

**Submission
No 41**

**INQUIRY INTO STRATEGIES TO REDUCE ALCOHOL
ABUSE AMONG YOUNG PEOPLE IN NSW**

Organisation: Diageo Australia

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DIAGEO

AUSTRALIA

DIAGEO AUSTRALIA'S SUBMISSION TO THE STANDING
COMMITTEE ON SOCIAL ISSUES INQUIRY INTO
STRATEGIES TO REDUCE ALCOHOL ABUSE AMONG
YOUNG PEOPLE IN NSW

Diageo Australia welcomes the opportunity to provide a written submission to the Standing Commission on Social Issues' inquiry into strategies to reduce alcohol abuse amongst young people in NSW.

Diageo acknowledges the importance of all of the areas covered in the terms of reference. As a leading producer and supplier of alcohol beverages to the NSW market, Diageo will focus its submission on the following terms of reference:

- a) The effect of alcohol advertisements and promotions on young people, including consideration of the need to further restrict alcohol advertising and promotion
- b) Measures to minimise the impact of alcohol in the workplace
- c) Measures to reduce alcohol related violence, including in and around licenses venues

As a member of the Distilled Spirits Industry Council of Australia, Diageo Australia fully aligns itself with the submission made separately by DSICA to the Standing Committee.

Diageo: Our business

Diageo is the world's leading premium drinks company with market-leading brands such as Johnnie Walker® Scotch whisky, Smirnoff® vodka, Gordon's® gin, Baileys® Irish cream liqueur and the iconic Queensland brand - Bundaberg® Rum. We operate in 180 markets around the world.

Diageo Australia is the third largest alcohol beverage supplier and largest supplier of spirits products – full strength bottled spirits and ready-to-drink (RTD). Diageo operates from three sites in Sydney. Our national head office is located in North Sydney, and we have a manufacturing plant in Huntingwood and a distribution centre in Erskine Park.

Diageo & Responsibility

Responsible drinking is at the heart of our business interests. Our reputation as a business and the reputation of our brands are damaged when alcohol products are misused. We do not want to be targeted as a cause of alcohol misuse or negative societal issues. Governments, regulators and the community rightly act to curtail alcohol misuse where it occurs, but inappropriate and ineffective legislation and regulatory actions cause disproportionate damage to our industry, unfairly penalise the majority of responsible drinkers and to fail tackle the specific problems.

On this basis, we support a **targeted, evidence-based** and **proportional** approach to alcohol policy, delivered in **partnership** with all stakeholders.

- ✓ **Targeted interventions or measures** that address problem drinking behaviours or social harms
- ✓ **Evidence** on drinking patterns and their outcomes, as a sound scientific basis for policy development
- ✓ **Proportional measures** that recognise the place of moderate consumption in Australian society and fit with the expectations of the responsible majority who have the right to access and consume alcohol without further regulation or restrictions
- ✓ **Partnerships** that allow for public and private sectors, and the community, to contribute towards a common goal of a safe and responsible drinking culture

We believe our own contribution to addressing the issues, including those outlined in the terms of reference, are in the following:

1. **Products and practices:** Setting world-class standards for our industry in responsible marketing and provide consumers with information about alcohol.
2. **Programmes:** Working either directly or in partnership with others to run programmes that raise awareness and seek to change negative attitudes and behaviour.
3. **Policy and partnerships:** Promote and contribute to evidence-based public policy on alcohol

In NSW, our company has a strong track record of performance in all these areas. We actively engage in policy processes; deliver responsible product innovation and marketing across our spirits portfolio; and run initiatives such as our current social marketing campaign “*Don’t see a great night wasted*” aimed at 18-25 years socialising in and around Sydney licensed premises (see case-study in appendix 1).

Alcohol in our community

Diageo acknowledges that there is considerable debate surrounding the harmful use of alcohol in NSW and Australia.

For the minority who consume alcohol at harmful levels, this behaviour can lead to negative health and social consequences, in the short and long term.

This includes the harmful consumption of alcohol by young people which has two distinct aspects: (1) Under-age drinking - the consumption of alcohol by those under legal purchase age, which is 18 years old in Australia; and (2) ‘Binge drinking’ - hazardous or harmful drinking by some young people, whether these people are of under legal drinking age or above.

Both under-age drinking and binge drinking are issues of considerable concern in our community but it is important to be clear on the scale and nature of Australian consumption patterns in order to generate the most effective and appropriate solutions.

The fact is that Australians are drinking less than ever before and the majority of Australians drink in a moderate way.

Table 4.1: Alcohol drinking status, people aged 14 years or older, 1991 to 2010 (per cent)

Drinking status	1991	1993	1995	1998	2001	2004	2007	2010	
Daily	10.2	8.5	8.8	8.5	8.3	8.9	8.1	7.2	↓
Weekly	41.0	39.9	35.2	40.1	39.5	41.2	41.3	39.5	↓
Less than weekly	30.4	29.5	34.3	31.9	34.6	33.5	33.5	33.8	
Ex-drinker ^(a)	12.0	9.0	9.5	10.0	8.0	7.1	7.0	7.4	
Never a full serve of alcohol	6.5	13.0	12.2	9.4	9.6	9.3	10.1	12.1	↑

(a) Consumed at least a full serve of alcohol, but not in the previous 12 months.

Source: 2010 National Drug Strategy Household Survey (NDSHS) p. 47

www.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=10737421314&libID=10737421314

- The current adult per capita consumption has fallen below levels in the 1970s and is now more than 20 percent below its 30-year high reached in 1974-75¹
- Recent Roy Morgan research shows that the proportion of Australians aged 18-24 years who drink any alcohol in an average four weeks has progressively decreased each year for the last five years².
- As reporting in the 2010 National Drug Strategy Household Survey (NDSHS)³:
 - ✓ *“Between 1993 and 2007, the daily drinking patterns of people in Australia aged 14 years or older remained largely unchanged, at around 8 per cent. However, in 2010, there was a statistically significant decrease (since 2007) in the proportion of people drinking daily.”*
 - ✓ There has been little change in the proportion of risky drinkers from 2007 (20.3) to 2010 (20.1%), as measured over a lifetime. The proportion of risky drinkers at risk of harm from a single occasion also declined.
 - ✓ The majority of 18-29 year olds drink do not engage in risky drinking (68.3% for those aged 18-19 years and 73.1% aged 20-29 years).
 - ✓ 1 in 5 or 20% of Australians, aged 14 years or older consumed alcohol at levels that put them at risk of harm.
 - ✓ There are increases in the proportion of 16 and 17 year olds abstaining from alcohol, from 24.4% in 2007 to 31.6 in 2010.

1 Distilled Spirits Industry Council of Australia, Pre-budget submission, 2012-13, p.10

2 2012 findings from independent research in Roy Morgan Research’s report on Alcohol Consumption, for the five year period from July 2007 — June 2012.

3 NDSHS 2010 by the Australian Institute of Health & Welfare, p. 46

From the evidence, it's clear there is a minority of young people who are still drinking at harmful levels, including under-age consumers i.e. those who are not yet legally eligible to purchase alcohol.

Young people's drinking is influenced by complex number of interacting factors including family, peers, media, cultural norms and government policies. Therefore, a complex range of solutions and the involvement of different stakeholders are needed to reduce the potential risk for harm.

Reducing under-age drinking

This is an issue where there is **a strong role for Government and Police**, as it is not just a matter for individual choice but of legality and criminality.

In the case of under-age, the minimum legal purchase age for alcohol in NSW is 18 years and therefore it is illegal for a licensee to sell alcohol to somebody who is under 18; for someone under 18 to attempt to buy alcohol; or for an adult to buy or supply alcohol on behalf of a minor⁴. Australian liquor retailers have a strong track record of adhering to these laws and preventing secondary supply to minors. It is also incumbent on the police to enforce the existing laws and apply penalties to individuals who break the law.

Parents, families and friends are the most important influences on minors and play a key role in managing underage behaviour, setting the right example, and discussing alcohol issues with children. Government and **educators** can support families by promoting awareness and providing life skills.

In Australia and overseas, Diageo also invests in organisations and experts to deliver targeted education programmes aimed at parents and under-18s. DrinkWise Australia receives approximately \$800,000 of voluntary funding from Diageo Australia each year which contributes towards a range of campaigns such as 'Kids Absorb Your Drinking' and 'Kids and Alcohol Don't Mix'. In the UK, Diageo supports the 'Strengthening Families Programme 10-14 UK', an innovative programme aimed at reducing alcohol and drug use and behavioural problems in adolescence by strengthening the parent/carer-child relationship.

Diageo alcohol recognises that we have a role to play to ensure that our marketing and advertising is not directly targeted at minors. This is covered in more detail, below.

4 http://www.police.nsw.gov.au/community_issues/alcohol/liquor_laws_and_under_18s

Reducing binge drinking in young people

A number of factors are highlighted as contributing to binge drinking, some of which are valid and some of which are not. Ultimately, any decision to drink to excess is a personal one, and external factors can influence attitudes and behaviour but these factors cannot be defined as 'causes'.

Promoting a culture of individual responsibility amongst young people through targeted education and enforcement is key to reducing harmful drinking and related harm amongst young people.

Preliminary results from an Irish study into health risks and behaviour by the University College Dublin Geary Institute on student consumption showed the very strong effects of personality, peer drinking (in particular by the person's closest friend), time preferences and other substance abuse on drinking behaviour⁵.

By understanding the mindsets and motivations of young people it is possible to try to possibly influence their attitudes and behaviour.

Overseas, Diageo commissioned a pan-European survey from research company Millward Brown which studied the attitudes of 18-24 year olds to alcohol and the reasons behind their decisions about whether and how they drink. The study showed that young adults roughly divide into four different clusters:

- (a) Those with positive attitudes (1) Responsible in-controls; and (2) Responsible enjoyers
- (b) Those with negative attitudes (3) Irresponsible shamefuls; and (4) Irresponsible indifferent

Irresponsible shameful are young adults who may be susceptible to drinking to excess but who are responsive to messages that tap into their motivations to stay in control. The NSW Health's recent campaign 'Know When To Say When' has delivered some clear messages that are likely to resonate with this audience.

Diageo Australia has invested in campaigns to target this audience and complement Government campaigns in the public domain.

In Summer 2012/13, Diageo invested \$250,000 into a social marketing campaign aimed at young adults, 18-24 years old, socialising in and around licensed premises. The campaign's theme of '*Don't See a Great Night Wasted*' promoted some simple and practical steps – drinking water and eating food - targeted at young adults to encourage them to stop and think about their behaviour when they're out. Diageo ran post-evaluation research which showed

⁵ Behavioural Economics and Drinking Behaviour – Preliminary results from an Irish College Study, Geary Institute; <http://geary.ucd.ie/healthrisk>

the campaign was effective in raising awareness and encouraging the target audience to consider their behaviours. More information is available in appendix 1

The “irresponsible indifferents” are shown to be a more challenging group. These are young people who show little regret for the effects of their drunken behaviour on themselves or on others, and are therefore less open to being influenced by positive messages about responsible drinking or peer pressure.

Targeting these young adults is therefore more a matter of police enforcement and harm prevention. It is therefore necessary for Government to support Police to crack down on anti-social behaviour by firmly and visibly enforcing the law, which will act as a clear deterrent to drunken behaviour and prevent harm on the responsible majority.

Diageo recognises and supports the view that there is a shared responsibility amongst police, licensing authorities, Government and industry to work together to tackle the issues caused by this minority. This is expanded on in section c).

Specific comments on:

a) The effect of alcohol advertisements and promotions on young people, including consideration of the need to further restrict alcohol advertising and promotion

There is no rationale to support further restrictions or controls on alcohol advertising or promotions in NSW.

The role of marketing

In a free market economy, the purpose of brand advertising or marketing is to encourage competition between brands. Diageo markets its brands for three principal reasons: (i) to maintain their integrity, credibility and image; (ii) to maintain the loyalty of existing customers; (iii) to gain market share by encouraging consumers to switch from other brands to one of ours. Our marketing is not designed to increase overall consumption of alcohol and, as the Australian consumption rates demonstrate, it has not.⁶

Despite considerable research on the subject, there is insufficient evidence to support a relationship between advertising and either levels of drinking or patterns of drinking⁷.

International examples of the effects of marketing on alcohol consumption suggest that advertising does not have an effect on total consumption. For instance, Sweden introduced an advertising ban in 1979 and yet continues to have significant issues with immoderate consumption. Italy, by contrast, has far fewer marketing restrictions for alcohol yet does not

6 NDSHS (2010) AIHW

7 *Industry View on Beverage Alcohol Advertising and Marketing, with Special Reference to Young People*, prepared for the World Health Organisation by International Center for Alcohol Policies (ICAP)

suffer the same problems with irresponsible consumption as countries like Sweden. Dr. Alain Rigaud, President of the French National Association for the Prevention of Addiction and Alcoholism (ANPAA), concluded in his analysis of the highly restrictive alcohol advertising ban – *The Loi Evin*, that no effect on alcohol consumption could be established⁸. In Norway, where there is also a long-standing and rigorously enforced ban on alcohol advertising, the National Statistics Office figures show that alcohol sales increased by 27.7% between 2000 and 2010.⁹

With specific regard to under-age drinking, studies have shown that the principal influences on 'youth drinking' are parents and peers. A review of the risk factors for adult initiation concluded that '*the most consistent antecedent risk factors for starting to drink in adolescence were parental and peer approval and models for drinking.*'¹⁰

The current alcohol regulatory system

In Australia, there are a number of effective regulatory codes and systems in place which ensure that alcohol is marketed responsibly and is not targeted at underage.

Specific regulatory systems for alcohol are:

1. The national Alcohol Beverages Advertising Code (ABAC) Scheme: A quasi-regulatory system specifically for alcohol advertising and product naming & packaging. The ABAC Scheme is the centrepiece of Australia's alcohol regulatory system and is administered by a Management Committee which includes industry, advertising and Federal Government representatives. Guidelines for advertising have been negotiated with government, consumer complaints are handled independently, but all costs are borne by industry.
2. State/Territory Liquor Promotion regulatory codes e.g. NSW Liquor Promotion Guidelines: These guidelines or codes clarify regulatory requirements for the promotion of alcohol through liquor licences, under state liquor acts. This includes price advertising in newspapers linked to retail outlets, in-store sampling or POS, in-venue service or promotion of alcohol.

Alcohol beverage advertising must also be consistent with other applicable laws and codes:

3. Federal competition and consumer legislation and state fair trading legislation;
4. the Australian Association of National Advertisers (AANA) Code of Ethics;
5. the Commercial Television Industry Code of Practice;
6. the Commercial Radio Codes of Practice; and

⁸ *The 'Loi Evin: a French exception*, Dr. Alain Rigaud, President Association Nationale de Prevention en Alcoologie et Addictologie (ANPAA), 1999'

⁹ Statistisk Sentralbrya – Norwegian Statistics Office, 2011

¹⁰ Donovan, J.E. (2004) *Adolescent alcohol initiation: a review of psychosocial risk factors*. Journal of Adolescent Health 35(6):529.e7-18.

7. the Outdoor Media Association Code of Ethics

Industry leadership in responsible marketing & self regulation

We recognise that we have a leadership role to play in setting standards for responsible promotions in venues. Where appropriate, we work with our customers to clarify NSW *Liquor Promotion Guidelines* as they relate to our promotions.

Where possible, we seek to engage in any NSW policy process on alcohol marketing. For example, in October 2012, Diageo was invited by the NSW OLGR to written feedback on the NSW OLGR's draft Liquor Promotion Guidelines.

As the leading global producer, Diageo aims to be at the forefront of responsible marketing and effective self-regulation. We apply our global Diageo Marketing Code to all our marketing activities including in-store and on-premise promotions such as sampling and point of sale (POS) marketing.

The Diageo Marketing Code¹¹ covers both content and placement of advertising and marketing. It governs every element of the research, development and marketing of our brands.

It guides us as we gather insights on adults of legal purchase age, as we develop products that appeal to these adults and as we package and promote all of our brands. The Diageo Marketing Code is firmly embedded within our research, innovation, sales and marketing functions in all markets in which we conduct business.

We frequently review the Diageo Marketing Code to ensure it remains relevant and reflects the rapid evolution of innovative digital and social media channels.

Alongside this general Code is our Digital Code of Practice¹² which takes account of the rapidly evolving nature of digital media and looks to set standards for marketing involving mobile phones, websites and social networking channels. The Digital Code of Practice governs age appropriate content on 3rd party sites; age affirmation tools for Diageo websites or digital assets; user-generated content moderation and consumer privacy.

The future

In the last decade, the industry in consultation with Government, has taken significant steps to raise standards of marketing in Australia, through the ABAC Scheme and through producer codes (such as the Diageo Marketing Code). As a result, there has been a marked reduction in the inappropriate advertising and marketing.

11 The Diageo Marketing Code is available at www.diageo.com/en-row/NewsMedia/Pages/resource.aspx?resourceid=1287

12 The Diageo DIGITAL CODE <http://www.drinkiq.com/en-row/Documents/Diageo%20Digital%2005.pdf>

While there may be occasions where a small number of problematic advertising and marketing communications can be found, there has been significant and continuous improvement in this area.

The ABAC Scheme is consistent with “Good practice and cost-effective self-regulation methods” as set out by the Federal Government¹³. The ABAC Scheme also rates highly alongside other industry codes and alcohol industry codes in other countries¹⁴.

The Federal Government has committed to “pursue voluntary and collaborative approaches with the alcohol industry to promote a more responsible approach to alcohol in Australia before considering more mandatory regulation.”¹⁵ The Federal Government has tasked the Australian Preventative Health Agency to monitor industry compliance with current regulatory codes which is currently underway.¹⁶

Diageo is actively committed to working with other industry leaders to take ongoing action, as needed. This work is part of a wider commitment on the part of Diageo and other global alcohol producers to continue to strengthen existing marketing codes, with a particular focus on digital marketing¹⁷.

This year, industry has invested in independent research to assess community perceptions in relation to the ABAC Scheme.

New digital guidelines

The ABAC management and industry have also recognised that there is an opportunity to clarify digital marketing principles or guidelines within the current Code.

Some wrongly argue that alcohol marketing delivered through digital and social media is irresponsible because it risks exposing children to alcohol advertising and messages. In fact, digital and social media allow marketers to filter out audiences under legal purchase age using age affirmation mechanisms and audience data to ensure that marketing is targeted at adults.

Diageo has a separate Diageo Marketing Code and requirements are also summarised in the Diageo Marketing Code. For example:

13 Industry Self-Regulation in Consumer Markets, chapter 6:

http://archive.treasury.gov.au/documents/1131/HTML/docshell.asp?URL=07_chap6.asp

14 Review of global self-regulatory codes by ICAP in its submission (Industry Views on Beverage Alcohol Advertising and Marketing, with Special Reference to Young People) prepared for the World Health Organisation

15 *Taking Preventative Action – A Response to Australia: The Healthiest Country by 2010 – The Report of the National Preventative Health Taskforce* (2010) Government of Australia

16 ANPHA review of Alcohol Advertising

[http://www.anpha.gov.au/internet/anpha/publishing.nsf/Content/35B4112EAA1CFFDFCA257AD9007F1772/\\$File/Alcohol%20Advertising%20Issues%20Paper%20FINAL.pdf](http://www.anpha.gov.au/internet/anpha/publishing.nsf/Content/35B4112EAA1CFFDFCA257AD9007F1772/$File/Alcohol%20Advertising%20Issues%20Paper%20FINAL.pdf)

17 Global Alcohol Producers Group commitments to the WHO to support Strategy to Reduce Harmful Consumption of Alcohol (2012) <http://www.icap.org/LinkClick.aspx?fileticket=%2fyL9Wsqsp4g%3d&tabid=71>

- *We will only place our marketing on third-party sites where at least 70% of the visitors to that website are older than LPA. If a third party website does not meet the 70% requirement, an LPA+ registered user database may be used if available. If the site is not measured, Corporate Relations will determine if the site is appropriate.*
- *All Diageo brand websites must contain an age affirmation mechanism.*
- *Communications on social media sites that involve direct interaction between the brand and the consumer must contain an age affirmation mechanism or use an LPA+ registered user database.*
- *Applications for download or sharing, including games, quizzes and competitions are acceptable, so long as they are not designed to appeal primarily to those younger than LPA and include an age affirmation mechanism.*
- *Email or other relationship marketing outreach must not be sent to any individual younger than LPA. All content that is designed to be forwarded by users should include instructions to individuals downloading the content that they should not forward these materials to individuals younger than LPA.*
- *User Generated Content (UGC) on Diageo brand controlled sites must be monitored every working day and inappropriate content removed within 48 hours of first appearing on the site. Every Diageo brand website must include on the footer of every page a link to Diageo's online responsible drinking resource, DRINKIQ.com*

b) Measures to minimise the impact of alcohol in the workplace

There are millions of NSW residents in full and part-time employment. The workplace provides an important opportunity to raise awareness of responsible drinking amongst employees and intervening to support employees who show signs of alcohol misuse.

Diageo believes there are two key areas for action by employers:

1. Develop and implement a workplace alcohol policy
2. Support interventions, to tackle any alcohol misuse by employees, and provide support to affected employees during treatment and recovery

As an alcohol producer and employer, Diageo aims to show leadership in employee alcohol policies and education.

Diageo's employee alcohol policy applies to all Diageo employees and employees of subsidiaries and joint ventures where Diageo has a controlling interest. It also covers agency workers and contractors acting on Diageo's behalf or working on Diageo sites.

As part of the policy, Diageo ensures that our employees are aware of the nature and effects of alcohol to support them in drinking responsibly at all times. The policy is supplemented with a

DRINKiQ alcohol education which is mandatory for all new employees to the business and we frequently hold 'refresher' workshops.

All employees must ensure that their performance and their judgement at work are never impaired by alcohol, especially those employees whose jobs involve activities which impact significantly upon the safety of themselves or others. For example, drivers or operators of moving machinery must ensure that their consumption of alcohol never threatens the safe performance of their duties and that their behaviour never puts themselves or others at risk.

Diageo also works with commercial partners including licensees and sports organisations to promote responsible attitudes to alcohol in the workplace. Through the Bundaberg Rum® sponsorship of the ARL (formerly the NRL), Diageo provided DRINKiQ training to NRL staff, welfare officers and the "Rookies" (18-20 year old) players. We also run workshops with on-premise venues and promoted the programme through Liquor Accords groups.

c) Measures to reduce alcohol related violence, including in and around licenses venues

While we don't own or operate licensed premises, they are our routes to our consumers and therefore we have an interest in working with licensees and licensing authorities to ensure that our products are sold and served responsibly through these venues and through organised events.

The relationship between alcohol and violence is extremely complex and influenced by a number of factors such as personality, expectancy of violence, situational factors and social norms.¹⁸

Any consideration or response for dealing with alcohol-related violence needs to balance the interests of the responsible majority who should be able to enjoy the benefits of a late-night economy without risk of harm from others.

Intoxication alone does not cause violence and often alcohol is not a factor in violent incidents that take place in and around licensed premises in New South Wales. The NSW Bureau of Crime Statistics data indicates that incidents attributed to alcohol have remained stable across the state¹⁹. It is also worth noting that the recent BOSCAR quarterly report shows assaults on licensed premises are down by 11.5% in the last two years²⁰.

Whilst some would argue for reduced trading hours and tighter penalties for licensees as a means of reducing violence, these will not directly address the specific issue of violence – alcohol-related or otherwise. Targeted policing and tough enforcement of penalties should be the primary focus for dealing with the individuals who cause violence.

18 ICAP, Blue Book Module 7 Drinking and Violence

19 http://www.bocsar.nsw.gov.au/lawlink/bocsar/ll_bocsar.nsf/pages/bocsar_pub_atoc

20 BOSCAR, December 2012

More broadly, licensees have a supporting role to play to influence drinking behaviours and provide safe licensed premises for patrons can socialise. In NSW, industry has also recognised that it can support and contribute safer local environments and late-night precincts through coordinated action with Police, local councils, community groups and Liquor Accords. This includes raising awareness of patron responsibility and penalties for alcohol-related offenses.

We believe there is a significant opportunity to improve action and cooperation between state and/or local government and industry. In other markets, Diageo participates in formal public-private partnerships working to reduce alcohol related issues in the community. Examples include the City of Copenhagen partnership, the Scottish Government-Industry partnership, and the UK industry *Responsibility Deal*.

In NSW, Diageo actively works with NSW hotels and retailers to promote responsible drinking in and around licensed venues. Recent examples include a *Better Nights* RSA training tool for bar-staff developed in partnership with the Australian Hotels Association, free water promotions using our Smart Shout water, and funding to the OLGR to develop a Liquor Accords toolkit. Diageo has recently committed funding to the Kings Cross Liquor Accords to support a new initiative to be launched later this year.

Spirits restrictions – misguided and ineffective policy

While we are committed to supporting effective policy solutions that target the problem drinking or problem drinkers, we remain strongly opposed to restrictions on spirits (shots, double and pre-mixed Ready-to-Drink spirits above 5% ABV) in certain NSW venues and precincts or Liquor Accords.

In NSW, spirits restrictions were first introduced as part of a “suite of measures” in Newcastle – known as ‘The Newcastle Model’. Although there is some data to suggest that the suite of measures has been effective in reducing harm in and around that particular area of Newcastle, albeit at a disproportionate cost to industry and consumers, there is no specific evidence to support the view that spirits are more harmful than other products.

Singling out one product category as the problem fails to reduce or slow down consumption amongst the minority who choose to drink to excess. It only penalises the responsible spirits drinker who should be able to choose a cocktail, a neat serve of spirit such as Johnnie Walker® Scotch whisky or a premium strength pre-mixed RTD.

The failed Labor Government ‘alcopops’ tax introduced in 2008 on Ready-to-Drink (RTD) spirits products showed that regulating one product type leads to substitution into other unrestricted types of drinks. The Australian Bureau of Statistics data released in January 2011 confirmed that the dramatic decrease in consumption of RTDs, seen in the 2008-09 financial year, following the tax increase, has been more than offset by an increase in consumption of spirits,

beer, wine and cider products²¹. This highlights that any restriction on one product category will fail to achieve the desired outcomes of reducing harmful consumption.

As highlighted above, improving intoxication and safety in venues is best delivered through responsible service of alcohol and targeting of problem drinkers. Any policy proposal from this Inquiry should include a recommendation to remove ineffective, unwarranted restrictions such as spirits restrictions to focus resources on more effective policies.

Conclusion

Diageo supports the efforts of the NSW Government to identify opportunities to reduce harmful drinking amongst young people.

Whilst alcohol harms present a real for policy makers and the wider our community, the majority of NSW resident have a responsible and balanced approach to socialising with alcohol. It follows that any proposed measures should be focused on targeting the harmful drinking behaviours, with a specific focus on improving individual drinking behaviours through education and enforcement.

We believe this Inquiry presents a significant opportunity for industry, Government and other stakeholders to find common ground where we can work in partnership to address this important issue.

21 Australia Bureau of Statistics- *Apparent Consumption of Alcohol Australia* (2011)

Appendix 1: Diageo social marketing campaign - 'Don't See a Great Night Wasted'

A Diageo Responsible Drinking initiative

On December 31, 2012, Diageo Australia launched a new advertising campaign that encouraged adults to stay in control and enjoy their night during the peak holiday season.

Running in Sydney from New Year's Eve for four weeks, the campaign's theme of 'Don't See a Great Night Wasted' promoted some simple and practical steps – drinking water and eating food - targeted at young adults to encourage them to stop and think about their behaviour when they're out celebrating.

The campaign included three high impact still advertisements - two for outdoors, 'Eating isn't Cheating' and 'Hit the Water Bottle', which ran on Sydney buses and taxis, and one in-venue advertisement 'Free at the Bar'.

The Kings Cross Liquor Accord and leading hospitality companies, The Keystone Group, with venues including The Sugar Mill, Cargo Bar and Bungalow 8, and Spirit Hotels, with 94 on-premise venues nationally, supported the campaign and featured the advertising. 'Don't See a Great Night Wasted' also appeared in other pubs, bars and clubs in the Sydney CBD and inner city areas, including the Harbourview Hotel, Martin Place Bar, the Ship Inn, Golden Sheaf, and the Clock Hotel in Surry Hills.

'Don't See a Great Festival Wasted'

Diageo Australia tailored its advertising campaign for its involvement in the 2013 Tamworth Country Music Festival. Advertisements 'Don't See a Great Festival Wasted' ran in the local newspaper, the Northern Daily Leader, as well as the festival Camper's Guide, and Diageo's Smart Shout water was provided to popular local venues to be given to patrons for free throughout the festival. Smart Shout water was also provided free on the Festival Express Shuttle buses, during the festival.

'Don't See a Great Night Wasted' advertisements also ran in key Oxford Street venues in Sydney on the evening of the Mardi Gras parade, as well as at the official Mardi Gras party in the Moore Park Entertainment Precinct. Smart Shout water will also be provided to these venues free for party-goers, and venue staff and security will wear t-shirts and vests co-branded with 'Don't See a Great Night Wasted'.

Diageo Australia conducted independent research on the 'Don't See a Great Night Wasted' advertising campaign during late January and early February, 2013 of the target market of 18-25 year olds. Key findings included:

- Research respondents took out the core message of eating water and drinking food while on a night out, but also found the advertising delivered a message around safety, personal responsibility and looking after their friends
- The campaign was seen to provide a useful prompt or reminder to reinforce the target market's responsible drinking practises 'in the moment', ie while they were on a night out. Respondents found this is where the message was most effective

- Respondents found the practical message and positive tone of the campaign refreshing, saying the usual negative messaging is often overlooked because 18-25 year olds believe the effects will 'never happen to me'
- Almost 40% of the 18-25 year olds that responded to the survey recognised one of Diageo's 'Don't see a Great Night Wasted' advertisements
- The study indicates 83% of 18-25 year olds take personal responsibility for their alcohol choices
- 96% of respondents reported eating a substantial meal before or during their last night out
- Almost 42% of survey respondents said the advertisements made them stop and think about the way they currently consume alcohol
- 48% of respondents said the campaign lead to an actual change or consideration of change in their behaviour regarding alcohol consumption. This was higher than the average amongst 18-21 year old males
- Mass media (television and radio) is the most preferred way to receive responsible drinking messages, followed by poster media (billboards, buses, taxis, in venue advertising) and social media. Very few of the target market are not interested in seeing these messages at all (13%)
- The research results indicated that simple reminders and information, as well as measurements of the number of standard drinks in different drinks, would be useful information to receive about responsible drinking

Quotes from participants:

What message do you feel these advertisements are trying to communicate?

- "It is okay to enjoy yourself, but make sure you do not over do it."
- "Make sure to eat and drink water when out to control yourself."
- "When you go out to drink do it responsibly - eat a meal and drink plenty of water."
- "To remain sensible while out drinking. Drinking responsibly will make the night more enjoyable."
- "Be fed and hydrated whilst drinking to avoid an accident or doing something stupid."
- "It is important to drink water and eat a substantial meal so you are not so easily intoxicated and more likely to remain level headed and physically stable throughout the night."

Advertising creative:

**EATING ISN'T
CHEATING***



EATING FOOD ON YOUR NIGHT OUT HELPS KEEP YOUR HEAD RIGHT

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**FREE AT
THE BAR***



DRINKING WATER ON
YOUR NIGHT OUT HELPS
KEEP YOUR HEAD RIGHT**

**DON'T SEE A
GREAT NIGHT
WASTED**
DIAGEO
PREMIUM BOTTLED WATER

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**HIT THE
WATER* BOTTLE**



DRINKING WATER ON YOUR NIGHT OUT HELPS KEEP YOUR HEAD RIGHT**

**DON'T SEE A
GREAT NIGHT
WASTED**
DIAGEO
PREMIUM BOTTLED WATER

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