

Director-General of Licensing Annual Report 2018-19

Director-General of Licensing

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The Hon Natasha Fyles
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Dear Attorney-General and Minister for Justice

In accordance with section 19 of the *Licensing (Director-General) Act 2014*, 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 2019.

The Annual Report has been prepared in accordance with the provisions of section 19(1) of the *Licensing (Director-General) Act 2014*.

Yours sincerely



Sally Ozolins
Acting Director-General of Licensing

19 September 2019

Contents

Overview	1
Activities of the Director-General	2
1. Liquor.....	2
1.1. New liquor licences.....	2
1.2. Director-General referrals to the Northern Territory Liquor Commission	3
1.3. Licences transferred	3
1.4. Director-General referrals to the Northern Territory Liquor Commission	4
1.5. Licence condition variations	4
1.6. Director-General referrals to the Northern Territory Liquor Commission	4
1.7. Material alterations.....	5
1.8. Director-General referrals to Northern Territory Liquor Commission.....	5
1.9. Special liquor licences	5
1.10. Director-General referrals to the Northern Territory Liquor Commission	6
1.11. Continuing special licences	6
1.12. Restricted Areas	6
1.13. Liquor permits.....	7
1.14. Complaints against licensed premises	8
1.15. Director-General referrals to the Northern Territory Liquor Commission	9
1.16. Compliance and enforcement.....	9
1.17. Review of delegate decisions (liquor).....	10
1.18. Northern Territory Liquor Commission reviews (liquor)	10
1.19. Harm minimisation.....	10
2. Community gaming machine licensing.....	11
2.1. Reduction of the gaming machine cap.....	11
2.2. New gaming machine licences and new gaming machines	11
2.3. Gaming machine decision notices issued by the Director-General	12
2.4. Distribution of community gaming machines.....	12
2.5. Gaming machine industry performance in clubs/hotels	12
2.6. Community Benefit Fund	13
3. Gaming machine managers	14
3.1. Gaming machine manager licences	14
3.2. Northern Territory Civil and Administrative Tribunal review (gaming machine manager)	14
4. Casinos	14
5. Lotteries.....	16
6. Totalisator licensing.....	16
7. Private security.....	17
7.1. Private security licences	17
7.2. Mutual recognition	18
7.3. Complaints against security providers.....	18
7.4. Private security decision notices issued by the Director-General (or delegate)	18
7.5. Review of delegate decisions (private security licensing).....	19
7.6. Northern Territory Civil and Administrative Tribunal review (private security licensing).....	19
8. Escort agency licensing.....	19
9. Tobacco licensing.....	19
10. Kava licensing	20

Overview

The Director-General of Licensing (Director-General) is an independent statutory appointment established under section 5 of the *Licensing (Director-General) Act 2014* with extensive powers to regulate the Northern Territory liquor, private security and gaming industries, as well as other matters through related licensing legislation.

The Act also provides for the Director-General to delegate those powers and functions under relevant legislation. Delegate decisions are able to be reviewed by the Director-General under the *Licensing (Director-General) Act 2014* and either confirmed or replaced, creating a more efficient and transparent decision-making process.

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

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

- *Licensing (Director-General) Act 2014*
- *Liquor Act 1978*
- *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*
- *Private Security Act 1995*
- *Prostitution Regulation Act 1992*
- *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).

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

During the reporting period, Licensing NT has undergone significant organisational changes. In addition, the development and implementation of liquor reforms and a review of regulatory services provided by the Department of the Attorney-General and Justice, including Licensing NT has impacted on the availability of operational resources.

Activities of the Director-General

1. Liquor

Liquor in the Northern Territory is currently regulated under the *Liquor Act 1978 (Liquor Act)*. The primary objective of the *Liquor Act* is to regulate the sale, provision, promotion and consumption of liquor so as to minimise the harm associated with the consumption of liquor and in a way that takes into account the public interest in respect of a licence or licensed premises.

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

As a result of the establishment of the Northern Territory Liquor Commission in February 2018, the Director-General is no longer responsible for the determination of applications for liquor licences except where authorised by delegation of the Commission. However, the Director-General remains independently responsible for a number of matters including whether it is in the public interest to require applications to be advertised, to receive and investigate complaints, to determine complaint matters and issue warning letters and infringements arising from complaints which do not warrant disciplinary action and also, accepting applications in relation to general and public restricted places including undertaking consultation in relation to those applications, and the issue of permits.

1.1. New liquor licences

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

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

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

the community, they may lodge an objection to the application for consideration along with the application.

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

The number of liquor licences active as at 30 June 2019 was 528 compared to 541 the previous year.

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

During the reporting period, the Director-General referred 25 applications for new liquor licences to the Liquor Commission for consideration. Further information regarding the outcome of these applications can be found in the Liquor Commission Annual Report.

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 the sale of an operating business where the sale of liquor is permitted as part of the business. Where an application for transfer is made, any existing conditions of the licence remain in place. Where it is sought to vary the conditions as part of the transfer, the new owner must make an application to vary the licence once the transfer has been granted.

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

Following amendments to the *Liquor Act* in February 2018, notice of transfer applications is now required to be given to the Department of Health, the Commissioner of Police, and the shire or regional council to which the application relates. The same process of probity and appropriateness which applies to the grant of a licence is required to be applied to the transfer of a licence, and also requires a disclosure of all persons who would be in a position to exert influence or derive a benefit from the licence. These people are also subjected to rigorous probity examinations including criminal history checks and fitness to be involved in the sale of liquor.

With the establishment of the Liquor Commission in early 2018, authority to authorise a transfer of a licence was vested in the Commission, however on 11 September 2018 the Liquor Commission delegated this function to the Director-General of Licensing.

Between 11 September 2018 and 30 June 2019, the Director-General approved 9 liquor licence transfers. Prior to this, a number of applications were made and referred to the Liquor Commission for determination between 1 July and 11 September 2018.

Table 1: Liquor licences transferred by Director-General (or delegate) in 2018-19

Date	Premise Name
27/9/18	Dunmarra Wayside Inn
17/10/18	The Courtyard on Salonika
7/11/18	Cornucopia Cafe
30/11/18	Larrimah Wayside Inn
10/1/19	Tiwi Island Retreat
18/3/19	Journey Beyond Cruises -vessel 1
18/3/19	Journey Beyond Cruises - vessel 2
27/3/19	Croc Cafe
28/3/19	Rorkes

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

During the reporting period, the Director-General referred 9 applications for transfer of liquor licences to the Liquor Commission for determination. Further information regarding the outcome of these applications referred can be found in the Liquor Commission Annual Report.

1.5. Licence condition variations

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

Variations may be on a permanent or temporary basis. Temporary variations are by far the most common application and generally involve an extension of hours to cater for special events.

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

The Liquor Commission is required to determine such matters and the role of the Director-General is to facilitate the application process through notification to the required organisations, collation of all relevant material and referral of the application to the Liquor Commission for consideration and determination.

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

During the reporting period, the Director-General referred 59 applications to the Liquor Commission for variations to licence conditions. These included 48 for temporary variation and 11 for permanent variation. Further information regarding the outcome of these applications referred can be found in the Liquor Commission Annual Report.

1.7. 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. This also includes applications for temporary changes or extensions to the licensed area to cater for special events.

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

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

1.8. Director-General referrals to Northern Territory Liquor Commission

During the reporting period, the Director-General referred 23 applications for material alterations to the Liquor Commission for consideration. Further information regarding the outcome of these applications referred can be found in the Liquor Commission Annual Report.

1.9. Special liquor licences

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

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

The amendment to the *Liquor Act* in February 2018 conferred power on the Liquor Commission to determine special licence applications however, the Liquor Commission immediately delegated authority for determination of specified categories of special licence applications to the Director-General who further delegated the approval process. The delegation was limited to special licences relating to events which anticipating having no more than 300 people attend at any one time.

In August 2018, the Liquor Commission revised the delegation to allow for other conditions related to applications for low risk events.

During the 2018-19 reporting period, the Director-General (or delegate) issued 246 special liquor licences under Delegation from the Liquor Commission.

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

During the reporting period, the Director-General referred 55 applications for special licences to the Liquor Commission for consideration. Further information regarding the outcome of these applications referred can be found in the Liquor Commission Annual Report.

1.11. Continuing special licences

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

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

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

As at 30 June 2019 there were 98 continuing special liquor licences.

1.12. Restricted Areas

The *Liquor Act* that provides that a geographical area can be declared a 'Restricted Area' under which the consumption, possession, sale or disposal of liquor may only occur pursuant to a permit or licence. The types of restricted areas which can be declared under the *Liquor Act* are outlined in Table 2. When considering applications, the Director-General is required to consult with relevant parties including residents, licensees and shire councils.

Following the establishment of the Liquor Commission, the role of the Director-General is to undertake consultation in relation to restricted area applications and to report and provide advice to the Liquor Commission for consideration and determination of whether a declaration of a restricted area should be made. The exception to the transfer of responsibility is in relation to restricted Private Premises, which remains with the Director-General.

Other types of restricted areas (ie Special Restricted Area, Designated Area) may be declared at the discretion of the responsible Minister. In addition to restricted areas declared under the *Liquor Act*, the Commonwealth Minister responsible for the *Stronger Futures in the Northern Territory Act (Cth) 2012* 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 2: Types of Restricted Areas as at 30 June 2019

	General Restricted Areas	Public Restricted Areas	Private Restricted Premises
Purpose	Used to control the type and amount of liquor permitted in an area and is generally used by Indigenous residents wanting to control liquor consumption in their community.	Aimed at reducing the incidents of public drinking and the associated antisocial behaviour.	Used to control the consumption of liquor in, and on, private premises.
Declaration	Declared by the Liquor Commission after extensive consultation with affected community.	Declared by the Liquor Commission after extensive consultation with affected community.	Declared by the Director-General with consent of majority of occupiers.
Offences	It is an offence to bring, have, consume or sell liquor, without a licence or a permit.	It is an offence to consume liquor without a permit.	It is an offence to possess, consume or bring liquor into/onto the private premises.
Penalties*	Maximum 100 penalty units or 6 months imprisonment. Discretionary seizure of vehicle.	20 penalty units. Confiscation/tip out of liquor.	Maximum 100 penalty units or 6 months imprisonment. Confiscation/tip out of liquor.

* A penalty unit during the reporting period was \$155

Table 3: Restricted Areas and premises granted in 2018-19 compared to 2017-18

Type of Alcohol Restricted Areas Declared	2017-18	2018-19
General	0	0
Public	0	0
Private restricted premises (private homes and buildings)	162	112
Total	162	112

1.13. 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.

Should an application be approved, the applicant can be granted a permit for up to 3 years 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 2019, 5867 permits were in effect across the Northern Territory. This figure includes all permits issued including those issued and expired within the period such as visitors.

Table 4 compares the 2018-19 and 2017-18 permits across all General Restricted Areas.

Table 4: Liquor permit activity for General Restricted Areas for 2018-19 compared to 2017-18

Permits	2017-18	2018-19
Issued	4506	2670
Revoked/Disabled	412	68

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 2018-19 reporting period, the Director-General (or delegate) granted 11 such permits.

1.14. 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, vexatious or without grounds and licensees must be provided with the particulars of the complaint and given an opportunity to respond.

- The Director-General is independently responsible for the investigation of complaint matters and following investigation, the Director-General (or delegate) must decide to dismiss the complaint if no grounds exist for making the complaint or, where grounds exist but it is determined that no action is warranted. Where a complaint is not dismissed, the Director-General may:

- Give the licensee a formal warning;
- Issue an infringement notice;
- Enter into an enforceable undertaking; or
- Refer the complaint to the Liquor Commission for disciplinary action to be taken against the licensee.

Table 5: Complaints received and actions taken by Director-General during 2018-19 compared to 2017-18

Liquor complaints received and action taken	2017-18	2018-19
Complaints under investigation as at 30 June with outcome yet to be determined	23	49
Complaints investigated, but no further action warranted	7	0
Complaints investigated, formal warning issued	1	0
Licences cancelled following complaint	1	2
Licences suspended due to breaches of licence conditions	0	0
Complaint investigated and monetary penalty or infringement notice imposed	4	2
Complaint investigated, disciplinary action taken	1	0
Complaint referred to the Liquor Commission for disciplinary action	5	12
Other actions	0	0
Total	42	65

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

During the reporting period, the Director-General made 9 referrals for 12 complaints to the Liquor Commission for Disciplinary action consideration. Further information regarding the outcome of these matters referred can be found in the Liquor Commission Annual Report.

1.16. 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 2018-19 reporting period, 2681 operational visits were undertaken in which compliance activity occurred. During these visits, compliance officers checked venues for compliance with licence conditions and relevant legislation including the *Liquor Act*, *Private Security Act*, *Gaming Machine Act* and *Tobacco Control Act*.

1.17. Review of delegate decisions (liquor)

During the 2018-19 reporting period there were no reviews conducted by the Director-General regarding applications made under the *Licensing (Director-General) Act*.

1.18. Northern Territory Liquor Commission reviews (liquor)

The Director-General's decisions can be reviewed by the Northern Territory Liquor Commission (NTLC). One (1) liquor decision was referred to NTLC for review during the 2018-19 reporting period.

1.19. 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.

Liquor accords

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

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

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

2. Community gaming machine licensing

The *Gaming Machine Act 1995* 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 1995* 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 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.

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

The levy based on the licence authority to obtain extra gaming machines was 9,010 revenue units (\$10,632 per machine) for clubs, and 45,045 revenue units (\$53,153 per machine) for hotels/taverns, and is paid into central revenue. These figures are based on a Revenue Unit for the reporting period of \$1.18.

2.1. Reduction of the gaming machine cap

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

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

2.2. New gaming machine licences and new gaming machines

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

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

During the reporting period no decision notices were issued under the *Gaming Machine Act 1995* by the Director-General (or delegate).

2.4. Distribution of community gaming machines

As at 30 June 2019, the total number of community gaming machines authorised to be operated under the 81 gaming machine licences issued under the *Gaming Machine Act 1995*, including operational and non-operational, is 1689. 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 6 shows the distribution among the regions for gaming machines licenced.

Table 6: Community gaming machine distribution for 2018-19

	Clubs	Hotels/Taverns	Total
Northern region	753	688	1441
Southern region	185	63	248
Total	938	751	1689

2.5. Gaming machine industry performance in clubs/hotels

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

During the 2018-19 reporting period, the average gross profit per machine per day was \$199.25 compared to \$188.35 in 2017-18. Gaming machine gross profit has increased by 3.33% to \$106.836 million 2018-19, up from \$103.397 million during the 2017-18 reporting period.

Table 7: Licensed clubs based on machine gaming Gross Profit for 2018-19

Each group in alphabetical order	
Top 10	11-22
Casuarina All Sports Club	Alyangula Golf Club
Cazalys Palmerston Club Inc.	Darwin Bowls & Social Club
Club Eastside	Darwin Golf Club
Gillen Club	Darwin Trailer Boat Club
Katherine Club	Humpty Doo & Rural Area Golf Club
Katherine Country Club	Jabiru Sports & Social Club
Nightcliff Sports Club	Palmerston Golf and Country Club
Palmerston Sports Club	PINT Club Darwin
Tennant Creek Memorial Club Inc.	RAOB Club (Darwin) Inc
Tracy Village Social & Sports Club	Sporties Club
	St Marys Football Sporting & Social Club
	The Arnhem Club

Table 8: Licensed hotels/taverns based on machine gaming Gross Profit for 2018-19

Each group in alphabetical order

Top 10	11-20
Airport Hotel	Beachfront Hotel
Hibiscus Tavern	Coolalinga Village Tavern
Howard Springs Tavern	Discovery Darwin/Lost Arc
Humpty Doo Tavern	Gapview Resort Hotel
Palmerston Tavern	Lizard's Bar & Restaurant
Parap Hotel	Monsoons
Plaza Karama Tavern	Shenannigans Irish Pub
The Bell Bar Bistro	Tap Bar On Mitchell
The Landmark	The Cavenagh
Walkabout Tavern	Virginia Tavern
21-30	31-40
Berry Springs Tavern	Corroboree Park Tavern
Globetrotters Lodge	Darwin River Tavern
Hidden Valley Tavern	Goldfields Hotel
Hotel Darwin	Humpty Doo Hotel Motel
Katherine Hotel	Mataranka Hotel
Quality Hotel Frontier Darwin	Noonamah Tavern
Tennant Creek Hotel	Pine Creek Hotel
The Precinct	Rum Jungle Tavern
Todd Tavern	Stuart Hotel
Winnellie Hotel	The Arch Rival Bar & Grill
41-46	
Ayers Rock Resort Residents Club	
Heavitree Gap Tavern	
Litchfield Motel	
Rourkes Beer Wine Food	
Squires Tavern / Sensations	
The Deck Bar	

2.6. Community Benefit Fund

The Community Benefit Fund is established by Part 5A of the *Gaming Control Act 1993*, and the Director-General is required to maintain the Fund. This is done via the Community Benefit Fund (CBF) Secretariat team located within Licensing NT.

Changes to the *Gaming Control Act 1993* in August 2018 resulted in new categories of grants and the responsibility for assessment of applications being shared by the Director-General and the Community Benefit Committee before making recommendations to the Minister.

The Community Benefit Fund received \$12.432 million from the levy on electronic gaming machines in hotels and casinos during 2017-18.

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

3. Gaming machine managers

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

3.1. Gaming machine manager licences

The total number of gaming machine manager licences issued during the reporting period is 187.

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

During the 2018-19 reporting period no gaming machine manager licence decisions were referred to NTCAT for review.

4. Casinos

The Gaming Control Act 1993 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 Darwin Casino also allows for the provision of Keno within the Northern Territory. There are currently 69 venues permitted to conduct NT Keno in the Northern Territory.

On 4 April 2019, a share sale agreement in respect of SKYCITY Darwin Pty Ltd was formally completed, and Delaware North Northern Territory Gaming and Entertainment Pty Ltd (Delaware North) is now the owner of the Darwin Casino, trading as Mindil Beach Casino & Resort.

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

Table 9 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 10, which outlines changes to the approved number of gambling products across both casinos for those financial years.

Table 9: Northern Territory casinos taxes

	2017-18 \$M	2018-19 \$M
Gaming tax	11.303	11.032

Table 10: Northern Territory casinos gambling product distribution

	SKYCITY/Mindal Beach Casino			Lasseters Hotel Casino		
	*Table games	**Electronic gaming	Other	Table games	Electronic gaming	Other
2017-18	41	575	1	22	307	1
2018-19	41	676	1	22	307	1

* Table games include Chip Suspense

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

Tables 11, 12 and 13 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 11: SKYCITY Casino performance, turnover and player loss comparisons up to 03/04/2019

Game	2017-18		2018-19 (period ended 03/04/2019)	
	Handle \$M	Player loss \$M	Handle \$M	Player loss \$M
Table Game	97.821	17.382	49.529	13.049
*Electronic Gaming	704.271	54.146	531.028	38.615
**Keno	57.111	11.103	39.619	11.483
Total	859.203	82.632	620.176	63.148

Note: Columns may not add due to rounding

* Electronic Gaming includes FATG's and Poker Machines

** Keno includes SKYCITY, Lasseters and NT Keno

Table 12: Mindil Beach Casino performance, turnover and player loss comparisons from 04/04/2019

Game	2017-18		2018-19 (period commenced 04/04/2019)	
	Handle \$M	Player loss \$M	Handle \$M	Player loss \$M
Table Game	N/A	N/A	15.470	3.381
*Electronic Gaming	N/A	N/A	169.262	11.651
**Keno	N/A	N/A	51.399	12.782
Total	N/A	N/A	236.131	27.814

Note: Columns may not add due to rounding

* Electronic Gaming includes FATG's and Poker Machines

** Keno includes Mindil Beach Keno (in-house), Lasseters and NT Keno

Table 13: Lasseters Hotel Casino performance, turnover and player loss comparisons

Game	2017-18		2018-19	
	Handle \$M	Player Loss \$M	Handle \$M	Player Loss \$M
Table game	11.345	2.495	7.811	1.993
Poker machine	277.575	21.731	273.851	20.985
Total	288.920	24.226	281.662	22.977

Note: Columns may not add due to rounding

5. Lotteries

In accordance with the *Gaming Control Act 1993*, 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 1978*.

Table 14 shows the lottery sales data comparison for two financial years. Sales are made up of lottery products, instant 'scratchies' and soccer pools.

Table 14: Lotteries turnover, player loss and revenue generated comparisons

Lotteries	Total 2017-18 \$M	Total 2018-19 \$M
Turnover	120.352	123.997
Player loss	48.063	49.477
Taxes	26.314	27.439

6. Totalisator licensing

The *Totalisator Licensing and Regulation Act 2000* provides for the Director-General to issue totalisator licences in the Northern Territory.

There are currently 58 TAB outlets consisting of seven agencies, 47 club/hotel licensed outlets and three on-course TAB outlets.

UBET also holds a sports bookmaker licence under the *Racing and Betting Act 1983* issued by the Director-General.

The *Totalisator Licensing and Regulation Act 2000* 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.

Table 15: On-course and off-course wagering turnover figures for 2018-19 compared to 2017-18

Wagering Turnover	2017-18 \$M	2018-19 \$M
On-course	4.216	3.252
Off-course	59.149	48.397
Total	68.515	51.649

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

7. Private security

The *Private Security Act 1995* empowers the Director-General to grant licences to individuals and firms who wish to conduct security related activities. There are three types of licences available under the *Private Security Act*:

- Crowd Controller - employed to control and monitor the behaviour of people, screen people seeking entry to places and remove people because of their behaviour
- Security Officer - employed to patrol or guard another person's property
- Security firm - a person or partnership that supplies the services of security officers or crowd controllers to other people.

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

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

Applications must be refused where applicants have disqualifying offences and may be refused if the applicant has committed crimes of violence or drug-related offences. Applicants affected by a decision may seek a review of a delegate's decision to the Director-General, or appeal a decision of the Director-General to the Northern Territory Civil and Administrative Tribunal.

During the reporting period 1150 applications for Private Security Officers/Crowd Controllers were processed by Licensing NT.

The Director-General is also responsible for compliance and enforcement functions under the *Private Security Act* and may suspend, cancel or refuse to renew a licence in certain circumstances.

Licensing NT Compliance Officers are appointed as inspectors under section 35 of the *Private Security Act* to support the Director-General in the discharge of compliance functions and obligations under the Act.

7.1. Private security licences

Table 16: Private security licences in force as at 2018-19 compared to 2017-18

Type of Licence	2017-18	2018-19
Security officer and crowd controller	1682	1640
Security Officer	217	223
Crowd Controller	91	84
Security firm	94	86
Total	2084	2033

7.2. Mutual recognition

Under the *Mutual Recognition (Northern Territory) Act 1992*, 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 17 outlines the number of licences issued under Mutual Recognition for the 2018-19 reporting period.

Table 17: Licences issued under the Mutual Recognition Act in 2018-19 compared to 2017-18

Type of Licence	2017-18	2018-19
Security officer and crowd controller	94	128
Crowd controller only	6	2
Security officer only	21	24
Total	121	154

7.3. Complaints against security providers

The *Private Security Act 1995* 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 1995*.

The *Private Security Act 1995* 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 2018-19 reporting period, investigations were completed in accordance with the *Private Security Act 1995*. Three of the complaints were substantiated and resulted in two (2) licenses being cancelled and one licence suspended for a week. A further two licenses have been suspended awaiting the outcome of Court proceedings.

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

Table 18 provides a synopsis of the decision notices issued under the *Private Security Act 1995* by the Director-General (or delegate) during the 2018-19 reporting period.

Table 18: Director-General private security licensing decisions for 2018-19

Date	Nature of Matter	Decision
26/09/2018	Cancellation of licence, convicted of disqualifying offences	Licence cancelled.
28/09/2018	Cancellation of licence, convicted of disqualifying offences	Licence cancelled.
02/02/2019	Charged with disqualifying offence - Aggravated assault	Licence suspended until outcome of Court proceedings.
27/06/2019	Charged with disqualifying offence - Drug offenses	Licence suspended until outcome of Court proceedings.

7.5. Review of delegate decisions (private security licensing)

During the 2018-19 reporting period, the Director-General received no applications for an internal review in respect of delegated decisions.

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

During the 2018-19 reporting period, two security licence decisions were referred to NTCAT for review. These matters have yet to be finalised.

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 1992*. People with previous sexual, violence or drug-related offences may be ineligible to hold a licence or, depending on the offence, deemed to be unsuitable by the Director-General. Licences are subject to annual renewal.

As at 30 June 2019 there are no escort agency operator licences and no escort agency manager licences.

9. Tobacco licensing

The Director-General works under delegation to issue tobacco retail licences to allow the sale of tobacco products.

As at 30 June 2019, there were 477 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 1998*, was introduced to control the ever growing popularity of the drug, especially in remote Indigenous communities.

The *Northern Territory National Emergency Response Act (Cth) 2007* 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 1998* to deal with kava and associated matters, including the disposal of kava and related property seized by police for kava related offences. Table 19 shows actions taken throughout 2018-19 regarding kava.

Table 19: Vehicles seized with kava and destroyed during 2018-17 compared to 2017-18

Actions taken	2017-18	2018-19
Vehicles not returned to applicant and approved for destruction or tender	1	2
Vehicles returned to applicant by Minister	0	0
Matters still outstanding	0	3
Order of destruction for kava	3	5
Seized kava destroyed (kilograms)	#1228 kgs	476kgs

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

Index of figures

Table 1: Liquor licences transferred by Director-General (or delegate) in 2018-19	4
Table 2: Types of Restricted Areas as at 30 June 2019	7
Table 3: Restricted Areas and premises granted in 2018-19 compared to 2017-18.....	7
Table 4: Liquor permit activity for General Restricted Areas for 2018-19 compared to 2017-18	8
Table 5: Complaints received and actions taken by Director-General during 2018-19 compared to 2017-18.....	9
Table 6: Community gaming machine distribution for 2018-19.....	12
Table 7: Licensed clubs based on machine gaming Gross Profit for 2018-19	12
Table 8: Licensed hotels/taverns based on machine gaming Gross Profit for 2018-19	13
Table 9: Northern Territory casinos taxes	14
Table 10: Northern Territory casinos gambling product distribution	15
Table 11: SKYCITY Casino performance, turnover and player loss comparisons up to 03/04/2019	15
Table 12: Mindil Beach Casino performance, turnover and player loss comparisons from 04/04/2019	15
Table 13: Lasseters Hotel Casino performance, turnover and player loss comparisons	15
Table 14: Lotteries turnover, player loss and revenue generated comparisons	16
Table 15: On-course and off-course wagering turnover figures for 2018-19 compared to 2017-18	16
Table 16: Private security licences in force as at 2018-19 compared to 2017-18.....	17
Table 17: Licences issued under the Mutual Recognition Act in 2018-19 compared to 2017-18	18
Table 18: Director-General private security licensing decisions for 2018-19	19
Table 19: Vehicles seized with kava and destroyed during 2018-17 compared to 2017-18.....	20