

DIAGEO

AUSTRALIA

The Coordinating Officer
Lotteries and Art Unions Act 1901
Liquor & Gaming NSW
GPO Box 7060
SYDNEY NSW 2001

Jules Norton Selzer
Public Policy and External Relations Manager
Diageo Australia
162 Blues Point Road
McMahons Point
Sydney NSW 2060

Re: Invitation to provide feedback on the Lotteries and Art Unions Act 1901 (the Act)

Dear Sir/Madame,

Thank you for the opportunity to respond to this discussion paper. I am writing on behalf of Diageo, the largest spirits producer in Australia with key brands including Bundaberg Rum, Johnnie Walker Scotch whisky, Bailey's, Guinness and Tanqueray gin. Diageo Australia operates nationally, employing around 450 people and our business generates almost \$1 billion in alcohol tax excise and other taxes. Central to our licence to operate is that we promote responsible attitudes to drinking – we acknowledge that, despite positive downwards trends on alcohol misuse, harmful drinking exists in our community. We play an active role in improving the drinking culture, working in partnership with Government, industry and other stakeholders.

We fully support Liquor & Gaming NSW's focus on maintaining and improving the regulatory framework through co-regulation, thus allowing industry to develop and implement effective self-regulatory regimes. This principle of partnership is one that works and helps to reduce harm minimisation. Given the focus of our business we take a keen interest in the wide range of regulatory issues that affect our sector, including elements of community gaming activities where we run trade promotions (TPs) for our brands.

This response does not seek to respond to all of the questions in the discussion paper, rather the following points regarding TPs:

- **Trade promotions with a prize value less than \$10,000 will no longer require a permit** – we support this proposal which should reduce barriers, costs and complexities on low risk, responsible promotions. The \$10,000 permit threshold is high in comparison to other states and this change would bring NSW into line with the regulatory structure in Queensland and Victoria (and New Zealand) and therefore simplify the ease of business operation
- We recognise the impact this may have on revenue generation and a decision will need to be made on how to recoup this revenue. While this will be one for the Government, we

would recommend that this does not come through disproportionately increased permit fees for promotions above the threshold, as this is likely to undermine the intended effect of the proposed change

- We support the continued role of the government regulator to retain control for the reasons set out in the discussion paper
- To mitigate against the possibility that the removal of permits below \$10,000 could lead to non-compliant promotions entering the market, a stakeholder or awareness campaign by NSW to underline the rules in place that govern this area (i.e. the liquor promotion guidelines for our industry) might be worth implementing

In terms of the broader questions the paper proposes, the most effective way to assist business is to ensure that the regulatory structure we operate in is straightforward and easy to understand and comply with. With this in mind, moving from a more prescriptive approach to a proportionate, principles-based one is sensible.

Do feel free to get in touch if you would like any more information.

Kind regards,

Jules Norton Selzer
Public Policy and External Relations Manager

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