



Alan Sibbons MP
Member for Mitchell

Wine in Supermarkets Proposal
Legislative Services
Attorney-General's Department
GPO Box 464
ADELAIDE SA 5001

1st March 2013

Dear Attorney-General,

I am writing with feedback on the Discussion Paper on Liquor Licensing reform – sale of wine in supermarkets, released in January 2013. Thank you for your time in considering this submission.

Having read the discussion paper and reviewed the draft bill I have the following feedback. Firstly I fully support the South Australian Government in promoting the South Australian wine industry and seeking measures that will assist with South Australian wine producers' access to the retail liquor market.

I understand that supermarkets are able to apply for a retail liquor merchant's licence, providing they can demonstrate:

- a) a need for another licensed outlet in the area to cater for public demand and
- b) physically separate their liquor sales from any other commercial purposes

I recognise that for smaller, independent supermarket chains, these barriers can be very difficult to overcome.

I also recognise that accessing a market for larger orders from supermarkets would be of great benefit to South Australian wineries.

However reviewing the draft bill, I have concerns the bill may result in unintended consequences for South Australian wine producers, and a reduction in competition in the liquor retail market.

My primary concern with the draft legislation is that it is unable to limit the license to the sale of only South Australian wines. Similarly it is also unable to limit the licence to particular supermarket chains or owners.

I am concerned that this legislation will provide the opportunity for retailers such as Coles and Woolworths to stock and sell bottled wine. I am concerned that given the market power of such retailers, bottled wine whether it be produced in South Australia, Australia or overseas, could be purchased in such quantities, that this could result in South Australian wineries being under even more pressure to compete in the liquor retail market.

The bill proposed that the liquor license could only be authorised to supermarkets with a minimum floorspace of 400 square metres. I would like to suggest investigating an amendment to the draft legislation. By removing the minimum floorspace requirement from the legislation and replacing it with a maximum floorspace requirement, the bill could effectively target small independent supermarkets and grocers.

This would serve to effectively open up a niche market for smaller, independent retailers, as well as a market for small to medium South Australian wine producers as the bill intends, without enabling larger retail chains to capitalise and further increase their market share and retail dominance, potentially threatening smaller operators.

Thank you for your time in considering my feedback on the draft bill.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Alan Sibbons', written in a cursive style.

Alan Sibbons MP
Member for Mitchell