

**Submission: Response to the Liquor Control Reform Regulations 2009 Regulatory Impact Statement (RIS)**

**Date:** 18 September 2009

**Submission on behalf of:** VECCI, VTIC, HMAA

<b>Summary of issues raised, response provided and advocacy wins achieved</b>		
<b>Issue Raised</b>	<b>Response Provided by Dept of Justice</b>	<b>Positive Outcomes Achieved</b>
<ul style="list-style-type: none"> <li>• Compliance history acts as a double penalty; with fee for initial infringement and also infringement then contributing to higher fees through risk assessment.</li> </ul>	<ul style="list-style-type: none"> <li>• DOJ believes compliance history fees reflects risk and is not considered a penalty for the offence committed.</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<ul style="list-style-type: none"> <li>• Some venues deemed as 'high risk' in theory, in fact pose low risk in practice.</li> </ul>	<ul style="list-style-type: none"> <li>• DOJ acknowledges that alcohol-related harm varies across type of liquor businesses.</li> </ul>	<ul style="list-style-type: none"> <li>• As part of the ongoing evaluation of licence fee structures, risk factors will be reviewed and new risk factors that could be incorporated will be identified (including reviewing whether further differentiation of risk between different business types is possible).</li> </ul>
<ul style="list-style-type: none"> <li>• Recommended increasing the first band of the venue capacity multiplier from 0-100 to 0-200 people, to more accurately reflect low risk posed.</li> </ul>	<ul style="list-style-type: none"> <li>• After considering submissions, the Government agrees that changes to the venue capacity multiplier are warranted.</li> </ul>	<ul style="list-style-type: none"> <li>• Venues with 200 or less patrons will NOT have the venue capacity multiplier applied to licence fees.</li> </ul>
<ul style="list-style-type: none"> <li>• Recommended that fees relating to opening hours between 11pm and 1am be reduced to reflect lower risk rating.</li> </ul>	<ul style="list-style-type: none"> <li>• Points out that risk increases after 11pm and is higher again after 1am.</li> <li>• The Government has responded to concerns by changing the way the venue capacity multiplier is applied to licences paying this risk fee.</li> </ul>	<ul style="list-style-type: none"> <li>• Where a licence will pay the operating hours risk fee for 11:01pm to 1am, the venue capacity multiplier will NOT be applied to the fee unless the licensee would also pay compliance history risk fees.</li> </ul>

<ul style="list-style-type: none"> <li>• Suggested the need for greater incentives or acknowledgement of good behaviour and proactive industry initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>• DOJ states that the fee structure is not framed as a discount, however believes it contains a strong incentive for good behaviour.</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<ul style="list-style-type: none"> <li>• Identified concerns about the impact that the increase in fees will have on businesses - particularly small businesses in the current economic environment.</li> </ul>	<ul style="list-style-type: none"> <li>• DOJ insists that licence fees generally represent a small proportion of the total return to the industry and therefore should only have a negligible impact on profitability.</li> <li>• Small businesses (&lt; 5 employees) and non-profit organisations can apply to have fees reduced or waived in cases of serious hardship.</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<ul style="list-style-type: none"> <li>• Recommended that the regulation is subject to ongoing review.</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• The risk-based fee structure will be subject to ongoing evaluation.</li> </ul>