



AUDITOR GENERAL Western Australia

SUMMARY OF THE PERFORMANCE AUDIT

Raising the Bar: Implementing key provisions of the *Liquor Control Act* in licensed premises

Report 1 – March 2011

Background

Most Australians drink alcohol socially for enjoyment and celebration. Alcohol can, however, cause harm to people's health, and harm to the community through alcohol-related anti-social behaviour. That harm carries a significant health and economic cost and consumes substantial police resources.

The *Liquor Control Act 1988* (the Act) regulates the sale of alcohol to minimise alcohol-related harm, to cater for the needs of consumers, and to facilitate the development of licensed premises. Amendments to the Act in 2006 were intended to result in well-managed licensed premises that promote the moderate, responsible consumption of alcohol, reducing the likelihood of alcohol-related harm. Over 30 per cent of alcohol-related assaults occur in or near licensed premises and in 2010, almost 3 000 alcohol-related incidents in and around licensed premises required police attention.

Both the Department of Racing, Gaming and Liquor (DRGL) and Western Australia Police (WA Police), among their other roles, have the responsibility and powers to monitor and enforce compliance with the Act. The audit examined whether the agencies are effectively educating licensees and staff, monitoring the operation of licensed premises and taking appropriate enforcement action for breaches of the Act.

Audit Conclusion

A primary objective of the Act is to minimise the harm associated with the sale and consumption of alcohol, through the licensing of premises and regulating how the premises operate. DRGL and WA Police monitor and enforce some key provisions of the Act, but neither agency is effectively monitoring or enforcing the responsible service of alcohol.

Effective monitoring and enforcement relies on successful collaboration between WA Police and DRGL. The Act provides scope for the agencies to work together. The roles of the agencies are not formally agreed and collaboration is currently inadequate, leaving gaps in coverage, and duplication of effort. Increased collaboration would lead to more effective scrutiny of licensed premises and improved compliance with the Act.

Education and training is essential for licensed premises to operate in accordance with the Act. Education and training requirements are limited, so staff of licensed premises may not have the necessary knowledge to manage their premises safely and responsibly.

During the course of this audit the agencies began to respond to a number of our findings. These include findings on liquor industry staff training, improved collaboration between DRGL and WA Police, more effective information sharing and the follow up of unpaid fines.

Key Findings

- There are shortfalls in training and education requirements for licensees and their staff, so some may lack the skills and knowledge to operate licensed premises in accordance with the Act.
- DRGL and WA Police promote compliance with the Act through consultation with licensees and through local liquor accords. Alongside effective monitoring and enforcement, these arrangements can be effective in promoting compliance with the Act.
- There are gaps in DRGL and WA Police monitoring of compliance with key provisions of the Act. This limits the assurance that can be given that licensed premises are responsibly managed.
 - DRGL and WA Police have a shared regulatory role but do not have a clear agreement on how they will collaborate to fulfil that role. This has contributed to gaps in monitoring activity, lack of coordination and poor use of information.
 - Neither agency has comprehensive information on the patterns and causes of incidents in and around licensed premises.
 - It is not clear how much visible monitoring is provided by WA Police because this information is not consistently collected or analysed.
 - Neither agency undertakes any significant level of monitoring of whether alcohol is served responsibly in licensed premises.
- Although enforcement activity, primarily fines, has increased significantly since 2006-07, gaps remain.
 - Only seven per cent of all fines under the Act in 2009-10 were issued against licensees and managers. Over the last 15 years this has averaged at four per cent. WA Police has limited success in prosecuting licensees and their staff because of difficulties in collecting and presenting evidence.
 - The deterrent effect of a \$1 000 fine is questionable for those licensees with a high business turnover, and over 20 per cent of all fines issued against licensees and managers over the last three years have remained unpaid.
 - The Act makes licensees and staff responsible for how alcohol is served, but they have faced little risk of enforcement by WA Police for serving or allowing a drunk person on licensed premises.
 - Enforcement options such as the suspension of liquor licences, or the withdrawal of approval from managers have not often been used, although WA Police have recently increased the use of these enforcement options.