



23 Marcus Clarke Street
Canberra ACT 2601

GPO Box 3131
Canberra ACT 2601

tel: (02) 6243 1368

mergers@acc.gov.au

www.acc.gov.au

Our ref: IM-71857
Contact officer: Matthew Chan
Contact phone: (02) 9230 3873

28 July 2022

Dear Interested Party

Re: Request for submissions: Endeavour's proposed acquisition of Beachfront Hotel

The Australian Competition and Consumer Commission (**ACCC**) is seeking your views on Endeavour Group Limited's (**Endeavour**) proposed acquisition of Beachfront Hotel at 342 Casuarina Drive, Rapid Creek, NT (**Beachfront Hotel**) (the **proposed acquisition**).

Endeavour is a major Australian alcoholic drinks retailer and hotel operator. It operates several bottle shops (including BWS Nightcliff and BWS Casuarina) and hotels (including Airport Tavern) near Beachfront Hotel. Beachfront Hotel consists of the hotel and an adjoining drive-through bottle shop which trades under the Cellarbrations brand. Further details are provided at **Attachment A**.

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

- how closely Endeavour's hotels and bottle shops compete with Beachfront Hotel
- the availability of other hotels and bottle shops in the area, and
- whether Endeavour's increased size would impact the acquisition of liquor products at the wholesale level.

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

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

The legal test which the ACCC applies in considering the proposed acquisition is in section 50 of the *Competition and Consumer Act 2010*. Section 50 prohibits acquisitions that are likely to have the effect of substantially lessening competition in a market.

Please provide your response by no later than **19 August 2022** via email to mergers@acc.gov.au with the title: *Submission re: Endeavour's proposed acquisition of Beachfront Hotel - attention Matthew Chan*. If you require more time to respond, please let us know.

If you would like to arrange a time to discuss the matter with ACCC officers, or have any questions about this letter, please contact Matthew Chan on (02) 9230 3873.

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



Bruce Mikkelsen
(A/g) General Manager
Merger Investigations

Attachment A

The proposed acquisition

Endeavour proposes to acquire the leasehold interest and business assets (including the hotel liquor licence) associated with Beachfront Hotel at 342 Casuarina Drive, Rapid Creek, NT.

Endeavour

Endeavour is a major Australian alcoholic drinks retailer and hotel operator that operates a portfolio of brands including BWS, Dan Murphy's, Jimmy Brings, Langton's and Cellarmasters. Endeavour also manages over 330 licensed hotels (with more than 12,000 gaming machines) 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 four bottle shops within a 5 km radius from Beachfront Hotel, and one hotel within a 5 km radius (and another hotel within a 10 km radius).

The four bottle shops are:

- BWS Nightcliff, located at Nightcliff Shopping Centre
- BWS Casuarina, located at Casuarina Square
- BWS Airport Tavern Drive, located at 227 McMillans Road, Jingili, and
- BWS Leanyer, located at Hibiscus Shoppingtown.

The hotels are:

- Airport Tavern, located at 227 McMillans Road, Jingili (within 5 km radius), and
- Parap Tavern, located at 15 Parap Road, Parap (within 10 km radius).

Further information on Endeavour: <https://www.endeavourgroup.com.au/>.

Beachfront Hotel

Beachfront Hotel is located at 342 Casuarina Drive, Rapid Creek, NT. It sits on a block of 7,500 sqm and includes a bistro offering on-site food and beverage, a public sports bar (with TAB), 20 gaming machines, and a drive-through bottle shop. The bottle shop has a trading area of approximately 270 sqm and currently trades under the Cellarbrations brand.

Further information on Beachfront Hotel: <https://www.beachfronthotel.com.au/>.

Attachment B

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 **Beachfront Hotel**.

Bottle shops

2. Discuss how closely each of Endeavour's bottle shops (BWS Nightcliff, BWS Casuarina, BWS Airport Tavern Drive, and BWS Leanyer) competes with Beachfront Hotel's bottle shop in the supply of retail liquor. In your response, please consider factors such as price, quality, location, range of offering, promotional activity, and any other relevant factors.
3. Identify and describe other bottle shops in the area and how they compare on the factors outlined in question 2.
4. Explain whether it is important or advantageous for bottle shops to offer a drive-through service to compete for customers.
5. Explain whether it is important for bottle shops to be located near other shops and/or retail stores to compete for customers.
6. Describe the likelihood of new bottle shops being established in the area. In your answer, please have regard to costs, time, and availability of liquor licenses.

Hotels

7. Discuss how closely each of Endeavour's hotels (Airport Tavern and Parap Tavern) competes with Beachfront Hotel in the supply of:
 - a. food and liquor for on-premises consumption, and
 - b. live entertainment and gaming services, including gaming/poker machines, lotteries and network games.

In your response, please consider factors such as price, quality, location, range of offering, and any other relevant factors.

8. Identify and describe the available alternatives and closest competitors to each of Endeavour's hotels and Beachfront Hotel and explain how each compare on the factors outlined in question 7.
9. Discuss how closely Endeavour's hotels and Beachfront Hotel compete with venues that do not offer all of the services offered at these hotels - for example, restaurants and cafes that do not offer liquor for on-premises consumption.

Wholesale acquisition of liquor

10. Identify whether the proposed acquisition will impact on the acquisition of liquor products at the wholesale level from manufacturers, either at the Northern Territory or national market level.

Additional information

11. 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.