



# ***LEGAL AFFAIRS AND COMMUNITY SAFETY COMMITTEE***

**Members present:**

Mr ML Furner MP (Chair)  
Mr JM Krause MP  
Mr JE Madden MP  
Mr AJ Perrett MP  
Mr MT Ryan MP  
Mrs T Smith MP

**Staff present:**

Ms B Watson (Research Director)  
Ms K Longworth (Principal Research Officer)  
Mr G Thomson (Principal Research Officer)

## **PUBLIC HEARING—INQUIRY INTO THE LIQUOR AND FAIR TRADING LEGISLATION (RED TAPE REDUCTION) AMENDMENT BILL 2015**

### **TRANSCRIPT OF PROCEEDINGS**

**MONDAY, 20 JULY 2015**

**Brisbane**

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### Committee met at 11.30 am

**CHAIR:** Good morning. I declare open this public hearing of the committee's examination of the Liquor and Fair Trading Legislation (Red Tape Reduction) Amendment Bill 2015, a private member's bill introduced by the member for Mansfield and referred by the Legislative Assembly to this committee for examination. My name is Mark Furner, and I am the chair of the committee. With me here today are: Mark Ryan; Tarnya Smith, deputy chair; Tony Perrett; and Jim Madden.

The committee's proceedings are proceedings of the Queensland parliament and are subject to the standing rules and orders of the parliament. These proceedings are being recorded by Hansard and broadcast live on the parliament website. A transcript of proceedings will be published on the committee's web page, unless there is good reason not to. I ask everyone present to turn their mobile phones off or to silent mode. Representatives of the media may attend and may record the hearing, subject to the media guidelines endorsed by the committee. These are available from staff if required. Thank you to today's participants for your written submissions. I note you have been provided with a copy of the instructions to committees regarding witnesses. I welcome representatives from the Queensland Coalition for Action on Alcohol.

### **NAJMAN, Professor Jake, Chairman, Queensland Coalition for Action on Alcohol**

### **YOUNG, Dr Dennis, Secretary, Queensland Coalition for Action on Alcohol**

**CHAIR:** I ask you to please introduce yourself clearly for the benefit of Hansard before you provide an opening statement, and then the committee will have some questions for you.

**Prof. Najman:** I brought a written version of my submission. Am I permitted to circulate that to members of the committee?

**CHAIR:** The committee would have—

**Prof. Najman:** This is in addition to documents you have received previously.

**CHAIR:** You may table that and the committee will determine where we proceed with that.

**Prof. Najman:** I am a professor at the University of Queensland. I have worked in the public health field for about 40 years. I am involved in substantial research on issues to do with substance misuse. In the context of the deliberations of this committee, I have written some 450 to 500 articles and many of them have been extensively cited in the scientific literature. I have received grants and am on the National Health and Medical Research Council committees. I have received numerous grants from the National Health and Medical Research Council. I have served on the drug abuse and prevention committees of the National Health and Medical Research Council. I would argue that on the basis of those qualifications I should be thought of as an expert in the field.

**Dr Young:** My background is that I have a doctorate in health services management. I have spent approximately 20 years in the Queensland Police Service. I have been in the NGO alcohol and other drug sector for over 25 years. I am currently, as a number of you would know, secretary of the former parliamentary members association for Queensland.

**CHAIR:** Would one of you please provide a brief opening statement?

**Prof. Najman:** My statement really in part speaks to the health context of where we are. I emphasise that our Queensland Coalition for Action on Alcohol has as members the Australian Medical Association, the Queensland college of surgeons, the Drug and Alcohol Nurses and a range of other agencies. Our focus specifically is on the health and wellbeing of the community and we speak to that issue and that issue alone. I emphasise that we are not lobbyists, we are not paid. We receive nothing for coming here, other than we have a commitment to improving the health and wellbeing of the population.

I bring to your attention some of the most recent figures that have emerged. If you look at the first graph I have shown you, it shows that some 25 per cent of all deaths in the youngest age group in Australia are alcohol related. This is a horrendous toll in this community and one that we need to address. Recent data has emerged from the National Alcohol Indicators Project which shows, if you

look at the Queensland graph, that in Queensland there has been a 60 per cent increase in emergency department admissions over the period 2005 to 2011-12, and that the rate of increased emergency department admissions that are alcohol related in Queensland is the highest of any state in the country. We lead the country in the escalation of emergency department admissions related to alcohol. We are not dealing with a trivial, occasional problem; we are dealing with a major problem that is killing many young people and injuring large numbers of others.

We have a good idea of what needs to be done. The most recent example relates to the New South Wales government legislation which dealt with lockouts and similar legislation to the legislation being proposed in Queensland. The results produced by the New South Wales Bureau of Crime Statistics and Research, an independent statutory organisation, show that the effect of those lockouts and legislative changes in New South Wales was substantial. There has been an immediate and maintained reduction in emergency department admissions in assaults in the CBD and Kings Cross and there is no evidence that that change has been displaced to other areas. This finding is consistent with the findings from Newcastle and many other studies as well. We know what works.

The last slide I have for you is that on the basis of the best research we have available—and I have tabled two recent articles from highly credible journalists who support this analysis—we need to have legislation that reduces the number of opening hours, reduces the number of outlets and restricts the advertising and promotion of alcohol products. Every one of those policies will contribute to reducing the harm, and that should be our focus.

I will add one more thing. I have noticed that the industry comes before this committee and makes submissions which are often very different from ours. My concern is that the industry engages in misleading and deceptive practices of an egregious kind. They produce figures and data and make statements of fact which are false and inaccurate. They are in effect blowing smoke. They are trying to distract this committee and committees like this from the facts as we know them. There is no scientific basis for the kinds of claims the majority of the industry makes about the limited harm created by the large numbers of opening hours that currently persist, and the reduction in what is called red tape will in fact be a licence for more people to die and for more harm to be created.

**CHAIR:** Thank you. I have one or two questions first. I refer you to your coalition's submission dated October 2013 and in particular on this private member's bill of your concerns over the consumption of alcohol in foyers should not be permitted. What is your understanding of what this proposed section of this bill applies to in terms of what sorts of establishments?

**Dr Young:** Are you talking about the takeaway?

**CHAIR:** No, this is the consumption of alcohol in foyers. This is a recommendation in the coalition's paper, and it is headed recommendation 20, opposition to the consumption of alcohol in foyers should not be permitted.

**Dr Young:** Our worry is that in those sorts of areas how you restrict it to the foyer area. As Jake was saying, the availability of the beverages also impacts on the harm, and the more licensed venues you have, the more opportunities you have for selling or using alcohol. That does in fact impact. We would be supporting more that they be in specific regulated areas, like clubs and the hotels, rather than extending out to the foyers or into the footpaths and places like that.

**CHAIR:** Are you able to provide any information on where you think these establishments would be? Would they be in the form of hotels, backpackers?

**Dr Young:** Probably more in the backpackers and in the lower income type areas from our experience. That is all I have got on that for you.

**CHAIR:** Thank you. I will go to the deputy chair for a question.

**Mrs SMITH:** Thank you for coming along today. Is it fair to suggest that you generally do not support any measures that reduce red tape and regulation for the liquor industry which sells a legal product?

**Dr Young:** No, we are like everybody. We would love less red tape. But from our experience, when we have been dealing with alcohol in the past, when we have looked at red-tape reduction, it has not always considered the harm impacts as well. Quite often, by reducing red tape, which has the best intentions in the world, it has increased the likelihood of harm to both consumers and non-consumers of the product. That is what our concern is: not so much the reduction in red tape, but to make sure that the harm reduction processes that are currently there, or were there in the past, are there in place as well. No, we are not against red tape, but we are certainly against reducing avenues that might increase harm.

**Prof. Najman:** You might argue indeed that red tape is another way of thinking about legislative constraints. The question then is: what is the appropriate limit of a legislative constraint and when should that legislative constraint be removed? We would argue that, when that legislative constraint prevents the death of people, prevents the injury of people, that is the appropriate use of legislative constraints. We use it in tobacco, we use it in food products, we use it in a whole range of ways. We do not let people drink and drive—that is a legislative constraint. We do that because we do not want people to die. This is the same context as that.

**Mrs SMITH:** Can I just ask a follow-up question. Last year, we introduced the red-tape reduction with our school fetes, our P&Cs, our trivia nights. Is there any evidence to suggest there has been an increase in antisocial behaviour because of that?

**Prof. Najman:** Can I say one important thing here. Evidence of that kind needs to be collected, and in order to be collected the funding for that collection needs to be supported. One of the consequences of recent government action—and I am talking about recent years—is that the research context for assessing whether those changes are beneficial or harmful has disappeared, so we do not know because there has been no capacity to determine that. It would be good if in fact the government follows up the current legislation, whatever it is, with a comprehensive, systematic and scientific evaluation of the impact of that legislation. The answer is we do not know because the funding to collect that data is simply not there.

**Mr RYAN:** Further to the follow-up question that the deputy chair just asked, you mentioned there has not been any assessment or data collected following those red-tape-reduction measures that the previous government introduced last year. Was there any assessment, from what you understand, about whether those red-tape reductions would reduce antisocial behaviour prior to those changes being introduced? To rephrase, were you aware of any evidence that the previous government may have relied upon to support those changes to allow some red-tape reduction in respect of the school fetes and like events?

**Prof. Najman:** I am unaware of anything that has been provided in that context nor indeed for the broader range of red-tape-reduction initiatives that were there. I understand that for some issues there was some funding proposed, but that funding was never forthcoming and the research was never done to the best of my knowledge.

**Mr RYAN:** So would it be a correct statement to say that the previous government introduced some red-tape reduction, to use their terminology, which was not supported by any evidence?

**Prof. Najman:** I do not think there is any doubt about that. What we have had is an across-the-board effort to reduce red tape. I have to say it is hard to object to the very notion that we ought to have fewer constraints except in areas where the consequence of reducing those constraints injures or kills people. The answer is: no, we have no idea. I think there was a sense that in the fullness of time that research might be done, but that time simply has not passed and it has not happened.

**Mr RYAN:** In that context and in the context of the broader research, which obviously you are an expert in, those changes could possibly have been adverse changes?

**Prof. Najman:** I would have argued that on the best evidence we have from studies in other places, depending upon which change we are specifically talking about, there is every possibility of increased harm flowing from a number of those red-tape-reduction changes. It is really important that we know whether that is true or not. On the evidence we have from other places, things which reduce oversight, which allow independent behaviour without some sort of evaluation can produce negative consequences and often do.

**Mr RYAN:** Do you think any of the proposed red-tape-reduction changes contained in the amendment bill before this committee are supported by any evidence that would minimise harm, reduce harm or provide some additional economic benefit?

**Dr Young:** We would certainly support the police having additional powers. From my background some 30 years ago, police did have a significant role in the oversight of venues. So I think any suggestion of giving police more power to do that would be of benefit to not only Liquor and Gaming, but also to the actual day-to-day oversight.

**Mr PERRETT:** Can you outline the measures that you support in the bill and the reasons these are important changes to the act?

**Dr Young:** As I said, I can go through the ones we have concerns with. We certainly have concerns with the camp drafting and with the managers being no more than one hour away from the premises. Overall, we oppose that idea. For the smaller restaurants and things like that, one has to

wonder if that is not perhaps a reasonable compromise but for the larger venues, for licensed venues, for nightclubs, I think that is a separate issue in relation to the one-hour situation. In relation to the RSA, the training is always an issue for us because quite often some of that is done online. How you do it online—I am a bit concerned about the responsible service of alcohol. How can you really train somebody to manage difficult clientele via an online module? You really need to be up-front, in their face in some sort of—

**CHAIR:** I am sorry to interrupt you. I think the question was: is there any part of the bill that you actually support? So can you identify those? If you cannot, we will move on.

**Dr Young:** As I said, we would certainly support the provision regarding police officers. I think that is about the only one off the top of my head without having our full submission with us.

**Mr PERRETT:** Just to follow up with respect to that and given what you have mentioned, what are your concerns with the provisions relating to camp drafting?

**Dr Young:** I would see that that would be a possible situation for trading up to 14 hours a day; there would be excessive alcohol consumption; the harms would be there. In my day, I managed some of the police youth clubs. We have had B&S balls there. I have seen firsthand some of the by-products of excessive alcohol and entertainment and the harms created from that. Therefore, I would have some concerns about the excessive nature that that may lead to when you have a mix of excessive amounts of alcohol.

**Mr MADDEN:** I have a question for you, Professor. Thank you both for coming today. While the bill we are considering today might appear, on the face of it, to have some merit, it seems that the devil is in the detail. What is the devil in the detail of this bill as far as you see it?

**Prof. Najman:** Dennis has been dealing with the specifics and I will leave it to him.

**Mr MADDEN:** That is fine.

**Dr Young:** I guess it is always in the small print. A full examination of the small print—and I just do not have it off the top of my head.

**Mr MADDEN:** Maybe some examples?

**Prof. Najman:** Can I just put some context on this, and it relates to my original submission? Anything which increases availability, either through increased hours or more venues, is consistent with the evidence that increased availability increases harm and that it is a relatively direct line. The estimate we have from the best research we have available is that for every extra hour of opening past—let's take 3 o'clock as an example as part of the evidence—we have about a 17 per cent increase in harm. So we operate on research around the world that shows that anything to do with access, availability, hours, ease of consumption, number of outlets—anything which makes buying alcohol easier, cheaper and more readily accessible increases the level of harm experienced. From our perspective, we need a broad set of policies which moves us in the other direction, which reduces access and availability because we do need to try to reduce the harm that this is causing throughout the population.

**Mr MADDEN:** I have a follow-up question. Summarising what you have just said, you would not see this bill as a step in the right direction in addressing the chronic alcohol problems that we have in Queensland?

**Prof. Najman:** If I can repeat the point: anything which makes alcohol more accessible, that is, reduces the barriers—legislative barriers, any barriers to consumption—increases harm. Many of these harms fall on the heaviest drinkers who use that opportunity to simply consume more. We are, in effect, creating an environment where the hospitals, the police and the coroners are going to have more work. This is not a good move. So yes, we are strongly arguing that, much as we need tobacco legislation to reduce consumption, much as we need legislation in the food area to moderate the harms created by certain foods, much as we need to control many other harmful things like drink-driving and drug-driving, alcohol is a toxic product which kills and injures large numbers of people. Four and a half thousand Australians died last year as a consequence of the use of alcohol. That compares with 200 Australians who died last year as a consequence of using amphetamines.

**Mr KRAUSE:** Professor and Dr Young, thanks for coming in. I just want to ask about one particular point in the bill and that is in relation to the sale of craft beers. As you may be aware, at present the cumulative effect of legislation and regulation is that wine producers are able to sell their goods at both licensed outlets like bottle shops as well as at other places like community fairs, markets, trade stalls and so forth, but craft brewers cannot do that. I am guessing from what I have heard from you this morning that you would not support the proposal in this bill to allow craft brewers to sell at those sorts of outlets—the markets, stalls and so forth? Would that be correct?

**Prof. Najman:** I have to confess, when it comes to the detail of something very specific like craft beer—

**Dr Young:** Speaking for the coalition, I would say that is a reasonable assumption at this stage, yes. Jake and I can only speak on behalf of the coalition, as you can imagine.

**Mr KRAUSE:** I could ask your personal view, Dr Young.

**Dr Young:** The situation is—

**Mr KRAUSE:** I will not—

**Dr Young:** Okay, thank you.

**Prof. Najman:** I suppose if we had to have a hierarchy of harms, you have more difficulty seeing the kinds of harms we are talking about—

**Mr KRAUSE:** Precisely.

**Prof. Najman:**—in that context. In a hierarchy, where you are dealing with really very severe drinking problems, your thought is that the craft area is likely to be less involved and a less serious contributor to the problem. But having said that, what Dennis says is a fair comment.

**Mr KRAUSE:** Over the last 10 or 15 years the wine industry has been in a position different to brewers and craft brewers in particular where they have been able to enjoy that opportunity to market their products. I think it was part of the Beattie government's role to promote the Queensland wine industry. Now we are seeing an emergence of the Queensland craft brewing industry as well. I think there has been to be some semblance of a level playing field put in place there.

**Dr Young:** Can I say it is not a state government issue, but the other big issue in relation to alcohol harms in this country is the taxation of the various alcohol substances because there is such a variance in the alcohol taxation in those sorts of areas. That is a lever the federal government could use to level the playing fields.

**Prof. Najman:** What we need, I think, is to maybe not see each specific area as a specific concern. What we do not have at the moment is a comprehensive plan that relates to the alcohol problem in this state and in this country and the kinds of policies that are likely to contribute to the reduction in harms that such a plan might propose. Specific details like where a particular product might or might not fit would be appropriately addressed in a more comprehensive vision about what we should be doing about this major alcohol problem in this country. At the moment our brush is very broad and we are saying reduced hours, reduced availability and reduced access. Those are the things we know that work—and they do—but there may be specific areas where those kinds of policies may be less of an issue than others.

**CHAIR:** Thank you, Professor. Unfortunately, we have run out of time. I thank both of you for your attendance here before the committee today.

**Prof. Najman:** Thank you very much.

**Dr Young:** Thank you to the committee for your hospitality and good luck in your deliberations.

**O'CONNOR, Mr Justin, Chief Executive, Queensland Hotels Association**

**CHAIR:** Good afternoon, Mr O'Connor. Thank you for coming along today. I invite you to make a brief opening statement and then the committee will have some questions for you.

**Mr O'Connor:** Thank you for the opportunity to appear before the committee today and to provide further input into the development of Queensland's liquor and fair trading legislation. As you are aware, the Queensland Hotels Association has made a formal submission to your committee. Naturally, industry acknowledges and shares government and community concern about some misuse of alcoholic products and the widespread use of illegal drugs in our community and generally supports any evidence based measures, regulations or interventions which can be demonstrated to bring about even safer and more hospitable business and entertainment environments.

Committee members may also be aware that in the last at least 20 years successive Queensland governments, the licensed industry and a range of community stakeholders have been working hard and cooperatively to bring about a more responsible drinking and consumption culture in our state. To this end, there have been at least three major reviews into aspects of licensed trade over the last decade in Queensland which have, together with piecemeal regulatory changes, collectively brought about more than 100 new and additional regulatory changes to Queensland's licensed trading laws. There is now emerging official reporting and evidence that this approach is helping to bring about positive change to Queensland's socialising culture, particularly amongst the younger target demographic. I would be pleased to expand on this later should you wish.

In relation to the committee's specific considerations of the bill today, the QHA and its members, and the Queensland hotel industry welcome almost all of the proposed and further red-tape-reduction measures outlined in the bill. Our industry was involved in the consultative process which accompanied the development of this and earlier complementary legislation aimed at removing unnecessary administrative and regulatory measures, closing off the odd loophole and modernising dated practices or those made redundant by technological developments. This process has improved the efficiency and morale of our licensed industries. We thank the former and the current government for continuing this approach.

As I have mentioned, there have been more than 100 new licensed compliance and regulatory measures introduced in Queensland over the last decade. It is both refreshing and appropriate that the former and current government continue to look to remove redundant or ineffective measures, as well as considering new ones of course. Our submission details those specific measures which our industry strongly supports. In the interests of time, I will not repeat that material here. Suffice to say, we are strongly of the view that none of the measures proposed in the bill will weaken the core responsible practice and harm minimisation measures which underpin Queensland's liquor licensing regime, except one.

That single measure which the hotel industry is very concerned about and opposed to is the proposal to permit the sale of packaged craft beer at regular retail activities such as farmers markets. The proposal to permit the selling of cartons of craft beer at farmers markets was not discussed by the red-tape-reduction panel and, in our view, represents a clear potential weakening of the harm minimisation principles which are the main objective of the Liquor Act. In the view of the Queensland Hotels Association, this change extends the sale conditions well away from the original intent of the proposal discussed which was increased promotional and sales potential at bona fide trade expos and one-off promotional events, and provides clear potential for the widespread, unsupervised sale of package beer at weekly commercial markets across the state, despite there being no established case for community demand.

Given the proliferation of such markets, the absence of definition around what constitutes such markets and the irregular and early trading times of such markets, it is contended that relaxation of this kind in relation to craft beer represents a clear potential breach of the main objectives of the Liquor Act as they relate to its harm minimisation provisions. In addition, the physical layout and modus operandi of typical farmers markets gives rise to a number of specific concerns including physical security of stock, potential access and/or exposure to liquor products by minors and the use of third party sellers, not the actual craft beer producer, to sell product at markets. It is highly likely that, should the proposal be approved, craft beer will be mixed with other non-licensed products at sale stalls, both normalising the sale of such product and further weakening the potential of RSA protocols and correctly supervised sale conditions.

Permitting the sale of craft beer at regular markets gives rise to a number of obvious concerns, including: what is the definition of a farmers market in Queensland; what are the normal trading hours of such markets; who will police the sale and supply of liquor at such markets; will this give rise to

requests for the sale and supply of wine, spirits and other alcoholic products to such markets; what will be the requirement for RSA at such markets, including the requirement for sellers to be qualified in RSA consistent with Queensland's universal RSA provisions; and will there be provisions and enforcement to prevent the consumption of the sold craft beer at farmers markets? These points give rise to serious concern about the responsible supply and sale. I can go on further should you wish.

Craft beer is beer. It contains alcohol, often at a strong level, and should not and cannot be defined as other than a normal liquor product for the purposes of regulation. Craft beer is beer containing alcohol. It is not a mystical cottage product which can be exempt from regulation. In short, the proposal around the sale of craft beer appears to be a bit of a can of worms where there is much potential downside but very little potential upside. It is therefore requested that, in considering the bill, the committee recommend amending the provisions related to the sale of craft beer products to remove the potential for beer to be sold at regular farmers markets and similar retail events and limit the sale of limited quantities of craft beer to the provisions which relate to bona fide trade expos and one-off promotional events under the conditions specified in bill.

Apart from this particular measure, the Queensland hotel industry offers strong support for the red-tape-reduction measures outlined in bill. Thanks to the committee for the opportunity to appear today. We look forward to contributing to the bill's successful implementation.

**CHAIR:** Does your membership extend to those who may be owners of hotels, backpackers and those sorts of establishments?

**Mr O'Connor:** Yes, it does. The membership criteria for the Queensland Hotels Association permits any licensed business to apply for membership—say, for a community club licence. There is a membership subcommittee which vets applications. Probably 90 per cent of our members are commercial hotel liquor licence holders. Membership does extend to special facilities such as racetracks, convention centres and so forth. We do have a small number of bar licensees, licensed restaurants and so forth. I think we have one backpacker facility in our membership.

**CHAIR:** What is your understanding and position based on the proposal to amend section 62 of the Liquor Act in respect to the consumption of alcohol in a person's room in a hotel or backpacker premises to well beyond the confines of the particular premises?

**Mr O'Connor:** The intent of the legislation is really to permit guests in hotel accommodation, such as an accommodation facility like the Hilton hotel or Sofitel hotel, which are licensed to consume alcohol in their rooms and in some other public areas of the facility such as a night bar while they are guests of the hotel. In the case of, say, the Hilton hotel, its bar facilities on the ground floor or on level 3 close at their official closing time—midnight or 1 am; whatever the time is on the liquor licence—but if you are a guest in the hotel then you can continue to access alcoholic products through something like a night bar or a fridge in a public bar. It is the kind of thing that traditionally has happened. This is tradition, if you like, in the accommodation hotel industry that goes back to the 1940s. It was removed as part of the 2008-09 liquor forms. It is really not a war winner issue; it is really seeking to reinstate something that was low risk, low harm and essentially a facility for hotel guests over the previous decades.

**CHAIR:** I turn to the use of car parks. An establishment out in my area of Ferny Grove is the Ferny Grove Tavern. They have quite a large car park. There is a basement level as well. Is there any proposal that you are familiar with in this bill to confine the consumption of alcohol to that area?

**Mr O'Connor:** My understanding is that the intent of the bill is to tighten the provision of liquor products in licensed car parks. Members of the committee may not be aware that the licensed footprint of a liquor licensed business is actually part of the liquor licence document. I will talk specifically for hotels. For some hotels the liquor licence footprint is confined to the four walls of the business and other hotels have licensed footprints that extend beyond the four walls into either what you would call a beer garden and even their car parks. There is a historic connection to that.

In recent years, because of the demands of property development, quite a number of car parks, particularly in inner-city areas, have been removed from the hotel licence and used as development sites. Those businesses that have retained their car parks and are still part of their licensed footprint have taken the opportunity to use that car park as a spillover liquor-serving facility. Probably an obvious example is the Caxton Hotel in Caxton Street where many of you would have walked through to get to Suncorp Stadium. On big game nights they use their car park as effectively a can bar—a place where people can rendezvous and have a couple of beers before the game and move onto the stadium.



That kind of use of a car park has become reasonably commonplace in recent years. Some licensed traders were abusing that privilege by a range of measures—lack of oversight and so forth. Over the last decade there has been a progressive strengthening of the regulatory provisions around the service of alcohol in car parks. Indeed, the current rules provide that a formal application has to be made to the Office of Liquor and Gaming Regulation with a 21-day lead time for any use of a car park in terms of a public service area or using as bar area.

The conditions around the use of car parks have tightened quite considerably in recent times. They are quite stringent. Normal RSA supervisory protocols apply in there of course. The same lockout provisions and so on apply after-hours. My understanding is that this bill really looks to further contain and regulate those conditions around the use of car parks. The hotel industry does not have any concerns with that.

**Mrs SMITH:** Did you want to make any comment with regard to the evidence provided by the Queensland Coalition for Action on Alcohol?

**Mr O'Connor:** I think I would just like to make one point in relation to the general consumption patterns of alcohol in our community. I would invite the committee to note that Queenslanders are now drinking more than 20 per cent less alcohol per capita than they were 30 years ago and that more than 70 per cent of alcohol is consumed away from licensed premises. In 2014, the most recent year for which such records are available, the Australian Bureau of Statistics reported that Australia's per capita alcohol consumption fell below 10 litres per person per year. Beer consumption is at its lowest level in 60 years.

Here in Queensland, last year the Queensland Chief Health Officer issued the fifth Health of Queenslanders report. This comprehensive report shows that Queensland's evolutionary, targeted and evidence based approach to liquor-licensing oversight has had many positive impacts in Queensland in recent years. Specific trends in Queensland that are identified in our Chief Health Officer's report include, firstly, combined lifetime and single-occasion risky drinking decreased by 4.1 per cent per year over the previous four years including 2014, with this decline almost entirely associated with declining consumption by males aged 18 to 29 years, which is our traditional problem demographic.

Younger females are also showing signs of changing drinking culture. Over the four-year reporting period the proportion of females drinking at combined lifetime and single-occasion risky drinking has decreased by 12 per cent per year. Nationally we have seen significant changes in drinking patterns with more adults choosing not to ever drink alcoholic beverages, delayed uptake of drinking with the average age of first-serve alcohol steadily increasing and, as mentioned, steadily decreasing per capita reductions in alcohol consumption.

It is very easy to blame alcohol for violence, misuse and other ailments of society, particularly what I would call the night economy, but the simple fact is that if alcohol is the root of all evil then surely we would see decreasing levels of violence, antisocial and criminal activity attached to the steady decline in per capita alcohol consumption in Queensland and Australia. The issues around night activity, young people's behaviour and so on are much more complex than simply saying, 'Stop them drinking grog.'

Obviously the licensed industry has a role to play and we take that role very seriously, but I would offer to the committee that the evidence based, iterative and consultative approach taken by consecutive Queensland governments is having a very positive impact in Queensland. We have quite a different licensing regime here in Queensland from that which applies in other states. For example, we already have the most constrained liquor licensed trading hours of any jurisdiction in the Commonwealth. Industry is committed to continuing that pattern, but in the context of your considerations we think it is quite reasonable for a government to consider removing red tape, duplication and so forth because it is very easy for governments, regulators and legislators to create more and more rules and more and more legislation, but it is almost impossible for them to consider reasonable efforts to reduce red tape. It is very refreshing and very good for the morale of business generally but certainly the licensed industry in Queensland to have a committee like yours looking at ways in which red tape and what I would call 'the daily grind' can be reduced. It does not make any difference to the core responsible practice regime that applies in Queensland, but it makes a big difference to their ability to go about their business without unnecessary red tape in place.

**Mr MADDEN:** Thank you, Mr O'Connor. I would like to begin by thanking you for that very detailed answer that you had to the question from the member for Mount Ommaney. It was almost like you anticipated that question was going to be asked you were so prepared for it.

**Mr O'Connor:** Mr Madden, that is part of my job.

**Mr MADDEN:** Maybe you will not have anticipated my question, but it is a very simple question. Can you provide the committee with some background as to the nature of your organisation, who you represent, how you represent them and where you represent them?

**Mr O'Connor:** Yes, certainly. The nature of the Queensland Hotels Association is quite straightforward. We are an industry peak body. Our core mission is to make representations in the commercial interests of our members. Our secondary objective is to provide a range of services that are relevant to the conduct of efficient and modern businesses in the licensed trade but particularly in the hotel industry.

Our association dates back to 1885, so we are 120 years old. I think the core mission probably has not changed in that time, and that is to represent the interests of the licensed traders who are members. We do that in a number of ways. We do that by engaging in public debate. We do that by making contributions to the considerations of government including considerations like yours today. We do it in making sure that we are credible in terms of the evidence we put forward, and we do it in terms of making sure that our members behave and conduct their business in a responsible way. For example, if there was an outlier hotel business that was clearly not playing by the rules or snubbing its nose at what we would consider to be responsible practice, we would apply either direct or peer pressure to bring that business into line. As you would all know from your life experience, the 80-20 rule applies in most endeavours of human activity. I would say it is probably 90-10 in the hotel industry, where 90 per cent play the game and 10 per cent try to bend the rules. Part of our job is to make sure that the 10 per cent becomes a lesser number over time.

Interestingly, of the 6,000 licensed premises in Queensland only 120 are licensed to trade after 3 am. That is a particular demographic that may be of interest to your committee. In relation to my own constituency of hotel licensees, of which there are about 1,300 in Queensland, more than 95 per cent are closed by 1 am and almost universally in the country, apart from a couple of big cities, they are closed at midnight. They are termed low-risk premises under Queensland's risk based approach to liquor management. For us, it is really a matter of applying our efforts where they get the best results.

**Mr KRAUSE:** I want to touch on one provision that you had concerns about, and that is the craft brewing aspect of the bill. Is it fair to suggest that the QHA's concerns about this are about limiting competition on the beer front rather than anything else?

**Mr O'Connor:** You could be forgiven for asking that question, Mr Krause. The short answer to that is no because, as you would be aware, all of our members sell craft beer. Despite me saying that beer consumption was at the lowest level that it has been in 60 years, which is a true statement, craft beer is the single category of beer which is in growth. Our concern, I think, is the fact that craft beer in the context of this particular bill is being dressed up as something that it is not. I might expand on that, if you do not mind.

Craft beer is a term derived to describe beer which is produced in microbreweries on a small, semicommercial or commercial scale. It is generally produced for consumption in draught form rather than in bottled form for takeaway consumption. Enthusiastic brewers experiment with the production method and ingredients to produce beer which is claimed to have a unique taste or a point of difference. However, in the context of our discussions today we are not talking about Farmer Joe's home-brew. We are talking about commercial enterprises producing up to 40 million litres of beer a year, some involving quite sophisticated investment and business strategies and looking for ways to expand their market.

**Mr KRAUSE:** Mr O'Connor, can I stop you there. I think we do understand the picture you are painting. I want to make one other point, if I could. In 2013 the town of Harrisville, which is near my electorate, had its 150th anniversary and Her Excellency the Governor visited that day and she was able to purchase a three-pack of local wine which was produced around Harrisville. A number of people brought those three-packs. I do not think there was any limit on the amount of wine that could be purchased. I do not see the QHA making submissions that wine producers should be limited or restricted in the sale of their products at events such as fairs, markets and fetes. I do not understand the difference between a local small scale wine producer and a small scale craft beer producer. Can you elaborate as to why there is a difference? I do not think there should be.

**Mr O'Connor:** I would say that if that local wine producer were selling his or her wine at a farmer's market or a street stall in the town, he or she was doing so illegally because the liquor licensing laws provide that a winery can sell wine in three ways. They can sell it wholesale to a retailer like Dan Murphy's or a hotel provider, they can sell it through their cellar door or they can sell it through what is called a satellite cellar, which is a provision under the liquor licensing laws which

provides that a wine producer can have a satellite seller—a shop if you will—under certain conditions. Those provisions do not apply to beer because there are already very stringent rules around who can sell beer, once again in the Liquor Act. The Liquor Act does not make any differentiation between craft beer and other types of beer, whether they be Pilsner, XXXX Gold or whatever. The reason for that is that it is too open to abuse. For example, a major brewer could come up with a line of craft beer—and, indeed, they have—and those kinds of craft beers like—

**Mr KRAUSE:** Typically probably the ones found in bottle shops.

**Mr O'Connor:** Exactly. I just had a mental blank. Those kinds of craft beers with a craft beer name on it are sold in general licensed premises, but if the rules are too flexible around craft beer then a major brewer could say, 'We are going to produce 39 million litres of XXXX Gold craft,' and it might be called XXXX Gold Craft I—

**Mr KRAUSE:** From a cellar door.

**Mr O'Connor:** Then when that was sold it could be called XXXX Gold Craft II and so forth. The liquor licensing laws do not make any differentiation between a beer which is X and a beer which is Y. Beer is beer; it contains alcohol. There is a definition for it in the Liquor Act and that is why the rules are different for beer and wine.

**Mr RYAN:** Mr O'Connor, you referred to a figure of 40 million litres. How has that figure been calculated? Where has that come from?

**Mr O'Connor:** The figure is from the draft bill and the proposed restrictions around the selling of craft beer. There is no definition for craft beer in the bill, but it says that for the purposes of this bill a producer who produces fewer than 40 million litres of beer in a production year could be categorised as a craft beer producer for the purposes of the bill.

**Mr RYAN:** How do you think the drafter of that particular bill that we are considering today could have come up with that figure of 40 million litres?

**Mr O'Connor:** I am not exactly sure. The red-tape-reduction committee, of which you are probably aware but I will state for the record, involved quite a number of stakeholders. It involved producers, retail sellers, the club and pub industry, the liquor licensing regulator, Queensland police and a number of other community stakeholders. When we discussed the matter of craft beer, the proposal before the red-tape committee was that the liquor laws be relaxed to permit the provision or the selling of up to a carton of craft beer at a bona fide liquor trade expo. So you and I go to the craft beer show at the Brisbane Convention Centre. There are a range of stallholders. We go around and taste them under the liquor licensing provisions of the Brisbane Convention Centre. We like a particular product and we say, 'I wouldn't mind giving that a second go.' The proposal was that people could then go to that producer and either order or purchase on the spot up to one carton of beer. We opposed that in committee—we being the QHA—but the majority view and the consensus view, apart from the QHA, was that that was a reasonable thing to do. Once again, it was not a war-winning exercise for us. So in the spirit of the red-tape committee, where there were some wins and some losses—some issues were supported and some were not—we were happy to support that as part of the overall process.

We then saw the bill, and the bill had provisions in it that were quite different from those that were discussed in the so-called expert panel. That gives rise to our concerns. Our view would be that someone producing 40 million litres of anything a year—milk or, in this case, beer—is clearly in a commercial environment. The notion of craft beer, home-brew or whatever being sold and promoted around the state—if they are in such a commercial enterprise then they should join the mainstream liquor licensing laws, which apply in this case to 40 million litres of beer.

**Mr RYAN:** We are short on time, Mr O'Connor, so hopefully you can just give me a few quick, rapid-fire answers if you do not mind.

**Mr O'Connor:** Certainly.

**Mr RYAN:** I want to confirm for the record that to produce 40 million litres you would have to be a pretty big business.

**Mr O'Connor:** That is correct.

**Mr RYAN:** And to sell 40 million litres at a fair or a market on a pretty regular business you would have to be a pretty big business.

**Mr O'Connor:** That is correct.

**Mr RYAN:** You cannot just sell it down at the Ashgrove State School fete one day a year.

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**Mr O'Connor:** That is correct.

**Mr RYAN:** In the QHA's opinion, this part of the bill about the craft beer: for the record, would you say that it is contrary to the view of the expert panel?

**Mr O'Connor:** Yes, I would say that.

**Mr RYAN:** Do you think that has some significant consequences, because it is contrary to the expert panel?

**Mr O'Connor:** Yes, I would.

**Mr RYAN:** Thank you.

**CHAIR:** Mr Perrett?

**Mr PERRETT:** My question was covered by Mr Krause earlier.

**CHAIR:** Thank you, Mr O'Connor, for your attendance here this afternoon at the committee's hearing. We thank you for providing those answers.

**Mr O'Connor:** Thank you, Chair. Thank you, members.

**FIELDING, Ms Peta, Chair, Craft Beer Industry Association**

**WEBSTER, Mr Mike, Director, Scenic Rim Brewery**

**Mr Webster:** We will be doing a joint opening statement, but I will start. I am the owner of the Scenic Rim Brewery, which is a very small craft brewery that is only in its early stages. The submission that I have put forward has probably two facets to it. One relates to the sale of our product at markets and food events and the like. We feel that it is restrictive on our trade, because we go along, we give samples of beer. People come along and say, 'We like your samples. We would like to take some with us,' and there is shock and horror on their faces when we say, 'Sorry, the law does not allow you to do it. You must go to established licenced premises to do so.' As already mentioned, this would bring us into line with the wine industry. The Wine Industry Act 1994 was enacted when the wine industry was considered to be a fledgling industry requiring additional support.

The other side of my submission is that as a producer/wholesaler with a cellar door, I can have people come in, I can give them a tour, they can sample my product but, when it comes time to leave, they are allowed to take product with them but only in the quantity of a souvenir sample, which has not been defined. So it is very difficult to work out how much I am allowed to give them.

Small business in Australia is on the decline. That is why I would like to see the red-tape reduction. It is not only about reduction; there are some laws that should not even exist that really should address some of the issues that the craft beer industry has. There are probably a few issues that I would like to address that were brought up by the coalition and the hotel association. That may be resolved with some of your questions. If not, I would like a chance to address them later.

**Ms Fielding:** My name is Peta Fielding, I am chair of the Australian Craft Beer Industry Association. I am also an owner and CEO of a Queensland brewery on the Gold Coast, the Burleigh Brewing Company, hence our interest in these discussions. First of all, I really appreciate that there is a discussion going on around craft beer and that it is being recognised as perhaps an industry worth looking at, and I very much appreciate the opportunity to be a part of these proceedings. You have our submission and I am very happy to answer any questions and flesh out some of the things raised in that.

As a starting point, as a big-picture description of the beer industry in Australia—I think it is important to understand the context to understand where we are coming from—there are a handful of multinational brewers who, in one form or another, whether it is through their core brands or craft brands, control approximately 95 per cent to 97 per cent of the Australian beer market. That is literally a handful of players. That is not a value judgement of their business model; that is what they do. Two to three per cent at the other end of the scale is where craft brewers come in. Now, there are approximately 300 craft brewers in Australia making up that small bit. So there are a lot of small companies doing a little bit each making up the difference. So to say that all breweries and all beer should be treated the same, yes, in some instances they should but in some instances perhaps they should not.

If you overlay that industry structure with licensing arrangements, you can start to understand some of the difficulties. If we sold shoes or if we sold something else that did not have a licence mechanism between us and the consumer, we could promote our product. We could get out there and promote our businesses and make a market for ourselves. Because we can only sell either at the brewery or through another licensed outlet, there are other hurdles to get through on the way to getting to the consumer. When you understand that there is 97 per cent of the market controlled and they have to, because of their business model, get as far as they can, as much as they can, as much volume as they can, there is a lot of pressure on fridge doors and shelf space and so on, which makes it very difficult for these other little brewers to get their products out. As I say, the ability to take charge a little bit of marketing our own businesses and our own products is important. Obviously, it is alcohol—there are issues around that; we fully respect and acknowledge that—but it is within that context that we would like the discussion to take place.

When we started our business in Queensland eight years ago we were something like the fourth brewery in the state. Now there are more than 20 and there are at least half a dozen in planning. So this is a small part of small business in Queensland that is happening and people are really trying to make a go of it. Often, they are mum-and-dad businesses who work hard all week. In one sense, the last thing they want to do is get up on a Saturday morning and go to a market. But it is the nature of small business. It is what you do. You want to get out there and do it. Often these businesses are in regional areas. They are creating jobs in regional areas—small but growing. They are also very committed to their communities, and community support is a big part of the business model of craft

brewers. Would craft brewers survive without these changes? Probably, because, as I say, we are small businesses and it is in our nature to get out there and do to. Would the big brewers survive with them? Probably, but I think they will be okay.

I would also very much like to acknowledge the concerns of the QHA. We share those concerns. If some of those things that the QHA talked about happened at markets and events and so on—people were hiding in the corner and drinking beer, or whatever—absolutely, we would be concerned about that. That is why we have proposed that there be some clarity to the process—that the commissioner maintain the power to sign off on who is a craft brewer for a particular event, whether the event is okay, what restrictions should apply. That can be done specifically through a permit system that already exists in the wine act. If we try to treat it up-front, blanketed by a licence condition, we think that creates some of the uncertainty, some of the wriggle room that might lead to issues like the QHA has outlined. To be honest, it creates uncertainty for the craft brewer. It ends up being our decision to say, 'Is this event okay or is it not?' If we get it wrong, there are big penalties at play. So we would probably, because of the risk, not take up the opportunity to appear at some of these events.

**CHAIR:** Thank you. How many members does the Craft Beer Industry Association represent?

**Ms Fielding:** We have about 120 members of the 300 or so breweries in Australia. It is a relatively new association, because it is a relatively new industry. It has been around a couple of years and is growing quickly.

**CHAIR:** In your opening statement you identified the concerns that QHA had made in its submissions and you implied that you are consistent with those concerns. What do you say in regard to the submission describing this as a proverbial can of worms in respect of those proposed changes in the bill?

**Ms Fielding:** I think the clearest thing to do is to point to the wine act. Wineries have had the ability to apply for permits to do exactly this since, as I understand it, 1994. As far as I am aware, it has not created the types of issues that have been flagged as possibilities. I imagine that, if it had, permits would not exist anymore. But the commissioner also has the ability to say, 'Yes, you can do that market, but you can't do it every weekend' under a permit type of scheme.

In the more regional area, I imagine that there would be more of these events to do. If you were a brewer in a big city, perhaps events like this may be less common. But by adopting the permit model that is in the wine act, it gives the commissioner the ability to filter through some of those questions. If a particular licensed area needs to be set up or whatever it is, given the nature of the event, then it is possible to control that.

**CHAIR:** Thank you. I will go to Mrs Smith.

**Mrs SMITH:** Thank you for coming along today. Are you aware of the recent changes in New South Wales in relation to craft beer promotions? If so, can you provide some background?

**Ms Fielding:** Yes. I am loosely aware of what has happened down there—not across the detail greatly, because we do not do a whole lot down there. Certainly, New South Wales and some of the other states are being proactive in terms of opening up opportunities for craft brewers. Licensing is so different from state to state. The particular nature of the regulations and so on in the various states differs. Certainly, Victoria and now New South Wales have been very proactive in trying to enhance the opportunity for what is showing to be a growth in the manufacturing sector in Australia and to try to at least give it some oxygen to try to be what it can as opposed to snuffing it out while it is just trying to get going.

**Mrs SMITH:** So coming back to being a small business—and you said there were about roughly 20 small brewers—

**Ms Fielding:** In Queensland.

**Mrs SMITH:** In Queensland. How many people are being employed in this?

**Ms Fielding:** It is difficult for us to get exact numbers, being such a small industry, but we have done loose numbers and we think that it is somewhere between 100 and 150 in those 20 businesses. The businesses differ greatly. There is a brewery in a small retreat out at Stanthorpe. It is primarily an accommodation facility, but one of the things that they also have is a little brewery. Mike is out on the Scenic Rim as well. We are down on the Gold Coast. Some produce and package and distribute a little bit more. Some are more just literally the cellar door and their surrounding region. In some ways, for some of those businesses to be able to go to whether it is a farmers' market or whether it

is a school fete or whatever it is and make small, but for that business significant, sales and have the ability to have the transaction right there and then as opposed to supplying and waiting for payment could be the difference between being a viable business or not. As I said at the outset, there is a license regime between us and the consumer—as there should be—but, in some instances, to try to get the product out there, it is important.

**Mr RYAN:** Thanks for coming in. Thanks for your submissions. At your respective breweries, how much would you produce each year in litres?

**Mr Webster:** Mine is still in its initial stages. It is still in the building stage. So I am contract brewing. So very small figures. I am aiming at 30,000 litres a year, which is nothing like the figures that have already been spoken about. That varies, too—much higher levels—

**Ms Fielding:** I probably do not want to give you specific numbers—I know where you are coming from and I will certainly give you an answer that will help—just because it is commercially sensitive—

**Mr RYAN:** Round up to the nearest million.

**Ms Fielding:** Yes, that is the thing. The 40 million figure, I imagine, just to answer a question that you asked before, came from the definition that the Australian Craft Beer Industry Association has. I think it is perhaps where it was picked up from, because for membership purposes of the association we have a 40-million litre cut-off. That is to try to be as broadly inclusive as possible. No craft brewer in Australia is anywhere near that yet.

We also have within that definition, though, up to five million litres being a regional brewer. Perhaps that might be a more appropriate subset of the definition to adopt. Forty million litres is a huge figure and I can tell you that we are not even halfway to being at the capacity of the regional brewers. If the number is scary—and I can understand why it would be, because I do not think that a P&C school fete would be particularly relevant for a brewer producing 40 million litres—I think that can certainly be looked at.

**Mr RYAN:** I appreciate that. The amount just seems big to me.

**Ms Fielding:** It is very big.

**Mr RYAN:** I imagine that it would also be a scary figure for members of your association, because there will always be that fear that a multinational would come in that chooses to have a craft beer brand, which then turns up to every single school fete and every single community event and, if these amendments are accepted, put you guys out of business.

**Ms Fielding:** Absolutely.

**Mr Webster:** I can tell you for a fact that working through community licences is cost neutral. We are only there to market ourselves. It is a marketing tool. If these big guys are going to get involved, they will put up huge beer tents and you will know that it is not just supporting the local community: it is out there to make a lot of money in a short amount of time. That is not what we are about. We want to market our product.

It is very difficult to get our product into the hotels because they have contracts with the big breweries. You cannot even get taps in there because 100 per cent of their taps go to the big fellows, and that is the way it is. We are happy to do it on a small scale. That is why we need these small events: to promote our product.

**Mr RYAN:** I accept your submission about the 40 million litre number. Why not four million? Why not one million? If it is about the microbreweries, your members, why should this committee submit or accept 40 million? Why can't we submit or accept one million?

**Ms Fielding:** I think you can. I think you can certainly look at a lower number. I think the key is having that avenue to promote something new when it is new and unknown, because why would a bottle shop give up valuable space for an unknown product? It is not the bottle shop's job to promote it. The brewers want to be able to do it, create the demand, and then go to the bottle shop and say, 'Look, I have a product that your customers will want. Can I have a spot?' The ability is not there to do that really at the moment. And yes, that—

**Mr RYAN:** Is there a number that you have in mind that would be acceptable to your members?

**Ms Fielding:** Without being able to go back and talk to them and so on, as I say, one definition to adopt may be the Craft Beer Industry Association's definition of a regional brewer, which is up to five million litres. That could be one to look at, but it could go lower than that. I do not think that is a big—

**Mr Webster:** I guess because it is such a new industry, there are no really defined definitions of sizes.

**Mr RYAN:** The only other thing is just trying to satisfy some of my intrigue. The expert panel made some recommendations and now we have a bill before us which, as we heard from the QHA, contains a part which was inconsistent with what the expert panel recommended. Do you have any context around that, or do you have any reason why there might be a difference in this bill compared to what the expert panel may have recommended?

**Ms Fielding:** I do not honestly know. We made submissions before this. I think there were submissions made and then the draft legislation came out. I think the broad intent of our submissions was certainly adopted, which was about trying to create an avenue for craft brewers to be able to promote their own brands and so on, and that was great to see. The difficulty for us was in seeing the specific mechanisms in terms of the conditions on the licence and it being left to the brewer to take the risk and so on. That was not something we had proposed, so I do not know how things get in there that were not part of—

**Mr RYAN:** The association did not have any private discussions with any members of parliament about your wishes at all? Do any members of parliament have any interests in any of your businesses or your associations?

**Ms Fielding:** I imagine this question is directed at me. We have a shareholder who is a member of parliament. He has a very, very small shareholding. He was not a member of parliament when he became a shareholder. We are talking two or three per cent or something. He has absolutely no control in the business and we have had no discussions about this particular matter with him. We have, of course, tried to engage with anyone who might be able to hear the story and assist us in at least getting our views heard. We have had the opportunity to have some discussions with the shadow Attorney-General, again basically what I am telling you today and what is important to us, and hopefully there is a way through it.

**Mr PERRETT:** You have heard the statements by the Queensland Hotels Association and the QTAA here this morning. Is there anything that you want to respond to specifically with respect to what they presented to the committee?

**Ms Fielding:** The issues that were raised as potential problems like security of stock, or the particular area where this might be able to happen at an event, or RSA qualifications of staff, we agree with all of that. The model we propose is having a permit based system where the commissioner can be satisfied that it is a craft brewer under whatever definition is adopted. The permit holder would be the one taking responsibility for having RSA qualified staff. Believe me, it is in craft brewers' interest to secure their stock. None of us can afford to lose one carton of beer out the back. There is a regime in place to make sure this is done under the broader realm of liquor licensing, responsible service, all those things. I would imagine that if a permit is issued to allow a brewer to have a stall at an event, then it has to be the permit holder there holding the stall. I do not think you can sublease that to someone else. I do genuinely think that the concerns are genuine, but I do think there are ways that they can be addressed and managed and not become issues.

**Mr PERRETT:** Is it fair to say that to expand the opportunities for these small brewing companies to market their products, you are willing to work with government to try and find opportunities to narrow some of those concerns?

**Ms Fielding:** Absolutely.

**Mr PERRETT:** But more openly to be at these events, whether it be special permits or some increased regulation in and around that?

**Ms Fielding:** Absolutely. We recognise that we operate in a regulated environment for good reason, but we think there is a way to do it responsibly.

**Mr Webster:** When these events happen we obviously have all of our RSA members there and we act responsibly. As I say, I am new to the industry but after the four or five events that I have been to, it is very low key, very low risk. We are not there trying to pump alcohol into them. We are trying to market our product, so they come along for the experience rather than to get full of alcohol. I guess it is a bit of a catchphrase, but education and appreciation rather than inebriation is what we are about.

**Mr MADDEN:** First of all, I would like to thank you for coming today. I am one of the members of parliament for the city of Ipswich and we have a wonderful craft brewer in Ipswich, the Pumpyard Bar and Brewery, in a beautiful heritage listed building in Ipswich.



It is clear from your submission that you have both forensically dissected the bill that is currently before us here today. I am going to ask you a question that I put to the QCAA: while on the face of it this bill appears to have some merit, it seems that the devil is in the detail. I just wonder if you could outline any devil that you see in the detail of this bill.

**Ms Fielding:** From my perspective, that devil came through in the kind of dual model that seems to have been adopted where there could either be a condition put on a brewer's licence to say exactly what it might look like. But my understanding from the bill would be that it would say something like, 'You have the ability to market your beer at promotional events,' and then potentially there was also going to be other conditions able to be put on that, one of which was around controlling the number of samples that may be able to be provided.

When I look at that practically, if I as a brewer want to be able to go to the local food festival in the botanic gardens or whatever it is, I then need to determine if it is a promotional event. The definition proposed involved the primary purpose of promoting local produce. Say we are talking about a school fete. The primary purpose of a school fete is fundraising for the school. Can I go or not? I do not know and I have to decide. If I get it wrong, the penalty that is proposed is more than supplying alcohol to a minor. That is some of the detail where we kind of went, 'This might not work.'

Whereas if you go to a permit scheme—I know probably on the face of it that does not seem like a reduction in red tape because we have to apply—I do feel like these events that we are talking about are so potentially broad to be able to give a blanket condition that does not raise concerns like those that the QHA have raised. As I say, the one permit model seems to be working for wineries as far as I know. Can we adopt something similar?

Another example of the detail is it is suggested that the commissioner in a condition like that could put additional conditions such as controlling the number of samples given. Again when I think of that on a practical level, we might be at an event and we might be supplying little samples of beer. We might be able to get three little samples or something, and the limit might be three samples. I might be behind the booth and I give Joe Blow a three-beer sampler, but I might go off and have lunch and another staff member might be there. How is that staff member going to know that Joe Blow does not come and get three more? It is a bit like saying to a publican, 'Everyone can only have two beers.' There are little bits in that that create issues. But as I say, on a permit arrangement we could perhaps look at these event by event, case by case, and if it becomes an issue, pull back or—I do not know, but it would be great to be able to try it.

**Mr KRAUSE:** I do have a couple of questions, but before I jump into them I would like to say that Mr Webster is a constituent of mine, so to that extent I do have some interest in the bill and the provisions before it. I know that he has been producing Scenic Rim beer now for a couple of years but, also as the member for Ipswich West indicated, so do the people in Ipswich which is nearby my electorate. They produced some very good carrot beer recently from the carrots of the Scenic Rim.

Would it be fair to say that it is hard to get your products into the mass market, the bottle shops run by Australian Liquor Holdings, BWS, Coles, Woolies and the big players?

**Mr Webster:** It is very difficult but not impossible. That is why I am targeting the regional areas; it is much simpler. QHA made the comment that, 'Beer is beer. Let's us just call it beer.' But I believe if that was the fact, that people would not be taking our products. We are creating more than just beer: we are putting flavour back into beer. It is a craft product built with love; that is why they do it.

Yes, we have to work slowly in our areas and expand where we are. Some of us would not even get into the bigger retailers. That is just the way that the market is, but we are happy with that. That is why we need to promote our products through events like markets, so that people can come and try and possibly take them with them. They do not have to, but then they know where the outlets are in their local area and they can go and buy. It is a small scale thing.

**Mr KRAUSE:** I see this issue that you have spoken about, where 95 per cent of the market is covered by a handful of large brewers, as being a matter of competitiveness in the market or anticompetitiveness where it is so tied up. It is not just in beer either; it is in a lot of products and grocery products as well. Milk is one that I have spoken a lot about in the past in parliament about the difficulty that local dairy farmers sometimes have in getting their product on the shelf in supermarkets as opposed to supermarket branded products. I think the reason we are all here today is to try and promote local small businesses, the engine room of the economy. You are all employing people that otherwise would not be employed, and that is a good thing.

In terms of increasing access to that, I thank you very much for the submissions you have given us today and also for the constructive dialogue we have had here in terms of improving aspects of the bill where they need to be improved.

**CHAIR:** Ms Fielding, with regard to cider, does your organisation represent members that produce cider?

**Ms Fielding:** No, we do not. We are purely a beer industry association and I believe cider is regulated under the wine act, but I am not an expert on it.

**CHAIR:** Do you think they should be included in this bill?

**Ms Fielding:** I think they already can under the wine act, but again I am not fully across that. I believe true cider, which I think is defined as being apple or pear based, is under the wine act, so potentially it probably can already happen. When it becomes raspberry cider and other flavours I think it then falls into some other area, but I am not entirely sure.

**Mrs SMITH:** Just so I have a better understanding, under the current setup you go along and set up a stall. If I like your beer, I then have to ring you, contact you, organise it online or over the phone and then it is posted to me?

**Mr Webster:** I do not do online sales as yet. That is another issue.

**Mrs SMITH:** But on the whole—

**Mr Webster:** On the whole basically what we do on the day, we have a set of brochures outlining all our outlets. So if you would like to have our product, we—

**Mrs SMITH:** How much business do you believe you are missing, or how much do you anticipate that you have missed through not being able to sell on the spot, even if it is up to a carton? Is that the suggestion?

**Mr Webster:** Like I said, I am not worried about the business side of it, the making money side of it; it is the promotional side of it. You look like a fool when someone says, 'Love your beer. Let's take some home.' 'Sorry, sir, it's not allowed.' And then they look at you and say, 'Why not?' 'It's the way the regulation is. That's the law we've got and that's the law we work with.' It is not about sales; it is about being able to promote our product.

**Ms Fielding:** At the moment we cannot even go to an event and give away samples unless there is already a licence in place for that event, so whether it is at the convention centre or some other food and wine festival that might have an umbrella licence that allows us to giveaway free samples, which is a form of promotion, obviously, it comes at great cost. You usually pay to be there. You pay staff for the weekend and then they are back brewing on Monday. But even within that context at the moment there is no ability to allow people to take a carton home to maybe even partly offset the cost of being there. At most trade shows and things you go to people have a stall, but then they have trade specials so they can sell some stuff and pay for being there. You cannot do that. There is absolutely no way to recoup any costs at all.

**Mrs SMITH:** That is what I was getting at. Because at the end of the day I would imagine most people would go, 'Great, I've got your brochure,' and they walk away and they do not do the follow-up.

**Mr Webster:** They do not do the follow-up.

**Ms Fielding:** Or they would like to go to the bottle shop and buy it but, particularly for a really small brewer, they cannot find it anywhere.

**CHAIR:** Thank you, Ms Fielding and Mr Webster, for your evidence to the committee today. The committee will now adjourn until 1.30.

**Proceedings suspended from 1.01pm to 1.32 pm**

**CHAIR:** Good afternoon. The committee is now reconvened for this public hearing of the committee's examination of the Liquor and Fair Trading Legislation (Red Tape Reduction) Amendment Bill 2015. My name is Mark Furner. I am the chair of the committee. To my right is the member for Morayfield, Mr Ryan. Next to him is my deputy chair, Mrs Smith, member for Mount Ommaney. Next to her is Tony Perrett, member for Gympie. To my left is the secretariat and also Jim Madden, member for Ipswich West. Next to him is Mr Jon Krause, member for Beaudesert.

The committee's proceedings are proceedings of the Queensland parliament and are subject to the standing rules and orders of the parliament. These proceedings are being recorded by Hansard and broadcast live on the parliamentary website. A transcript of the proceedings will be published on the committee's webpage unless there is a good reason not to. I welcome representatives of the Department of Justice and Attorney-General.

**FORD, Mr David, Deputy Director-General, Liquor Gaming & Fair Trading, Department of Justice and Attorney-General**

**SARQUIS, Mr Mike, Executive Director, Office of Liquor and Gaming Regulation, Department of Justice and Attorney-General**

**SMITH, Ms Shayna, Director, Office of Regulatory Policy, Department of Justice and Attorney-General**

**TENNISON, Mr Dominic, Director, Office of Regulatory Policy, Department of Justice and Attorney-General**

**CHAIR:** Thank you for your attendance. I do understand Mr Ford has to leave at 1.55 pm. Thank you for letting the committee be aware of this. I trust you are all familiar with the guidelines of public servants assisting parliamentary committees contained in schedule 8 of the standing orders. I remind each of you to please identify yourself for the first time when you speak and to speak clearly for Hansard. We have a number of questions for the department arising from our consideration of the bill and submissions to this inquiry. While the department is not here to brief us on the bill in the sense that you would be if it were a government bill, I will still invite you to make an opening statement if you would like to do so.

**Mr Ford:** Thank you, yes, I would. Firstly, could I apologise again to the committee for having to leave early. It is something that was completely outside the scope of my ability to control. Thank you for your invitation to attend the hearing. As you know, this bill is almost identical to the Liquor and Fair Trading Legislation (Red Tape Reduction) Amendment Bill 2014, which was introduced by the previous government last year. One of the priorities for the previous government was to undertake red-tape reduction and reduce regulatory inefficiencies. In response to concerns raised by participants at the 2012 DestinationQ forum, the previous government committed to reduce the regulatory burden on the liquor and gaming industries. The purpose was to support Queensland tourism and to cut red tape in a phased approach with assistance from key stakeholders.

A liquor and gaming red-tape reduction expert panel was subsequently appointed to review liquor licensing and gaming laws. The expert panel comprised representatives from industry, the community sector and government. Some of the proposed liquor amendments in this bill are derived from recommendations of that expert panel that have not yet been addressed in previous bills. In addition to this, the bill includes a number of operationally driven liquor amendments relating to legislative issues identified with the Office of Liquor and Gaming Regulation.

The bill also seeks to repeal 14 obsolete church and community organisation acts in line with recommendations made by the Queensland Law Reform Commission and to repeal a section in the Fair Trading Act in relation to directors' liability.

As you are aware, the previous government's bill lapsed in January upon dissolution of the parliament. The current government took to the January state election a multifaceted policy to tackle alcohol fuelled violence to not only reduce the human cost to individuals and their families, but to also reduce the healthcare costs in treating victims and the workload on Queensland's criminal justice system. The government's preferred approach is to achieve cultural change around drinking behaviour, promote responsible drinking practices and create a safer environment.

The government's proposed measures include ceasing the sale of alcohol in licensed venues at 3 am, changing the statewide lockout time to 1 am, limiting the service of high alcohol content or

rapid consumption drinks after midnight and implementing multimedia education and awareness campaigns. As tackling alcohol fuelled violence is one of the current government's priorities, it is likely that any future changes to the liquor legislation will be considered within that context.

Mr Chairman, thank you for the opportunity to appear today. We are happy to answer any questions that the committee has to the best of our ability. However, I of course note that the policy positions on proposals contained in this bill are still a matter for future government consideration.

**CHAIR:** Thank you, Mr Ford. I might ask a few questions before I hand over to my deputy chair. There has been quite a bit of evidence provided at today's hearing in respect of craft beer sales and the operation of them. Are you aware of any issues associated with the sales or promotions at events on this matter?

**Mr Ford:** The issue of craft beer, as I think the previous folk before the committee have indicated to you, is one that was raised by the craft brewing industry, who felt that it was very difficult for them to get access to avenues of sales channels given the way the liquor industry is currently structured. That is no criticism of anything; it is just a reality of the way the industry has evolved over time. They were, therefore, seeking an opportunity to provide sales through the very growing number of community market type facilities that are available in a way which parallels the opportunities which are available to those in the Queensland wine industry. We are not aware—and Mike Sarquis is director of the operational area. I am quite happy for him to add any comments he has, but I am not aware of any issues we have had with the sale of wine through those sorts of events to date. Craft beer obviously has not been able to be sold through them to date.

**Mr Sarquis:** I can confirm that.

**CHAIR:** Have there been any complaints from the public in respect of craft beer sales or of any other nature?

**Mr Ford:** No, not to my knowledge.

**CHAIR:** The evidence provided today indicated they certainly seem to support a lesser amount of productive supply of the particular product, lesser than the 40 million litres that is currently being proposed in the bill. Does the department have a view on that at all?

**Mr Ford:** The 40 million litres came from the national body representing the craft brewers and was put in on their recommendation. The department has no particular view on what constitutes a craft brewery and what does not.

**Mrs SMITH:** Were you aware that Burleigh Brewing Company lodged their submission on 16 July? I am just wondering if you can put in context the difference at the moment between the rules that apply to craft beer and the rules that apply to wine and the differences between the two sets of rules?

**Mr Ford:** Effectively, if there is a local wine and food festival, say in the Botanical Gardens to use an illustration that I think was used this morning, then the wine producers would have the opportunity to provide samples and to sell limited amounts of their products through that opportunity. The craft brewers simply could not do that at the moment. There are some events which are conducted on licensed premises already where craft brewers do have access, but there is a whole raft of those sorts of activities and there is a growing number as people's interest in food, wine, craft beer and all the other bits that go with that increase. That is the basic difference. It is an opportunity versus a non-opportunity.

**Mrs SMITH:** Would it be fair to say that they are being disadvantaged by the current—

**Mr Ford:** That would seem to be the representation that was put to us by the craft brewing association, yes.

**Mr RYAN:** Thank you very much for coming in. I just want to run through a couple of the aspects of the bill to get your frank and fearless advice on it. There is a proposal in the bill to exempt camp drafting events from the requirement for a community liquor permit. Would you say that that would be deregulating the sale and supply of alcohol in those instances?

**Mr Ford:** Up to a point that is true. It removes the need for the group running the camp drafting activity to seek a community liquor permit. What it does not do is give them carte blanche to do whatever they like in reality because they are still bound by the very many provisions that apply. The move to remove the requirement to get community liquor permits for low-risk activities was simply a removal of the requirement to apply for the community liquor permit; it was not a free-for-all as a result of that. The normal provisions of the Liquor Act around supply and so forth still continue to apply.

The other thing I would say is that where we have evidence that a group has abused that opportunity to run an event without applying in advance for a community liquor permit, we can then require them in the future to get a community liquor permit. To say that there is an element of deregulation is true; they do not need to apply for the permit anymore and it is not subject to any scrutiny in advance by the Office of Liquor and Gaming Regulation, but to say that it is a complete deregulation I think is probably not fair.

**Mr RYAN:** Would you also perhaps have similar comments in respect of the sale and supply of alcohol in hotel foyers, the foyers of backpacker accommodation or other facilities like that?

**Mr Ford:** Yes indeed. There is a bit of history to this one. Until the 2009 Liquor Act amendments, the opportunity existed for residential hotels to seek approval to supply liquor through bars that were essentially there for residents and their guests, not as public activities. For a raft of reasons that disappeared in 2009. The industry has sought to have that reinstated. In that sense, yes, it is an increasing supply to a degree. That is mitigated, though, by the fact that, as the amendments are crafted, a hotel wanting to take advantage of that would have to seek the approval of the commissioner and specify the specific areas that were involved and the commissioner could then obviously put conditions on that. Yes, it is an element of deregulation; there is no question about that, but it still remains within the overall framework of the Liquor Act.

**Mr RYAN:** I only have two more questions. Would you have similar comments in respect of the proposal in the amendment bill about the sale of takeaway liquor to signed in guests and visitors of community clubs?

**Mr Ford:** Again, that is a deregulatory measure. At the margin, I suppose, it is probably fair to say that like the other measures it could result in an increase of supply of alcohol to the community. From a regulator's point of view, we would not anticipate that to be a major change in the operation of clubs or a major change in the supply or the competitive market available.

**Mr RYAN:** Finally, to the extent that there is any deregulation in respect of those matters that I have raised and any other matter in the amendment bill, would you say that that is at odds with one of the main purposes of the Liquor Act, which is to regulate the sale and supply of liquor to minimise harm caused by alcohol abuse, misuse and associated violence?

**Mr Ford:** That is an interesting question, Mr Ryan, because what any regulatory act does, whether it is liquor or gaming, is that it provides for an otherwise dangerous activity to be provided in a regulated way to the community. It is all a matter of where you sit within those parameters. Yes, there are a number of measures in this legislation that could be seen to be and in fact are deregulation. The question of whether they make a significant difference to the supply of alcohol, which is obviously an issue for governments generally, is a matter of judgement.

**Mr KRAUSE:** Mr Ford, just picking up on part of what the member for Morayfield was talking about just then, I recall about two or three years ago there were amendments made to the regulation of community liquor permits, which removed the need altogether or removed the need for the payment of a fee in relation to community liquor permits for things such as shows, school fetes and fairs, et cetera; is that correct? Was it removed or was the fee taken away?

**Mr Ford:** It was entirely removed, Mr Krause, for what were regarded as low-risk premises by the then government.

**Mr KRAUSE:** As you rightly point out, it is all a matter of perspective about the risk of a particular event, isn't it? Those activities were considered to be low risk. Just picking up on the camp drafting exemption that is included in this legislation, I know that regional shows have also been included as part of that exemption. It is open to say, isn't it, that camp drafting events fall into that particular category of low-risk activity?

**Mr Ford:** That was certainly the policy position of the previous government. That has not been tested with the current government yet.

**Mr KRAUSE:** But it is open to conclude that it is a low-risk activity, isn't it?

**Mr Ford:** It is open for them to conclude that. It is open for them to conclude, equally, that if they are concerned about the increasing supply of alcohol in the community, that that is one step that they do not want to take. That is a policy question that will need to be resolved at that level.

**Mr KRAUSE:** Certainly I have had positive feedback over the past couple of years about the removal of that permit process and the effort that was required for some community groups to put into applying for that. I have one other question: in relation to the car park licensing amendments in the present bill, are you able to provide some background and reasoning behind those amendments?

**Mr Ford:** Yes, I can, Mr Krause. The car parking amendments were intended to provide a consistency across all licensees in terms of how they could use their car parks for liquor supply for events. There have been, over a number of years, for a whole variety of reasons, a number of different approaches taken with the licensing of car parks. Some of those have worked. Some of those have caused us some regulatory difficulties. I should say, as a matter of context, that one of the largest areas of complaint that the Office of Liquor and Gaming Regulation gets is about noise and a significant proportion of those noise complaints come from car parks. Car parks obviously do not have any noise attenuation around them—no roofs, no walls—so the noise travels. The legislative changes proposed were proposed to provide effectively a new start for everybody, where new permit arrangements would be put in place irrespective of what people currently had at the time and those would be consistently applied across all licensees. They would have to apply for the appropriate permits. They would be given the appropriate conditions so we could minimise the impact. Allow them to do what they need to do for their business, but minimise the impact on the community at large.

**Mr KRAUSE:** Going back to the craft beer issue, do you think the amendments proposed in this bill would effectively put the craft beer industry on a level footing with the local wine industry in terms of how they are able to market their product?

**Mr Ford:** That is certainly the intention, Mr Krause, yes.

**CHAIR:** Before I go to Mr Madden, Mr Ford, I will go to the car park issue. You mentioned there have been a number of complaints relative to noise from car parks. I can imagine in some areas that might be the case. On notice, can you supply probably the number of complaints you have received and the locations of those, too?

**Mr Ford:** We could certainly take that on board, Mr Furner, yes.

**CHAIR:** How do you do an assessment on the basis of whether that be low risk? Is it done purely on the data that you would be supplied as a result of complaints or are there any other mechanisms?

**Mr Ford:** In establishing whether there is a case for a permit in the model going forward, we would have the opportunity to actually go and look at the site to see what they were planning to do to impose decibel levels. We have access to relatively sophisticated noise-monitoring equipment and can give them some specifications as to what sort of decibel limits would be available to them at particular hours. Yes, we can put in place a reasonably sophisticated set of arrangements around that approval. Our inspectors have a great deal of experience in noise matters, as you can imagine, given that it is one of our highest sources of complaints. Mike, I do not know whether you want to add anything to that?

**Mr Sarquis:** I would add that, irrespective of the conditions that are imposed on the licensee, the licensee has an obligation to not make unreasonable noise. I do not profess to be a noise expert, but the provisions are that basically it cannot exceed 10 decibels above the ambient noise up to 10 pm and eight decibels beyond that. That is an obligation that exists across all licensees.

**CHAIR:** No doubt the assessment will be based on the location of residents close to those, if we are talking about car park use?

**Mr Sarquis:** That is correct, and looking at ways in which noise can be mitigated through the way speakers are faced in the car park, for example, and what appropriate area within the car park the source of the noise might be able to be played at, as opposed to other areas and so on.

**Mr RYAN:** I have a question for a bit of clarity around the low-risk event concept. Speaking broadly, there has been some assessment about low-risk events and camp drafting is low risk and school fetes are low risk and that sort of thing. How is that concept devised? Is it just a matter of opinion or is there some evidence to support what is a low-risk event?

**Mr Ford:** Mr Ryan, we obviously keep records of complaints we have had and any interactions that police may have had, because the police act as inspectors under the Liquor Act, too, of the sorts of events that they or we have to attend. It is based on our historical assessment and our historical experience.

**Mr Sarquis:** Just to comment on that, as well: if we look at pre and post the changes to the CLP requirements, we have seen a 75 per cent reduction in the number of CLPs. In the financial year just gone, we issued just over 1,500 CLPs. Previously that was well over 6,000. Since the red tape reduction initiatives were introduced, we have really only had issues with about four events over that time. I think that that would support that concept of identifying them as low-risk events.

**CHAIR:** Mr Ford, on your point in regards to police responding to complaints, is that information shared with the department?

**Mr Ford:** Yes.

**Mr Sarquis:** Yes, it is. We have access to reports from their QPRIME system.

**Mr PERRETT:** Around the community events and, in particular, camp drafting, I come from a region where a camp draft is held nearly every second weekend, all run by volunteers to raise money for community facilities, community purposes and the like. I have a couple of questions in and around that. Is the department aware of any problems currently occurring in relation to the sale of or availability of alcohol at camp drafting events?

**Mr Sarquis:** No. We have no evidence of any problems there. They are largely family-type events, so we generally do not have problems with those sorts of events.

**Mr PERRETT:** Is it fair to say that the department has not received any complaints about the sale of alcohol at camp drafting events?

**Mr Sarquis:** No, not that I am aware of. If it was a significant issue, I think I would be aware of it.

**Mr MADDEN:** Mr Ford, I have a question with regard to the availability of approved managers. Is the department aware of any problems that exist with regard to the availability of an approved manager under the current legislation?

**Mr Ford:** This matter has been raised with us by the industry on a number of occasions. I think it is pretty much more an issue for those hotels that are in more remote locations where there may only be a very limited number of people who are approved managers available at a site. It can be, quite simply, very difficult if a manager of a remote pub has to drive a couple of hours to a medical appointment or to do some banking or to conduct some business and there is not readily available another person in that environment. It is not so much an issue in the urban areas or in the larger properties, but in the smaller rural ones there have been some issues over time.

**Mr MADDEN:** That explains that. I have another question that goes back to camp drafting. Is the department aware if the current provisions provide any impediment to camp drafting events being held?

**Mr Ford:** Other than having to apply for a community liquor permit, no.

**Mr MADDEN:** That is a relatively straightforward process?

**Mr Ford:** It is a relatively straightforward process, although it is a process and it does involve costs. Again, from a government policy point of view it is how that trades off.

**Mr MADDEN:** What is the cost to apply for a permit?

**Mr Sarquis:** \$63.20.

**Mr MADDEN:** And it is approved by the local council and the local officer in charge of the police station?

**Mr Sarquis:** We consult with the police in relation to the issue of a CLP.

**CHAIR:** I think you have to go, Mr Ford. I thank you for your attendance.

**Mr Ford:** My apologies, again, to the committee.

**CHAIR:** Thank you.

**Mr Sarquis:** If I can add, it is, by and large, quite a straightforward process, particularly if the organisation has had a positive history with us. They can apply online and the permit will be issued within a matter of minutes if there is no problem.

**Mr MADDEN:** Is that right? It is a relatively straightforward process.

**Mr Sarquis:** It is a relatively straightforward process.

**Mr MADDEN:** That is great, thank you.

**Mr KRAUSE:** Mr Sarquis, you mentioned that it is relatively straightforward, the cost is not too great and it can be approved online in minutes. What is the benefit of it, then?

**Mr Sarquis:** I guess it is, in one respect, by exception. Depending on the nature of the event, it gives us an opportunity to have a look at the event, to determine whether there needs to be an event management plan put in place. It gives us an opportunity to inform the police that the event is going to be held and, in that way, just be satisfied and confident that appropriate risk-mitigation strategies have been put in place.

**Mr KRAUSE:** But you would only be able to do that if there was a history of noncompliance?

**Mr Sarquis:** That is correct.

**Mr KRAUSE:** Or issues?

**Mr Sarquis:** That is correct, except obviously we are able to inform the police when an event is to take place, even if there has been a good history and there is no need for any special requirements around the issue of that permit.

**Mr MADDEN:** I have a follow-up question on that and I am comparing the existing situation to the proposed situation. Is there any radical change in the powers of the police in dealing with, say, inappropriate behaviour in the existing situation versus the proposed situation? I am wondering whether under the permit system the police have more power than under the situation where no permit is required?

**Mr Sarquis:** The police are investigators under the Liquor Act, but obviously they also have powers under their own legislation that they administer. They are not constrained in any way if that is what the purpose of the question is?

**Mr MADDEN:** I am getting at a situation like if there is unsavoury behaviour as a camp drafting event, under the existing regime where a permit is required do the police have the power to shut down the event or at least stop liquor sales under the permit system?

**Mr Sarquis:** Yes.

**Mr MADDEN:** Whereas under the no-permit system, all they would be able to do would be arrest the person who is causing the trouble and the event would continue.

**Mr Sarquis:** I do not profess to fully understand police powers, but if there was a danger to the safety of the public I suspect that the police would have powers to deal with that matter and potentially close the event down if that was necessary or close the bar.

**CHAIR:** Mr Tension, I detected that you may want to make some input into that question?

**Mr Tension:** In relation to the powers under the exemption as they apply, to my knowledge—and I might stand corrected on this—if problems occur and those are specific under the provisions in relation to, say, the service of minors or disorderly conduct or intoxication and they are detected by police, then under the exemption provisions they are able to prosecute the perpetrator, if you like, for selling liquor without a licence and ask them to cease that sale of liquor. So they could, in effect, using those provisions, stop the service of liquor indirectly through those means. I might stand corrected on that, but to my knowledge those powers do exist.

**Mr Sarquis:** That in fact is correct. In addition to that, for future events you could impose a requirement that they would be required to get a permit as well.

**Mr PERRETT:** In that case are you aware of any examples of police having used those powers to close events under the current system where a permit is required to sell alcohol—for example, at campdrafts?

**Mr Sarquis:** Not at campdrafts—I am not aware of any. We have had one incident involving a turf club in North Queensland where the police did shut the bar one hour earlier.

**Mr PERRETT:** It is fair to say that there are no examples you can point to with regard to campdrafts of police having used those powers to close them down under the current requirements.

**Mr Sarquis:** That is correct.

**CHAIR:** I want to ask some questions around sporting carnivals and their requirement to have community liquor permits. Is there a number for events before they need a particular permit as such?

**Mr Sarquis:** It is at the discretion of the commissioner. It is actually a matter that we have had some discussion around given that the exemption requirement applies to one-off events. I could stand corrected on this, but if there were three to four events per year then they may well be deemed as one-off events. If it were more than that then a CLP would be required. I would reiterate though that if there were any problem with a particular event then we have the ability to require the organisation to apply for a CLP.

**CHAIR:** So are there any grounds to, say, stop large sporting or other events needing proper regulation?

**Mr Sarquis:** We generally find that those types of events do not cause a problem. It is for that reason that generally because of their low-risk status they are exempted from the requirement for a CLP.



**CHAIR:** I return to the questioning earlier about the consumption of alcohol in a foyer and in other areas under the proposed bill. What is your understanding of other areas? Would that be, for example, an area around the pool or other locations within the confines of a particular establishment?

**Mr Sarquis:** It could be, although each nominated area is subject to approval. So we would need to examine what the licensee is proposing. Then it would be a matter for the commissioner to make a determination. But if there is a bar around a pool, potentially it could be authorised to sell after hours.

**CHAIR:** So the current restriction applies to the consumption of alcohol in one's room other than in a bar area.

**Mr Sarquis:** That is correct.

**CHAIR:** So potentially you could have circumstances where a person or a group of persons, including visitors that may be in that area, are consuming alcohol in and around other persons' rooms. They might not have any relationship to the people who are intending to do this. It could be quite broad, as I understand the proposal in the bill before us.

**Mr Sarquis:** I guess that is possible. Obviously the owner of the business has a business to run and has to try to keep his clients happy. I think they would need to be mindful of the area that they are looking to have alcohol authorised for sale such that it did not impact other clients within his or her establishment. But I would just come back to the point that the area to be used for that purpose is in fact subject to review and approval.

**CHAIR:** And no doubt there would be a requirement to have persons withholding RSAs and that sort of provision to make sure that it was under control.

**Mr Sarquis:** All of the normal responsible service requirements would exist. That is correct.

**Mrs SMITH:** I just wanted to go back to craft beer and the discussions around that. Have you got an understanding or an idea of what is happening in other jurisdictions across Australia in regard to how they are dealing with this new industry of craft beer in terms of sales?

**Mr Sarquis:** I really cannot speak with any authority on that. I do not know whether either of my colleagues can make a comment on that.

**Ms Smith:** We do know that there is the ability in a number of other jurisdictions similar to what is proposed in the bill where a producer-wholesaler can, through administrative mechanisms within their legislation, have an authorisation placed on their licence or approval to sell or sample or promote at promotional type activities. There is also the ability in a number of jurisdictions to allow interstate producers to apply for a limited licence within that jurisdiction to attend either a specific event for promotional purposes as well.

**Mr MADDEN:** I have a general question and any of you could answer this question. It is with regard to clause 43, which inserts a new proposed section 217(4A), which states—

(4A) A licensee under a producer/wholesaler licence, or a permittee under a craft beer producer permit, (each a **producer**) must make and maintain a correct and up-to-date record (a **promotional events record**) of each promotional event at which the producer—

(a) sells ...

It is the penalty that interests me. It is 350 penalty units. Is the penalty unit currently \$100? It just seems like an extraordinarily large penalty for somebody who fails to keep a record of each promotional event they attend.

**Ms Smith:** Going back to interstate jurisdictions, a number of interstate jurisdictions have a similar requirement, and this is modelled on that. This is because it would be difficult for compliance and inspection activities to be carried out at farmers markets throughout Queensland, for example. So requiring a record to be maintained and to be properly maintained was seen as an important aspect of this. It was not to circumvent, through obtaining a permit or licence condition for promotional activities for craft brewers, the other licensing requirements in the act. So it was seen as an important necessity and that is why the penalty was large.

**Mr KRAUSE:** For the benefit of all of the members here, I do not think we have gone into a great deal of detail about the two processes that this bill provides for for craft beer promotion. They were set out but would one of you be able to go through them briefly? I do not know who would be the best person.

**Mr Sarquis:** I am happy to answer it in the first instance. There are the two options. You can seek a variation to a licence. So if you are an existing producer-wholesaler you can seek a variation to a licence to allow you to sell at farmers markets et cetera. Alternatively, if you are from interstate

or if you already hold a producer-wholesaler's licence but for whatever reason do not seek a variation to your licence to have that condition included on your licence then you can do it under a permit system.

**Mr KRAUSE:** So that would be on an event by event basis?

**Mr Sarquis:** Shayna, correct me if I am wrong, but I think the permit exists for three months. Is that correct?

**Ms Smith:** That is if it is an event of a similar nature. For example, if you were wanting to go to a fortnightly farmers market, it was seen as quite onerous to have to apply every two weeks. If it is an event of a similar nature then there was the ability to have a permit for a period of time, three months.

**Mr KRAUSE:** Just explain to me how is that different to the first option where you actually apply for an extension to your producer-wholesaler licence?

**Mr Sarquis:** You can include a condition on your producer-wholesaler licence and thereafter you are permitted to be able to sell at those sorts of events without a limit to time. Under the permit system, there is a time limit.

**CHAIR:** I just want to ask some questions around the proposal in the bill to provide flexibility for the use of appropriate management on site. I understand that the Kings Cross area has introduced initiatives in relation to particular management scrutiny and no doubt that has seen a significant reduction in alcohol fuelled violence in Kings Cross, as one area. Also, the Queensland Police Union has in a joint submission indicated that the responsibility for management should be from 10 pm, as opposed to 12 am. Would the current bill before us in terms of providing flexibility have a bearing on this particular matter of providing a possibility of greater violence should we see some reduction in areas of management?

**Mr Sarquis:** The current bill does not deal with that specific issue. Currently the legislation requires that it is mandatory to have an approved manager on site post midnight. The current bill does not seek to change that. The current government has not indicated a policy position in relation to the question you raise of whether that mandatory requirement ought to be moved back to 10 pm rather than midnight. I do understand in relation to the Kings Cross situation that, while those sorts of initiatives were introduced, they were in conjunction with a range of other initiatives including mandatory ID scanners and limiting trading hours.

**CHAIR:** Are there any other questions?

**Mrs SMITH:** I just have one in regard to applying for the community licence permit. It is online now. How many pages roughly or how much time is required to apply for it online and pay the \$63.20?

**Mr Sarquis:** I should point out that it is an option for you to apply online. You could come in and fill out a written application still. To be quite honest, I have not actually sat down and worked through it but it is literally some minutes. Particularly if you have a history with us, you would be able to complete it within 10 to 15 minutes quite comfortably, I would expect.

**Mrs SMITH:** You do not know how many pages?

**Mr Sarquis:** Online it just flows through. I am not sure how many pages there are in that sense. The manual form probably has something like four to five pages, but I could stand corrected on that. We also have a series of questions which the applicant needs to go through online or you can do it manually as well. That will give you the answer as to whether you actually require a CLP or not.

**Mr RYAN:** My question is in respect of the application process for community liquor permits and I guess liquor permits generally. Given the nature of those forms and the questions that may be asked, do you think that there is also an educational aspect to it where applicants turn their minds to potential risks and in completing that form consider the risks associated with their event and plan accordingly?

**Mr Sarquis:** Yes, I think that is an important element of the process. We have a number of commission guidelines which have been issued to assist organisations in holding those events, including a planning guideline as well.

**Mr RYAN:** Excellent. So if the requirement to apply for a community liquor permit is removed, which is the proposal under this bill, those applicants to some extent will not be exposed to that opportunity to turn their minds to the risk. Has the department been consulted by the member for Mansfield, the proposer of this bill, about the additional work the department may need to do with those event organisers to ensure that they do consider risks?

**Mr Sarquis:** The consideration of removing the requirement for a CLP was part of obviously the red tape reduction initiatives of the former government. It was done more from that perspective than what might be the imposition on the department. The department has had to adjust accordingly, as you would expect, as the legislation is passed. I would go back to those statistics that I mentioned before where we have seen a 75 per cent reduction in the issue of CLPs. We have not seen a significant uplift in the problems that we are experiencing from these types of events so far, and it is relatively early days still.

**Mr RYAN:** I think that is the key point.

**Mr Sarquis:** That could change over three or five years.

**Mr RYAN:** There may be event organisers who have in the past completed those forms and considered risks and who are still in that same mindset, but they may not be in that same mindset in a few years time. So the key thing is that there has been no proposal or consideration about further education to event organisers in light of possibly removing a process which allows them to consider the risk.

**Mr Sarquis:** Not at this point. Obviously, one of our obligations as the regulator would be to monitor that situation, and if we felt that an education program was necessary then we would certainly embark on that. I would just emphasise though that as events are held we do monitor those in a general sense and certainly the police do. If any issues arise, then we would look to address those on an event by event basis or organisation by organisation basis. If there were problems, then we would be requiring that organisation to apply for a CLP.

**Mr RYAN:** Would it be correct to say though that the process envisaged under these amendments would be a reactive approach rather than a proactive approach—if you are only responding to complaints and if you are only taking input from the police about events which may have been a problem?

**Mr Sarquis:** I think it is fair to say that it would be a reactive approach. However, it would be a reactive approach in relation to what are deemed to be very low-risk events.

**Mr RYAN:** Would it be correct to say that those events may be considered low-risk events because of the work that has been done in the past and the educative approach that has been applied in the past for applicants to consider the risk of those events?

**Mr Sarquis:** The issue of a community liquor permit does not guarantee that there actually will not be any problems with that event. It is, in a sense, a risk management strategy and hopefully would reduce the likelihood. But there is no guarantee. The fact that CLPs are not required for some, as I say, they are seen as a low-risk event and our history so far would suggest that they have been well identified, if that is a correct way to put it.

**Mr RYAN:** Thank you.

**CHAIR:** Are there any last questions?

**Mrs SMITH:** I would like to follow on that point. So with the P&Cs and their trivia nights now that do not have to apply, would you say that the organisers there are just using common sense? We have not seen any increase in incidents or antisocial behaviour, so we have given that common sense back to the local community.

**Mr Sarquis:** That would generally seem to be the case, although I have got to say that, with a lot of those organisations, they are responsible and they are aware of their obligations and will make themselves aware of their obligations.

**Mrs SMITH:** Yes, thank you.

**Mr PERRETT:** Mr Chair, just to follow up on that, in that case then campdrafts could be suitably expected to follow those same sorts of principles, given my observations. They are family events in the main, and I think perhaps campdrafts could fit into that. Would you think that is quite feasible?

**Mr Sarquis:** Yes. Our experience of those events to date would suggest that that is the case.

**CHAIR:** If there are no other questions, I thank you for your attendance here today. There were one or two questions taken on notice, so we ask for them to be supplied. That concludes the committee's questions to the representatives of the department. I thank all other witnesses who have attended here today. I also thank Hansard and the secretariat. A transcript of the proceedings will be available on the committee's parliamentary webpage as it becomes available. I now declare the committee's public hearing into the examination of the Liquor and Fair Trading Legislation (Red Tape Reduction) Amendment Bill 2015 closed.

**Committee adjourned at 2.21 pm**