




Speech By
Hon. Glenn Butcher

MEMBER FOR GLADSTONE

Record of Proceedings, 9 September 2020

LIQUOR (ARTISAN LIQUOR) AMENDMENT BILL

Introduction

 **Hon. GJ BUTCHER** (Gladstone—ALP) (Minister for Regional Development and Manufacturing) (11.19 am): I present a bill for an act to amend the Liquor Act 1992 to support and regulate the emerging craft beer and artisan spirits industries. I table the bill, the explanatory notes and a statement of compatibility with human rights. I nominate the State Development, Tourism, Innovation and Manufacturing Committee to consider the bill.

Tabled paper: Liquor (Artisan Liquor) Amendment Bill 2020 [[1581](#)].

Tabled paper: Liquor (Artisan Liquor) Amendment Bill 2020, explanatory notes [[1582](#)].

Tabled paper: Liquor (Artisan Liquor) Amendment Bill 2020, statement of compatibility with human rights [[1583](#)].

I am pleased to introduce the Liquor (Artisan Liquor) Amendment Bill 2020. One could say I have been preparing for this all of my adult life. The primary objective of the bill is to make important changes to the Liquor Act 1992 to support Queensland craft brewers and artisan distillers by creating a new artisan liquor licence. The new licence is an important step in further developing the craft brewing and artisan distilling industries in Queensland whilst also ensuring compliance with harm minimisation measures and the responsible service of alcohol in Queensland.

This delivers on our government's commitment under the Queensland Craft Brewing Strategy to establish a new licence that better suits industry and reduces regulatory burdens. In turn, the licence will provide opportunities for increased market access, industry growth and the potential to generate new jobs. It also addresses recommendations in the Entrepreneurial Pipeline report commissioned by the Queensland Small Business Advisory Council. Importantly, the proposed licence will support ongoing business viability and job retention following disruption caused by COVID-19 trading restrictions.

Queensland is proudly home to approximately 90 independent craft brewers in Queensland, with the sector employing more than 1,700 people and contributing an estimated \$62 million annually to the Queensland economy. By 2020 it is anticipated that the industry's contribution to the state's economy will be well over \$100 million. Importantly, almost 25 per cent of Queensland's craft brewers are established in regional towns. Artisan distilling is also an emerging industry, with over 34 independent artisan distilleries now operating right across Queensland. Artisan distillers anticipate creating more than 106 new jobs over the next two years. This is particularly important for regional Queensland, as 38 per cent of distillers are also in regional Queensland. Passage of the bill will ensure this regionally diverse industry continues to grow, innovate and contribute to the state's economy over many years.

Currently, most independent brewers and distillers operate under a producer/wholesaler licence; however, authorisations under the existing license are not well suited to businesses and the needs of the artisan liquor industry, with many craft brewers having to seek a second liquor licence such as a restaurant or bar licence in order to offer other Queensland artisanal products to customers at their

venues. To strengthen this industry into the future and to support Queensland small businesses more broadly, it is important that we reduce the regulatory burden and get the planning environment right. In establishing this licence we are streamlining regulation and providing these small Queensland operators with more opportunities to grow and expand their businesses.

Under the new licence, artisan producers will be allowed to sell Queensland artisanal liquor for on-premises consumption provided those sales do not exceed 30 per cent of their annual sales. This will allow licensees to operate taprooms and tasting rooms without a second licence, broaden the appeal of their venues to more patrons, and introduce the ability to promote each other's products onsite. Licensees will also be able to sell takeaways of their own product and take orders for their own liquor online. Wholesale sales will also be permitted under this new licence type. The changes will give boutique producers more choice about how they run their own businesses. The new licence will promote access to new markets for Queensland artisan producers. Importantly, this will drive economic growth and job opportunities for this very exciting industry.

The bill also provides artisan producer licensees with the opportunity to promote their products directly to the public. Licensees may apply to attend promotional events such as farmers markets and sell samples and takeaways of their products. To strengthen harm minimisation, the bill introduces the ability to limit sample sizes by regulation or by licence condition if necessary. As a result of consultation with the industry, sample sizes of 150 millilitres of craft beer and 15 millilitres of artisanal spirits are proposed through separate regulation. Takeaways will be limited to a carton of beer or two bottles of spirits. Licensees may also apply for a permit to sell their liquor at commercial public events such as music festivals and sporting events, creating great opportunities for market access for these smaller businesses. The new licence will also remove the requirement on distillers that restricts retail sales to 2.5 per cent of their production. Further amendments will allow the holder of an artisan producer licence or an artisan spirits producer permit to take or receive orders at promotional events.

The proposed licence is consistent with the government's Tackling Alcohol-Fuelled Violence Policy review, as it will be subject to the same comprehensive and strict harm minimisation measures as other existing licence categories within the Liquor Act. Ordinary trading hours for on-premises consumption will be 10 am to midnight, with takeaway sales allowed between 10 am and 10 pm. Wholesale sale hours remain unchanged from the existing licence. Further, the bill limits on-premises extended trading hours to 1 am—in line with restaurants—and licensees will not be able to apply for extended trading hours to 2 am or 3 am in safe night precincts. This will keep the focus on small-batch liquor production and prevent boutique liquor venues from operating as hotels or nightclubs.

To ensure the concessions offered by the licence benefit genuine boutique producers, liquor production volume limits will apply. To be eligible for an artisan producer licence, the bill provides that a craft brewer must produce between 2,500 litres and five million litres of beer at the premises each year. For artisan distillers, production volumes must fall between 400 and 450,000 litres of spirits produced at the premises each year. The maximum limits will also apply to any companies that are related to the licensee; for example, a holding company or subsidiary.

To further ensure the new licence supports smaller independent Queensland businesses, licensees must not be more than 20 per cent owned by a large brewer or distiller. This definition is used and recommended by the Independent Brewers Association. If an artisan producer licensee grows beyond the maximum production volume or sells their business to a larger player, they will become ineligible for the licence. Specific recordkeeping obligations to notify of changes in corporate ownership and the amount of liquor being produced by companies which own a stake in the licensee will ensure that eligibility and criteria are complied with across the board.

The bill also contains transitional provisions that will encourage licensees to take up the new licence. Any conditions on the existing licence such as extended trading hour approvals may be carried over to the extent that they are allowed under the new artisan producer licence. The application fee of \$1,446 will be waived for existing wholesaler/producer licensees who take up the new licence during the current licence period. Applicants will be required to complete important harm minimisation obligations; however, the Commissioner for Liquor and Gaming may waive these requirements if the applicant has previously completed them for their premises.

Craft breweries and artisan distillers have been impacted significantly by COVID-19. Sales have dropped across the board close to 70 per cent and revenue and staff lost as taprooms and brew pubs close due to COVID-19 restrictions. The proposed liquor licence will bolster this unique and growing industry by creating access to new markets and generating jobs for Queenslanders.

Helping the industry develop these opportunities is critical, particularly as we emerge from the global COVID-19 pandemic. Importantly, the bill is balanced. It creates employment and investment opportunities throughout the state while ensuring harm minimisation measures are adhered to.

Extensive consultation was undertaken with the industry, social health stakeholders and peak bodies representing commercial hotels and clubs throughout Queensland. I would like to thank all stakeholders for their efforts and I look forward to seeing the further development of this industry off the back of these important changes we are making today.

Finally, I would also like to thank the department for their work in developing the Queensland Craft Brewing Strategy, for their thorough and ongoing consultation with stakeholders and for getting the licence to the point today where we are delivering on this important commitment from the strategy. Their hard work is certainly appreciated. I commend the bill to the House.

First Reading

Hon. GJ BUTCHER (Gladstone—ALP) (Minister for Regional Development and Manufacturing)
(11.30 am): I move—

That the bill be now read a first time.

Question put—That the bill be now read a first time.

Motion agreed to.

Bill read a first time.

Referral to State Development, Tourism, Innovation and Manufacturing Committee

Mr DEPUTY SPEAKER (Mr McArdle): In accordance with standing order 131, the bill is now referred to the State Development, Tourism, Innovation and Manufacturing Committee.