

7th October 2011



Mr P White
Liquor and Gambling Commissioner
Office of the Liquor and Gaming Commissioner
GPO Box 2169
ADELAIDE SA 5001

Dear Commissioner,

Re: Annual Liquor Licensing Fees

I refer to your correspondence dated 23 September 2011 regarding the Annual Liquor Licensing Fees.

Clubs SA notes that Clubs with a Limited Club Licence will be exempt from the annual fee. Clubs with this type of licence are indeed relieved by this exemption. However, there are hundreds of Clubs with a Club Licence that are no bigger than Clubs with a Limited Club Licence that are extremely concerned with the introduction of an annual liquor licensing fee. Comments from such Clubs include:

A Liquor Licensing Fee will just put us further behind.

A fee of any kind will create undue financial pressure on an already stretched budget.

It will mean that the club will have to increase our membership fees. It may mean that children and youth may not be able to afford the annual player registration fees to play for our club as a result of the licensing fees.

An extra fee will just put extra pressure on the sporting clubs who are already struggling with costs.

We are not in a position to pay more fees with rising overheads we have to rely on volunteers more and more.

They are cutting us down and don't even realise it, as they don't see the workings of the small clubs that rely mostly on volunteers. It is getting harder each year to maintain memberships as more people are struggling to find money to live, and don't have excess to join clubs.

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By placing a fee would mean that there is less money put back into the promotion of sport. May indeed see clubs shut up shop.

As with any small club, an extra fee, no matter how much it is, is a drain on income when a lot of clubs are struggling for membership and probably to cover this we would have to pass it on to either our members or hirers.

What is the purpose of another tax on our not for profit organisation, providing a service to the community?

Considering we are also a community service, it would again take away from being able to purchase life saving equipment or training equipment or the like.

This proposal is another wedge in the ability of small Clubs to survive.

This is another nail in the coffin.

The proposed liquor licence fees would be an exceptional burden, considering our falling membership and marginal income.

Any fee brought in would need to be passed onto club patrons as we are not in a position to absorb this fee.

We are a not for profit organisation. I personally think what the govt is proposing is all wrong, without us volunteers, where would it be.

This is just another burden on Clubs.

We do well just to break even. The licence fee may be all it takes to make us insolvent.

Please note all of the above comments are from Clubs with a Club Licence, some of them even have gaming machines.

On behalf of the Club industry it is our position that all Clubs should be classified as low risk and therefore attract the \$100 base fee.

Further, those Clubs that already have an exemption from the requirement for Responsible Persons (RP), should also be exempt from the annual fee. To achieve an exemption from the requirement for RP's, these Clubs have already demonstrated limited scope and minimal trade. It would therefore seem reasonable that these Clubs are also exempt from the annual fee.

Clubs are generally low risk venues for the following reasons:

- The clientele of Clubs are predominantly members, therefore the majority of patrons are known to the Club;
- Clubs are family friendly venues;
- Clubs are controlled environments;
- The majority of Clubs have a sporting and/or community focus, they are not just a licensed facility primarily concerned with the sale of liquor;

- The majority of Clubs do not operate late and many close earlier than their licence allows;
- Low volume of liquor sales;
- Many operate with the support of volunteer labour;
- Clubs are not for profit entities;
- The majority of Clubs have never required the attendance of SAPOL or been reported by Police.

Consideration should also be given to the purpose of the annual liquor licensing fees. The OLG's Discussion Paper titled 'A Safer Night Out' details;

"The South Australian Government incurs a range of costs associated with regulating the liquor industry, including costs associated with administering the liquor-licensing system and undertaking compliance and enforcement activities related to liquor licensing. It is one of the few States that has a once-off licensing fee. Implementing an annual licence fee for liquor licenses will ensure that the liquor industry contributes more towards the cost of its regulation."

The Discussion Paper also states:

"The model and proposed fees will therefore take into account:

- *the compliance costs of each class of licence (including differences within the licence class) and an appropriate base fee*
- *the compliance costs associated with late trading i.e. past 2am and the level of loading which should be applied to licensees trading after this time."*

Clubs SA would argue that the compliance costs and enforcement activities related to Clubs in general would be minimal, therefore giving rise to a minimal license fee. Those licenses that attract greater compliance costs and enforcement activities / resources would ordinarily be higher risk venues and therefore should attract a higher fee.

Having regard to how 'low risk' and 'high risk' can be classified, perhaps the following can be considered:

- SAPOL and OLG (CBS) attendance history / Reported incidents by the Police against the venue;
- Trading history;
- Purpose of the licensed premises i.e. for sport / community etc;
- Actual hours of trade;
- Additional items or conditions on the liquor licence i.e. extended trade, entertainment;
- Assessing the capacity/facilities of the venue, but taking into consideration how often those facilities are utilised to capacity i.e. the number of functions/events per year;
- Volunteer based organisation;
- Profit / Non Profit status of the venue.

There are a number of variables that could be taken into account but the challenge is not to create an administrative burden on the venues or your office in determining low or high risk.

We understand you will have the discretion to increase the \$100 base fee to \$700 if the venue poses a higher risk. Therefore, in relation to Clubs, we recommend that all Clubs (Limited Clubs and Clubs with an RP exemption excluded) be classified initially as low risk and if relevant you can exercise your discretion to raise that fee if a Club, after relevant assessment, is considered high risk.

If you do exercise your discretion to increase the fee from \$100 to \$700, an appeal process must be made available to licensees. Clubs should have the ability to appeal an increased fee if they feel the increase is unjustified.

In relation to charging a fee on the grant of a limited licence (in addition to the application fee) for those large commercial events that require substantial additional regulatory resources, we request that this not apply to non profit organisations such as Clubs. A definition of 'large commercial events' is also necessary.

Thank you for the opportunity to comment.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "H. Martin", with a stylized flourish at the end.

Helen Martin
General Manager