

Friday 19 June 2020

Committee Secretary  
Economics and Governance Committee  
Parliament House  
George Street  
Brisbane Qld 4000



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QLD Liquor Licence No. 198964

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#### Submission topic:

**Current Queensland Liquor Licence regulations disadvantage small businesses' ability to compete with NSW and Victorian counterparts – proposed adjustments to assist smaller wholesalers in Queensland**

Dear Madam or Sir,

#### Business context

Since its establishment in 2018 our small start-up family business GBA has performed with great flexibility in supplying and supporting the hospitality industry in Queensland – from small cafes and delis, to clubs and hotels – with high quality beverages.

We import quality products from Germany – including organic juices, non-alcoholic beers, beers and wines – produced by privately- and/or family-owned businesses there. It is a very bespoke niche market and these are predominantly products that are new to Australia and different to the current offering in the F&B and health-food sectors here. We are also the exclusive Australian importer for some of these products.

Unsurprisingly, both our business activities and those of our Queensland customers have been severely impacted by the effects of COVID-19 this year.

#### Alcohol products

For the alcoholic beverages we hold a Queensland *Commercial Other – Producer/Wholesaler Licence* (No. 198964). This licence means we are not allowed to sell alcoholic beverages – other than only 2% of our total revenue from this category – via retail to the public (including ourselves!).

By way of interstate comparison:

##### Victoria

Wholesalers are allowed to sell up to 10% - instead of only 2% - to the public. A packaged liquor licence / renewable limited licence is available.

##### NSW

Businesses can apply for a "Packaged Liquor Licence" to retail unlimited to the Australian public via "online or mail order only".

Currently, Queensland laws and licencing appear to favour and support the 'bigger players' in this field and disadvantage the small family businesses.

The effect is that the vast majority of alcoholic beverage importers – not only for German products – are located in NSW and Victoria.

The result is that Queensland is simply losing business investment, employment and taxes because interstate companies are able to target this niche market including Queensland due to their different licencing laws and regulations.

/ continued p2

**GERMAN BEVERAGES AUSTRALIA**

*GBA submission continued*

**Queensland context**

The online business is forecast to further boom, and the big players – such as Woolworths Group, Coles (Wesfarmers) Group, Amazon, etc – will likely increase their domination of these sectors.

Moreover, GBA is just as much a Queensland 'local business' as others which produce and sell in this State – some of which are owned by overseas conglomerates.

However, we are often NOT considered local, and are therefore excluded / discriminated against **because we import products** – although our products are not in direct competition with, but different to, those being produced here in Queensland. We invest, we employ, we pay wages and taxes and don't get the same support.

Discussing this 'bigger picture' and the retail licencing challenges with various Queensland MPs over the past few years has resulted in the same answer each time: initially, they cannot imagine there could be such a disadvantage to QLD businesses. After the explanation of the current situation it changes to 'well, yes, but ... these laws have historically developed in Queensland and are therefore different to other states ...'

In our new post-COVID-19 future, laws and regulations should not restrict smaller Queensland firms' ability to better compete in their own market as well as nationally.

**Submission proposals**

I therefore suggest one of the following regulatory changes in support of small family beverage businesses, such as ours, for the Committee's consideration.

Either would directly benefit Queensland wholesalers – provided their total net sales revenue from alcoholic beverages is less than \$500,000 per Financial Year – with the first option below being the simpler, recommended option:

**Option 1**

Implement, for small wholesalers, a "Packaged Liquor Licence" for "online and mail order sales" similar to that applying in NSW – see:

<https://www.service.nsw.gov.au/transaction/apply-packaged-liquor-licence>

**Option 2**

Allow small wholesalers to sell up to \$100,000 or 50% of their net sales to the public – on site, and via online/mail order. On-site sales assume a current wholesale liquor licence is already in place for the premises.

For us this is a matter of long-term sustainability and the survival of small family businesses such as ours in a niche, and increasingly competitive market. Queensland's current Liquor Licence provisions in this regard are needlessly restrictive and have the practical effect of discriminating against small businesses registered in this State!

If simple change cannot even be considered, let alone implemented, financial pressures will mean that, sooner rather than later, we will have to consider moving our business to northern NSW. There, we will be able to take advantage of greater regulatory freedom and can sell our products online not only into Queensland but also the rest of Australia.

Thank you for your consideration of this submission. I may be contacted on [REDACTED] or by email to [REDACTED]

Yours faithfully



Reimer E Moeller BBA MBA

Director, German Beverages Australia Pty Ltd