

# Office of Liquor and Gaming Regulation

## REGULATOR PERFORMANCE REPORT 2021-22

Regulation plays an important role in keeping Queenslanders safe and healthy, by ensuring business and individuals act in a way that is consistent with legislative and community expectations. Excessive regulation, however, can be an impediment to business growth and innovation, especially where the regulatory burden is not proportionate to the issues that regulation is trying to address. The Queensland Government recognises the importance of streamlining regulation to make it easier to do business.

To achieve this, the government has identified a number of model practices that support the achievement of policy objectives through better interactions between regulators and their stakeholders, resulting in reduced administrative burdens and costs for all parties. These practices are consistent with principles adopted in other jurisdictions nationally and internationally.

The **five model practices** are:

1. ensure regulatory activity is proportionate to risk and minimises unnecessary burden
2. consult and engage meaningfully with stakeholders
3. provide appropriate information and support to assist compliance
4. commit to continuous improvement
5. be transparent and accountable in actions.

The Office of Liquor and Gaming (OLGR) works with and across Queensland's liquor and gambling industries in a way which upholds and extends on the five model practices.

OLGR's key clients and stakeholders include:

- licensees, permit holders and their staff
- licence and permit applicants
- liquor and gaming industry associations
- not-for-profit organisations
- community groups and individuals affected by the sale and supply of liquor and gambling activities
- other government and regulatory control bodies



## MODEL PRACTICE 1 - Ensure regulatory activity is proportionate to risk and minimises unnecessary burden

### Supporting Principles

- A proportionate approach is applied to compliance activities, engagement and regulatory enforcement actions
- Regulations do not unnecessarily impose on regulated entities
- Regulatory approaches are updated and informed by intelligence gathering so that effort is focused toward risk

#### How our work aligns with the model practice

- OLGR takes a balanced risk-based approach to regulation and applies an escalation model of enforcement. Efforts are focused on areas of greatest risk, where OLGR can make the biggest difference to the community.
- There is an intentional focus on modernising processes and prioritising interventions without compromising regulatory objectives and community safety. This includes moving towards a 'digital first' approach to provide easy access, simplified pathways and 24/7 accessibility.
- Inspection programs are risk-targeted having regard to both inherent (e.g. type of licence held, trading hours) and specific factors (e.g. complaints or compliance history) and intelligence (such as Police incident data).
- OLGR is continuously looking at how licensing processes and services can be improved, particularly with regards to processing times, without unduly impacting its role in minimising harm, the impact on amenity and ensuring the integrity of gaming.
- OLGR continues to work closely with industry to identify pressures and communicate government requirements and restrictions in a simple and practical way and ensure licensing and compliance practices are responsive to new and emerging pressures.
- OLGR actively seeks opportunities to work closely with co-regulators with a view to lessening the burden on regulated entities. This includes working with the Queensland Police Service and collaboration with other entities – for example, working with the Office of Fair Trading so that OLGR compliance officers conduct inspections under the Security Providers Act 1993 when undertaking liquor compliance functions at licensed premises.

#### How we're continuing to improve regulatory activities and business practices

- OLGR continues to expand the functions of its online individual licensing portal. This includes the launch of the online annual return lodgement for artisan producers, wholesaler producers, wine producers, and wine merchants. The portal provides for an expedited and automated licensing process and improved applicant experience. This has resulted in reductions in processing times.



### How we're continuing to improve regulatory activities and business practices

- OLGR is reviewing peak trading period liquor inspections with a view to minimising impost on licensees during these busy periods, while retaining an effective regulatory approach targeted and proportionate to higher risk activities. Changes have also been made to gaming focussed inspections, with legislative compliance checks streamlined.
- OLGR now captures comprehensive data on liquor-based inspections undertaken by co-regulators. This allows for improved targeting of resources and reduces the likelihood of OLGR officers undertaking inspections shortly after the Queensland Police Service (QPS) has assessed the venue's liquor compliance. Favourable findings from inspections undertaken by co-regulators can see the frequency of OLGR inspections reduced, further easing the regulatory burden on industry.
- OLGR has finalised the *Liquor and Gambling Regulation Strategy* which confirms and extends our position as a modern, transparent, visible and accountable regulator and makes clear our priorities for the future. At its core is a commitment to strengthening partnerships and shared accountabilities for ensuring Queensland has safe and responsible liquor and gambling industries. Informed by consultation with industry, and research around national and international best practice, the strategy sets out our balanced risk-based approach to regulation and escalation model for enforcement.
- OLGR is working to strengthen casino and gaming regulation, including delivering on the agreed program of work arising from the External Review of The Star and OLGR internal casino integrity review/s. This includes establishing a dedicated centralised casino audit unit.
- OLGR is currently conducting a two-year trial of reduced visitor distance requirements for clubs to ease administrative burdens for licensees and improve patron experience. The outcomes of the trial will inform future arrangements.

## MODEL PRACTICE 2 - Consult and engage meaningfully with stakeholders

### Supporting Principles

- Formal and informal consultation mechanisms are in place for stakeholder input
- Engagement is undertaken in ways that helps stakeholders develop an understanding of the regulated operating environment
- Cooperative and collaborative relationships are being established with stakeholders, including other regulators, to promote trust and improve the efficiency and effectiveness of the regulatory framework

### How our work aligns with the model practice

- Consultation and engagement with industry stakeholders, and also with cross-government and inter-jurisdictional partners, is a core underpinning of OLGR's business model and operating frame.



### How our work aligns with the model practice

- This commitment is reinforced in the new *Liquor and Gambling Regulation Strategy* where strengthening partnerships and connections is a core focus under the strategic pillar - Sharing the Way Forward. To meet community expectations, OLGR and industry must share effort, accountability and commitment to socially responsible licensees and ethical business models.
- OLGR is a regular participant in cross-jurisdictional forums including the Australasian Liquor Licensing Authorities Forum (ALLAF), Australian Casino and Gaming Regulators' CEO Forum and the interjurisdictional liquor and gaming regulators managers' conference.
- OLGR works closely with the Queensland Police Service (QPS) to improve coordination, communication, cooperation and consistency between the agencies in regulating the Queensland Liquor Act.
- OLGR also chairs a number working groups with other Australian gaming regulators to discuss the issues and potential harms of regulated wagering and lottery products and systems that are proposed to operate across jurisdictional borders.
- OLGR works closely with local business and community stakeholders through two key place-based initiatives:
  - Safe Night Precinct (SNP) local boards that manage and plan to address community safety and amenity issues, and can raise funds and apply for grants from local, state and federal governments
  - Liquor Accords made up of industry, government and in some instances community stakeholders, and are active in implementing place-based management initiatives to minimise alcohol-related impacts in and around licensed premises.
- Licensing processes provide opportunity for the community to comment on applications and OLGR convenes an objections conference to work through concerns raised.
- A new Liquor and Gambling Reference Group has been established bringing together key stakeholders, community and government to discuss challenges and opportunities, and provide input to help design, implement and evaluate policies and programs. An open and collaborative forum, the reference group will lead to better information-sharing and create a stronger evidence base for future policies.
- OLGR works closely with government stakeholders, shire councils in discreet indigenous communities, and key stakeholder groups to collaboratively address issues stemming from alcohol restrictions.
- OLGR has been a key stakeholder/contributor to the Queensland Government's response to the Summertime Taskforce Project's recommendations and the development of the Queensland Outdoor Activation Action Plan.

### How we're continuing to improve regulatory activities and business practices

- Regular liaison and collaboration is occurring with interstate regulatory counterparts, QPS and AUSTRAC, particularly in relation to gaming related money laundering risks and casino regulation.
- OLGR executive continues its practice of meeting quarterly with the CEOs of major gaming operators to discuss products and performance.



## How we're continuing to improve regulatory activities and business practices

- OLGR is working with the licensed club industry to develop a community club compact to address taxation and regulation issues – achievements to date include legislative changes to allow clubs and hotels to use electronic funds transfer for payments from gaming machines, a visitor radius trial to allow clubs to determine a distance for entry as a visitor and changes to increase the Ticket In Ticket Out (TITO) ticket-in limit.
- OLGR is also working with other Australian jurisdictions to implement the National Consumer Protection Framework for online wagering.
- The Australia/NZ Gaming Machine National Standards Working Party published revisions in February 2022 catering for advancements in software verification and integrity, enhancements to random number generator requirements, skill-based gaming machines and gaming machine artwork.
- Consultation with a broad range of stakeholders in the Queens Wharf Brisbane project continues to be a core focus in order to meet strict development and commercial timeframes. This includes the consortium members, legal advisors and other Government departments.
- OLGR has been reinvigorating liquor accords, refreshing web content and delivering resources and templates to support expanded uptake/involvement. This includes a new a web-based resource pack to assist existing, and potential new, accords to remain current and relevant.
- Compliance officers regularly attend Liquor Accord and SNP Board meetings to share information, seek feedback and gather advice on key local issues.
- OLGR is working actively with the licensed club industry to develop a community club compact to address regulation and taxation issues. A number of measures have already been implemented as a result of this work – including changes which ease the regulatory burden on licensees and deliver operational efficiencies.
- OLGR has in place a regional licensee visit program. Regularly throughout the year senior executives visit a range of licensees across various regional and smaller metropolitan areas to speak directly with licensee about local challenges and opportunities and hear first-hand some of the issues impacting their businesses. These visits span the full spectrum of licensees, from people who have taken up the artisan liquor licence to larger industry members looking at greenfield developments in growth corridors.
- OLGR plays a significant role in consultation with discreet communities and liquor catchment areas in codesigned Alcohol Management Plans under the new approach to alcohol model led by DSDSATSIP. This builds rapport and trust with shire councils, community members, liquor licensees, and other key stakeholders to ensure alcohol restrictions and limits are clearly understood and decisions on carriage limits meet community expectations.
- OLGR is a member of the community-led cross government Sly Grog Working Group which takes a collaborative approach to reduce demand and harmful effects of sly grog (illegal supply of alcohol) in discrete communities.



## MODEL PRACTICE 3 - Provide appropriate information and support to assist compliance

### Supporting principles

- Clear and timely guidance and support is accessible to stakeholders and tailored to meet the needs of the target audience
- Advice is consistent and decisions are communicated in a manner that clearly articulates what is required to achieve compliance
- Where appropriate, regulatory approaches are tailored to ensure compliance activities do not disproportionately burden particular stakeholders (e.g. small business) or require specialist advice

### How our work aligns with the model practice

- Our extensive web content is being extended and updated regularly to ensure content currency – including responsible service of alcohol and gambling materials, as well as information on venue safety.
- Resources are carefully tailored to meeting industry need and provide clear and practical advice. For example, the Behind the Bar and Follow the Law training videos provide real-life examples to assist licensees with meeting compliance requirements. The training video scenarios, and accompanying resources, specifically target areas known to present challenges.
- Compliance programs are tailored to ensure fit for purpose compliance activities that do not place unnecessary burden on industry.
- Work has commenced to prepare an annual public-facing compliance plan which will share priorities with industry to help us become more agile in how we deliver public value and minimise harm. At the end of each year, we will report back on progress.
- Efforts are made to coordinate messaging and ensure OLGR staff attending key meetings (SNP local board meetings, Liquor Accords and other key industry engagements) are providing consistent messaging to licensees.
- Commissioner Guidelines are developed and published to provide advice to industry on the views the Commissioner is likely to take regarding certain liquor and gaming licensing decisions. These particularly target areas in which we know industry require some additional support, clarity or direction. They are clear and purposeful in intent.
- Minimum Technical Requirements are published to assist gaming manufacturers and operators, and approved ID scanner operators, to comply with standards.



## How we're continuing to improve regulatory activities and business practices

- OLGR is expanding its communications with industry and working to bring greater clarity and purpose to messaging as well as making use of a range of communication channels. This includes online and print based mechanisms and through our direct connection with industry.
- A new licensee guide has been finalised and made available online to make it easier for new licensees to understand their obligations and avoid common mistakes that can lead to breaches of licence conditions when starting out in the industry. The guide is available on the Business Queensland website.
- OLGR has delivered targeted compliance-focused education visits including the provision of supporting materials and information about resources available to assist licensees to comply with legislation and to discuss business practices.
- OLGR maintains regular communication with industry stakeholders and licensees to assist with compliance activities and demystify expectations, including through articles in key industry journals (QHA Review and Clubs Insight), as well as direct email and social media on priority concerns, and regular articles in the monthly subscription newsletter Inside Liquor and Gaming.
- Online content is being currently being refreshed to ensure it provides licensees with information on what compliance officers generally check during inspection activity. This also includes providing a list of documents that officers may ask a licensee for which can be provided at the time of inspection or at a later agreed upon time, whichever the licensee determines is more convenient.
- OLGR officers are always available to talk through regulatory options for anyone interested in participating in the liquor or gaming industries.
- The new online new licensee guide steps new licensees through their application process and also starts to prepare them to ensure they understand and can be complaint with their legislated responsibilities once licensed.





## MODEL PRACTICE 4 - Commit to continuous improvement

### Supporting principles

- Regular review of the approach to regulatory activities, collaboration with stakeholders and other regulators, to ensure it is appropriately risk-based, leverages technological innovation and remains the best approach to achieving outcomes
- To the extent possible, reform of regulatory activities is prioritised on the basis of impact on stakeholders and the community
- Staff have the necessary training and support

### How our work aligns with the model practice

- The *Liquor and Gambling Regulation Strategy* sets the future course for OLGR, making clear the priorities and commitments and evidencing the organisations commitment to continuous improvement in a dynamic and changing liquor and gambling environment.
- OLGR is an organisation which fosters innovation, is diverse and inclusive, and which assesses and responds to the unique circumstances of licensees right across the state. The organisation's commitment to continuous improvement ensures it remains relevant and has credibility, in turn ensuring the community and industry can have confidence and trust in OLGRs work.
- OLGR monitors work in other jurisdictions through regular contact, forums and through significant projects.
- OLGR has delegated authority to empower staff to make decisions more rapidly which is resulting in faster processing times for certain licensing applications.
- Compliance programs are reviewed each year to ensure risks are being targeted in the most effective contemporary manner. New audit and inspection programs are developed as needed to address specific risks.
- Outcome-based periodic reviews of specific programs are undertaken to support continuous improvement e.g. liquor inspection and gaming audit process reviews.
- OLGR undertakes feasibility studies in areas identified as warranting review to ensure the full range of options and their viability are assessed as a core part of the continuous improvement process.
- Understanding the priority for industry in streamlining application and approval processes, OLGR is continually assessing and harnessing opportunities to reduce processing and approval times.





## How we're continuing to improve regulatory activities and business practices

- Automation of the online application process for individual licensees is making government services quicker and easier to use.
- Work continues on the automation of lottery draws, effectively removing physical supervision, whilst improving the security and integrity of the draws.
- Identification and analysis of major risk factors in gaming applications of significant community impact is undertaken to inform revised decision-making process and the identification of appropriate harm minimisations strategies.
- A centralised approach to induction has been introduced, including training needs analyses to identify skill gaps and areas for improvement and prepare for succession planning.
- OLGR continues to review and introduced improvements to improve timeframes for licence transfers, including providing better guidance to applicants to support them to submit more fulsome submissions as well as improving internal governance and management processes. This ensures that processes timeframes remain in line with those in New South Wales and Victoria
- Continued implementation of the regional staff engagement strategy ensures OLGR has a high-performing, motivated and valued regional workforce that delivers quality results.
- OLGR is refining processes to focus compliance activity on harm minimisation during peak trading periods taking account of industry feedback that inspections during peak trading times adversely affect their business operations. As much as possible systems compliance activity is being confined to periods outside of peak hours.
- OLGR is extending and improving complaint assessment and triaging tools. A broader range of complaints are now subject to a risk-based triaging approach which will reduce the burden on businesses by not being subject to investigation where another regulatory response is sufficient to treat the risk.
- OLGR, with the Office of Fair Trading, has received \$22 million to invest in new information technology. Early-stage projects are concentrating on improving internal processes, including replacing outdated systems. Later improvements will see the range of services available to licensees expanded and offered through 24/7 delivery.
- OLGR is working with industry and DPC on an evaluation of a trial of EFTPOS for table games in casinos and supporting a transition to safe cashless gaming.



## MODEL PRACTICE 5 - Be transparent and accountable in actions

### Supporting principles

- Where appropriate, regulatory frameworks and timeframes for making regulatory decisions are published to provide certainty to stakeholders
- Timely decisions clearly articulating expectations and reasons
- Indicators of regulator performance are publicly available

#### How our work aligns with the model practice

- OLGR's liquor compliance strategy detailing the regulatory approach for compliance monitoring and enforcement is published online.
- More detailed information regarding matters such as noise complaints are included in web content for the benefit of licensees and complainants.
- Detailed billing information and regular statements are provided to clients for technical evaluations and probity investigations.
- Submission timeframes are published for technical evaluations.
- Substantial information on applications and licence details are available on OLGR's public registers, including the following:
  - advertised liquor licence and adult entertainment permit applications published for objections or submissions
  - advertised gaming applications published for community comment
  - pending gaming machine licence applications
  - recently approved liquor and gaming machine licence applications
  - approved licence transfer applications
  - online licence search
  - high-risk venues
- OLGR also makes gaming statistics available online. This includes lists of gaming sites by statistical area, local government area and Electronic Gaming Machine (EGM) statistics for hotels and clubs.



## How we're continuing to improve regulatory activities and business practices

- Key datasets and reports continue to be published online, including gaming and liquor statistics (updated monthly) and a searchable database of premises with approved liquor licences.
- As part of its legislative obligations, OLGR publishes reasons for decisions on certain liquor and gaming applications. If an application was advertised for public comment, and objections or adverse comments are received, OLGR publishes the decision and the reasons supporting the decision on its website.
- Existing liquor and gaming compliance checklists and web content is being updated to provide licensees with information on what compliance officers generally check during inspection activity. This also includes advice on documents that officers may ask a licensee for which can be provided at the time of inspection.
- Work is underway to publish an annual compliance plan to improve visibility and transparency around priorities for the coming year. At the end of each year we will report back on progress.
- The new Liquor and Gambling Regulation Strategy confirms the organisation's commitment to:
  - Remain confident and clear about our regulatory purpose and objectives
  - Be anticipatory and forward looking
  - Be transparent and visible
  - Take measured risks and learn from experience to maximise future success
- Each year OLGR will report on progress against the four strategic pillars set out in the Liquor and Gambling Regulation Strategy.

