




Speech By
Hon. Shannon Fentiman

MEMBER FOR WATERFORD

Record of Proceedings, 9 March 2021

LIQUOR (ARTISAN LIQUOR) AMENDMENT BILL

Second Reading

 **Hon. SM FENTIMAN** (Waterford—ALP) (Attorney-General and Minister for Justice, Minister for Women and Minister for the Prevention of Domestic and Family Violence) (11.41 am): I move—

That the bill be now read a second time.

I thank the Legal Affairs and Safety Committee for its consideration of the Liquor (Artisan Liquor) Amendment Bill 2020. I note that the committee tabled its report on 12 February 2021 recommending passage of the bill, and I now table the government's response to the committee report.

Tabled paper: Legal Affairs and Safety Committee: Report No. 4, 57th Parliament—Liquor (Artisan Liquor) Amendment Bill 2020, government response [279](#).

I want to thank all of those who made written submissions to the committee and those who made themselves available to present at the committee hearing. The bill before the House creates a new 'commercial other—artisan producer licence' under the Liquor Act to support Queensland's burgeoning artisan liquor sector. The artisan producer licence has been developed in consultation with the industry to ensure the continued growth of independent craft brewing and artisan distilling businesses across the state. The licence will authorise licensees to sell their own liquor, made on the licensed premises, to members of the public for consumption at their venues and as takeaways.

For distillers who obtain an artisan producer licence, this means the existing 2.5 per cent restriction on retail sales of their own liquor will no longer apply. Licensees will also be able to sell other Queensland craft beer, artisan spirits and wine for on-premises consumption, up to 30 per cent of total sales. The measures will reduce liquor licensing fees and streamline processes by removing the need for licensees to obtain a second licence if they wish to sell a broader range of liquor to customers at their venue.

The new licence will also allow licensees to take orders for their own liquor online, improving market access for artisan liquor producers. The new artisan producer licence will further allow licensees to reach new customers via attendance at events. Licensees will be able to apply for a licence condition or a permit to attend promotional events such as farmers' markets and trade fairs to sell samples and limited takeaways of their beer or spirits. Holders of the new licence will also be able to apply for a permit to sell their liquor at public events such as music festivals, street festivals and sporting events.

Eligibility requirements for the licence will ensure it is only available to genuine, independent artisan distillers and craft brewers. To qualify for the licence, an artisan distiller must produce between 400 and 450,000 litres of spirits at the premises each year and a craft brewer must produce between 2,500 and five million litres of beer at the premises each year. The upper volume limits take into account spirits and beer produced by subsidiary and holding companies of the licensee. Additionally, the independence of artisan producer licensees will be protected by a requirement that licensees must not be 20 per cent or more owned by a large distiller or large brewer. The bill defines a large distiller as

producing more than two million litres of spirits each year and a large brewer as producing more than 40 million litres of beer each year. In combination, these measures will ensure that large companies are not able to operate pseudo craft breweries or artisan distilleries to take advantage of the licence.

Record-keeping obligations introduced by the bill, including the submission of annual returns which outline production volume and corporate ownership, will help to ensure the benefits of the licence are only accessed by eligible businesses. The government is encouraging eligible producers and wholesale licensees to take up the new licence by waiving the \$1,446 application fee for licensees who transition before 30 June 2021.

The bill also contains amendments to the framework for promotional events which will allow artisan distillers operating under a producer/wholesaler licence to attend promotional events to sell samples and limited takeaways under the authority of a licence condition or permit. This aligns with the authorisations which have been available to craft brewers since 2016. This permit will also be available to eligible artisan producers from interstate. To make sure promotional events are viable for small businesses, the bill also amends the Liquor Act to ensure samples can be sold at promotional events rather than given away for free, which is the current situation.

While the committee recommended passage of the bill, I want to take the opportunity now to address some concerns which have been raised by stakeholders during the committee process. Firstly, some stakeholders are seeking an event permit to be made available similar to the permit available to Queensland wine licensees under the Wine Industry Act. The government considers that the promotional event and public event opportunities being created by the bill are consistent with the authority of the permit which is available to Queensland wineries. Specifically, artisan producer licensees will have the ability to apply for a promotional events licence condition for a one-off fee of \$112.60. This condition will allow licensees to attend events which promote produce from a particular region or the hospitality industry such as farmers' markets, trade fairs and craft beer festivals.

Once the condition is granted, there will be no need to reapply for each promotional event. A similar condition is currently used successfully by approximately 39 craft breweries across the state. Artisan producer licensees will also be able to apply for a commercial public event permit. The permit allows a licensee or a group of licensees to sell liquor for consumption at events like the Noosa Triathlon, Mackay Rodeo or Teneriffe Festival. These measures will ensure artisan producer licensees are fully included under the existing framework for promotional and public events under the Liquor Act, which has been designed to facilitate market access in balance with regulating the sale of potentially harmful liquor products.

Secondly, concerns were raised about the takeaway authority of the new licence, which limits licensees to selling takeaways of their own liquor produced on the premises. The limit on takeaways was discussed with key stakeholders during consultation on the new licence. The government considers that this restriction will ensure the focus of the licence remains the on-site production of boutique liquor products. Thirdly, the committee heard from stakeholders that the sale of artisan liquor from independent grocers across Queensland would benefit the industry. The government considers that the ability for craft brewers and artisan distillers to sell takeaways from their venues at promotional events and via online orders at this time strikes an appropriate balance between industry development and mitigating harm that could arise from liquor outlet proliferation.

Finally, the issue of how multiple sites are licensed under the Liquor Act has been raised by stakeholders. I am advised that the Liquor Act does not contemplate licensing separate premises under one licence, with two minor exceptions. The first is detached bottle shops, which are only available to hotel licensees and subject to an application process. The second is for a producer/wholesaler where office space is separate to the warehouse where the liquor is stored for wholesale purposes. This exception is intended to facilitate wholesale sales. The individual premises licensing framework ensures that appropriate processes, such as a community impact assessment and public advertising, are undertaken as required for each site where liquor is sold and/or produced. The framework ensures that local issues, including the amenity of an area and planning requirements, are considered for each site before a licence is granted. Changing this approach would have flow-on effects for all licensees generally and is outside the scope of this bill.

To help address any ongoing stakeholder concerns or feedback, the government is establishing a Queensland Artisan Liquor Advisory Group once the licence commences. The group is intended to give craft brewers and artisan distillers a forum to share issues they may have about the implementation of the licence. The group will also provide craft brewers and artisan distillers with the opportunity to advise government about how best to support continued growth within the sector. Our government values input from stakeholders and I look forward to the establishment of this important direct link with representatives from industry.

In conclusion, the government considers the authorities of the licence are appropriate for artisan liquor producers at an entry level to the market to help them see their business grow. The base annual licence fee of \$1,050 reflects that the artisan producer licence offers broader authorisations than a producer/wholesaler licence. Should it suit their business needs, artisan liquor producers may apply for a different type of licence with more expansive authorisations, for instance a commercial hotel licence which attracts a base annual fee of \$3,911 which authorises the sale of takeaway liquor of any kind in unlimited quantities and the ability to apply for up to three detached bottle shops. As at August last year, 13 artisan liquor producers conducted businesses under this licence type, indicating the potential for growth in this sector.

Again I thank the Legal Affairs and Safety Committee for its consideration of the bill and acknowledge the very valuable contribution of all those who have made submissions on the bill and assisted the committee during its deliberations. The bill provides a robust and appropriate framework to support Queensland craft brewers and artisan distillers and the further development of this important industry. I commend the bill to the House.