

# **EDUCATION AND HEALTH STANDING COMMITTEE**

## **INQUIRY INTO THE ADEQUACY AND APPROPRIATENESS OF PREVENTION AND TREATMENT SERVICES FOR ALCOHOL AND ILLICIT DRUG PROBLEMS IN WESTERN AUSTRALIA**

**TRANSCRIPT OF EVIDENCE TAKEN  
AT PERTH  
WEDNESDAY, 12 MAY 2010**

### **SESSION TWO**

#### **Members**

**Dr J.M. Woollard (Chairman)**  
**Ms L.L. Baker (Deputy Chairman)**  
**Mr P.B. Watson**  
**Mr I.C. Blayney**  
**Mr P. Abetz**

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**Hearing commenced at 12.02 pm**

**HOLLOWAY, MR SHAWN ROBERT JANSON**  
**Operations Merchandise Manager, Coles Liquor,**  
**examined:**

**The DEPUTY CHAIRMAN:** I might start with the opening statement. There are a couple of formal bits, one at the beginning and one at the end, and questions in the middle. But on behalf of the Education and Health Standing Committee, I would like to thank you for your interest and for your appearance before us today. The purpose of the hearing is to assist the committee in gathering evidence for its inquiry into the adequacy and appropriateness of the prevention and treatment services for alcohol and illicit drug problems in Western Australia. You have been provided with a copy of the committee's specific terms of reference. The Education and Health Standing Committee is a committee of the Legislative Assembly of the Parliament of Western Australia. This hearing is a formal procedure of the Parliament and therefore commands the same respect given to proceedings in the house itself. Even though the committee is not asking witnesses to provide evidence on oath or affirmation, it is important that you understand that any deliberate misleading of the committee may be regarded as a contempt of Parliament. This is a public hearing and Hansard will be making a transcript of the proceedings for the public record. If you refer to any documents during your evidence, it would assist Hansard if you could provide the full title for the record.

Before we proceed to the questions we have for you today, I need to ask you a series of questions. Have you completed the "Details of Witness" form?

**Mr Holloway:** I certainly have.

**The DEPUTY CHAIRMAN:** Do you understand the notes at the bottom of the form about giving evidence to a parliamentary committee?

**Mr Holloway:** Yes, I do.

**The DEPUTY CHAIRMAN:** Did you receive and read the information for witnesses briefing sheet provided with the "Details of Witness" form today?

**Mr Holloway:** Yes, I did.

**The DEPUTY CHAIRMAN:** Do you have any questions in relation to being a witness at today's hearing?

**Mr Holloway:** No.

**The DEPUTY CHAIRMAN:** We have some questions drafted out, and we might stick to those to start with, but we will see where our discussions take us. We can be a bit flexible. To start off, Shawn, from your position with Coles, do you believe that the negative social impacts around alcohol have been about the same, increased or decreased over the past 10 years? We are really just asking for your educated opinion.

**Mr P. ABETZ:** Or guess!

**Mr Holloway:** Yes. I think it is quite a difficult question to measure.

**The DEPUTY CHAIRMAN:** We started with a difficult one. Do not be stressed. You will not fail it.

**Mr Holloway:** I think in our business in particular we probably have not seen a massive increase, and I believe that is due to the serious nature that we hold this in and the professional way that we

go about training our teams and upholding our compliance and legal requirements, but also, I guess, our view of the sustainability of the industry.

**Mr P. ABETZ:** With Coles, which sorts of businesses actually come under that umbrella?

**Mr Holloway:** We have Vintage Cellars, which is our fine wine arm, and also Liquorland, which is our convenience-based business, and we also have 1st Choice, which is our value barn.

**The DEPUTY CHAIRMAN:** Shawn, we were hoping to get some figures from you. I am aware that there may be some commercial-in-confidence around some of this.

**Mr Holloway:** Yes.

**The DEPUTY CHAIRMAN:** If that is the case, I might just inquire now before we go any further. If you do want to keep that commercial-in-confidence, we are happy to close the session, go in camera and just talk with you, and ask our audience to leave.

**Mr Holloway:** Okay.

**The DEPUTY CHAIRMAN:** Do you want me to give you a few examples of some of the questions?

**Mr Holloway:** That would be great, yes. Thank you.

**The DEPUTY CHAIRMAN:** Would it be possible for you to provide us with the figures for Coles sale of alcoholic products for 2008–09 and 2009–10?

**Mr Holloway:** I have not brought that information today, but we would be happy to provide that in confidence at a later date.

**The DEPUTY CHAIRMAN:** In confidence?

**Mr Holloway:** Yes.

**The DEPUTY CHAIRMAN:** Certainly. We will just note that it is to be provided in confidence.

**Mr P. ABETZ:** Has there been any change in the make-up of what actually gets sold? Are there market trends that you are seeing, say, towards more quality wines or people buying the cheap wines and that sort of thing? Are any trends emerging that you might want to comment on or not?

**Mr Holloway:** I think there are a number of trends in the industry. There has certainly been a trend to bottled wine away from casks over time. Also, I think there is a natural progression for people who drink wine to drink better product over time and less of it. We have seen, I guess, the emergence of RTDs over a number of years.

**The DEPUTY CHAIRMAN:** RTDs?

**Mr Holloway:** Ready to drink—commonly called alcopops, I think.

**The DEPUTY CHAIRMAN:** We have questions about that later.

**Mr Holloway:** Yes. So there have been those trends in the market as well.

**The DEPUTY CHAIRMAN:** Shall we pursue the alcopop thing now, seeing you have brought it up with your RTDs. Has the federal government's tax on alcopops had any direct impact on sales that you have noticed and that your organisation has recorded?

**Mr Holloway:** Initially, it had an impact, and there was a downturn in sales of those products, but there was a switch in our numbers between alcopops and also heavy beer and some wine products as well.

**The DEPUTY CHAIRMAN:** Okay. So your guesstimate would be to think about linking those two, so when one went down, people switched to —

**Mr Holloway:** Yes, switched over. There was also a bit more uptake in bottled spirits.

[12.10 pm]

**The DEPUTY CHAIRMAN:** Do you think that has levelled out a bit now, and would you like to comment a bit about how the figures are going now?

**Mr Holloway:** Yes, I think in a general sense our sales of RTDs are around about the levels they were prior to the tax.

**The DEPUTY CHAIRMAN:** Again, really about marketing, I suppose, you advertise weekly specials and others do the same thing, and the big chains do that. Do you find that it has a good response? Do you get people coming in and asking for the specials? Does the marketing of those kinds of discounts work for you?

**Mr Holloway:** We need to stay competitive in the market; that is the nature of it. But we certainly do have people coming in looking for our specials, yes.

**The DEPUTY CHAIRMAN:** So you use that kind of loss leader, for want of a better word, to get customers in through the door and then they may buy more value-added products?

**Mr Holloway:** Yes. We do not set out to make a loss or anything like that in our promotions. When you see low prices, that is generally the way the market has reacted more as a whole than anyone setting out to sell anything at a loss.

**The DEPUTY CHAIRMAN:** I have a question that comes from personal experience in my electorate, which I would like to ask you about, around the opening hours of liquor retailing sections of Coles. Are there standard operating hours that all of your various outlets use?

**Mr Holloway:** No, there are not.

**The DEPUTY CHAIRMAN:** Does the manager of the centre make a decision for themselves?

**Mr Holloway:** No, it is done in consultation with a couple of levels of management, so it is not an ad hoc process.

**The DEPUTY CHAIRMAN:** In my case in Maylands we have had some appeals to a couple of big providers—I think you might be one of them, although probably not you personally; your company might be one of them—to try to bring down some antisocial behaviour problems that we have in a particular suburb. With the opening hours, one agency has complied and said, “Absolutely, we will change the opening hours and make it a little bit more flexible.” Is that something that you get requests to do and do you see that you have some responsibility in helping to manage those kinds of issues in the communities that you are operating in?

**Mr Holloway:** Yes, I think the answer is yes to that. We need to find a balance between what we set out to do as a business and for our shareholders, but also be ready to take on board community concerns, and there are areas around Australia where we have actually made adjustments to our trading hours to assist with those issues

**The DEPUTY CHAIRMAN:** And your shelf products as well?

**Mr Holloway:** Yes, most certainly. I know myself, because I have worked up the operation training and managing liquor stores in Perth, actually, that we have adjusted our shelf range, removing some of the products that may be causing harm in the community from sale completely.

**The DEPUTY CHAIRMAN:** On that subject, around the training that you give your staff that work in either Vintage or the Coles Liquorland or wherever, what kind of training do you give your staff in how to manage things like customers and their presentation for purchase?

**Mr Holloway:** I guess the cornerstone of the training is responsible service of alcohol, and depending on the state you are in—I am in WA now; I have just come back, so excuse me if I am slightly off beam—anyone in charge of business will need to have the approved manager status, but all our team have responsible service of alcohol. I think that is something we pride ourselves on in the way we conduct ourselves in those areas in training. We have some pretty rigorous audit processes in form through our line management and also internally by independent audits that go on

in our stores. Part of that is checking our compliance with those things and making sure that we do not have any, I guess, risks where people do not understand the responsibilities. So that is a very important part of what we do.

**Mr P. ABETZ:** Excuse my ignorance on this, but in the bottle-shop trade if somebody comes in clearly intoxicated, do the same rules apply to the bottle shop in terms of selling them sealed bottles of alcohol as applies in pubs in terms of serving drinks?

**Mr Holloway:** Yes, and they are challenging situations for our team. We as a business completely back our team's judgement in those situations and encourage them to make the right call and err, I guess, on the side of caution. It is better to refuse someone who may be showing the signs of alcohol more readily than others do but is not actually as drunk as somebody else who does not; so to make that call to refuse them service rather than the other way. There is training around what we see as being the leading indicators of someone being intoxicated.

**Mr P. ABETZ:** How often does it actually happen in the bottle shop that somebody is intoxicated and wanting to purchase? Is it a very rare occasion?

**Mr Holloway:** It is not rare but it is certainly at the lesser end of the scale of issues that we see.

**Mr P. ABETZ:** It would not be as big an issue as, say, in a hotel where people are drinking.

**Mr Holloway:** No, it would be less of an issue in our retail premises. It would depend on the local community you are in and that sort of stuff as well.

**The DEPUTY CHAIRMAN:** I am going to backtrack a little bit or change direction a little bit, Shawn, and ask if you want to make a bit of a statement about your business direction and the scope of your business in WA and just put the committee and Hansard in the picture about what your operations are like here.

**Mr Holloway:** I have got a bit of a prepared statement, which I wish to read to you.

**The DEPUTY CHAIRMAN:** I did not mean to grill you quite so quickly! Take a breath. Please go ahead and read us what you are prepared.

**Mr Holloway:** Okay. First of all, we welcome the opportunity to appear today. My name is Shawn Holloway. I am operations merchandise manager for Coles Liquor and I am based in WA. I have worked for Coles Liquor for 10 years in a number of roles, including network store manager, business manager and also as a store manager, and I am recently into this role. I have also worked in the liquor industry for about 17 years in a number of licensed premises, and that is across bottle shops and hotels and also restaurants. Coles Liquor takes its compliance obligations in relation to the sale of alcohol very seriously and we are committed to the responsible service, supply and promotion of alcohol in all our stores and hotels across Australia. We also support the objectives of harm minimisation and responsible service of alcohol, which we often shortened to RSA. We also support harm minimisation measures that are targeted, evidence-based and proportional, which do not penalise the vast majority of drinkers who consume alcohol in a sensible manner and do not cause harm to themselves or those around them. We also believe that there needs to be a greater recognition that alcohol-related harm is an issue that involves the whole community, not just the government, regulators and licensees. This includes encouraging consumers and patrons to take responsibility for their own level of alcohol consumption and their actions as a result of alcohol consumption.

Today I would like to provide a brief overview of Coles liquor and hotel businesses that operate in WA, including our policies and procedures in relation to the responsible service of alcohol. I will then focus on the key initiatives and preventative measures that we have implemented to reduce harmful alcohol consumption, and our views on how the government could further assist in reducing alcohol-related harm in WA.

So a bit of our background: Coles Liquor is a multi-branded liquor retail group which services more than 1.4 million customers a week across our 775 liquor stores and 95 hotels. It has around 184 000 customers in WA a week. In WA there are 93 liquor stores that employ over 770 team members. These stores operate in the three key brands, which we mentioned earlier, which are the 1st Choice Liquor Superstore, Liquorland and Vintage Cellars; Vintage Cellars being our fine wine specialists, Liquorland the convenience brand and our superstores offer a broad range of products at competitive prices and an enhanced retail experience. We also operate six hotels in WA that employ over 110 team members.

Our policies and procedures: our liquor compliance team seeks to ensure that all team members comply with state liquor licensing laws and conduct business with integrity and in accordance with community and business ethical standards of behaviour. All new team members must complete a comprehensive induction program, which covers topics such as code of conduct and behaviour standards; company policies, including compliance, fair trading, tobacco, liquor licensing, equal opportunity, safety, asset protection—our word for security—and our responsibilities regarding licensing legislation, including the responsible service of alcohol, signage requirements and other essential licensing requirements. Our team members during the course of their employment may be required to complete the following training: dealing with aggressive customers, armed hold-up, controlling store loss and security, and product knowledge.

In terms of RSA training, all team members complete a minimum RSA training. In WA, store and hotel managers and any other person who is left in control of premises by themselves completes further training, it being their course in liquor licensing.

[12.20 pm]

As part of the training we require all team members to confirm in writing that they understand their obligations to comply with liquor licensing laws and that a breach of these regulations and policies could result in a dismissal of their employment. Our training program includes education and information on RSA, and team members are clearly instructed to refuse to sell alcohol to any person that cannot provide proof of age showing them to be 18 or over; any person who appears to be intoxicated, disorderly or behaves in an antisocial manner; and any person that a team member believes may be purchasing alcohol to supply a minor, including a parent or an intoxicated person. Team members are also required to ask for proof of age identification, and if the customer looks under 25 years of age, that is our trigger. We have signage displayed in all our liquor stores, which informs customers of this and that it is an offence to purchase liquor to supply to a minor. Copies of this signage can be provided, and I have some copies here if you would like us to hand them over.

Team members are also required to ask for proof of age or identification for customers under 25. Other tools we use to assist our team in complying with their legislative obligations are our proof-of-age ready reckoner to assist team members to quickly calculate proof of age—it is a nice, colourful visual guide, so we find it quite handy; maintaining an incident register in each of our stores and hotels to record any incidents, such as refusal of service or aggressive orders orderly patrons. We have an ongoing compliance program whereby we consistently remind our team members of their obligations to comply with liquor licensing laws, and this is done through a variety of different communication methods and includes a quarterly RSA reminder for all team members, an online training program, licensing guidelines, audit checklists and customer service and management procedures, which are available for team members.

Our primary method of advertising is in catalogues, newspapers and direct mail. Our liquor advertisements are usually on the back page of a Coles supermarket catalogue, as our primary target customer is the adult grocery consumer. Our advertisements are generally product-and-price type of advertisements, so we are not too worried about brand; it is about pricing.

As general principles we seek to ensure that our liquor advertising should not, amongst other things, encourage the rapid and/or excessive consumption of alcohol, appeal to minors or people under 25

years of age or promote offensive behaviour. In terms of labelling, we fully comply with all relevant laws and only carry stock with approved product labels. For products where we have control of the labelling, such as cleanskins, we also ensure that we comply with all legislative requirements.

**Preventative measures:** at a national level our Coles liquor business is committed to working with government, liquor authorities and other stakeholders, including police and local government, at a local and as appropriate a broader level to address issues regarding alcohol-related harm. In certain areas of Australia where there are particular problems with alcohol abuse, we have actively participated in programs designed to minimise or restrict the sale of products which are associated with abuse. Examples include ceasing the advertising of certain products, discontinuing the stocking of products, introducing merchandising systems, which make certain products less accessible, and adjusting trading hours in cooperation with local government and/or police requests. At times that has actually meant closing our store for a period of time.

**Liquor accords:** we also participate in liquor accords. Often liquor accords are targeted at licensed premises which have on-premises consumption, such as hotels and nightclubs. However, in some regional areas of WA there is also a strong focus on off-premises sales. All the accords confirm the principles of the responsible service of alcohol. Some accords we are involved in also require us to meet certain trading practices. We are actively involved in a number of liquor accords in WA, predominantly in regional locations including, but not limited to, Broome, Kununurra, Port Hedland and Kalgoorlie.

In terms of security measures, we have also implemented a range of measures to protect individuals in the community from alcohol-related harm. For example, we now have CCTV installed in over 95 per cent of our stores across Australia. Where a particular store has a history of security issues, such as hold-ups and antisocial behavioural problems, we have introduced additional deterrent measures such as static guards, improved external lighting, and we have sought to ensure that there are at least two team members on at all times. In most other stores we have also introduced additional security measures. These include time-delay safes, void logon testing roster, armed hold-up training on how to deal with progressive customers and general cash handling procedures.

**Trading hours:** the expectations of consumers have broadened recently to the demand of increased access, variety and convenience in respect of any product or service they seek. Licensed trading hours actually reflect these expectations. However, in areas such as the Kimberley, we and other licensees via the liquor accord have agreed to change or reduce our trading hours. For example, to open for trading at a later time during certain times of the year, such as the wet season, or to close the store for a particular time period such as when a yellow cyclone alert is issued. We have at times been requested by police not to trade at a store for a particular time period; for example, where there is an event in an area which police are concerned may result in substantial alcohol-related issues, and we cooperate when requested.

In conclusion, Coles liquor is of the view that complying with liquor legislation is not only mandatory, but also an important part of our social responsibility. I hope that this introduction has provided you with some useful information about our business and I welcome any further questions that you have.

**The DEPUTY CHAIRMAN:** I have a couple pick-ups from you. Thank you, that was really good; now you can relax. Could you just tell me what the seven hotels are, the names of the seven hotels that you operate in WA?

**Mr Holloway:** Excuse me, I am just back in WA, so I am catching up with everything we are doing.

**The DEPUTY CHAIRMAN:** You can actually supply them later.

**Mr Holloway:** I can actually supply them later.

**The DEPUTY CHAIRMAN:** Okay; that is fine.

**Mr Holloway:** But they include hotels such as the Riverton, we have one in Victoria Park, also the Glengarry, so we can provide those.

**The DEPUTY CHAIRMAN:** Okay, that would be very helpful.

**Mr P. ABETZ:** I have just a question on one issue that has been raised by a number of expert witnesses that have come before us. There seems to be evidence that the floor price of alcohol helps reduce excessive drinking. For example, if you have the super special of cask wine at 90c a litre or whatever, obviously that makes it a lot easier for somebody to drink far too much than if, say, you never sold it below \$2 a litre or whatever. I am just interested in your thoughts about the floor pricing, that it cannot be sold below a certain price on a volumetric basis. The other issue is of taxing alcoholic products on the volumetric content of alcohol. What are your thoughts on that? There seems to be quite a bit of research data that suggests that that is one way of reducing the harm out there in the community. I just wonder what your thoughts are on that.

**Mr Holloway:** I am probably not in a position to answer those questions. It is not something, I guess, that we have openly talked about in our business at this stage.

**Mr P. ABETZ:** So you would not have done any modelling in terms of, say, volumetric or tax?

**Mr Holloway:** Not that I am aware of, but we can certainly put that question to the business.

**Mr P. ABETZ:** Perhaps if you could. If we were to make a recommendation that volumetric taxing would be the way to be explored, it would be useful to know from somebody like yourselves, who operate a range of businesses, what sort of impact that might have, if you have done some modelling on that.

**Mr Holloway:** I think we would have to have a good look at the way it was structured and what the outcome would be before we could really comment on that.

**Mr P. ABETZ:** Yes, sure.

**The DEPUTY CHAIRMAN:** I have a couple of questions in relation to the liquor accords. How do you think they work on the ground from your perspective as a retailer?

**Mr Holloway:** I think the best ones work extremely well and I think the people that are involved have a very good view of them. Being there is about being sustainable and also preventing harm to the local communities.

**The DEPUTY CHAIRMAN:** Could I ask you if you could name the ones that you think are really good and are working well?

**Mr Holloway:** Again I can provide you with the ones that are working well.

**The DEPUTY CHAIRMAN:** No problem. Given that you are newly back in WA, this is probably an unfair question, but would you have a sense of what makes one work well and what makes the others not do so well? You hinted at something and I would just like to get a bit more from you on that if you can.

[12.30 pm]

**Mr Holloway:** Like any committee, having a clear agenda and structure to the way we go about business and being a bit outcome focused is very important. It is knowing what we are there for.

**The DEPUTY CHAIRMAN:** This information might be confidential, and you might want to put it on notice and think about whether you can give it to us later: with the sale of alcohol in the Kimberley and the Goldfields and if your company monitors by region, would it be at all possible for our committee to have some information on your sales over maybe a seven-year period up until the current time—or some sort of historic data with a current perspective to give us a feel for the movement of sales?

**Mr P. ABETZ:** Like a breakdown of the different types of product and any changes in sales.



**Mr Holloway:** I am probably not in a position to agree to that, but it is a question I can pass on.

**The DEPUTY CHAIRMAN:** Thank you.

**Mr P. ABETZ:** Even if it is just the percentage, rather than dollar value, if that would make it less commercially sensitive to you.

**The DEPUTY CHAIRMAN:** Do you keep that data on a product-by-product basis?

**Mr Holloway:** Yes, we do.

**The DEPUTY CHAIRMAN:** Excellent. That would be very helpful, thank you. I was not sure if you would keep data at that level.

**Mr Holloway:** We certainly do, but as I said I will have to ask the question and it is whether the business is prepared to provide it.

**The DEPUTY CHAIRMAN:** The wrap-up question that I have for you is: given you have been involved in the liquor industry for 17 years and have quite a cross-section of involvement in the industry, you would be aware, as we are, and as anybody else who is giving evidence would be aware, of the downside of excessive consumption and abuse of alcohol. If we were to say to you that you could make one change or bring one initiative to bear on the problem of alcohol abuse or excessive use and make it happen—do not worry about the money or how it is going to work—what would that be? It is a bit of a wish list.

**Mr Holloway:** That is a big question. Maybe if we look at this in terms of my personal experience and it is not necessarily what other people are saying, there are probably two things. The management of the business has a massive impact on how things happen in the community. I guess that is why we are so conscientious and professional about the way we go about things, because we understand that. The other issue is education of parents in regard to their responsibilities to their children. Over the past couple of years one of the emerging trends has been customer complaints to us about our team members not serving their child or daughter who may well be 18 years old, but not able to provide adequate proof. That has been an emerging trend, and somewhat worrying for us. It is a difficult and challenging situation for our team members because some of these interactions can get quite heated. There seems to be a perception of parents having a social right to do with their kids as they like. If it is in their own home, that is up to them; but when they are in our stores, we have a responsibility to uphold and that is what we do. I think an education program around that for parents would be a very good thing.

**The DEPUTY CHAIRMAN:** That is very helpful; thank you. Is there anything else you want to tell us about the situation, otherwise I will give you the closing statements?

**Mr Holloway:** I have not got anything to add at this time. As I said, I am very pleased to be here and to assist.

**The DEPUTY CHAIRMAN:** Thank you for agreeing to provide a little bit of supplementary information. That will be very helpful. Thank you for the evidence before the committee today. A transcript of this hearing will be forwarded to you for correction of minor errors. Any such corrections must be made and the transcript returned within 10 days from the date of the letter attached to the transcript. If the transcript is not returned within this period, it will be deemed to be correct. New material cannot be added via these corrections and the sense of your evidence cannot be altered. Should you wish to provide additional information or elaborate on particular points, please include a supplementary submission for the committee's consideration when you return your corrected transcript of evidence.

Thank you very much for taking the time to come and talk with us today.

**Mr Holloway:** If I could reinforce that the information we do provide as supplementary is in confidence.

**The DEPUTY CHAIRMAN:** Yes, that will be in the *Hansard* record now—not for public dissemination.

**Hearing concluded at 12.35 pm**