

# Director-General of Licensing Annual Report 2016-17

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Attorney-General and Minister for Justice  
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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 2017.

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 2017

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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 2017.

The functions of the independent statutory role of the Director-General are extensive and 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.

Whilst this Annual Report provides detailed information on the performance of those regulatory functions throughout the 2016-17 financial year, it is important to note that the Director-General is also 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 secondhand 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*.

Additionally, the Director-General is a member of the Racing Commission which has responsibility for promoting and maintaining probity and integrity in racing and betting in the Northern Territory, a member of the Community Benefit Committee which has responsibility for making recommendations to the Minister on applications for grants from the Community Benefit Fund and a member of the Australian Charities and Not-for-profits Commission (ACNC) Advisory Board which supports and advises the Commissioner of the ACNC who has responsibility for the national regulation of charities.

The Director-General is also the Director of Licensing NT, a division now within the Department of the Attorney-General and Justice. Licensing NT staff support the Director-General and also provide significant 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.

The past 12 months have again been a time of significant change and activity. Following the change of government in the latter part of 2016, the responsibilities and functions of Licensing NT moved from the then Department of Business to the Department of the Attorney-General and Justice, excepting those functions pertaining to alcohol policy which moved to the Department of Health. Work also immediately began to install the identification scanning equipment in takeaway liquor licensed premises so as to support the re-introduction of the Banned Drinker Register.

In February 2017, I issued a Guideline requiring that a public hearing be held as part of the investigation process for all applications for a new liquor licence or a variation to an existing liquor licence where an objection has been made and for all liquor complaint matters, so as to increase the transparency of the decision making process. As at 30 June 2017, three public hearings have been held, two of which resulted in the granting of a new liquor licence with conditions imposing lesser hours than those applied for in one case and changes to fit-out and ownership structure required in the other.

A total of 18 liquor licences were granted throughout the year, of which 16 are liquor licences for cafes, restaurants and catering and speciality businesses. As a result, there are 538 liquor licences active in the Northern Territory as at 30 June 2017, an increase of one liquor licence from the previous year as 17 liquor licences have also either been cancelled or surrendered throughout the past year.

With the Government's announcement in April 2017 of a review of the Northern Territory's alcohol policies and legislation, including the *Liquor Act*, the outcome of which is expected to be known in late 2017, it is likely that the year ahead will again be one of significant change and activity.

I take this opportunity to thank all Licensing NT staff for their significant contribution over the past 12 months.



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.

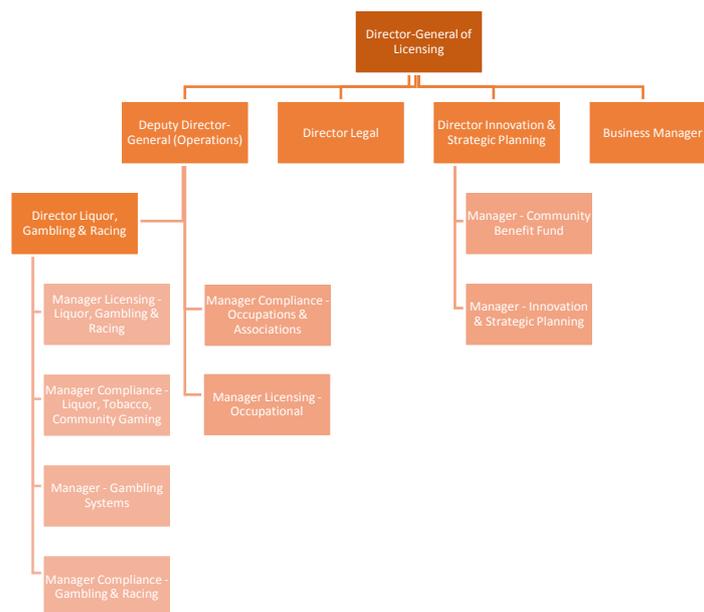
The Act also provides for the Director-General to delegate those powers and functions under relevant legislation. Delegate decisions are able to be reviewed by the Director-General under the Act and either confirmed or replaced, creating a more efficient and transparent decision-making process.

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. Public Hearings

While public hearings are no longer a legislative requirement under the *Liquor Act*, on 3 February 2017, the Director-General issued a Guideline pursuant to section 125A of the Act which provides for public hearings to be held in relation to certain applications and complaint matters.

Public hearings provide interested parties in relation to those liquor licensing matters with the opportunity to expand on written submissions or objections, or to discuss inquiry issues with the Director-General in a public forum. Any organisation or person can attend a hearing, either to speak to a submission or objection, or to simply observe the proceedings.

Table 1: List of matters that went to Public Hearing during 2016-2017

Licensee/Applicant	Matter	Date Held	Outcome
Coolalinga Village Tavern	Application for a Tavern Liquor Licence	24 May 2017	Liquor Licence granted with reduction to opening hours applied for
Zuccoli IGA Fresh	Application for a Store Liquor Licence	30 May 2017	Liquor Licence granted with special conditions
Parap Tavern	Complaint - Potential breach of s119 of the Liquor Act	01 June 2017	Breach found, fine of 30 penalty units imposed and Licensee ordered to submit application for material alterations

## 1.2. New liquor licences

During the reporting period 18 new liquor licences were issued in the Northern Territory, 16 of which were for cafés, restaurants, catering businesses 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 2017 was 538 compared to 537 the previous year. 17 licences were also cancelled or surrendered during the year due to non-

trading. In addition, a further 10 licensed premises have been identified as not currently operating and action under the *Liquor Act* is underway to cancel these licences.

Table 2: New liquor licences issued and trading

Premise	"Business Model"	Location	Date issued
The Groove Train	Restaurant	Casuarina	1/07/2016
Piper Collective	Liquor Merchant	Woolner	14/07/2016
SweetBrew Dining Room	Restaurant	Stuart Park	19/08/2016
The Coffee Club Casuarina Square	Restaurant	Casuarina	22/08/2016
The Trader Bar	On Licence	Darwin	29/08/2016
Oka Malaysian Chinese Cuisine	Restaurant	Bakewell	04/10/2016
Guzman Y Gomez	Restaurant	Bakewell	04/10/2016
Besser Kitchen and Brew Bar	Restaurant	Darwin City (Winnellie)	09/11/2016
Café 21 Smith Street	Restaurant	Darwin City	10/01/2017
One Mile Brewery	Liquor Merchant	Palmerston	27/02/2017
Jai Ho Restarant	Restaurant	Alice Springs	12/04/2017
ZZAN	On Licence	Cullen Bay	19/05/2017
Kalidonis Taverna	Restaurant	Darwin City	18/05/2017
Brown's Mart	On Licence	Darwin City	05/05/2017
The Meat House	Restaurant	Coolalinga	22/06/2017

Table 3: New liquor licences issued and non-trading as at 30 June 2017 (venues under construction)

Premise	"Business Model"	Location	Date issued
Darwin Turf Club – Fannie Bay Racing & Sporting Club	Club	Fannie Bay	23/12/2016
Event Cinemas	On Licence	Palmerston	10/01/2017
Coolalinga Village Tavern	Tavern Licence	Coolalinga	05/06/2017

### 1.3. 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 4 provides a synopsis of the decision notices issued under the *Liquor Act* by the Director-General (or delegate) during 2016-17.

**Table 4: Director-General liquor decisions for 2016-17**

Date	Nature of Matter	Venue	Decision
5/07/2016	Application for a temporary variation to a Liquor Licence	Opium / Fuel Ventures	Application refused.
7/07/2016	Complaint pursuant to section 68 of the <i>Liquor Act</i>	Wycliffe Well Hotel	Imposed penalty and fine issued.
13/07/2016	Application for a Liquor Licence	The Groove Train	Liquor Licence granted.
14/07/2016	Application for a Liquor Licence	Piper Collective Pty Ltd	Liquor Licence granted.
18/07/2016	Review of Decision of delegate to Revoke Liquor Permit	Nicholas Lynch	Decision of the Delegate set aside and Liquor Permit reinstated.
28/07/2016	Review of decision of delegate - Temporary Variation of Licence Conditions	The Darwin Turf Club (DTC)	Part of the Delegate's decision set aside that prohibited the sale of full sized bottles of wine and champagne in the general area admission areas of the DTC for the 2016 Darwin Cup Day. The remainder of the Delegate's decision affirmed.
11/08/2016	Application for the grant of a Liquor Licence	SweetBrew Dining Room	Liquor Licence granted.
15/08/2016	Application for a permanent variation to a Liquor Licence	Cucina Italian Diner	Application refused.
18/08/2016	Application for a temporary variation to a Liquor Licence	Discovery	Application refused.
21/08/2016	Application for the grant of a Liquor Licence	Driver Supermarket	Application refused.
22/08/2016	Application for a Liquor Licence	The Coffee Club Casuarina Square 2	Liquor Licence granted
26/08/2016	Application for a Liquor Licence	The Trader Bar	Liquor Licence granted
9/09/2016	Contravention of the <i>Liquor Act</i>	Monsoons / Tropic Holdings Pty Ltd	Penalty imposed. Fine issued.
29/09/2016	Complaint against Licensee	The Parap Road Store	Complaint dismissed.
30/09/2016	Complaint against Licensee	The Parap Tavern (BWS)	Complaint dismissed.
4/10/2016	Grant of a Liquor Licence	Oka Malaysian Chinese Cuisine	Liquor Licence granted.
5/10/2016	Grant of a Liquor Licence	Guzman Y Gomez Bakewell	Liquor Licence granted.

Date	Nature of Matter	Venue	Decision
6/10/2016	Cancellation of liquor and gaming machines licences	Katherine Sports & Recreation Club	Liquor Licence and Gaming Machine Licence cancelled.
7/10/2016	Cancellation of Liquor Licence	Katherine River Lodge	Liquor Licence cancelled.
7/10/2016	Material alterations to licensed premises	Tennant Creek Hotel	Material alterations approved.
10/10/2016	Cancellation of Liquor Licence	Ah Toy's Store	Liquor Licence cancelled
11/10/2016	Cancellation of Liquor Licence	Fox Ale House	Liquor Licence cancelled
11/10/2016	Cancellation of Liquor Licence	Annie's Place	Liquor Licence cancelled
2/11/2016	Cancellation of a Liquor Licence	Turnt Bar Restaurant, Darwin City	Liquor Licence cancelled
2/11/2016	Cancellation of a Liquor Licence	Fernanda's	Liquor Licenced cancelled
9/11/2016	Variation of conditions of Liquor Licence	United Wycliffe Well and Devils Marbles Hotel	Variation of condition of Liquor Licence
10/11/2016	Application for a Liquor Licence	Besser Kitchen and Brew Bar	Liquor Licence granted
11/11/2016	Cancellation of a Liquor Licence	Evolution Café, Alice Springs	Liquor Licence cancelled
23/11/2016	Complaint pursuant to section 68 of the Liquor Act	Beachfront Hotel	Complaint dismissed
08/12/2017	Review of decision of delegate to refuse grant of a Special Liquor Licence	Sage Resort	Decision of Delegate affirmed. Special Liquor Licence refused.
15/12/2016	Cancellation of Liquor Licence	Stuart Park Supermarket	Liquor Licence cancelled
16/12/2016	Application for the grant of a Liquor Licence	Big Ass Grill	Liquor Licence refused
22/12/2016	Variation of Conditions of Liquor Licence	Walkabout Tavern	Section 33 variation by Director-General in relation to half-day public holidays and hours of trade
23/12/2016	Application for the grant of a Liquor Licence and application for the grant of a Gaming Machine Licence	Darwin Turf Club	Liquor Licence granted Gaming Machine Licence granted
10/01/2017	Application for the grant of a Liquor Licence	Birch Carroll and Coyle Ltd	Liquor Licence granted
10/01/2017	Review of Delegate Decision to refuse grant of a Liquor Licence	Driver Supermarket	Decision of Delegate affirmed - refuse Liquor Licence

Date	Nature of Matter	Venue	Decision
13/01/2017	Review of Delegate Decision to cancel Liquor Licence	Annie's Place	Decision of Delegate set aside. Liquor Licence remains current.
22/02/2017	Review of Delegate Decision to cancel Liquor Licence	The Fox Ale House	Decision of Delegate set aside. Liquor Licence remains current.
27/02/2017	Application for the grant of a Liquor Licence	One Mile Brewery	Liquor Licence granted
07/03/2017	Review of Delegate Decision – grant of a Liquor Licence and Gaming Machine Licence	Darwin Turf Club	Decision of Delegate affirmed and Liquor Licence issued.  Decision of Delegate affirmed and Gaming Machine Licence issued.
08/03/2017	Review of Delegate Decision – refusal to approve temporary variation of Liquor Licence Conditions	Nguiu Club	Decision of Delegate set aside. Temporary variation to allow additional trading hours approved. Temporary variation to allow increase in amount of alcohol that can be sold to individuals refused.
13/03/2017	Grant of a further Special Liquor Licence	The Chippo	Refuse the grant of a further special Liquor Licence
11/04/2017	Variation of conditions of a Liquor Licence	Hot Tamale	Removal of condition prohibiting trade on Good Friday or Christmas Day.
11/04/2017	Variation of conditions of Liquor Licence	Antiquity Greek Restaurant	Removal of condition prohibiting trade on Good Friday or Christmas Day.
11/04/2017	Variation of conditions of Liquor Licence	Oyster Bar	Removal of condition prohibiting trade on Good Friday or Christmas Day.
12/04/2017	Application for the grant of a Liquor Licence	Jo Hai Restaurant	Liquor Licence granted
12/04/2017	Variation of conditions on application by Licensee and material alteration of licensed premises	The Dustbowl	Approved to vary the conditions of the licence and approve the material alteration for The Dustbowl by removing the conditions and licensed area of the Red Tomato Restaurant
13/04/2017	Review of Delegate Decision to refuse grant of Liquor Licence	The Big Ass Grill	Decision of Delegate affirmed. Liquor Licence refused.
30/04/2017	Cancellation of a Liquor Licence	Flicking Fresh	Cancel Liquor Licence
19/05/2017	Application for the transfer of a Liquor Licence	The Bark Hut Inn	Refuse the application
24/05/2017	Review of Delegate Decision to refuse a Continuing Special Liquor Licence	The Chippo	Decision of the Delegate affirmed. Refuse the grant of a further Continuing Special Liquor Licence.

Date	Nature of Matter	Venue	Decision
05/06/2017	Application for grant of a Liquor Licence	Coolalinga Tavern	Liquor Licence granted.
16/06/2017	Complaint – Breach of Section 119 of the <i>Liquor Act</i>	Parap Tavern	Fine of 30 Penalty Units imposed. Licensee to lodge application for Material Alterations.

#### 1.4. 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 2016-17 reporting period, the Director-General (or delegate) approved 11 liquor licence transfers.

Table 5: Liquor licences transferred in 2016-17

Date	Premise Name
06/07/2016	Aroma Lounge
29/08/2016	Flynn Tavern
06/09/2016	Tilmouth Well
11/10/2016	Gateway Select Wine, Beer & Spirits
25/10/2016	Victoria Hotel
27/10/2016	21 on the Wharf
14/12/2016	Bojangles
10/01/2017	Nando's Casuarina from developer
21/02/2017	Grill'd Healthy Burgers
14/04/2017	Ming Court
28/06/2017	Ooraminna Homestead

## 1.5. 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 274 temporary variations in the 2016-17 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 2016-17 reporting period, the Director-General (or delegate) authorised 10 permanent licence variations.

**Table 6: Permanent licence condition variations authorised during 2016-17**

Date	Premise	Licence condition variations
30/11/2016	The Flynn Tavern	Variation to operational conditions such as dress standards and licensed area to include Designated Outdoor Smoking Area
14/12/2016	Bojangles	CCTV camera requirement, reduction in hours of operation and inclusion of beer garden
22/12/2016	Walkabout Tavern	Section 33 variation by Director-General in relation to half-day public holidays and hours of trade
23/12/2016	Darwin Turf Club	Excision of licensed area to allow for new Bar
17/03/2017	Arch Rival	Extension of licensed area
11/04/2017	Hot Tamale	Section 33 to remove Good Friday/Christmas Day prohibition
11/04/2017	Oyster Bar	Section 33 to remove Good Friday/Christmas Day prohibition
11/04/2017	Antiquity Greek Restaurant	Section 33 to remove Good Friday/Christmas Day prohibition
12/04/2017	Dustbowl	Excision of restaurant to allow for Jai Ho Restaurant
20/04/2017	Lazy Lizard Resort	Removal of meal condition requiring meals to be available "at all times liquor is sold"

## 1.6. 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 2016-17 reporting period, the Director-General (or delegate) authorised 5 Material alterations. These are outlined in Table 7.

Table 7: Authorised material alterations to licensed premises in 2016-17

Date	Premises	Material alteration
07/10/2016	Tennant Creek Hotel	Alter doorway access
30/11/2016	Flynn Tavern	Designated Outdoor Smoking Area
01/03/2017	Tap on Mitchell	Gaming Room installation
22/03/2017	Lasseters Hotel Casino	Additional Designated Outdoor Smoking Area
19/04/2017	Lazy Lizard Resort	Expand licenced footprint to include store for takeaway liquor sales when bar closed

## 1.7. 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 V8 Supercars.

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 2016-17 reporting period, the Director-General (or delegate) issued 287 special liquor licences.

## 1.8. Continuing special licences

Continuing special licences are generally for the purpose of regular repeated events such as social clubs, specialised entertainment venues and Sports venues such as Gardens Tennis.

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 2017 there were 123 continuing special liquor licences.

During the 2016-17 reporting period, the Director-General (or delegate) issued 4 new licences and renewed 116 licences.

## 1.9. 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 8. 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 8: Types of Restricted Areas

	General Restricted Areas	Public Restricted Areas	Private Restricted Areas
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.

	General Restricted Areas	Public Restricted Areas	Private Restricted Areas
<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 \$154

Table 9: Restricted Areas and premises granted in 2016-17 compared to 2015-16

Type of Alcohol Restricted Areas Declared	2015-16	2016-17
General	0	0
Public	0	0
Private restricted premises (private homes and buildings)	72	121
<b>Total</b>	<b>72</b>	<b>121</b>

### 1.10. 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 2017, 5061 permits were in effect across the Northern Territory.

Table 10 compares the 2016-17 and 2015-16 permits across all General Restricted Areas.

Table 10: Liquor permit activity for General Restricted Areas for 2016-17 compared to 2015-16

Permits	2015-16	2016-17
Issued	4622*	5061
Revoked/Disabled	95	153

\* 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 2016-17 reporting period, the Director-General (or delegate) granted 63 such permits.

### 1.11. 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 11: Complaints received and actions taken during 2016-17 compared to 2015-16**

<b>Liquor complaints received and action taken</b>	<b>2015-16</b>	<b>2016-17</b>
Complaints under investigation as at 30 June with outcome yet to be determined	-	10
Complaints investigated, but no further action warranted	11	7
Complaints investigated, formal warning issued	5	0
Licences cancelled following complaint	0	0
Licences suspended due to breaches of licence conditions	1	1
Complaint investigated and monetary penalty or infringement notice imposed	3	2
Other actions	0	0
<b>Total</b>	<b>20</b>	<b>20</b>

## 1.12. 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 2016-17 reporting period over 1600 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*.

### Operation Soteria

During 29 May to 11 June 2017, Licensing Inspectors conducted an Operation on licensed premises located in all major centres throughout the Northern Territory with the focus on Darwin and surrounds, including Palmerston, Katherine township, Tennant Creek CBD and Alice Springs.

The operation involved 22 staff from Licensing NT and was an overt high visibility approach.

The focus of the operation was to monitor liquor compliance on pubs, clubs, hotels, taverns and take-away outlets including stores/supermarkets.

560 individual inspections of licensed premises were undertaken with the table below detailing outcomes:

Location	Inspector instructed Licensee to refuse entry	Inspector instructed Licensee to remove drunk patron	Inspector instructed Licensee to refuse service	Licensee refused patron entry	Licensee refused person displaying signs of being drunk	Licensee removed person displaying signs of being drunk
Alice Springs	0	0	1	124	15	41
Darwin	0	4	1	93	49	14
Katherine	0	1	1	3	9	0
Tennant Creek	0	0	0	2	1	1
<b>Total</b>	<b>0</b>	<b>5</b>	<b>3</b>	<b>222</b>	<b>75</b>	<b>56</b>

At the completion of the operation six compliance issues were identified with one proceeding to a formal complaint and is currently under consideration.

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

During the 2016-17 reporting period the Director-General conducted 10 reviews regarding applications made under the *Licensing (Director-General) Act*. Five delegate decisions were affirmed, three were fully set aside and two were partially set aside. These are set out in Table 4.

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

The Director-General's decisions can be reviewed by the Northern Territory Civil Administrative Tribunal (NTCAT). One liquor decision that was referred to NTCAT for review during the 2015-16 reporting period carried over into the 2016-17 reporting period.

#### **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 was adjourned at the request of the applicant and NTCAT had yet to review the decision.

The applicant made a request to NTCAT to have the matter withdrawn and NTCAT issued an order on 1 November 2016 for that to happen.

## 1.15. Harm minimisation

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

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

### **Banned Drinker Register**

From 1 September 2017, all Territorians and visitors to the Northern Territory are to show photo identification to buy takeaway alcohol. This change is part of the Banned Drinker Register (BDR) program being led by the Department of Health. The register will identify people who are banned from purchasing takeaway alcohol and stop them from buying it. It is intended that by 1 September 2017, BDR scanning equipment will be in place in all licensed premises which have the authority to sell liquor for consumption away from premises.

### **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.

Liquor accords in existence are:

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

### **Alcohol management plans**

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

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

## 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.

The Gaming Machine regulations were amended on 1 January 2015, such that the aggregate cap of 1190 gaming machines was removed.

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

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

The 2015 Northern Territory Gambling Prevalence and Wellbeing Survey analysis indicated that while the prevalence of problem gambling in the Northern Territory was on par with other Australian jurisdictions, the prevalence of gamblers at moderate risk of developing a gambling problem was higher in the Northern Territory. In response, on 14 November 2016 the Government reintroduced a cap on the aggregate number of gaming machines to a maximum of 1852.

Club contributions, the Community Benefit Fund and Community Benefit Levy are all reported in the Community Benefit Fund Annual Report. The Community Benefit Fund received \$11.117 million from the levy on electronic gaming machines in hotels and casinos during 2016-17.

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

During the reporting period, eight applications for a new gaming machine licence were approved and a total 318 gaming machines were approved for use across 19 venues throughout the Northern Territory.

Table 12: New gaming machine licences issued

Premise	Location	Date issued
Gateway Tavern	Palmerston	12/07/2016
The Tap on Mitchell	Darwin	22/08/2016
Wisdom Bar & Café	Darwin	22/08/2016
Discovery	Darwin	22/08/2016
Darwin Turf Club - Fannie Bay Racing & Sporting Club	Fannie Bay	23/12/2016
6 Tanks Brewery	Darwin	19/04/2017
The Precinct Tavern	Darwin	06/04/2017
Coolalinga Tavern	Coolalinga	23/06/2017

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

Table 13 provides a synopsis of the decision notices issued under the *Gaming Machine Act* by the Director-General (or delegate) during 2016-17.

Table 13: Director-General gaming machine decisions for 2016-17

Date	Nature of Matter	Venue	Decision
12/07/16	Application for Gaming Machine Licence	Gateway Tavern	Approved - 20
13/07/16	Application for increase in gaming machines	Gillen Club	Approved - increase from 45 to 55
22/08/16	Application for Gaming Machine Licence	The Tap on Mitchell	Approved - 20
22/08/16	Application for Gaming Machine Licence	Wisdom Bar & Café	Approved - 10
20/08/16	Application for Gaming Machine Licence	Discovery	Approved - 20
23/08/16	Application for increase in gaming machines	Palmerston Golf and Country Club Inc	Approved - increase from 45 to 55
23/08/16	Application for increase in gaming machines	Virginia Tavern	Approved - increase from 10 to 20
23/08/16	Application for increase in gaming machines	Darwin Golf Club	Approved - increase from 13 to 45
23/08/16	Application for increase in gaming machines	Katherine Country Club	Approved - increase from 35 to 45
24/08/16	Application for increase in gaming machines	Nightcliff Sports Club	Approved - increase from 22 to 45
24/08/16	Application for increase in gaming machines	Katherine Hotel	Approved - increase from 10 to 14

Date	Nature of Matter	Venue	Decision
01/09/16	Application for increase in gaming machines	Tennant Creek Memorial Club	Approved – increase from 25 to 45
09/09/16	Application for increase in gaming machines	Humpty Doo & Rural Area Golf Club	Approved – increase from 10 to 30
06/10/16	Cancellation of liquor and Gaming Machine Licences	Katherine Sports & Recreation Club	Liquor licence and Gaming Machine Licence cancelled
23/12/2016	Grant of Gaming Machine Licence	Darwin Turf Club - Fannie Bay Racing & Sports Club	Approved – 55 machines
22/02/2017	Cancellation of Liquor License and subsequent cancellation of Gaming Machine Licence	The Fox Ale House	Set aside decision of Delegate to cancel the Liquor Licence and subsequent cancellation of Gaming Machine Licence
07/03/2017	Grant of a Gaming Machine Licence	Ted D'Ambrosio Bar, Darwin Turf Club	Affirm decision of Delegate to grant a Gaming Machine Licence
05/04/2017	Increase in number of gaming machines	Walkabout Tavern	Increase from 10 to 20 gaming machines
06/04/2017	Grant of Gaming Machine Licence	The Precinct Tavern	Approved for 20 gaming machines
19/04/2017	Grant of Gaming Machine Licence	6 Tanks Brewery	Approved for 10 gaming machines
04/05/2017	Increase in number of gaming machines	Winnellie Hotel	Increase from 10 to 14 gaming machines
23/06/2017	Grant of a Gaming Machine Licence	Coolalinga Tavern	Approved for 10 gaming machines

### 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 14 shows the community gaming machine distribution among the regions.

Table 14: Community gaming machine distribution for 2016-17

	Clubs	Hotels/Taverns	Total
Northern region	806	658	1464
Southern region	197	68	265
<b>Total</b>	<b>1003</b>	<b>726</b>	<b>1729</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 2016-17 reporting period, the average gross profit per machine per day was \$171.16 compared to \$182.03 in 2015-16. Gaming machine gross profit has increased by 6.24% to \$92.461 million in 2016-17, up from \$87.032 million during the 2015-16 reporting period.

**Table 15: Licensed clubs based on machine gaming metered win for 2016-17**

Each group in alphabetical order	
<b>Top 10</b>	<b>21-28</b>
Arnhem Club	Alice Springs RSL Club
Casuarina All Sports Club	Alyangula Recreation Club
Cazalys Palmerston Club Inc.	Darwin Bowls & Social Club
Club Eastside	Darwin Golf Club
Darwin RSL Club	Darwin North RSL Services Club
Gillen Club	Darwin Trailer Boat Club
Katherine Club	Gove Country Club
Katherine Country Club	Memo Club Alice Springs
Palmerston Sports Club – The Hub	
Tracy Village Social & Sports Club	
<b>11-20</b>	
Alyangula Golf Club	
Humpty doo & Rural Area Golf Club	
Jabiru Sports & Social Club	
Nightcliff Sports Club	
Palmerston Golf & Country Club	
Pint Club	
RAOB Club (Darwin) Inc.	
Sporties Club Inc.	
St Mary's Football Sporting & Social Club	
Tennant Creek Memorial Club	

**Table 16: Licensed hotels/taverns based on machine gaming metered win for 2016-17**

Each group in alphabetical order	
<b>Top 10</b>	<b>11-20</b>
Airport Hotel	Beachfront Hotel
Hibiscus Tavern	Gapview Resort Hotel
Howard Springs Tavern	Globetrotters Lodge
Humpty Doo Tavern	Hidden Valley Tavern
Monsoons	Hotel Darwin
Palmerston Tavern	Katherine Hotel Motel
Parap Village Tavern	Lizards Bar & Restaurant
Karama Plaza Tavern	The Arch Rival Bar & Grill
Shenannigans Irish Pub	Virginia Tavern
The Cavenagh	Walkabout Tavern

21-30	31-42
Berry Springs Tavern	Ayres Rock Resort
Frontier Hotel Darwin	Corroboree Park Tavern
Goldfields Hotel	Darwin River Tavern
Humpty Doo Hotel	Discovery Darwin
Noonamah Tavern	Ducks Nuts Bar & Grill
Pine Creek Hotel	Heavitree Gap Tavern
Rum Jungle Tavern	Litchfield Motel
The Stuart Hotel	Mataranka Hotel
Todd Tavern	Rorkes Beer Wine Food
Winnellie Hotel Darwin	Squires Tavern
	Tennant Creek 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 one was approved, the other refused. 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 2017 was 942

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

Table 17: Gaming machine manager licences approved for 2016-17

	Licensed	Suspended	Cancelled	Mutual Recognition
Northern region	97	0	0	3
Southern region	34	0	0	1
<b>Total</b>	<b>131</b>	<b>0</b>	<b>0</b>	<b>4</b>

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

During the 2016-17 reporting period no gaming machine manager licence decisions were referred to NTCAT for review.

## 4. Casinos

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

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 18 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 19, which outlines changes to the approved number of gambling products across both casinos for those financial years.

**Table 18: Northern Territory casinos taxes**

	2015-16 \$M	2016-17 \$M
Gaming tax	*11.770	12.146

\* Total Revenue for 2015-2016 was adjusted due to discover of a coding inconsistency in May 2016.

**Table 19: Northern Territory casinos gambling product distribution**

	SKYCITY			Lasseters Hotel Casino		
	Table games	Electronic gaming	Other	Table games	Electronic gaming	Other
2015-16	55	613	1	22	309	1
2016-17	53	596	1	22	320	1

The casino turnover figures in Table 20 and

Table 21 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 20: SKYCITY Casino performance, turnover and player loss comparisons

Game	2015-16		2016-17	
	Handle \$M	Player loss \$M	Handle \$M	Player loss \$M
Table Game	***82.489	***17.617	74.089	17.869
*Electronic Gaming	687.496	57.812	603.088	50.319
**Keno	58.329	14.294	56.182	16.514
<b>Total</b>	<b>828.314</b>	<b>89.723</b>	<b>734.080</b>	<b>84.701</b>

Note: Columns may not add due to rounding

\* Electronic Gaming includes FATG's and Poker Machines

\*\* Keno includes SKYCITY, Lasseters and NT Keno

\*\*\* Figures for 2015-16 adjusted following reporting errors identified in annual audit undertaken in November 2016.

Table 21: Lasseters Hotel Casino performance, turnover and player loss comparisons

Game	2015-16		2016-17	
	Handle \$M	Player Loss \$M	Handle \$M	Player Loss \$M
Table game	13.065	3.063	12.224	2.955
Poker machine	245.573	20.485	261.633	20.548
<b>Total</b>	<b>258.638</b>	<b>23.548</b>	<b>273.857</b>	<b>23.503</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 22 shows the lottery sales data comparison for two financial years. Sales are made up of lottery products, instant scratchies and soccer pools.

Table 22: Lotteries turnover, player loss and revenue generated comparisons

Lotteries	2015-16 \$M	2016-17 \$M
Turnover	*116.346	106.375
Player loss	*46.435	42.457
Taxes	24.820	24.129

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

\* Figures for 2015-16 adjusted following transcription error identified in Audit.

## 6. Totalisator licensing

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

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

There are currently 51 TAB outlets consisting of seven agencies, 42 club/hotel licensed outlets and three on-course TAB outlets.

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

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

There were no complaints against UBET received during 2016-17.

Table 23: On-course and off-course wagering turnover figures for 2016-17 compared to 2015-16

Wagering Turnover	2015-16 \$M	2016-17 \$M
On-course	8.000	5.259
Off-course	76.200	63.256
<b>Total</b>	<b>84.200</b>	<b>68.515</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 24: Private security licences in force as at 2016-17 compared to 2015-16

Type of Licence	2015-16	2016-17
Security officer and crowd controller	1353	1604
Security Officer	-*	183
Crowd Controller	-*	41
Security firm	89	90
<b>Total</b>	<b>1442</b>	<b>1918</b>

\* Individual security officer and crowd controller licences could not be reported as at 30 June 2016 as database was not set up to report on those figures separately at that time.

## 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 25 outlines the number of licences issued under Mutual Recognition for the 2016-17 reporting period.

Table 25: Licences issued under the Mutual Recognition Act in 2016-17 compared to 2015-16

Type of Licence	2015-16	2016-17
Security officer and crowd controller	124	99
Crowd controller only	7	12
Security officer only	24	10
<b>Total</b>	<b>155</b>	<b>121</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 2016-17 reporting period, eight investigations were conducted in accordance with the *Private Security Act*. Three of the complaints was substantiated and resulted in two formal reprimands being issued and one Licence cancelled.

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

Table 26 provides a synopsis of the decision notices issued under the *Private Security Act* by the Director-General during the 2016-17 reporting period.

Table 26: Director-General private security licensing decisions for 2016-17

Date	Nature of Matter	Decision
26/07/2016	Decision on Show Cause Notice	Insufficient evidence. No Further Action.
24/08/2016	Application under the Private Security Act	Application refused.
26/08/2016	Application under the Private Security Act	Security Officer licence granted with condition pursuant to Section 19(1).
11/10/2016	Decision - amendment of licence conditions	Amendment of licence conditions approved.
28/07/2016	Breach of Code of Conduct for Crowd Controllers	Reprimand letter issued.
22/09/2016	Breach of Code of Conduct for Crowd Controllers	Reprimand letter issued.
30/08/2016	Breach of Code of Conduct for Crowd Controllers	Insufficient evidence, no further action required.
23/11/2016	Cancellation of licence, convicted of disqualifying offences	Licence cancelled.

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

During the 2016-17 reporting period, the Director-General received one application for an internal review in respect of delegated decisions. The Director-General affirmed the decision of the Delegate which found there was insufficient evidence available to reach a conclusion.

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

During the 2016-17 reporting period, no security licence decisions were referred to NTCAT for review.

## 8. Escort agency licensing

The Director-General may grant licences to operators and managers of escort agencies under provisions contained in the *Prostitution Regulation Act*. People with previous sexual, violence or drug-related offences may be ineligible to hold a licence or, depending on the offence, deemed to be unsuitable by the Director-General. Licences are subject to annual renewal.

As at 30 June 2017 there is one 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 2017, there were 448 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 27 shows actions taken throughout 2016-17 regarding kava.

**Table 27: Vehicles seized with kava and destroyed during 2016-17 compared to 2015-16**

<b>Actions taken</b>	<b>2015-16</b>	<b>2016-17</b>
Vehicles not returned to applicant and approved for destruction or tender	6	6
Vehicles returned to applicant by Minister	0	0
Matters still outstanding	2	2
Order of destruction for kava	3	1
Seized kava destroyed (kilos)	1601 kgs	20 kgs

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