

Liquor and Gaming Red Tape Reform
Office of Regulatory Policy
Department of Justice and Attorney-General
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Submitted via email: redtapereform@justice.qld.gov.au

To whom it may concern:

RE: Red tape reduction and other reform proposals for regulation of liquor and gaming

As the peak industry body representing over 25,000 small businesses in Queensland, the Chamber of Commerce and Industry Queensland (CCIQ) welcomes the opportunity to provide a response to the State Government's discussion paper on red tape reduction in the liquor and gaming sectors.

CCIQ is a strong proponent for red tape reduction across all levels of government. Liquor and gaming regulation remains a significant obstacle for businesses that operate within the hospitality and retail sectors across the State. In order to create a successful business operating environment and maximise investment in Queensland, the focus must continue to shift towards actions that lift the current barriers to entry and promote growth and diversity in the State's hospitality and tourism offerings.

CCIQ fosters economic activity, growth and development of business in order to sustain community wellbeing. Without a vibrant business community there is no base to support its population. Accordingly there needs to be a balance between protecting the ambience of a surrounding population and also enabling business activity. All too often business needs are compromised or stifled for the sake of a few. CCIQ supports a review of the Liquor and Gaming Act with a view to encouraging increased tourism activity.

INTRODUCTION

Liquor and gaming reform was a key issue to emerge from the DestinationQ strategy in 2012. Delegates at the forum, including CCIQ, were strongly of the view that in order to progress Tourism as a key pillar of the Queensland economy, immediate action was required to get the sector back on track. Reforming the cumbersome liquor and gaming framework was identified as an efficient and ideal way to get the ball rolling for businesses in the sector.

The push for reform underlies the need for a level playing field in the liquor and hospitality industry. There are currently a plethora of different approaches and regulations that result in large-scale operators enjoying a degree of competitive advantage smaller venues and licence holders.

CCIQ believes the previous State Labor Government's disingenuous consultation on past occasions over liquor and gaming reform has contributed to a degree of lethargy in relation to this process. This review must work hard to overcome this obstacle to genuine

consultation. In 2008 in particular, businesses felt hijacked by the changes that detrimentally impacted operations, despite a lengthy consultation process.

Since its inception in 1992, the Liquor Act 1992 (QLD) has been amended on a number of occasions. Each amendment has added requirements that increase compliance and regulation on businesses operating in the hospitality and related sectors. These requirements are often superfluous to the intention of the existence of the Act, and not only have limited impact on upholding community expectations in the way that alcohol and gaming are regulated by Government, but also act to inhibit small businesses from growing in the hospitality sector, deter prospective investment and businesses from entering the sector and inhibit growth in key tourism destinations that desperately need to promote their offerings to ensure the ongoing viability of local economies.

DISCUSSION AND RECOMMENDATIONS

CCIQ has chosen to address the key concerns of its members by responding to the relevant recommendations.

Responsible Manager of a Licenced Venue (RMLV) Requirement (1.1)

The current requirement that all venues, regardless of size or risk category, are required to have a Responsible Manager of a Licenced Venue (RMLV), is cumbersome, unnecessary and restrictive for small operators that are considered to fall within the low risk venue category.

The examples below demonstrate the burden on a small business in terms of the cost and time expended in order to comply with this element of the legislation:

"We are in an extremely remote area...The cost of our first RMLV training was \$3400 for air charter to and from Normanton, \$350 for care hire from Normanton to Mt Isa return, \$600 for food and accommodation, \$800 for RMLV training for two of us. Now, three years later, it appears that we will have to travel to Cairns for retraining. We have held a liquor licence at our small fishing lodge for over 20 years and have never had a reportable incident, yet every three years we have to spend approximately \$5000 to be lectured on things that we have been practising for 20 years. How much do we have to sell to recoup that expense?" – Queensland Business

"RMLV...is nothing more than revenue raising (for the Government) from small stand-alone operators." – Queensland Business

CCIQ recommendation and preferred approach

CCIQ is supportive of Option 1 (remove the requirement that low risk venues retain approved managers).

Persons Trained in RMLV Taken to be Trained in RSA (1.2)

Where larger licenced venues are required to employ a RMLV, a person trained in RMLV should be taken to be trained in RSA. A Responsible Service of Alcohol (RSA) Certificate in these circumstances is sufficient to ensure the business continues to serve alcohol

responsibly, however does not unnecessarily encumber the business with additional costs and staff training requirements for no recognisable value.

“A holder of an RMLV Certificate should not have to also hold an RSA Certificate – much the same content is covered; the licence for the approved manager should expire at the same time as the RMLV Certificate.” – Queensland Business

CCIQ recommendation and preferred approach

CCIQ is supportive of Option 1 (accept that persons trained in RMLV are trained in RSA).

Lockouts and Drinks Safe Precincts (1.4)

The initial policy behind lockouts was aimed at harm minimisation and an attempt to disperse crowds across a number of venues in concentrated areas. The availability of transport, incidence of violence and control of patrons were cited as the reason for introducing the lockouts. However, the implementation of a lockout policy was a knee-jerk reaction from the previous Government to appease stakeholders in response to increasing levels of violence in key entertainment precincts.

Whilst the discussion paper acknowledges the policy has enjoyed a degree of success (there are now fewer incidents inside venues), it has simply shifted the problem to the streets instead of being contained within licenced venues. It has done nothing to ameliorate the availability of taxis and public transport to late night visitors to the CBD. Tourism is suffering as a result of complicated rules of entry into popular venues.

CCIQ is supportive (in principle) of the Drink Safe Precincts (DSPs). DSPs encourage participation in the ‘night time economy’ and the diversification of product offerings. They also serve to encourage new venues and boutique experiences which add to Queensland’s tourism product offering. Diversification and a renewed approach to late night entertainment will attract demographics outside of the 18-25 age group and offer different experiences for a range of tourism markets.

CCIQ recommendation and preferred approach

A less restrictive approach is favoured by CCIQ. It is important (and in line with responsible service of alcohol principles) that proprietors of licenced venues retain a degree of control over the behaviour of patrons in their venue. The issue of control aside, lockouts serve only to discourage competition. CCIQ recommends the removal of the current lock out provisions for a period of two years to enable the comparison between lock out and non-lockout periods of the incidence of alcohol-related violence.

CCIQ is strongly supportive of a less restrictive approach that will result in significant economic benefits to traders and tourism and hospitality sector more broadly.

State Imposed Costs for Events (1.9)

Events are an important component of growing the State’s profile and attracting a diverse tourism market to the state. Local businesses stand to benefit significantly from big-ticket events. Not only do they draw crowds that inject funds into the local economy, however they often provide local businesses with procurement opportunities and the inclusion of local

content. The ability to attract events is not only important for tourism operators, but also adds to the liveability factor that attracts people to live and work in Queensland.

CCIQ recommendation and preferred approach

CCIQ favours an approach that reduces regulatory barriers for big-ticket events in Queensland and encourages a diverse offering of products that will attract investment and tourism dollars to the State. Not only do events provide a direct and indirect economic injection to the State's economy, but they also have the opportunity to provide local jobs through procurement and local content arrangements with organisers and key stakeholders. CCIQ supports the position of the Sunshine Coast Chambers of Commerce Alliance outlined at p 35 of the discussion paper).

CCIQ is supportive of Option 1 (review requirements for major events).

Regulating Noise (2.5)

This is a sensitive issue, particularly in tourism locations where local residents wish to maintain the status quo and are against any significant development in the area. There are considerable costs involved for businesses in obtaining acoustics reports and installing specialist equipment to provide entertainment for patrons in licenced venues. It inhibits business growth and deters current operators from diversifying their businesses by offering different products, service and experiences, as well as acting as a barrier to entry for prospective business owners and investors.

CCIQ recommendation and preferred approach

Industry self-regulation with the appropriate safeguards to warn against consistent breaches is the best way of regulating noise from licenced venues. CCIQ supports (in principle) the position of the *Sunshine Coast Chambers of Commerce Alliance* regarding regulation of noise (outlined in the discussion paper pp. 47-50). CCIQ also notes the proposed review of noise restrictions outlined in the discussion paper and looks forward to participating in the review at a later date.

The role of local councils (2.6)

Local government involvement should be limited in any reform of liquor and gaming laws. From a business perspective, the additional layer of regulation on top of stringent State Government laws only equates to confusion for operators and business owners and adds little value to the regulatory outcomes of the industry generally. CCIQ is keen to ensure that any unnecessary regulation is avoided across industry sectors. CCIQ's Big 3 for Business outlines a detailed agenda for red tape reduction, including the 3 most important factors in reducing red tape for businesses. The State Government currently has an opportunity to take significant action on reducing red tape for businesses in the hospitality industry through this review. Streamlining regulation through the State Government OLGR and limiting the involvement of other levels of government and associated agencies will best serve Queensland businesses operating within the liquor and gaming frameworks.

CCIQ recommendation and preferred approach

CCIQ does not believe businesses will benefit from increased involvement of local government in licensing decisions. Such a proposal is at odds with the State Government's target to reduce red tape by 20 per cent and adds to existing inconsistencies in State Government regulations.

CCIQ is supportive of Option 2 (do not provide local government with a greater say in licencing conditions)

Reviewing Hours of Operation (3.4) and Restrictive trading on days of cultural significant (3.6)

CCIQ is strongly of the view existing licensees' largely self-regulate hours of operation, in particular on days of cultural significance. Additionally, there are other external factors that businesses need to consider when deciding whether or not to operate on public holidays. This includes staffing requirements and penalty rates, operating costs and bottom line considerations such as sales and revenue.

CCIQ recommendation and preferred approach

CCIQ is supportive of Option 1 (remove the trading hour restrictions to allow normal trading on Anzac Day, Good Friday and Christmas Day).

Moratorium on Late Night Licence Applications in Non-CBD Locations (3.5)

Under the existing legislation regional locations, including key tourism hot-spots, are at a significant disadvantage due to the moratorium on extended trading hours in non-CBD locations. Whilst CCIQ understands the harm-minimisation motive that was behind the policy, a moratorium on extended liquor trading hours serves only to limit competition and puts key tourism destinations at a significant disadvantage in attracting tourism operators and customers.

The moratorium creates an unequal business situation across the State that encourages the centralisation of businesses and population in the Brisbane CBD and 'extended trading hours precincts'. It fails to take into account areas that are looking to diversify their product offerings or that are seeking to attract investment and provide jobs for local communities.

"The after-hours trading regulations introduced unreasonable costs for our business to operate at these times." – Queensland Business

CCIQ recommendation and preferred approach

CCIQ is supportive of Option 3 (end moratorium and embrace nightlife economy).

Gaming (General)

CCIQ holds concerns about the operation of Gaming Venues as they indirectly impact the greater business community in which they operate. The ability of gaming venues to cross-subsidise other product offerings (such as meals, drinks and entertainment) damages the competition in local areas. Small businesses in the vicinity of large gaming venues are simply unable to compete with \$5 Sunday roasts and \$2 beers.

Liquor Licencing: Competition and Sales

Although not raised in the current discussion paper, CCIQ is aware some stakeholders are keen to see the liquor retail market opened up to increased competition. This would potentially mean discontinuing of the requirement that liquor can be sold only by those that own a commercial hotel licence.

CCIQ would welcome a further review into this aspect of licencing arrangements and would be pleased to avail itself should further consultation on this issue be pursued by the Government.

CONCLUSION

CCIQ welcomes the Government's discussion paper and commends the consultative approach to reforming the liquor and gaming framework in Queensland. The eagerness of the Government to tend to this area of concern highlights their recognition of tourism and hospitality as one of the 4 pillars of Queensland's economy and the many businesses that operate within the sector.

The overwhelming message from CCIQ members is that regulation in the liquor and gaming sector needs to be dramatically altered to enable businesses to operate to their full potential. The current framework is fragmented, confusing and duplicative. Since its inception in 1993, the *Liquor Licencing Act* has been tampered with to the extent that it may even be worth considering a new legislative framework to regulate the industry. CCIQ urges the Government to consider the impact of any changes to the Act on Queensland's small businesses. Indeed regulation is often not the issue but regulatory churn. Every time the Act changes a new requirement on business to familiarise themselves with their new obligations is created costing time and money.

All licensees want to operate profitable premises that offer a genuine entertainment experience free from violence and related incidents. It is in the best interests of operators to self-regulate to ensure that this outcome is achieved. Increasing regulatory compliance will only force good licensees from the system and detract from the Government's significant efforts in attracting business and investment to the State.

Yours sincerely,



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