# Best Practice (Three Year) Licence

## Key messages

The longer licence is intended to act as an incentive for societies and clubs to follow best practice and improve performance. The best practice licence is a new initiative that will set out the Department’s overall performance expectations for the first time. It will provide reduced compliance costs for societies and clubs (after the changes are made to be best practice) and support performance improvement in clubs, societies and society venues.

The Department’s expectations of best practice are high, requiring societies and clubs to go above and beyond what is expected in the legislation. Best practice requires societies and clubs to put community and customers at the heart of what they’re doing, be working alongside the Department to improve sector performance, and be continually reviewing their performance and improving. The Department expects very few societies or clubs to be ready to meet our performance expectations in the first year of the best practice licence being available.

To apply, every society and club must complete a self-assessment of their evidence to see firstly the extent of change required to be best practice in the assessment categories and secondly if the society or club is ready to apply.

When the society or club decides it is ready to apply, the society or club will first need to meet the licensing criteria (in section 52 and 67 of the Gambling Act 2003) and apply for the best practice licence by submitting their self-assessment to the Department. The Department would evaluate and check the evidence in the self-assessment. Only those who can clearly provide evidence of best practice in minimising harms and maximising benefits would be granted a best practice licence.

Under the legislation, it is the club or society that is the licence holder and that is ultimately responsible for ensuring that its venues meet their obligations in relation to Class 4 gambling. As the club or society holds the venue licence, if a club or society is awarded a longer licence, the legislation requires all of their venues to be licensed for the same length of time. To be best practice, clubs and societies would need to have open relationships with their venues as well have robust systems in place to support their venues’ performance. The Department will also continue its specific focus on venue assessment and work with clubs or societies and their venues to improve performance if necessary. If necessary and appropriate, the Department can propose to suspend or cancel venue licences, as well as society or club licences at any time.

## Frequently asked questions

#### When will societies or clubs be able to apply for a best practice licence?

Societies or clubs will be able to apply for a best practice licence after October 2017 and when their current licence is due for renewal.

#### How many clubs or societies do we expect to apply for the best practice licence?

In the first year of operation, the Department expects very few societies and clubs to be ready to apply because:

* the performance expectations are new, so we expect it to take some time for clubs and societies to adjust to the new expectations;
* current performance shows pockets of best practice within each society or club and across the sector – to be ready each organisation will need to be best practice across their entire organisation and this is likely to take time;
* after the society or club has made its specific changes to be best practice, it would then take time for each society or club to build up and establish enough evidential best practice examples to be able to apply.

#### How much is the best practice (three year) licence?

The current regulations set out a flat fee for the category A and B licence renewal including category B venue licence renewals. In 2017 and 2018 a best practice (three year) licence will cost the same as an annual renewal licence.

In 2018/19 the Department will review its costs and the fees regulations, including the fee for the category A and B licence renewal and category B venue licence renewals. As a result, the fee for licence renewals in 2019 might go up or down. The fee might remain a flat fee or a separate fee for the best practice (three year) licence might be introduced.

#### Which society or club can apply for a best practice (three year) licence?

Any society or club that has assessed their evidential practice examples as being best practice using the supplied rating scale can apply for the best practice licence. The Department requires each society or club to demonstrate that the club or society is accountable to the community and to have strong organisational practices and systems in place. Each society or club will meet these expectations differently depending on their leadership, governance and size.

#### What happens if a society or club is awarded a best practice licence, but the Department finds that later on there is a compliance issue with the society or club?

During the best practice licence term, the Department can choose to address a compliance issue by:

* working with the club or society to address the particular issue;
* auditing or investigating the society or club, if it is required;
* propose to suspend or cancel the licence, if it is appropriate and necessary; or
* deciding not to award a best practice licence at licence renewal if there are known compliance issues that have not been addressed.

#### If a society is granted a longer licence term the legislation requires all of the venue licences to have the same longer licence term. How do poor performing venues improve if they have a longer licence term?

A society will only be given a best practice licence if it can provide evidence that it:

* knows and understands which of its venues are performing well in minimising harm and other venue outcomes and which are performing poorly;
* has robust systems in place to improve poor performance, including harm minimisation practices;
* is continually monitoring, reviewing and improving venue performance whether the venue is performing well or not;
* is actively notifying the Department about the quality of its venues’ performance and what it is doing to improve harm minimisation performance where it is necessary; and
* where necessary, is working with the Department to improve venue performance when its own efforts to improve harm minimisation performance or other venue outcomes is not working.

As well, the Department:

* is setting new practice expectations for venues that are focused on outcomes, of which the majority are harm minimisation outcomes;
* is developing a new approach to venue inspections that would make better use of our information related to venue performance and assess outcomes, the majority of which focus on harm minimisation;
* is monitoring venue transfers more than it has in the past to establish which venues are moving to avoid making compliance improvements;
* has specific venue-related enforcement actions including making a proposal to suspend or cancel a venue licence and sanctioning the venue manager;
* has specific society or club related enforcement actions, if the compliance issue is caused by the society or club.

#### How easy will it be for a society or club with a best practice licence to renew their best practice licence?

Best practice is a high expectation and the Department expects the continual self-improvement of each society or club to mean that the expectation will also improve over time.

Every three years, the society or club must reapply for the best practice licence. Each society or club must first continue to meet the licensing criteria (in sections 52 and 67 of the Gambling Act 2003). In addition to these criteria, each society or club must continue to provide evidence of how it is reviewing and improving its performance. Providing the same evidential best practice examples from its previous application would not be sufficient to provide evidence of reviewing and learning.

#### What happens next?

The Department is looking forward to receiving submissions on the proposals from Class 4 societies, clubs, and venues, problem gambling service providers, community organisations that apply for or receive gaming machine grants, or those affected by gambling harm. Following submissions, the Department will make changes to the proposal and proposes to test the performance expectation framework in a performance audit situation. If you are a small-medium sized society or a club and your organisation is interested in participating in the performance audit, please signal your interest in your submission get in touch you’re your Department liaison.

Depending on the results of the submissions and any further work, the Department is expecting:

* the Best Practice Licence to be ready for implementation in October 2017; and
* to begin applying the practice expectations to society and club performance audits early next year.