines per venue. This was increased to 20 and 55 respectively. A \$132 application fee applied to an application for an increase in gaming machines. There was also a levy based on the licence authority held. The levy for 2015-16 was \$51 801 per machine for hotels/taverns and \$10 361 per machine for clubs.

The levy did not apply to licensees seeking additional machines where the total remained under the former venue caps of 10 and 45 that existed prior to 1 July 2015. It also did not apply to applicants for a gaming licence if the number of machines sought remained below the former venue cap.

Applicants must provide a community impact assessment with their gaming machine application to assist the Director-General to consider all relevant matters during assessment. The assessment must comply with the approved guidelines issued under section 161A of the *Gaming Machine Act* and include a component of community engagement.

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

Club contributions, the Community Benefit Levy and Community Benefit Fund are all reported in the Community Benefit Fund Annual Report. The Community Benefit Fund received \$10.36 million from the levy on electronic gaming machines in hotels and casinos during 2015-16.

## 2.1. New gaming machine licences and new gaming machines

During the reporting period, three applications for a new gaming machine licence were approved and a total 318 gaming machines were approved for use across 24 venues throughout the Northern Territory.

Table 11: New gaming machine licences issued

Premise	Location	Date issued
Berry Springs Tavern	Berry Springs	24/11/15
Rorkes Beer Wine Food	Darwin CBD	7/12/15
Flynn Tavern	Palmerston	20/06/16

## 2.2. Gaming machine decision notices issued by the Director-General

Table 12 provides a synopsis of the decision notices issued under the *Gaming Machine Act* by the Director-General during 2015-16.

Table 12: Director-General gaming machine decisions for 2015-16

Date	Nature of Matter	Venue	Decision
6/11/15	Application for increase in gaming machines	Beachfront Hotel	Approved increase from 10 to 20
23/11/15	Application for increase in gaming machines	Shenannigans Irish Pub	Approved increase from 10 to 20
23/11/15	Application for increase in gaming machines	Humpty Doo Tavern	Approved increase from 10 to 20
23/11/15	Application for increase in gaming machines	Globetrotters Lodge	Approved increase from 10 to 20

Date	Nature of Matter	Venue	Decision
24/11/15	Application for increase in gaming machines	Karama Plaza Tavern	Approved increase from 10 to 20
24/11/15	Application for gaming machine licence and gaming machines	Berry Springs Tavern	Approved 10
24/11/15	Application for increase in gaming machines	The Cavenagh	Approved increase from 10 to 20
27/11/15	Application for increase in gaming machines	Hibiscus Tavern	Approved increase from 10 to 20
27/11/15	Application for increase in gaming machines	Cazalys Palmerston Club Inc	Approved increase from 45 to 55
1/12/15	Application for increase in gaming machines	Casuarina All Sports Club Inc	Approved increase from 45 to 55
1/12/15	Application for increase in gaming machines	Palmerston Golf and Country Club Inc	Approved increase from 22 to 45
7/12/15	Application for gaming machine licence and gaming machines	Rorkes Beer Wine Food	Approved 10
11/12/15	Application for increase in gaming machines	Parap Tavern	Approved increase from 10 to 20
13/01/16	Application for increase in gaming machines	Palmerston Tavern	Approved increase from 10 to 20
29/01/16	Application for increase in gaming machines	Airport Tavern	Approved increase from 10 to 20
29/01/16	Application for increase in gaming machines	Club Eastside Inc	Approved increase from 14 to 45
22/02/16	Application for increase in gaming machines	Buff Club	Approved increase from 16 to 45
26/02/16	Application for increase in gaming machines	Tracy Village Social & Sports Club Inc	Approved increase from 45 to 55
14/03/16	Application for increase in gaming machines	Palmerston Sports Club Inc	Approved increase from 45 to 55
18/05/16	Application for increase in gaming machines	Lizards Bar & Restaurant	Approved increase from 10 to 20
20/06/16	Application for increase in gaming machines	Howard Springs Tavern	Approved increase from 10 to 20
20/06/16	Application for gaming machine licence and gaming machines	Flynn Tavern	Approved 20
21/06/16	Application for increase in gaming machines	Darwin RSL Services and Social Club Inc	Approved increase from 30 to 55
22/06/16	Application for increase in gaming machines	Monsoons	Approved increase from 10 to 20

### 2.3. Distribution of community gaming machines

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 13 shows the community gaming machine distribution among the regions.

**Table 13: Community gaming machine distribution for 2015-16**

	Clubs	Hotels/Taverns	Total
Northern region	595	350	945
Southern region	166	65	231
<b>Total</b>	<b>761</b>	<b>415</b>	<b>1176</b>

## 2.4. 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 2015-16 reporting period, the average gross profit per machine per day was \$182.03 compared to \$197.75\* in 2014-15. Gaming machine gross profit has increased by 5.33% to \$87.032 million in 2015-16, up from \$82.629\*\* million during the 2014-15 reporting period.

\*Average gross profit per machine per day for 2014-15 was previously reported as \$191.69. The correct figure is \$197.75 as reflected above.

\*\*Gaming machine gross profit for 2014-15 was previously reported as \$82.618 million. The correct figure is \$82.629 million as reflected above.

**Table 14: Licensed clubs based on machine gaming metered win for 2015-16**

Each group of 10 in alphabetical order	
<b>Top 10</b>	<b>Next 10</b>
Casuarina All Sports Club	Alice Springs Memorial Club
Cazalys Palmerston Club	Alice Springs RSL Club
Darwin RSL Services and Social Club	Alyangula Golf Club
Gillen Club	Darwin Bowls and Social Club
Katherine Club	Darwin Golf Club
Katherine Country Club	Darwin North RSL Services Club
Nightcliff Sports Club	Darwin Sailing Club
Palmerston Sports Club	Darwin Trailer Boat Club
The Arnhem Club	Gove Country Golf Club
Tracy Village Social & Sports Club	Katherine Sports & Recreation Club
<b>Next 10</b>	
Alyangula Recreation Club	
Buff Club	
Club Eastside	
Humpty Doo & Rural Area Golf Club	
Jabiru Sports & Social Club	
Palmerston Golf & Country Club	
PINT Club	
Sporties Club Inc	
St Marys Football Sporting and Social Club	
Tennant Creek Memorial Club	

**Table 15: Licensed hotels/taverns based on machine gaming metered win for 2015-16**

Each group of 10 in alphabetical order

Top 10	Next 10
Beachfront Hotel	Goldfields Hotel
Hibiscus Tavern	Hidden Valley Tavern
Howard Springs Tavern	Humpty Doo Hotel Motel
Humpty Doo Tavern	Lizards Bar & Restaurant
Karama Plaza Tavern	Noonamah Tavern
Monsoons	Pine Creek Hotel
Palmerston Tavern	Rum Jungle Motor Inn
Parap Hotel	Stuart Hotel
Quality Hotel Darwin Airport	Tennant Creek Hotel
Shenannigans Irish Pub	Todd Tavern
Next 10	Next 10
Gapview Resort Hotel	Ayers Rock Resort Residents Club
Globetrotters Lodge	Berry Springs Tavern
Katherine Hotel	Corroboree Park Tavern
Quality Frontier Hotel Darwin	Darwin River Tavern
The Arch Rival Bar & Grill	Ducks Nuts Bar & Grill
The Cavenagh	Heavitree Gap Tavern
The Hotel Darwin	Litchfield Hotel
Virginia Tavern	Mataranka Hotel
Walkabout Tavern	Bar 3/Sinsations Darwin
Winnellie Hotel	The Deck Bar

### 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

During the reporting period the Director-General assessed two applications for gaming machine manager licences and rejected both. All other decisions regarding gaming machine manager licences were made by a delegate. The total number of gaming machine manager licenses as at 30 June 2016 was 973.

There were no applications for an internal review of delegated decisions.

**Table 16: Gaming machine manager licences approved for 2015-16**

	Licensed	Suspended	Cancelled	Mutual Recognition
Northern region	135	0	0	2
Southern region	40	0	0	3
<b>Total</b>	<b>175</b>	<b>0</b>	<b>0</b>	<b>5</b>

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

During the 2015-16 reporting period one gaming machine manager licence decision was referred to NTCAT for review.

#### Refusal to grant a machine manager licence

The applicant sought a review of the Director-General's decision to refuse a gaming machine manager licence on the grounds of prior convictions. Under the *Gaming Machine Act*, dishonesty offences are classified as disqualifying offences and the Director-General has no discretion to grant a machine manager licence in those circumstances. NTCAT dismissed the application on the grounds it did not have discretion to disregard the disqualifying offence.

## 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.

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.

During 2016 Licensing NT undertook a review of both casinos. The review resulted in detailed compliance programs being developed.

A new Casino Operators Agreement for Lasseters Hotel Casino was signed on 3 September 2015. It extends Lasseters Hotel Casino licence and its southern region exclusivity to 30 June 2031, with an option to extend the term for a further five years.

As at 1 July 2015, both casinos are now required to contribute to the Community Benefit Fund through a 10% levy on gaming machine profits.

Table 17 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 18, which outlines changes to the approved number of gambling products across both casinos for those financial years.

Table 17: Northern Territory casinos taxes

	2014-15 \$M	2015-16 \$M
Gaming tax	11.058*	11.759

\* Gaming Tax for 2014-15 was previously reported as \$11.246M. The correct figure is \$11.058M as reflected in the table immediately above.

**Table 18: Northern Territory casinos gambling product distribution**

	SKYCITY			Lasseters Hotel Casino		
	Table games	Electronic gaming	Other	Table games	Electronic gaming	Other
2014-15	31	634	1	20	330	1
2015-16	55	613	1	22	309	1

The casino turnover figures in Table 19 and Table 20 are 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 19: SKYCITY Casino performance, turnover and player loss comparisons**

Game	2014-15		2015-16	
	Handle \$M	Player loss \$M	Handle \$M	Player loss \$M
Table game	75.606	20.038*	82.272	19.597
Poker machine	726.359	58.894	687.496	57.812
Keno	62.150**	17.912**	58.329	14.294
<b>Total</b>	<b>864.115</b>	<b>96.843</b>	<b>828.097</b>	<b>91.703</b>

Note: Columns may not add due to rounding

\* Table game player loss for 2014-15 was previously reported as \$19.935M. The correct figure is \$20.038M as reflected in the table immediately above.

\*\*Keno handle and player loss for 2014-15 was previously reported as \$62.136M and \$17.898M respectively. The correct figures are \$62.150M and \$17.912M respectively, as reflected in the table immediately above.

**Table 20: Lasseters Hotel Casino performance, turnover and player loss comparisons**

Game	2014-15		2015-16	
	Handle \$M	Player Loss \$M	Handle \$M	Player Loss \$M
Table game	12.459	2.493	13.065	3.063
Poker machine	255.635	20.311	245.573	20.485
<b>Total</b>	<b>268.094</b>	<b>22.804</b>	<b>258.638</b>	<b>23.548</b>

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*.

Table 21 shows the lottery sales data comparison for two financial years. Sales are made up of lottery products, instant scratchies and soccer pools.

Table 21: Lotteries turnover, player loss and revenue generated comparisons

Lotteries	2014-15 \$M	2015-16 \$M
Turnover	103.972	115.457
Player loss	41.609	46.077
Taxes	23.626	24.820

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

## 6. Totalisator licensing

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

In August 2015, the Northern Territory Totalisator licence expired. A bidding process was undertaken to issue a new licence prior to this expiry.

On 30 October 2015, the Director-General issued a new exclusive 20 year licence to UBET NT Pty Ltd (UBET), a subsidiary of the former licensee the Tatts Group, pursuant to the *Totalisator Licensing and Regulation Act*. The Licensee has retail exclusivity with the licence expiring on 1 November 2035.

There are currently 51 TAB outlets consisting of seven agencies, 41 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 was one complaint against UBET received during 2015-16 with the matter resolved between both parties.

Table 22: On-course and off-course wagering turnover figures for 2015-16 compared to 2014-15

Wagering Turnover	2014-15 \$M	2015-16 \$M
On-course	12.341	8.000
Off-course	65.466	76.200
<b>Total</b>	<b>77.807</b>	<b>84.200</b>

Further details of taxation raised are contained in the Northern Territory Treasury's annual report (<http://www.treasury.nt.gov.au/ABOUTUS/Pages/Annual-Reports.aspx>)

## 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 licence 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 23: Private security licences in force as at 2015-16 compared to 2014-15

Type of Licence	2014-15	2015-16
Security officer and crowd controller	1418*	1353
Security firm	83	89
<b>Total</b>	<b>1501</b>	<b>1442</b>

\*In 2014-15 this figure was reported as 2302 which was incorrect. The correct figure is 1418 which is reflected above.

### 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 24 outlines the number of licences issued under Mutual Recognition for the 2015-16 reporting period.

Table 24: Licences issued under the *Mutual Recognition Act* in 2015-16 compared to 2014-15

Type of Licence	2014-15	2015-16
Security officer and crowd controller	136	124
Crowd controller only	7	7
Security officer only	19	24
<b>Total</b>	<b>162</b>	<b>155</b>

### 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 2015-16 reporting period, 15 investigations were conducted in accordance with the *Private Security Act*. One of the complaints was substantiated and resulted in a formal reprimand being issued.

### 7.4. Private security decision notices issued by the Director-General

Table 25 provides a synopsis of the decision notices issued under the *Private Security Act* by the Director-General during the 2015-16 reporting period.

Table 25: Director-General private security licensing decisions for 2015-16

Date	Nature of Matter	Decision
13/07/15	Renewal of security officer and crowd controller licence	Renewal approved with conditions
28/07/15	Decision on show cause notice pursuant to Section 27(3) of the <i>Private Security Act</i>	Not suspended pending court outcome
6/08/15	Complaint pursuant to section 53A of the <i>Private Security Act</i>	Reprimand issued and remainder dismissed
13/08/15	Application for suspension of licence - section 27 of the <i>Private Security Act</i>	Security officer licence only suspended
21/08/15	Application for provisional security officer and crowd controller licences	Application refused
28/08/15	Decision Notice pursuant to section 27(6) of the <i>Private Security Act</i>	Suspended pending court outcome
27/10/15	Decision on show cause notice pursuant to Section 27(3) of the <i>Private Security Act</i>	Suspended pending court outcome

Date	Nature of Matter	Decision
17/11/15	Decision on show cause notice pursuant to section 27(3) of the <i>Private Security Act</i>	No further action
15/12/15	Decision on show cause notice pursuant to section 27(3) of the <i>Private Security Act</i>	Suspended pending court outcome
16/12/15	Decision on show cause notice pursuant to section 27(1) of the <i>Private Security Act</i>	No further action
17/12/15	Decision on show cause notice pursuant to section 27(3) of the <i>Private Security Act</i>	Suspended pending court outcome
11/03/16	Decision on Show Cause Notice pursuant to Section 27(3) of the <i>Private Security Act</i>	No further action
20/04/16	Complaint pursuant to section 53A of the <i>Private Security Act</i>	No offence proven
23/06/16	Application for a security officer and crowd controller's licence	Application refused
23/06/16	Decision Notice pursuant to section 27(3) of the <i>Private Security Act</i>	Suspended pending court outcome

#### 7.5. Review of delegate decisions (private security licensing)

During the 2015-16 reporting period, the Director-General did not receive any applications for an internal review in respect of delegated decisions.

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

During the 2015-16 reporting period, one security provider licence applicant referred a decision of the Director-General to NTCAT for review.

##### Refusal to grant a security provider licence

NTCAT reviewed the refusal to grant a security provider licence on the grounds that the applicant had been convicted of the disqualifying offence, aggravated assault. Under the *Private Security Act* the Director-General has no discretion to grant a licence to a person subject to a disqualifying offence however the *Private Security Act* does provide NTCAT with that discretion. NTCAT was not satisfied that the applicant was a suitable person to be granted a security provider licence and confirmed the Director-General's decision.

#### 7.7. Regulation of crowd controllers

In February 2016, a Coronial Inquest was held in Katherine into the death of Mr Styles King at the Katherine Hotel on 27 March 2013. While investigating the cause of death, the Coroner examined the mandatory training requirements for licensed crowd controllers and, in particular, the training relating to ground stabilisation of aggressive patrons and the training provided to minimise the risk of positional asphyxiation.

A representative of the Director-General gave evidence identifying deficiencies in the mandatory training for crowd controllers.

Prior to the inquest the Director-General issued a Practice Direction to all security licence holders warning of the dangers of positional asphyxia. Since February 2016 licensed security providers have been required to declare that they have read and understood the Practice Direction and understand it to contain essential knowledge and understanding required by security providers. The Declaration is required to be signed and witnessed and returned to Licensing NT to be held on file.

The Coroner acknowledged the pro-active steps taken by the Director-General and made no adverse findings in respect of Licensing NT.

## 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.

Two active escort agency operator licences expired during 2015-16.

As at 30 June 2016 there are no escort agency operator licences or 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 2016, there were 443 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 26 shows actions taken throughout 2015-16 regarding kava.

**Table 26: Vehicles seized with kava and destroyed during 2015-16 compared to 2014-15**

<b>Actions taken</b>	<b>2014-15</b>	<b>2015-16</b>
Vehicles not returned to applicant and approved for destruction or tender	4	6
Vehicles returned to applicant by Minister	1	0
Matters still outstanding	8	2
Order of destruction for kava	7	3
Seized kava destroyed (kilos)	1650 kgs	1601 kgs

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