



Australian Restaurant & Cafe Association Ltd. (ARCA)

Submission on the Competition and Consumer Amendment (Unfair Trading Practices) Bill 2026 Exposure Draft – Drip Pricing (Part 3)

10 February 2026

To:
The Parliament of the Commonwealth of Australia
House of Representatives / The Senate

About ARCA

The Australian Restaurant & Cafe Association Ltd. (ARCA) is a member based not-for-profit Industry Association and is the strongest voice for the Restaurant & Cafe segment of the Accommodation & Foodservice Industry, representing a sector that employs 500,000 across over 56,000+ restaurants & cafes in Australia. Our 1200 Member venues include many of the leading restaurants & cafes in Australia, which employ tens of thousands within the Restaurant & Cafe segment. The majority of the industry is considered small businesses with 99% of restaurants and cafes earning less than \$10 million in annual revenue and 91.4% earning less than \$2 million, according to the Australian Bureau of Statistics (ABS)¹.

The Australian Restaurant & Café Association welcomes the opportunity to provide a submission in support of the exposure draft **Competition and Consumer Amendment (Unfair Trading Practices) Bill 2026**, particularly the proposed amendments in **Part 3 relating to drip pricing and transaction-based charges**.

ARCA supports the intent of proposed section **48A**, which improves price transparency by requiring clearer disclosure of unavoidable transaction-based charges where a base price is presented. This approach appropriately targets practices that risk misleading consumers through incremental, unavoidable price additions, while preserving flexibility for legitimate business models.

Importantly, ARCA **strongly supports the explicit exclusion of payment surcharges** from the definition of “transaction based charges” under subsection **48A(8)(b)**. Payment

¹ [Counts of Australian Businesses, including Entries and Exits, July 2020 - June 2024 | Australian Bureau of Statistics](#)

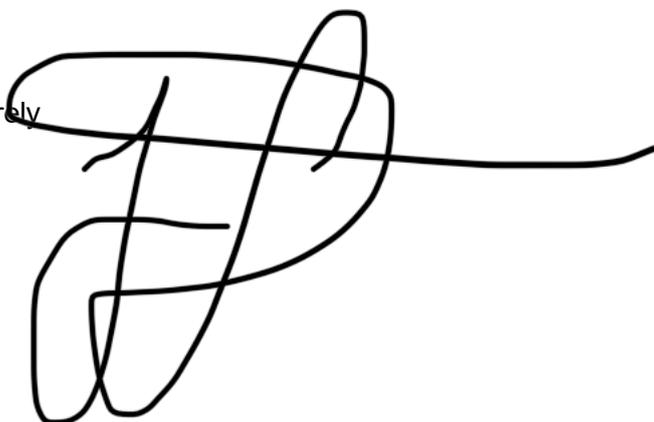
surcharges are already comprehensively regulated under **Part IVC of the Competition and Consumer Act**, which ensures surcharges reflect the reasonable cost of acceptance and are subject to enforcement by the ACCC. Including payment surcharges within the drip pricing framework would create unnecessary duplication, regulatory overlap and compliance risk without delivering additional consumer benefit.

In restaurant and café settings, payment surcharges—particularly for card and contactless payments—are commonplace, clearly disclosed by sign or on the payment screen, and operationally distinct from drip pricing practices. They are not unavoidable charges, as consumers retain choice over payment method, and their treatment is already well understood by both businesses and consumers.

Removing or narrowing the exemption would disproportionately burden small hospitality businesses operating on thin margins, increase compliance complexity at the point of sale, and risk confusion in fast-paced service environments—without materially improving consumer outcomes.

ARCA therefore supports the exposure draft as currently framed and encourages Parliament to retain the **payment surcharge exemption** to ensure the reforms remain targeted, proportionate and fit-for-purpose.

Sincerely

A handwritten signature in black ink, appearing to be 'Wes Lambert', written over the word 'Sincerely'.

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