

Committee Secretary  
Senate Standing Committees on Rural and Regional Affairs and Transport  
rrat.sen@aph.gov.au

Dear Sir/Madam

Re: On 25 March 2015, the Senate moved that the following matters be referred to the Rural and Regional Affairs and Transport References Committee for inquiry and report by 11 November 2015: Australian grape and wine industry.

I am a PhD candidate in science communication interested in the regulation of alcohol promotion, including price promotions, which appear to be practically unregulated in Australia in the off licence trade. Cheap wine currently plays a large role in loss leading promotions suspected of increasing community harms including domestic violence. My submission is concerned with:

*The power and influence of retailers of Australian wine in domestic and export markets.*

University of Technology Sydney researchers have demonstrated the role played by large stocks of discountable wine in driving prices down. They have claimed that Woolworths and Coles, Australia's largest supermarket chains, are subverting public health policies aimed at minimising harms from excessive alcohol consumption.<sup>1,2</sup> They have called for minimum unit pricing to prevent extreme discounting by Coles and Woolworths as they compete for dominance in alcohol retailing via loss leading at their separately branded liquor outlets. In these recent studies, bottled wine was almost always the discounted item on offer, a reflection of its superabundance in Australia and New Zealand.

Last year, Woolworths' liquor retail division (including BWS and Dan Murphys) accounted for \$7 billion in sales. The so called supermarket duopoly is thought to control 70% of liquor retailing through their ownership of chains such as BWS and Liquorland. These campaigns are directed at the general population via cash register receipt discount offers and sponsorship of televised sports. Alcohol charity FARE has published formerly confidential documents on the internet regarding recent unsuccessful campaigns to ban these 'bundling' discount offers, known as shopper docketts, in New South Wales.<sup>3</sup>

Woolworths and Coles use TV as well as other media to conduct their price wars over the off-licence liquor trade as competition sponsors. During the Cricket World Cup, the most frequent

alcohol advertiser was BWS, advertising low cost deals for buying multiple items. Meanwhile, complaints to self-regulation schemes like this one are routinely dismissed by the industry self-regulator, ABAC:

The complainant argues that:

Drinking is encouraged and promoted by the advertisement which comes on frequently each time someone gets out during the cricket game;

It suggests that if you want to enjoy and improve the experience of watching the cricket you should buy lots of alcohol at Liquorland;

Alcohol and sport are promoted as 'natural' companions. <sup>4</sup>

Prices promotions are tailored to the needs of marketers, not producers, and health considerations are still not a factor <sup>5-7</sup>. During the Cricket World Cup in Australia, including the final on 28 March 2015, BWS frequently repeated a wine deal over many hours during the daytime which impersonated the distinctive voice of former Australian test captain and commentator the late Richie Benaud, <sup>8</sup> in which bottles of wine representing opposing players moved around the stumps as viewers were offered "teeuw for twenty teeuw".

With best wishes,

Sarah Yeates



"He earned many imitators of voice and appearance, from the choice of suit to the unforgettable Benaud way of enunciating 2-22." (see <sup>8</sup>)

## References

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