



SAFETY RATING SYSTEM FOR LICENSED VENUES

DISCUSSION PAPER

MARCH 2009



New South Wales Government
Department of the Arts, Sport and Recreation

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MINISTER'S FOREWORD

Anti-social drinking and alcohol-related violence can have a devastating effect on individuals and families across a broad spectrum of communities in NSW. In 2007, around 21,000 alcohol-related assaults occurred across the State. The NSW Government is determined to tackle this significant problem, to increase safety and strengthen communities.

The Government is responding to the problem of alcohol-related violence in a variety of ways. Special conditions have been imposed on licensed venues with the highest rates of assault. At the same time, a strengthened enforcement strategy, including high visibility policing, is underway and is already showing promise. Close monitoring of a range of venues at risk of violent incidents is also ongoing.

Individuals are also being encouraged to take a responsible approach to the consumption of alcohol. A social marketing campaign is being run by NSW Health and the Sentencing Council has been requested to consider and make recommendations on sentencing provisions relating to assaults committed while voluntarily intoxicated.

In addition, the Office of Liquor, Gaming & Racing, in the Department of the Arts, Sport & Recreation, continues to encourage, support and direct licensed premises to meet community expectations, needs and aspirations regarding the sale, supply and consumption of alcohol.

The community expects patrons in licensed premises to be safe.

This discussion paper seeks community views on whether a safety rating system is a desirable complement to the initiatives currently being developed and implemented by Government and, if so, what such a system should look like.

An industry-based rating system can drive quality improvements by enhancing the ability of consumers to choose venues based on their safety practices and record. As consumers shift their allegiance to best practice venues, a commercial incentive arises for other venues to improve their practices.

Strong industry participation in a rating system, well designed rating criteria and effective implementation should significantly decrease the risk of alcohol-related violence in those venues in receipt of a high rating.

This discussion paper has been initiated by the Government to stimulate community discussion on a safety ratings system. As active industry and consumer engagement in the design and implementation of the system is crucial, it has been agreed that the next phase will be undertaken collaboratively.

I encourage you to reflect deeply on the questions in this paper and to make a submission on this innovative approach to improve the safety of patrons of licensed premises.

HON KEVIN GREENE MP
MINISTER FOR GAMING & RACING

INTRODUCTION

There is significant community concern about the growing problem of anti-social behaviour and alcohol-related violence in the community. The NSW Government and the hotel and clubs industry are determined to effectively tackle this issue together.

The NSW Government recently introduced a comprehensive package of initiatives to help address this issue, including amendments to various laws to especially target venues with the highest risk of alcohol-related violence, individuals' behaviour in alcohol free zones and under-age drinking.

When the latest measures were introduced in late 2008, the Premier also announced plans to develop a safety rating system that rewards safe practices by and good records of licensed premises. Such a system could provide a way to publicly acknowledge licensed premises that actively support, promote and implement best practice safety arrangements for the benefit of patrons and the wider community.

Purpose

The Government has released this discussion paper to commence a process of community consultation on a safety rating system.

The paper sets out why the Government is interested in generating community discussion on a safety rating system for hotels and clubs and identifies several potential options and issues for public consideration.

The Consultation Process

This paper is the first step in a policy development process that will be undertaken in partnership between the Government, industry (including the Australian Hotels Association, NSW (AHA) and Clubs NSW), consumer representatives and the community.

Following receipt of submissions on this discussion paper, the Government, industry and consumer representatives will work together to analyse the ideas and opinions put forward. This group will then jointly develop a position paper, setting out a detailed model. Following consideration by Government, the position paper will be publicly released.

Context

The primary objective of the *Liquor Act 2007* (the Liquor Act) is to control the sale, supply and consumption of liquor while facilitating the balanced development of the liquor industry through a flexible and practical regulatory system. The Liquor Act, which only came into effect in July 2008, was the biggest reform to alcohol regulation and licensing in NSW in 25 years.

The Liquor Act imposes requirements on licensees (eg. responsible sale, service, supply and promotion of liquor; prohibition of minors on licensed premises; etc) and provides a vehicle for the imposition of conditions on licences to achieve the objectives of the Act. The Office of Liquor, Gaming and Racing (OLGR) in the Department of the Arts, Sport and Recreation (DASR) and the NSW Police Force actively enforce the regulatory requirements under the Liquor Act.

The Liquor Act recognises the desirability of local Liquor Accords - which enable businesses to collectively and voluntarily agree to implement good practices that meet the specific needs of their community. DASR and NSW Police actively support the development and implementation of these Accords.

The Government uses a range of other strategies to minimise the potential social harms associated with alcohol. In partnership with industry and other stakeholders, the Government facilitates and supports education programs, monitoring operations and provides other assistance as required. For example, NSW Health has recently designed and implemented a social marketing campaign directed at individual responsibility and alcohol consumption.

Most recently, the Government has responded to community concerns about alcohol-related violence, by imposing special conditions on certain licensed premises with the highest recorded number of alcohol-related assaults in the previous 12 months.

These new licence conditions include:

- mandatory 2 am lock-outs (except members of registered clubs);
- cessation of alcohol service 30 minutes before closing time;
- plastic or polycarbonate glasses after midnight;
- no shots and drink purchase limits after midnight; and
- ten minute alcohol sale time-outs every hour after midnight.

Complementing restrictions on licensed premises are initiatives such as new alcohol 'tip-out' powers in Alcohol Free Zones and stronger sanctions for use of false IDs by under-age drinkers.

In his 30 October 2008 media release, the Premier flagged several other areas with the potential to assist in addressing alcohol-related harm for further investigation. This includes a review of sentencing practices for individuals convicted of alcohol-related violent offences and the development of a safety rating system that rewards safe practices and good records.

The Government has convened a high-level implementation team, chaired by the Director-General, DASR, to oversee these new initiatives. The implementation team includes senior officers of NSW Police, the Department of Premier and Cabinet, and the Director of Liquor and Gaming from within OLGR.

A New Liquor Act for NSW

Following a policy development process that spanned several years, Parliament recently enacted new liquor legislation which has simplified the liquor licensing system and regulatory framework and enhanced liquor harm minimisation measures.

The *Liquor Act 2007* includes significant reforms. Focusing on the impact that licensed venues have on the local and broader community, the law reduces complexity and cost for stakeholders while providing increased flexibility for licensees, more choices for patrons, and greater protection for local communities from alcohol-related harm.

The legislation recognises the responsibilities of those who deal with alcohol, the desirability of reducing red tape to facilitate the balanced development of the liquor industry and the need to ensure that related industries such as the live music and entertainment industries can develop in a responsible way.

In implementing the Liquor Act, the optimal approach is to manage risks through local solutions, specific to the particular conditions of the venue, the patrons, the precinct and the community.

The Act:

- provides for a range of licence categories;
- focuses on community consultation;
- provides for a range of conditions and directions that can be imposed; and
- creates significant penalties for breaches.

The Act and the regulations impose several requirements directed at venue safety, including for example:

- prevention of excessive consumption of alcohol on licensed premises
- preventing entry to licensed premises by intoxicated, violent, quarrelsome or disorderly persons
- requiring such persons to leave a licensed venue and its immediate vicinity (within 50m) and preventing re-entry to a licensed premises or its vicinity
- banning orders for persons who are repeatedly intoxicated, violent, quarrelsome or disorderly on or in the immediate vicinity of licensed premises
- keeping of incident registers
- responsible service of alcohol (RSA) certification for licensees, staff members selling alcohol, security officers
- free drinking water must be available at all times when liquor is sold or supplied

The Office of Liquor, Gaming and Racing, in the Department of the Arts, Sport and Recreation, has a range of responsibilities that support the implementation of the legislation including:

- working with licensees to encourage them to undertake risk assessments and identify appropriate controls and solutions to address identified risks;
- supporting and participating in multi-agency community partnerships such as Liquor Accords, Crime Prevention Partnerships and the Alcohol Response Taskforce; and
- undertaking compliance activities in conjunction with NSW Police Force to ensure that licensees are complying with liquor laws and conditions imposed under their liquor licence and any breaches are addressed appropriately.

RATIONALE FOR SAFETY RATING SYSTEM

Why is the Government interested in exploring a safety rating system?

The community has clearly signalled its significant concern about the levels of alcohol-related violence and the impact this has on individuals, local entertainment precincts and consumers who drink responsibly and who wish to enjoy socialising in clubs and bars. It follows that consumers want and value safe licensed premises and that their choice of venue will be, in part, influenced by safety considerations.

A key issue for Government in the operational aspect of the Liquor Act is supporting and encouraging industry to implement venue safety practices that obviate the need for statutory or other special conditions to be imposed on licenses. Better regulation principles recognise that it is preferable to apply non-statutory approaches where appropriate.

A safety rating system could complement the existing regulatory scheme to further reduce the risks of alcohol-related violence. The key feature of such a system is that it would provide consumers with a mechanism to identify and reward, through their patronage, those licensed premises that demonstrate a genuine commitment to providing safe environments.

The nature of the market place is that consumer choice influences industry and business behaviour. Effectively informing consumers about the safety practices of a venue could lead to greater support for businesses with a higher safety rating. This, in turn, would create an incentive for businesses to improve their practices.

Given the appropriate tools and information, informed consumer choices could assist in driving best practice in the industry.

A safety rating system would facilitate consumer decision making and create a level playing field for businesses by providing a standardised approach to classifying safety levels of venues. In the absence of such a standardised system, a consumer's ability to distinguish between licensed premises may be limited. An ad hoc or idiosyncratic approach, rather than an industry wide and standardised model, results in a "hit and miss" experience for consumers because information varies (or is not readily available).

In summary, a safety rating system that recognises best practice safety arrangements is a potentially useful mechanism for facilitating consumer choice and improving licensed venue safety. Such a system would build on the current regulatory framework in ways that promote opportunities for businesses and choice for consumers, support harm reduction policies and programs, and support industry to demonstrate its commitment to consumer safety.

Why are licensed premises interested in a safety rating system?

There are approximately 14,000 licensed premises in NSW - some of which exceed the minimum requirements of their licence conditions and other relevant provisions of the legislation in respect of venue safety. Arguably, some of these approach best practice standards and, through cutting-edge, innovative management, are the testing ground for ideas that later become the norm.

There is no objective, independent and standardised approach to help consumers to identify these "best-practice" venues at present.

Businesses may argue that those who invest in enhancing customer experiences by responding to consumer needs and concerns should be appropriately recognised for their efforts. A safety rating system allows them to be publicly recognised for implementing safe practices. All other things being equal, higher rated venues may be more attractive to consumers and patronage could potentially be increased.

On this basis, businesses could promote their rating, and the achievements implicit in it, as a point of difference and gain a competitive advantage over other similar businesses. This type of advantage may be compelling in a competitive market. The achievement of a high rating by one venue, could act as a lever to encourage neighbouring businesses to participate in the system in order to compete more effectively, thereby raising standards across the industry.

Supporting and participating in a safety rating system also provides industry, as a whole, with an opportunity to demonstrate to the community that they share concerns about alcohol-related violence and can effectively respond to these concerns outside the normal licensing arrangements.

The measures taken by venues to improve safety in pursuit of a high rating should also reduce the likelihood that special licensing conditions would need to be imposed to control these risks.

A voluntary, non-statutory scheme, is also preferable to the imposition of restrictive licensing conditions on businesses that may compromise loans or the ability to obtain loans, damage business reputations and may result in a criminal record for non-compliance.

A system that involves industry in its development, delivery and ongoing operation should also ensure the best safety outcomes are achieved using practical and workable solutions drawn from the experiences of licensees and business that comprise the liquor industry.

Q1. As a threshold issue, should a safety rating system be developed to inform consumer choice about venue safety and encourage best practice by industry?

Q2. Are there any other reasons why Government and industry should work together to develop such a safety rating system?

A SAFETY RATING SYSTEM

What do we mean by a safety rating system?

Consumer rating systems have been shown to demonstrate, in a wide range of industries, the effectiveness and power of consumer choice. Existing rating systems are particularly important for providing consumers with useful information that they would not easily be able to obtain themselves. Another feature of rating systems is that they present standardised information in a labelling-type format that is readily identifiable, easy to understand and quick to absorb.

Established rating systems that are widely used and endorsed by the relevant industry provide consumers with a level of confidence that they are selecting a product or service that best meets their individual needs and/or preferences.

Recognised rating systems in Australia include:

- Film classification
- Recorded music labelling
- Energy efficiency for electrical appliances
- ANCAP crash testing
- AAA tourism accommodation
- Sydney Morning Herald Good Food Guide

Website details for these and other rating systems (including systems used to rate licensed premises in Australia and international jurisdictions) are provided at **Appendix 1**.

Rating systems have particular advantages because they are user-friendly. There are numerous models that may be used as the basis for developing the proposed safety rating system. The models allow for graduated levels of achievement and recognition that could be usefully applied to a range of products and services in the context of licensed premises.

A safety rating system should incorporate features that would best achieve the following objectives:

1. encourage improved safety risk management by the liquor industry;
2. identify, support and acknowledge the implementation of industry best practice;
3. provide consumers with accurate information on licensed premises that focuses on venue safety in order to inform their choices; and
4. complement other licensing and regulatory measures designed to minimise alcohol-related violence and other anti-social behaviour.

The most prominent feature for consumers of a rating system is the character or symbol used to demonstrate the rating. There are a diverse range of possible approaches to this issue, including, for example:

- Stars
- Hats
- Numbers (1 to 5)
- Alphabet characters (A to E; G, PG, M etc)

An important benefit of a graduated rating system is that it recognises variations in performance as opposed to simply attaining a minimum standard. As ratings can improve or decline based on the performance of participants during the course of an assessment period, such a system provides businesses with an incentive to maintain and improve their rating and a disincentive to complacency. This type of system also enhances consumers' decision-making capacity because it facilitates comparisons of businesses according to their respective ratings as well as performance tracking of individual businesses over time.

A key issue for consideration is the number of graduations in the marking system. In other words, should there be 3 levels, 5 levels or some other number. In considering

this issue, the right balance needs to be struck between administrative simplicity and effective consumer choice.

Also, in designing the rating marking for venue safety, it will be important to ensure that the marking is:

- easy for all consumers to understand;
- intuitively meaningful and effectively enables the consumer to distinguish where a venue is on the graduated scale;
- not readily confused with other ratings (having regard to the context in which it is used);
- universally displayed in a standardised way;
- remains a current reflection of standards within the venue; and
- restricted to use by only those with authorisation.

In order to ensure the marking and graduation system effectively achieves the agreed objectives, it may be appropriate to test various options with consumer focus groups at the next stage.

A rating cannot guarantee venue safety

In determining the rating marking and supporting information it will be important to ensure that a consumer is not led to believe the rating is an assurance that a venue with the highest rating is guaranteed to be safe at all times. In fact, the rating is an indication of the extent to which a venue has practices in place to reduce and manage the risk of alcohol-related violence.

Q3. Do you agree with the proposed 4 objectives of the safety rating system? If not, why not and what alternatives would you suggest?

Q4. Do you agree with the proposed criteria for designing a rating marking? If not, what changes do you suggest and why?

Q5. What are the advantages and disadvantages of the various types of approaches to the rating character (eg stars, hats, etc) identified above?

Q6. Which existing ratings systems, if any, are the best models for a venue safety rating system and why?

Q7. How many levels should there be to the rating system and why?

Q8. What constitutes “safety” and how should it be understood and represented for the purpose of a safety rating system?

Q9. What is the best way to ensure that the rating is not incorrectly construed as guaranteeing venue safety?

PARTICIPATION IN THE SAFETY RATING SYSTEM

What types of venues should participate?

Under the Liquor Act, the following types of licences may be issued:

- hotel licence;
- club licence;
- on-premises licence (eg restaurants);
- packaged liquor licence (eg retail liquor outlets);
- producer/wholesaler licence; and
- limited licence (eg special functions and events).

As the risks of alcohol related violence only arise in the context of the supply of alcohol to consumers, there is a very strong argument for excluding those businesses that do not sell directly to the public.

In the first instance it may be sensible to focus the safety rating system to the classes of venues with the highest risk (ie hotels, clubs, small bars and night clubs).

However, there are variations in the size and nature of venues, even those that have the same kind of licence. The risk management measures required of a very large venue may well be different from those needed in a small corner bar.

In addition, there is also an argument that other licensees, eg restaurants or the organisers of special events, that want to participate should be permitted to do so.

Limited licences are issued for a diverse range of functions. As the system is predicated on consumer choice driving improved standards, there is an argument that ratings are not as helpful in the context of one-off special events (because there are no perfect competitors for such events to effectively drive up standards). It may also be practically difficult to rate one-off events effectively. However, there is also an argument that participation in the rating system could reduce the risk of alcohol-related violence at such events.

A further issue is the appropriate way to deal with large venues that have several different areas. Should the entire premises participate or just part of it, and should there be separate assessments for each part?

Q10. What types of licenses or businesses are appropriate for participation in the safety rating system? What types are not appropriate for participation and why?

Q11. Is it appropriate and practical for limited licence holders to participate in the safety rating system? If so, in what ways, if any, would the rating process require modification to address issues particular to these types of businesses?

Q12. What is the appropriate way to deal with large licensed premises with several different areas?

Q13. Is it practicable for participation to be on a Liquor Accord or precinct basis? If so, how would this work?

Voluntary or mandatory participation?

The level of business participation in the safety rating system will impact its effectiveness. The greater the number of participants, the higher the visibility of the ratings and the more likely they are to be helpful to consumers and to drive improvements in business practices.

There may be a view that participation should be mandatory for some types of licenses and voluntary for others. This approach would enable an initial focus on the areas of highest risk.

As discussed below, the safety rating system would, as a minimum, be partially funded by industry. The source of these funds is a matter for industry, but one option would be through the imposition of a fee on participating businesses. However there is a risk that any such fee would be a deterrent to participation in a voluntary system.

Q14. Should participation in the safety rating system be mandatory (for all or some license holders)? If so, why?

WHAT KIND OF SAFETY RATING SYSTEM?

What features should the safety rating system comprise?

Rating criteria

The Government is seeking views on the appropriate criteria for assessing where a particular venue sits on the graduated scale of the rating scheme.

A critical component of the system would be the development of valuable and robust assessment criteria, practical and uncomplicated performance measures and an independent assessment process that is transparent, fair and is not onerous to administer and implement.

The Government proposes that, as compliance with conditions and other statutory requirements is mandatory for all licensees, a venue would need to meet this standard to achieve the first level of the graduated rating system.

There are several options for determining the criteria for ratings above this minimum standard. For example, the criteria could be developed by Government, developed by industry bodies or developed collaboratively. There are significant advantages in industry leading the development of the criteria for each rating level, in consultation with community and key Government agencies. This approach would ensure industry ownership of the safety rating system and therefore would be expected to promote innovation and best practice that reflects operational realities and consumer expectations.

Comments are sought on the criteria for each rating level and, in particular, on the types of matters that should be subject to assessment to achieve the highest rating level. Keeping in mind that the purpose of the system is to focus on venue safety, some issues that might be considered in developing criteria include:

- venue entry and exit, including lighting and visibility inside the venue and at entry and exit points;
- ease of movement through the venue;
- maintenance of the venue;
- security measures including CCTV and adequate security and other staffing;
- staff and management attitudes to patron safety, training and knowledge of regulatory requirements;
- use of non-breakable drinkware during designated periods;
- food service;
- public transport services;
- safety measures relating to amenities including toilets, public telephones, and parking;
- responsible service of alcohol, drink spiking prevention and other safety initiatives;
- workplace health and safety;
- responsible advertising and promotions;
- useful, accurate and informative signage;
- management planning for special events;
- Liquor Accord participation;
- history of alcohol-related violence; and
- policies in place to contain and deal with any violence that does occur on or near the venue, including reporting to police.

A further issue is how prescriptive each rating category should be. One option would be to prescribe all the requirements for each category. An alternative would be to identify the core requirements that must be met at each level and allow some flexibility for venues to choose from a range of other possible actions to meet the standard. This approach would provide the flexibility for selecting the safety practices that are most appropriate and relevant for each venue or type of venue.

Also in developing the system consideration could be given to different criteria for assessing and rating venues of different types. For example, large venues may be assessed using different criteria from that applied to small corner bars. Licensed premises participating in the system could elect to participate across a range of separate categories that are distinguished by their different and category specific assessment criteria.

A system that provides flexibility for industry and promotes the broadest range of safety initiatives would potentially reap the most benefits for consumers in terms of safety arrangements adopted by participating licensed premises. It also recognises the significant variation between licensed premises and allows for their participation by applying business appropriate features dependent on their size, location and patron demographic.

Q15. Who should be responsible for setting the criteria for each rating level and why?

Q16. Should compliance with statutory requirements be a minimum requirement to achieve the lowest rating?

Q17. What should the criteria be for each rating level and why? In particular, how does each criterion decrease the risk of alcohol-related violence?

Q18. What are the advantages and disadvantages of separate streams for different types of venues? What types of venues should be in each stream?

Review of ratings

There are several options available regarding the frequency of review of a venue's rating. These include review on an annual basis for all venues, review at a specified timeframe based on the level of risk of the type of venue, review on request of the business or in response to consumer complaint or on request from Police or OLG (or other relevant Government agency).

If the awards cycle was to be less frequent than annually, other strategies may need to be considered to ensure that assigned ratings match consumers' experiences of a venue during the period between awards. The integrity of the system would rely on the alignment of consumers' experiences with the rating criteria at all times. As management and staff of venues can change regularly, there is an argument for conducting less detailed "update" assessments from time to time to verify that safety standards continue to be met.

There are several industry-based systems that rely on consumer complaints. Such mechanisms build consumer confidence and accountability if they are effectively promoted and transparently conducted. A mechanism for receiving consumer complaints (or indeed positive comment) could allow for public complaints and feedback about a venue if consumers believe its rating is not commensurate with venue practices or the experiences of patrons. This could act as a trigger for conducting inspections or informal independent assessments of venue ratings.

However, while consumer feedback could be an important tool for the rating agency, it is important to note that the system as currently envisaged would not be primarily a system for investigating particular consumer complaints (which could be raised in relation to a range of matters, eg where a person may allege they were inappropriately excluded from the venue or refused service).

Q19. What should be the triggers for a review of a venue's rating and when and how frequently should such a review be undertaken?

Q20. Should complaints from consumers or Government immediately trigger a review of a rating? What should be the features of any such complaints process? For example, should there be a 1800 telephone number? What avenues of redress should there be for consumers whose complaints are not upheld?

The impact of violent incidents on a venue's rating

The public's perception of the system, particularly its credibility in terms of providing reliable information about venue safety, would potentially be compromised if there was an inconsistency between the rating and the reality.

Comments are sought on the appropriate consequences of an incident of alcohol-related violence on a venue's rating after the rating has been awarded. For example,

should such an incident automatically trigger the review of a venue's rating?
Alternatively, should this be a factor in an annual review process?
In an annual awards cycle, ratings are essentially reviewed (and increased or reduced as applicable) every 12 months as a part of the next year's assessment cycle.

For administrative ease and simplicity it may be that the occurrence of a violent incident is considered as a criterion in the assessment process undertaken as part of the routine awards cycle. If so, this assessment would need to consider issues such as:

- the number of violent incidents (including whether this varies relative to the size and type of licensed premises);
- the nature and seriousness of the incidents (including the level of violence);
- the data source for identifying violent incidents, and any inconsistencies across licensees in reporting violent incidents; and
- the measures taken by the venue in response to the incident.

Another strategy could involve requiring a formal review of a rating if a violent incident occurs. A reduced rating would also require businesses to immediately change ratings information on promotional and advertising material.

Q21. In what circumstances should a violent incident impact on a venue's rating? What is the fairest way to deal with this issue?

Q22. Although the Liquor Act requires licensees to keep an incident register under certain circumstances, what actions, if any, would ensure that there is no under-reporting of violent incidents in order to avoid a negative impact on a venue's rating?

Mechanism of Recognition

The key mechanism for recognising a licensed premise's achievements in relation to best practice safety arrangements would be the award of a rating – eg a five-star rating that signals a high standard of attainment – for an identified period of time.

The intention is that participating venues would prominently display the rating on the premises and in all advertising (akin to the approach to film classification ratings). Over time, it is expected that consumers would proactively seek information on a venue's rating.

Safeguards would need to be implemented to ensure that businesses do not make false claims about their participation in the system or their assigned rating. This is necessary to protect the integrity of the system, maintain the validity of information provided to consumers and preserve the achievements and value of ratings assigned to all participating businesses. Safeguards that could be explored include use of the Liquor Act or trademarks legislation.

In order to assist with establishing the rating system's profile, to encourage its uptake by licensed premises and to enhance its credibility as a legitimate and valuable tool for consumers, the system should involve a presentation ceremony, opportunities for media exposure for the highest achievers and an industry run information campaign that explains the system to consumers.

Q23. What strategies would be required to effectively promote the uptake of the safety rating system to venues and consumers?

Q24. Are there any issues with the proposal that it would be mandatory for ratings to be prominently displayed at venues and on venue advertising?

Q25. What would be the best way to prevent unauthorised use of the markings?

Administration and operation

It is proposed that further work on this rating system should be undertaken jointly by Government and industry. Once the model is agreed, the administration and operation of the rating system would involve discussion of issues such as:

- promoting the system to venues and consumers;
- receiving applications from venues to participate in the system;
- assessing or arranging for the assessment of applications against the ratings criteria;
- awarding of ratings;
- periodic review of ratings;
- enforcing the display of the ratings (including taking action against businesses that improperly use the ratings); and
- monitoring the effectiveness of the system, reporting to Government on same and reviewing the system.

The success of the system will be heavily influenced by industry's active involvement, endorsement and guidance in developing and delivering the system.

An industry operated system would have the benefit of generating confidence amongst participants that it is a system with merit, that has not been imposed by Government and that involves peer review and public recognition that contributes to business prosperity and strengthens perceptions of the liquor industry as a whole.

As with other similar systems it would appear that industry would be well placed to deliver the system and undertake its daily administration potentially utilising existing mechanisms and structures (eg. industry peak bodies and related associations) to maximise efficiencies and cost effectiveness.

However, consumers and the broader community would need to be assured that the system provides information that is current and is an accurate and true representation of the safety practices and arrangements in place within licensed premises. Consumer confidence in the ratings and the basis on which those ratings are made will be important for establishing and maintaining the credibility and value of the system to the community. Some Government involvement in setting policy parameters and ensuring the integrity of the system may be necessary to achieve this aim.

A co-regulatory system would see industry having ownership of the safety rating system's development and delivery within the context of broad parameters agreed by Government. Under this arrangement, ongoing operation and delivery of the system would be the responsibility of industry and Government intervention would be limited to oversight and review of the system.

The Government is keen to ensure that initiatives to respond to alcohol-related issues are addressed cooperatively and with the active participation of industry and other relevant stakeholders. A co-regulatory system is consistent with this position and provides for the efficient and effective application of skills and resources in the most appropriate areas by the relevant sector.

Q26. Are the administration and operational functions identified above appropriate? Are there any others that would be required?

Q27. What obstacles, if any, are there to a co-regulatory model, whereby industry has responsibility for the operations and implementation of the safety rating system within the context of general Government oversight, and how might these be overcome?

Q28. What functions should Government undertake as part of its oversight role?

Q29. Who should administer and operate the rating system? If a new body is to be created, how should it be constituted?

Q30. What would be the best way for consumers to be involved in the ratings system?

What are the costs associated with a safety rating system?

The costs of establishing and delivering the system would need to be explored further once the model for the system is agreed and responsibilities have been confirmed. However, costs would likely include establishment costs that involve staff resources, engaging appropriate expertise to assist with developing the details of the system such as assessment criteria and performance measures and announcing the system.

Once the system is established there would be ongoing administrative costs associated with providing information and assistance to participants, promoting and delivering the system (eg. processing, assessing and rating applications) and hosting an awards function.

The scale of ongoing costs would depend on how often ratings are assigned (ie. would it be an annual process or less frequent) and whether the day to day administration of the system could be delivered via existing industry structures.

Q31. What do you consider would be a reasonable cost to businesses to participate in the ratings system?

Q32. Who should be responsible for funding a ratings system including:
a) The establishment and implementation of the system; and
b) The ongoing operation and promotion of the system?

YOUR FEEDBACK

As part of the consultation process, we are particularly interested in your views about:

- the effectiveness and usefulness of a safety rating system
- the preferred model for such a system (including advantages and disadvantages)
- responsibility for administration and delivery of the system
- its application across industry (should it only apply to venues such as clubs and bars or should it include other types of licensed premises)
- issues for further consideration

The questions in this paper are directed at these issues, but please feel free to make any other comments on the matters discussed in this paper or otherwise relevant.

The deadline for providing comments is Tuesday 31 March 2009.

All submissions will be confidential unless you expressly state that you would like your submission, including any personal information it contains, to be published online. Note that confidential submissions may be accessed under Freedom of Information legislation.

Further guidance regarding the preparation of your submission can be obtained from the Department of the Arts, Sport and Recreation website: www.dasr.nsw.gov.au

Please return your comments by post or email to:

Safety Rating System Project
Department of the Arts, Sport and Recreation
GPO Box 7060
Sydney NSW 2001
Email: safetyratingproject@dasr.nsw.gov.au

Website Details: - Rating Systems

ANCAP Crash Testing for Safety Scheme

<http://www.ancap.com.au>

Energy Efficiency Rating System

<http://www.energyrating.gov.au/>

Classification Scheme for Films, Computer Games and Publications

<http://www.classification.gov.au>

Recorded Music Labelling Code of Practice

<http://www.aria.com.au/pages/labelling-code.htm>

Sydney Morning Herald Good Food Guide

<http://m.gfg.smh.com.au/HomePage.aspx>

AAA Tourism for accommodation (formerly an NRMA program)

<http://www.aaatourism.com.au/AAATDefault.aspx?sit=1&pid=464>

Safer Venues – Queensland

<http://www.olgr.qld.gov.au/resources/liquorDocs/LLUpdateFebruary2007.pdf>

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<http://www.sutherland.nsw.gov.au/ssc/home.nsf/Web+Pages/228B20DB82D67B63CA2575070018877F?OpenDocument>

Best Bar None, United Kingdom

<http://www.bbnuk.com>