

26 September 2013

Ms Megan Cunningham  
Senior Project Officer  
Adjudication Branch  
Australian Competition & Consumer Commission  
360 Elizabeth Street  
Melbourne VIC 3000



**Response to Distilled Spirits Industry Council of Australia (DSICA) submission**

Dear Ms Cunningham,

Thank you for providing the CBD Townsville Liquor Accord the opportunity of responding to the submission lodged by DSICA.

As a result of the extremely limited period of time that we have been given to provide a response to this submission, I intend to respond only to those salient points directly raised by Mr Stephen Riden on behalf of DSICA.

1. In his submission, Mr Riden writes, *"We have also been mindful of the potential for consumers' choices to be restricted through the accords at the suggestion of licensing regulators and the Police"*.

I can confirm that the CBD Townsville Liquor Accord was solely established by licensed traders and that there was no input from any regulatory authority in relation to the establishment of pricing controls. The Office of Liquor & Gaming Regulation (OLGR) and Queensland Police Service (QPS) do attend part of every Accord meeting however they have no voting rights and are not in a position to exert unnecessary influence over Accord members.

2. In his submission, Mr Riden writes, *"DSICA believes that if ACCC grants a new authorisation, it should be for another three-year period"*.

The CBD Townsville Liquor Accord has no position on this and would be happy with either a three or five year authorisation.

3. In his submission, Mr Riden writes, *"The establishment of explicit price controls.....was not encompassed by the original authorisation"*.

The CBD Townsville Liquor Accord disagrees with DSICA's interpretation of the current authorisation.

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4. In his submission, Mr Riden writes, *“DSICA also notes that page 19 of the application clearly shows that the spirits minimum price applied outside of the promotional hours or days before public holiday (sic) and was in fact a permanent feature across all trading hours”*.

In deliberating whether to initially introduce pricing controls, Accord members displayed significant concerns due to the increasing levels of intoxication and associated violence within the Accord area. It was noted that some traders were offering extreme discounts on spirit based drinks on Tuesday nights, commonly known as “Cheap Tuesday”, and that levels of incidents leading to violence were increasing. These extreme discounts were becoming more prevalent and on occasion led to full nip spirits being sold at some licensed premises for as low as 80 cents. These promotions led to enormous crowds at some licensed premises and when the extreme discount promotion would finish, patrons would leave en masse and look for the next venue that was offering extreme discounts.

The tradition of “Cheap Tuesday” within the Townsville area is very well established and Accord members noted that if there was an immediate change to a higher price point on spirits on that night that it would be highly likely that patrons would abandon the traders within the Accord area and the entire industry would collapse. Strict time frames of 8.00pm to 1.00am were introduced as part of the pricing controls so as to reduce the potential of harm.

Extreme discounting was also becoming prevalent on the days immediately before a Public Holiday and as such Accord members decided to set a minimum price consistent with that offered on Tuesday evenings. Again, strict time frames were introduced to reduce the potential of harm.

5. In his submission, Mr Riden writes, *“How much of this behaviour was a result of the consecutive happy hour promotions is (sic) clear, but it is reasonable to assume that they would at least have played some role”*.

The CBD Townsville Accord acknowledges that consecutive promotions formed part of the problem, however prior to the inception of the pricing controls, there was nothing that could be done to prevent it. Some operators ran multiple premises within the Accord area and set the times of their promotions times to run consecutively.

6. In his submission, Mr Riden writes, *“DSICA also notes that the Townsville and Whitsunday liquor accords only set minimum prices for spirits and not for other products such as beer, wine or cider”*.

In deliberating whether to introduce price controls, the CBD Townsville Accord members extensively discussed the various times, promotions and products that they believed was leading to an increase in anti-social and violent behaviour within the Accord area. It was unanimously agreed that the rapid and excessive consumption of spirit based drinks, due to them being heavily discounted, was a leading contributor to the issues facing the Accord. On this basis, pricing controls were introduced in relation to spirit based drinks only, however it was also agreed that if any issues arose with other alcoholic style drinks, that the Accord would meet and discuss strategies to address those concerns, including the possible introduction of additional pricing controls for those products.

7. In his submission, Mr Riden writes, *“.....DSICA notes that numbers of recorded alcohol assault type complaints lodged with OLGR has not altered significantly during the trial periods”*.

Since pricing controls were introduced, the Accord members have all reported a significant drop in anti-social behaviour in and around their licensed premises. The general consensus of all Accord members is that this reduction can be directly attributed to the introduction of pricing controls in relation to spirit based drinks. There has also been a significant reduction in “push & shove” style incidents that have led to violent clashes in the past.

Whilst the CBD Townsville Liquor Accord respects the opinions of DSICA and the members that they represent, we wish to point out that the Accord, and all of the various strategies that it has introduced, including pricing controls, has very successfully led to a significant reduction in anti-social behaviour in what is one of Queensland’s largest regional centres.

There is irrefutable evidence before the ACCC that the Pro-forma Liquor Accord Arrangement (PLAA) is positively contributing to the society of Townsville and we respectfully request that the authorisation be further continued to allow us to provide a safer environment for our patrons and the community as a whole.

Please don't hesitate to contact me should you have any questions or wish to discuss.

Yours faithfully,



**Greg Powell**  
**Secretary**



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