

Licensing NT Annual Report

2019-20



The Hon Natasha Fyles
Minister for Racing, Gaming & Licensing and
Minister for Alcohol Policy
Parliament House
State Square
Darwin NT 0800

File reference: LNT2018/0753-0003

Dear Minister

In accordance with the following Acts:

- *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*
- *Licensing (Director-General) Act 2014*
- *Liquor Act 1978*
- *Liquor Act 2019*
- *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).

I am pleased to present, for your information and presentation to the Legislative Assembly, the Licensing NT Annual Report for the financial year ended 30 June 2020.

Of note are changes between 2018-19 and 2019-20 and that this predominantly represents a decrease in revenue and/or activity levels largely attributable to the COVID-19 restrictions during the early parts of 2020.

Yours sincerely



Alecia Brimson
Acting Executive Director
Licensing NT

24 September 2020

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Overview

During the reporting period, several legislative changes occurred for Licensing NT and those changes are listed below.

The Director-General of Licensing (Director-General) was 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. This legislation was in effect until 14 April 2020.

During the period 1 July 2019 to 13 April 2020 the Director-General had 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).

From 1 October 2019, with the commencement of the *Liquor Act 2019*, Philip Timney was appointed as Director of Liquor Licensing resulting in the Director-General no longer having oversight of the Liquor Act.

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

From 14 April 2020 when the repeal of the *Licensing (Director-General) Act 2014* commenced, the responsibility for matters in accordance with the requirements of the following legislation was changed:

- *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*
- *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 under the above legislation is provided by Licensing NT.

During the reporting period the *Prostitution Regulation Act 1992* was superseded by the *Sex Industry Act 2019* and regulation now sits with the Commissioner of Consumer Affairs.

The new statutory appointments are:

Philip Timney

Director of Liquor Licensing – effective 1 October 2019

Director of Kava Management – effective 14 April 2020

Director of Tobacco Control – effective 14 April 2020

Anna McGill

Director of Gaming Control – effective 14 April 2020

Director of Gaming Machines – effective 14 April 2020

Director of Totalisator Licensing and Regulation – effective 14 April 2020

Stephen Gelding

Director of Private Security Regulation – effective 14 April 2020

Note: Where **Director** is referred to throughout this report, it relates to the above information depending on the specific Act.

During the reporting period, Licensing NT has undergone significant organisational changes. In addition, the development and implementation of liquor reforms and an ongoing 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

1. Liquor

During the reporting period Liquor in the Northern Territory was regulated under the *Liquor Act 1978* (*Liquor Act*) and under *Liquor Act 2019* (*Liquor Act*). The primary purpose of the *Liquor Act* is to minimise the harm associated with the consumption of liquor in a way that recognises the public's interest in the sale, supply, service, promotion and consumption of liquor.

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 purposes of the *Liquor Act* which are:

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

The Northern Territory Liquor Commission (Commission) holds the power for determination of applications for liquor licences except where delegated by the Commission to the Director. However, the Director 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 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 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 2020 was 529 compared to 528 the previous year.

1.2. Director referrals to the Northern Territory Liquor Commission

During the reporting period, the Director referred 15 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 for 2019-20.

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 approved.

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.

Authority to authorise a transfer of a licence was vested in the Liquor Commission, however the Liquor Commission has now delegated this function to the Director.

During the reporting period transfer of 43 liquor licences were approved. Of note, 13 licence transfers related to BWS stores throughout the NT where Woolworths undertook a national separation of their grocery and liquor businesses and transferred the BWS licences to a subsidiary company.

1.4. Director referrals to the Northern Territory Liquor Commission

During the reporting period, the Director referred 1 application 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 for 2019-20.

1.5. Licence condition variations

A licensee may apply to the Director 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 those licence conditions.

Where considered to be in the public interest, the Director will require notice of an application for variation of a licence to be published, thereby allowing for community consultation and public objections.

The Liquor Commission is required to determine such matters and the role of the Director 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 referrals to the Northern Territory Liquor Commission

During the reporting period, the Director referred 15 applications to the Liquor Commission for variations to licence conditions. These included 3 for temporary variation and 12 for permanent variation. Of the 12 permanent variation referrals, 3 of these were combined with an application for substitution of premises. Further information regarding the outcome of these applications referred can be found in the Liquor Commission Annual Report for 2019-20.

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 make structural changes to venues or increase their approved liquor licenced area.

Where considered to be in the public interest, the Director 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 referrals to Northern Territory Liquor Commission

During the reporting period, the Director referred 11 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 for 2019-20.

1.9. Special liquor licences

Special liquor licences are issued under the *Liquor Act* and are generally approved for ‘one-off’ events, but may also be approved for events that occur on an annual basis such as the Supercars or Greek Glenti.

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.

Although the power sits with the Liquor Commission to determine special licence applications, the Liquor Commission has delegated limited authority for determination of specified categories of special licence applications to the Director.

During the 2019-20 reporting period, the Director (or delegate) issued 246 special liquor licences under Delegation from the Liquor Commission.

1.10. Director referrals to the Northern Territory Liquor Commission

During the reporting period, the Director referred 12 applications for Major Event 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 for 2019-20. The number of referrals to the Commission for special/major events has been impacted by both the delegation of powers by the Liquor Commission to the Director and COVID-19 restrictions.

1.11. Continuing special licences

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

Such licences remained valid for a maximum of 12 months and were subject to conditions which are tailored to the nature and purpose of the licence.

Continuing special licences were 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 were encouraged to submit an application for a full liquor licence and to demonstrate that the grant of a licence is in the public interest.

With the commencement of the *Liquor Act 2019* on 1 October 2020, all continuing special licences are now required to be converted to a full liquor licence by the 1 October 2020.

As at 30 June 2020 there were 102 continuing special liquor licences.

1.12. Restricted Areas

The *Liquor Act* provides that a geographical area can be declared a ‘Restricted Area’ under which the consumption, possession, sale or disposal of liquor may only occur pursuant to a permit or licence. The types of restricted areas which can be declared under the *Liquor Act* are outlined in Table 1. When considering applications, the Director 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 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.

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*.

With the changes to the *Liquor Act 2019* from 1 October 2019 all public places in Alice Springs, Darwin, Katherine, Tennant Creek, Palmerston, Darwin Waterfront Precinct, any place within 2 kilometres of licensed premises or any place prescribed by regulation have been declared to be prohibited public places where the consumption of liquor is prohibited. The local council may, by Gazette Notice, exempt an area for certain times or days to permit liquor consumption in a public place.

Table 1: Types of Restricted Areas as at 30 June 2020

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

Table 2: Restricted Areas and premises granted in 2019-20 compared to 2018-19

Type of Alcohol Restricted Areas Declared	2018-19	2019-20
General	0	0
Public	0	0
Private restricted premises (private homes and buildings)	112	121
Total	112	121

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 2020, 7013 permits in total were in effect across the Northern Territory.

Table 3 compares the 2019-20 and 2018-19 permit activity across all General Restricted Areas. This figure includes the activity on all permits issued during the reporting period and those issued and expired within the reporting period (e.g. visitors).

Table 3: Liquor permit activity for General Restricted Areas for 2019-20 compared to 2018-19

Permits	2018-19	2019-20
Issued	2670	4477
Revoked/Disabled	68	170

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. They must be investigated unless the Director (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 is independently responsible for the investigation of complaint matters and following investigation, the Director (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 may:

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

Table 4: Complaints received and actions taken by the Director during 2019-20 compared to 2018-19

Liquor complaints received and action taken	2018-19	2019-20
Complaints under investigation as at 30 June with outcome yet to be determined	49	5
Complaints investigated, but no further action warranted	0	29
Complaints investigated, formal warning issued	0	3
Licences cancelled following complaint	2	0
Licences suspended due to breaches of licence conditions	0	0
Complaint investigated and monetary penalty or infringement notice imposed	2	3
Complaint referred to the Liquor Commission for disciplinary action	12	12
Total	65	52

1.15. Director referrals to the Northern Territory Liquor Commission

During the reporting period, the Director made 12 referrals 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 16 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 2019-20 reporting period, 1881 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. Abandonment of Licence (liquor)

Section 67 of *Liquor Act 2019* which commenced on 1 October 2019 now requires the Director to deal with liquor licences that are taken to have been abandoned, that is if the licensee ceases to operate the licensed premises for more than 6 months without the prior approval of the Director.

Between 1 October 2019 and 30 June 2020, 14 licences have been cancelled under this provision.

1.18. Review of delegate decisions (liquor)

During the 2019-20 reporting period the Director conducted five reviews of delegate decisions regarding applications made under the *Licensing (Director-General) Act* or *Liquor Act*. All of those reviews involved delegate decisions in respect of liquor permits.

1.19. Northern Territory Liquor Commission reviews (liquor)

The Director's decisions can be reviewed by the Northern Territory Liquor Commission (NTLC). No liquor decisions were referred to NTLC for review during the 2019-20 reporting period.

1.20. Harm minimisation

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

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

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 currently 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:

[https://nt.gov.au/industry/hospitality/law-and-management/local-liquor-accords#:~:text=A%20Local%20Liquor%20Accord%20\(LLA,security%20or%20other%20related%20matters.](https://nt.gov.au/industry/hospitality/law-and-management/local-liquor-accords#:~:text=A%20Local%20Liquor%20Accord%20(LLA,security%20or%20other%20related%20matters.)

- Darwin Inner City Packaged Liquor Accord
- Darwin Northern Suburb Liquor Accord
- Kakadu Liquor Accord
- Katherine Liquor Accord
- Central Australian Liquor Accord
- Nhulunbuy Liquor Accord

1.21. Exercise of the Director's emergency powers

Section 257 of the Liquor Act 2019 provides that, in an emergency, the Director may suspend a liquor licence, impose additional licence conditions and vary licence in the public interest.

During the COVID-19 emergency the Director exercised those powers to impose a condition of takeaway liquor licences requiring customers who present identification indicating they reside in a different Territory region must be able to satisfy the Licensee that they will consume the liquor in a lawful place, otherwise the transaction will be refused.

Restrictions were also placed on Licensees with drive through bottleshop facilities, prohibiting liquor sales to passengers in a taxi, private hire car or other commercial vehicle. This restriction also applies to on-duty taxi drivers.

In addition, the Director approved licensed restaurants, clubs and hotels that normally provide meals and liquor to patrons for on-premises consumption, a variation to the licence conditions to authorise the sale of liquor, in association with the purchase of a takeaway meal, for consumption away from the licensed premises. Approximately 90 premises took up the option during the early phases of the emergency.

The Liquor Commission also provided the Director with an emergency delegation to approve the extension of licensed footprints to allow licensees to better manage the social distancing requirements arising from the pandemic. A total of nine licensed premises were subject of approval of extended footprints.

2. Community gaming machine licensing

The *Gaming Machine Act 1995* outlines the principal functions for the Director 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.

The maximum number of gaming machines that can operate under a gaming machine licence held by clubs is 55, while a gaming machine licence held by a hotel or tavern can operate up to 20. Importantly neither a club or a hotel/tavern can hold a gaming machine licence without first holding a liquor licence under the *Liquor Act*.

The levy based on the licence authority to obtain gaming machines is 9,010 revenue units (\$10,902 per machine) for clubs, and 45,045 revenue units (\$54,504 per machine) for hotels/taverns, and is paid into central revenue. These figures are based on a Revenue Unit for the reporting period of \$1.21.

2.1. Reduction of the gaming machine cap

Further to the reinstatement of the cap on the number of gaming machines in December 2016 and the decision for the reduction in that cap effective 4 July 2018, in September 2019, the Director again reviewed the community gaming machine cap and recommended that the Attorney-General and Minister for Justice further reduce the cap to 1699. The Attorney-General and Minister for Justice agreed and the necessary amendments to the *Gaming Machine Regulations* took effect from 6 February 2020 to reduce the cap to 1699.

2.2. New gaming machine licences and new gaming machines

During the reporting period no applications for new gaming machine venues were approved.

2.3. Gaming machine decision notices issued by the Director

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

2.4. Distribution of community gaming machines

As at 30 June 2020, the total number of community gaming machines authorised to be operated under the 78 gaming machine venue licences issued under the *Gaming Machine Act 1995*, including operational and non-operational, is 1614. 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 5 shows the distribution among the regions for gaming machines licenced.

Table 5: Community gaming machine distribution for 2019-20

	Clubs	Hotels/Taverns	Total
Northern region	738	658	1396
Southern region	161	57	218
Total	899	715	1614

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 2019-20 reporting period, the average gross profit per operational machine per day was \$170.43 compared to \$199.25 in 2018-19. Gaming machine gross profit has decreased by 15.04% to \$90.762 million in 2019-20, down from \$106.836 million during the 2018-19 reporting period.

As a result of the Public Health Emergency declared on 18 March 2020, venues with gaming licences did not operate gaming machines between 23 March 2020 and 5 June 2020, which accounts for the decrease in gross profit identified above.

Table 6: Licensed clubs based on machine gaming Gross Profit for 2019-20

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

Table 7: Licensed hotels/taverns based on machine gaming Gross Profit for 2019-20

Each group in alphabetical order	
Top 10	
Airport Hotel	
Hibiscus Tavern	
Humpty Doo Tavern	
Palmerston Tavern	
Parap Village Tavern	
Plaza Karama Tavern	
The Bell Bar & Bistro	
The Cavenagh	
The Landmark	
Walkabout Tavern	
21-30	
Berry Springs Tavern	
Darwin River Tavern	
Discovery Darwin	
Frontier Hotel Darwin	
Gapview Resort Hotel	
Hidden Valley Tavern	
Hotel Darwin	
Tennant Creek Hotel	
Todd Tavern	
Winnellie Hotel	
41-46	
Ayers Rock Resort	
Darwin Free Spirit Resort	
Smith Street Social	
Squires Tavern	
The Deck Bar	
11-20	
Beachfront Hotel	
Coolalinga Village Tavern	
Howard Springs Tavern	
Katherine Hotel	
Lizard's Bar & Restaurant	
Monsoons	
Shenannigans Irish Pub	
The Precinct Tavern	
The Tap Bar On Mitchell	
Virginia Tavern	
31-40	
Corroboree Park Tavern	
Goldfields Hotel	
Good Times Bar & Grill	
Humpty Doo Hotel	
Litchfield Motel	
Mataranka Hotel	
Noonamah Tavern	
Pine Creek Hotel	
Rum Jungle Tavern	
Stuart Hotel	

2.6. Community Benefit Fund

The Community Benefit Fund is established by Part 5A of the *Gaming Control Act 1993*, and the Director is required to maintain the Fund. This is done via the Community Benefit Fund (CBF) Secretariat team located within Licensing NT and with the responsibility for assessment of applications shared by the Director and the Community Benefit Committee before making recommendations to the Minister.

The Community Benefit Fund received \$9.684 million from the levy on electronic gaming machines in hotels and casinos during 2019-20, down from \$12.432 million in 2018-19. The decrease can primarily be attributed to COVID-19 closures during March-June 2020.

Further information regarding the Community Benefit Fund can be found in the Community Benefit Fund Annual Report for 2019-20.

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 2019-20 reporting period is 874.

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

During the 2019-20 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 68 venues permitted to conduct NT Keno in the Northern Territory.

The Director 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 8 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 9, which outlines changes to the approved number of gambling products across both casinos for those financial years.

Table 8: Northern Territory casinos taxes

	2018-19 \$M	2019-20 \$M
Gaming tax	11.032	9.357

Table 9: Northern Territory casinos gambling product distribution

	Mindil Beach Casino			Lasseters Hotel Casino		
	*Table games	**Electronic gaming	Other	Table games	Electronic gaming	Other
2018-19	41	676	1	22	307	1
2019-20	54	660	1	22	301	1

* Table games include Chip Suspense

** Electronic Gaming includes Fully Automated Table Games (FATG's)

Tables 10 and 11 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 10: Mindil Beach Casino performance, turnover and player loss comparisons

Game	2018-19 (period commenced 04/04/2019)		2019-20	
	Handle \$M	Player loss \$M	Handle \$M	Player loss \$M
Table Game	15.470	3.381	67.955	11.590
Electronic Gaming	169.262	11.651	625.290	41.683
*Keno	51.399	12.782	37.430	10.674
Total	236.131	27.814	730.675	63.947

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

Table 11: Lasseters Hotel Casino performance, turnover and player loss comparisons

Game	2018-19		2019-20	
	Handle \$M	Player Loss \$M	Handle \$M	Player Loss \$M
Table game	7.811	1.993	6.622	1.420
Poker machine	273.851	20.985	217.981	16.469
Total	281.662	22.977	224.603	17.888

Note: Columns may not add due to rounding

As with other hospitality venues, both Casinos have been impacted by the COVID-19 Public Health Emergency. Both Lasseters Hotel Casino and Mindil Breach Casino and Resort closed their entire operation, including accommodation, spa, restaurants and gaming activities from 23 March 2020. Both venues took a staggered approach to re-opening the respective operations, with both Casinos re-commencing their gaming activities on 5 June 2020.

5. Lotteries

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

Table 12 shows the lottery sales data comparison for two financial years. Sales are made up of lottery products, instant 'scratchies' and soccer pools.

Table 12: Lotteries turnover, player loss and revenue generated comparisons

Lotteries	Total 2018-19 \$M	Total 2019-20 \$M
Turnover	123.997	121.543
Player loss	49.477	48.482
Taxes	27.439	26.849

6. Totalisator licensing

The *Totalisator Licensing and Regulation Act 2000* provides for the Director to issue totalisator licences in the Northern Territory. This Licence is currently held by UBET NT Pty Ltd (UBET), which is a subsidiary of TABCORP Limited.

UBET operates from 53 outlets across the Northern Territory, consisting of four independent retail venues, 45 club/hotel licensed premises and four on-course venues.

UBET NT Pty Ltd also holds a sports bookmaker licence under the *Racing and Betting Act 1983* issued by the Director.

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. The penalty powers available to the Director range from a reprimand or fine to cancellation of the licence. No complaints were received during the reporting period.

As with other businesses, UBET was also impacted by the COVID-19 Public Health Emergency. Its outlets associated with licensed premises closed on 23 March 2020, while their independent retail and on-course venues closing 2 April 2020, and all being able to re-open on 5 June 2020.

Table 13: On-course and off-course wagering turnover figures for 2019-20 compared to 2018-19

Wagering Turnover	2018-19 \$M	2019-20 \$M
On-course	3.252	1.910
Off-course	48.397	35.029
Total	51.649	36.939

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

7. Private security

The *Private Security Act 1995* empowers the Director 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. Licences may be granted for one, two or three years. Licence applications may be referred to the Director 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 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, or appeal a decision of the Director to the Northern Territory Civil and Administrative Tribunal.

During the reporting period 1273 applications for Private Security Officers/Crowd Controllers were processed by Licensing NT.

The Director 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 in the discharge of compliance functions and obligations under the Act.

7.1. Private security licences

Table 14: Private security licences in force as at 2019-20 compared to 2018-19

Type of Licence	2018-19	2019-20
Security officer and crowd controller	1640	1708
Security Officer	223	229
Crowd Controller	84	75
Security firm	86	95
Total	2033	2107

7.2. Mutual recognition

Under the *Mutual Recognition (Northern Territory) Act 1992*, the Director 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 15 outlines the number of licences issued under Mutual Recognition for the 2019-20 reporting period.

Table 15: Licences issued under the Mutual Recognition Act in 2019-20 compared to 2018-19

Type of Licence	2018-19	2019-20
Security officer and crowd controller	128	176
Crowd controller only	2	5
Security officer only	24	20
Total	154	201

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 determines such complaints and may impose penalties against the licensee. The Director 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 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 2019-20 reporting period, eight (8) investigations were completed in accordance with the *Private Security Act 1995*. Two of the complaints were substantiated and resulted in both of those licenses being cancelled and one complaint dismissed. A further two licenses have been suspended and awaiting the outcome of Court proceedings, whilst three licenses remain current and awaiting further information from the court outcome.

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

Table 16 provides a synopsis of the decision notices issued under the *Private Security Act 1995* by the Director (or delegate) during the 2019-20 reporting period.

Table 16: Private Security licensing decisions of the Director for 2019-20

Date	Nature of Matter	Decision
06/09/2019	Not use undue force	Allegation dismissed.
11/08/2019	Charged with disqualifying offence – Aggravated assault	Licence remains current until outcome of Court proceedings.
11/08/2019	Charged with disqualifying offence – Aggravated assault	Licence remains current until outcome of Court proceedings.
10/10/2019	Charged with disqualifying offence and convicted in court – Aggravated assault	Licence cancelled.
18/11/2019	Charged with disqualifying offence – Aggravated assault	Licence suspended until outcome of Court proceedings.
08/01/2020	Charged with disqualifying offence – Possession of a commercial quantity of a scheduled 2 drug	Licence remains current until outcome of Court proceedings.
28/3/2020	Charged with a disqualifying offence – aggravated assault	Licence suspended until outcome of Court proceedings.
29/5/2020	Convicted for disqualifying offence – aggravated assault	Licence cancelled.

7.5. Review of delegate decisions (private security licensing)

During the 2019-20 reporting period, the Director received one application for an internal review in respect of delegated decisions. The delegate's decision was upheld by the Director.

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

The Director's decision can be reviewed by Northern Territory Civil and Administrative Tribunal (NTCAT).

Two private security decisions that were referred to NTCAT during the 2018-2019 reporting period carried over into the 2019-20 reporting period.

By way of NTCAT Order issued on 4 October 2019 relating to the first matter the decision of the Director dated 28 May 2019 was confirmed.

By way of NTCAT Order issued on 4 October 2019 relating to the second matter, the decision of the Director dated 29 May 2019 was set aside and the Director was directed by NTCAT to issue a security officer's licence to the applicant on special terms contained in the NTCAT decision.

During the 2019-20 reporting period, no security licence decisions were referred to NTCAT for review.

8. Escort agency licensing

During the reporting period the *Prostitution Regulation Act 1992* was repealed. The *Sex Industry Act 2019* commenced on 12 June 2020 and regulation now sits with the Commissioner of Consumer Affairs.

At the commencement of the *Sex Industry Act 2019*, there were no escort agency operator licences and no escort agency manager licences.

9. Tobacco licensing

The Director issues tobacco retail licences to allow the sale of tobacco products.

As at 30 June 2020, there were 477 licences valid in 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 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 17 shows actions taken throughout 2019-20 regarding kava.

Table 17: Kava/vehicles with kava seized and kava destroyed during 2019-20 compared to 2018-19

Actions taken	2018-19	2019-20
Vehicles not returned to applicant and approved for destruction or tender	2	0
Vehicles returned to applicant by Minister	0	0
Matters still outstanding	3	2
Order of destruction for kava	5	13
Seized kava destroyed (kilograms)	476kgs	698kgs

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