

people's alcohol action coalition

www.paac.org.au

6th February 2012

Committee Secretary
Senate Standing Committee
on Community Affairs (Legislation)
Parliament House
Canberra ACT 2600

Submission from the People's Alcohol Action Coalition (PAAC) to the Committee's Inquiry into the *Stronger Futures in the Northern Territory Bill* 2011 and two related Bills.

'The apparent alcohol consumption levels of the Northern Territory are among the highest in the world, exceeding those of the countries who were rated as the highest consumers in the world in 2003, such as Ireland at 13.7 litres per year, and the Czech Republic at 13.0 litres per year (WHO 2008). The figures for Alice Springs are exceptional. Alcohol consumption in 2005/2006 was 20.38 litres by those aged 15 years and over (NT Dept. of Justice 2009¹).'

236 two-litre wine casks collected from a small section of the Todd River between the Schwartz Crescent and Wills Terrace causeways on 27th Jan. 2012.



1. PAAC

The People's Alcohol Action Coalition (PAAC) wishes to make a submission to the Committee on the provisions pertaining to alcohol in the *Stronger Futures in the Northern Territory Bill*, introduced into the House of Representatives in November 2011, and on related matters.

PAAC is a local, unincorporated community group, based in Alice Springs, and is supported by both individuals and organisations that support its aims. PAAC's current membership includes medical and welfare organisations, churches, community groups and concerned individuals.

PAAC does not seek prohibition on alcohol consumption, but supports the right to drink in a responsible and safe manner. PAAC's aim is to work towards reducing alcohol-related harm, including through the following strategies:

- *developing constructive reforms to the sale of alcohol;*
- *advocating controls on public consumption;*
- *advocating responsible service of alcohol; and*
- *promoting healthy lifestyles.*

PAAC is a local Action Group as defined in s47F(3)(f) of the Northern Territory *Liquor Act*, and as such is entitled to, and does, from time to time, make submissions to the NT Licensing Commission on matters including licensee applications, NT Government legislative reforms and on restrictions imposed by the Commission in the region and in the NT. PAAC has consistently endeavoured to raise public awareness about the alarming levels of alcohol consumption and related health and social problems in the Northern Territory and also throughout Australia.

Apparent annual per capita consumption rates of alcohol: NT vs. National*

	National	NT
Apparent per capita consumption (litres) (rounded to nearest whole number)	10	15
Number of standard drinks per person per day - National	2.1	3.2
Number of standard drinks per person per year	770	1170

Total number of standard drinks consumed per year for NT population over 15¹	200 Million Standard Drinks
Number of standard drinks consumed per year for NT population over 15 <u>above the national average</u>²	70 Million Standard Drinks

***These figures exclude children under 15, but include non-drinking adults.**

1. Based on ABS Figures 30 June 2009: Total population: 225,900; Population under 15: 52,900; Total Population over 15: 173,000 (173,000 population x 3.2 standard drinks per day x 365 days per year = 202, 064,000 standard drinks consumed per year for NT population.

2. Territorians in 2005/2006 drank 14.9 litres of absolute alcohol (Lal) per person by those aged 15 years and over (NT Dept. of Justice 2009)... the apparent annual per person consumption by those 15+ years in Australia for the same period, was 9.8 litres (ABS 2006)...World Health Organisation (WHO) reported a global average of 5.1 litres of pure alcohol per adult (15+ years) per year (WHO 2004), Moving Beyond the Restrictions: The Evaluation of the Alice Springs Alcohol Management Plan, MSHR, 2009.

2. Stronger Futures Bill: alcohol provisions

PAAC generally supports the provisions relating to alcohol in the *Stronger Futures Bill* (the Bill) and we make the following comments on specific parts:

- 2.1 Division 2 would, among other things, operate to apply certain offences and penalties in the NT *Liquor Act* involving the possession, consumption and supply of liquor in ***alcohol protected areas***, as prescribed, and with limited defences relating to, for example, transit through an area and emergencies. This will in effect re-instate the position prior to the NTER, the implementation of which had the effect of *reducing* the maximum penalties previously available to magistrates under the NT legislation, as NT prosecutor David Dalrymple has pointed out:

‘Although the size of the total land area to which “prescribed area” status now applied had increased substantially compared to the total land area comprising the various “restricted areas” under Territory law, in practical terms many if not most Police interdictions were still occurring within the pre-existing restricted area boundaries (many of which already covered large areas of land), and most offences were still being committed back at or near the actual communities the laws were designed to protect.

In the meantime, enforcement of the pre-existing law was comprehensively undermined by the replacement of the fine or jail maximum penalty for bringing, possessing, or consuming liquor in a restricted area (now a “prescribed area”) to a fine only, and the adding of two broad defences by reference to which defendants could escape a finding of guilt.

A potential prison sentence was retained for a person found guilty of transporting more than 1,350 millilitres of “alcohol”. The pre-existing NT legislation had enabled the prosecution to prove that the liquid the subject of a bring/possess/consume charge was “liquor” by “averring” that fact in the charge. That critical evidentiary short cut survived the Intervention changes, but there was no similar mechanism in the Intervention legislation for averring that a quantity of alcohol was more than 1,350 millilitres (i.e. what had to be proved by the prosecution was that within each discrete seized container of liquor there was a particular quantity of pure alcohol, so that after adding up all the pure alcohol amounts a combined total of more than 1,350 millilitres could be arrived at².)

Given the extremely deleterious effects of alcohol consumption on health, well-being, safety, staff retention and school attendance in remote communities, PAAC hopes that the renewed availability of these penalties will act as a deterrent to those inclined to drink, sell or have in their possession liquor in ***alcohol protected areas***, with those who offend, particularly but not only suppliers, facing serious consequences.

- 2.2 Division 5 allows the Commonwealth Minister to request the NT Minister, with notice, to order an assessment of particular licensed premises in the Northern Territory if the (Commonwealth) Minister ‘reasonably believes that the sale or consumption of liquor at or from the premises is causing substantial alcohol-related harm to Aboriginal people.’

While the NT Minister has some grounds to decline such a request (financial burden or the broader ‘inappropriate’ ground) this provision has the potential to allow for a thorough examination of licensed premises that, whilst they may not be acting outside the terms of their licence requirements, may nevertheless be trading in a manner that leads to alcohol-related harm. PAAC believes that there are premises in Alice Springs in relation to which such a request could reasonably be made. The Todd Tavern and the Gapview Resort Hotel, for example, continued to sell (cheap) non-fortified cask wines despite all supermarket retailers in the town having withdrawn these, and both operate bars frequented largely if not solely by Aboriginal patrons, and which routinely cease to trade when the premises’ take-away bottle shops open at 2pm³. The hotel bottle shops may also, unlike the supermarkets, trade on Sundays (from 12 noon to 9 pm) and so may sell, and are selling, cheap cask wine seven days a week. We note however that there is no provision for an assessor’s report to be made available other than to the Ministers; nor is there any requirement for either Minister to act in relation to an adverse assessment.

- 2.3 Division 6 provides a process for the approval by the Commonwealth Minister of alcohol management plans proposed by persons or entities. PAAC believes that the Commonwealth Minister’s involvement in the alcohol management plan application process is intended in particular to ensure that vulnerable community members who may be adversely affected by the authorised use of alcohol will be afforded due consideration in any proposal that anticipates such use. PAAC does not, for example, support the establishment of licensed premises in communities in the absence of rigorous and thorough evaluations of existing clubs, including their effects on non-drinkers and vulnerable residents.

Whilst it could be argued that this is a matter for the Northern Territory Government, which has to date had responsibility for the process, it is appropriate that the Commonwealth Minister takes on this role in view of the level of resources that the Australian Government directly contributes to areas such as

health, housing and education in the NT. It is also preferable for the Australian Government to have these powers as this level of government is less likely to be influenced by the views of the NT electorate, which on issues relating to alcohol, can adopt positions that are unsupported by evidence. It is more difficult for the NT Government to make policy decisions that are seen to be unpopular and may lead to an electoral backlash. For many years now, in spite of the evidence that licensed premises in Aboriginal communities cause harm, there has been a popular view that establishing such premises will solve the alcohol abuse problem.

On the published evidence to date it can be stated that even in communities that have licensed premises, the rate with which their community members visit major centres such as Darwin is not altered compared with the rate that community members from communities without licensed premises visit Darwin⁴. Thus, licensed premises on communities, on the weight of current evidence, create many more alcohol-related problems in the community, but do not reduce the frequency at which remote community members visit population centres. In spite of this there is considerable popular pressure to impose licensed premises on remote communities, a strategy which PAAC rejects. If, however, through an independent evaluation, it can be shown that certain remote licensed premises with strict controls would not lead to increased harm, then PAAC would not oppose their introduction where communities want them. At this stage it is not reasonable to assume that licensed premises on remote communities will be of any benefit or reduce alcohol-related harm.

- 2.4 Division 8 requires the Commonwealth Minister and NT Ministers to arrange an independent review of the operation of specified laws of the Commonwealth and the NT that relate to alcohol, in particular their effectiveness in reducing alcohol-related harm to Aboriginal people. PAAC takes the view that any such alcohol-related measures should be carefully evaluated and the results made available to interest groups and to the general public.

3. Supply reduction – a most effective tool.

- 3.1 Consistent with its established position, PAAC submits that unless excessive alcohol consumption in the NT is addressed through supply reduction, other measures that the Australian (and the NT) Government may put in place in order to improve the situation of Aboriginal people will not be as effective as they might.
- 3.2 PAAC submits that the most effective supply reduction measures which the Commonwealth can and should take to reduce alcohol consumption in the NT are:
- (i) a minimum floor price on take-away alcohol at the price of full strength beer (\$1.20 per standard drink); and
 - (ii) a take-away alcohol-free day preferably tied to a set welfare benefits payment day, but in any event to have one day a week on which take-away alcohol is not sold.

These measures should be complemented as soon as possible with a volumetric tax at the national level.

- 3.3 It is well established that price is the most critical determinant of behaviour amongst ‘problem’ drinkers, who move towards cheaper products in order to get more ‘value’ for their money, that is, the most pure alcohol per dollar spent.

A massive (ten-fold) increase in the sale of cheap fortified wine followed the banning of four- and five-litre casks of non-fortified wine in the 2002-03 Alice Springs liquor licensing trials, during which cheap (and very high alcohol content) two-litre cask fortified wine, as well as 750 ml bottles, remained available. This demonstrated starkly that it only takes one low-priced product to undermine supply-based restrictions. There were also ‘indications of more acute conditions being admitted to Alice Springs Hospital.’ From April to December 2002 wholly alcohol-caused acute conditions in the figures for separations from Alice Springs Hospital were 159% higher⁵.

The authors found that ‘...the substitution of product was one of the most glaring results of the trial;’ and: ‘While the restriction on container size appeared to accelerate an existing decline in cask wine, it prompted a sudden and dramatic increase in fortified wine and, to a lesser extent, spirits⁶.’

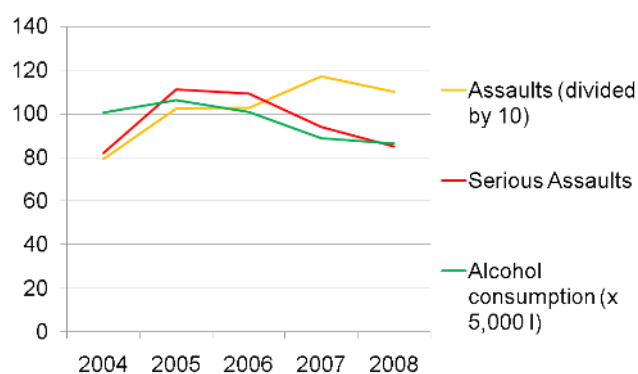
- 3.4 The tendency of problem drinkers to seek out the best bargain was again clearly shown where restrictions on the availability and sizes of cask wine (to two litres) and fortified wine bottle (max.one litre) were introduced in Alice Springs in October 2006 (one only of either per person per day and only after 6pm.) This resulted in an 85 per cent shift away from cask and fortified wine, a 70 per cent shift to (less damaging) beer and a 19.7 per cent reduction⁷ in pure alcohol sales.

Heavily discounted cask and bottled wine, however, later undermined these gains with a very significant increase in sales of these products in Alice Springs from 2007 onwards until the (July 2011) action by the supermarkets, which has lifted the price to a minimum of around one dollar for a standard drink (and considerably higher in some cases. See Attachment 1 sample price sheet) compared with a previous low of twenty-five cents.

- 3.5 Along with a decrease in sales and consumption, the incidence of *serious* (non-fatal) assaults causing bodily, serious or grievous harm in Alice Springs also declined following the 2006 supply-based restrictions: from 109 in 2006; 94 in 2007 and 85 in 2009. *Assaults generally*, however, did not similarly decline: 1026 in 2006; 1171 in 2007 and 1100 in 2008.

Senior police in Alice Springs, however, attribute this to two events which occurred during the sample period. In 2005 the police introduced the Violent Harm Reduction Strategy, which led to a significant increase in the reporting of violent offending, particularly at the lower end of the scale, with the adoption of a policy of zero tolerance in relation to domestic disturbance call-outs. Then, in 2007, the police upgraded their data management system, which resulted in a greater proportion of matters involving violence being formally recorded as assaults.

Alice Springs non-fatal assaults compared to alcohol consumption⁸



The red line represents serious assaults, which it can safely be assumed were consistently reported and recorded throughout the sample period, and are therefore not susceptible to the same confounding events which have complicated the picture with respect to assaults in general. As can be seen, there is a very close correlation between the trend of serious assaults and the trend of consumption of alcohol. This is compelling evidence that the decline in alcohol consumption was a substantial cause of a decline in *serious* violence.

The National Drug Research Institute (NDRI) based Curtin University is currently undertaking an evaluation, funded through FaHCSIA, of all Alice Springs alcohol restrictions from 2000 to 2010 and their effects, due to be completed in the first half of 2012.

3.6 National and international evidence indicates direct links between:

- raising the cost of alcohol and reducing consumption in the population; and
- reduced alcohol consumption and decreases in alcohol-related harm, including hospitalisation and death.

World Health Organisation (WHO) research shows that the most effective measures are to raise prices based on alcohol content, and to reduce the availability of alcohol through strict licensing schemes limiting opening times and the number of outlets.

‘There is indisputable evidence that the price of alcohol matters. If the price of alcohol goes up, alcohol-related harm goes down. Younger drinkers are affected by price, and heavy drinkers are more affected than light drinkers; in fact, if a minimum price were established per gram of alcohol, light drinkers would hardly be affected at all’⁹.

The Australian National Preventative Health Taskforce in its 2010 report noted:

‘Policies that raise the price of alcoholic beverages are an effective means of reducing alcohol consumption. In addition, studies have shown that price increases reduce problems due to alcohol, including binge drinking and a variety of alcohol-related harms (for example, motor vehicle accidents, cirrhosis mortality and violence’¹⁰.)’

The Task Force of course recommended that a minimum alcohol floor price be considered on a national basis, along with a volumetric tax on alcohol¹¹ and in 2011 then Health Minister Roxon referred the floor price issue to the new Australian National Preventive Health Agency, asking it to ‘develop a concept.’

The 2009 *Henry Review*¹² recommended, and PAAC supports, the volumetric taxation of alcohol, and ‘hypothecation’ - the dedication of tax revenue raised from alcohol to fund harm-reduction measures, such as education and rehabilitation programs, and demand-reduction strategies that target the most vulnerable in the region in which the money is raised.

3.7 More recently, on 18th January 2012, the NSW Bureau of Crime Statistics and Research (BOSCAR) released what is arguably the most thorough survey of floor price and volumetric taxation measures to be published in Australia to date, and with which Committee members may or may not yet be acquainted. Entitled *What are the options? pricing and taxation policy reforms to redress excessive alcohol consumption and related harms in Australia*, by Natacha Carragher and Jenny Chalmers, it contains a wealth of material in relation to the situation in Australia and internationally, and considers the following policies available to government, and the implications of the implementation of each:

- (i) taxation and differential price by beverages;
- (ii) special/ additional taxation - alcopops tax;
- (ii) minimum pricing of alcohol; and
- (iii) a ban on price discounts and promotions.

In particular the BOSCAR survey at pages 27 to 39 sets out a very comprehensive explanation of minimum or ‘floor’ pricing, its implementation both formally and voluntarily, the pros and cons, support in Australia and overseas, and an explanation of ‘proxy’ restrictions in place in parts of the NT and WA.

The authors also provide strong and detailed data on the issue of whether alcohol has become cheaper, concluding that whilst the real average price of alcohol has increased somewhat over the past twenty years, it has become substantially more affordable (because real incomes have increased.) Affordability is a better measure of ‘cheapness’ than simply ‘price’¹³.

3.8 PAAC also supports a take-away free day as part of its supply reduction policy.

Such a scheme, known as *Thirsty Thursday*, was put in place in Tennant Creek in 1995 and operated until July 2006. There were two trial phases in late 1995 and early 1996. Following these trials, from April 1996 Tennant Creek did not have take-away sales on Thursdays (clubs excepted¹⁴.)

A National Drug Research Institute evaluation found that the consumption of pure alcohol had reduced by 20%, although it could not quantify the precise contribution of the ban due to other measures having been put in place¹⁵.

The effectiveness of *Thirsty Thursday* diminished over time - particularly as a result of new Centrelink provisions from 1999 that allowed recipients to choose a day on which to receive their benefits. This meant Thursday was no longer automatically the Centrelink payment day. Despite this change, *Thirsty Thursday* nevertheless had some beneficial effects. Positive results included declines in alcohol sales, alcohol-related harm and alcohol-related offences. The restrictions also appeared to have a high level of community support. There was a 7.5% increase in the sale and consumption of pure alcohol when the arrangement ceased in 2006.

This measure, if brought in across the NT, could be reasonably expected to reduce population alcohol consumption and make a considerable contribution to harm reduction. Very importantly, it would provide respite for the families of drinkers both in towns and in Aboriginal communities, with very minimal inconvenience to the majority, who are responsible drinkers.

The Minister has indicated that to remove recipients' option to choose, and to revert to a standard benefit payment day, would be very difficult for Centrelink. PAAC nevertheless maintains that a take-away free day is worth a trial implementation (and evaluation) across the NT as part of the effort to reduce the inordinately high levels of consumption and to improve the over-all social amenity of the community.

4. A floor price - of sorts - in Alice Springs

- 4.1 PAAC has had some success in helping to persuade the supermarket retailers of take-away liquor to make price and product supply changes to alcohol in Alice Springs. In late 2010 Woolworths determined that it would not sell 750 ml bottled wine for under \$7.99 in Alice Springs, Katherine or Gove, and at these stores would exclude lower cost bottled wine from discount specials so as to maintain this level of pricing. Coles also raised the price of bottled wine to a similar level in the first quarter of 2011. In June, Coles announced that from 1st July 2011 it would withdraw from sale all cask wine and would effectively implement a price of \$1.14 a standard drink in Alice Springs, close to the \$1.20 for which PAAC had been advocating. All other supermarkets in the town quickly agreed to withdraw cask wine from sale. The smaller outlets, unlike the two big traders, had not regularly sold liquor at the very cheap prices set by the two big retailers.

Unfortunately, the two local hotel take-away retailers - the Gapview Resort Hotel and the Todd Tavern - did not follow the supermarkets' lead and both continue to stock two-litre cask wine (non-fortified) at around 76 to 85 cents per standard drink. This is significantly more than the very cheap cleanskins that sold for as low as twenty-five cents a standard drink, but well below the price of a standard drink of full-strength beer. As a result the Todd River is now littered with two-litre casks – the preferred drink of the heavy drinkers because it is the cheapest form of alcohol now on the market.

This 'river of casks' collected by PAAC made the front page of the Centralian Advocate in August 2011



- 4.2 The removal of cask wine by supermarkets was initiated by Coles following meetings between Coles and PAAC, at which PAAC had sought to persuade the retailer to increase the price of casks and cheap fortified wine. Woolworths has withdrawn casks but has not made an equivalent commitment; like Coles, however, it has ceased to sell cheap brands of fortified wine, and generally does not sell 750ml bottles for less than \$7.99. Woolworths in 2011 continued to stock several one-litre low-priced Hardy's wine varieties at 90 to 94 cents a standard drink, and also some 1.5 litre imported reds at 94 cents a standard drink. In December Woolworths increased the price of some of these products following notification by PAAC, and the Hardy's one-litre varieties now sell at around \$1 a standard drink, and the imported reds for around 94 cents. Coles by late 2011 was no longer stocking the one-litre cheap wine varieties it had previously had on sale.

The other, smaller local supermarket retail outlets no longer sell cask wine, and they have committed either to a minimum floor price of or around \$1.14 per standard drink (the three LAE Supermarkets Pty Ltd-owned IGAs in the town) or at least not to sell very cheap products. LAE Supermarkets Pty. Ltd. has quickly made price adjustments at its three IGA supermarkets when contacted about anomalous low prices on a couple of fortified wine products.

This might seem somewhat complicated, and indeed this is the case. In order better to illustrate the current pricing situation in Alice Springs, we have attached a sample product cost sheet (Attachment 1.)

- 4.3 As can be seen, what we currently have is a voluntary, informal and varied floor price *of sorts* on take-away alcohol in place in Alice Springs, along with restrictions put in place by the NT Licensing Commission. There are also the NT Government's innovative 'Enough is Enough' reforms, which include the ID system for purchasing (take-away) alcohol and bans on the purchase, possession and consumption of alcohol for problem drinkers. Under these reforms there is also the new Alcohol and Other Drugs Tribunal - whose orders can include banning and treatment - and the Substance Misuse Assessment and Referral for Treatment or 'SMART' Court, whose orders may include assessment, treatment, alcohol and drug bans and suspended sentences conditional on compliance by offenders with substance mis-use histories.

PAAC is hopeful that the take-away retailers' voluntary pricing changes will have an effect on sales and consumption in Alice Springs. This hopefulness is tempered however by the absence of a standard approach and, in particular, the continued sales of cask wine by the two hotels, and it will be difficult to evaluate accurately any changes which relate to pricing.

The supply tap *must* be turned down, nationally as well as in the NT. The NT's extremely high rates of consumption and the associated illness, injury, death, offending and family and social breakdown however support the argument for the immediate introduction of a floor price through regulation. If this does not happen, the efforts of the Australian (and NT) Governments to improve educational attainment, parental responsibility, employment opportunities and housing are unlikely to get a strong foothold.

The NT's new alcohol law reforms, incorporating bans on the consumption, possession or purchase of (take-away only) alcohol by problem drinkers, and also imposing bans on those caught supplying them, will, we believe, turn out to be inadequate armour in the battle, and the cyclic tragedy will continue.

Retailers may enter into voluntary Accords on pricing under the NT *Liquor Act*, but this has not happened to date, and there appears to be no immediate prospect that an accord to fix a minimum price will be struck. Similarly, although the NT Government could amend the *Liquor Act* (NT) to empower the Licensing Commission to fix a minimum price¹⁶, there appears to be no likelihood that this will occur¹⁷. Accordingly, PAAC submits that the Australian Government should take action and use its powers to implement a take-away floor price in the NT.

- 4.4 The optimal alternative therefore is for the Australian Government to use its powers to implement a floor price tied to the cost of a standard drink of full-strength beer, currently around \$1.20, at least initially in the NT. The Scottish Parliament appears poised to pass legislation for a floor price in the next few months¹⁸, and the issue is reported to be firmly on the Irish agenda, in both the North and the South¹⁹. The PM and Indigenous Affairs Minister Macklin appear to appreciate that although there have been some significant gains, more is needed. They must ensure that a floor price is implemented. Given the NT Government's reluctance to act, the Federal Government must grasp the nettle.

5. Prevention: Early Childhood Development

- 5.1 PAAC does not suggest that supply reduction alone can completely solve all problems associated with substance mis-use. The introduction of the low aromatic Opal fuel across remote Central Australia and the various alcohol supply reduction measures in Alice Springs have been extremely useful measures. They are not of themselves sufficient to ensure that young people develop in ways that make them resilient to becoming addicted to substances when they experiment. There are obviously issues that must be addressed in order to reduce the propensity to become addicted in the first place.

- 5.2 Prime Minister Gillard told the ABC's 7:30 on 8th June 2011:

"There's only one place for kids to be and that's in school. We have to have kids in school so that we can improve their reading, their writing, their educational outcomes and consequently their life chances in getting a job."

The Prime Minister is of course quite right, but the problems begin much earlier, and this issue requires some deeper analysis. The results of the first ever survey of children's development in the first year of school, the Australian Early Development Index (AEDI) ²⁰, have revealed that 47.4 per cent of Aboriginal children are developmentally vulnerable on one or more of the AEDI domains, and 29.6 per cent of Aboriginal children are developmentally vulnerable on two or more domains²¹. The outcome is much worse here in Central Australia with more than two thirds of children developmentally vulnerable on two or more domains.

- 5.3 The AEDI involved a 2009 snapshot of 261,147 children (97.5 per cent of the estimated five-year-old population) in their first year of full-time school across Australia, in the developmental areas (or domains) of physical health and well-being, social competence, emotional maturity, language and cognitive skills (school-based), communication skills and general knowledge.

Aboriginal children in the NT have much higher rates of vulnerability in every domain as compared to either non-Aboriginal children in the NT or to Aboriginal children nationally. They are particularly vulnerable in the Language and Cognitive Functioning domain (46.9 per cent in the NT compared to 28.6 per cent of Aboriginal children nationally and 7.9 per cent for non-Aboriginal children nationally.)

Aboriginal children in the NT are also far more likely to have multiple vulnerabilities; 46.8 per cent are vulnerable in two or more domains compared to 9.6 per cent of non-Aboriginal children in the NT and 29.5 per cent of Aboriginal children nationally. The level of vulnerability amongst non-Indigenous children is little affected by their degree of remoteness; 9.8 per cent (outer regional), 8.8 per cent (remote) and 9.7 per cent (very remote) are vulnerable on two or more domains. In contrast, 25.2 per cent of Aboriginal children from outer regional areas are vulnerable on two or more domains compared to 52.5 per cent for remote and 54.3 per cent for very remote Aboriginal children²².

- 5.4 The summary table below illustrates the situation in Alice Springs and surrounding remote areas (where the populations are almost entirely Aboriginal.)

Table 3.4 Summary AEDI Community results: Alice Springs Region, 2009

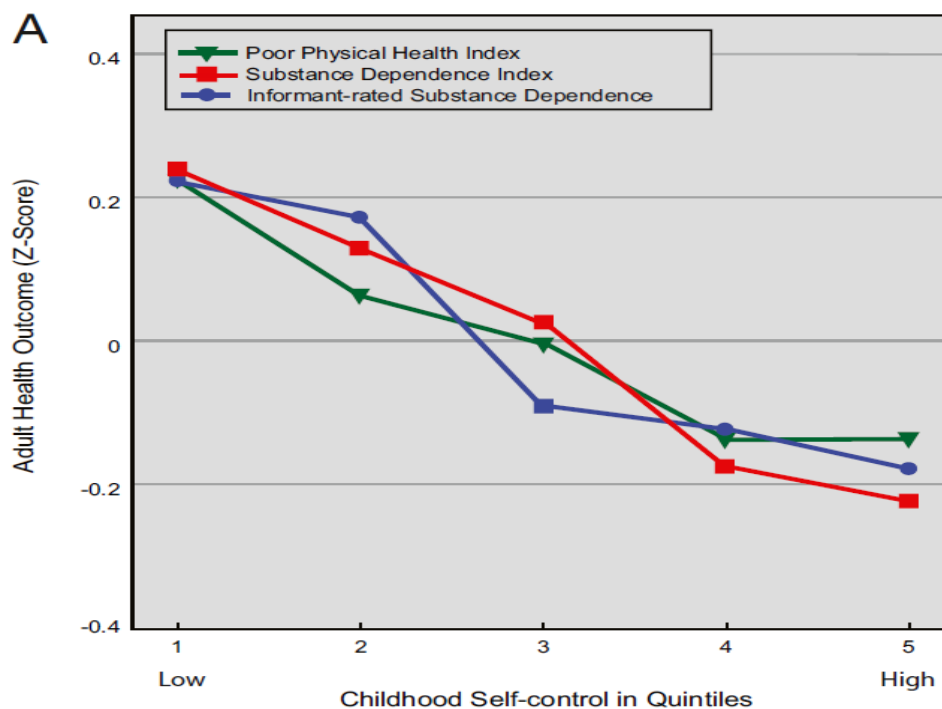
Region	Alice Springs	Hanson	Petermann-Simpson ⁽¹⁾	Sandover-Plenty ⁽¹⁾	Tanami ⁽²⁾
No. of children	393	29	21	54	66
% of NT children	12.2	0.9	0.7	1.5	2.0
AEDI developmental vulnerability (DV) ⁽³⁾					
% DV on Physical domain	12.6	40.9	30.0	43.2	75.5
% DV on Social domain	11.5	45.5	25.0	34.9	64.2
% DV on Emotional domain	13.5	36.4	16.7	38.1	45.3
% DV on Language/ Cognitive domain	15.7	63.6	30.0	72.7	71.7
% DV on Communication domain	11.0	59.1	35.0	50.0	83.3
% DV on 1 or more domain	29.2	81.8	50	79.5	94.4
% DV on 2 or more domains	16.0	72.7	40	56.8	79.6

Children from the very remote communities clearly have much higher rates of developmental vulnerability and much lower rates of English proficiency and day care and pre-school attendance than those from the Alice Springs township. This demonstrates the extent of the challenge that lies ahead of us all.

The AEDI has revealed the extent of the disadvantage that Aboriginal children have in the two key language and cognitive domains and emotional domains *when they first enter school*. The next generation of young Aboriginal people is likely to include disproportionate numbers of children who are likely to be impulsive, have poor over-all brain development leading to poor school performance, develop alcohol and other drug addictions, to be on the streets and incarcerated, and this

next generation is already well on the way. We must do better at preventing this from occurring and early childhood development is the key.

- 5.5 A recent major longitudinal study from Dunedin in New Zealand, which followed a cohort of more than one thousand children from birth to age thirty-two, has shown the clear relationship that exists between poor emotional development in early childhood and the subsequent development of addictions and other life-long problems²³. In this study the lower the self control or emotional development in early childhood the greater the risk of developing substance dependence; the relationship was linear:



Children who are not exposed to rich conversational language, read to daily, encouraged much more often than they are discouraged, put to bed so they get sufficient regular sleep, and who learn to expect and demand immediate gratification, will not develop the appropriate brain potential in key areas such as language and cognitive and emotional development.

- 5.6 Schools, no matter how good, will struggle to overcome these kids' already disadvantaged position. We know that about two-thirds of educational attainment is due to factors outside the school, and key amongst these is what goes on in the home, especially in early childhood. Children from disadvantaged social backgrounds are much less likely to have their needs met in early childhood and are more likely to become impulsive and to lack self-control.

These are attributes which can be identified at age four, and which correlate to poor educational attainment, low incomes, poor life expectancy and the development of addictions *including alcohol*.

The way in which inadequate early childhood environments affect the development of young people who then become impulsive, unable to concentrate, and lack self-discipline and control, is now well understood. Young people with these character traits are much more likely to become addicted to substances.

We cannot afford to wait for these kids to grow to be street kids in early adolescence before we act; this is too late for many of them, and youth interventions at this late stage, while necessary, are far more costly and less effective.

5.7 Linked to this is the stark reality that having an alcohol-dependent parent is the main cause of the lack of adequate parenting and often leads to overt child neglect. Alcohol dependence is a great barrier to a good education, training or apprenticeships, getting to work, and having a decent and dignified life. When a household contains heavy drinkers, partying on whenever they have the cash, disrupting kids' sleep, their lives, and any hope of routine, it's little wonder that they fall way below the average in literacy and numeracy.

5.8 This can be significantly prevented through a range of programs, some of which have recently been put in place in Alice Springs. But much more needs to be done in this area. Evidence suggests that such programs could reduce, by about half, the current population of young people addicted to alcohol and other drugs. There are key evidence-based early childhood programs from pregnancy to age three that can make a big difference and help to reverse the social gradient that adversely affects brain development. Early childhood programs can:

- reduce the incidence of alcohol addictions by up to 50%;
- dramatically reduce the lifetime risk of the development of chronic disease²⁴;
- more than double school retention rates²⁵; and
- dramatically reduce the youth incarceration rates²⁶;

5.9 We need to implement intensive early childhood programs, as well as making our society more equal and less alienating for those who grow up with very little, alongside those who have much more. PAAC takes the view that early childhood intervention programs are an essential contributor to raising children who will be more resilient and therefore better equipped to avoid developing substance addictions and other problems when they (almost inevitably) experiment in adolescence.

We must act now on this and stop promoting ‘alcohol education’ in schools as the only answer. Early childhood education and support is a key part of the answer, coupled with social consequences for parents who neglect their children in early childhood.

PAAC thanks the Committee for its consideration of these matters, and would be pleased to appear at any hearing on the *Stronger Futures* Bills.

John Boffa
PAAC Spokesperson

Vicki Gillick
PAAC Policy Co-ordinator (part-time)

Attachment 1.

PAAC – People’s Alcohol Action Coalition Sample Prices Alice Springs Dec. 2011

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Coles

Products	Current Sample price	Alcohol vol.	Std. drinks per unit & carton/slab	Container size in mls	Minimum price@ \$1.20 per std. drink	Current \$ per std. drink. * = below \$1.20	New price under proposal
<u>Beer</u>							
XXXX Gold Slab (24)	\$41.99	(3.5%)	1.0/ 24	375mls	\$35.82	\$1.75	No change
Pure Blonde Slab (24)	\$53.99	(4.6%)	1.3/31.2	355mls	\$37.44	\$1.73	No change
Heineken Pilsner Slab (24)	\$51.99	(5%)	1.3/31.2	330mls	\$37.44	\$1.66	No change
Carlton Draught Slab (24)	\$52.99	(4.6%)	1.4/33.6	375mls	\$40.32	\$1.58	No change
Tooheys Extra Dry Slab (24)	\$51.99	(4.5%)	1.4/33.6	345mls	\$40.32	\$1.55	No change
Coopers Pale Ale Slab (24)	\$48.99	(4.5%)	1.3/31.2	375mls	\$37.44	\$1.57	No change
Victoria Bitter Slab (24)	\$39.99	(4.6%)	1.4/33.6	375mls	\$40.32	\$1.19*	No change
Boags Draught (24)	\$39.99	(4.6%)	1.4/ 33.6	375mls	\$40.32	\$1.19*	No change
XXXX Gold Block (30)	\$41.99	(3.5%)	1.0/30	375mls	\$36.00	\$1.40	No change
Victoria Bitter (30)	\$58.00	(4.6%)	1.4/42	375mls	\$50.40	\$1.38	No change
Tooheys New Box (30)	\$49.99	(4.6%)	1.4/42	375mls	\$50.40	\$1.19*	No change
<u>Spirits & Liqueurs</u>							
Bundaberg Rum 2 x 700ml	\$66	(37%)	20 (ea.)	700mls	\$24.00	\$1.65	No change
Bacardi Rum 1 x 700ml	\$29.95	(37.5%)	21	700mls	\$25.20	\$1.43	No change
Bailey’s Irish Cream 1 x 700ml	\$26	(17%)	9.4	700mls	\$22.56	\$2.76	No change
Jack Daniels 2 x 700ml	\$66	(40%)	22 (ea.)	700mls	\$26.40	\$1.50	No change
Jim Beam Black 2 x 700ml	\$66	(40%)	22 (ea.)	700mls	\$26.40	\$1.50	No change
Smirnoff Vodka 2 x 700ml	\$66	(37.5%)	21 (ea.)	700mls	\$25.20	\$1.57	No change
Midori 1 x 500ml	\$26.99	(20%)	7.9	500mls	\$9.48	\$3.42	No change

<u>Pre-mixed spirits</u>	Current Sample price	Alcohol vol. per container	Std. drinks per unit & carton/slab	Container size in mls	Minimum price@ \$1.20 per std. drink	Current \$ per std. drink	New price under proposal
Jim Beam White Slab (24)	\$75.55	(4.8%)	1.4/33.6	375mls	\$40.32	\$2.25	No change
Johnnie W slab 24 cans	\$71.99	(4.8%)	1.4/33.6	375mls	\$40.32	\$2.14	No change
Johnnie W. Red 10 cans	\$33.99	(4.8%)	1.4/14	375mls	\$16.80	\$2.43	No change
Bundaberg Red 10 cans	\$33.99	(4.8%)	1.4/14	375mls	\$16.80	\$2.43	No change
Bundaberg Rum Slab (24)	\$72.00	(4.8%)	1.4/33.6	375mls	\$40.32	\$2.14	No change
Vodka Cruiser Slab (24)	\$67.00	(4.5%)	1.0/24	275mls	\$28.80	\$2.79	No change
UDL 24 cans	\$65.99	(4.5%)	1.3/31.2	375mls	\$37.44	\$2.11	No change

Woolworths

Products	Current Sample price	Alcohol vol.	Std. drinks per unit & carton/slab	Container size in mls	Minimum price@ \$1.20 per std. drink	Current \$ per std. drink	New price under proposal
<u>Beer</u>							
XXXX Gold Slab (24)	\$42.98	(3.5%)	1.0/24	375 mls	\$35.82	\$1.79	No change
Pure Blonde Slab (24)	\$47.99	(4.6%)	1.3/31.2	355mls	\$37.44	\$1.54	No change
Heineken Pilsner Slab (24)	\$40.00	(5%)	1.3/31.2	330mls	\$37.44	\$1.28	No change
Carlton Draught Slab (24)	\$39.99	(4.6%)	1.4/33.6	375mls	\$40.32	\$1.19*	No change
Tooheys Extra Dry Slab (24)	\$39.99	(4.5%)	1.4/33.6	345ml s	\$40.32	\$1.19*	No change
Coopers Pale Ale Slab (24)	\$43.99	(4.5%)	1.3/31.2	375mls	\$37.44	\$1.40	No change
Victoria Bitter Slab (24)	\$39.99	(4.6%)	1.4/33.6	375mls	\$40.32	\$1.19*	No change
Boags Draught (24)	\$51.99	(4.6%)	1.4/ 33.6	375mls	\$40.32	\$1.55	No change
XXXX Gold Block (30)	\$39.99	(3.5%)	1.0/30	375 mls	\$36.00	\$1.33	No change
Victoria Bitter (30)	\$55.98	(4.6%)	1.4/42	375 mls	\$50.40	\$1.33	No change
Tooheys New Box (30)	\$53.98	(4.6%)	1.4/42	375mls	\$50.40	\$1.28	No change
<u>Spirits & Liquors</u>	Current Sample price	Alcohol vol. per container	Std. drink per unit	Container size in mls	Minimum price@ \$1.20 per std. drink	Current \$ per std. drink	New price under proposal
Bundaberg Rum 1 x 700ml	\$39.99	(37%)	20 (ea.)	700mls	\$24	\$1.99	No change
Bacardi Rum 1 x 700ml	\$39.99	(37.5%)	21	700mls	\$25.20	\$1.90	No change
Bailey's Irish Cream 2 x 700ml	\$52.00	(17%)	9.4 x2 = 18.8	1400mls	\$22.56	\$2.76	No change
Jack Daniels 1 x 700ml	\$46.99	(40%)	22 (ea.)	700mls	\$26.40	\$2.13	No change
Jim Beam Black 1 x 700ml	\$44.99	(40%)	22 (ea.)	700mls	\$26.40	\$2.13	No change
Midori 1 x 500ml	\$28.99	(20%)	7.9	500mls	\$9.48	\$3.67	No change
<u>Spirits per litre</u>	Current Sample	Alcohol vol. per	Std. drink	Container size in	Minimum price@	Current \$ per	New price under

	price	container	per unit	mls	\$1.20 per std. drink	std. drink	proposal
Windsor Gin x 1 litre	\$35	(37.5%)	30	1000mls	\$36.00	\$1.16*	\$36.00
Bundaberg Rum x 1 litre	\$45	(37%)	29	1000mls	\$34.80	\$1.55	No change
Johnny Walker Red x 1 litre	\$45	(40%)	32	1000mls	\$38.40	\$1.40	No change
Jim Beam x 1 litre	\$45	(37%)	29	1000mls	\$34.80	\$1.55	No change
Wild Turkey x 1 litre	\$55	(43.4%)	34	1000mls	\$40.80	\$1.61	No change
Absolut Vodka	\$55	(40%)	32	1000mls	\$38.40	\$1.72	No change

<u>Pre-mixed spirits</u>	Current Sample price	Alcohol vol. per container	Std. drinks per unit & carton/slab	Container size in mls	Minimum price@ \$1.20 per std. drink	Current \$ per std. drink	New price under proposal
Jim Beam White Slab (24)	\$75.55	(4.8%)	1.4/33.6	375mls	\$40.32	\$2.24	No change
Johnnie Walker Red 10 cans	\$33.99	(4.8%)	1.4/14	375mls	\$16.80	\$2.42	No change
Bundaberg Red 10 cans	\$33.99	(4.8%)	1.4/14	375mls	\$16.80	\$2.42	No change
Bundaberg Rum Slab (24)	\$72.00	(4.8%)	1.4/33.6	375mls	\$40.32	\$2.14	No change
Vodka Cruiser Slab (24)	\$67.00	(4.5%)	1.0/24	275mls	\$28.80	\$2.79	No change
UDL 24 cans	\$65.99	(4.5%).	1.3/31.2	375mls	\$37.44	\$2.11	No change

<u>Bottled Wine non-fortified 750 mls.</u>	<u>Currently not generally sold for below \$8 a bottle in Alice Springs.</u>						
Example minimum prices at \$1.20 per std. drink	Bottle with 6 Standard Drinks = \$7.20 minimum price						
	Bottle with 7 Standard Drinks = \$8.40 minimum price						
	Bottle with 8 Standard Drinks = \$9.60 minimum price						

<u>Bottled Wine non-fortified 1 – 1.5 litres (Woolworths only)</u>	Current Sample price	Alcohol vol.	Std. drinks per unit	Container size in mls	Minimum price@ \$1.20 per std. drink	Current \$ per std. drink	New price under proposal
Hardy's varieties, including: chardonnay, cab. sav., cab. shiraz, merlot.	\$10.99	13.5%	10-11	1000	\$12.00- \$13.20	\$0.99 - \$1.00*	\$1.20
Montepuleciano D'Abruzzo imported red	\$13.99	12.5%	14.8	1500	\$17.76	\$0.94*	\$17.76

Fortified Wine & Mixers Note: very cheap varieties of sherry and port by e.g. Golden Oak and McWilliams are no longer sold by Coles and Woolworths.	Current Sample price	Alcohol vol.	Std. drinks per unit	Container size in mls	Minimum price@ \$1.20 per std. drink	Current \$ per std. drink	New price under proposal
Renmano Tawny Port (LAE IGA)	\$12.99	(16.5%)	9.8	750mls	\$11.76	\$1.32	No change
Boronia all 'uovo (LAE IGA)	\$12.99	(18%)	11	750mls	\$13.20	\$1.18*	No change
McWilliams Muscat (Coles)	\$13.99	(18.5%)	11	750mls	\$13.20	\$1.27	No change
Cinzano (Coles & Woolworths)	\$16.99	(14.4%)	11	1000mls	\$13.20	\$1.54	No Change
Stones Green Ginger Wine (Coles/LAE IGA)	\$12.99	(13.9%)	8.2	750mls	\$9.84	\$1.58	No change

Cask (non-fortified) wine: 2 litre	Currently	Current price per standard drink	New price under proposal
Note: Currently only sold at pubs (and clubs) in Alice Springs	\$15.99 - \$17.99 per cask at Todd Tavern & Gapview Resort Hotels	76-85 cents*	\$1.20 floor price will increase price to minimum \$25.20 per cask

***Denotes products where prices currently fall below \$1.20 per standard drink – those products currently priced at \$1.18 - \$1.19 per standard drink are listed as ‘no change’ under a \$1.20 floor price, as the difference is negligible.**

Q: What prices will change?

A: Only those that are currently below the floor price.

Heavy discounting and clearance prices below the \$1.20 per standard drink benchmark will not be possible on any product with the application of a minimum floor price.

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Endnotes

¹ *Moving beyond the restrictions: the evaluation of the Alice Springs Alcohol Management Plan*, Senior et al., Menzies School of Health Research; Monash University School of Public Health and Preventive Medicine, 2009, at 30-31.

² *NT Intervention bulldozes the successful patchwork*: www.abc.net.au/unleashed/2621614.html 12th May 2011. Sourced 1st Feb. 2012.

³ See for example Katrina Bolton's Walkley award-winning story on this issue: *Rivers of grog flow on in Alice Springs*: www.abc.net.au/worldtoday/content/2010/s3099238.htm 22nd Dec. 2010. Sourced 1st Feb. 2012.

⁴ *Out of sight, out of mind? Licensed clubs in remote aboriginal communities*. d'Abbs P., Australian and New Zealand journal of public health 1998;22(6):679-84 1998

⁵ Report to the Licensing Commission: *Summary Evaluation of the Alice Springs Liquor Trial*, Crundall I., and Moon C., 2003.

⁶ Crundall I., and Moon C., p30, 2003.

⁷ In *Moving beyond the restrictions: the evaluation of the Alice Springs Alcohol Management Plan*, Senior et al., Menzies School of Health Research; Monash University School of Public Health and Preventive Medicine, 2009, at 161, the authors cite 'overall consumption' [wholesale supply] as down by 18% since the introduction of the AMP (comparing the four quarters prior to the September 2006 commencement of restrictions with the four quarters from December 2007 to September 2008.) Based on adjusted wholesale figures from the Department of Justice Alcohol Wholesale Supply Figures 2005-2009 however, this figure of 18% is in fact 19.7%.

⁸ Data supplied to PAAC by NT Department of Justice.

⁹ *Evidence for the effectiveness and cost-effectiveness of interventions to reduce alcohol-related harm*, p1 and also see chapter on pricing, pp76 – 81, World Health Organisation, Regional Office for Europe, Copenhagen, 2009.

¹⁰ *Australia: the healthiest country by 2020: National Preventative Health Strategy – the roadmap for action* Key action area 4: Reform alcohol taxation and pricing arrangements to discourage harmful drinking. Online at: www.health.gov.au/internet/preventativehealth/publishing.nsf/Content/nphs-roadmap-toc~nphs-roadmap-4~nphs-roadmap-4.4~nphs-roadmap-4.4.4 Sourced 31st Jan. 2012

¹¹ Online at: www.health.gov.au/internet/preventativehealth/publishing.nsf/Content/nphs-roadmap-toc~nphs-roadmap-4~nphs-roadmap-4.4~nphs-roadmap-4.4.4 Sourced 31st Jan. 2012

¹² *Australia's Future Tax System Review* Chapter 12. Recommendations 71 and 72. Online at: http://taxreview.treasury.gov.au/content/FinalReport.aspx?doc=html/publications/papers/Final_Report_Part_1/chapter_12.htm Sourced 31st Jan. 2012.

¹³ See report at: [www.lawlink.nsw.gov.au/Lawlink/bocsar/l/bocsar.nsf/vwFiles/R59a.pdf/\\$file/R59a.pdf](http://www.lawlink.nsw.gov.au/Lawlink/bocsar/l/bocsar.nsf/vwFiles/R59a.pdf/$file/R59a.pdf)

¹⁴ *Managing alcohol in Tennant Creek, Northern Territory: an evaluation of the Tennant Creek Alcohol Management Plan and related measures to reduce alcohol-related problems*; A report prepared for the NT Department of Justice, Menzies School of Health Research, D'Abbs et al., 2010.

¹⁵ *Evaluation of the Tennant Creek Liquor Licensing Restrictions: A Report Prepared for the Tennant Creek Beat the Grog Sub-Committee*, Curtin University of Technology, National Centre for Research into the Prevention of Drug Abuse, 1998, Gray et al.

¹⁶ Section 6 of the *Northern Territory (Self-Government) Act 1978* (Cth.) empowers the NT Legislative Assembly 'to make laws for the peace, order and good government of the Territory' and in PAAC's view therefore enables the Assembly to amend the *Liquor Act* to control liquor pricing without having to obtain the consent of a Commonwealth regulatory agency. We also note the provisions in Part XA of the *Liquor Act* which authorise restrictive trade practices by licensees (s 120C.)

PAAC submits, therefore, that s120C is a valid exercise of the NT's legislative power, and that s120C is an enactment for the purpose of s51(d)(c)(i) of the *Trade Practices Act 1974* (Cth.) which effectively protects anyone from prosecution for specified anti-competitive conduct; therefore the *Liquor Act* could be validly amended to provide for the fixing of a minimum, or floor price, for liquor, simply by inserting as s31(2)(l) the words: 'the charging of a particular price for liquor.'

¹⁷ www.newsroom.nt.gov.au/index.cfm?fuseaction=viewRelease&id=8308&d=5 15th June 2011. Sourced 4th Feb. 2012. Alcohol Policy Minister Delia Lawrie argued that a floor price would increase the price of beer, a claim that was immediately refuted by PAAC: 'Minister's office miscalculates and misleads on floor price': www.paac.org.au/files/media%20releases/2011_06_16%20PAAC%20Media%20Release%20Ministers%20Office%20miscalculates%20and%20misleads%20on%20floor%20price.pdf 16th June 2011, sourced 4th Feb. 2012.

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- ¹⁸ www.falkirkherald.co.uk/news/scottish-headlines/45p_floor_price_to_save_63_lives_1_2087724 31st Jan. 2012. Sourced 5th Feb. 2012;
- ¹⁹ www.irishtimes.com/newspaper/frontpage/2012/0127/1224310810349.html 27th Jan. 2012. Sourced 5th Feb. 2012.
- ²⁰ *A Snapshot of Early Childhood Development in Australia* – AEDI National Report 2009 Centre for Community Child Health and Telethon Institute for Child Health Research 2009, Australian Government, Canberra. Online at: http://video.rch.org.au/aedi/National_Report-March_2011_Reissue_final.pdf Sourced 5th Feb. 2012.
- ²¹ http://video.rch.org.au/aedi/National_Report-March_2011_Reissue_final.pdf at 11.
- ²² Northern Territory Results for the Australian Early Development Index 2009. Online at http://www.det.nt.gov.au/data/assets/pdf_file/0004/18499/NTRResultsAEDI.pdf at vi – vii. Sourced 5th Feb. 2012.
- ²³ *A Gradient of Childhood Self-control Predicts Health, Wealth, and Public Safety*, (The Dunedin Study), Moffitt T.E et al. Participants: MRC Social, Genetic, and Developmental Psychiatry Centre, King's College London, UK; Dunedin Multidisciplinary Health and Development Research Unit, Dunedin School of Medicine, Duke University, Durham, NC, USA. Online at: www.pnas.org/cgi/doi/10.1073/pnas.1010076108 and see www.otago.ac.nz/news/news/otago016129.html Sourced 6th Feb. 2012.
- ²⁴ Ibid.
- ²⁵ *Young adult outcomes of the Abecedarian and CARE early childhood educational interventions*, Campbell F. A. et al., *Early Childhood Research Quarterly*, v23 n4 at 452-466, 2008.
- ²⁶ *Early childhood learning prevents youth violence* Tremblay, R. E., Gervais, J., Petitchlerc, A., Centre of Excellence for Early Childhood Development, Montreal, Quebec, 2008