



2 April 2013

Research Director

Legal Affairs and Community Safety Committee
Parliament House
George Street
BRISBANE QLD 4000

Dear Sir or Madam

Re: Liquor and Gaming Red Tape Reduction Bill 2013

Thank you for the opportunity to provide feedback on the *Liquor and Gaming (Red Tape Reduction) and Other Legislation Amendment Bill 2013* for the consideration of the Legal Affairs and Community Safety Committee.

Clubs Queensland is the peak industry association and union of employers of registered and licensed community clubs in Queensland. The community clubs industry comprises of approximately 1,400 community clubs, of which 936 (67%) community clubs hold a full liquor licence and 497 (36%) hold both liquor and gaming licences. Clubs Queensland guides community clubs to ensure they operate efficiently, within legislative requirements, and in accordance with prevailing community standards and expectations. This industry leadership position enables Clubs Queensland to be the effective voice on all club matters to the government and community.

The community clubs industry strongly supports the government's overall policy goal of reducing red tape in liquor and gaming administration. As highlighted in the whole-of-industry submission to the *Red Tape Reduction and Other Reform Proposals for the Regulation of Liquor and Gaming* discussion paper, the community clubs industry supports a progressive regulatory model that is flexible, balanced, consistent with other laws, cost-effective, transparent, enforceable, and one that is clearly understood by the industry. The reform proposals being considered by the Committee are just the start of further red tape reforms to come that will assist in meeting the demands and challenges of the future.

Community clubs are often the recreational hubs of their local communities. They occupy a special space in terms of bringing people together for a common cause, for socialising and for supporting a range of laudable charitable causes. They represent the best of social enterprise as they allow people from all walks of life to share their lives with other like-minded people, to do things together, to crack jokes or to otherwise feel safe and secure in a family-friendly environment. No other organisation has such capability. In short, the community club ethos means that everyone is

looked after, as any net surplus from club operation must be invested for the collective benefit of members and local communities through the provision of better facilities, services, infrastructure and fostering of social capital. It is important to recognise the social and economic benefits (see **Appendix**) that community clubs provide to their members and local communities and that they would be too costly to be replicated through taxpayer-funded models.

In this context, the following are brief comments on specific reform proposals in the Bill that directly impact community clubs. **As explained above, the community clubs industry has already made a comprehensive industry submission to the Red Tape Reduction discussion paper and Clubs Queensland does not seek to appear before the Committee at this point in time because the reform proposals in the Bill are sensible and by and large uncontroversial.** However, Clubs Queensland will welcome such an opportunity in the future in relation to complex proposals that may be put before the Committee (as arising from the Red Tape Reduction discussion paper).

- ***Reduce the regulatory burden by exempting low risk community organisations from requiring a permit to conduct not-for-profit events***

This is a pragmatic approach to regulation because it aligns with the risk-based assessment of community events where liquor is served or supplied to patrons. The events are generally fundraising events (e.g. weekend football or school fetes) and it is in the best interest of the community that the benefits, financial or otherwise, are maximized, rather than lost through fees and bureaucratic compliance measures which are often undertaken by volunteers. This approach also represents optimum use of scarce licensing resources of the regulator to only intervene if and when required (i.e. when set criteria for the exemption are not met by the event organizers). The facts that these events are low risk and conducted in a low risk environment necessitate a simpler approach and the above exemption represents a sensible compromise.

- ***Reduce the regulatory burden by ceasing advertising for certain liquor and gaming applications in the Government Gazette and newspapers***

This reform proposal represents a focused and targeted approach to informing the public about liquor and gaming applications. The Government Gazette and newspapers have previously been the principal source of information on business developments but given technological advancements such as the internet, there has been a shift in the way people seek information and news. Paper advertising now represents an expensive and largely redundant advertising mode for liquor and gaming applications.

- ***Reduce the regulatory burden by removing renewal requirements for clubs and hotels with gaming machine licences***

The gaming machine license is subject to the liquor licence. If the latter is granted in perpetuity (unless suspended, cancelled or surrendered earlier), it then defies logic why the former should be reviewed every five years under the same licensing framework i.e. the renewal of the gaming machine licence is just an administrative process now, rather than a check on the continued appropriateness of the licence holder to hold the gaming licence.

- ***Reduce the regulatory burden by streamlining reporting on club and hotel executives to one annual submission***

The proposed requirement for annual reporting of appointments and resignations, rather than the current *ad hoc* reporting within seven days of a change in the management of community clubs is a sensible proposition. It focuses on the 'bigger picture' and eliminates the need for the regulator to micro-manage venues in an area they have little or no control (i.e. committee members may resign or be removed by members at any time during the year). This is consistent with reporting approaches by other regulators (e.g. ATO) and other reporting requirements (e.g. annual tax return).

- ***Reduce the regulatory burden by introducing ticket-in ticket-out technology***

The ticket-in ticket-out technology (TITO) system offers significant benefits to gaming patrons and venues by ensuring not only currency in gaming entertainment due to technological advances but also a cost-effective and streamlined gaming operation which is essential in the face of rising operational costs. The latter is because the TITO system represents a form of cashless transactions with the potential to increase cash security, improve player safety and protections, improve staff efficiency, reduce the opportunity for theft or pilfering, and eliminate the need for coins in EGM cash boxes and hoppers. The industry has been calling for the introduction of TITO system for some time and this change in the law is welcomed.

- ***Reduce the regulatory burden by removing the requirement for an approved managers' register for liquor licensed premises***

It is not unreasonable to say that the requirement to maintain an approved managers' register is an administrative burden for community clubs. The approved manager has replaced the liquor nominee and this change was made to streamline liquor compliance but the benefits gained from this change have been eroded by the approved manager's register because the approved manager register simply duplicates employments records (i.e. the venue already keeps a record of who is employment in the capacity of the approved manager). The approved managers' register adds nothing to the harm minimisation framework, as the law already requires the reasonable presence of an approved manager.

- ***Reducing regulatory burden by authorizing clubs and hotels to acquire and dispose of gaming machines without Commissioner approval***

The requirement to seek the Commissioner's approval to acquire and dispose of gaming machines is superfluous as this approval is an 'inbuilt mechanism' in the gaming machine entitlement relocation scheme for community clubs. It represents the classic case of overregulation of the gaming industry with no tangible benefits.

- ***Reducing regulatory burden by removing the requirement that gaming machines must be installed within a specific period after an approval***
- ***Reducing regulatory burden by granting clubs additional time to dispose of entitlements following a surrender/decrease in the approved number of gaming machines***

These reform proposals will instill greater confidence in gaming machine operation because they promote business certainty i.e. extending the timeframes for gaming machine installation and disposal following approval, surrender or decrease in the number of gaming machines. This would greatly remove the pressures put on community clubs through arbitrary time limits. The time limits do not recognise the insurmountable commercial challenges some community clubs experience such as complex approval processes relating to redevelopment of the club premises, abnormal weather patterns and shortage of materials and skilled labour. This change will ensure community clubs do not forfeit their gaming entitlements to the state or have a fixed number that is lower than the approved number for their premises if they are unable to complete the installation or sales transaction within the current specified timeframes.

- ***Reducing regulatory burden by removing the prescriptive requirements for a gaming licence application under the Gaming Machine Act***

There is no argument that an application for a gaming machine licence must be supported by relevant documents such as the certificate of incorporation or articles of association/rules/constitution. However, these requirements are better placed in guidelines or specified in an approved form rather than in the Gaming Machine Act. The current approach is unnecessary and prescriptive and offers little scope for consideration of other supporting materials in lieu of these documents.

In summary, regulatory interventions in the past decade have introduced more than 100 separate changes to the policies, practices, guidelines, standards and compliance requirements. The imposition of these changes has been uncoordinated and at considerable cost to industry, operational efficiency and business certainty. The community clubs industry applauds the government's efforts to eliminate duplication and unnecessary compliance administration through meaningful reforms that can build business confidence without weakening the core harm minimisation requirements or general effectiveness of Queensland's liquor and gaming regulatory framework.

I hope the above comments are of assistance and please do not hesitate to contact me directly should you require more information or clarification on issues raised in this submission.

Yours sincerely



Doug Flockhart
Chief Executive Officer

Appendix

The social and economic profile of community clubs, commissioned by Clubs Queensland in 2009, highlights the following vital statistics on community club operation:



Source: The Social and Economic Profile of Community Clubs in Queensland, 2009

The above statistics illustrate that the community clubs industry is a sizeable industry and perhaps the largest component of the not-for-profit sector in Queensland.