



Liquor Policy Team
Hospitality and Racing
Department of Enterprise, Investment & Trade
4 Parramatta Square
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Via email – liquorpolicy@liquorandgaming.nsw.gov.au

Dear Liquor Policy Team

Thank you for the opportunity to provide feedback on the *Liquor Licensing Reform Options – Discussion Paper* (Discussion Paper), examining proposed reforms to the liquor licensing and planning approvals framework, as well as a new risk-based licensing model.

The NSW Small Business Commissioner (the Commission) is an independent statutory office of the NSW Government. It provides strategic advice, advocacy and affordable dispute resolution services across NSW. The Commission's role includes:

- Encouraging government agencies and larger businesses to enter productive working relationships with small businesses
- Facilitating and encouraging the fair treatment of small businesses
- Promoting a fair operating environment in which small businesses can flourish.

The Commission's feedback in relation to Parts A and B of the Discussion Paper are set out below.

Part A – Liquor licensing and planning approvals

The Commission supports reform options which have the effect of reducing costs, improving customer service and enhancing process efficiency for stakeholders engaging in the liquor licensing and planning systems. Aligning elements of the liquor application, planning approval and public consultation processes has the potential to create an improved user experience for small businesses while removing unnecessary processes and inefficiencies.

We provide the following comments to reform options proposed in this section of the Discussion Paper:

4.3 Single licensing consultation processes for medium to higher-risk liquor licences

The Commission supports the proposal to consolidate community consultation processes into a single process. A single process will decrease confusion by reducing the duplication of work in preparing consultations for development and licensing applications. This reform also provides businesses with the potential to reduce supplementary costs associated with engaging liquor licensing consultants or solicitors to manage the consultation process on their behalf.

The Discussion Paper identifies assistance that could be provided to applicants to carry out public consultation processes. Supporting guidance and resources would be welcomed, however these must be fit for purpose and functional.

The Commission notes that the 'Live Data Tool' is currently unavailable for stakeholders to access on the L&GNSW website. No further information is provided as to when it may become available for

stakeholders. Users are directed to external websites to gather their own data relevant to their application and consultation.

The Commission encourages L&GNSW to consider the impact the consultation document's proposed title for the proposed title could have on individuals not familiar with this process. The '*Community Impact Statement*' uses more neutral language whereas the '*Statement of risk of harm and other potential impacts*,' has the potential to frame the application in a negative light and restrict collaborative communication between the community and applicant. The Commission recommends using impartial and neutral language to allow the document to facilitate engagement between stakeholders and applicants in forming their own views on an application and the balance a potential liquor licence will have with community amenity.

4.6 Improving inclusion and diversity in the liquor licence consultation processes

L&GNSW explore extending information and support to Culturally and Linguistically Diverse (CALD) stakeholders on how to apply for a licence and participate in the industry. This should be developed as well as the proposed information for CALD community members on licence consultation processes. Offering more information to these stakeholders on how to start and grow a liquor licence small business will help contribute to a more diverse and vibrant hospitality sector.

5.2 Developing shared conditions

Adaptions to improve current Development Application and Liquor Licence processes that reduce confusion, duplication and create efficiencies are supported in principle. However, the Commission notes concern with the proposal for a shared conditions template to be established and used by local councils and regulators. The proposal outlines that this 'shared set of conditions could initially be narrow but expanded over time as required.'

There is a risk of scope creep, with further conditions introduced broadly and bluntly with unintended consequences. The Commission is aware of cases where additional conditions have been added to liquor licences located within a specific region, or event state-wide, following the feedback and influence from stakeholders involved in the regulation and enforcement of liquor licence venues.

Part B – Risk-based licence model

The Commission believes the risk-based licensing model reform options outlined in this section of the Discussion Paper will help to support NSW Government's commitment to creating a world-renowned 24-hour city. The 24-hour Economy Strategy highlights the importance of liquor licensing to help achieve their objective, as seen in the action focused to 'explore the potential for introducing a new risk-based model to streamline the number of liquor licence types and classes and minimise complexity and red tape.'

Supporting innovation, reducing red tape & streamlining application processes

The new risk-based model, outlined in reform options *7.2 Reducing the number of licences, red tape and complexity* & *7.3 More flexibility in licensing through a 'licence-builder' approach* will provide an accessible and simpler liquor licensing framework. It will help small businesses to set up a liquor licence that better aligns with their business model to provide more diverse and vibrant offerings to their customers.

The Commission is pleased that reform *9.4 More support for producers – brewers, distillers and wineries*, includes a focus to 'open more licensing options for primary production businesses.' In 2021, the Commission made representations on behalf of a truffle farming business unable to meet the requirements to be deemed a producer in the *Liquor Act 2007 (NSW)*. It is our view that this

reform will help small businesses to create additional income opportunities that support their primary agricultural business, build more sustainable operating models and provide tourist attractions for NSW regions. This reform also compliments NSW Government's Agritourism Policy commencing on 1 December 2022 which is aimed at helping diversified farm businesses thrive.

Opening more opportunities to extend trade for special events

The Commission recommends increasing the opportunity for more licensed venues to access extended trade options during special event periods. Offering this flexible arrangement to more low-risk venues, for example by including licensed cafes and restaurants, will provide significant benefits. Low-risk venues can supplement night-time activities and contribute to reduced levels of intoxication, improve public safety and lessen capacity challenges for venues. These low-risk venues also offer additional choice and amenity during the later trading period. Flexible arrangements should be offered to low-risk licences without increasing associated annual compliance costs or fees to any low-risk licence.

Opportunity for further innovation – dual businesses and licences occupants for single premises

As the Discussion Paper identifies, a tailored liquor licensing system can provide opportunities for in the sector that enhances the way business, community and economic needs are met. The Commission encourages L&GNSW to explore available opportunities under planning legislation to further activate the 24-hour economy and encourage more diverse late night trading venues.

L&GNSW in collaboration with the Department of Planning & Environment and local councils can facilitate the potential for existing business premises to have a secondary licensed business access this for use at a different time of day. For example, an owner-operated café opening at 5am and closing at 5pm may be unable to extend their business hours into the late night, but a second business operator could use the space to open a wine bar from 6pm to 3 am.

This approach has several benefits, including:

- activating commercial spaces which would otherwise be closed and idle
- allowing business collaborators to share shop infrastructure and fixed costs
- contributing to the appeal and vibrancy of a 24-hour economy.

The Commission understands that more than one consent can be assigned to a property, as long as consent operations do not overlap. Liquor regulators and consent authorities have an opportunity to support local businesses by collaborating with small businesses and property owners to identify and resolve barriers to adoption in NSW.

Thank you again for the opportunity to make a submission. If you require further information, please contact Megan Bennett at either megan.bennett@smallbusiness.nsw.gov.au or (02) 9372 8767.

Yours sincerely

Chris Lamont
Commissioner
NSW Small Business Commission

Date: 13/12/22