Parliamentary Submission on the effect of red tape on the sale, supply and taxation of Alcohol

Joint submission of the Australian Taxpayers’ Alliance (ATA) and MyChoice

Introduction

1. ATA and MyChoice welcome the decision by the senate committee on red tape to review regulations concerning the sale, supply and taxation of alcohol. We express thanks for the opportunity to present the following submission.

2. The ATA is a grassroots, free-market advocacy group, consisting of over 25,000 members. The ATA stands for the principles of limited government, personal responsibility, federalism and rolling back the regulatory state. MyChoice Australia is a project of the ATA, dedicated to restoring individual freedom, personal responsibility. Neither the ATA nor MyChoice receive any funding or donation from individuals or businesses that are affected regulations concerning the sale, supply and taxation of alcohol.

3. ATA and MyChoice believe that good regulations can support and foster businesses while delivering beneficial outcomes for the community. However, excessive, ill-conceived, badly drafted or redundant regulations hurt communities and business by placing an undue burden upon them. Businesses see their profitability suffer which in turn affects the opportunities they are able to provide for their workers. Consumers suffer the loss of choice and convenience as well as having to pay more for the same products. The economy ultimately suffers as commerce is hindered. The loss of economic output as a result of red tape across all sectors of the Australian economy has been estimated at $176 billion per year,¹ approximately $19,067 per Australian household every year.

4. ATA and MyChoice accept that harms associated with excessive or irresponsible alcohol consumption necessitate reasonable regulations on its sale and supply. Though regulations aim to protect the consumer and community, they rarely target individuals engaging in irresponsible consumption and instead target the vast majority of consumers who consume the product responsibly and who cause no harm to themselves or others.

---

5. Australia is currently home to some of the strictest alcohol regulations worldwide. Regulations have broadly focused on limiting the availability and marketing/promotion of alcohol products as well as controlling their price. Alcohol is taxed at a very high rate. The place where and times when alcohol can be purchased and consumed are heavily limited. There is also a stringent regime in place governing the marketing and promotion of alcohol.

6. The number of liquor licenses issued in Australia went up from 32,269 to 55,326 between 1997 and 2012, a 71.5% increase. Alcohol has also reduced in price relative to real wages growth and there has also been an increase in alcohol advertising, sponsorship and promotion. Despite these factors, the Australian Bureau of Statistics (ABS) has confirmed that pure alcohol consumption per capita has fallen to its lowest level since the mid-1990s, 24.6% down from 1970s per-capita consumption levels.² Notably, abstinence from drinking has also increased with significantly fewer teenage drinkers reported in 2010 than in 2007.³ The rate of drunken assaults in NSW has also fallen despite a significant increase in the issue of package liquor licenses.⁴

7. These findings contradict the alarmist concerns underpinning the public health objectives used to justify increasing taxes and regulations on alcohol. The ATA and MyChoice believes that they highlight that now is the time to reduce alcohol taxes as well as reducing regulations on its supply and sale. We make the following recommendations:

- the effects on compliance costs (in hours and money), economic output, employment and government revenue;
- any specific areas of red tape that are particularly burdensome, complex, redundant or duplicated across jurisdictions

Opening Hours

8. ATA and MyChoice believe that opening hours for liquor stores and for licensed alcohol-serving establishments should align with community needs and the wellbeing of the economy.

9. Packaged liquor stores and packaged liquor shops attached to licensed hotels, bars, taverns etc. should be able to operate at the same time. Western Australia for example, mandates that liquor stores cannot trade on a Sunday whilst bottle shops attached to pubs, bars and taverns selling the same products are allowed to operate.⁵

10. In NSW, packaged liquor stores cannot operate on Boxing Day, Easter and until 1 pm on ANZAC day whilst bottle shops attached to licensed establishments continue to operate.⁶

³ AIHW 2010 National Drug Household Survey November 2011, Table 4.1
⁴ NSW Bureau of Crime Statistics and Research, (BOCSAR) Reference :kg13-11482
The Australian Liquor Stores Association estimates that this costs shop owners up to $3.5 million in lost opportunity.7

11. These laws unreasonably discriminate against liquor store owners, their employees and customers rather than addressing irresponsible alcohol consumption or any anti-social behaviour.

12. ATA and MyChoice believe that the law in these states must be reformed or that alternatively, a national standard should be put in place which aligns packaged liquor store trading hours with those of bottle shops attached to licensed venues. This will ensure a non-distorted, competitive market for consumers as well as providing more work and employment opportunities for employees at a time when states including South Australia and Queensland report staggering youth unemployment rates.8 9

Inter-state RSA certificate recognition

13. ATA and MyChoice believe that the Responsible Service of Alcohol (RSA) certification which is currently awarded at a state level, should be recognised across state lines. Under this approach, a bartender in Tasmania would be able to move and work at a bar in New South Wales legally using his Tasmanian RSA certificate and competency card without being required to obtain a NSW-issued RSA certificate.

14. There are no significant differences between the principles governing responsible service of alcohol from one state or territory to the next. Individuals possessing adequate training and experience in alcohol service in one state must waste time and money to obtain the same qualification when they work in a different state. This hurts workers while resulting in a less competitive labour market and fails to encourage the availability of workers in rural or remote areas where there may be shortages.

15. The Australian constitution holds that ‘trade, commerce, and intercourse among the States, whether by means of internal carriage or ocean navigation, shall be absolutely free’10 Though courts of law have not extended this decree to the inter-state liquor service labour market, ATA and MyChoice believe that policy makers should apply this principle by instituting the valid recognition of inter-state RSA certificates at the state and territory level.

Liquor licensing process reform

---

10 Commonwealth of Australia Constitution Act 1900 (Cth) s92.
16. Currently, liquor licensing and the restrictions imposed by the licensing regime are widely regarded by Australian businesses as burdensome and an example of overregulation.ATA and MyChoice believe that reform to multiple aspects of the licensing regime and process would be beneficial and an ideal avenue for reducing red tape.

17. Most Australian states currently employ a two-tier process before a liquor store can be opened or operated. Applicants must produce two comprehensive ‘impact statements’ in order to seek both town planning approval from the local council as well as license approval from the state government.

18. This results in undue duplication of functions by both levels of government, whereby assessment carried out by one body is not recognised or taken into account by the other despite considerable overlap between the two functions. This leads to the wastage of public taxpayer resources.

19. This duplicated process also results in needless uncertainty, cost and delay for businesses.

20. ATA and MyChoice recommend either that the current process be replaced completely with a single-tier approval from the state government taking into account local planning/zoning, or that approval at the local council (town planning) stage be taken into account by the state government license issuing body in order to fast-track the approval process.

Digital pilot for a streamlined process

21. In 2016, the city of Parramatta in NSW introduced a digital pilot designed to cut red tape for new bars, cafes and restaurants. As a result, the timeframe for setting up a new business in these categories has reduced by 83% to just 3 months. 35 new businesses have opened since the project was launched, providing a substantial boost to the nightlife and vibrancy of the area.

22. ATA and MyChoice recommend that a similar model be implemented by the federal government nationwide or by state governments in order to reduce red tape and foster the industry across the country.

Liquor license fee reform

23. In principle, most state governments impose liquor license fees on liquor stores and alcohol-serving establishments which are meant to be commensurate with the associated ‘risk’ of the commercial activity.

24. In practice, this is often not the case and discrepancies in license fees have resulted in irrational and unconscionable outcomes for licensed businesses.


12
25. In the ACT, a liquor store operating near a shopping centre and which closes at 9 pm pays a significantly higher license fee than a nightclub operating in the CBD precinct which is open until 4 am. In NSW, a family business operating 18 liquor stores across the state with no recorded infractions is required to close at 10 pm and pays 140% more in fees than a large-capacity nightclub venue in the Sydney CBD precinct that operates until 3 am.

26. Neither of these cases demonstrate a link between the fee rate/amount and whether the associated customer demographic and drinking behaviours of the licensee’s business connote greater ‘risk’.

27. ATA and MyChoice believes that these fees are driven primarily by a desire to increase government revenue rather than a genuine appraisal of ‘risk’.

28. ATA and MyChoice recommend that the licensing process be streamlined into fewer license categories in order to simplify the process for businesses to ensure that undue cost and delay is avoided.

29. ATA and MyChoice also recommend the introduction of license-specific fees rather than risk-specific fees in order to ensure a genuine appraisal of ‘risk’. These fees may be adjusted based upon the actual license infractions of the individual business in question rather than based on presumptions which, the examples noted above suggest, may be made arbitrarily.

30. ATA and MyChoice further recommend the introduction of flat, indexed fees based on each license, rather than the current model whereby larger venues are taxed in a ‘progressive’ manner at a higher rate than smaller venues. ATA and MyChoice believe that this distinction is largely arbitrary and the system is designed to favour revenue raising rather than incentivising commerce as it effectively punishes rather than rewards businesses engaging in a greater magnitude of trade and commerce. A flat fee may lead to smaller venues paying slightly more than they currently do. However, it would still amount to a considerable overall reduction of red tape as well as an incentive for smaller businesses to expand and grow. Fee indexation would provide a safeguard against arbitrary or revenue raising-driven fee increases in the future.

10pm takeaway Liquor Restrictions

31. ATA and MyChoice submit that there is no basis in logic or evidence for the 10pm takeaway liquor restrictions, and that these present a considerable hindrance to law abiding citizens. It is particularly noted that these cause significant problems in regional and rural areas and they should be abolished state-wide.

32. ATA and MyChoice further recommend that alcohol be permitted to be sold at convenience stores and inside supermarkets, as occurs without incident in almost every other western country despite the powerful vested interests protecting the status quo.
e. Alternative institutional arrangements to reduce red tape, including providing subsidies or tax concessions to businesses to achieve outcomes currently achieved through regulation;

Repeal alcohol-specific taxes

33. ATA and MyChoice believe that so-called ‘sin taxes’ on products such as alcohol should be repealed or significantly reduced. Not only do these taxes distort the market while penalising mainly the majority of consumers who drink responsibly, they also represent the overreach of government whereby the relative price inelasticity of these products is used as justification to exploit ordinary consumers for the purpose of raising government revenue.

34. The introduction of the GST in the 1990s resulted in the repeal of several product-specific taxes, with alcohol being a significant exception. The bi-annual CPI increases to beer and spirits excise taxes and a 29% Wine Equalisation Tax (WET) have rendered Australia one of the highest alcohol-taxing OECD countries.13

35. This inhibits craft and boutique producers from entering the market and growing their business above a size in which a tax concession presently exists. Other countries with wine, beer, cider, and spirit producers choose not to tax these industries at all (or very lightly).

36. ATA and MyChoice recommend that these taxes be reviewed and replaced or significantly reduced in order to foster small business and a more competitive market.

37. ATA and MyChoice also recommend that tax concessions based on business size be removed. Though ATA and MyChoice ordinarily favour tax concessions which foster business, we believe that these concessions have the opposite effect of discouraging growth and competition by discouraging businesses from expanding beyond a certain size or scale.

Reduction and reform of spirit taxes

38. ATA and MyChoice believe that the present alcohol taxation regime in Australia hurts businesses and unreasonably discriminates between producers of some beverages (such as beer and wine) over others such as distilled spirits. The result is that Australians pay some of the highest taxes on spirits in the western world, whereby our domestic spirits struggle to compete against cheaper imported spirits.

39. Currently, beer and wine is taxed at 4 cents per standard measure whereas a single shot of spirits is taxed at $1. Beer and wine makers also benefit from a significant tax rebate of the first $300,000 in collected excise which they can reinvest into their business, product or brand in order to foster its growth. Spirit manufacturers do not receive this rebate.14

40. This regime discourages small businesses such as independent distilleries, many of which are located in rural or regional tourist destinations, from entering the market, growing their business or further developing their product.

41. ATA and MyChoice believe that in a country known internationally for its regional boutique wine and beer producers, there is no reason why the potential for boutique distilleries and the tourism revenue they could directly and indirectly generate should be needlessly hindered.

42. ATA and MyChoice recommend a single volumetric tax for alcohol products that taxes drinks based on their individual content rather than based upon the type of alcohol they contain.

43. Note that ATA and MyChoice support this approach on the pre-condition that the total amount of revenue raised by the tax after the introduction of volumetric taxation of alcohol does not exceed the total revenue currently raised. This will ensure that the reform does not result in an effective tax increase.

44. ATA and MyChoice also recommend that the tax rebate offered to beer and wine makers be extended to manufacturers of distilled spirits so these businesses may reap the same benefits which have seen our beer and wine industry grow to be internationally renowned and competitive.

Further evidence of the burdensome, arbitrary and needlessly complex state of the current alcohol taxation system – in support of a volumetric tax for alcohol

45. The following chart illustrates the paradoxical and contrasting results of Australia’s complex, multilayered alcohol taxation system which ultimately hurts businesses due to its complexity, unfairly and arbitrarily favours some alcohol products over others and hurts consumers. A volumetric tax system for alcohol would simplify the process and hence promote favourable outcomes for business and consumer.

46. The tax paid on a standard drink of full-strength beer exceeds the per standard drink tax paid on draught beer.

47. The tax is paid per standard drink upon purchase of low-alcohol bottled beer than mid-strength beer available on tap.

48. A Ready To Drink (RTD) product with the same alcohol content as a full-strength beer is taxed at double the rate under a measure introduced in 2008 which remains in place today.

49. At one extreme, 5 cents of tax is paid per standard drink for cask wine. At the other extreme, $1 is paid per standard drink of spirits and RTD products despite evidence suggesting any imperative reason for such a tax rate discrepancy between the two alcohol products.\(^\text{15}\)

50. Brewers pay less excise for beer sold in vessels larger than 48L and beer sold in vessels (kegs and bottles) less than 48L attract a higher rate of excise. This effectively punishes smaller, craft brewers and makes it even more difficult for them to compete with their large, established, mass-producing counterparts.

**g. any related matters**

51. The following section will consider alcohol and alcohol-serving establishment restrictions with a broad focus on Sydney’s ‘lockout laws’ and their intended purpose of reducing alcohol-related violence. These sections also appear in the ATA and MyChoice’s submission to the Independent review of the impact of liquor law reforms (2016).

**Alcohol Related Violence**

52. It is not disputed that there exists a problem in Australia with a small minority of individuals engaging in antisocial activities while under the influence of alcohol, and that this is an appropriate question of public policy for our government to address. The issue for this review is the appropriateness of the measures undertaken for the purpose of addressing such violence.

53. It is noted that data released by the Bureau of Crime Statistics and Research (BOSCAR) has demonstrated that in the Kings Cross precinct (NSW), the assault rate was falling since 2008 — six years prior to the introduction of ‘lockout laws’ which mandate a 1:30 am closure on new entries to venues and a 3 am closure of venues. This demonstrates that the incidents triggering the lockout laws occurred at a time which would have been unaffected by the lockouts.

54. It is further noted that since the introduction of lockout laws, assaults have reduced by 36.2% in Kings Cross. However, this should be viewed in conjunction with research conducted by the City of Sydney Council that has shown an 84% decrease in foot traffic\textsuperscript{16}. As such therefore, per capita assaults in the Cross have in fact \textit{increased} by a whopping 450%.

55. It is further submitted that increased police visibility and changes to criminal statutes relating to assaults committed by persons under the influence of alcohol may have contributed to the reduction in assault rates, and it is noted that there appears to be an increase in assaults in Pyrmont and other surrounding suburbs. Furthermore, anecdotal evidence would suggest that many instances of what is termed “alcohol related violence” in Sydney is in fact committed by perpetrators misusing substances, whether illicit or performance enhancing steroids and other such drugs.

56. ATA and MyChoice submit that the issues in Australia with “alcohol-related violence” must be viewed in the context of overwhelming international research on the subject spanning decades, and cannot be viewed in isolation. ATA and MyChoice note that any traveler to the European Continent would note the wide-scale drinking in public areas after midnight, with little to no violence occurring as a result. This is in line with research that demonstrates that “\textit{There is enormous cross-cultural variation in the way people behave when they drink}”\textsuperscript{17}. As such, the fundamental question that must be addressed is the reasons underpinning criminal actions in \textit{Australia} which do not occur elsewhere – a question addressed overwhelmingly in scientific literature on the topic.\textsuperscript{18} \textsuperscript{19} \textsuperscript{20}

57. It is noted that multiple controlled experiments conducted under double blind control conditions and longitudinal/cross cultural studies have confirmed that aggressive behaviour is determined by cultural expectations rather than the chemical effects of ethanol.\textsuperscript{21} \textsuperscript{22} A meta-analysis of the international evidence has concluded that “\textit{From the research evidence}}

\textsuperscript{16} Submission 110, City of Sydney. NSW Parliament Legislative Assembly Law and Safety Committee Inquiry into measures to reduce alcohol and drug related violence p2
\textsuperscript{17} Social and Cultural Aspects of Drinking, A report to the European Commission. The Social Issues Research Centre. March 1998 p6
\textsuperscript{18} “It is noted that a landmark study looking at alcohol-related aggressive behaviour across the world found that “alcohol-related aggressive behaviour—as measured by male involvement in drunken brawls—is about as likely to be present as it is to be absent” Alcohol and Disinhibition: Nature and Meaning of the Link, Washington DC: US Department of Health and Human Services, Research Monograph 12, 1983
\textsuperscript{19} “men engaged in drunkenness in 76% of 60 small societies examined, but aggressive drunken behaviour was found in less than half “ Alcohol and Violence :Exploring Patterns and Responses. International Centre for Alcohol Policies. 2008 p12
\textsuperscript{20} The prestigious journal Criminology has noted that “The evidence suggests that drinking has a strong effect on adolescent violence in the Nordic and Eastern European countries but has little or no effect in the Mediterranean countries” Feelson et al, The Cultural Context Of Adolescent Drinking And Violence In 30 European Countries. Criminology. 7 Aug 2011
\textsuperscript{21} “Reviews of ethnographic evidence show that the behavioural outcomes of drinking are always in accord with what people in a given culture (or sub-culture) expect to happen, and that individuals internalise such expectations during the learning process of socialisation...Experiments conducted under controlled conditions (double-blind, with placebos) in different cultures confirm that aggressive behaviour is determined by cultural expectations rather than the chemical actions of ethanol: in cultures where alcohol is believed to cause aggression, subjects become aggressive even when they have been given a placebo”. Alcohol and Violence: Cultural Factors. Social Issues Research Centre. sirc.org/publik/alcohol_and_violence_7.html Accessed 4 April 2016
\textsuperscript{22} “Both comparative studies and controlled experiments have demonstrated, however, that while ethanol produces well-understood neurochemical changes, the wide variations in social and behavioural outcomes of drinking can only be explained with reference to cultural factors, and to culturally determined beliefs about the effects of drinking” Social and Cultural Aspects of Drinking, A report to the European Commission. Op Cit. p5
Given the overwhelming international evidence of variability and that “alcohol related violence” is not a universal factor, and the evidence demonstrates that cultural factors are at the core of alcohol-related violence, it is submitted that this is what ought to be addressed by policies developed to address the problem.

It is submitted that the current approach in NSW and elsewhere inefficiently and ineffectively focuses on the symptoms rather than the underlying issue and that this results in disproportionately negative effects upon local nightlife, consumers and industries complying with the laws and regulations.

The academic consensus on the cultural differences between nations is relatively straightforward. “Integrated” cultures, such as in Continental Europe, where societies generally hold positive beliefs and expectancies about alcohol, and children often sip wine from their parents’ glass have almost no alcohol related violence. In contrast, in “non-integrated” cultures, such as Australia, public discourse is primarily on the negative effects of drinking and there is a belief in “the disinhibiting powers of alcohol”. In these societies, alcohol is associated with aggression violence and anti-social behaviour.” It is the non-integrated cultures where a relationship arises: “This variation cannot be attributed to different levels of consumption – most integrated drinking cultures have significantly higher per-capita alcohol consumption than the ambivalent drinking cultures. Instead the variation is clearly related to different cultural beliefs about alcohol, different expectations about the effects of alcohol, and different social rules about drunken comportment.”

Paradoxically, the result of government policies and rhetoric in Australia creates “a special alcohol-stamped “license to transgress” so ingrained in society that it has, in itself, become a rule... When intoxicated, drinkers are expected to alter their behavior and to engage with the crowd in varying degrees of promiscuity, vandalism, public displays of affection, loud and boisterous behavior, dancing, sex, and other activities that are normally under fairly strict

---


24 It is noted that so foreign is the belief that alcohol can trigger violence in European cultures that researches recently attempted to ask 300 individuals in Italy their perceptions of links between alcohol consumption and disorder/aggression. The note in the report is telling: “Their responses caused some difficulty and our translators were unable to convince many of them that there was not a ‘hidden agenda’ to the questioning. Quite simply, the vast majority of interviewees could not understand how anyone could imagine a connection between drinking alcohol and aggressive behaviour”. Drinking and Public DisorderA report of research conducted for The Portman Group by MCM ResearchPeter Marsh and Kate Fox Kibby p135


26 Social anthropologist Kate Fox once argued: “I could very easily engineer a nation in which coffee would become a huge social problem – a nation in which young people would binge-drink coffee every Friday and Saturday night and then rampage around town centres being anti-social, getting into fights and having unprotected sex in random one-night stands. There are cultures where drinking is not associated with violence would restrict access to coffee, thus immediately giving it highly desirable forbidden-fruit status. Then I would issue lots of dire warnings about the dangerously disinhibiting effects of coffee. I would make sure everyone knew that even a mere three cups (six “units”) of coffee “can lead to anti-social, aggressive and violent behaviour”, and sexual promiscuity, thus instantly giving young people a powerful motive to binge-drink double espressos, and a perfect excuse to behave very badly after doing so. I could legitimately base many of my scary coffee-awareness warnings on the known effects of caffeine, and I could easily make these sound like a recipe for disaster, or at least for disinhibition and public disorder. It would not take long for my dire warnings to create the beliefs and expectations that would make them self-fulfilling prophecies. This may sound like a science fiction story, but it is precisely what our misguided alcohol-education programmes have done” Kate Fox, BBC Op Cit.
social constraint.” Rather unsurprisingly, they do so. Expectations not only shape drunken behaviour, they also “enable subsequent rationalisation, justification and excuses.” In cultures where there is an expectation that alcohol will lead to aggression, people appeal to the fact that they were drunk in order to excuse their conduct rather than accepting personal responsibility.

62. Furthermore, this unscientific belief in alcohol excusing behaviour has previously extended to our judicial system with accused persons pleading for mitigation on the basis that they were intoxicated at the time of the offence. This further connotes a denial of personal responsibility and encourages criminal activities. This is in contrast to cultures where learned expectations about the effects of alcohol are very different whereby “appeals to drunkenness as an excuse for aggressive behaviour would not only fail to be persuasive, they might actually compound the severity of the offence.”

63. ATA and MyChoice support the 2014 amendments to remove intoxication as a mitigating factor, however suggests that the Review consider going further and adopting the suggestion of Dr Eric Crampton from the University of Canterbury:

If we want to address the social costs of alcohol-related crime, and if we want to impose the burden where it belongs – on louts who think it fun to get drunk and inflict harms on others – then we could start by taking intoxication at the time of an offense as being an exacerbating factor at the time of sentencing. We don’t try to reduce speeding by hiking petrol taxes, we do it by fining speeders. Why should we try to affect crimes committed by drunks by hiking alcohol excise taxes?

64. It is submitted therefore that any serious attempt to reduce alcohol related violence in Australia shall not be found through legislation such as the NSW lockout laws and similar laws introduced elsewhere in Australia. Indeed, such legislation is counterproductive to this overall goal. Further actions, such as changing political rhetoric and normalising moderate alcohol consumption, are the evidence-based solutions to the issues in Australia. While this is by no means the only step necessary – concepts of masculinity, bar layouts, the management of drinking establishment, and indeed also the presence of security also need to be addressed, as does the provision of adequate transport options. These changes must be implemented following an overall rethinking of alcohol in Australian society.

Safety and General Amenity

---

28 Ibid Op cit p13
29 Malcolm Gladwell, writing in the New Yorker, recently examined anthropological studies observing drinking culture in Italian migrant communities in New Haven which determined that it was unheard of for Italians to engage in violent behaviour, despite the fact that they drank as much as their next door neighbour who did. He concluded: “When confronted with the rowdy youth in the bar, we are happy to raise his drinking age, to tax his beer, to punish him if he drives under the influence, and to push him into treatment if his habit becomes an addiction. But we are reluctant to provide him with a positive and constructive example of how to drink. The consequences of that failure are considerable, because, in the end, culture is a more powerful tool in dealing with drinking than medicine, economics, or the law.” Malcolm Gladwell. Drinking Games. The New Yorker. February 15&22, 2010
65. Through forcing patrons onto the street at 3:00am, creating severe transport bottlenecks, legislation such as the NSW lockout laws, further exacerbate the problem of creating situations which may lead to potentially violent incidents.

66. Through primarily penalising law abiding citizens, the lockout laws have failed in their aim to increase safety and general amenity. It is noted that on March 13 Headlines read: “Hundreds involved in violent brawls that shut down city streets”31 Bafflingly, the report continues that “just two men were arrested and taken to Kings Cross Police Station where they are expected to be charged.” This represents, it is a submitted, a fundamental failure of law & order policies in Australia. The continued failure to act on criminal elements by the NSW Police allows and excuses poor behaviour. It is submitted that an increased police presence and a focus on charging, prosecuting, and sentencing persons guilty of antisocial behaviour is a far superior strategy than needlessly penalising the innocent.

67. It is further noted that legislation prohibiting a scotch on the rocks after midnight or a serving of alcohol greater than 30ml considerably reduces the amenity of all bar patrons and is beyond any sense of comprehension. These rules are particularly ludicrous and need to be repealed. It is further noted that the requirement that drinks be served in plastic cups post-midnight is likewise unnecessary, given the use in other jurisdictions of tempered glass making them unsuitable for violent actions without reducing their amenity.

68. ATA and MyChoice also wish to note the effect on shift workers who might wish to purchase a drink following the conclusion of a night shift, and are presently unable to. Similarly, tourists who fly into Sydney late at night and may wish a drink at the hotel bar are similarly negatively affected.

69. ATA and MyChoice also submit that such legislation, by attempting to create a command and control system of micromanaging residents’ law abiding behavior, is the antithesis of Western liberal values. Through denying personal responsibility, and restricting both individual and business freedoms, such legislation is corrosive to society at large.

Business, financial and social impacts

70. Significant negative economic impacts exist with dozens of entertainment venues, as well as retailers, food sellers etc. forced to shut down at a cost to the Australian economy amounting to tens of millions of dollars. The live music industry has been similarly decimated, with artists unable to perform, leading to a marked decline in Australian music talent. In addition, significant international reporting on this legislation has led to numerous anecdotal reports of a decline in tourism to Sydney, exacerbating the economic effects of this legislation. We refer the Inquiry to the submissions of Keep Sydney Open for further information on this.

71. ATA and MyChoice recommend that persons associated with the review visit the areas of Sydney associated by the lockout and witness firsthand out a once vibrant, lively international city has become a virtual ghost town.

---

Recommendations

72. That licensed bottle shop trading hours match those of bottle shops attached to licensed alcohol-serving establishments.

73. That Australian state and territory governments agree to recognise RSA certificates obtained in any other state or territory of Australia.

74. That the liquor licensing process be reformed from a two-tier process to a one-tier process at state level that takes into account local planning laws and amenity. In the alternative, that the findings of the local government at the first stage of the process be taken into account by the state government rather than requiring two separate applications from applicants for each stage of the process.

75. That the licensing process be streamlined into fewer license categories in order to simplify the process for businesses to ensure that undue cost and delay is avoided.

76. That governments adopt license-specific fees rather than risk-specific fees in order to ensure a genuine appraisal of ‘risk’. These fees may be adjusted based upon the actual license infractions of the individual business in question.

77. That flat, indexed fees based on each license category be introduced rather than the current model whereby larger venues are taxed in a ‘progressive’ manner at a higher rate than smaller venues.

78. That 10 pm or 11 pm restrictions on trading hours for takeaway bottle shops be abolished.

79. That governments permit the sale of alcohol products at convenience stores and inside supermarkets, as occurs without incident in almost every other western country.

80. That product-specific taxes on alcohol products are reviewed and repealed or substantially reduced and that a volumetric taxation system which focuses on alcohol content is introduced instead so long as the total amount of revenue raised by the tax after the introduction of volumetric taxation of alcohol does not exceed the total revenue currently raised.

81. That tax concessions that favour small liquor-licensed establishments over larger ones are abolished in order to permit a competitive market and to encourage business growth.

82. That the tax rebate offered to beer and wine makers be extended to manufacturers of distilled spirits so these businesses may reap the same benefits which have seen our beer and wine industry grow to be internationally renowned and competitive.

83. That governments reconsider further legislative and regulatory policies restricting alcohol consumption as a means of targeting anti-social alcohol-related behaviours and instead aim to foster a culture which places value on personal responsibility in community service campaigns and through legislative changes such as eliminating intoxication as a mitigating factor for various criminal offences.
84. That the NSW Lockout laws and similar laws introduced elsewhere which have significantly damaged local nightlife and business be repealed or significantly wound back.

Conclusion

85. ATA and MyChoice believe that the aforementioned reforms will contribute to more robust alcohol, service, retail and hospitality industries in Australia whilst recognising the positive strides that Australian society and consumers have made in reducing the rate of irresponsible alcohol consumption and associated anti-social behaviour.

86. These reforms strike a balance between taking into account the need to mitigate risk to the public and community while ensuring that taxes and regulations imposed for that purpose do not unduly constrain consumer freedom and agency or commercial freedom of trade.

Tim Andrews
Executive Director - Australian Taxpayers’ Alliance

Satyajeet Marar
Director – MyChoice Australia