



Restaurant  
& Catering

SAVOUR  
AUSTRALIA



29 January 2020

Head of Payments Policy Department  
Reserve Bank of Australia  
GPO Box 3947  
Sydney NSW 2001

By Email: [pysubmissions@rba.gov.au](mailto:pysubmissions@rba.gov.au)

Dear Sir/Madam,

Restaurant & Catering Australia (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.

As part of R&CA's 2019 Benchmarking Report, we surveyed our members to ascertain what payment systems were most popular among our member businesses. R&CA's Industry Benchmarking Survey is an industry-based survey of business conditions in the restaurant, café and catering industry.

The survey monitors key trends in business costs, profitability, labour and skills shortages, as well as the general business environment. The survey is distributed to café, restaurant and catering business owners and senior managers across Australia

The 2019 survey asked businesses for detailed responses relating to payment methods and payment platforms. An overwhelming number of businesses indicated that card payment – either credit or debit card) – was the most common payment method (92.3 per cent of respondents). Other responses included cash (2.6 per cent) and phone touch payment e.g. Apple Pay (0.9 per cent).



RESTAURANT & CATERING INDUSTRY ASSOCIATION

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When asked about payment processing methods, the most common form of card payment was PayPass or 'Tap & Go' with 79.83 per cent of respondents indicating it was the method of choice for customers. This was followed by payment requiring the entering of a pin (12.9 per cent), smart phone payment with 2.2 per cent and online payments e.g. through booking platforms on 3.9 per cent.

R&CA appreciates the opportunity to provide a submission to the RBA's Review of Retail Payments Regulation Issues Paper. R&CA would like to make the following points of relevance to the issues paper:

1. Electronic payments provide tremendous value to businesses

R&CA has found that businesses that accept electronic payments (credit card, debit card, mobile wallets) give consumers choice in how they pay – meaning that they are less likely to lose potential sales when a consumer cannot pay using their desired tender. In addition to this, card payments are typically higher in value than transactions paid for in cash.

2. Electronic payments also save businesses time.

Changes in electronic payments, such as contactless debit and credit transactions, and mobile wallets, continue to improve consumer experience and increase the speed at which payments can be accepted by businesses.

3. Accepting cash payments costs businesses money as well

There is a misconception that cash is a "free" tender method. Cash transactions take longer to process, require additional staff time to bank and reconcile and incur additional security costs to ensure that the cash is managed safely. Many businesses do not account for the cost of cash or the time taken to manage this – usually by the owner. Finally, cash payments are in minimal use across the industry.

4. Electronic payments provide businesses with enhanced security and certainty around their income

Built in safeguards in electronic payment products reduce the risk of fraud for businesses and provides better security and safety when compared to other payment products. Businesses can quickly and easily reconcile their transactions and use their sales data to better understand their businesses and manage their inventory. Businesses get guaranteed payment when they accept credit cards, freeing them from the worry of non-payment risk.

If you wish to discuss R&CA's views further, do not hesitate to contact Tom Green, Manager – Policy and Government at R&CA by email at [tom@rca.asn.au](mailto:tom@rca.asn.au).

We thank you again for the opportunity to make this submission.

Regards

A handwritten signature in black ink, appearing to be 'Wes Lambert', with a stylized, cursive script.

**Wes Lambert CPA FGIA MAICD**

Chief Executive Officer

Restaurant and Catering Australia