

Liquor Control Victoria

Regulatory Approach

2025

VICTORIA
State
Government

Table of Contents

Acknowledgements 1

Why we regulate 2

Our functions 3

LCV’s regulatory documents 4

How we regulate 5

LCV’s regulatory principles 6

Principle 1 – Risk based 7

Principle 2 – Collaborative 8

Principle 3 – Proactive 9

Principle 4 – Transparent 10

Principle 5 – Outcome driven 11

Acknowledgement of country

The Victorian Government acknowledges Aboriginal and Torres Strait Islander people as the Traditional Custodians of the land and acknowledges and pays respect to their Elders, past and present.

Why we regulate

The supply and excessive consumption of liquor is associated with several harms. Areas with a high density of licensed venues can experience increased alcohol-related violence and the availability and promotion of alcohol can lead to issues such as anti-social behaviour and public disorder.

Alcohol-related harms also have substantial economic consequences. Research estimates that around 10% of police time is dedicated to dealing with alcohol-related incidents. The total cost to policing across Australia from crime attributed to alcohol is estimated to be around \$747 million annually¹.

However, alcohol is also an integral part of social life in Australia and plays a significant role in Victoria's social and economic landscape. The liquor industry is a major economic driver and supports over 350,000 jobs across 23,000 licensed venues². This includes a wide range of sectors such as vineyards, breweries, distilleries, bars, clubs, and retail outlets.

The enjoyment of liquor is embedded in the Australian social fabric, contributing significantly to the hospitality and tourism sectors. Events like food festivals, brewery tours, and wine tasting sessions at cellar doors promote regional tourism and enhance Victoria's vibrant social landscape.

The need to balance the benefits of the liquor industry and its associated harms require strong regulation to protect the public and provide a foundation in which the industry can responsibly grow. This has necessitated parliament to introduce liquor laws that sets out clear legislative objectives for LCV as the administrative body to:

Reduce harm

- make sure there are appropriate controls on how alcohol is sold and consumed.
- making sure, as much as it is practically possible, that the availability of alcohol enhances, rather than negatively impacts the quality of community life.
- encourage a culture of responsible consumption of alcohol and reduce risky alcohol use and its negative effects on the community.

Reflect community needs

- help develop different types of licensed venues that meet community needs and expectations.

Support growth

- promote the responsible development of the liquor hospitality and live music industries.

Regulate sexually explicit entertainment

- regulate licensed places that provide sexually explicit entertainment.

¹ Morgan A & McAtamney A 2009. *Key issues in alcohol-related violence*. Research in practice no. 4. Canberra: Australian Institute of Criminology. <https://www.aic.gov.au/publications/rip/rip4>

² Victorian State Government, 'spirits soar as Victorian beverage exports boom' (Media Release 17 February 2023), <https://www.premier.vic.gov.au/spirits-soar-victorian-beverage-exports-boom>

Our functions

LCV includes both the Victorian Liquor Commission and a dedicated team in the Department of Justice and Community Safety that supports the Commission in the exercise of its statutory functions under the *Liquor Control Reform Act 1998* and regulations.

Those functions include the delivery of licensing, compliance, education and training, tribunal, and advisory functions to Government.

LCV’s regulatory documents

To ensure consistency in actions and decision-making, LCV is implementing a suite of regulatory documents including its Strategic Plan, Regulatory Approach, and four Regulatory Policies that translate its approach to regulation into key functions. These documents, structured in hierarchical order, aligns LCV’s strategic goals, priorities, regulatory principles, and regulatory functions. This alignment enhances LCV’s operations as a modern and efficient regulator.

Hierarchy of regulatory documents



Strategic Plan: This document defines LCV’s goals and the strategic priorities it is committed to actioning.

Regulatory Approach: This document outlines LCV’s overarching principles which act as a high-level guide to how LCV approaches its regulatory activities. This document sits beneath the Strategic Plan and its principles align with the goals contained in the Strategic Plan. It provides an overarching regulatory approach and part of LCV’s suite of documents.

Regulatory Policy: These are four specific documents outline how LCV regulatory functions and activities are driven by the principles in the Regulatory Approach.

How we regulate

Like all regulators, LCV is faced with choices on where and how best to dedicate its limited resources to deliver best outcomes and value for the Victorian community.

LCV aims to make smart decisions on how it uses resources to get maximum results through its decision-making frameworks which prioritise harm minimisation.

LCV regulates to ensure alcohol is supplied responsibly and treats harm minimisation as a key focus through all of its activities.

LCV considers that a licence to supply alcohol comes with significant responsibilities and we expect that licensees and prospective licensees demonstrate their awareness of the harm that alcohol can cause and an ongoing understanding and commitment to their obligations as a licensee to minimising harm.

LCV takes appropriate, strong, fair, risk-based compliance actions and sets clear expectations that industry participants must actively embed harm minimisation measures into all their activities to protect the community.

LCV's regulatory principles

LCV has adopted regulatory principles to guide its approach in undertaking its organisational activities, ensuring that processes and actions are aligned with LCV's aim of becoming a regulator that is:

- **Fair, strong and accountable by applying the right regulation in the right circumstance**
- **Engaged and involved with community, industry and other stakeholder in reducing harm**
- **Being proactive and responsive in anticipating and identifying the changing landscape and any emerging risks**
- **Continually developing by enhancing capability and growing regulatory expertise**

LCV is committed to enhancing its regulatory practices to minimise harm and better serve the community. To this end, LCV's five adopted principles are:

- **Risk-based**
- **Collaborative**
- **Proactive**
- **Transparent**
- **Outcome driven**

Principle 1 – Risk-Based

LCV is responsible for regulating over 23,000 licences across the state, underscoring the importance of strategically dedicating its time and resources to achieve effective and meaningful outcomes. To this end, LCV is committed to a risk-based regulatory approach, utilising risk frameworks to prioritise activities, inform procedures, allocate resources and make decisions. Adopting a risk-based approach, LCV aims to:

- Continuously evaluate risks to identify areas that require heightened regulatory attention, considering factors such as likelihood, impact, and potential harm.
- Tailor regulatory actions to the level of risk presented, ensuring that LCV's responses are proportionate to each circumstance.
- Focus resources on high-risk areas while streamlining processes for low-risk activities and improving efficiency.

Principle 2 – Collaborative

Effective regulation cannot be achieved in isolation. LCV considers itself as part of a larger integrated regulatory system in which it is committed to working collaboratively with Victoria Police, councils, industry, and communities who each play an important role in harm minimisation.

LCV consults with local councils, residents, and Victoria Police to help inform its licensing decisions, while compliance teams collaborate with Victoria Police and council inspectors on joint enforcement operations.

LCV engages with industry and community through various initiatives such as stakeholder forums, information sessions, and publications. These efforts provide a forum for LCV to hear and better understand the industry and community experience as well as direct its efforts to support duty holders in understanding their obligations and promote current practices.

Through this collaborative approach, LCV aims to:

- **Enhance compliance** – by fostering cooperation and engagement to gain a better understanding of operational realities and challenges. This enables LCV to develop practical and achievable compliance strategies.
- **Share knowledge and experience** – LCV leverages expertise and resources of other stakeholders to help address regulatory challenges and promote innovation.
- **Build trust** – establishing trust and confidence in the regulatory system and strengthening voluntary compliance from the industry.
- **Achieve synergy** – combining efforts with other regulatory bodies and organisations helps LCV contribute to a more cohesive regulatory environment that benefits the community.

Principle 3 – Proactive

LCV works to address emerging harms before they impact community. Therefore it takes a proactive approach by continuously assessing the environment to identify emerging issues.

LCV uses data and intelligence to identify patterns of elevated risk. LCV's will collaborate with other agencies to share data and intelligence which will be used to identify emerging risks at a local level and inform our decisions in directing compliance inspections or develop targeted communications to shape duty-holder behaviour. Through this approach, LCV aims to:

- **Anticipate and mitigate risks** – identify potential risks early and implement strategies to address them before they escalate.
- **Engagement with stakeholders** – actively collaborate with industry, community and government partners to gather insights, understand emerging issues and co-create solutions.
- **Drive compliance through education** – provide guidance and resources to help duty holders understand and meet their obligations.
- **Innovate regulatory practices** – continuously evolve our regulatory risk frameworks and practices.
- **Foster a culture of continuous improvement** – encourage and develop expertise and capability within the organisation.

Principle 4 - Transparency

LCV is committed to embedding transparency in its regulatory practice and recognises that open communication and accountability are essential for building trust and engagement with our stakeholders. LCV's commitment to transparency includes:

- **Clear communication** – a commitment to providing accessible and timely information about regulatory requirements, processes and decision-making criteria.
- **Regular Reporting** - publish updates on regulatory activities and outcomes to inform the public about LCV's efforts and progress.
- **Stakeholder engagement** - opportunities to involve stakeholders in the regulatory process through consultation and feedback mechanisms to ensure different perspectives are considered.
- **Accountability mechanisms** - processes for accountability including avenues for stakeholders to voice concerns, seek clarification and appeal decisions when necessary.

Principle 5 – Outcome driven

LCV is dedicated to an outcome-driven regulatory approach, recognising the importance of flexibility in determining the most effective path to achieving its goals. Rather than adhering to a rigid, rule-based framework that strictly follows predefined standards and procedures, LCV focuses on adapting its approach to deliver the best possible outcomes. In doing so, LCV aims to:

- **Foster continuous improvement** – by using feedback, data and performance measurements to refine regulatory strategies and adapt to industry practices and societal changes.
- **Ensure policies and procedures stay up-to-date** – by cultivating a culture of creativity and continuous improvement. Regularly assess its decision-making framework and policies to guarantee their effectiveness in achieving the best possible outcomes across LCV's regulatory functions, while remaining responsive to the evolving needs of Victoria's industries and community.
- **Use a range of enforcement tools** – by tailoring regulatory interventions to the specific circumstances of each case. This allows LCV to select the appropriate enforcement strategy, from collaborative and educational approaches to more formal enforcement actions, depending on the severity of the situation. By applying proportional and adaptive measures, LCV can drive compliance more effectively, reduce unnecessary burdens on regulated entities, and better support industries in meeting regulatory requirements.