

To the Honourable Mr. John Rau,

I have worked in the liquor industry for over 13 years. What is being proposed in regards to the sale of wine in supermarkets will be fatal for many businesses in the wine and liquor industry of this state.

I currently hold the position of Manager at Goodwood Cellars. We are a small, premium, truly independent bottle-shop. We are proud of who we are, what we do and how we present ourselves to the public. There are few stores like us, but the ones that exist are equally proud and committed. We are already the small players. We already help the small wineries. We are already under threat.

Day to day, we present wine to our customers in a way that increases understanding, experience and enjoyment. We do this as a service to the industry as much as we do as a catalyst for sales. Wine is a complex product, combining source materials, point of origin, conditions of a particular year, techniques and skills employed by the winemaker and, importantly, time. Over the years, I have increased my knowledge through practical experience and research. Every day I bring this knowledge to the table to aid the customer in their search for that perfect bottle to suit their needs. Every day I learn more.

We review and select wines personally. We don't rely on reviews or awards, we judge them on their merits. We don't just take the "best deal" and ignore the quality. We don't fall prey to the biggest names with the biggest marketing budgets. We work closely with a multitude of small and developing brands to increase the quality and sales of their wines. We help with label designs, product mix and public feedback. We are a face they know. We are people they can talk to, at the coal face, in the store. Their wines cease to be just "another label" on our shelves. We have passion.

The proposed changes to legislation will open the floodgates. We already know that Coles and Woolworths control an majority of our industry and I agree that this causes issues for smaller wineries. By allowing trade of wine in supermarkets you will effectively hand more control to them on a silver platter. They have a much larger share of the supermarket world. IGA and Foodland are the vocal ones, but they are definitely the vocal minority. They face the same battles we do, but in liquor they will not win. Truly small brands will not make it onto their shelves. They disappear into the mix with larger names and supermarkets will only be interested in the brands that move fast. We are often happy to see a dozen wines take 12 months to move. We understand that small makers often make unconventional styles of wine.

If I may drag out an old cliché, our industry is going through a period of rebirth. Winemakers are experimenting with varieties that, although long established in European markets, are new to us. Small winemakers have a capacity for experimentation not available to the larger makers. These varieties require a new understanding by the consumer. They need hand-selling. They don't need to be another face in a very large crowd. Unfortunately the sales dynamic of a supermarket will not allow hand selling, thus these wines will be deemed unfeasible in their product mix.

Another aspect is security and exposure to alcohol. Every liquor retailer I have ever worked or walked into has been laid out in such a way that allows constant staff supervision. We accept that liquor is a high-theft item and have acted accordingly. The issue with the theft isn't the loss itself, it's the unregulated consumption of alcohol. That thief may be intoxicated or underage. By never coming to the counter, they cannot be scrutinised by staff in a supermarket environment. In a liquor store, we spot them immediately. Minors are immediately under suspicion upon entry, as they have little reason to be there at all. They have every reason to be in a supermarket. I believe that simply having

designated zones in a supermarket will do little to curb this issue. Along the same lines is: at the moment, if you get a barring order from a liquor retailer, it is usually a fair distance to get to the next retailer. This makes it “too much effort” for people and aids in curbing their problematic behaviour. If this legislation were to proceed, some areas would have a multitude of liquor premises in a small radius, making individual barring orders largely ineffective. If I were to bar someone, they can just walk two doors down to get a drink; there is no break to their behaviour patterns.

The market for bottled wine is large, but not infinite. Increasing the availability of bottled wine will not significantly increase the volume purchased per annum. Effectively you would just be diluting the customer base amongst more outlets. This will not and cannot help small winemakers in the long term. Sure, immediate sales would go up as these stores order stock to fill shelves, but then sales to trade would go back to previous rates when there’s no need to reorder until stock is sold. If one winery/brand *did* see a significant annual increase, it would probably correlate to another brand’s reduction. You may save one brand at the expense of one or more others.

A far more effective manner of increasing competition and opportunity within the wine sector would be to impose laws that mean no one entity can control more than 15-20% of the retail liquor licences in the state. This would effectively stop the biggest players acquiring more market-share (no requirement for them to surrender existing licences of course), while encouraging diversity amongst the type and format of retail liquor store. It would also mean smaller producers have a real choice when it comes to selling their wine, with an increase in the smaller doors being open to them. As I mentioned before, the small business is already under threat and yet we do the most to help increase the knowledge and the profile of small winemakers.

I invite you to come to our store and meet with me and to experience first-hand what we do. It is much more than handing over goods for cash. It can never be that simple if you truly have the winemakers’ interests at heart. Don’t allow a move to increase profits be disguised as a move to increase industry, it simply will not work.

Sincerely,

Andrew Clark

Manager

Goodwood Cellars