



Our ref: IM-72111  
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30 May 2023

Dear Interested Party

**Re: Request for submissions: Endeavour's proposed acquisition of the Rye Hotel and attached drive-through bottle shop in Rye, Victoria**

The Australian Competition and Consumer Commission (**ACCC**) is seeking your views on the proposed acquisition of the Rye Hotel and the attached drive-through bottle shop, located at 2415 Point Nepean Road, Rye, Victoria (**Rye Hotel**) (the **proposed acquisition**) by Endeavour Group Limited (**Endeavour**).

Further details are provided at **Attachment A**.

Information from you or your business is one of the ACCC's most valuable tools in assessing mergers. Your expertise in the hospitality and liquor industry, or your experience as a consumer, will help the ACCC understand the impact of the proposed acquisition, including how you or your business may be affected.

The ACCC's investigation of the proposed acquisition is focused on the impact on competition. In particular, we are seeking your views on:

- how closely Endeavour's bottle shops compete with the Thirsty Camel drive-through bottle shop at the Rye Hotel;
- the availability of other bottle shops and hotels in the area; and
- whether the removal of the Thirsty Camel drive-through bottle shop at the Rye Hotel and/or Endeavour's increased scale would impact the acquisition of liquor products at the wholesale level.

Further issues you may wish to address are set out in **Attachment B**.

The legal test which the ACCC applies in considering the proposed acquisition is in section 50 of the *Competition and Consumer Act 2010* (Cth) which prohibits acquisitions that would have the effect, or be likely to have the effect, of substantially lessening competition in a market.

**How to share your views**

Please provide your written response by 20 June 2023 via email to [mergers@acc.gov.au](mailto:mergers@acc.gov.au) with the title: *Submission re: Endeavour's proposed acquisition of the Rye Hotel – attention Fiona Kennedy*. If you require more time to respond, please let us know.

We also invite local consumers to fill out the [consumer survey](#) by 20 June 2023.

Alternatively, if you would like to discuss the matter with ACCC officers, or have any questions, please call Fiona Kennedy on (03) 9290 1925.

This matter is public and you can forward this letter to anybody who may be interested.

Updates regarding the ACCC's investigation will be available on the ACCC's Public Mergers Register at ([ACCC mergers register](#)).

***Confidentiality of submissions***

The ACCC treats sensitive information it receives during a merger review as confidential and will not publish your submission. We will not disclose submissions to third parties (except our advisors/consultants) unless compelled by law (for example, under freedom of information legislation or during court proceedings) or in accordance with s155AAA of the *Competition and Consumer Act 2010*. Where the ACCC is required to disclose confidential information, we will notify you in advance where possible so that you have an opportunity to be heard. Therefore, please clearly indicate if any information you provide is confidential. Our [Informal Merger Review Process Guidelines](#) contain more information on confidentiality.

Yours sincerely



Daniel McCracken-Hewson  
General Manager  
Merger Investigations

## **Attachment A: Background**

### **Rye Hotel**

The Rye Hotel is located at 2415 Point Nepean Road in the bayside town of Rye on the Mornington Peninsula in Victoria. The building on Point Nepean Road houses:

- on-premises food and beverage areas, including function rooms, live entertainment, TAB and gaming facilities,
- an attached drive-through bottle shop which trades under the Thirsty Camel banner, and
- beachfront accommodation.

Peninsula Cellars, trading under the Thirsty Camel banner, is also owned by the vendor but it does not form part of the proposed acquisition.

### **Endeavour**

Endeavour is a major Australian alcoholic drinks retailer and hotel operator that owns and operates a portfolio of brands including BWS, Dan Murphy's, Jimmy Brings, Langton's and Cellarmasters. Endeavour also manages over 330 licensed hotels across Australia through its subsidiary, ALH Hotels.

Until 28 June 2021, Endeavour was a subsidiary of Woolworths Group. However, Endeavour has been separated from Woolworths Group via a demerger and is now a separately listed corporation on the ASX (ASX: EDV).

Endeavour currently operates one BWS bottle shop in the local area, BWS Rye. BWS Rye is approximately 900 metres from the Rye Hotel by road and is located adjacent to Woolworths Rye.

## **Attachment B: Questions**

1. Please provide a brief description of you, your business or organisation and explain your interest in the proposed acquisition, including any commercial relationship(s) with **Endeavour** and/or the **Rye Hotel**.

### **Questions for consumers and bottle shops**

2. Identify any factors that you consider are important to, or valued by, bottle shop customers. For example, the brand of the bottle shop, its range of products, whether the bottle shop is located near other retail stores, whether it is a drive through store, whether it has easy parking access, etc.
3. Discuss how closely the Thirsty Camel drive-through bottle shop at the Rye Hotel competes with Endeavour's brand BWS, particularly the BWS in Rye. In your response, please consider price, quality (including service and site amenity), location, range of offering, promotional activity, and any other relevant factors.
4. Identify and describe other bottle shops in the local area that compete with the Thirsty Camel bottle shop at the Rye Hotel. Outline how these competing bottle shops compare based on the factors listed in question 2.

### **Questions for bottle shops**

5. Describe the ease or difficulty of establishing new bottle shops in the local area and/or the Mornington Peninsula. In your answer, please have regard to any relevant factors, including cost, time and availability of appropriate sites.
6. Describe the impact (if any) of removing the Thirsty Camel drive-through bottle shop at the Rye Hotel on the strength of the Thirsty Camel brand. In your response, please consider the importance of having multiple locations in a region (such as the impact on brand awareness or economies of scale in relation to advertising).
7. Describe the geographic area over which customers in the local area and/or the Mornington Peninsula generally source takeaway liquor and their ability to switch to alternative bottle shops in response to a price increase if prices were increased at the Rye Hotel.

### **Questions for consumers and hotels**

8. Identify and discuss the hotels and/or other venues that compete with the Rye Hotel in relation to hospitality services in the local area and/or the Mornington Peninsula. In your response, please consider price, quality, location, and range of offering (including food and liquor offerings and live entertainment and gaming - including poker machines, lotteries, and network games).

### **Questions for wholesalers**

9. Identify the impact (if any) of the proposed acquisition on the wholesale supply of liquor, either at the Victorian or national level. For example, whether the removal of the Thirsty Camel drive-through bottle shop at Rye Hotel as an independent wholesale customer would impact the scale, competitiveness and/or efficiency of a wholesale supplier's offerings to other independent retailers.

### **Additional information**

10. Outline any other concerns you have about the likely competition effects of the proposed acquisition or comments you consider relevant to the ACCC's assessment, including your reasons.