



MEDIA RELEASE

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Performance Audit Report

Regulation of ACT Liquor Licences

The ACT Auditor-General, Mrs Tu Pham, has today presented a Performance Audit report titled '**Regulation of ACT Liquor Licences**', to the Speaker of the ACT Legislative Assembly.

There are 604 liquor licences currently in operation in the ACT, which allow licensees to sell liquor for the consumption on the premises and/or away from the premises.

The Office of Regulatory Services (ORS) within the Department of Justice and Community Safety (JACS) is responsible for the administration of the *Liquor Act 1975* (the Liquor Act), including the regulation of ACT liquor licences.

The performance audit assessed whether JACS has an effective and efficient regulatory program to encourage and promote responsibility in the sale and consumption of liquor.

Audit Opinion and Findings

- The licensing procedures adopted by JACS were not sufficiently robust to ensure the integrity and effectiveness of the liquor licensing regime.
- The decision making process in assessing applications for, and issuing of, liquor licences lacked consistency and transparency.
- There was significant scope to improve the effectiveness of assessment process of application for licences and permits, including:
 - consistent documentation;
 - better document management;
 - development of procedural manuals for staff; and
 - provision of guidance material to potential and existing licensees and the general public.
- The approval processes for occupancy loadings were neither timely nor consistent.
 - Many licensed premises, including night clubs and bars in major entertainment precincts, have not been assessed for occupancy loadings

within a reasonable time as required by legislation, and hence may present public safety risks.

- The significant delay in issuing occupancy loadings to licensed premises can expose the Territory to potential legal liability in cases of accidents such as fire.
- There was no formalised risk-based strategy to assess the regulatory risks, the types of activities and resource requirements, necessary to monitor licensees' compliance with the Liquor Act.
- The number of compliance inspections has significantly declined in recent years. As a result, it is doubtful that the current limited compliance activities were effective in promoting responsible consumption and sale of liquor.
- The Liquor Act provides an appropriate enforcement framework for the Liquor Licensing Board and the Registrar with a set of graduated responses to address identified non-compliances.
- The decisions made by the Board and the Registrar to address identified non-compliance were documented and made in a timely manner.
- There was only a small number of appeals to the Administrative Appeal Tribunal (AAT) and the majority of the AAT decisions generally find in favour of the Board and the Registrar.

Recommendations

The audit made seven recommendations to address the issues raised. JACS largely accepted the investigatory work that led to the Audit recommendations. JACS indicated that the Audit Report, together with its current review of core services of the ORS, will greatly assist in shaping the direction of the ORS in all of its licensing and compliance activities in the future.

Further Information

For further information, please contact Rod Nicholas, Director, Performance Audits and Corporate Services on 6207 0833. Copies of the report are available from the ACT Auditor-General's Office (Level 4, 11 Moore Street, Canberra City) and from its website, www.audit.act.gov.au.