

**Submission
No 38**

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

Organisation: ClubsNSW
Date received: 20 November 2017

9 November 2017

Reverend the Hon. Fred Nile, MLC,
Chair,
Inquiry into the Alcoholic Beverages Advertising Prohibition Bill 2015,
Parliament House, Macquarie Street,
SYDNEY NSW 2000

Dear Reverend Nile,

Re: Inquiry into the Alcoholic Beverages Advertising Prohibition Bill 2015

Thank you for the opportunity to make a submission to the Inquiry into the Alcoholic Beverages Advertising Prohibition Bill 2015 (the Bill).

ClubsNSW does not believe there is sufficient cause to warrant a prohibition on alcohol advertising, as proposed by the Bill.

Further, ClubsNSW is concerned that the prohibition of alcohol sponsorship, as proposed by the Bill, will place undue hardship on clubs themselves as well as the thousands of community groups, charities and sporting teams that receive financial and in-kind support from them.

ClubsNSW is committed to effective, evidence based approaches to minimising the harm caused by misuse of alcohol. In this regard, not-for-profit registered clubs have always taken their responsibilities in relation to the supply of alcohol seriously, and they provide a safe drinking environment for members and the public. As part of their operations clubs advertise various alcohol products and promotions, and provide significant financial and in-kind sponsorship to a range of community groups, charities and sporting teams.

About ClubsNSW and the Club Industry

ClubsNSW is the peak industry body representing the interests of NSW's 1,348 registered clubs. Clubs are not-for-profit community based organisations whose central activity is to provide infrastructure and services for the community.

Across NSW clubs support 62,000 jobs, serve as social hubs for 6.7 million club members and make an annual economic and social contribution valued at \$5 billion. Clubs have an established history as responsible providers of alcohol to the Australian community, and have a strong safety and compliance record.

On average clubs generate 18 per cent of their total revenue from beverage sales – both alcoholic and non-alcoholic.¹

Prohibition of Sponsorships

ClubsNSW does not support the Bill's proposed prohibition of sponsorships by those deemed 'a distributor of an alcoholic beverage', of which clubs may be included, despite this not being their primary purpose.

According to the 2015 NSW Club Census prepared by KPMG, clubs in NSW provide \$147 million in direct cash and in-kind support each year to thousands of grassroots sporting teams, charities and community groups that make a difference in their local area, as part of the Industry's \$1.3 billion social contribution. Approximately \$100 million of this funding is provided via the ClubGRANTS scheme.

Of this \$147 million, the top six contribution areas are sport (\$67.8m), health and hospitals (\$11.1m), school and education programs (\$10.5m) youth services (\$6.1m), disability and carer services (\$5.8m) and aged care and services (\$5.3m).

One such example of a recipient of this support is Holroyd Community Aid, a grassroots organisation in Western Sydney who last year received \$60,395 from clubs in the Cumberland LGA to go towards their Emergency Relief Support Project, which provides crisis assistance such as food vouchers, medication costs, nappies and hygiene packs to residents struggling with homelessness, domestic violence, and mental health issues.

Another example is St Marys Rugby League Club in Western Sydney, which last year provided more than \$1 million in ClubGRANTS funding to over 100 local community groups, charities and sporting associations. The Club also supports and nurtures the development of more than 700 players across 45 rugby league sides from under 6's through to A Grade, providing support towards the provision of football uniforms, trophies, insurance, medical kits and referee outfits, among other things.

ClubsNSW notes that many organisations that receive financial support from clubs recognise that support through the display of the club logo and other material on their respective newsletters, social media platforms, letterheads and other communication mechanisms. In the case of sporting groups, many also feature the club's logo on their uniforms. This is not considered an advertisement of the club or an alcohol product *per se* but rather a recognition of the club's support.

Although it may not be the intent of the Bill, ClubsNSW would be very concerned if such support was considered a 'sponsorship' under the Bill and therefore prohibited because clubs are considered 'a distributor of an alcoholic beverage'. Further, ClubsNSW does not believe that organisations that accept financial support from clubs should be deemed to have committed an offence. ClubsNSW submits that this matter be re-considered, as it will have

¹ KPMG (2016) 2015 NSW Clubs Census



very real consequences for those organisations and sporting teams that rely on club support to operate.

Prohibition of alcohol advertising

ClubsNSW does not support the need for a prohibition on alcohol advertising and notes that there is a lack of compelling evidence to suggest a direct causal link between alcohol advertising and consumption, misuse and anti-social behaviour.

As part of their operations clubs run various liquor advertisements and promotions, both in-venue and at the point of sale, and externally via newsletters to members and other communication mechanisms. These advertisements are designed to increase patronage at the club and differentiate one product from another, are innocuous and do not promote excessive or unsafe consumption of alcohol.

Despite more sophisticated advertising techniques and product innovation, consumption rates are stable and instances of underage drinking is in decline.

Recent academic studies have questioned the veracity of claims that alcohol advertising is linked to consumption. The most recent National Drug Strategy Household Survey (the Survey) shows that in the last 10 years the percentage of people drinking daily has dropped by 2.23 per cent and weekly by 5.4 per cent.²

Further, the Survey also indicates that the average take-up age of young people drinking has increased in this same time frame from 15 years to 16.1 years³ and more young people are abstaining from drinking overall with the number of 12 – 17 years old refraining from consuming alcohol up 10 per cent in the last three years alone.⁴ The Survey also shows that the rate of people consuming alcohol daily has been in decline since 1991 and the age of alcohol take-up has been steadily increasing since 1995.⁵

Existing regulation of advertisements

ClubsNSW notes that alcohol advertising is already heavily scrutinised and regulated. Alcohol advertising must comply with the Trades Practices Act, other federal and state and territory trade and liquor statutes, the Commercial Radio Code of Practice, and the Outdoor Media Association Code of Ethics. They must also comply with a beverage company's internal standards and codes of practice.

Further, Section 102 of the Liquor Act 2007 empowers the Secretary of the NSW Department of Industry to restrict or prohibit the 'undesirable' promotion of liquor if they are of the opinion that the promotion:

² Australian Institute of Health and Welfare, National Drug Strategy Household Survey 2016

³ Ibid

⁴ Ibid

⁵ Ibid



- May appeal to minors; or
- Is offensive or indecent; or
- Involves the provision of liquor in nonstandard measures; or
- Uses emotive descriptions or advertising that encourages irresponsible drinking and may lead to intoxication; or
- Involves the provision of free or heavily discounted drinks of a limited duration that would create an incentive to consume liquor rapidly; or
- Is not otherwise in the public interest.

There have been numerous instances where the Secretary has exercised this power, including:

- A nightclub that promoted a \$30 door charge which included free house spirits, beer, wine and cider from 9pm until 3am;
- A hotel that promoted \$10 cocktail buckets where patrons consumed the cocktail directly from the bucket; and
- A restaurant that promoted alcohol served in syringes, cocktails served in oversize novelty vessels and jelly shots.

ClubsNSW supports the existing powers to restrict or prohibit alcohol advertising under the Liquor Act, which we believe operates effectively.

ClubsNSW thanks the Committee for the opportunity to make a submission. Should you wish to discuss these matters in more detail or require further information please do not hesitate to contact [redacted] ClubsNSW Manager – Policy and Government, on [redacted] or email [redacted]

Yours sincerely,

Josh Landis
Executive Manager – Public Affairs

