

Lucy Brotherton

From: Tremble Shane
Sent: Friday, 5 October 2012 3:48 PM
To: lucy.brotherton@olgr.nsw.gov.au
Cc: Terry Mott; Michael Waters
Subject: Liquor Promotional Guidelines.
Attachments: OLGR Promotional Guidelines - Final.docx

Dear Ms. Brotherton

Please find attached our letter on proposed revisions to the Liquor Promotional Guidelines.

Thank you for the opportunity to put our views on this issue.

<<OLGR Promotional Guidelines - Final.docx>>

Regards,

Shane Tremble

ional Liquor Licensing & Acquisitions Manager

Woolworths Liquor Group

Woolworths Limited

P +61(0)2 8885 1779 | F +61(0)2 8888 1779 | M+61 (0)408 860 361


E stremble@woolworths.com.au

1 Woolworths Way Bella Vista, NSW 2153

PO Box 8000 Baulkham Hills, NSW 2153

Mail point: N3.D2

 PLEASE CONSIDER THE ENVIRONMENT BEFORE YOU PRINT THIS E-MAIL

 CAUTION: This email and files included in its transmission are solely intended for the use of the addressee(s) and may contain information that is confidential and privileged. If you receive this email in error, please advise us immediately and delete it without copying the contents contained within. Woolworths Limited (including its group of companies) do not accept liability for the views expressed within or the consequences of any computer viruses that may be transmitted with this email. The contents are also subject to copyright. No part of it should be reproduced, adapted or transmitted without the written consent of the copyright owner.

05 October 2012

Ms. Lucy Brotherton
A/Manager, Industry Support
Office of Liquor Gaming and Racing

By E-mail: lucy.brotherton@olgr.nsw.gov.au

Re: Review of Liquor Promotional Guidelines

Dear Ms. Brotherton

The purpose of this letter is to provide you with our feedback on the proposed review of the Liquor Promotional Guidelines that were outlined in a letter from Ms. Elizabeth Tydd in August (the Guidelines).

While we believe that alcohol consumption is ultimately an issue of individual responsibility, as Australia's largest retailer of alcoholic beverages our aim is to operate our liquor business beyond the required standards of legal compliance to a position of industry leadership.

In pursuit of this objective Woolworths Liquor Group (WLG) has developed a number of responsible service initiatives, some of which have been adopted by other industry participants.

- Launch of the ID 25 program supported by staff training and point-of-sale material.
 - Launch of "Don't buy it for them" secondary supply program supported by staff training and point-of-sale material.
-

- Launch of WLG responsible buying charter incorporating ranging prohibitions on products that are packaged and marketed irresponsibly and de-ranging all RTD products that contain more than 2 standard drinks in a single serve container.
- Working with local police and licensing authorities to introduce voluntary restrictions on range and trading hours in areas that are prone to alcohol related harm.
- Ongoing point-of-sale information campaigns on responsible drinking. Examples include, explanations of standard drink icons, a campaign to encourage consumers to measure rather than free-pour spirits, and a campaign targeted at Schoolies areas.

While we have no issue with the objective of minimising the negative impacts of undesirable alcohol promotions or with the seven principles outlined in the guidelines, the principles are by necessity general in nature, and their effectiveness and impact will be determined to a large extent by how they are interpreted and applied.

Our view of the matter is that a clear distinction should be drawn between the potential for harm of a promotion offering discounted alcohol which must be consumed immediately i.e. in an on-premise context, and that which may be stored and consumed over a lengthy period of time subsequent to purchase, or shared with friends and family in a social setting in the home. The proposed promotional guidelines draw no distinction between on and off premise environments despite the fact that the drinking context is often very different. As an example the "Harm Mitigation Measures" outlined on page 4 of the attachment clearly have little relevance in an off-premise context.

Promotional activity which involves the provision of discounts is very common, not just in our business but in all packaged liquor outlets. A quick review of advertised promotions in any given week will show that "multi-buy" or "two for" promotions offering two cartons of beer or two bottles of spirits at a reduced price.

If the new guidelines are to be interpreted in a particularly inflexible manner it could represent an effective restriction on a very common type of promotional activity and a significant shift in policy governing the selling of packaged alcohol.

The use of the term "extreme discounts" in Principle 5 and the quoted example of a 50% discount is also open to interpretation. There are many examples of promotions which reward the purchase of bulk amounts of liquor in a single transaction all of which would be caught by a broader interpretation of the guidelines. Some examples include;

- The practice of selling a 24 pack of beer at a significant discount to the price that would be paid for the individual purchase of 24 single units.
- The practice of offering a discount on purchases of full cases of wine rather than single bottles.
- The provision of discounts to customers purchasing large quantities of alcohol for functions such as weddings.

While it would not be a common occurrence for the level of discount to reach or exceed 50%, it is possible that this could occur. In the example quoted above, an imported beer that sells for \$3 as an individual stubby could be promoted at \$35 for a carton which would be a discount of greater than 50% to the full single price.

It must be recognised that responsible consumption of alcohol is a lawful, socially acceptable, recreational activity which provides considerable social benefit to large numbers of people in the community. Retail liquor stores therefore have the potential to generate a positive social impact in the form of employment and economic activity in the way that they serve this legitimate community demand.

"Specials" have considerable benefit to the community and there is no evidence that "specials" sold from Woolworths packaged liquor licences leads to higher levels of consumption or a change in the pattern of consumption by customers who take advantage of this type of promotional activity.

The evidence available to Woolworths, through its internal figures, is that when a "special" is offered, customers may purchase a number of the same item that is on special, but when the item returns to its regular price there is a significant drop off of purchases made for that item (more so than at any other time). This in turn means that a customer may purchase, for example, two cartons of beer one week when the product is on "special" but the following week, when the product returns to its regular price, they do not have a need to make any purchases. Due to the competitive nature of the industry customers are well aware that their favourite brand is likely to come on special at some point and consequently many will hold off purchasing until this occurs and stock up when it does.

Every form of retail promotional activity is designed to provide potential customers with an incentive to purchase product from a particular retail outlet. The objective of the promotion is to encourage potential customers to make their purchases from one of our outlets rather than that of a competitor. There is no evidence to support the contention that this promotion would somehow make customers purchase a product that they would not normally consume, or that having made that purchase that customers would then consume more of the product in question than they normally would. This would be akin to a claim that a promotional offer on Corn Flakes would cause purchasers to consume two bowls for breakfast rather than their normal one.

When purchasers make a decision to "stock up" on a particular product this normally increases the interval between purchases as the product is consumed over a longer period of time.

All of Federal and State and Territory government policy and legislation from the introduction of the Trade Practices Act in 1974 to the review of national competition policy that was commenced in 1992 have been designed to encourage exactly this type of competitive activity i.e. a free market where the forces of competition are allowed to operate.

We recognise that alcohol is not an ordinary commodity and that restrictions on some types of promotional activity are a necessary component of any regulatory framework designed to reduce alcohol related harm.

We also believe that any restrictions imposed should be based on firm evidence and that the relevance and effectiveness of any restrictions would be improved by a design that recognises that the consumption of alcohol occurs in many different contexts and circumstances.

Regards,



Shane Tremble
National Liquor Licensing Manager
Woolworths Liquor Group

The first part of the paper is devoted to a discussion of the general principles of the theory of the structure of the atom. It is shown that the structure of the atom is determined by the laws of quantum mechanics, which are based on the principle of the uncertainty of the position and momentum of the particles.

In the second part of the paper, the author discusses the problem of the structure of the nucleus. It is shown that the structure of the nucleus is determined by the laws of quantum mechanics, which are based on the principle of the uncertainty of the position and momentum of the particles.

The third part of the paper is devoted to a discussion of the problem of the structure of the molecule. It is shown that the structure of the molecule is determined by the laws of quantum mechanics, which are based on the principle of the uncertainty of the position and momentum of the particles.

In the fourth part of the paper, the author discusses the problem of the structure of the crystal. It is shown that the structure of the crystal is determined by the laws of quantum mechanics, which are based on the principle of the uncertainty of the position and momentum of the particles.

The fifth part of the paper is devoted to a discussion of the problem of the structure of the liquid. It is shown that the structure of the liquid is determined by the laws of quantum mechanics, which are based on the principle of the uncertainty of the position and momentum of the particles.

In the sixth part of the paper, the author discusses the problem of the structure of the gas. It is shown that the structure of the gas is determined by the laws of quantum mechanics, which are based on the principle of the uncertainty of the position and momentum of the particles.

The seventh part of the paper is devoted to a discussion of the problem of the structure of the plasma. It is shown that the structure of the plasma is determined by the laws of quantum mechanics, which are based on the principle of the uncertainty of the position and momentum of the particles.

In the eighth part of the paper, the author discusses the problem of the structure of the solid. It is shown that the structure of the solid is determined by the laws of quantum mechanics, which are based on the principle of the uncertainty of the position and momentum of the particles.

The ninth part of the paper is devoted to a discussion of the problem of the structure of the liquid crystal. It is shown that the structure of the liquid crystal is determined by the laws of quantum mechanics, which are based on the principle of the uncertainty of the position and momentum of the particles.