

## 2024 Election Commitment – ACT Labor

<b>Name of Commitment:</b>	<b>Labor’s plan for night life in Canberra – Supporting local hospitality venues and supporting artists in local venues</b>		
	<b>Reference Number: LAB034</b>		
<b>Request Submitted by:</b>	Andrew Barr MLA, ACT Labor		
<b>Date Request Received:</b>	10-Oct-24		
<b>Additional Information Requested (details and date)</b>	N/A		
<b>Additional Information Received (details and date)</b>	N/A		

<b>Financial Implications</b>					
<b>Impact On:</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>TOTAL</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenues <sup>(a)</sup>	-188.0	-400.6	-425.8	-451.1	-1,465.5
Expenses <sup>(a)(b)</sup>	0.0	0.0	0.0	0.0	0.0
- Employee Expenses	0.0	0.0	0.0	0.0	0.0
- Other Expenses	0.0	0.0	0.0	0.0	0.0
- Cost of Financing	0.0	0.0	0.0	0.0	0.0
Depreciation	0.0	0.0	0.0	0.0	0.0
<b>Net Operating Balance</b>	<b>-188.0</b>	<b>-400.6</b>	<b>-425.8</b>	<b>-451.1</b>	<b>-1,465.5</b>
<b>Capital Requirement</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Cash Surplus/Deficit</b>	<b>-188.0</b>	<b>-400.6</b>	<b>-425.8</b>	<b>-451.1</b>	<b>-1,465.5</b>
<small>(a) A negative number indicates a decrease in revenue or an increase in expenses.</small>					
<small>(b) Excludes depreciation</small>					

<b>Other Information</b>
<b>Costing Methodology Used:</b>
<b>- Costing Technique:</b>
The costing is to provide an ongoing 50 per cent reduction in liquor license fees to venues: <ul style="list-style-type: none"> <li>• with a General Licence or an On-Restaurant and Cafe Liquor Licence with a total occupancy of 150 or less; and</li> <li>• that have a General Licence, On Licence, Club Licence or Special Licence, and a total occupancy of between 151 to 350, that also choose to support and showcase local artists.</li> </ul>
The costing was completed by multiplying the expected forgone revenue per licence for each relevant liquor licence category (50 per cent multiplied by the relevant liquor licence fees) by the corresponding number of licensees, informed by liquor licence venue data provided by Access Canberra – Chief Minister, Treasury and Economic Development Directorate (CMTEDD). For venues with an occupancy of between 151 and 350, the take-up rate was then applied to the expected revenue forgone corresponding to each licence category.

**- Proposal Parameters:**

- The costing assumes that administrative expenses associated with implementation would be absorbed by CMTEDD.
- The costing assumes the proposal is ongoing, with a commencement date of 1 January 2025.
- Indexation of licence fees in line with the Wage Price Index (WPI) was applied, plus an additional 0.35 percentage points for 2025-26 and 2026-27, based on the 2023-24 Budget Review initiative *Partial restoring of regulatory services fees revenue*. This is consistent with how liquor license fees were indexed in the 2024-25 financial year.
- A growth rate of 2.6 per cent in the number of licences was also applied, consistent with the average annual growth rate in the total number of licences over the last five years.
- The costing assumes that the 50 per cent reduction in liquor fees for venues up to a 350-person capacity that support local artists is demand driven. Therefore, funding for the proposal is assumed to be uncapped.
- The costing assumes a partial take up of the proposal to provide a 50 per cent liquor licence fee reduction for venues up to a 350-person capacity, with a take up rate of 50 per cent for nightclubs, and bars/general/special licence venues, and 25 per cent for restaurants and clubs.
- Liquor licence fees for relevant categories and occupancy limits were taken from the *Liquor (Fees) Determination 2024 (No. 2)*.

**Caveats or qualifications to the costing:**

The cost of the second component of the costing may vary depending on the actual take-up rate.

**Other Comments:**

Treasury's costing differs from that submitted due to the use of more recent liquor licence venue data, the indexation of liquor fees using WPI instead of the Consumer Price Index, and including growth in the total number of licences.

The submission assumes that a 50 per cent fee waiver already applies to venues under the first component of the initiative, being General licensees and On-Restaurant and Cafe licensees with a venue capacity of up to 80. However, Treasury notes that the existing waiver is only applied to On-Restaurant and Cafe licensed venues with an occupancy of 80 or less. Hence, Treasury's costing differs from that submitted due to factoring in the forgone revenue associated with six General licensed venues with an occupancy of 80 or less.

In addition, Treasury notes that a small number of licensees captured under the proposal already receive an 80 per cent fee reduction under an existing initiative to reduce annual licence fees for venues that showcase artists, musicians and other cultural activities, and has removed these from the costing.

**- Statistical Data Used:**

Treasury estimates based on Access Canberra liquor licence venue data.  
WPI estimates are as per the Pre-Election Budget Update 2024.



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Stuart Hocking PSM  
Under Treasurer  
14 October 2024