

Liquor (Rural Hotels Concession) Amendment Bill 2018

Explanatory Notes

Short title

The short title of the Bill is the *Liquor (Rural Hotels Concession) Amendment Bill 2018*.

Policy Objectives and Reasons for the bill

The objective of this Bill is to change the existing rigid liquor licencing framework to reflect the unique circumstances of licenced venues in very remote communities. Pubs in such communities provide an implicit social service by acting as a central meeting point for community activities and social interaction.

These remote communities typically have very few businesses or community facilities that provide such opportunities therefore the Pub becomes a critical part of the social framework.

Remote communities contain a relatively smaller pool of potential patrons and income for venues in these areas can be highly impacted by external factors and seasonality. Therefore, profitability is extremely low even with the highest level of commercial prudence.

This Bill recognises the need to reduce unnecessary non-operational costs for venues in small remote communities to support their viability and the service they offer to the community.

Achievement of Policy Objectives

The *Liquor (Rural Hotels Concession) Amendment Bill 2018* acknowledges the need for a less prescriptive approach to licencing fees. Currently all liquor licence holders pay the same fee regardless of their location, size, services, revenue or profitability.

This Bill creates a concessional fee for commercial hotel licences in **very remote Australia**. The area classified as **very remote Australia** means the area under that name in the Australian Statistical Geography Standard, volume 5—Remoteness Structure, July 2011 (Cat. No. 1270.0.55.005), published by the Australian Bureau of Statistics on its website.

Currently the value of a licence fee is determined under regulation therefore the discount level needs to be determined through legislation. The legislation must also compel the application of the discount through regulation. This is achieved under Amendment 3 in the Bill (noting that amendment 1 and 2 relate only to the Short Title and Act Amended).

Alternative Ways of Achieving Policy Objectives

There is no alternative method of achieving the objectives other than by legislative amendment.

Consistency with Fundamental Legislative Principles

The Bill is consistent with fundamental legislative principles and with national competition policy.

Estimated Cost of Government Implementation

It is expected that there will be minimal direct cost to the Government in implementing the new concessional fee structure. Additionally only a relatively small amount of revenue will be foregone by the Government. There are currently approximately 110 Commercial licences existing in Queensland that are captured by the classification of very remote Australia. The lost revenue for the Government is estimated to be approximately \$300,000.

Consultation

Consultation has been conducted with stakeholders including the Queensland Hotels Association and individual licence holders.

Notes on provisions within the Bill

The Bill only contains 3 amendments with the substance of the amendments being contained in amendment 3. All amendments in the Bill are outline below.

1 Short title

Clause 1 provides the short title of the Act, when made, is the *Liquor (Rural Hotels Concession) Amendment Act 2018*.

2 Act amended

Clause 2 states that subject to enactment of the Bill, the *Liquor (Rural Hotels Concession) Amendment Act 2018*, will amend the *Liquor Act 1992*.

3 Clause 3 Insertion of new s 202A

Amendment 3 creates a new section in the Act, *202A Concessional fee for commercial hotel licence in very remote Australia*. This section provides for the fee for a premises in very remote Australia to be assessed at 10% of the licence fee that would apply if the premises were not in very remote Australia.

Very remote Australia is defined as the area classified under that name in the document titled 'Australian Statistical Geography Standard, Volume 5 – Remoteness Structure', as published by the Australian Bureau of Statistics on its website and in force from time to time or an area prescribed by regulation, that is classified on a corresponding basis under another document that measures the relative remoteness of areas of Australia published by the Australian Bureau of Statistics.