

**Submission
No 25**

**INQUIRY INTO ALCOHOLIC BEVERAGES ADVERTISING
PROHIBITION BILL 2015**

Organisation: Liquor Stores Association NSW

Date received: 11 November 2017



LIQUOR STORES ASSOCIATION NEW SOUTH WALES



SUBMISSION

By the Liquor Stores Association NSW

To: NSW Legislative Council's Portfolio Committee No.1 Premier & Finance

In response to: Inquiry into the Alcoholic Beverages Advertising Prohibition Bill 2015

Date: November 2017

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*Member of the
Australian Liquor
Stores Association*



11th November 2017

The Director
Portfolio Committee No.1 – Premier & Finance
NSW Legislative Council
Parliament House
Macquarie Street
SYDNEY, NSW 2000

Via email: portfoliocommittee1@parliament.nsw.gov.au

**LSA NSW SUBMISSION:
INQUIRY INTO THE ALCOHOLIC BEVERAGES ADVERTISING PROHIBITION BILL 2015**

Dear Portfolio Committee,

The Liquor Stores Association NSW (LSA) welcomes the opportunity to provide a submission in response to the Inquiry into the Alcoholic Beverages Advertising Prohibition Bill 2015.

The LSA takes this opportunity to endorse [Alcohol Beverages Australia's \(ABA\)](#) written submission to the inquiry. As outlined by ABA's submission the key indicators related to alcohol consumption in Australia have been continuing on a positive trajectory for well over a decade. Australian's are drinking less frequently and when they do drink are doing so in moderation.

There has also been consistent improvement in key indicators when it comes to young people and alcohol consumption in Australia. The evidence shows that Australia has established a significant shift in attitudes when it comes to alcohol.

Regulation should not always be the first solution. It is important for policy makers to balance a desire for additional regulation and compliance to solve problems of alcohol abuse against prevailing views and community standards of the vast majority of Australians who drink responsibly.

LSA submits that policy makers should be mindful when considering further restrictions or greater government control and oversight of alcohol advertising is that it is responding to genuine community concern, and believes the current regulatory framework of alcohol advertising and marketing balances the views of the community with the needs of alcohol advertisers to promote their products in a responsible manner.

LSA urges the NSW Government to consider targeted, evidence-based measures that seek to address the root causes of alcohol related harm and are proportionate to the issues at hand, which will allow the objectives of the Bill to be met, and we welcome the opportunity to partner with the NSW Government in exploring avenues to build on the work of both industry and government in approaching alcohol related harm in NSW.

Please find LSA's submission enclosed herewith, and I would be happy to provide any further information to support this submission, if required.

Yours sincerely,

Michael Waters
Executive Director

Key consideration: Australia’s changing relationship with alcohol consumption¹

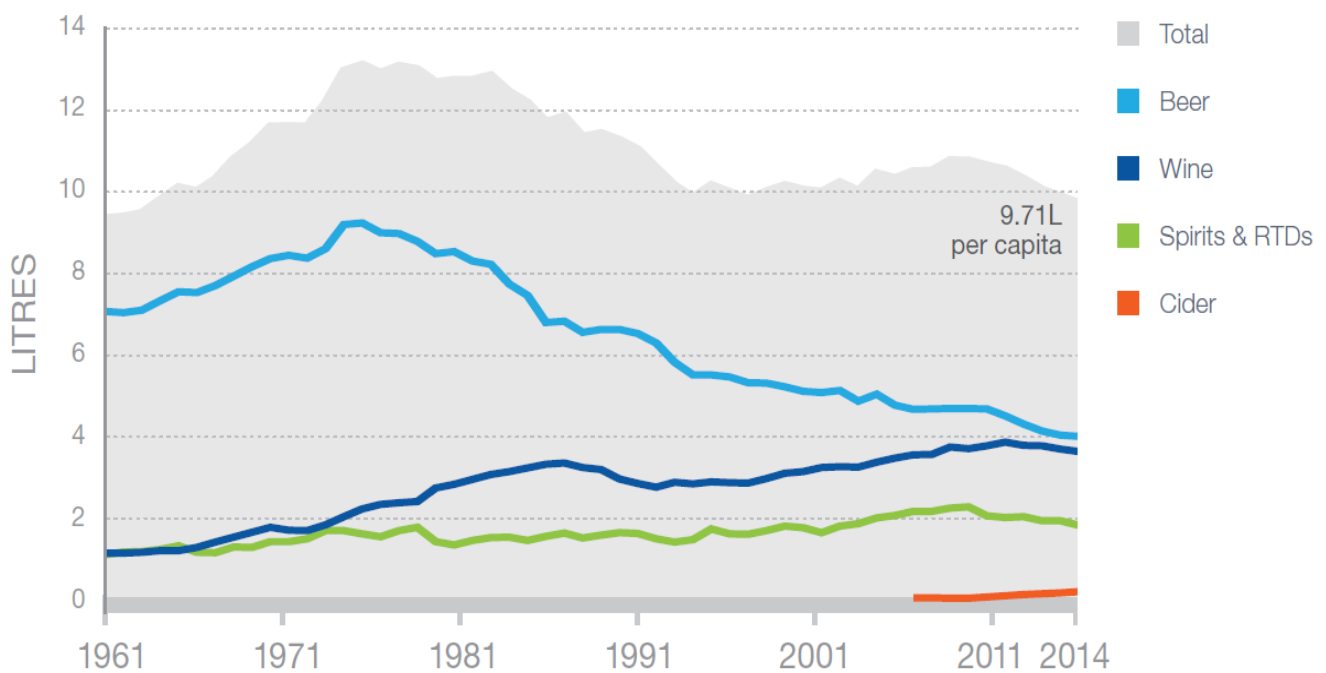
The vast majority of adult Australians can, and do make informed and sensible choices about their drinking behaviour.

Shifting attitudes towards alcohol and health, and trends in population growth, are contributing to changes in the relationship that we have as a nation with alcohol, and we now see overall alcohol per-capita consumption having dropped by 26% from 13.1 litres in 1975 to 9.7 litres in 2014 and back below levels of the mid sixties.

In January 2015, the Australian Liquor Stores Association (ALSA) released a report called [Australia’s Changing Drinking Habits: the facts about Australia’s alcohol usage](#), which analysed official government figures to uncover the following facts about Australia’s alcohol consumption.

- Alcohol consumption has declined by over 25% since the 70’s;
- More teenagers under legal drinking age are abstaining from drinking alcohol;
- Alcohol-related violence in NSW is decreasing;
- Australians support targeted measures rather than whole of population control measures to curb alcohol abuse; and
- An increase in packaged liquor licences has not led to an increase in alcohol consumption.

Apparent consumption of alcohol (litres), per capita, by beverage type²



Australians drink less alcohol per capita now, than in the past 50 years³:

Australia’s relationship with alcohol beverages continues to shift away from volume, to preferences for more premium products. Australia’s consumers are drinking less volume of alcohol – but drinking better quality, with the emergence of more premium products, a key feature in all key market segments.

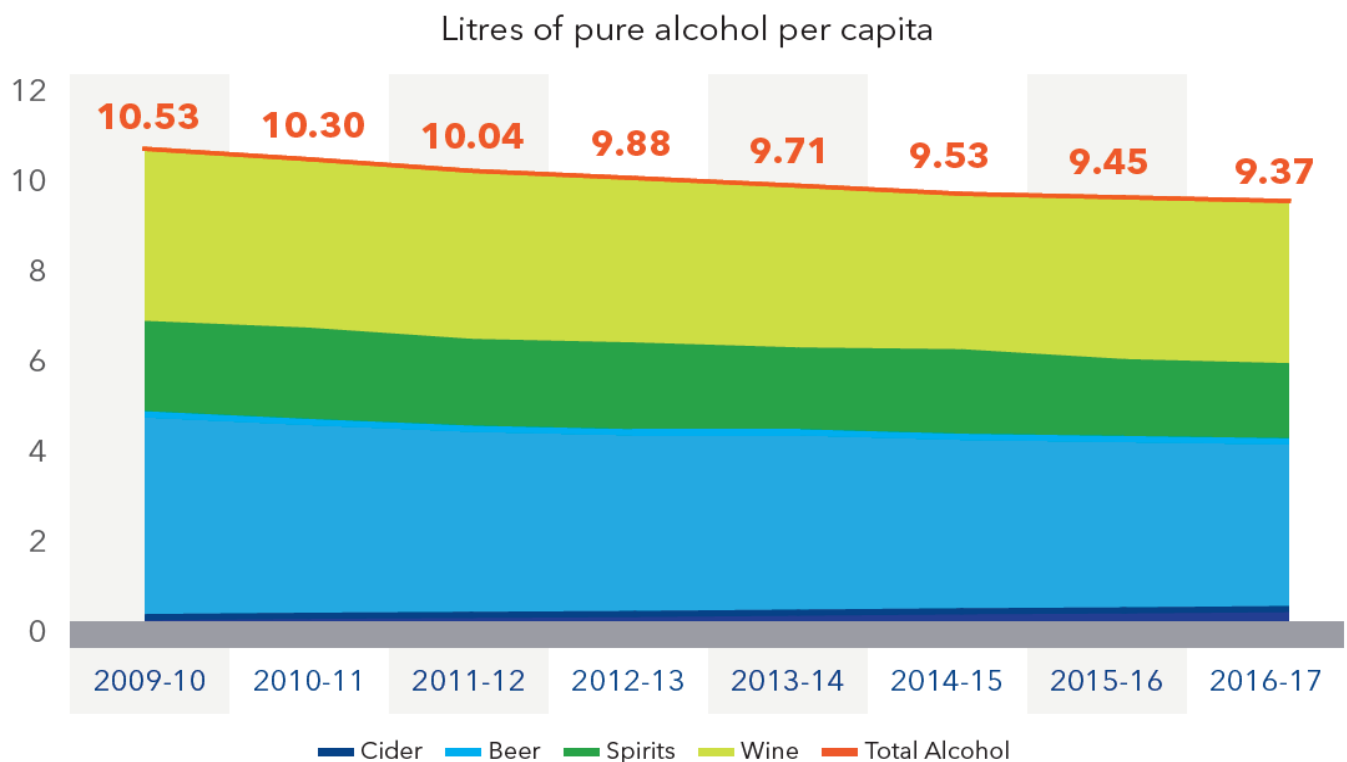
¹ Australian Liquor Stores Association
² ALSA / IRI 2016 Australian Retail Liquor ‘State of the Industry’ Report
³ 2017 ALSA-IRI State of the Industry Report (March 2017)

This decline in consumption has been long term and has continued during a period of competitive promotional activity, combined with a significant increase in the number of packaged liquor licensed outlets in NSW between 2008 and 2016, dispelling the myth that increased availability of alcohol beverages via packaged liquor licences increases the amount consumed – the facts demonstrate quite the opposite!

The facts demonstrate that liquor retailers are increasingly catering for communities who are more educated about alcohol, are more health conscious and interested in the broad range of new premium brands on offer and those consumers are making much better choices than previous generations.

There is still some way to go with improving our drinking culture, but thanks to changing attitudes, industry and government education initiatives, government data continues to show there are very positive trends.

Australia’s alcohol consumption forecast continues to fall⁴



⁴ One for the road: IBIS World Media Release (10th October, 2016)



Key Consideration: Retail liquor is a positive part of Australia's social fabric

The social policy debate on the role of alcohol beverages in Australian society continues to escalate and all too often leads to a distorted misrepresentation of alcohol. Too often the dialogue has been dominated and misinformed by the more extreme neo-temperance elements of the public health lobby. Such dialogue also overshadows the vibrant, diverse and competitive retail packaged liquor sector and the safe and social enjoyment of alcohol beverages by most everyday Australians.

It is amazing that while over 80% of Australians enjoy alcohol responsibly, the debate is often influenced by that small minority who are underpinned by the well-funded Temperance movement.

The retail liquor sector contributes to the fabric of Australian lifestyle by providing the opportunity for the responsible and safe consumption alcohol beverages, and is proactively committed to responsibly enabling the safe, social enjoyment of alcohol beverages, by providing a wide choice of premium beverages at competitive prices, for people to share with friends and family in the safety of their homes.

Industry performance and outlook:

Declining per capita alcohol consumption, rising health awareness and competitive pressures have weighed heavily on the retail liquor sector in recent years. The major driver of industry growth in recent years has been increasing customer demand for higher value, premium beverages, which remains the focus across the sector.

Manufacturers continue to embrace premiumisation as a method for maintaining profitability, while consumers are drinking less in terms of quantity, but of a better perceived quality. This has led to a rise in demand for craft beer, cider, and super premium spirits.

Retail liquor industry is tackling alcohol misuse and underage / secondary supply:

LSA and the retail liquor industry shares community concern over the human tragedy that comes from senseless violence that is sometimes alcohol-related. Our staff and family members are often at the coal face of dealing with challenging circumstances that comes with the responsibilities of selling alcohol beverages.

Every day, for each customer our members serve, the thousands of people employed in our industry must make several very serious decisions in the five-ten seconds it takes to serve them. Is this person intoxicated? Do they look under 25? Do I need to refuse the service of alcohol?

If they get it wrong it means they may personally lose their employment, face significant personal and business fines, and be forever diminished in the eyes of the community they serve. Serving liquor in NSW is probably the toughest job you can ask a young person in retail to choose as a career, yet many choose to do so because for the vast majority of our customers it means bringing joy into their lives.

Alcohol-related harms in the community have declined during a period when consumers have benefited from increased availability, lower real costs, and increased competition through exposure to alcohol marketing.

LSA and our retailer members continue to work with all stakeholders to design and implement targeted practical and effective solutions that deliver consistent and reliable outcomes to deal with bad behaviour by the small minority of individuals who drink to get drunk, or who drink at harmful levels.

The sector collaboratively tackles alcohol misuse and discourages underage and/or secondary supply of alcohol beverages by adopting many [effective voluntary self-regulatory measures](#) such as *ID-25*, *Don't Buy It For Them* and the *ALSA Product Ranging Guidelines*.

LSA advocates for evidence-based, effective and well-targeted approaches to encourage the safe and social enjoyment of alcohol beverages among Australia's 15.5 million legal drinking age consumers – the overwhelming majority of whom are already making informed and sensible choices about their drinking behaviour as demonstrated by the long term decline in per capita alcohol consumption.



Key consideration: Australians support targeted measures to curb alcohol abuse

The Australian Institute of Health and Welfare (AIHW) National Drug Strategy Household Survey (NDSHS)⁵ looks at peoples support for various alcohol policies. Results from the 2016 AIHW NDSHS reinforced that Australians support targeted measures rather than whole of population control measures to curb alcohol abuse.

Public support for alcohol policy measures clearly favour targeting high risk behaviours and activities with 84% of Australians believing there needs to be *'more severe legal penalties for drink driving'*, 80.9% supporting *'stricter enforcement of law against supplying minors'*, and 80.5% wanting *'stricter enforcement of the law against serving customer who are drunk'* (80.5%).

Of the 18 proposed measures to reduce the problems with alcohol within the survey, the second least supported measure by respondents was to *'reduce the number of outlets that sell alcohol'* (32.2%), with the least supported measure being *'increasing the price of alcohol'* (28.3%).

This demonstrates that the greatest level of community support for measures to curb alcohol abuse is the enforcement of penalties that target the high risk behaviour of offenders.

It is important that we don't lose sight of the fact that alcohol is a product which is overwhelmingly consumed in moderation by most Australians and brings well-being into people's lives. Alcohol beverages are a legal product, have a legitimate place in the community and bring no harm to consumers or others around them when consumed responsibly and in moderation.

The potential for harm should only be associated with irresponsible and immoderate consumption. If individuals make the choice to consume alcoholic beverages irresponsibly, their actions can have significant negative repercussions on both the consumer and the community.

Alcohol policies should reflect society's desire to enjoy the benefits associated with moderate consumption, whilst acknowledging the need to tackle the negative consequences associated with the misuse and irresponsible consumption of alcohol amongst a minority.

Policy objectives should recognise the importance of a properly regulated liquor industry that is able to develop in a sustainable way, that is consistent with public interest, whereby the risk of and actual harm arising from the sale, supply and any excessive consumption of alcohol is minimised.

Alcohol policy changes are increasingly being influenced by sensationalist and one-sided media reporting often focused on building moral outrage rather than a proper and informed debate based on balanced evidence. Policy decisions are also often informed by research materials written by those with clear alliance with the anti-alcohol lobby or temperance movements with clear agendas.

LSA is committed to working with Government and other stakeholders, to better understand, develop and implement targeted strategies to address the misuse of alcohol.

We believe a targeted, evidence-based approach to policy making, delivered in partnership with all stakeholders, will lead to the implementation of measures that can have a real effect on harm minimisation, without negatively impacting on the vast majority of individuals who enjoy alcohol beverages responsibly.

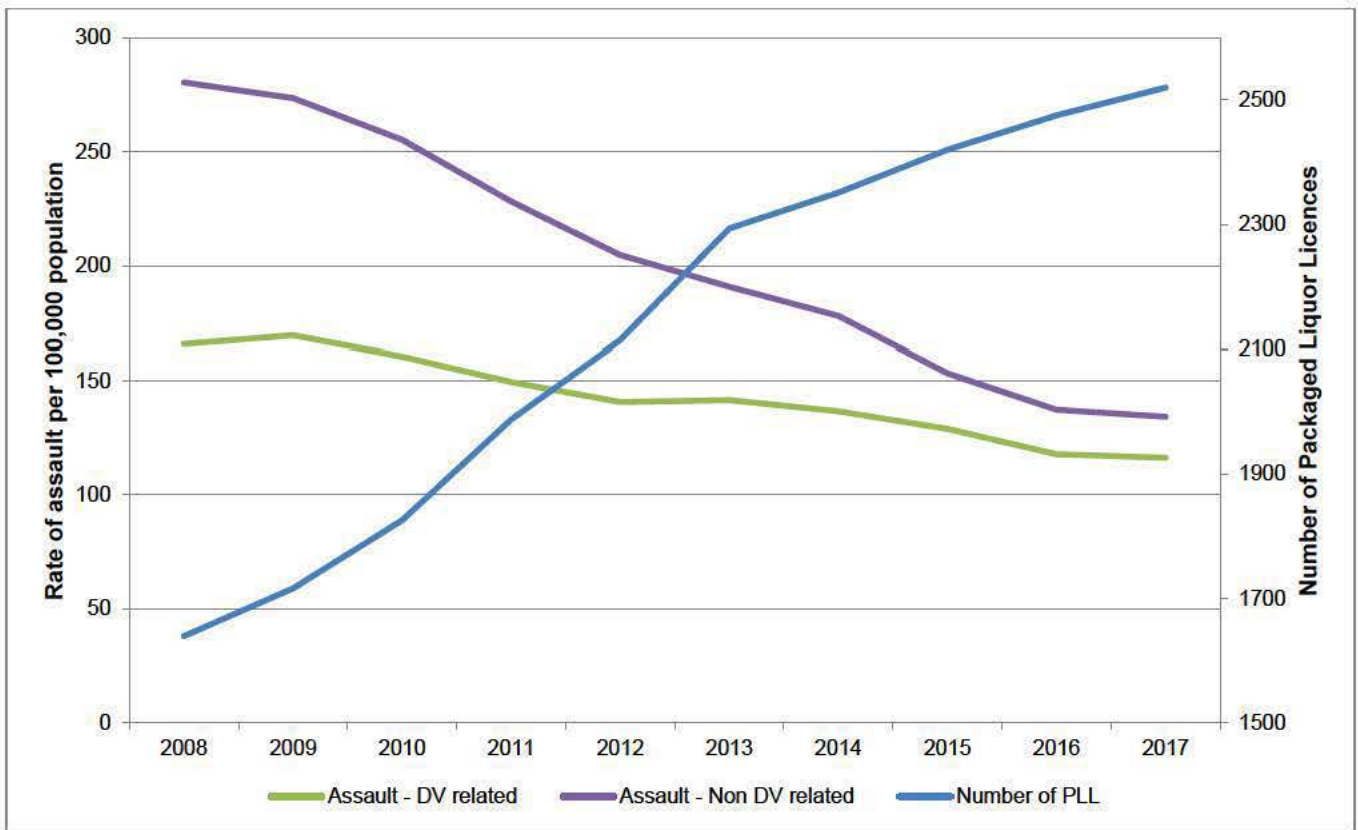
⁵ Australian Institute of Health & Welfare 2016 National Drug Strategy Household Survey

Key consideration: Alcohol-related violence

Common social misconception is that alcohol-fuelled violence and assault are on the increase. In fact the opposite is true with declines in both areas trending down substantially over the past nine years and while any alcohol-related violence is unacceptable, it's encouraging that alcohol-related incidents in NSW have decreased by over 40% (June 2008 – June 2017).

Since June 2008, there has been a 50% fall in alcohol-related public (non-domestic) assaults along with a 30% fall in alcohol-related domestic assaults.

NSW Packaged liquor licence growth vs alcohol-related assault rates (2008 – 2017)⁶⁷



No correlation between liquor licence growth and alcohol-related violence:

Contrary to many opinions, there is no correlation in the increased amount of liquor licences and alcohol-related violence incidents. At the same time as violence, assault rates and consumption has been falling, there has been a significant increase in the total number of liquor licences in NSW.

Government should focus on the real problem areas:

Of real concern however is that, while alcohol related domestic assault has been in steady and consistent decline over the past 10 years (-3.7% per year – 10 year trend), non-alcohol related domestic assault continues to steadily increase at a rate of +2.6% per year (10 year trend).

⁶ NSW Bureau of Crime Statistics & Research

⁷ Liquor & Gaming NSW



NSW Domestic violence (DV) assaults – alcohol related (AR) versus non-alcohol related (NAR)⁸

| Year to June | AR DV Assaults | | Non AR DV Assaults | |
|----------------------|-----------------------|-------|-----------------------|-------|
| | Incidents | Rate | Incidents | Rate |
| 2008 | 11,184 | 162.4 | 14,180 | 205.9 |
| 2009 | 11,943 | 170.7 | 14,314 | 204.5 |
| 2010 | 11,161 | 157.2 | 14,921 | 210.2 |
| 2011 | 10,650 | 148.3 | 16,099 | 224.6 |
| 2012 | 10,094 | 139.0 | 16,545 | 227.8 |
| 2013 | 10,240 | 139.2 | 17,809 | 242.1 |
| 2014 | 9,972 | 133.7 | 19,117 | 256.3 |
| 2015 | 9,269 | 122.6 | 19,823 | 262.0 |
| 2016 | 8,976 | 117.8 | 20,329 | 266.9 |
| 2017 | 8,850 | 116.2 | 19,789 | 259.8 |
| 10 year trend | -3.7% per year | | +2.6% per year | |

Since 2008, there has been a 30% fall in alcohol related domestic assaults, at the same time as non-alcohol related domestic assaults have increased by over 26%. In addition, arrests for amphetamine-related offences, as well as cocaine, narcotics and cannabis possession/use have all been increasing since 2008.

LSA calls on the NSW Government to focus energy and resources toward non-alcohol related domestic violence, and illicit drug-related offences, rather than add further regulation and restrictions on licensees and customers.

We commend the actions of NSW Police in rolling out of Mobile Drug Testing. This action clearly acknowledges of the potential harms and risks associated with the increasing abuse of illicit drugs in society.

Our members are concerned, as growing illicit drug use often brings with it the need for quick cash or secondary items such as alcohol or cigarettes and our stores provide access to all three, which places staff in harms' way as they deal with desperate drug addicts.

Penalties and enforcement:

LSA is supportive of appropriate penalties for licensees, employees and members of the public who do not comply with laws relating to RSA principles including sale to intoxicated persons, sale and supply of alcohol to minors, secondary supply of alcohol to minors and so on.

We are supportive of stronger enforcement action to be taken for serious breaches on a specific licence, rather than imposed as a condition across all licences in a particular licence category.

The majority of law abiding adults who enjoy and consume alcohol responsibly should not have to suffer for the actions of a few. For the minority who make the choice to consume alcohol at harmful levels, this behaviour can no longer be viewed as 'an excuse' for criminal and anti-social behaviour, and a cultural, policy and policing emphasis must be placed on individuals accepting responsibility for their actions – several States have removed that defence from their criminal records.

A simplistic policy focus solely on availability of alcohol beverages will not produce the results the community is looking for in terms of a reduction in the levels of anti-social behaviours and violence.

There must be a general recognition that the interrelationship between excessive alcohol consumption and criminal and anti-social behaviour is complex and multifaceted.

Individual and social responsibility:

LSA NSW believes that measures to address individual responsibility in the context of alcohol consumption generally fall broadly under the two following areas:

⁸ NSW Bureau of Crime Statistics & Research (BOCSAR)



- *Require* individuals through regulation, sanctions and policing of existing legislation to take personal responsibility for their behaviour when consuming alcohol or supplying liquor to others, and also while on or in the vicinity of licensed premises and in public places; and
- *Promote and encourage* individuals and communities to take responsibility for alcohol consumption and behave in socially appropriate ways – achieved through education, harm minimisation and treatment initiatives, aimed at intervening early to avoid problematic drinking and associated violence as well as to prevent the recurrence of these behaviours.
- It is proposed that the focus of individual and social responsibility be on the '*promote and encourage*' area of focus above, in line with the following objectives:
- To consider and develop strategies that increase individuals' awareness of their obligations under the law and legal, social and other ramifications of non-compliance; and
- To reduce anti-social behaviour and alcohol-related violence by developing strategies which educate and encourage individuals to be accountable for their behaviour and actions.



Key consideration: Alcohol advertising regulatory framework

The vast majority of Australians enjoy alcohol responsibly and alcohol marketers including retailers should be able to sensibly advertise their products in their efforts to gain or hold market share.

Alcohol is a product that is very much part of the Australian social fabric and it is important that the regulatory environment it operates within is able to balance the needs of the majority who consume in moderation and sensibly against the small minority who seek to drink excessive or harmful levels.

The Australian alcohol beverage and hospitality sector is committed to the goal of reducing alcohol misuse and abuse as evidenced by extensive involvement in targeted programs including establishing and actively supporting [DrinkWise Australia](#), standard drinks labelling and a quasi-regulatory regime for alcohol advertising.

Alcohol Beverages Advertising Code (ABAC):

Australia has a quasi-regulatory system for alcohol marketing: guidelines for marketing have been negotiated with government, consumer complaints are handled independently, but all costs are borne by industry. The ABAC Scheme is the centrepiece of Australia's quasi-regulatory system and is administered by a Management Committee which includes industry, advertising and government representatives.

The advertising and marketing environment for alcohol in Australia is highly regulated and the requirements set out in the ABAC Scheme ensure a mature, balanced and responsible view of alcohol is presented to the public. The code specifically outlines the standards for alcohol advertisements, with one of the key standards being that alcohol advertising 'must not have a strong or evident appeal to children or adolescents'.

LSA supports the ABAC scheme and believes the scheme will continue to be an effective and viable self-regulatory initiative.

DrinkWise Australia:

Established in 2005 by the alcohol industry, DrinkWise Australia is an independent, not-for-profit organisation. Our primary focus is to help bring about a healthier and safer drinking culture in Australia.

DrinkWise aims to promote a generational change in the way Australians consume alcohol, and increase the age that young Australians are introduced to alcohol, as evidence has shown that alcohol can impact the development of the adolescent brain.

To promote such significant behavioural changes, DrinkWise develops and implements a range of national information and education campaigns, as well as providing practical resources to help inform and support the community about alcohol use.

As an evidence-based organisation, DrinkWise relies on key independent research and clinical advice. The information supporting their campaigns and website has been gathered from a range of authoritative studies and sources. These include consultations with experts in public health, neuroscience, epidemiology, and child and adolescent psychology.

DrinkWise believes that a sustained, multi-faceted and inclusive approach is the way to bring about positive change. Their philosophy and organisation are founded by industry leaders and community partnerships. This includes a governing board of seven community and six industry representatives.