



Master Grocers Australia Ltd

Trading as:

**MGA Independent Retailers
and
MGA Liquor**

**Northern Territory Exposure Draft of the Liquor Bill
2019**

Submission to
**Alcohol Review Implementation Team
(ARIT)**

April 2019

Submission by Master Grocers Australia (MGA Independent Retailers) to the Alcohol Review Implementation Team (ARIT)

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Introduction

MGA Independent Retailers (MGA) is the peak registered national employer industry organisation representing family enterprises and private supermarket and packaged liquor businesses in all States and Territories of Australia trading under brand names such as; FoodWorks, Friendly Grocers, IGA, SPAR, Supa IGA, Bottlemart, Cellarbrations, Ritchies Liquor, The Bottle O and various independents.

MGA members range in size from small, to medium and large businesses.

Independently owned and operated licensed Supermarkets and stores play a major role in the retail industry and make a substantial contribution to the communities in which they trade.

In Australia, MGA's 2,700 members made up of employ over 115,000 full time, part time and casual staff, representing more than \$15 billion in retail sales. Many MGA members are small family businesses, employing 25 or fewer staff.

MGA represents a significant cross section of independent supermarkets and packaged liquor stores within the Northern Territory.

MGA welcomes the opportunity to provide their submission which outlines the response of our members to the Northern Territory Exposure Draft of the Liquor Bill 2019.

Purpose of the Review

The purpose of this review is to give ARIT feedback and insights on the Exposure Draft of the Liquor Bill 2019.

The Alcohol Policies and Legislation Review Final Report (the Riley Review) recommended the *Liquor ACT 1978* be re-written (*recommendations 2.1.1 – 2.1.3.*) to provide a coherent framework for the operation of the liquor industry within harm minimisation principles, and to remove confusing and inconsistent provisions in the current Act.

There are numerous Key Changes identified in the exposure draft Bill. MGA will address those that are most relevant to its members

- Annual Risk Based Licensing Fees and application fees
- Responsible Service

MGA will also take the opportunity to address the following changes which have already been introduced into the *Liquor ACT 1978*

- Store licence liquor sales restriction of 25% of total gross annual sales
- Improved powers in relation to Police Auxiliary Liquor Inspectors and point of sale duties outside takeaway premises

Executive Summary

MGA agrees that implementing policies and legislation that minimise any harm associated with the misuse of alcohol is of the utmost importance and strongly supports initiatives that assist in the reduction of family violence incidents.

The government has not todate produced any fact based evidence to support that the introduction of a 25% cap as a condition of licence to small grocery retailers would have any impact on the overall sales or consumption of alcohol.

The Government should monitor over a reasonable period of time the impact of the measures already introduced to reduce harm from the abuse of alcohol such as the Band Drinks Registrar (BDR), the deployment of some 75 Police Auxillary Licence Inspectors, Minimum Unit Pricing and the soon to be introduced Risk based licence fees time to take affect, before introducing a condition of licence that will have no impact in the overall sales volume of alcohol.

Ensure that the Risk Based Licence Fee model being introduced is a fair an equitable one which does not favour one licence authority over another that engage in the same sales activity.

Established an operational Code of Conduct for the Police and Police Auxillary Liquor Inspectors to abide by when engaging with citizens which is respectful.

1. Part 3, Division 6 – Fees for Licences and authorities

MGA in its February 2019 submission to ARIT supported the introduction of a risk based license fee to bring the Northern Territory in line with all other states and territories and recommended in the modelling that rather than the **volume multiplier** recommended, that a **tier volume multiplier** be adopted which has occurred.

MGA in their submission also recommended that all licences issued should be fit for purpose and supported the Authorities model. It was indicated then by ARIT that the Prime Authority Type would have a set risk based fee and any additional Authorities would incur the relevant fee based on the formula calculation.

Based on the risk based modelling below a Public Bar authority who has a Store Authority only has a 50% Risk Based Licensing loading added to its Primary Authority for it to be able to trade not only as a Public Bar but also as a Store Authority which has been termed as very high risk.

Risk Based Licence Fee Modelling from link			
Primary Authority Type	Store	Public Bar	Public Bar
Est. Annual PAC	Over - 90,000	Over - 90,000	Over - 90,000
Secondary Authority Type	None	None	Store
Average Trading Hours	65	91	100
Member Local Accord	Yes	Yes	Yes
Member Peak Organisation	Yes	Yes	Yes
Host Local Original live music	Yes	Yes	Yes
Have CCTV	Yes	Yes	Yes
Have Security on premise	Yes	Yes	Yes
Has Good Sports or similar	Yes	Yes	Yes
Uses an approved ID scanner	Yes	Yes	Yes
A good compliance record	Yes	Yes	Yes
Had any liquor breaches in the last two years	No	No	No
Estimated Fee	\$5,307.36	\$2,653.68	\$5,307.36

Recommendation:

A Public Bar with the additional Store Authority should be deemed to be equally high risk as a Store Authority and should pay the risk based fee of the combined Authorities, being Public Bar \$2,653.68 and Store \$5,307.36 = \$7,961.04.

2. Part 6, Division 3 Item 127 – Refusing Service

(1) A licensee and the licensee’s employees may refuse to serve liquor to a person if the licensee or the employee believes on reasonable grounds that:

(c) The person will become intoxicated

MGA believes that making this assumption would be prejudicial to the customer.

Recommendation

MGA recommends that this be changed to be in line with Part 1, Preliminary matters section 4 Interpretation item (3) A person is to be taken to be **intoxicated** if; (a) “the person’s speech, balance, coordination or behaviour appears to be noticeably impaired and should read;

(c) The person shows any sign of intoxication

3. Store licence liquor sales restriction of 25% of total gross annual sales

Liquor ACT 2019 Part 13 Miscellaneous item 290 Regulations, item (2) *The regulations may provide for the following: (a) the standard conditions to which each authority is subject*

MGA strongly believes that any changes to the Liquor ACT 2019 in particular Part 13 Miscellaneous item 290 Regulations (2) a, should be based on treating all licences that trade in the same commodity (such as packaged liquor to be consumed away from the premises) equally in its application of policy and potential commercial outcomes.

Part 1 of the ACT, Preliminary Matters states

3 Purpose

(1) *“The primary purpose of this Act is to minimise the harm associated with the consumption of liquor in a way that recognises the public's interest in the sale, supply, service, promotion and consumption of liquor”.*

Therefore, If the primary purpose of the ACT is to minimise the harm associated with irresponsible consumption of alcohol, and the governments aim is to maintain viable small to medium Territory businesses.

How then is restricting the amount of alcohol sales from one type of licence category (Store) to 25% of their gross annual sales, whilst allowing other types of liquor licences such as Hotels and Stand-Alone licences unrestricted sales of packaged liquor products, have any impact of the volume of alcohol sold over all?

MGA believes this blunt instrument measure of a 25% cap will only shift sales from Grocery licences to Hotel drive thru's, Stand-Alone licences and the two major Grocery Chain stores Woolworths and Coles.

Both Woolworths and Coles have some stores that would gross \$1 million in weekly sales allowing them to potentially sell up to \$250,000 in alcohol, giving them a clear market advantage whilst punishing small to medium sized enterprises, MGA states that this makes no logical, nor is it a responsible change to a condition of licence.

Recommendation:

MGA believes the government should firstly monitor over a reasonable period of time the impact of the measures already introduced to reduce harm from the abuse of alcohol such as the Band Drinks Registrar (BDR), the deployment of some 75 Police Auxillary Licence Inspectors, Minimum Unit Pricing and the soon to be introduced Risk based licence fees time to take affect, before introducing a condition of licence that will have no impact in the overall sales volume of alcohol.

3. Part 11 - Other Enforcement Powers

Division 1 - Point of Sale Intervention, Item 237 – Point of sale intervention powers - customers

This section details a comprehensive range of powers Police Auxiliary Liquor Inspectors and police now have to use at point of sale duties outside and within takeaway premises to detect and investigate non-compliance alcohol matters.

The government have a target number of 75 Police Auxillary Liquor Inspectors (POSI), who are being located in Alice Springs, Tennant Creek and Katherine with none at this stage planned for Darwin. MGA members understand that there is a requirement to monitor the abuse of alcohol by a minority of the community however our members have reported several instances in those regions where the PALI's showed unacceptable behavior towards citizens.

Recommendation:

Item 239 refers to Police offers and inspectors obligations in certain circumstances when out of uniform, producing the inspector's identity card and warning the citizen that failure to comply with the power is an offence. However MGA would recommend that there should also be established an operational Code of Conduct on the manner in which citizens are approached and the manner they are communicated with.

MGA, on behalf of its members, thanks the Alcohol Review Implementation Team (ARIT), for the opportunity to make comment on the Exposure Draft of the Liquor Bill 2019.

Yours Sincerely,



George Kovits
President
MGA Liquor

