

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

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NSW LEGISLATIVE COUNCIL

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PEOPLE IN NSW**

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About Lion

Lion is a group that includes the former Lion Nathan business, which produced, distributed and marketed alcohol beverages in Australia and New Zealand, and the former National Foods food and non-alcoholic beverage business. Lion's head office is located in Sydney with operations in every State as well as New Zealand.

Lion is the largest food and beverage manufacturer in Australia and employs over 7,000 people. In addition to direct employment, Lion makes a significant contribution to the Australian and New Zealand economies, estimated by Access Economics at \$5 billion annually. We are one of the region's largest purchasers of agricultural goods and an integral component of the retail, hospitality and tourism industries.

We are Australia's leading brewer – our portfolio includes brands such as XXXX GOLD, James Boag & Son, Tooheys, Hahn, Corona Extra and Stella Artois. We also have a medium-sized premium wine business and a small spirits joint-venture.

Our Beer, Spirits & Wine business in Australia spans six major breweries, five craft breweries and nine wineries.

Lion is a responsible marketer, complying fully with both the letter and spirit of highly effective legislation and self-regulatory best practice codes. We want our products to be consumed responsibly, both because it's right and because it will help ensure the sustainability of our business for many years into the future.

We are committed to, and actively participate in, community efforts to change unhealthy drinking behaviour. For many years we have supported programs and research to better understand and prevent alcohol misuse and minimise the potential harm associated with alcohol consumption. Our beer business has led the way in developing less-than-full-strength (LTFS) products that contribute significantly to encouraging more moderate consumption within our community.

Lion is also a founding member of DrinkWise Australia and actively supports its efforts to improve the Australian drinking culture through national information and education campaigns. In July 2011 we joined DrinkWise and other major producers to launch new consumer information messages on the labels of alcohol products in Australia.

Executive Summary

Lion welcomes the opportunity to make a submission to the NSW Legislative Council's Standing Committee on Social Issues Inquiry into *Strategies to reduce alcohol abuse among young people in NSW*.

The vast majority of Australians consume alcohol responsibly and it is important that the Inquiry distinguishes between the misuse of alcohol and the moderate consumption of alcohol, which is a normal, enjoyable part of life for many adults.

There is a wealth of scientific evidence demonstrating that the moderate consumption of alcohol may afford many potential health benefits. The evidence suggests that for many people it is more beneficial to drink moderately than to abstain^{1 2}. This is reinforced in the recently released NHMRC Australian Dietary Guidelines³ which state that *"there is evidence of a probable association between consumption of one standard drink per day for women and one and a half to two per day for men with a reduced risk of cardiovascular disease morbidity and mortality."*

This is not to suggest there are not negative health consequences that arise from alcohol misuse. What it does highlight is that alcohol policy should not impact moderate drinkers in its efforts to address problem drinkers, as this will result in perverse health outcomes. This is something that has recently been acknowledged by one researcher funded by the anti-alcohol lobby⁴.

In fact, the evidence suggests that while young adults and minors are drinking less than previous generations there is a tendency among a minority to drink more on single occasions than previous generations, and this may be particularly true for young women.

Lion is committed to working with the NSW Government and others to better understand and develop strategies to address the misuse of alcohol consumption.

We believe that an evidence-based approach to policy making will lead to the implementation of measures that genuinely do reduce alcohol-related harm without negatively impacting those whose alcohol consumption is not harmful and, in a significant number of cases, delivers health benefits.

Lion has always been, and continues to be, open to genuine collaboration to change Australia's drinking culture. A vibrant drinking culture, where people drink for enjoyment and sociability, is the key to our business success.

¹ R Doll, R Peto, E Hall, K Wheatley, R Gray, *Mortality in Relation to Consumption of Alcohol: 13 Years' Observations on Male British Doctors* BMJ 1994;309:911-918 <http://www.bmj.com/cgi/content/abstract/309/6959/911>

² Leon A Simons, John McCallum, Yechiel Friedlander, Michael Ortiz and Judith Simons *Moderate Alcohol Intake is Associated with Survival in the Elderly: the Dubbo Study* MJA 2000; 173: 121-124

³ NHMRC, Dietary Guidelines for Australian Adults, 2013, https://www.eatforhealth.gov.au/sites/default/files/files/the_guidelines/n55_australian_dietary_guidelines.pdf

⁴ Michael Livingston, 'Alcohol-fuelled violence on the rise despite falling consumption' The Conversation 26 February 2013 <http://theconversation.edu.au/alcohol-fueled-violence-on-the-rise-despite-falling-consumption>

Alcohol consumption in Australia

In general, alcohol consumption in Australia has been trending down – in 1974, Australians were consuming 13.1 litres of pure alcohol per person, today that figure stands at 10.0 litres of pure alcohol available for consumption, which equates to approximately 2.2 standard drinks per day, per person (down 2.6% from 2009-10)⁵.

Recently, the World Health Organisation provided the levels of consumption in overseas markets (2005 data) for comparison e.g. Austria (13), Czech Republic (over 16), Denmark (over 13), France (over 13), Germany (nearly 13), Ireland (over 14), Italy (10.7), and the UK (over 13)⁶.

Contrary to some assertions, younger people are also consuming less, the proportion of Australians aged 18-24 that drink any alcohol in an average four week period has progressively decreased each year for the last five years. In the 12 months to June 2012, 72.2% of this age group drank alcohol, down from 74.7%⁷.

Not only did the proportion of drinkers in this younger age group decrease, but the total volume of alcohol consumed by them in an average seven days also decreased, down 11% in five years.

More significantly, more minors (aged 12-17 years) abstained from alcohol (61.6%) than consumed alcohol (38.4%) in the previous 12 months and the proportion abstaining increased significantly from 2007 (from 69.9% of 12-15 year olds in 2007 to 77.2%; from 24.4% of 16-17 year olds to 31.6%)⁸.

Also, the proportion of secondary school students aged 12-17 who drank alcohol in the past week decreased between 1984 and 2008 (from 30% to 17% for those aged 12-15 and from 50% to 38% for those aged 16-17). The percentage of students aged 12-17 who consumed alcohol at levels that could lead to short-term harm in the past week changed little between 1984 and 2008⁹. It is important to also acknowledge that the majority of Australians do not suffer harm as a consequence of their consumption of alcohol.

We do, however, recognise that while the proportion of risky drinkers decreased in 2010, the number of people consuming alcohol on a single occasion in quantities that placed them at risk of an alcohol-related injury increased (from 7.1 million in 2007 to 7.3 million in 2010)¹⁰.

We also acknowledge that there are real and legitimate concerns about the consumption habits of certain at risk groups, including young people and especially younger women. That is why Lion is committed to innovation in lower alcohol products, funding culture change initiatives, such as those developed by DrinkWise, and working with governments to identify causes and develop solutions to such problems.

⁵ Australian Bureau of Statistics, Apparent Consumption of Alcohol, Australia 2010 – 11, 3rd May 2012

<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4307.0.55.001main+features72010-113>

⁶ http://www.who.int/substance_abuse/publications/global_alcohol_report/msbgsruprofiles.pdf page 273

⁷ Younger Australians are now drinking less, Roy Morgan Research, September 27, 2012

⁸ All figures above taken from AIHW 2010 National Drug Strategy Household Survey, released 27/7/11

⁹ Findings of the Australian Secondary Students' Alcohol and Drug Survey, as reported in AIHW, Risk factor trends: age patterns in key health risk factors over time, Sept 2012.

¹⁰ AIHW 2010 National Drug Strategy Household Survey, released 27/7/11

Lion's view is that regulatory and other interventions should be focused on addressing harmful consumption, not the moderate consumption habits of the majority of Australians.

Advertising and alcohol consumption

Firstly, in Australia alcohol cannot be marketed to those aged under 18 years and cannot be purchased by those under 18 years.

There is no evidence of a correlation between advertising and problem or harmful drinking. In general, advertising influences the brand choices of confirmed drinkers. We are unaware of any evidence to suggest that responsible advertising influences consumers to drink irresponsibly. The current regulatory system only allows the promotion of responsible consumption of alcohol and creates awareness for specific brands.

During a 20 year period of progressively increasing marketing activity in Australia, there has been a marked decline in per capita consumption of beer¹¹ – and yet beer is the category with the highest levels of advertising. If there was a correlation between levels of consumption and advertising, this outcome is unlikely to have eventuated.

Nevertheless, Lion would contend that if advertising did contribute to a small increase in per capita consumption that would be much more likely to be as a result of marginal increase in per capita consumption by the majority of those who already drink moderately rather than significant increases in the consumption levels of the small minority who drink excessively, because there is no link between advertising and excessive consumption.

Turning to under-age drinking, Australian and US research indicates that by far the major influences on underage drinking are deep seated cultural factors, most notably, peer group norms and parental drinking behaviour. Advertising is not a significant factor¹².

With few exceptions, research into the impact of advertising bans and restrictions tends to indicate that they either have no effect on consumption or are associated with an increase. Research covering periods of up to 25 years – such as a survey of 17 developed economies in 2007 – reveals that bans do not tend to reduce the number of 'new' drinkers¹³.

When New Zealand lifted a ban on alcohol advertising in 1992 consumption of alcohol did not increase; in fact, the market continued to decline suggesting there is no meaningful linkage¹⁴.

France's 'Loi Evin' is a commonly cited example of effective alcohol marketing regulation by some groups which advocate further marketing restrictions, however the Australian National Preventive

¹¹ AIHW, *Statistics on Drug Use in Australia* 2006 pp.14-15

¹² Baer, J.S. Student Factors: Understanding Individual Variation in College Drinking, *Journal of Studies on Alcohol (Suppl. 14)*:40–53, 2002. Louise Hayes, Diana Smart, John W. Toumbourou and Ann Sanson, Parenting Influences on Adolescent Alcohol Use, Research Report no.10 2004, Australian Institute of Family Studies.

¹³ Quoted in Frontier Economics, *Food for Thought Bulletin*, January 2008

¹⁴ Statistics New Zealand

Health Agency recently stated that its impact on reducing consumption and alcohol-related harm is difficult to assess¹⁵.

Lion and the current regulatory system in practice

Firstly, alcohol advertising and marketing cannot be directed to those aged under 18 years in Australia.

Lion goes to great lengths to ensure our marketing does not contribute to alcohol misuse and we have a range of processes in place across to ensure it does not have any unintended consequences.

Lion's Code for Responsible Marketplace Activity brings together all relevant industry codes into one guideline and we are also a signatory to or participant in the wide range of existing codes that regulate alcohol advertising:

- Alcohol Beverages Advertising Code (ABAC)
- The Australian Association of National Advertisers (AANA) Code of Ethics
- The AANA Food and Beverages Advertising and Marketing Communications Code
- The AANA Environmental Claims in Advertising and Marketing Code
- The Free TV Commercial Television Industry Code of Practice
- The ASTRA Codes of Practice for Subscription TV
- The Commercial Radio Codes of Practice

Combined, these Codes cover all aspects of alcohol advertising, including content development and media placement in Australia.

Alcohol and social media

There is a misconception that social media channels are completely unregulated when it comes to alcohol brands and marketing. The current system applies and is effective in the online space. All major alcohol advertisers, including Lion, are bound to apply the ABAC to social media channels and any material developed for these purposes is subject to the same, rigorous approvals process that applies to all other marketing material. In addition, the ABAC Panel has determined that social media, including user generated content over which the brand owner has a reasonable degree of control, falls under the Code.

Likewise, the assumption that alcohol advertisers use social media to target consumers that are underage is also false. The fact is the vast majority of social media users are over 18. As an example, Facebook consists of more than 90% 18+ consumers¹⁶. The largest user group is 25-34 years, followed by 35-44 years¹⁷.

¹⁵ Australian National Preventive Health Agency, 'Alcohol Advertising: The Effectiveness of Current Regulatory Codes in Addressing Community Concerns, Issues Paper' December 2012

¹⁶ Facebook, provided December 2012

¹⁷ <https://www.socialbakers.com/facebook-statistics/australia>

Similarly, a 2009 Study of Australian YouTube users found that 14-17 year olds only make up 7% of Australian YouTube users (18-29 = 32%; 30-39 = 20%; 40-49 = 18%; 50-59 = 13%; and 60+ = 10%¹⁸). A 2012 Global Study found that 0-17 year olds make up approx. 9% of global YouTube users (18-24 = 10%; 25-34 = 18%; 35-44 = 20%; 45-54 = 31%; 55-65+ = 12%¹⁹).

To guide marketers engaging in digital media, and particularly in social media, the AANA and ABAC have both developed updated guidelines for advertisers.

Furthermore, an increasing number of digital media platforms, such as Facebook, have advanced age restriction technology available. By way of example, a registered under-18 user of Facebook:

- Cannot access an alcohol brand's page contents via the search function;
- Cannot access content on an alcohol brand's Facebook page from within Facebook or via an external site and cannot opt to 'like' the content;
- Cannot see any interaction with the alcohol brand via their 18+ Facebook connections / friends' activities or newsfeeds.

While age protection mechanisms may be subverted by a determined user, the adoption of these age restricting technologies ensures companies are taking reasonable measures to minimise this risk and are effective when combined with parental supervision and the use of 'nanny tags'. Also, there is no evidence to suggest that such behaviour by minors is prevalent.

Responsible advertising has benefits

Advertising has three macro benefits – firstly, it increases consumer choice, secondly, it stimulates economic growth and thirdly it is a critical characteristic of an open and democratic society. New market entrants will find it much more difficult to establish a presence if advertising is restricted, creating significant competition implications.

Without the ability to advertise, producers will be significantly restricted from innovating and establishing new brands in the market. This is particularly true for the lower-than-full-strength segments.

While climatic conditions have played a role in developing the mid-strength and light markets, the real key to driving uptake is building the brand itself and making it relevant to consumers. Taking XXXX GOLD as an example, through our advertising we are able to communicate that consumers do not have to sacrifice flavour with a lower alcohol choice.

We have continued to innovate and introduced XXXX Summer Bright Lager (SBL) as our next generation offering in 2009. It is full strength, but at only 4.2% ABV it is a significant step down from your standard full-strength beers that used to sit at 5% (SBL is only 1.1 standard drinks – only 0.1 more than a mid-strength beer). This is a product more suited to younger adults who may be less

¹⁸ Research conducted for Google by Research International in 2009 – can be viewed at <http://anthillonline.com/research-teens-geeks-dont-dominate-aussie-youtube-usage/>

¹⁹ <http://www.ignitesocialmedia.com/social-media-stats/2012-social-network-analysis-report/>

likely to engage with mid-strength, and here we have been able to encourage a positive shift down in ABV through the strength of the brand alone.

This is not a phenomenon restricted to Lion alone. The beer industry as a whole has been trending down in ABV for many years.

Alcohol harm minimisation strategies targeted at young people

Lion believes alcohol misuse is fundamentally at odds with sociability and wellbeing. That is why Lion goes to great lengths to ensure it does not contribute to these problems, but rather plays a leading role in promoting a positive drinking culture.

The reasons behind alcohol misuse are complex and there are no simple answers. A review of all the available evidence has led medical and educational experts to advise us that education and targeted intervention aimed at changing the negative aspects of Australia's drinking culture are the keys to minimising alcohol misuse.

As a consequence, we support a number of education, research, remedial and cultural change programs to help us better understand and prevent misuse, while championing a positive drinking culture. These programs include:

- Big Brothers Big Sisters of Australia
- DrinkWise Australia
- Father Chris Riley's Youth off the Streets
- The Pathways Foundation
- Lion's Indigenous Community Partnership

As a founding member of DrinkWise Australia, Lion has long supported its efforts to challenge the Australian drinking culture through national information and education campaigns, including the DrinkWise 'kids absorb your drinking' campaign.

Alcohol in the workplace

Lion's position on responsible consumption of alcohol extends to our own people.

We have a clear and regularly communicated Responsible Drinking Policy that covers the way we expect our people to behave in the workplace and at work-related social functions where alcohol is being consumed.

Lion supports all workplaces to have a responsible consumption policy.

Effectiveness of measures to reduce drink driving

The biggest reduction in short-term alcohol-related harm that has occurred in recent generations is the reduction of road accidents involving drivers who have consumed alcohol. For example, In

Victoria, in a five year period in the early 1990s, the death toll was halved and serious injuries were reduced by 50%²⁰.

Researchers put this achievement down to three factors:

- analysis of data to identify and allow the targeting of particular problem areas and on-going research to assess the impact of measures
- public education campaigns (emphasising both the dangers and the likelihood of being caught)
- increased enforcement (including mandatory sentencing)

In NSW, since the introduction of Random Breath Test in 1982, fatal crashes involving alcohol have dropped from around 40 per cent of all fatalities to the current level of 19 per cent. Last year police conducted more than 4.5 million breath tests in NSW²¹.

Cultural attitudes to drink drivers has changed not just because of increased awareness of the death and injury toll caused by drink driving but because the risk of being caught has significantly increased and the penalties that apply often impact on an individual's ability to conduct a normal working and social life. People have been forced to consider the risk not only of being involved in an accident but to consider the real risks of being punished for drink driving. This has resulted in people both better regulating their own behaviour and influencing that of their family and friends.

Lion is committed to supporting those measures that genuinely address the issue of alcohol misuse in society without penalising unnecessarily those who drink moderately.

Alcohol related violence

It is a fact that alcohol-related anti-social behaviour in some societies, for example Great Britain, is higher than in others. Mediterranean countries such as Spain and Italy have a much lesser problem.

Given these observations, it is worthwhile exploring what may be done to achieve a better attitude to public behaviour and alcohol and whether the strategies that were applied to achieve reductions in the road toll through raising awareness and enforcement around drink driving could be adapted to reduce alcohol related violence and anti-social behaviour.

The Inquiry should explore if public education campaigns (to raise awareness and change behaviour) coupled with increased enforcement and visibility would reduce alcohol misuse and related violence.

Impact of alcohol misuse on the health system

Lion emphasises the need for evidence-based information to guide all aspects of policy and regulatory decisions and recommendations.

There is a wealth of scientific evidence demonstrating that the moderate consumption of alcohol may afford many potential health benefits and that for many people it is more beneficial to drink moderately than to abstain^{22 23}. The recently released NHMRC Australian Dietary Guidelines²⁴

²⁰ <http://druglibrary.org/schaffer/misc/driving/s14p5.htm>

²¹ <http://www.rta.nsw.gov.au/roadsafety/alcoholanddrugs/drinkdriving/index.html>

²² R Doll, R Peto, E Hall, K Wheatley, R Gray, *Mortality in Relation to Consumption of Alcohol: 13 Years' Observations on Male British Doctors* BMJ 1994;309:911-918 <http://www.bmj.com/cgi/content/abstract/309/6959/911>

reinforced this message by stating *“there is evidence of a probable association between consumption of one standard drink per day for women and one and a half to two per day for men with a reduced risk of cardiovascular disease morbidity and mortality.”*

This is not to suggest there are not negative health consequences that arise from alcohol misuse. What it does highlight is that alcohol policy should not impact moderate drinkers in its efforts to address problem drinkers, as this will result in perverse health outcomes.

Lion also objects to the use of the statement that the total social costs of alcohol is \$15.3 billion²⁵ (2004/05), as quoted by some anti-alcohol lobbyists. The reason being that a recent critique by Crampton, Burgess and Taylor²⁶ of the figure found at most only \$3.8 billion per annum is accurate. Their analysis showed that:

“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...”

The Crampton study asserts that the \$15.3 billion figure, also known as the Collins and Lapsley figure, is based on non-mainstream economic theory and that it utilises an incorrect procedure which produces a substantial over-estimation of costs. The recalculation of the costs changes the order of importance of the impacts of alcohol consumption to healthcare, crime and road accidents as opposed to workforce and absenteeism, which were listed as the top priority in the Collins and Lapsley calculation²⁷.

The Commonwealth Government’s Henry Tax Review also expressed concerns about the approach of the methodology which was used by Collins and Lapsley²⁸. It should be further noted that both studies relate only to cost estimates of alcohol misuse, further work is required to quantify the health costs that are avoided by moderate consumption of alcohol.

We would therefore recommend that the Inquiry consider the available evidence from the successful drink driving campaigns to inform a program of activity aimed at changing the anti-social aspects of Australia’s drinking culture.

Such activity has the potential to reduce the burden that alcohol-related violence places on the resources of emergency departments and our emergency services.

In conclusion

Lion takes the view that further regulatory restrictions should only be imposed where there is a risk to public health and safety or to correct market failure; and mandatory regulation should only be imposed where self-regulation has proven to have failed.

²³ Leon A Simons, John McCallum, Yechiel Friedlander, Michael Ortiz and Judith Simons *Moderate Alcohol Intake is Associated with Survival in the Elderly: the Dubbo Study* MJA 2000; 173: 121-124

²⁴ NHMRC, Dietary Guidelines for Australian Adults, 2013,

https://www.eatforhealth.gov.au/sites/default/files/files/the_guidelines/n55_australian_dietary_guidelines.pdf

²⁵ Collins, D.J., and Lapsley, H.M. (2008). The costs of tobacco, alcohol and illicit drug abuse to Australian society in 2004/05. Australian Department of Health and Ageing. Canberra

²⁶ E Crampton, M Burgess, & B Taylor, The Cost of Cost Studies, June 2011

²⁷ E Crampton, M Burgess, & B Taylor, The Cost of Cost Studies, p.32, June 2011

²⁸ Australia’s Future Tax System, Final Report, Volume 2, footnote 18, page 435

Lion intends to continue leading both the mid strength and light segments of the beer market and intends to invest significantly in advertising and sponsorship campaigns to continue to grow this category and encourage consumers to consider lower alcohol beer alternatives.

Lion will continue to support a number of education, research and cultural change programs to help us better understand and prevent misuse, while championing a positive drinking culture in Australia.

Lion believes that an evidence-based approach to policy making will lead to the implementation of measures that genuinely do reduce alcohol-related harm without negatively impacting those whose alcohol consumption is not harmful and, in a significant number of cases, delivers health benefits.