



Attention Mr. Richard Coates
Chairperson
Northern Territory Liquor Commission
GPO Box 1154
Darwin NT 0801
28th September 2018

Dear Mr. Coates,

Review of Take-away Liquor Licence Conditions in Alice Springs

I am writing this submission to you on behalf of the Board of Lhere Artepe Supermarkets Pty Ltd and its Licence Nominees who received your letter dated 3 September 2018. The Board of Lhere Artepe Supermarkets represents the three IGA Supermarkets in Alice Springs known as Flynn Drive, Eastside and Northside.

Lhere Artepe Supermarkets is in fact a subsidiary company of Lhere Artepe Enterprises Pty Ltd (LAE) and the ultimate shareholders/owners of this business are the Native Title holders of Alice Springs through the estate groups of Antulye, Irlpme and Mpartwe Aboriginal Corporations.

Supply versus Demand

Firstly, I would like to make the point that it seems all the current and proposed changes in the Northern Territory in relation to liquor consumption and harm minimization are placing a significant focus on **supply** but little is being achieved or proposed to reduce **demand**. In fact observations can be made on a daily basis in Alice Springs that demand from problem drinkers is escalating and becoming more desperate (and often aggressive).

Since the introduction of restrictions in Tennant Creek, it is clear that problem drinkers have just moved to other locations like Alice Springs. Last week alone, the Flynn Drive Liquor Store was forced to close several times (for short periods) in an attempt to move up to 30 people from the front of the store. There was no police presence and these people were humbugging other customers and trying to get others to buy alcohol on their behalf. It is a very difficult situation for our regular customers trying to access the supermarket.

At Flynn Drive we are also trialing a policy of only 6 bottles of “cheap” wine per customer – this was a request from the police. It has not been successful to date and only increased the aggression of those problems drinkers against staff and regular customers and created a demand for stronger alcohol (spirits) in its place.

Current levels of Compliance

At the present time, there are a large number of compliance levels that must be adhered to by liquor stores in Alice Springs. It is noted that some of these compliance measures are not being introduced Territory wide.

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The following outlines the level of compliance being followed by local businesses in Alice Springs:

- **The Liquor Act** – the new Act is still being drafted of course but we are waiting to understand a number of matters in relation to those changes that will impact on the viability and future of the Lhere Artepe Supermarkets
- The **Liquor Commission** – the reintroduction of a Liquor Commission
- The current **Store Liquor Licences**
- **RSA** – Responsible sale of alcohol – training that must be completed before any staff can work in a take away liquor stores
- The **Riley Review** – I understand that Mr. Riley QC in his report was adamant about only 15% of overall supermarket sales being alcohol. Government is now saying that 25% is a more appropriate figure. With the twice annual tax excise increases on liquor and limited price inflation on food and groceries, even if grocery stores could initially comply with a 25% cap, it would very quickly be exceeded with the next excise increase. Mr. Riley QC is also adamant about no branding or advertising in front of liquor stores. Government has now approved store branding but no external advertising of liquor products.
- **Floor price** of @ \$1.30 per standard drink commencing in October 2018. Lhere Artepe Supermarkets already operate on a floor price of \$1.20 per standard drink so not a significant change from our current practice, but another industry compliance level none the less
- The **POSIs** – point of sale intervention – police located at the front of each outlet – not a practice that has been adopted in Darwin
- The **new powers of police** – 48 hour licence suspensions if anti-social behaviour is experienced outside a liquor shop, which the police assume is fueled by liquor sold by the nearby licensee. Also, the power of police to ban a customer from the store for 24 hours with no explanation but an order presented to the staff
- The **Auxiliary police** – new police with 11 weeks' training carrying a gun and a taser – with not the same powers as police – they are now being trained and stand in front of bottle shops also. This is not a practice being adopted in Darwin
- The **Banned Drinkers' Register** – My understanding is there are approximately 3500 people on the register now across the Territory – having been placed there mainly by the Police, Corrections and the Courts. Of that, approx. 220 have been placed by others with authority to do so. I have been advised that Health Professionals do not register their clients. As an example, I was recently advised that a prominent and very vocal activist in reducing liquor licences and outlets had told people in a meeting in Alice that they would not place any of their clients with a drink problem or an addiction on the banned drinkers' register. In our opinion, if there was more of a focus on demand, health professionals would presumably want to ensure those problem drinkers that they meet in their clinics would be placed on the register. I have written to the Attorney-General seeking some information on this matter, but have heard nothing back as yet
- The **proposed restricted hours** and restricted supply being considered by the Liquor Commission

With 10 levels of compliance already in place (which we assume are effective) a case needs to be made for the introduction of potentially an 11th level by the Liquor Commission. It would help a great deal for evidence to be produced about the rate of compliance by licensees with the existing rules and the rate of prosecution. In fact, we think this is an essential foundation for a decision about whether additional controls are needed and if so, what kind.

Added to these formal compliance requirements, Lhere Artepe Supermarkets also has its own Alcohol Management plan – see attached.



LAE Supermarkets
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Our alcohol management plan will be amended in the coming days to reflect the new floor price. This plan is introduced to all new liquor store staff and we undertake constant reviews of our performance against the plan.

Impact on our business and the Alice Springs economy

It is important to note that some of the proposed changes by Government in response to the Riley review (e.g. 25% sales of alcohol to grocery sales, and the Liquor Commission's proposed additional restrictions on trading hours) will have the potential to close the business of LAE Supermarkets three IGA stores and cause the company to be wound up. These stores are well patronised by Alice Springs citizens and acquire goods and services from within Alice Springs. We employ around 120 local people. Closure of our business would be expected to have a significant impact on local services and the local economy.

Alice Springs is a difficult and challenging market given a population of just over 28,000 people and serviced by Coles and Woolworths together with 7 independent supermarkets – 3 of which are Lhere Artepe Supermarkets. The potential business loss through these changes will have the effect of sending customers to the two big chains where money will leave the region. There would be reduced retail competition in the town.

About LAE Supermarkets

- The three IGA stores process over one million transactions per year which equates to approximately \$25m in sales – the Alice Springs community clearly values and utilises these neighbourhood supermarkets.
- The business spends approx. \$3.13m per year in sourcing products and services from local Alice Springs businesses.
- The business spends around \$2.7m per year in salaries and wages to our employees (around 120) who are all local residents.
- Around 20% of our employees are Indigenous and we try to prioritise local Indigenous-owned businesses when acquiring goods and services.
- We advertise in local media - CAAMA
- We provide sponsorships, donations and free products of around \$35K year to local organisations.

Other Matters To Consider

The Board of LAE Supermarkets also asks that in their deliberations, the Commission consider the following points:

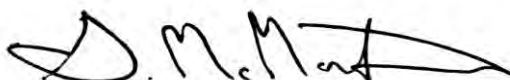
- Why are changes not being considered consistently across the Northern Territory? Evidence suggests that making changes in one area or region only results in removing the problems to other locations. This is only increasing demand and on many occasions pushing the problem underground
- Why are there so few entries in the Banned Drinkers' Register by groups other than Police, the Courts or Corrections? Why are health professionals not required to register those clients they assist with drinking and addiction problems?
- Why is there a focus on food and grocery take-away outlets only and not hotel bottle shops that can trade on Sundays? This creates an inappropriate difference within the industry that has not been explained in terms of meeting policy objectives. How is harm to be minimized by reducing supply from one kind of outlet, when it is so easy for consumers to buy from a different kind of outlet? This creates market distortions and gives rise to a competitive disadvantage for supermarket outlets
- In its policy development, does the Liquor Commission consider the impact that its decisions have on companies' ability to continue to operate viable/sustainable businesses?
- Why is the Liquor Commission, the Police and the Riley Implementation team not evaluating the new compliance levels already introduced before placing additional restrictions on businesses e.g. the outcome of the floor price, the expansion of the BDR, the restrictions in advertising?

Socio Economic Impact Assessment

To highlight the potential impact on the Alice Springs economy if these three stores should close because of the changes to the Liquor Act in relation to the 25% cap and the Liquor Commissioner's restricted hours of trading, LAE Supermarket's has now commissioned the development of a socio/economic impact assessment which should be completed by the end of October 2018.

The Lhere Artepe Supermarket Board asks that the Liquor Commission now delay any decision in relation to the review of take-away liquor licence conditions in Alice Springs until the outcome of our **Socio Economic Impact Assessment** can be tabled formally to the Chairperson of the Commission.

Yours sincerely



Sally McMartin
CEO and Company Secretary
On behalf of the Board of Lhere Artepe Supermarkets Pty Ltd

