

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

**Organisation:** ClubsNSW

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**SUBMISSION TO THE LEGISLATIVE COUNCIL  
STANDING COMMITTEE ON SOCIAL ISSUES**

**Inquiry into strategies to reduce alcohol abuse among young people in  
NSW**

**March 2013**

## EXECUTIVE SUMMARY

Alcohol is a legal product and is not usually associated with harm when consumed responsibly. However, there is a perception among stakeholders that young people are more likely to drink in a risky manner and are as such at increased risk of alcohol related harm. There is a growing concern for the personal safety associated with young people's excessive drinking patterns.

ClubsNSW recognises that the overwhelming majority of alcohol consumption does not lead to violence, but is consumed responsibly and is an accepted part of Australia's social fabric. Clubs have long considered that their duties as responsible venues in the provision and service of alcohol are paramount in ensuring our venues are safe and enjoyable for all patrons. Claims that nothing substantial is being done to address alcohol related violence ignores the numerous harm minimisation strategies clubs have put in place and strong evidence of their continuing efficacy.

Clubs are widely recognised as safe, family friendly, member based venues, as evidenced by official data from the Bureau of Crime Statistics and Research that shows that levels of alcohol related violence in clubs is at its lowest rate on record.

ClubsNSW supports the concept of evidence-based policy as a method of producing effective and well considered regulation. Clubs have a proven reputation for outstanding safety; it is incongruous that our venues should be forced to comply with a uniform set of measures that do not address any specific safety concerns.

While it is clear that the incidence rate of alcohol related violence is more prominent in certain licensed premises types, targeted action is needed to address the issue, not socially regressive whole-of-industry measures. Independent data indicates that the current regulatory and licensing framework is sufficient for licensed clubs and does not require further amendment.

## **ABOUT CLUBSNSW**

Clubs are not-for-profit organisations whose central activities are to provide infrastructure and services for their members and the community. Clubs contribute to their local communities through employment and training, direct cash and in-kind social contributions and through the formation of social capital by mobilising volunteers and providing a diverse and affordable range of services, facilities and goods.

There are approximately 1,500 not-for-profit clubs in New South Wales, generating combined revenues of approximately \$5.0 billion from their operations, with clubs paying approximately \$1.4 billion in taxes per annum. Clubs directly employ over 41,000 people, with the industry utilising an additional 50,000 volunteers. Club membership remains popular, with approximately 6 million club memberships in 2011, equivalent to one membership for each adult in NSW.

ClubsNSW aims to deliver a range of services and representation that creates an environment for long-term sustainability, as well as strengthen industry conditions for the benefit of those working within the NSW club sector and the local communities they support.

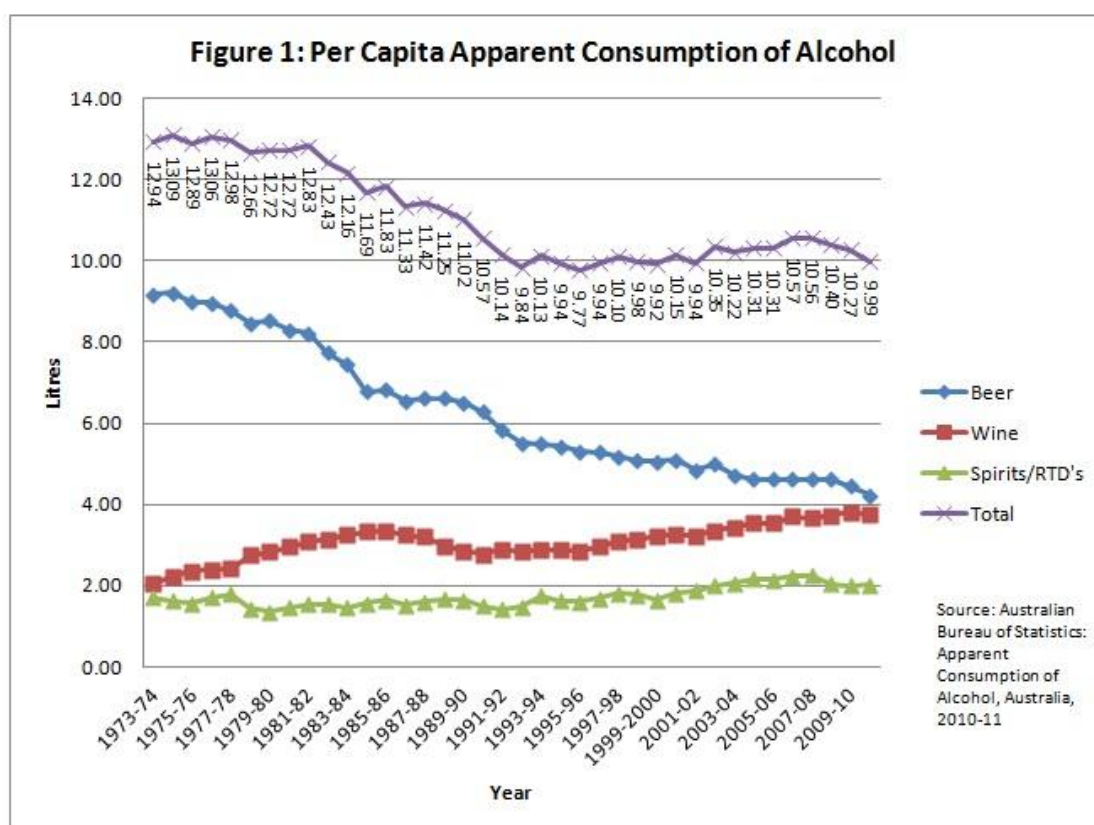
The Registered Clubs Association of New South Wales (ClubsNSW) is the Registered Union of Employers for the NSW club industry, holding Audit Certificate No. 100, issued in May, 1926 by the Industrial Arbitration Commission of NSW.

## 1. ALCOHOL CONSUMPTION TRENDS

ClubsNSW believes that the perception that the consumption of alcohol has increased or that young people are more likely to abuse alcohol is not supported by evidence. The majority of Australians consume alcohol responsibly and in moderation. Indeed, the Preventative Health Taskforce noted in 2009 that approximately three-quarters of all Australians who drink regularly do so below levels associated with long term risk of harm<sup>1</sup>.

### Alcohol consumption is declining

Statistics derived from the Australian Bureau of Statistics shows that per capita consumption of alcohol over the age of fifteen has decreased significantly, from a peak of 13.09 litres in 1974/75 to 9.99 litres in 2010/2011, an overall reduction of 25 per cent, equating to 2.2 standard drinks per person per day<sup>2</sup> (see figure 1)<sup>3</sup>.



These figures overestimate the true level of alcohol consumed as they do not take into account wastage and factors such as the amount of alcohol used for cooking purposes<sup>4</sup>.

<sup>1</sup> Preventative Health Taskforce, (2009), 'Australia: The Healthiest Country by 2020, National Preventative Health Strategy – The Roadmap for Action'

<sup>2</sup> Based on a standard drink of 12.5mls of pure alcohol

<sup>3</sup> Australian Bureau of Statistics (2012), '4307.0.55.001 - Apparent Consumption of Alcohol, Australia, 2010-11'.

<sup>4</sup> Ibid

## **The proportion of young people who abuse alcohol is declining**

Although young people are more likely than other age groups to drink in a risky fashion, longitudinal data from the Australian Institute of Health and Welfare 2010 National Drug Strategy Household Survey notes that between 2001 and 2010, the proportion of females aged between 14-19 who consume alcohol at risky and high-risk levels has reduced by approximately 43 per cent, and for males of the same age group and risk levels, by 16 per cent<sup>5</sup>.

While the daily drinking patterns of people in Australia aged 14 years or older remained largely unchanged between 1993/2007, from 2007/2010 there was a statistically significant decrease in the number of people who consumed alcohol on a daily basis, with a reduction of approximately 100,000 people<sup>6</sup>. Daily consumers of alcohol have decreased to 7.2%, the lowest figure since the survey started in 1991.

Despite claims that people drink less as they age<sup>7</sup>, the age group most likely to drink daily were those aged 70 years or older, for both males (18.4 per cent) and females (12 per cent). Those most likely to drink weekly were those aged between 50-59 years for males (50.6 per cent) and those aged between 40-49 years for females (40.9 per cent)<sup>8</sup>.

In NSW, the number of daily drinkers as a percentage of the total population has fallen from 8.9 per cent in 2004 to 7.4 per cent in 2010<sup>9</sup>. Similar reductions are evident in all State and Territory jurisdictions except Queensland, where the proportion has remained unchanged.

Further, in 2011 the Survey calculated that 66 per cent of Australians aged over 14 drank at low risk levels while 22 per cent were recorded as abstainers (that is, those who hadn't consumed alcohol in the previous 12 months), meaning that over 80 per cent of Australians consumed alcohol that does not place them at risk of alcohol related harm over their lifetime<sup>10</sup>.

However, while the best available statistics indicate that the proportion of young people who abuse alcohol is declining, ClubsNSW is concerned about the growing trend in 'pre-loading' or 'pre-drinking'. Anecdotal evidence suggests that young people are increasingly likely to consume heavy amounts of alcohol prior to going to licensed premises ('pre-loading'), in order to avoid paying higher prices for drinks and to become rapidly intoxicated. While we acknowledge that this activity is not new, it does appear to

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<sup>5</sup> Comparison of the Australian Institute of Health and Welfare 2001, 2004, 2007 and 2010 *National Drug Strategy Household Survey Reports*.

<sup>6</sup> Australian Institute of Health and Welfare, (2011) *2010 National Drug Strategy Household Survey Report 2010*.

<sup>7</sup> Op cit Preventative Health Taskforce, (2009)

<sup>8</sup> Ibid

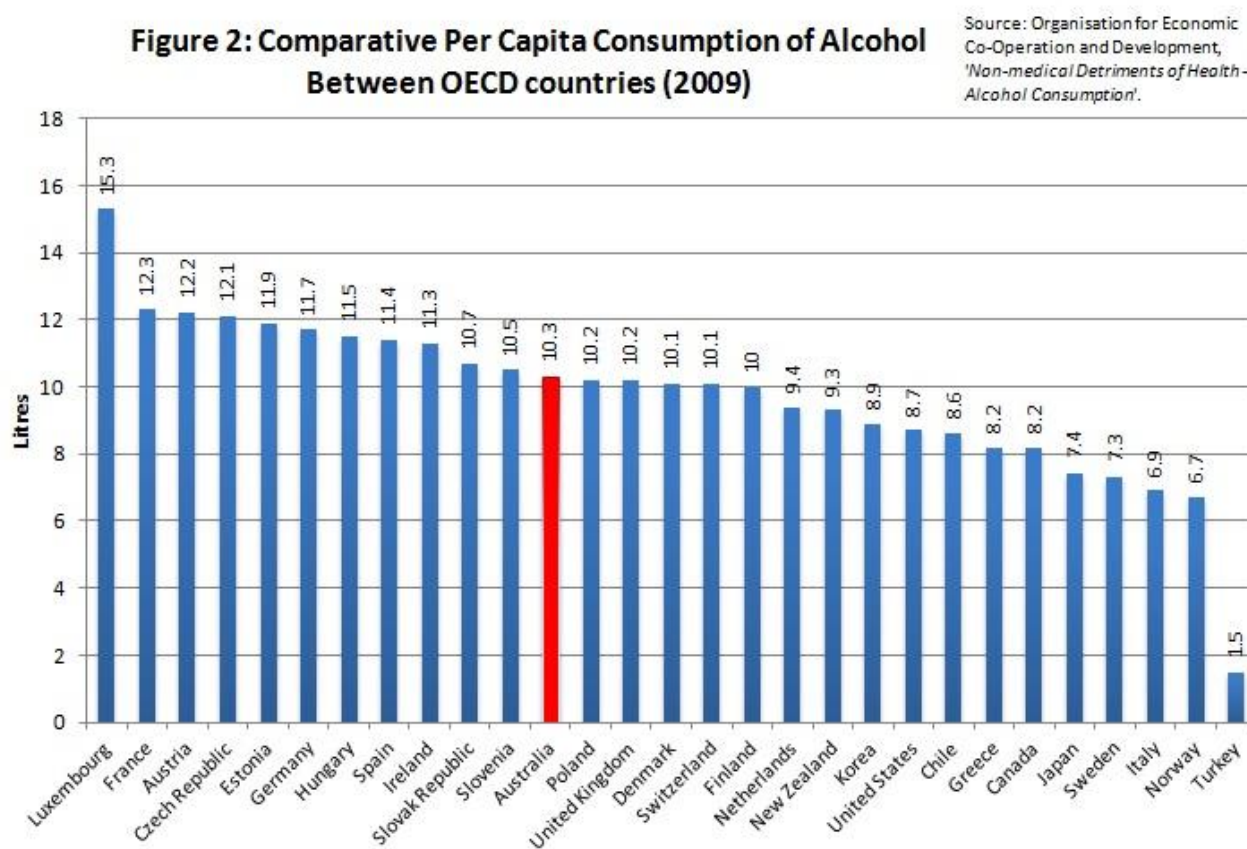
<sup>9</sup> Ibid

<sup>10</sup> Op Cit Australian Institute of Health and Welfare, (2011)

be gaining popularity. It is not apparent how a licensed premises can prevent or discourage pre-loading other than to deny entry, and ClubsNSW believes this issue needs to be recognised by policy makers and requires further research.

### Comparative consumption of alcohol

ClubsNSW submits to the Committee that despite the claim that per capita consumption of alcohol in Australia is high by world standards<sup>11</sup>, evidence from the Organisation for Economic Co-operation and Development (OECD) countries for which per capita consumption data is available shows that Australia ranks 12<sup>th</sup> out of 29 comparable developed countries (see figure 2).



As evidenced, the level of per capita alcohol consumption is declining, as is the proportion of young people who engage in risky or high-risk drinking. It follows that regulators should pursue evidence-based measures which target those people in need of assistance without unduly impacting on the legitimate enjoyment of the drinkers who consume alcohol in a responsible manner via the imposition of blanket measures.

<sup>11</sup> Op cit Preventative Health Taskforce, (2009)

## 2. ALCOHOL RELATED VIOLENCE

A great deal of attention is placed on the role of alcohol in society, including the relationship between the availability of alcohol, consumption levels and alcohol related violence. Unfortunately, much of the reporting of alcohol issues is emotively charged, therefore restricting meaningful debate. Claims that nothing substantial is being done to address alcohol related violence ignores the numerous harm minimisation strategies clubs have put in place and strong evidence of their continuing efficacy, and the various social awareness and education campaigns that seek to enable young people to better understand the consequences of excessive alcohol consumption.

When consumed responsibly, alcohol is not associated with harm. ClubsNSW recognises that although intoxicated people can hurt themselves and others and have done so since alcohol has first been consumed, the overwhelming majority of alcohol consumption does not lead to violence, nor do most violent episodes involve alcohol.

ClubsNSW believes that the relationship between alcohol consumption and violent behaviour is a complex interaction of biochemical, psychological, situational and cultural factors<sup>12</sup>. There is a fundamental issue as to the definition of 'alcohol related violence'. As highlighted by the UK Social Issues Research Centre (2002), the term 'alcohol related' is sometimes taken to imply a direct causal relationship between alcohol and certain behaviours. More often, the term is used as a partial causational factor, with alcohol interacting with individual, social and environmental factors to influence predisposed behaviour. Alternatively, 'alcohol related' may also refer to the fact that a violent act simply involved one or more individual who had consumed alcohol, regardless of whether consumption was a contributing factor to the incident<sup>13</sup>. In ClubsNSW's experience, it is the latter definition which is implicitly used by law enforcement agencies when recording incidents, which can make the interpretation of data problematic.

Alcohol related violence in and around licensed premises is one of many settings where such behaviour may occur, and violence is more likely to occur in licensed premises which are perceived as having an abrasive or uncomfortable atmosphere. ClubsNSW believes that it is unwise to assume that all licensed premises types are equal- the type and nature of different licensed premises is inherently relevant to the level and type of alcohol related violence recorded and is influenced by a number of individual, societal and environmental factors, some of which are beyond the control of the licensee.

Risk factors such as staff organization and training; security levels; the quantity of alcohol sold on the premises; entry and ejection practices for aggressive patrons; intoxication of patrons; the amount of

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<sup>12</sup> Social Issues Research Centre, Alcohol and Violence, [http://www.sirc.org/publik/alcohol\\_and\\_violence\\_1.html](http://www.sirc.org/publik/alcohol_and_violence_1.html)

<sup>13</sup> Social Issues Research Centre, (2002), 'Counting the Cost: the measurement and recording of alcohol related violence and disorder', London, United Kingdom



alcohol consumed prior to entering a venue; presence or absence of transport options; and people remaining around the licensed premises (smoking outside, congregating at a nearby parking lot or on the footpath) may all contribute to an increased probability of a violent incident occurring in or around the premises. Other factors such as the average age and gender of patrons; the demographic mix of patrons; lighting levels within the venue; entertainment; and time of day may also influence the incident.

### **Clubs are safe venues**

ClubsNSW believes that it is important that the Committee recognise that licenced clubs more than any other venue type are safe, family friendly, member based venues impose strict standards of behaviour via internal disciplinary processes. Clubs have a high regard for the wellbeing of their members and the community at large, and they carefully monitor and self regulate their activities to prohibit the excessive consumption of alcohol and associated alcohol related harm. This is evidenced in official statistics, discussed later.

On average, clubs generate 16 per cent of their total revenue from beverage sales, both alcoholic and non-alcoholic<sup>14</sup>. Clubs have a focus on providing meals and entertainment to members and guests, which, together with our not-for-profit business model and Responsible Service of Alcohol (RSA) obligations, removes the incentive to serve intoxicated people.

It is ClubsNSW's view that the current licensing controls are comprehensive, and that compliance is actively monitored. Clubs are the safest of all licensed premises and have consistently embraced harm minimisation measures and constructive policies on the service and sale of alcohol.

Unlike other licensed venues, where a patron is essentially anonymous, strict entry requirements and codes of conduct- by which club members must abide by or face disciplinary action or suspension of membership, mean that clubs can more effectively control patron behaviour than any other licensed premises.

Licensed clubs have implemented a comprehensive suite of best practice alcohol related harm minimisation measures, including (but not exclusive to):

- considerable investment into CCTV security systems;
- use of ID scanners;
- ensuring that all staff undergo mandatory RSA training and refresher courses as a condition of employment;
- upgrading lighting and visibility in and around the premises;

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<sup>14</sup> KPMG, (2012), 'NSW Club Census 2011: Report on the economic and social contribution of registered clubs in NSW', Sydney, Australia

- employing dedicated security personnel to monitor patron behaviour;
- employing dedicated RSA marshals to monitor patron consumption of alcohol;
- serving alcohol in non-glass/polycarbonate containers;
- conducting risk assessments prior to all events;
- additional restrictions on the sale of alcohol on specific days (e.g. ANZAC Day, Christmas Day);
- erecting signage displaying venue/patron capacity or occupancy loading, licensee details, various penalties for serving minors or intoxicated patrons, restricted areas, evacuation plans, trading hours, et cetera;
- prohibiting the sale of shots and other beverages with a high alcohol percentage content; and
- providing food, water and non-alcoholic beverages as an alternative to alcohol.

Patrons have a right to enjoy a safe, responsible drinking environment. Likewise, clubs have both statutory and common law rights to refuse entry or evict troublesome patrons, including those that are violent, quarrelsome, intoxicated, or who otherwise fail to adhere to club rules and policies.

Licensed clubs actively participate in local liquor accords- a forum for licensees, police and other stakeholders to discuss and take action on alcohol related issues at a local level. Measures adopted by accords have the advantage of enjoying the support and co-operation of licensees and target specific issues.

As an additional harm minimisation measure, licensed clubs have recently begun to participate in multi-venue patron barring schemes via their liquor accord. Multi-venue patron barring is a system where all licensees in an accord agree to bar troublesome patrons from all venues in an area for a specific period of time, with the intent of stopping patrons who have been evicted from one premises attempting to gain entry to another.

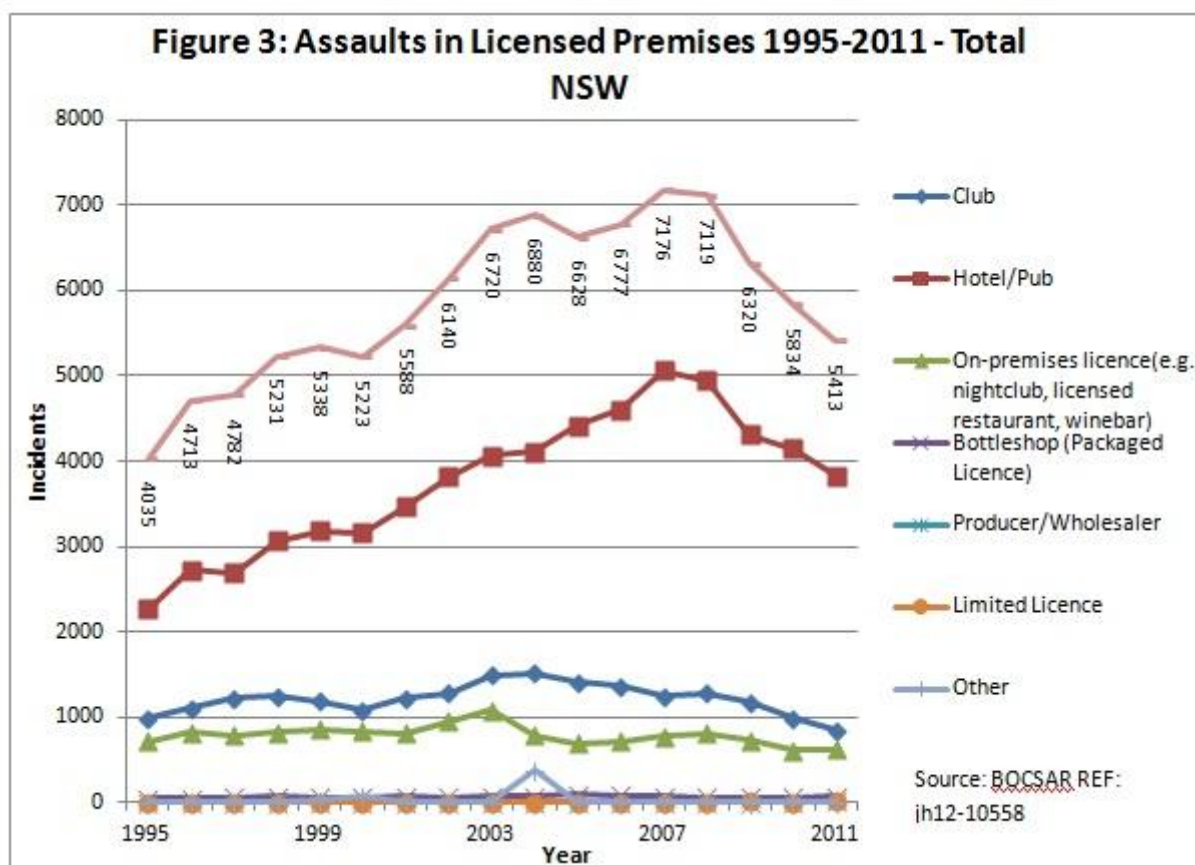
### **Alcohol related violence in clubs is uncommon**

The superior safety record of licenced clubs is affirmed in recent data from the NSW Bureau of Crime Statistics and Research (BOCSAR), which shows that there were 848 incidents of alcohol related violence in licenced clubs in 2011, equivalent to 0.56 incidents per club per year (see figure 3).

The incidence rate for licensed clubs in 2011 is the lowest on record and more than 15 per cent lower than when the Bureau first began collecting such data in 1995<sup>15</sup>- this despite the NSW population growing by approximately 20 per cent and club memberships increasing from 4 million to over 6 million in the same period of time. By comparison, the incidence rate of alcohol related violence in pubs and hotels totalled over 70% of all incidents on licensed premises in 2011.

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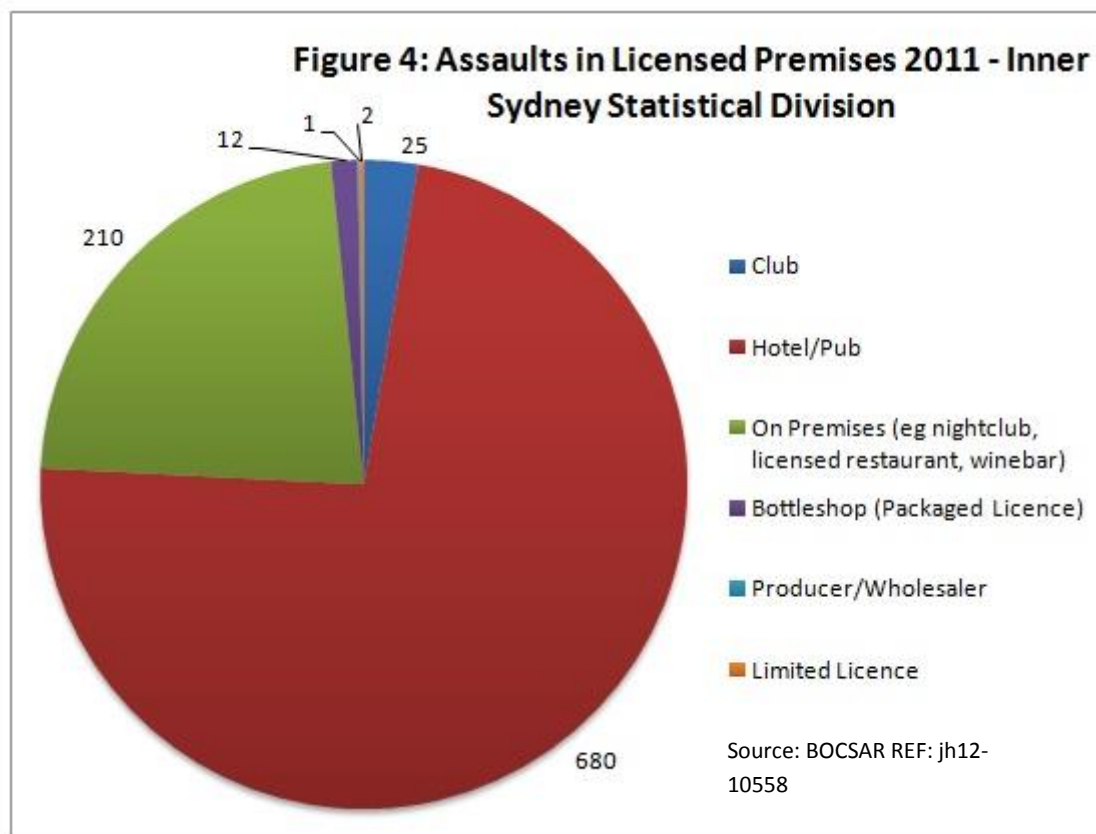
<sup>15</sup> NSW Bureau of Crime Statistics and Research, reference jh12-10558



The BOCSAR data indicates that there are a small number of licensed premises who are responsible for a disproportionate amount of alcohol related violence. In the Inner Sydney statistical division, an area which includes Kings Cross, Oxford Street, George Street and the wider Sydney CBD– an area unique in terms of patronage, venue density and accessibility of alcohol, BOCSAR recorded 930 assaults in 2011 (see figure 4)– more than every club incident in NSW combined.

Of these 930 incidents, 680 (73 per cent) occurred in pubs and hotels, and 210 (22 per cent) occurred in on-premises locations, most notably nightclubs- many of which do not trade seven days a week and generate most of their patronage in a small amount of time- usually Friday and Saturday evenings. By comparison, only 25 (2.6 per cent) of assaults in the Inner Sydney statistical division in 2011 were attributable to licenced clubs<sup>16</sup>.

<sup>16</sup> Ibid



Almost one in five assaults in licensed premises occurs within the Sydney City area. The area is exceptional in terms of alcohol related violence and venue density and thus necessitates a differentiated response from regulators and the police. ClubsNSW would be concerned if policies imposed specifically on the Kings Cross Precinct and wider Sydney City area were to be replicated across the state. Licenced clubs have a proven reputation for outstanding safety; it is incongruous that our venues should be forced to comply with a uniform set of measures that do not address any of their specific safety concerns where they exist.

It is clear that in some areas of the hospitality industry responsible service of alcohol practices are not being followed. However, as BOCSAR data proves, this is demonstrably not the case for licensed clubs. It should be clear to regulators which licenced premises have not met legislative and community standards with regard to amenity, security or safety. ClubsNSW believes that licensed premises which have had repeated serious incidents of alcohol related violence and have consistently failed to mitigate the future risk of such incidents should be identified and targeted appropriately and on a case-by-case basis.

### **The need for evidence-based policy**

ClubsNSW supports the concept of evidence-based policy as a method of producing effective and well considered regulation. A number of advocacy organisations have called for more stringent regulation of liquor licensing across NSW, proposing socially regressive whole-of-population measures such as a state-

wide wind back of trading hours, a moratorium on late night trading, the imposition of a risk based liquor licensing system and a licence buyback scheme. ClubsNSW does not support any of these proposals.

The current regulatory and licensing framework is sufficient for licensed clubs and does not require further amendment. While it is clear that the incidence rate of alcohol related violence is more prominent in certain licensed premises types, appropriate, targeted action is needed to address the issue.

### **3. THE COST OF ALCOHOL ABUSE**

ClubsNSW believes that robust estimates of the costs and benefits of alcohol are essential for informing the development of proper evidence-based policies. Alcohol consumption is an enjoyable recreational activity and provides significant social and economic benefits to the community. However for a minority of people, alcohol abuse causes harm, for themselves and for their families.

Attempts by governments, industry and other stakeholders to measure the social and economic impacts of alcohol have been sporadic, largely consisting of ad hoc research studies conducted throughout Australia. While the majority of studies conducted have some merit, poor quality data, questionable methodologies and inherently biased assumptions have led to a disparate range of estimates, most of which have little basis in fact, thus making it difficult for decision-makers to discern what evidence is credible.

#### **The cost of alcohol abuse has been overstated**

ClubsNSW is aware that a number of advocacy organisations utilise estimates of the cost of alcohol as justification for promotion of extreme policy measures such as increased taxation and government imposed restrictions on consumer spending.

For example, a number of organisations claim that the costs of alcohol to Australian society is \$15.3 billion, a figure based on a study conducted by Collins and Lapsley (2008)<sup>17</sup> and relates to data from 2004-2005. Of this \$15.3 billion figure, \$1.7 billion allegedly comes from spending on alcohol, \$1.4 billion in crime costs, \$2 billion in net health costs, \$3.6 billion in lost workplace productivity, \$1.6 billion in lost domestic productivity and \$2.2 billion in road accidents, \$1 billion in costs jointly attributable to alcohol and other drug use as well as intangible costs of \$4.5 billion from loss of life, pain and suffering.

ClubsNSW questions the validity of the \$15.3 billion figure proposed by Collins and Lapsley and highlights to the Committee the fundamental flaws in the methodology used in the study and hence its recommendations.

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<sup>17</sup> Collins, D.J., and Lapsley, H.M. (2008). The costs of tobacco, alcohol and illicit drug abuse to Australian society in 2004/05. Department of Health and Ageing. Canberra, Australia

A critique of the Collins and Lapsley study by Crampton, Burgess and Taylor (2011)<sup>18</sup> found that the Collins and Lapsley findings are based on non-mainstream economic theory, as the vast majority of the \$15.3 billion is made up of costs most economists would consider as private and therefore policy irrelevant.

Economic measurement of policy-relevant social costs typically include only external costs, or consider both private benefits and private costs, as private cost is offset by private benefit. This is not because private costs are not genuine, but measures of private costs borne by alcohol consumption are only meaningful if offset by the consumption benefits enjoyed by all drinkers.

Crampton et al go on to state:

*“Headline cost estimates, including the influential paper by Collins and Lapsley (2008), depend on an incorrect procedure for incorporating real world imperfections in consumer information and rationality, producing a substantial over-estimate of costs. Other errors further inflate these estimates, resulting in headline costs that are unrelated to either total economic welfare or GDP and therefore of no policy relevance. Counting only external, policy-relevant costs not only deflates overall figures substantially but also results in rank order changes among cost categories. Despite this, Cost of Illness studies appear effective in mobilizing public opinion towards increased regulation and taxation that is not justified by an expected increase in economic welfare.”<sup>19</sup>*

The Henry Tax review also disagreed with the cost of illness methodology employed by Collins and Lapsley when considering the policy relevant costs associated with alcohol, suggesting that private intangible costs should be excluded:

*“To estimate spillover costs relevant for setting rates of tax, it is necessary to exclude private intangible costs (such as pain and suffering), and the loss of household production from premature death or sickness...”<sup>20</sup>*

Further, the review stated that:

*“...these costs are more limited in scope than those used in the cost of illness methodologies that have been developed in the public health literature (for example, Collins & Lapsley 2008), which also include many of the costs that individuals bear themselves”<sup>21</sup>.*

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<sup>18</sup> Burgess, M., Crampton, E. & Taylor, B. (2011), 'The Cost of Cost Studies', College of Business and Economics, University of Canterbury, Christchurch, New Zealand.

<sup>19</sup> Ibid

<sup>20</sup> Australia's Future Tax System, Final Report, Volume 2, footnote 18

<sup>21</sup> Ibid

ClubsNSW recognises that alcohol abuse can cause significant harm for individuals and their families. While the cost of violence generally (not just alcohol related violence) can be substantial when it occurs in domestic and other private environments, we do not believe that it is justifiable to categorise private intangible costs as social costs, nor do we believe that it is possible to assign monetary values to these costs objectively.

ClubsNSW notes the Department of Health and Ageing has advised that due to the controversy and contention of the estimates in the research, the Collins & Lapsley analysis “is not appropriate” to be included in the National Alcohol Data Knowledgebase. As such, ClubsNSW recommends that it and other studies which rely on similar methodology (such as Lassett et al (2010) which grossly overestimated the cost of alcohol to be \$36 billion<sup>22</sup>) should not be considered by the Committee or regulators as a basis for policy formulation.

Crampton et al calculated that the true cost of alcohol in 2004/2005 was approximately \$3.8 billion. ClubsNSW believes this figure is more credible and notes that this it is lower than the amount the Government receives via alcohol excise. Indeed, Access Economics, when comparing the revenue raised from alcohol taxation to the social costs, stated that “*alcohol taxes thus pay more than the social costs of alcohol abuse, by a considerable margin, each year*”<sup>23</sup>.

#### **4. ALCOHOL ADVERTISING AND PROMOTIONS**

Licensed clubs have always taken their responsibilities in relation to the responsible service of alcohol seriously, and they provide a safe drinking environment for members and the general public. As part of their operations, clubs run various liquor advertisements and promotions that are designed to increase patronage, are innocuous and do not promote excessive or unsafe consumption of alcohol.

##### **Alcohol advertising is already highly regulated**

Alcohol advertising as a marketing tool is already highly regulated in Australia. Alcohol producers, wholesalers and retailers have both a duty of care to consumers and a right to market a legal product in a responsible manner. All advertising and promotions must comply with the Alcohol Beverage Advertising Code (ABAC), the Commonwealth *Trade Practices Act 1974*, various state and territory trade and liquor laws and regulations, the Commercial Radio Code of Practice, the Outdoor Media Association Code of Ethics and the Commercial Television Industry Code of Practice, notwithstanding individual companies’ internal standards and codes of practice.

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<sup>22</sup> Laslett, A. M., et al, (2010) ‘*The Range and Magnitude of Alcohol’s Harm to Others*’, Alcohol Education and Rehabilitation Foundation,

<sup>23</sup> Access Economics (2010) *Review of ‘The range and magnitude of alcohol’s harm to others’*.

Any alcohol advertisement must generally present a responsible approach to alcohol consumption and must not appeal to children; depict alcohol in association with the operation of a motor vehicle, aircraft or boat; suggest that consumption will enhance one's mood or environment; or otherwise encourage excessive or irresponsible consumption.

### **Existing powers to prohibit**

A number of advocacy groups have proposed increased regulation of alcohol advertising and promotions as a 'harm minimisation' measure to combat the consumption of alcohol by young people and alcohol related violence.

In New South Wales, Section 102 of the *Liquor Act 2007* states that the Director-General, NSW Trade and Investment has the power to restrict or prohibit the undesirable promotion of liquor if the Director-General is of the opinion that the promotion may appeal to minors; is offensive or indecent; involves the provision of liquor in non-standard measures; uses emotive descriptions or advertising that encourages irresponsible drinking and may lead to intoxication; involves the provision of free or heavily discounted drinks of a limited duration that would create an incentive to consume liquor rapidly; or that the advertisement or promotion is not in the public interest.

The Director-General is required to issue publically available guidelines that indicate the circumstances in which the Director-General would restrict or prohibit a licensee from advertising and/or promoting the sale or supply of liquor.

It is appropriate that promotions that clearly promote the excessive consumption of alcohol, such as "free drinks until first point scored", "toss the boss", "beat the clock", "drink 'till you drop", etc should be considered unacceptable. It is also appropriate that restrictions apply to liquor promotions that may appeal to minors, including the use of characters, images or motifs likely to appeal to minors.

### **Advertising develops brand loyalty, not excessive consumption.**

ClubsNSW does not support the need for additional restriction of alcohol advertising and promotion and notes that there is a lack of compelling evidence to suggest a link between alcohol advertising, excessive consumption and alcohol related violence. On the contrary, various econometric studies on alcohol advertising fail to identify a causal link between advertising and consumption.



In 2010, a United States Federal Trade Commission study found that there is no reliable basis to conclude alcohol advertising significantly affects consumption, let alone abuse<sup>24</sup>. The United States Department of Health and Human Services in its 2000 annual report to Congress submitted that there was little consistent evidence to suggest that alcohol advertising affects drinking beliefs and behaviours<sup>25</sup>. A United States Senate sub-committee reported in the Congressional Record that it could not find evidence to conclude that advertising influences non-drinkers to begin drinking or increase consumption<sup>26</sup>.

Scheraga and Calfee (1994) found that despite increased alcohol advertising in the Netherlands, France and the United Kingdom between 1970 and 1990, alcohol consumption declined in all three countries<sup>27</sup>. Calfee (1997) found that advertising in a market nature, including alcohol advertising, does nothing to increase total demand. Rather, it serves to develop and maintain brand loyalty<sup>28</sup>. Further, Nelson (2006) examined the impacts of alcohol consumption, advertising bans and other control policies in seventeen OECD countries between 1975-2000 and concluded that advertising bans do not reduce alcohol consumption<sup>29</sup>.

### **Advertising by clubs**

Licensed clubs as responsible venues do not advertise or promote liquor in such a way as to appeal to minors or young persons, or is offensive or indecent, or encourage the excessive or irresponsible consumption of alcohol.

Without seeking to present a complete list, ClubsNSW believes that an acceptable alcohol advertisement or promotion is one which seeks to encourage people to attend a specific venue at a specific time, for example through promoting certain products, through loyalty schemes, 'happy hour' or discounted drinks promotions. In particular, any promotion that is run in accordance with RSA should not be restricted.

ClubsNSW believes that the promotion of alcohol by producers, distributors and retailers primarily focus on the consumption of alcohol as a product, and do not seek to glorify or encourage excessive consumption or violence. Advertising and promotion are legitimate methods used in order to differentiate one product from another; this should not be restricted provided that the promotion does not focus on excessive or irresponsible drinking.

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<sup>24</sup> United States Federal Trade Commission (2008), 'Self-regulation in the alcohol industry: Report of the U.S. Federal Trade Commission', Washington D.C., United States of America

<sup>25</sup> National Institute on Alcohol Abuse and Alcoholism, United States Department of Health and Human Services, (2000), '10<sup>th</sup> Special Report to U.S. Congress on Alcohol and Health, Publication No.:00-1583, Washington D.C., United States of America

<sup>26</sup> Congressional Record, 20 May 1985

<sup>27</sup> Calfee, J.E. & Scheraga, C., (1994), 'The influence of advertising on alcohol consumption: A literature review and an econometric analysis of four European nations', International Journal of Advertising, 13, 287-310 in Alcohol Marketing and Young People: International Centre for Alcohol Policies, 2009.

<sup>28</sup> Calfee, J.E., (1997), 'Fear of Persuasion: A New Perspective on Advertising and Regulation', Agora, Switzerland

<sup>29</sup> Nelson, J.P., (2006), 'Alcohol advertising bans, consumption and control policies in seventeen OECD Countries 1975-2000, Applied Economics, 42, 808-823, March 2010

With regard to price discounting and the promotion of free drinks, ClubsNSW believes that while it is important to avoid setting prices which encourage excessive consumption of alcohol, price discounting is generally regarded as a marketing tool rather than the cause of irresponsible drinking. In principle, prices should be set according to the wishes of the clubs' members and board in accordance with consumer demand, stock levels and wholesale cost-price.

We believe the provision of free or discounted drinks to club members which seek to encourage patronage (or otherwise), are acceptable promotions, provided that it is done in accordance with RSA, is not used as an incentive to play gaming machines, and that all club members are eligible to receive the same benefit in accordance with section 10(1(i) of the *Registered Clubs Act 1976*.

ClubsNSW believes that the current regulatory framework regarding the advertisement and promotion of liquor is sufficient for licensed clubs and does not require further restrictions.

## **5. PROVISION OF ALCOHOL TO MINORS**

Licensed clubs refuse to sell, supply and dispose of alcohol to minors and require presentation of a proof of age card or other form of identification if a person is suspected of being a minor. Strict entry requirements as defined in the *Registered Clubs Act 1976* and individual club by-laws mean that clubs exclude minors from admittance to the premises unless in the company of an adult. Once inside a club, a minor is prohibited access to the bar and gaming facilities.

The 2010 National Drug Strategy Household Survey found that 49.5 per cent of recent and ex-drinkers aged between twelve and seventeen were first supplied with alcohol by a friend or acquaintance, 30.7 per cent by a parent and 14 per cent by a relative. Only 0.4 per cent of minors claimed to have purchased alcohol at a licensed premise<sup>30</sup>. Further, 79 per cent of drinkers aged 14 years and over are reported to have consumed at their own home or in a party environment<sup>31</sup>. ClubsNSW therefore submits that clubs are very rarely the site of underage drinking, and minors are far more likely to obtain alcohol from friends or family in a domestic or social environment, rather than directly from a licensed club or other venue.

Parents and relatives have enormous significance in forming drinking behaviours and preventing alcohol abuse, both in young people and later in life. Parents and legal guardians have a responsibility to decide whether to expose their children to alcohol or not, and, if so, to educate their children and set clear rules and boundaries regarding consumption.

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<sup>30</sup> Op Cit Australian Institute of Health and Welfare (2011)

<sup>31</sup> Ibid

Many parents and legal guardians rely on the assumption that if they provide and monitor a child's drinking then the situation will remain in their control. In a domestic environment, parents can supervise the amount of alcohol consumed, discuss the dangers associated with drinking and set adequate boundaries for their children.

Consumption of alcohol will inevitably continue to be viewed by minors as a symbolic rite of passage to adulthood. Therefore, we believe that an increased focus on parental and personal responsibility should be encouraged so as to inform minors and potentially mitigate future alcohol abuse.

## **6. ALCOHOL IN THE WORKPLACE**

Alcohol abuse poses significant social and economic costs to the workplace as a result of lost productivity, absenteeism, reduced job performance, accidents and injuries, and death. ClubsNSW believes it to be worthy of emphasis that while some of these losses are a result of alcohol consumption at the workplace, the majority of costs are attributable to consumption *outside* the workplace, such as at night or on weekends.

The NSW club industry is one of the largest employers in the state, with KPMG estimating that licensed clubs directly employed approximately 41,300 people across a variety of roles. Of these, more than 20,000 are located in rural and regional NSW, providing jobs in areas where there are limited employment prospects<sup>32</sup>. Further, the industry utilises an additional 50,000 volunteers and provides countless flow-on employment opportunities to contractors and suppliers.

In accordance with the *Work Health and Safety Act 2011*, licensed clubs provide a safe working environment for all employees, apprentices, contractors, volunteers and labour hire employees. This duty of care extends to alcohol and its impact on employees both directly through personal consumption and indirectly through the impact of working in an environment where liquor is served and consumed.

Adherence to workplace health and safety is both an individual and collective responsibility. As an industry-wide best practice measure, clubs are encouraged to develop and implement 'in-house' workplace health and safety and alcohol policies so as to ensure that all employees are aware of their rights and obligations in relation to alcohol in the workplace. ClubsNSW provides a pro-forma policy to member clubs free of charge.

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<sup>32</sup> Ibid

As an additional resource, ClubsNSW through the ClubSAFE initiative provides 24/7 free, confidential, professional counselling and support services for all club employees and patrons who may have issues with alcohol dependency.

## **7. MEASURES TO REDUCE DRINK DRIVING**

With regard to part (d) of the Terms of Reference, ClubsNSW believes that the introduction and enforcement of Random Breath Testing (RBT) in NSW, alongside a range of drink driving countermeasures and social marketing campaigns, has been unambiguously successful.

As an extension of the duty of care licensed clubs have towards their members, many provide both courtesy bus and taxi rank services as a method in reducing alcohol related harm. These services operate as an alternate, low cost, and safe form of transport to and from the club with the intention of reducing the possibility of drink-driving and drink-walking among patrons. This reduces the possibility of an alcohol related incident occurring between pedestrians and motor vehicles.

Further, many clubs provide access to free breath analysis machines so patrons may measure their blood alcohol content level prior to leaving the venue. ClubsNSW notes however that the readings given by breathalysers in clubs are indicative only and are not accepted by Police or the courts.

## **CONCLUSION**

ClubsNSW thanks the Committee for the opportunity to provide comment to the Inquiry and looks forward to further consultation. Should you wish to discuss this submission further, please do not hesitate to contact Anthony Trimarchi, ClubsNSW Policy Officer, on (02) 9268 3057, or by email at [atrimarchi@clubsnsw.com.au](mailto:atrimarchi@clubsnsw.com.au).