




Speech By
Robbie Katter

MEMBER FOR MOUNT ISA

Record of Proceedings, 23 March 2017

LIQUOR (RURAL HOTELS CONCESSION) AMENDMENT BILL

Introduction

 **Mr KATTER** (Mount Isa—KAP) (11.33 am): I present a bill for an act to amend the Liquor Act 1992 for particular purposes. I table the bill and the explanatory notes. I nominate the Legal Affairs and Community Safety Committee to consider the bill.

Tabled paper: Liquor (Rural Hotels Concession) Amendment Bill [\[502\]](#).

Tabled paper: Liquor (Rural Hotels Concession) Amendment Bill, explanatory notes [\[503\]](#).

This bill relates to pub licence fees. The genesis of this bill was a letter to me from a pub in a small town in my electorate. About 50 people reside in that township and maybe 100 to 150 reside in the shire. The letter, which was written about three or four years ago, was handwritten and in scratchy writing said—

I made \$38,000 last year net profit including the manager's wage. I am paying 3½ grand or just above for my pub licence fees, which I understand is a flat rate that everyone else pays in Brisbane. The Normanby Hotel or the Regatta Hotel in Brisbane is paying the same fee that I am which is approximately 10 per cent of my annual net profit. My accountant has told me that there is no point keeping the place open for that level of profitability, but if you visit the pub in this town it is the only commercial building in the town.

There are always a few people in that pub. It would mean everything to the people in that town. It is a central place if there is a rodeo or if tourists are travelling through the town that is where you stop for directions. It provides the only internet service and the only accommodation in the town.

Without that pub, the town would collapse completely, along with the social fabric of the town. He is paying 3½ grand which is the same as what a pub in Brisbane pays. It never used to be the case. It used to be based on litreage or volumetric sales. It is something that has crept in and has been overlooked. This fee, as I understand it, is a cost recovery for the Office of Liquor and Gaming to recover the cost of their operations. The estimated administration cost to the Office of Liquor and Gaming is \$2,819. In 2016 the annual licence fee for a commercial hotel licence is \$3,507. I do not think there is going to be a massive shortfall for the government. We are looking at probably 110 licences across the state that would be affected.

What we have arrived at is that the best way to pull out these small pubs in these towns is to create 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*. That is published on the ABS website. That was the most practical way to determine these pubs and I think it captures it best.

To get back to why we would do this, I think most western MPs here or anyone who visits those areas understands that a pub is the social hub of those areas. Without it, you do not have much at all. It operates a lot more like a community club. That is an interesting point to raise because clubs pay an annual fee of \$600 for the same type of activity. We are advocating a 90 per cent reduction for these small pubs, so that goes from about 3½ grand down to roughly \$350. We would come under some of these large commercial clubs that pay only \$600. I think that fits with the intent of what these fees are

based on, because these pubs are as much a community club as they are a commercial enterprise. As I told the House before from that example in this small town, if someone is making only \$38,000 in net profit they are mostly doing that for love, not for the money.

I do not think that is unfair. If we look at the Regatta Hotel or other Brisbane hotels, they are a completely different commercial animal and they belong in larger captive markets. A completely different dynamic exists in those markets. There is zero competition in these areas. It is not like another one will pop up or be built. No-one will borrow money from the bank to start up a business that returns \$38,000 net profit a year. I can speak with some authority on this because I was a rural valuer for many years in North Queensland and I had the opportunity to value many of these pubs to see the viability and profitability of them. Usually you included the manager's wage because if you did not there was not much point to a lot of it.

I cast my mind back to a conversation I had with a publican in a small town in my electorate the other day. He is paying \$80,000 a year in insurance, about \$30,000 on electricity—and the electricity prices are a real killer—and \$7,000 for his water, and he said, 'Mate, I'm struggling.' Again, he had the only pub in that town. These people are under stress and we have put the notion of this bill to them and they are very excited by it. They have said that it would be pleasing if someone would help. We have been very lucky to have the QHA support this initiative. They also support rural bush pubs. It is great that they do not just look after their big guys; they have a lot of compassion and concern for the small pubs.

This is not an earth-shattering, all-encompassing bill, but it will make a difference and it will be appreciated. It will be a great signal from this parliament if we can save these small pubs and reduce their costs. If we can do anything like that, it will be very well received. The feedback has already been excellent. I ask members to engage with their local publicans in these remote areas. I am sure those publicans look forward to talking to members about this and getting some support for this initiative.

My final major point is that we want to market Queensland as a tourism destination because it is seen as a real strength in our economy. Part of that is outback tourism, but we simply do not have outback tourism if we do not have outback pubs. If mum and dad are planning to do a drive through the gulf or up through the western areas, they would go through McKinlay, Boulia or Einasleigh but what if there is no pub there? If those towns do not have a pub, there would not be much of a tourism package there. If we are going to sit here and do nothing and not try to help these people, eventually they will fail. If these people are making \$38,000 a year net profit, once they have finished there they are not going to keep going. That is not enough to keep these things going.

If this parliament can help these people in some way—and maybe this is just the start of something—then we would be doing a good thing, not just for the people in those areas but for tourism in Queensland. This would provide outback tourism. If people are driving through Einasleigh, they can stop at the pub and get a cold soft drink and a cold beer, if it is in the evening, they can buy a counter meal and ask for directions, they can use the internet and they can ask for advice on what tourist destinations to explore. If those tourists meet a couple of the locals, that is the experience they want. These publicans provide a tourism service out there, and a lot of it is done by love.

This is quite a simple bill. We are just talking about 110 pubs in Queensland—it is not a big number. The cost to the government of delivering this would be just north of \$300,000. The initial feedback I have had from pubs in my area is that this would be fantastic. I was quite surprised by that, because I did not think \$3,500 down to \$350 would make that much difference but I can assure the House that it does. I challenge everyone to go out and engage with anyone they know who is in one of these small pubs in a remote area, and I am sure they would get the same response. On that basis, I seek the support of the House for this bill. I commend the bill to the House.

First Reading

Mr KATTER (Mount Isa—KAP) (11.43 am): I move—

That the bill be now read a first time.

Question put—That the bill be now read a first time.

Motion agreed to.

Bill read a first time.

Referral to the Legal Affairs and Community Safety Committee

Madam DEPUTY SPEAKER (Ms Farmer): In accordance with standing order 131, the bill is now referred to the Legal Affairs and Community Safety Committee.