



18 June 2021

Dini Soulio  
Liquor and Gambling Commissioner  
Consumer and Business Services  
By E-mail.

Dear Commissioner,

We refer to consultation on the Draft Liquor Licensing (Miscellaneous) Amendment Bill 2021. R&CA is pleased to be able to provide comments in support of the measures contained within the bill that represent a sensible approach that provides greater flexibility for liquor businesses who may seek to sell takeaway alcohol without unfairly impacting other licence types or increasing the risk of alcohol related harm.

R&CA is the national industry association representing the interests of more than 47,000 restaurants, cafés and catering businesses across Australia. The café, restaurant and catering sector is vitally important to the national economy, generating over \$37 billion in retail turnover each year as well as employing 450,000 people. Over 92 per cent of businesses in the café, restaurant and catering sector are small businesses, employing 19 people or less.

R&CA delivers tangible outcomes to small businesses within the hospitality industry by influencing the policy decisions and regulations that impact the sector's operating environment. R&CA is committed to ensuring the industry is recognised as one of excellence, professionalism, profitability and sustainability. This includes advocating the broader social and economic contribution of the sector to industry and government stakeholders, as well as highlighting the value of the restaurant experience to the public.

R&CA is strongly of the view that there is a sound policy rationale for liquor licensing reform to make permanent, temporary changes introduced through the COVID-19 Pandemic Period.

Put simply, the COVID pandemic has drastically increased the role that takeaway plays in on-premise licensed businesses across the country, and we submit that it is important that corresponding liquor licenses keep up with the changing customer demand, while ensuring that the intent and focus of the underpinning licensing regime is not put at risk. It is for this reason that R&CA has, nationally, supported legislative amendments for a permanent model to allow on-premise licensed venues to sell limited quantities of packaged liquor, as outlined below:

1. A drastic increase in the reliance on takeaway and delivery as a trend that will be permanent for the restaurant, café and catering sector, moving from 9% of all orders pre-pandemic to nearly 30% today;
2. Takeaway liquor now becoming an important additional source of revenue for operators;
3. Recognition of the 'channel shift' that has occurred for on-premise businesses, where customers who now patronize the same businesses are now blocked from purchasing alcohol, that would have otherwise been allowed when dining on-premise;
4. The current licensing structure does not adequately allow for restaurants and cafes to continue with the sale of takeaway liquor and current license classes do not properly reflect changing market demands;
5. Delivery models are an important and an innovative way in which industry operators can remain sustainable and pivot their businesses in the current COVID-19 climate. So much is true as reflected by 7% of working-age Australians performing "platform work" within the last 12 months and the near doubling of online food delivery services from 15.4% in 2017 to 31.2% in 2018;

6. The provision of alcohol in this manner poses a low risk from a responsible service of alcohol perspective, and ensuring that existing rules governing on-premise license today continue to be adhered to under a takeaway model (such as liquor being sold ancillary to a meal);
7. Consumers have indicated considerable support for the temporary regulations and have indicated an intention for them to be extended post-COVID-19; and
8. The permanent takeaway model has already been successfully implemented in Victoria and South Australia.

In a previous submission, R&CA referenced its recently released 2020 Industry Benchmarking Report (the “**Report**”) which can be accessed for your reference [here](#). The findings of the Report were based on responses from 675 individual businesses (the “**Respondents**”) who were surveyed over the months of October and November this year. As part of the Report, the Respondents were asked specific questions relating to the 2019-20 financial year, including licensing, digital technology and online and takeaway delivery.

We reiterate a few trends from the Report which are relevant for this discussion. As part of the survey, the Respondents were asked to identify what liquor license, if any, they had in place for their business. The findings of the Report revealed that out of the 675 Respondents, **67.2 percent had indicated that their business was licensed**, and 25 percent of businesses had allowed alcohol to be consumed at their business. BYO continued to be popular with 24.4 percent of businesses offering it, either with or without a pre-existing license. Notably, these figures reflect that **the purchase of alcohol through the business itself has proved to be, and continues to be, a popular business model**.

Similarly, the Report provides evidence of an increased role and popularity in takeaway and delivery, particularly as a result of the COVID-19 pandemic, when compared to the results of the 2019 Industry Benchmarking Report.

Undoubtedly, a large degree of this has stemmed from both the federal and state government restrictions in response to the COVID-19 pandemic, together with temporary flexible measures provided by state governments with respect to takeaway liquor.

The Report revealed that **41.1 percent of the Respondents indicated that they provided online delivery through a third party delivery platform** such as UberEats, MenuLog and Deliveroo, and self delivery apps like Bopple and Mr. Yum, and of those businesses that utilised a third party platform, the most significant reason for their choosing takeaway was the COVID-19 pandemic (23.3 percent). Equally interestingly, **20 percent of the Respondents indicated that these measures introduced a new revenue stream into the business.** This pattern supports the notion that businesses have relied on takeaway delivery, including the delivery of liquor, as an additional revenue stream to remain viable during and after the COVID-19 pandemic, further lending support for the temporary measures currently in place to transition into permanency. In support, **27.7 percent of the Respondents also indicated that takeaway and online delivery presented as long-term solutions,** with an additional 24.9 percent of Respondents indicating that it would play a similar role in the post-COVID-19 world.

The R&CA is aware of alternative viewpoints who believe that by making takeaway liquor arrangements permanent, that the traditional suppliers of liquor within the supply chain will be at a disadvantage and that it will be an impediment to their viability.

The R&CA refutes these views based on 2019-2021 data from the temporary permit to allow for the purchase of takeaway liquor in response to the impact of COVID-19 pandemic. It has been demonstrated that when the temporary measures for takeaway liquor were implemented, a significant growth within the liquor supply chain revenue is recognised in the substantial increase in turnover for liquor retailing. From March 2019 to February 2020, the turnover for liquor sales was \$12.43 billion, up until the COVID-19 pandemic. Since the

impact of nationwide lockdowns and the onset of COVID-19 Australia, the corresponding March 2020 to February 2021, the turnover for liquor sales was \$16.06 billion, an increase of almost 30%. In addition, every corresponding month between these two time periods saw an increase compared to the same month in the previous year.

This highlights that the sector has a broad supply chain reliance and the role of the restaurants is an important component within this. Other states have paved the permanent path forward for takeaway liquor with considerable success for the industry and supply chain, it is imperative Queensland follows in these footsteps. The data from the temporary relaxation in 2020 highlights that there was no adverse impact of liquor sales for other suppliers within the liquor supply chain.

The R&CA submits that the takeaway liquor being sold ancillary to the purchase of a meal provides a comprehensive dining experience for the patrons of our industry to not only enjoy a meal, but to purchase their chosen beverage in conjunction with this meal.

R&CA would also like to take this opportunity to respond to claims regarding the existing supply chains of on-premise licensees. Overwhelmingly, on - premise licensees purchase their packaged liquor from a professional supplier or direct from a winery/brewery.

Our benchmarking survey has consistently surveyed businesses supply chains, with a particular focus on wine. Our 2020 Benchmarking Survey found, when asked about business preferred method of purchasing wine, 59.9 per cent indicated a third-party wine distributor was their preferred. The use of online wine purchasing among restaurants also decreased to 12.1 per cent from 14.1 per cent in 2019. Purchasing directly from a winery significantly decreased in popularity, with just 23.9 per cent preferring this method compared to 33.2 per cent the year before. 'Other', which included the purchasing from retail bottle shops, represented a significant minority of all respondents (4.1%).

This data demonstrates that on-premise licensees prefer professional suppliers over retail packaged alcohol outlets such as Dan Murphy's.

The R&CA would like to submit three examples, as case studies, that highlight a practical use-case of this proposal to affirm the policy intent.

1. The first scenario is the niche bar who provides unique cocktails as a competitive advantage and value-add that is an exclusive service to their customers. The intellectual property, commitment and innovation to develop these cocktails unique to their business will be rewarded with the permanent model of takeaway liquor. Without the ability to consume takeaway liquor, patrons of this bar would be prohibited from enjoying these options unless they were physically present within the bar. The ability to offer limited takeaway, coupled with the growth in delivery services reinforce the consumer experience that hospitality is not isolated to a physical presence within a restaurant or bar but can include the ability to enjoy these services from an external setting such as a home. Takeaway has provided an opportunity for businesses to expand their operations and the ability to share their liquor-based creations should also be included. This proposal resolves the current regulatory arbitrage on innovative products and its arbitrary distinction between solid and liquid creations, where the creation of one can be enjoyed by the patron at home, while the other would be prohibited.
2. Due to the effects of COVID-19, there has been a permanent shift in the weighting of takeaway vs dine-in sales for fast casual eateries. This is, and will continue to be, a long-term shift. The impacts of the pandemic has had a profound permanent impact on the psyche towards the convenience of consumption and supply of services at home such as working from home arrangements, online retail and takeaway hospitality. This has resulted in a permanent reduction in the relative utility of an on-premise liquor licence especially if takeaway liquor were not to be extended to be permanent. The permanent inclusion of takeaway liquor will restore the utility of this licence as the industry continues to service its customers who are increasingly demanding comprehensive takeaway alternatives.

3. In the restaurant industry, there are members of R&CA who are on higher end of a specialised and customised user experience with an extensive and unique wine list that have been crafted by an experienced sommelier or manager. These businesses who have invested in these skills want to maximise that intellectual property of their expertly customised wine list, including wins that are not available readily to consumers. These changes would allow for these specialised skills to be utilised and incentivised across the industry as the opportunity for takeaway liquor will result in greater demand for these services not only in person, but for takeaway options. Further, when patrons enjoy a hand selected recommendation from the specialised skills of the business, patrons will be able to demonstrate their support for this by purchasing a takeaway liquor from the business who provided this selection. This proposal will incentivise the industry and reward the specialised skills from businesses who innovate and serve their customers with this service.

For the abovementioned reasons, R&CA supports the proposed legislative amendments. If you wish to discuss R&CA's views further, do not hesitate to contact Tom Green (Head of Government, Policy and Public Affairs) by email at [tom@rca.asn.au](mailto:tom@rca.asn.au).

Regards,



**Wes Lambert CPA FGIA MAICD**  
Chief Executive Officer  
Restaurant and Catering Australia