



ClubsNT Submission
to the
Economic Policy Scrutiny Committee
On the
Liquor Bill 2019

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June 2019

Introduction

ClubsNT represent 23 Licensed Clubs throughout the Northern Territory, and have a strong membership base founded on youth sporting groups that thrive at every level of our community.

Licensed Clubs in the Northern Territory;

- Represent a membership greater than 132,000
- Employ some 500 workers
- Invest more than \$19 million in wages
- Contribute on average \$5 million each year to our community sporting and charitable organisations
- Support 270 community sporting organisations, service clubs and charity organisations in the Northern Territory

Licensed Clubs in the NT are **non-for-profit organisations**. Therefore, all profits from a licensed club must be distributed to sporting clubs/service clubs/community and charity organisations.

As such many Licensed Clubs remain concerned with regards to the following issues that are included in the Liquor Bill 2019;

- Wholesale Sales
- Temporary Variations
- Authorities
- Licensee Quarterly Returns
- Smoking in designated areas of a Club.
- Use of Emergency Powers (48b Notice)
- Complimentary Drinks
- Vouchers & Points

Wholesale Sales

As the Bill currently stands, all licensed venues are restricted from selling to another Licensee unless the first licensee has a Wholesale Authority.

It is widely agreed that this is an imposition to licensees and will negatively affect the way they are able to trade. Therefore, it has been suggested that all authorities be changed to allow the sale between licensee's, providing the sale meets the requirements of the Minimum Sales Price. If a Licensee wishes to discount the sale, the licensee is required to obtain a Wholesale Authority.

However, it is ClubsNT's position that this still remains a significant imposition to licensed clubs who regularly support the numerous sporting groups that have a liquor license for the occasional event or trading period. Furthermore, the Licensee supporting those sporting groups (with a liquor license) will be burdened with additional 'red-tape' for little or no policy gain, which will further hinder the ability to discount the sale in support of their local community groups.

I ask the Committee to also consider that these transactions are insignificant in terms of volume when considering alcohol movement within the NT.

It is ClubsNT's position that Licensed CLUBS and COMMUNITY CLUBS retain the ability to continue selling to CLUBS and COMMUNITY CLUBS at Wholesale or discounted prices. And therefore, are exempt from restriction in the Liquor Bill 2019. If this is unacceptable, then we would suggest a Volumetric trigger that requires a Wholesale Authority – E.g. sales exceeding 5,000 litres of bulk alcoholic products

Temporary Variations

ClubsNT remain concerned that a request to vary the trading hours for events, such as ANZAC Day, Mother's Day, New Year's Eve or major sporting events. Requires a substantial public impact statement, public notice period, objections and a hearing by the Liquor Commission.

In the past these have been adequately delegated to the Director-General of Licensing NT, and ClubsNT are favourable to a simple and streamlined solution that does not carry the unnecessary burden of red-tape compliance and would provide assurance of a quick decision (within 2 weeks).

Authorities

ClubsNT support the reclassification of Liquor License categories. However, remain concerned that Licensed Clubs will be considered a high-risk venue if trading is permitted until 2am.

Under the current Liquor Bill, it is proposed that Risked Based License (RBL) fees will add further financial burden to Licensed Clubs if they trade beyond 12midnight.

Furthermore, those Licensed Clubs will be categorised alongside those venues that trade within Darwin's Late-Night Entertainment precinct. Licensed Clubs are vastly different to the venues located on Mitchell St, and meet the needs of a very different demographic.

Currently, there are a significant number of Licensed Clubs that trade until 2am, with all having an exceptional compliance history and pose an extremely low risk to the community.

ClubsNT request that the Committee consider these facts, and allow Licensed Clubs to trade until 2am Thursday, Friday and Saturday nights, without the need of a Late-Night Authority.

ClubsNT support the removal of the Live Entertainment Authority, given this impedes the support of local musicians in the Northern Territory.

Licensee Quarterly Returns

Quarterly Returns were removed when the old licensing fee regime was dismantled circa 2000. Yet, it appears that for reasons which will not provide any policy gain, it has returned.

ClubsNT once again do not support the waste of their valuable resources for little gain, and therefore ask the Committee to consider Quarterly Returns be exempt for CLUBS and COMMUNITY CLUBS.

Smoking Areas in Clubs

Under the current Liquor Bill, patrons are prohibited from eating and drinking in a designated smoking area of CLUBS and COMMUNITY CLUBS. Whilst the same was NOT imposed on Hotels, Pubs and Restaurants.

We believe this to be an error, as it has not been raised at any of the Industry Reference Group meetings, public forums or licensee briefings.

Furthermore, it persecutes Clubs whilst allowing these same conditions to continue in Restaurants and Hotels.

At present, there is an already very strong and comprehensive Tobacco Control Act and Regulations, that mitigate the impact of smoking in public areas that include licensed venues.

In addition, this has been strengthened by recent changes that will come into effect on the 1st July 2019.

ClubsNT request the Committee consider this very important issue and remove items (b) and (c) of Section 373. Clause 15D that restrict CLUBS and COMMUNITY CLUBS from 'having a smoke whilst enjoying a beer'.

Use of Emergency Police Powers – 48b Notice

The main concern is that Police have been given the emergency power to shut down a legitimate business in the Northern Territory without a hearing, testing of evidence, right of reply or natural justice.

ClubsNT seek a change of process to allow testing of evidence by the NT Liquor Commission, prior to any licensed venue having to close its doors.

Complimentary Drinks

Under the current Liquor Bill, **any** business in the Northern Territory will be able to provide 2 complimentary standard drinks. ClubsNT remain concerned that this has the potential to cause significant harm given the following scenario's;

1. Pop-up food van's located along Darwin foreshore (council or private land). If several 'Pop-up vans" offered 2 complimentary drinks, this could lead to anti-social behaviour.
2. All the food outlets in Casuarina Square were to offer 2 complimentary drinks with each meal.

If the outcome of the Liquor Reform is to minimise or mitigate concerns of alcohol fuelled anti-social behaviour, then complimentary drinks should be reserved to licensed premises. Where there are adequate harm minimisation systems in place, such as CCTV, staff trained in Responsible Service of Alcohol, Security, entry identification systems, etc. Alternatively, those businesses wishing to serve complimentary drinks should be required to commit to the same harm minimisation strategies.

Vouchers & Points

Under the current Liquor bill, Free Vouchers provided to patrons as a reward or as a prize for a competition will not be permitted. Further to this, any points redeemed for the purchase of alcohol will not be permitted.

As previously mentioned, the License Club model is very different to that of a hotel. And the use of Vouchers is widespread and frequently used to reward club members that participate in activities such as Trivia night and Member Draws. In addition, Vouchers are frequently used as a form of sponsorship to community sporting and charity groups that would use a Club voucher for a fundraising raffle.

Secondly, Licensed Clubs rely almost solely on return business which is once again another key point of difference to hotels. Licensed Club by definition of the Liquor Act must have membership, therefore a club's core business is the patronage of returning members. To ignore this, would bring significant and possible catastrophe change to the culture of Clubs.

How do Loyalty Points work?

Clubs actively promote and encourage loyalty to their club, this includes issuing Loyalty points when purchasing drinks and meals.

With each purchase, a typical club will reward their loyal member with 1 point for every dollar they spend, this equates to a 1 cent reward for every dollar spent. In time members will accrue their points to redeem at the point of sale. For example;

- If a member has 1,000 points (\$10), this would have required them to purchase \$1,000 worth of food or drink from their club over a very significant period of time. If the same member purchases a \$20 meal, they can opt to use the \$10 worth of points to reduce their outlay.

We will argue that issuing points is not discounting, because the points are not redeemable until the members next purchase, therefore it is a Reward for Loyalty. Most importantly, the Loyalty Reward is insignificant (1c) and immaterial to the fundamentals of the Liquor Reform.

Furthermore, the proposed restrictions on Vouchers and Loyalty Points will not positively impact the vulnerable demographics targeted by the Liquor Reform, rather it imposes a restriction on the whole community for no gain.

I urge the Committee to consider this very important issue and to protect the very fabric of Licensed Clubs in our community. Without Vouchers and Points, then membership in our venues will become immaterial and our clubs that support the community will become little more than commercial alcohol outlets that will have to compete on the same basis.

On behalf of all Licensed Clubs in the Northern Territory, I thank the Economic Policy Scrutiny Committee the opportunity to make this submission.

I remain available to expand further on any of the points above.

Yours Sincerely



Russell Reid
ClubsNT President

14/6/2019