



Master Grocers Australia Ltd

Trading as:

MGA Independent Retailers &

MGA Liquor

Consultation Paper – Regulatory Impact Statement – liquor Control Reform Regulations 2023

Submission Paper

May 2023

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Introduction

MGA Independent Retailers (MGA) is a National Employer Industry Association representing the owners and operators of Independently owned Grocery and Liquor Supermarkets and stores in all States and Territories of Australia trading under brand names, such as FoodWorks, Friendly Grocers, IGA, SPAR, Drakes, Ritchies, Bottlemart, Cellarbrations, The Bottle O, Duncans and various other independents, that 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 of which over 1200 hold packaged liquor licences, independently owned branded supermarkets and liquor stores employ over 115,000 full time, part time and casual staff, representing \$14 billion in retail sales. Many MGA members are small family businesses, employing 25 or fewer staff.

In Victoria, MGA's members comprise 850 independently owned and operated branded licensed supermarkets and liquor stores employing over 27,000 full time, part time and casual staff, representing over \$5 billion in retail sales. Many MGA members are small family businesses, employing 25 or fewer staff.

MGA welcomes the opportunity to make comment on the Regulatory Impact Statement on proposed changes to the Liquor Control Reform Regulations 2023.

We understand that the current Liquor Control Reform Interim Regulations 2022 are due to expire by 30 July 2023.

The review assesses these key areas:

- Liquor Licence Application
- Liquor Licence Risk Based Renewal
- Security Camera Prescribed Standards
- Minor amendments

MGA understands and agrees that strategies to minimise any harm associated with the misuse of alcohol is of the utmost importance and strongly supports initiatives to assist in reducing the incidents of family violence, that we have a diverse licensed sector that meets community expectations whilst also minimising the administrative cost burden of regulations on industry. MGA welcomes the opportunity to respond to this paper and will make recommendations to help remove anomalies, unfair and outdated regulations and reduce red tape and cost burdens.

Review

1. Risk based application fee model

MGA supports Option A1 – risk-based application fee model; fees should reflect the processing effort and risk-based factors when calculating application fees.

2. Risk based renewal fee model

MGA agrees in principle with the proposed revised Option B1- Streamlined risk-based renewal fee model but believe it does not go far enough.

MGA have always maintained that all licence categories applied for and granted should be fit for purpose and have the same regulatory compliance and conditions applied.

MGA's position is that the annual fees in any licences category, in particular packaged liquor should be consistent.

How can it be that a General licence that has a large, attached Drive Thru Bottleshop or a detached Big Box discount retailer have a lesser risk factor, than that of a Licensed Grocer / Supermarket or a small bottleshop when selling packaged liquor?

Currently the annual normal trading hours Risk Based Packaged Liquor Licence fee (\$2,079.60) is double that which is applied to a General Licence that also sell packaged liquor (\$1,039.90) whilst they are also able to trade **Good Friday and Christmas Day**.

These are major anomalies that must be addressed as both licence categories sell packaged liquor that is classed as a high-risk category.

MGA strongly recommend that the General Licences be re classified into the 'Very high-risk' base fee category in line with Packaged Liquor and pay the same risk base licence fee.

If as stated on item 4.6 Summary of fees – ‘*Cost recovery is an important objective under this RIS*’ then this amendment would go a long way in fulfilling this objective, whilst bringing back balance and fairness in the sector.

3. Security camera prescribed standards

MGA supports the use of store security cameras, and believe their presence provides a deterrent with instore theft prevention, store security and safety of staff and customers.

Most if not all member stores would have a security camera system installed, it is very difficult to identify how many would currently have a system that would be greater than the 5 frames per second and allows digital and video cassette recorder (analogue) storage.

MGA would further support the recommendation of an 8 frame per second with digital recording and storage as recommended in Option C1.

However due to the cost to small business of up to \$12k to install a new system or upgrade their existing system, that a twilight clause of 12 months be extended to 18 months after the regulation is introduced before full compliance is required.

4. Proposed amendments – minor amendments

MGA does not disagree with any of the proposed minor amendments as detailed in Attachment F.

MGA, on behalf of its members, thank the Department of Justice and Community Safety for the opportunity to make comments and add suggestions to the Regulatory Impact Statement of the *Liquor Control Reform regulations 2023*.

Yours Sincerely



George Kovits

President MGA Liquor

