

**Kennedy, Donna**

**From:** [REDACTED] Clause 3(1)  
**Sent:** Thursday, 30 May 2013 3:00 PM  
**To:** Liquor Act Review  
**Subject:** Submission to Liquor Act Review Committee 2013

To Whom it May Concern,

Clause 3(1)

The liquor industry has changed significantly since the last review of the act in 2005.

Trading conditions are tougher than previously

The chains command control of at least 60% of the retail takeaway liquor trade in Western Australia, more in other states and both major chains have openly declared they will open more stores in the future. The management of Wesfarmers (Coles) have declared they will open 200 more stores within 5 years.

The Chains also operate wine production facilities, internet sales sites including the largest, Cellarmasters which is owned by Woolworths, auction houses (Woolworths own Langtons).

The Chains are buying direct from many wineries and distilleries, cutting out the traditional wholesaler/distributor.

As in the supermarket trade, the chains are limiting their range and therefore cutting out many suppliers that are small or offer alternative styles to the mainstream.

Consumers are looking for different and new wine styles and varieties, many of which are not being offered by the retail chains.

The range products offered from both Australia producers and overseas producers has increased dramatically. Many such businesses find there is little opportunity to find a route to market because of the rationalisation of range in traditional retail markets.

At the same time, there are more producers of liquor products and more products offered in the market. All liquor producers and resellers are seeking other routes to market than has been traditionally sought because of the increased competition from each other.

My proposals would allow small businesses or independent operators to offer a wider choice or simply another choice to the liquor consumer.

I would like the committee to consider the following proposals that I put forward.

#### **Internet Sales licence**

I believe there is one area of the sale and distribution of liquor in Western Australia that West Australian operators are at a considerable disadvantage to suppliers of liquor in other states of Australia.

Certainly New South Wales, Victoria and South Australia have a specific licence for direct sales of liquor over the internet where the product is ordered over the internet and delivery is direct to buyer. Most of the very large players of this sales activity are based in New South Wales or Victoria and are either sole internet operators or operate a going concern under one licence but their internet business runs under a specific internet sales licence. These operators ship a very large quantity of wine, possible hundreds of thousands of cases, direct to consumers into Western Australia. This to the detriment of business owners who would like to operate similarly from Western Australia.

Some licences in Western Australia permit this activity, - producers licence, liquor store, hotel licence and wholesale licence. There has in the past been one licence issued to an operator specifically for internet sales. This licence has now been handed in.

I believe there is a need to have a licence category, as there is in other states, for an operator to apply for and be granted an internet sales licence.

**Extend or Eliminate the limitation of a Wholesale Liquor Licence to sell to "unlicensed persons".**

A holder of a wholesale licence is only permitted to sell 10% of total turnover to "unlicensed persons". This restriction severely limits the ability to extend the sales reach of a Wholesaler which as noted above is being hampered by but not limited to the actions of retail chains.

At present in mine and many other wholesalers cases, the 10% limit is taken up by sales to businesses or organisations that are not required to hold a license but are legitimate buyers of liquor and can be said to be legitimate customers of a wholesale licence holder:

- Councils
- Defence Establishments
- Parliament house
- Government House
- Corporate customers

Certainly in our case and because my company maximises our opportunities to sell into the organisations mentioned, our 10% limit is soon exhausted.

As an aside, holders of other categories of licences, particularly liquor store and hotels are openly courting resellers, our traditional customer base and notably restaurant and small bars so they can extend their sales and revenue base. These operators are setting themselves up as quasi wholesalers. This statement supports my assertion that trade is difficult and all sellers of liquor are looking at all options to increase their revenue base.

I believe this 10% limit is anticompetitive.

I believe all holders of wholesale licences should be able to increase the revenue and customer base and to have the ability to extend their offer without running into legislated brick walls. Other licence categories do not have this impediment.

Kind Regards



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**Kennedy, Donna**

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**From:** [REDACTED] — Clause 3(1)  
**Sent:** Thursday, 30 May 2013 3:10 PM  
**To:** Liquor Act Review  
**Cc:** Clause 3(1) [REDACTED]  
**Subject:** Submission Liquor Act Review Committee 2013

To Whom it May Concern,

As the industry body representing the Wholesale Liquor Distributors of Western Australia, we wish to make the following representations in respect of the current legislation and proposals for amendments.

**Provision of Litrage data to the Liquor Licensing Division.**

We wish to point out that the provision of literage data, ie, total literage of liquor supplied annually to licensed premises within W.A. presents a totally inaccurate summary of the actual literage movement within this state. The figures currently supplied by holders of Western Australian Wholesalers licences represents only a portion of the total literage supplied within this state. This anomaly occurs because of the movement of large unquantified stocks of all liquor products into W.A. via two main sources.

- a) Interstate direct to consumer sales which arguably constitutes hundreds of thousands of litres of liquor.
- b) Interstate stock movements and sales by national liquor Chain Stores which arguably constitutes over a million litres of liquor.

It is our view that the costs incurred by our members in collecting literage data, is an unwarranted imposition and especially as it clearly presents a flawed outcome.

We should add that the respective licensing authorities in N.S.W., VIC and S.A. have indicated that they have no intention to re-introduce literage data collection in their respective states.

Yours faithfully

[REDACTED] — Clause 3(1)

**Liquor Wholesalers Association of Western Australia**

[REDACTED]

Clause 3(1)

**Kennedy, Donna**

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**From:** [REDACTED] — Clause 3(1)  
**Sent:** Monday, 10 June 2013 9:35 PM  
**To:** Donna Kennedy  
**Subject:** Re: Submission to Liquor Act Review Committee 2013

Hi Donna,  
Thank you for your correspondence.

In reply to the query, yes, current legislation allows for a wholesale licence to conduct internet sales. A wholesalers licence though restricts sales to "unlicensed person" to 10% of gross sales. "Unlicensed Persons", - consumers, though would be the primary markets for Internet sales therefore the wholesale licence restricts the opportunity to sell to the consumer market. This is the thrust of my second proposal.

With regard to the Internet Sales licence, I believe there should be a new class of licence available in Western Australian to bring Western Australia into line with the other states. As I stated, there is a very large quantity of liquor sent across the WA border direct to consumers from the eastern states. Allowing West Australian businesses the opportunity to conduct this trade with a dedicated licence will go some way to redressing the imbalance.

Kind Regards

[REDACTED] — Clause 3(1)

Fine Wine Wholesalers  
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On 10/06/2013, at 10:33 AM, "Donna Kennedy" <[donna.kennedy@rgl.wa.gov.au](mailto:donna.kennedy@rgl.wa.gov.au)> wrote:

Hello [REDACTED] — Clause 3(1)

The Chairman of the Liquor Act Review Committee has read your email below and has asked me to clarify with you, the reasons why you believe there is a need to have a licence category for an internet sales licence. As we understand it, the current legislation allows for licensed wholesalers to conduct online/internet sales.

Thank you,

Donna Kennedy  
Executive Officer  
Liquor Act Review Committee

[REDACTED] — Clause 3(1)

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