
13 March 2008



RIS/DPBT Response
Liquor Licensing Division
Queensland Treasurer
GPO Box 1141
Brisbane Qld 4001

**RESPONSE TO
REGULATORY IMPACT STATEMENT/DRAFT
PUBLIC BENEFIT TEST
MARCH 2008**

RSL & Services Clubs Association Queensland Inc
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INTRODUCTION –

The RSL & Services Clubs Association Queensland Inc, represents RSL Clubs, Ex Service Clubs, Memorial Clubs and Licensed Sub branches throughout the State of Queensland. Eligibility for membership is based on our common “Objects” of establishing and maintaining recreational and social facilities and other amenities for the benefit, social comfort and advancement of Members and to promote good fellowship amongst them. We provide community and welfare resources to the Service community and preserve the memory of those who served Australia and the Commonwealth in any war or wars. We are non profit Associations and our organizations range from the largest Clubs in the state to the smallest and as such have different concerns regarding various areas of the proposed reforms.

No doubt as licensed premises, Clubs must assist in the progression towards responsible consumption of liquor however, the distinct differences that have been recognized in the area of License type reforms (i.e. Commercial and Community) does not appear to be carried through the remainder of the proposal. It may well be time for this distinct difference to be dealt with in a similar manner to that in NSW by introducing a Registered Clubs Act of Qld. Recognition of the benefits associated with such an Act, particularly in an environment of increasing Legislative change, regulation and compliance, is evident.

Taking the aforesaid into consideration, Our Association offers the following comments on the RIS/DPBT options:

1. Which option is preferred for each proposal?

Ministerial banning power –

We support - Option 2 - Harm minimisation as first objective

Products designed to unfairly appeal to young people are most definitely not in tune with the harm minimisation objective of the Liquor Act. Our members are committed to protecting minors and our youth from misuse and abuse of all substances including alcohol. Easily accessible, “discounted” Ready to Drink products of high level alcohol volume are a prime example of the need for acceptance of this proposal.

It is sometimes not the product that needs to be deemed harmful but rather the availability of extremely cheap/affordable to the vulnerable that needs the attention of the Minister.

Mandatory RSA and RMLV training

Option 3 – Higher Risk model

It is quite obvious that **late trading venues** including Clubs should embrace and strongly support Mandatory training. The argument of providing a “level playing field” once again will result in our smaller Clubs paying a price for other sectors of the Industry who have not previously seen fit to provide necessary staff training. Those Clubs who will be financially adversely affected are generally operated in part by volunteers. Those venues have limited funds, operate limited hours and are at the lowest end of the risk category. It is common in these instances that the “accredited” Nominee is in attendance and supervising during the “higher risk” hours of trading. Our members in the Larger Club category, in general, have and do provide this training as a matter of policy. It may be a consideration for Government to consider Mandatory RSA training in our Secondary Schools which effectively will address this and other areas of this proposal.

Mandatory RMLV training should apply to all Nominees. Consideration may be given to include additional accredited Managers based on venue size, trading hours and “risk category”. As the “Licensee” is the Club itself, it is not unreasonable to expect that a member of the Board or Management Committee be required to undertake RMLV training. It should be noted that The Club Manager is usually the Nominee and in a large number of our member Clubs also the Secretary of the Board. In these roles, training has already been undertaken. There is already a very strong commitment to training programs by all of our members. These programs are designed to educate Club Managers in all facets of responsibility to the community Perhaps the encouragement to develop “professionalism in the industry” should be directed elsewhere. The Club Industry in Queensland is not unlike that in NSW in relation to professional training and accreditation which is recognized in the IPART Review. The Review also comments on the need to provide certain exceptions for small Clubs in relation to Mandatory training.

Ref: Excerpts from - IPART Review of the NSW registered clubs industry

Training opportunities afforded by the registered clubs industry

IPART also acknowledges the important training registered clubs provide to employees and volunteers. Training occurs formally, through structured courses or seminars, and informally, through on-the-job training.

Clubs NSW points out that training in clubs is targeted at three levels

Directors: basic director training courses as well as courses through the Club Directors Institute (CDI).

Executive Managers (Secretary Managers): training courses provided through the Club Managers Association of Australia (CMAA) as well as Southern Cross University's (SCU) centre for Professional Development in Club & Gaming Management.

General staff: mainly hospitality industry training.

Exceptions for small clubs

IPART considers that ongoing professional development training should only apply to directors at clubs with gaming machine revenue greater than \$1 million a year, as this threshold will ensure that training is directed at those clubs who will most benefit from it. That is, clubs whose business operations are relatively diverse and sophisticated, requiring a commensurate skill level from their boards. Further, the case study process highlighted that the boards of smaller club are generally involved directly in running their clubs. As such, requiring directors of these types of clubs to volunteer even more of their time would adversely affect the ability of these smaller clubs to attract directors.

Standard trading hours

We support - Option 1 - Status quo

Although there is little argument to the benefits of reducing standard hours to address high risk periods. It is unnecessary to apply a restriction of hours prior to 10am where there appears to be no evidence of any alcohol related problems. It is yet another example of a far too simplistic approach to the services, clientele and community service provided by Clubs. Our Clubs provide activities for the ex service and broader community in order to enhance their quality of life through social interaction. These activities generally occur or are held on Club Premises in the morning with most attendees returning home in the early afternoon. Liquor sales are most definitely not the attraction for attendance at these activities; however, the Club must be open for business and staffed to conduct them.

Section 184(1)(c) of the Liquor Act 1992 states:

- (c) *if an investigator finds a person on premises to which a licence or permit relates at any time other than a time when liquor may be—*
- (i) *sold to, or consumed by, the person on the premises; or*
 - (ii) *removed from the premises by the person;*
- require the person to leave the premises and, if the person does not immediately leave, remove the person from the premises using such force as is necessary and reasonable*

Should this restriction remain at the proposed time of 10am, it will result in the cancellation of some or an unsuitable (to patrons) late start to other activities. In

most cases, Clubs could continue with the provision of these activities if the opening time was **9am**.

The RIS/DPBT report states "*Research indicates the highest risk period to community health, safety and amenity is trading between 12am-5am.*" (page 19)

Although we do not consider our Clubs to be in a "high risk" category we are suggesting that the concentration on any restriction of hours be directed at the hours indicated by "research" to be problematic.

Manager's licence

We support - Option 3 – Higher Risk Model

It is admirable that suggestion is made to move toward some form of uniform accreditation/licensing of Managers. The Club Industry has this type of accreditation nationally through the Club Manager's Association of Australia in conjunction with Southern Cross University. It is known as the Certified Club Manager or CCM. Only those actively involved in maintaining current knowledge and experience are permitted to use the "Active" prefix, ACCM. As previously mentioned in this response, Clubs are committed to the education of Managers and staff in general. As a result of this commitment, most large venues already have more than 1 "ACCM" and usually have a number of others going through the process to become accredited.

Our Association would support any proposal to expand this accreditation to include all sectors of the Hospitality Industry.

Once again, the necessity to provide a Licensed Manager at all times on all premises is just not practical in our smaller club sector. It is also not financially viable in most Clubs in general. Accreditation of any type attracts larger remuneration for the holder. Should Clubs be required to provide a Licensed manager at all times, the cost in most cases would be crippling.

It appears that the Licensing of the Manager along with the Nominee training and the RMLV training in venues that will no longer trade during high risk periods at a higher wage cost against less revenue, needs quite a deal more thought.

Clubs who are currently trading and who choose to apply to trade after midnight are not in the high risk category owing to current good management practices through existing responsible service provided by trained staff.

Licence type restructure

We support - Option 2 - Harm minimisation as the first objective

It is encouraging to see a differential between Community and Commercial licenses however, it appears that this distinction is made more so to clarify/simplify Gaming Act related matters than Liquor.

It is assumed that the reference to Catering away permits (Page 55) "A licensee will be able to apply for a Catering away authority as an endorsement on their license" means all Licensee regardless of Category.

It is not clear if public event permits that could be viewed as commercial in nature will be able to be issued to Clubs (Community License) An example supplied by a member of the Association, which believes it will be affected reads:

"To ensure long term viability of a community asset, Currumbin RSL made the strategic decision to pursue diversification opportunities which complement the current club business operations. One such opportunity is the establishment of a catering company to build on the success of our award winning catering department.

In developing a suitable business mode, it became apparent that it was not possible to obtain "Catering Away on a Regular Basis" endorsement on a club licence The only option under a club licence appears to require applications for permits for each individual event. To do this will be a very laborious task for both the club and Liquor Licensing who would have to assess every function. It would also make it hard to proceed with any function at a short notice as permits can take some time to process. We envisage one or two functions per week during normal weeks and several functions per week during festive times so therefore the requirement for individual permit for each activity will cause significant strain on the catering out staff.

It would appear that current legislation would place an onerous burden on a club out catering operation and therefore jeopardise the long term sustainable viability of such a business enterprise."

It is in the opinion of the Association that this area aimed at “red tape reduction” requires further clarification for the sake of existing arrangements and future diversification opportunities.

Licence Fee Restructure

We support - Option 1 - Status quo

The RIS/DPBT report maintains a risk-based structure for the calculation of fees yet does not seriously take into consideration the reality that Clubs fall into the low risk category. . We fail to understand why there are such harsh restrictions proposed for RSL & Services Clubs and are of the opinion that we do not need a “penalty” fee for incentive to provide responsible service.

The mere fact that industry profitability will be lowered and directly impact on our ability to provide support to the ex service and broader community, should be more closely considered.

We note that Bottleshops are recognized as providing consumers with most of their access to alcohol. In fact 80% of liquor is purchased for “off premise” consumption. The risk to the community through these outlets is significant. In the true context of Harm minimization, it seems that there is no plan to reduce the number of outlets or command a license fee of increased proportions associated with the risk they pose to the community.

On premise Liquor consumption is monitored and controlled by trained staff. Liquor purchases made for off premise consumption however, does not have the advantage of consumption control. Parental or “Adult” supply to minors may well be addressed in the proposed reforms, however, it is unlikely that under age drinking via purchases from detached bottle shops, made by the legally aged “mate” will decline given the proliferation of off premise, heavily discounted venues. If the Government seriously is addressing the ability to access liquor, tighter control and reduction of these venues needs to be addressed. Bottle Shops in Clubs have seen a large decline in sales over the past few years owing to our inability and unwillingness to compete with large “chain” liquor outlets who

offer even lower prices for multiple sales of given products. As Clubs may only offer take away purchases to Members or Reciprocal members in areas within the Club premises, we are able to monitor and control responsibly. Although our core markets are not generally in the 18 – 30 category, it is our experience that a preference of this age group is to purchase and consume cheap alcohol prior to attending a venue for the evening. Members of our Association traditionally do not attract this group.

Larger Clubs who will apply to continue trading after midnight now become high risk venues if food is not available up to an hour prior to closing. Most of these venues do in fact have coffee shop/snack food facilities operating longer hours than the main kitchen facility, but usually close these areas before midnight for economical reasons.

In this proposal, a club that wishes to trade until say 2am, two nights a week, will need to have at least three to four Licensed Managers, a food outlet open from 10am until 1am, additional staff and food supervisors for that food outlet, 100% RSA accredited staff, pay for all costs for these additions as well as dramatically increased Licensing fees. It is the community we support who will eventually be paying these “Community License” costs not the “owner” or Corporation Group in the case of a “Commercial License”. Once again a solid reason to formally recognize and expand on the differences between Commercial and Community venues in a Registered Clubs Act.

Liquor accord legislation

The Association supports - Option 2 - Harm minimisation as first objective

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2. What direction should Government provide to the community about which liquor products should or should not be sold on the Queensland market?

We believe that any product that encourages rapid consumption coupled with a high alcohol volume such as Ready To Drink or products that appear innocent and are developed for and marketed to young people should be the focus of direction.

3. What regulation should Government provide to the liquor industry about the marketing of alcohol?

Similar to that for Cigarettes. Alcohol volume should be clearly indicated on all labels of packaged alcohol. Pricing dependant on alcohol volume should be regulated in the area of incentive additional discounts for quantity purchase. Discounted high volume products are very attractive to young people on limited budgets such as those who attend events after private premises consumption. Eg Schoolies

4. What type of alcoholic products present a danger to the public?

The ready to drink (RTD) is an attractive, harmless looking yet high alcohol product that has a large popularity amongst young people. Its resemblance to a soft drink or fruit drink is perhaps its appeal. Shots or ready made pre packaged cocktail shots such as “cowboys” are high volume alcohol, quick one mouthful products. This type of product is usually consumed in conjunction with other products and rapidly assists with intoxication

5. How will the banning of products which increase intoxication at a rapid or excessive rate affect industry and the community?

We believe that the majority of people consume alcohol responsibly and our sector of the Club Industry usually does not attract patrons who participate in “quick fix” products. Banning products that assist rapid intoxication is in the best interest of the community, especially our young people. We reiterate that these products are mostly purchased as cheaply as possible at discount take-away venues and consumed privately prior to venturing out for the evening/afternoon.

6. How will the banning of products which are inappropriately marketed to minors affect industry and the community?

High risk products are generally marketed towards young adults not minors. If they are marketed to minors then there is no question of banning them.

7. What role should the Government play in limiting the availability of alcohol for consumption during high risk periods for violence and abuse?

There is no doubt that a problem exists in certain areas involving specific age groups. We do not believe that a blanket approach is workable nor will it have the desired effect on reducing incidents related to alcohol consumption by this group. The majority of problems that occur are in the post 3 am time frame which does require strict measures to be placed. Additional restrictions that may be considered are the serving of “shots”, “doubles” and RTD products at any time. Existing measures that are not adhered to or are blatantly disregarded should incur harsher penalties such as suspension or termination of license.

8. What will be the impact of Government limiting the late trading hours of industry as a response to evidence of direct harm to the population during that time? Who will be affected positively and who will be affected negatively?

We do not believe RSL & Services Clubs are contributors to the problems causing any harm to the population. We traditionally cater for the 40+ age group of our respective communities, not those identified as high risk age groups and therefore do not see the need to include us in the majority of proposed reforms. The 40+ market is also at the low risk end of the scale and should be catered for after midnight. Nightclubs and Discos traditionally do not cater for the over 40 market leaving only Casinos as an option for post midnight activities. In some areas of Queensland where our members are in close proximity to Casinos, Casinos may well become the first choice for this age group resulting in a further loss of trade for our members. Obviously restricting late trading hours in areas that attract large numbers of young energetic people who are possibly intoxicated or under the influence of other substances, can only benefit the community. Once again this is not a market attracted to RSL & Services Clubs

9. To what extent should Government refocus the regulatory regime from licensed premises to include licensed managers of venues?

Unnecessary.

10. What will be the impact upon industry of Government legislating that all parties engaged in the supply of liquor are trained in the responsible service of alcohol?

We believe that training in this area is beneficial and positive for all. We do not believe that legislating for mandatory training of all staff is necessary as a blanket approach. Mandatory RSA for all persons involved in the service of alcohol as an additional requirement on a license type such as 12 -5am could be considered. The aim to have all parties RSA trained should be an objective with a reasonable time frame and program not a legislative requirement.

11. Who should be held accountable under the Liquor Act if the sale and supply of alcohol is found to be irresponsible? How far should this accountability extend?

Licensee, Nominee, Staff member, Patron and purchasing patron(if relevant) for both on premise and off premise sales.

12. What will be the impact of a licence type restructure that allows flexibility and simplicity?

The theory is an excellent one however, over simplification or a one size fits all approach can be unfair, unworkable or detrimental particularly to the Community Licensed sector. Purely by recognizing that there is a difference or a need for two categories, a distinction has been identified but not extended throughout the proposal. Perhaps these differences need to be treated in a more relevant or different manner under an Act pertaining to the uniqueness of Clubs as in NSW.

13. What is the impact on industry of licenses being assessed for fees according to the risk they pose to the safety and amenity of the community?

The proposed fee scale does not reflect that we are low risk venues. Those of our membership who trade post midnight does not attract the high risk age groups but rather the 40+ market. How then can justification for the automatic escalation to “high risk” and the associated costs be given? We believe this will

lead to a further increase of costs that may lead to some closures and loss of benefits to the community.

14. To what extent will industry and community be affected if liquor licensees are required to pay for the regulation of their industry?

User Pay? We do not have any objection to paying for services providing they are relevant to the actual user. As low risk, community clubs who will effectively be subsidising/ paying for the regulation of higher risk venues not paying for our own "use". In effect, the communities we support will be providing that subsidy via the very funds that would normally have been directed to them.

15. What level of cost should be borne by licensees to account for the risk they pose to the community and the alcohol-related costs incurred by Government?

Should a Licensee be found to be "posing a risk" then a determination of what penalty is imposed should be made. If Licensees are to contribute to alcohol related costs incurred by Government, then education of our youths should be included via the Education Department. The education process must work hand in hand with the providers to ensure Harm is actually minimized from the consumer as well.

16. To what degree should accords be administered through legislation?

As proposed in Option 2

17. Which elements of accords should be recognised? Should the legislation define membership, acceptable practices, or stakeholders an accord should include?

CONCLUSION

The RSL & Services Clubs Association Queensland agree that all licensed premises have an obligation to provide a safe and enjoyable environment. We

agree that reduction in Red Tape to any degree is an advantage to all concerned. A Blanket approach to such a diversified industry does not address many critical issue areas and may result in severe hardship for some of our smaller members. The separation of Commercial entities and Club (Community) is admirable but falls short of extending that separation through the proposal. There appears strongly to be an opportunity to address various Club specific requirements as in the NSW model, who operate under a Liquor License AND Registered Clubs Act, enabling more attention to be made to specific services and requirements of and to the community. Regulation of areas that are of no interest to or utilized by commercial entities would perhaps be more easily addressed under the provisions of a "Registered Clubs of Qld Act". When considering the role played by RSL & Services Clubs and indeed the broader Club community, the necessity to impose unnecessary restrictions is not conducive to the current role or future of the Club industry nor the Communities they serve.

Findings of IPART Review

Other features of registered clubs that differentiate them from for-profit businesses include:

Registered clubs are not focused on maximising profit in the same way as a commercial enterprise. Club members only benefit from the profitability of the club to the extent that ongoing profitability contributes to the continuation of the club as a going concern and improvement of facilities, goods and services offered by the club to its members.

Club members have a relatively lower capital stake in their club than shareholders do in the companies in which they invest. In the case of a club being unable to meet its losses, club members are typically limited to a loss equal to the size of their membership fee, which is often only a nominal amount. While shareholders are not responsible for a company's losses, a collapse in share value would almost always lead to a loss for a shareholder of an amount greater than the price of a club membership. Clubs are not able to raise capital in the same way as commercial enterprises.

While a public company is able to raise capital through issuing shares, clubs raise capital from membership fees (and other forms of operating revenue) and debt.

The members of a club do not have any claim to the club's assets. In the case of a club winding up, any excess funds remaining after meeting the liabilities of the club cannot be distributed to members. Most constitutions generally describe how any excess funds will be used in the case of a club winding up and generally would be directed to an activity of a similar purpose to which the club was set up (for example a bowling club that is winding up might transfer its assets to a nearby bowling club).

2.4.4 The importance of clubs' common purpose

All registered clubs form as a result of a group of people coming together to pursue a common purpose. This common purpose is fundamental to clubs of all sizes and types. In the case of smaller clubs with little or no revenue from gaming machines, IPART notes that the strength of the common purpose is generally the prime driver for their financial viability. These clubs also contribute to the community through their very existence, providing important facilities for their members to pursue their common interests.

*Ref: Excerpts from - **IPART** Review of the NSW registered clubs industry*

Thankyou for the opportunity to respond to this proposal. Please do not hesitate to contact me should you require any further information.

Yours faithfully

Pamela Shelton ACCM AFAIM

President

RSL & Services Clubs Association Queensland Inc