

AAB SUBMISSION

TO

Standing Committee on Family and Community Affairs

on

Substance Abuse in Australian Communities

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INDEX

INDEX	2
The Australian Associated Brewers Inc.	3
INTRODUCTION.....	5
The AAB	5
Beer consumption in the Australian context	5
The community impact of alcohol	6
AAB's role in reducing alcohol problems	7
TRENDS IN ALCOHOL CONSUMPTION.....	9
Total alcohol consumption	9
Beer Consumption	11
Wine Consumption	15
Spirits Consumption	17
ALCOHOL POLICY CONSIDERATIONS.....	18
Costs of Alcohol Misuse and Abuse	18
IN CONCLUSION.....	22

The Australian Associated Brewers Inc.

The Australian Associated Brewers Incorporated (AAB Inc) is the national industry association for the Australian brewing industry.

Aims and Objectives:

The AAB was established to promote represent and advance the interests of the Australian brewing industry by:

- acting as a united voice on brewing industry issues, including health and social issues, marketing and advertising regulations, technical and product taxation issues.
- promoting responsible drinking behaviour in the community through targeted education programs.
- promoting community awareness of the Australian brewing industry as responsible corporate citizens who contribute to alcohol related medical research and education.
- providing a venue for brewers to discuss matters relevant to the future of the industry.

The members of the AAB Inc. are:

- Carlton & United Breweries Limited, incorporating:
 - Carlton & United Breweries (Abbotsford) Limited, (Vic)
 - Queensland Breweries Limited, (Qld)
 - Matilda Bay Brewing Company Limited, (WA)
 - Cascade Brewery Company Pty Limited, (Tas.)

- Carlton & United Breweries (NSW) Limited, (NSW)

- Lion Nathan Australia Pty Limited, incorporating:
 - Castlemaine Perkins Pty Limited, (Qld)
 - Tooheys Brewing Company Limited, (NSW)
 - The Swan Brewery Company Limited, (WA)
 - The South Australian Brewing Company Limited, (SA)
 - The Malt Shovel Brewing Company Limited, (NSW)

- Hahn Brewing Co Pty Ltd, (NSW)

- J Boag and Son Brewing Limited, (Tas)

- Coopers Brewery Limited, (SA)

INTRODUCTION

The AAB

The Australian Associated Brewers Inc. (AAB) represents the community issues of the commercial brewing industry in Australia. The sensible and responsible enjoyment of beer by Australians is a major priority of the AAB's work and involves it in a broad spectrum of cooperative approaches aimed at reducing problems associated with alcohol misuse and abuse in Australia.

Beer continues to be the major alcohol beverage of choice in Australia, although its share of consumption has consistently and significantly fallen over the last two decades. Beer production directly provides employment for 6,000 Australians and the input supplies, distribution and retailing of beer provide a further 175,000 Australian jobs.

Direct investment in Australian brewing is valued at \$9B, and the sale of beer generates indirect tax revenue of \$2,000M (in 1999 – 2000; the Government's Tax Package increases that revenue for 2000 – 2001 to \$2,500M).

Beer consumption in the Australian context

Australia has long been recognised as a 'beer-drinking nation', as France is known for wine and Scandinavian countries for spirits. In fact beer was promoted to overcome the rum currency of the very earliest penal settlement.

In Australia beer became the drink of the working man and the hotel was often his social gathering place as well as the venue for drinking. But the perception of hard beer drinking Aussies, though founded in some truth, disregards diversity, such as a strong temperance movement and, more importantly, does not reflect the place of beer in Australia today.

Over the last two decades demographic, ethnic, social, cultural and political/legal changes have had a profound impact on the place of beer in Australian society:

- Annual beer consumption has fallen from 1.9 billion litres, or 130 litres per head in 1979, to 1.7 billion litres, or 95 litres per head in 1998;
- Low alcohol beers have grown from less than 10% of beer consumption to 25% of consumption, a unique achievement anywhere in the world;
- As a result of the fall in beer consumption and growth in low alcohol beers, the amount of alcohol consumed per capita as beer has fallen by 35%. In 1979 beer contributed 66% of Australia's alcohol; in 1998 it contributed 53%;
- Beer in barrels has fallen from more than 40% of consumption to less than 25% of consumption;
- The point of retail purchase (which can imply the place or type of consumption setting) has swung dramatically away from bars to bottle shops, including supermarkets; and
- Targeted drink driving countermeasures have had a particularly strong influence on drinking patterns and have been very successful (together with other driving safety interventions – such as seat belts and speed cameras) in reducing road trauma.

Over the same period Australian consumption of alcohol as wine has grown 40%, or 10% per capita and spirits consumption has grown 30%, or about 3% per capita.

These very broad measures give just a small indication of the dramatic changes in the patterns of use of beer and alcohol in Australia per se. The key conclusions about changes in alcohol consumption in Australia over the last 20 years are:

- Australians drink considerably less alcohol
- A greater proportion of Australians, particularly women, consume alcohol so the 'actual' per capita consumption – rather than the 'statistical' per capita consumption – has fallen
- Over the period the population has aged, with over 18s rising as a proportion of the population. This then also indicates that 'actual' per capita consumption has fallen more than 'statistical' per capita consumption
- Drinking venues and settings have changed

The following section will provide further analysis of these trends.

The community impact of alcohol

These indicators of change in alcohol consumption patterns cannot indicate the changes that have occurred in relation to alcohol problems, and hence the economic and social costs to the community from alcohol. There is growing acknowledgment that Government policy formulation must also recognise that alcohol consumption provides benefits as well as costs. This is an important aspect because much past work has focused only on the costs of alcohol misuse and abuse and, therefore, it was simple to consider policies which affected all alcohol use rather than targeting the patterns that concern us as a community.

Further the measurement of these costs and benefits is a difficult task because:

- Few of the costs and benefits are solely attributable to the one factor, alcohol. So causality, while evident in many instances, is often confounded by other influences.
- Separating the private cost or benefit from the social cost or benefit (externalities) is an important aspect of assessing the impact of alcohol and what can be done to reduce the costs to the community.
- Trends are often difficult to establish as research uncovers new links between alcohol and its impacts.

We also need to acknowledge that various countermeasures to alcohol related problems have been utilised in Australia to varying degrees of success. Initiatives directly targeted at problems have generally been highly successful, as is the case in reducing the incidence of alcohol in road trauma – through enforcement/detection, high penalties and high profile publicity, or in reducing the incidence of Werneckes Korsakoff Syndrome in heavy drinkers – by adding thiamine to bread flour.

On the other hand there is much debate about the effectiveness of a range of blunt policy instruments which are frequently proposed as controls against alcohol problems. But blunt instruments generally affect all consumers of alcohol and may not produce the expected results. The most powerful example of this over the past two decades is the continued and significant fall in alcohol consumption while controls over availability – particularly the number and style of outlets and their trading hours – have been dramatically relaxed. Similarly higher taxes and therefore

prices are more likely to elicit response from moderate consumers on low incomes rather than those who drink irresponsibly and/or have high disposable income.

Naturally the alcohol beverage industry has a vested interest in maintaining its right to market alcohol beverages and does not welcome measures which would damage its financial performance. Such impacts would have significant costs for the industry, its workforce and those industries reliant on alcohol marketing. Industry is therefore particularly committed to a balanced debate on alcohol policy and the importance of effective instruments to reduce alcohol problems.

The AAB recognises that it must play an active role in promoting responsible drinking and minimising harmful consumption patterns. Without addressing these issues effectively the industry stands to lose its commercial rights altogether.

AAB's role in reducing alcohol problems

The AAB has maintained a long-term commitment to reducing problems associated with alcohol misuse and abuse and plays an active role in improving knowledge about these problems as well as pursuing targeted interventions which can have a positive impact by reducing inappropriate drinking patterns.

Traditional approaches to alcohol policies have often been grounded in a puritanical approach which leads to mechanisms aimed at reducing overall alcohol consumption – prohibition at the extreme, to strong controls over availability, such as grossly elevated taxes, restricted outlet numbers and times for sales and advertising restrictions or bans. Various theories contend that an overall reduction in alcohol consumption will automatically reduce the incidence of alcohol problems.

But recent debate has centred on interventions which target dangerous drinking patterns. The reason for this profound shift in approach is the growing recognition and medical evidence that moderate alcohol consumption provides health and social benefits. Policies therefore need to recognise both the balance of costs and benefits of alcohol use as well as the advantage of concentrating limited resources at specific problem areas. This is not to say that there is not a place for broad interventions, rather that the focus and evaluation of programs must be clearly directed at specific problem areas, not at consumption per se.

We will revisit this issue in more detail later in the submission.

The AAB's activities include:

- *Medical research.* The AAB benefits from a Medical Advisory Group, which consists of leading Australian health professionals who perform a number of important roles:
 - Review and advise the industry on contemporary health and social research relating the affects of alcohol;
 - Through the Australian Brewers Foundation, disperse research funding for Australian work in alcohol related health and social fields (this program has continued for 23 years and utilised \$4.25M for published research);
 - Each year the brewing industry's Medical Advisory Groups of Canada, UK, USA, New Zealand and Australia meet to review and advance their work and share their findings with experts in the host nation. The 1999 International Medical Advisory Groups Conference was held in Melbourne and displayed a very valuable volume of contemporary work across all the professional fields involved with community alcohol problems. (A copy of the

Conference Proceedings is attached for the Standing Committee and we believe it will provide a valuable insight and resource for the Committee.)

- *Rethinking Drinking- You're in Control.* This is a school-based alcohol education program for 14 – 16 year olds developed by the Youth Research Centre at the University of Melbourne. It provides teaching resources to teach harm minimisation strategies. *Rethinking Drinking* is in use in around two thirds of secondary schools throughout Australia.

Because the program was funded by the Australian Brewers Foundation it was crucial to demonstrate its independence and quality. The teaching methods used have since been the basis for other drug education programs. *Rethinking Drinking* has also been recognised as an important alcohol education bench-mark internationally, with adaptations having been developed in New Zealand and Canada

- *No Worries.* This is a training video aimed at educating alcohol servers with strategies to reduce alcohol-related problems when serving alcohol on licensed premises. The video was widely distributed to hotels and clubs and was used by licensing authorities and Police in several states. It was produced together with the Distilled Spirits Industry Council (DSICA).
- *Alcohol Advertising Pre-vetting System (AAPS).* The AAB and DSICA in 1992 set up AAPS, a voluntary pre-vetting system for all beer and spirits advertising. Under AAPS the industries' advertising is independently pre-vetted to ensure that both the content and spirit of the Alcohol Beverages Advertising Code (ABAC) are met. The ABAC code includes the actual and perceived age of actors, avoiding the portrayal of potentially hazardous activities after drinking (such as driving or boating) and avoiding linking alcohol consumption with success (such as sexual success).
- *Alcohol Beverages Advertising Code (ABAC) & Complaints Management System.* The AAB played a leading role with DSICA, Winemakers Federation of Australia and the Liquor Merchants Association to replace the old ABAC and the Media Council's Advertising Standards Council when that system collapsed in 1996 following a decision of the TPC against the Media Council's Accreditation system for Advertising Agencies. The four key industry bodies appointed an independent panel of Complaints Adjudicators and continue to fund and manage the system to ensure alcohol advertising standards are maintained to meet community expectations. This Code was first developed in the late 1960s.

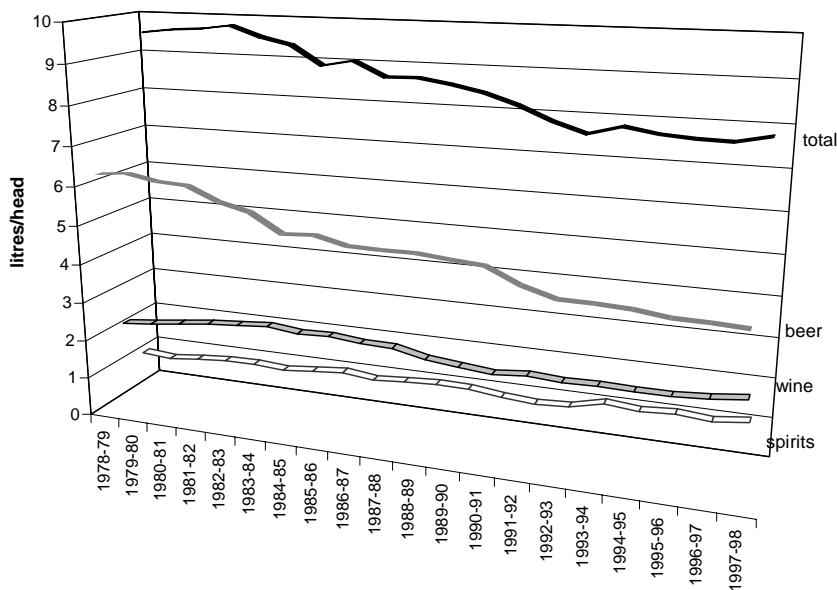
TRENDS IN ALCOHOL CONSUMPTION

This section analyses key trends in Australian alcohol consumption. This will provide an overall and contemporary perspective of the place of alcohol within the Australian community, the changes that have occurred and the major influences on consumption in general. It does not provide indicators of alcohol problems and benefits.

Total alcohol consumption

The per capita consumption of alcohol in Australia fell 18% over the last two decades. The current annual per capita alcohol consumption level of 7.77 litres per head is roughly equivalent to less than one standard drink of alcohol per day for males and less than one-half a standard drink for females.

Graph 2.1 – Per Capita Consumption of Alcohol, 1979 - 1998



In terms of beverages, the per capita consumption of alcohol as beer fell 35% in that time period, partly through a fall in overall per capita consumption of beer (of 27%), and partly through the expansion of low alcohol beers from 10% to 25% of the market.

Over the period the per capita consumption of alcohol as wine grew by 4% and as spirits grew by 30%.

Table 2.1 - International Alcohol Consumption

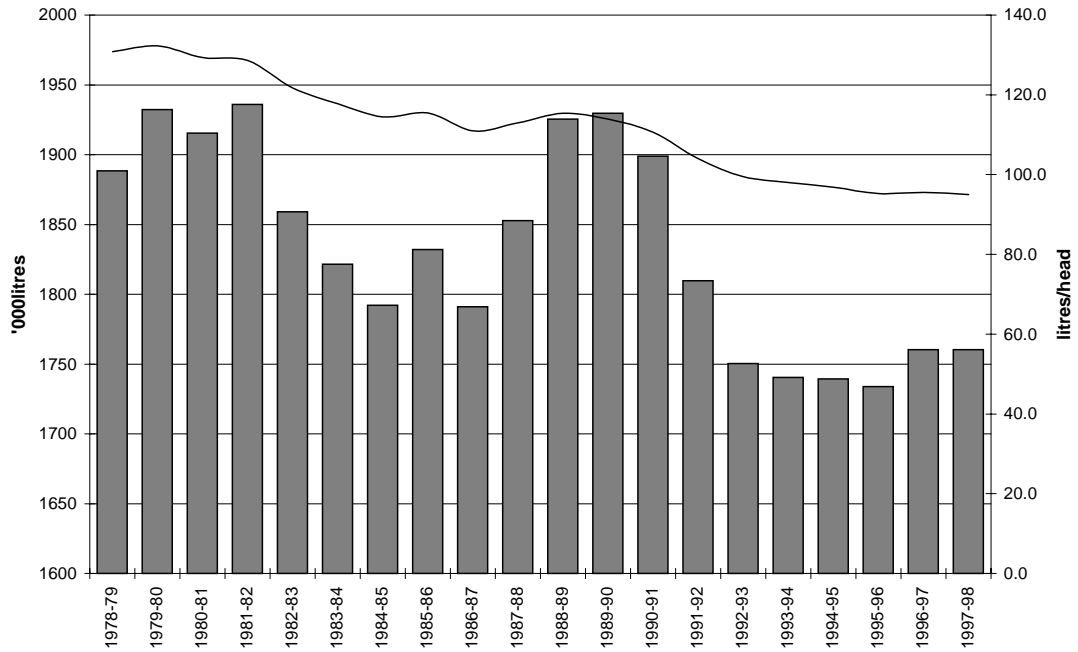
	1997 (LAI)		1997 (LAI)
Portugal	11.3	Argentina	6.9
Luxembourg	11.2	USA	6.6
France	10.9	Japan	6.6
Hungary	10.1	Uruguay	6.5
Spain	10.1	Poland	6.3
Czech Republic	10.0	Canada	6.0
Denmark	9.9	Venzuela	5.4
Germany	9.5	Sweden	5.1
Austria	9.5	South Africa	4.8
Switzerland	9.2	Chile	4.5
Romania	9.2	Colombia	4.3
Republic of Ireland	9.0	Norway	4.3
Belgium	8.9	Brazil	4.1
Greece	8.8	China	3.7
Slovak Republic	8.6	Iceland	3.4
Netherlands	8.2	Mexico	3.1
Italy	7.9	Taiwan	2.9
Cyprus	7.9	Cuba	2.7
United Kingdom	7.7	Estonia	2.4
Australia	7.6	Paraguay	2.3
Bulgaria	7.5	Singapore	1.7
Russia	7.3	Ukraine	1.2
New Zealand	7.3	Peru	1.1
Finland	7.0	Turkey	1.1
Latvia	6.9	Israel	0.9

Table 2.1 shows that alcohol consumption in Australia is reasonably moderate by world standards in terms of statistical consumption per capita, with some countries recording consumption levels nearly 50% greater than Australia's. This comparison does not, however, account for differences in consumption patterns between countries. But it is interesting to note that in the countries with relatively higher levels of consumption there are some where alcohol consumption is generally not episodic, such as France where alcohol is often a daily part of diet, but others where it is, such as Germany and Ireland.

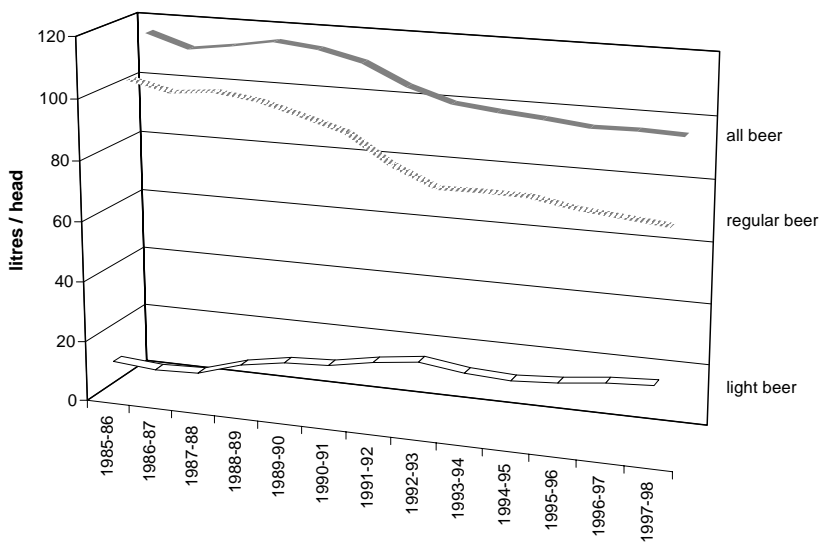
Australian drinking patterns have frequently been recorded as being episodic, and that this is a more hazardous pattern of consumption, certainly in terms of immediate harms associated with intoxication. It should be noted though, that episodic patterns of consumption in Australia have become far less common as our general consumption patterns have changed. Certainly the types of beverages and range of drinking settings has changed markedly.

Beer Consumption

Graph 2.2 – Beer Consumption, 1979 - 1998



Graph 2.3 - Per Capita Consumption of Low Alcohol and Regular Beer



Between 1978-79 and 1997-98 total annual consumption fell from 1,888.5M litres to 1,760.4M litres. In terms of per capita consumption the fall was from 130.8 litres to 95.0 litres, a fall of 27.4%.

Between 1985-86 and 1997-98 per capita consumption of regular strength beer fell from 102.8 litres to 70.1 litres, a fall of 31.8%. Over the same time period low alcohol beer consumption per head almost doubled, from 12.7 litres to 24.9 litres.

Table 2.2 below shows how the market share of low alcohol beers has progressed in the ten years since 1989. It also distinguishes between Light brands (mostly 2.5 – 2.7% alcohol by volume), medium or Mid-strength brands (mostly 3.3 – 3.5% alcohol by volume) and regular strength brands (mostly above 4.2% alcohol by volume with the majority between 4.6 and 4.9%).

Mid-strength brands increased over the period from 6.1% to 15% of the market nationally. Light beers increased from 8.6% to 11.9%.

Table 2.2 Beer Types by State, 1989 – 1999 (% of beer market)

	NSW		VIC		SA		TAS		QLD		WA		NT	
	1989	1999	1989	1999	1989	1999	1989	1999	1989	1999	1989	1999	1989	1999
Light	9.1	13.8	8.4	17.6	12.1	12.3	7.7	11.8	6.5	7.7	8.8	2.1	8.9	14.4
Medium	1.0	2.9	8.2	4.1	0.9	4.3	0.2	0.7	9.7	43.3	17.2	34.9	18.1	27.8
Sub-tot.	10.1	16.7	16.6	21.7	13.0	16.6	7.9	12.5	16.2	51.0	26.0	37.0	27.0	42.2

Regular	86.8	77.6	80.2	73.7	81.4	78.3	88.4	77.7	82.5	46.7	72.3	57.8	70.3	47.7
Premium	3.1	5.7	3.2	4.6	5.6	5.1	3.7	9.8	1.3	2.3	1.7	5.2	2.7	10.1
Sub-tot.	89.9	83.3	83.4	78.3	87.0	83.4	92.1	87.5	83.8	49.0	74.0	63.0	73.0	57.8

- In the Northern Territory Mid-strength brands have always commanded a major share of the market. In 1989 Medium Mid-strength brands had an 18.1% market share, three times the national average. This has grown to 27.8% in 1999, still almost double the national average.

Light brands had 8.9% of the market in 1989, virtually the same as the national average. This has grown to 14.4% now compared with 11.9% nationally.

Ten years ago the lower alcohol brands combined held 27% of the beer market while the national average was 14.7%. Today the shares are 42.2% in the Northern Territory and 26.9% nationally.

- Mid-strength brands have had a similar history in Western Australia and Queensland. In 1989 they represented 17.2% and 9.7% of those state markets respectively; in 1999 the WA share had grown to 34.9% while in Queensland they are now 43.3% of the market.

Light brands in Queensland grew marginally over the period from 6.5% to 7.7% and actually fell in WA from 8.8% to 2.1%.

Combined, the lower alcohol brands in these two states have always performed well, growing from 16.2% in Queensland in 1989 to 51% now, and from 26% to 37% in WA.

- Mid-strength brands are poorly represented in all other states; New South Wales, Victoria, South Australia and Tasmania, while light beer brands perform at or above the national average.

Climate is an important factor influencing the higher representation of lower alcohol brands in these states and although beer consumption in these states is generally higher because of warmer temperatures, it is clear that many consumers make conscious decisions to reduce their actual alcohol consumption.

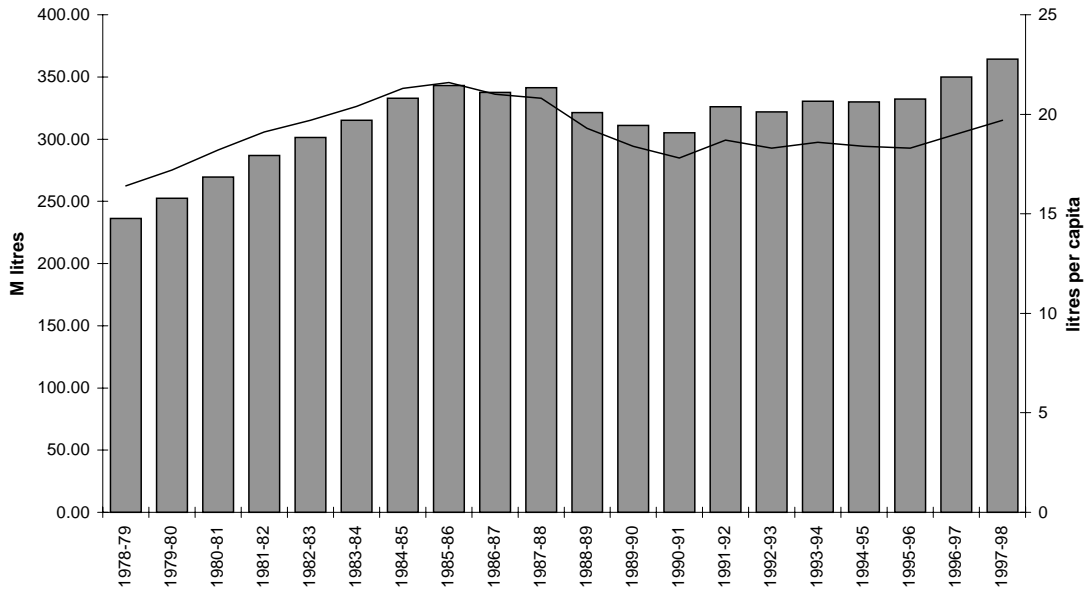
It is also important to note that this higher representation of lower alcohol brands in the warmer climates is a long-standing phenomenon. Low alcohol beers in the Northern Territory for example, have always enjoyed a market share that is approximately double the national average. State tax incentives have played some role in encouraging lower alcohol brands. But tax incentives have also existed in cooler climates without achieving such high market share for these brands. These tax incentives were absent in Queensland where lower alcohol brands now outsell regular strength beers.

Australia is recognised worldwide for its unique high representation of lower alcohol brands. There have been four key interlocking factors in their success:

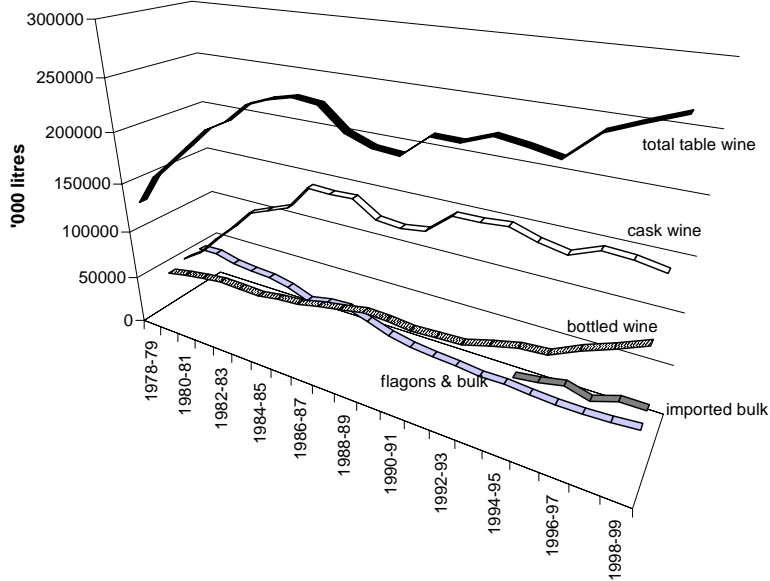
- Climate
- Evolving brewing technology has vastly improved the quality of reduced alcohol brands
- Continued and concerted targeting of drink driving behaviour by authorities
- Federal (and previously state) tax incentives for low alcohol brands

Wine Consumption

Graph 2.4 - Wine Consumption, 1979 - 1998



Graph 2.5 - Wine Packaging Trends, 1979 - 1998

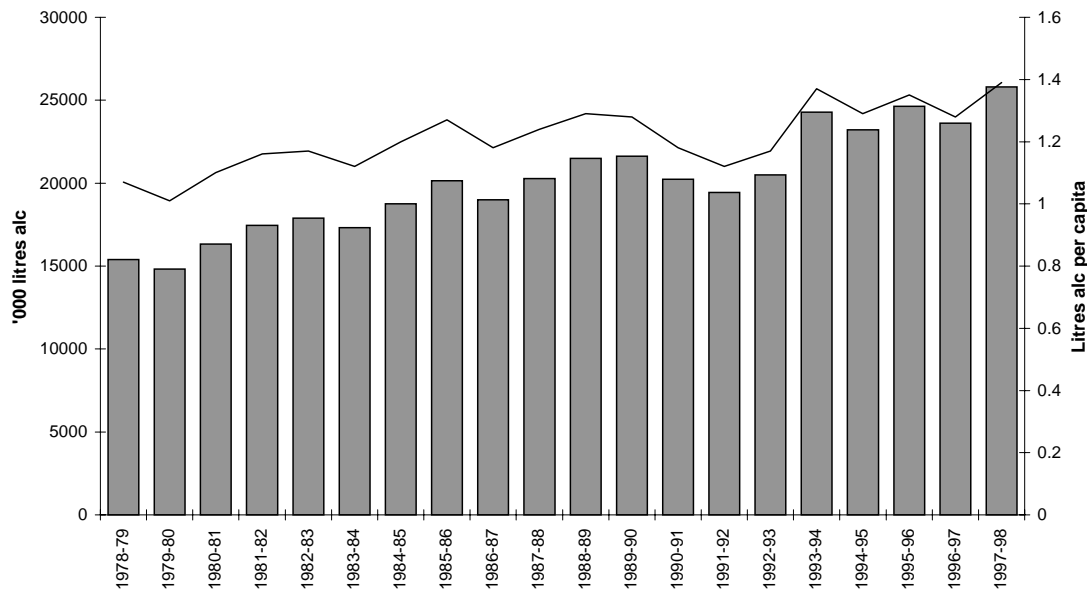


The rapid growth of table wine consumption in the 1960's and 1970's continued until the mid-1980s. Since then a smaller rate of growth continues to characterise Australian consumption. Wine consumption growth is attributed to a number of factors:

- Changing social, cultural and ethnographic make-up of Australia
- Changing common drink settings and situations
- The cask packaging innovation

Spirits Consumption

Graph 2.6 - Spirits Consumption, 1979 - 1998



Spirits consumption has steadily increased over the period. Market surveys indicate that the main focus of growth in spirits consumption has been in pre-mixed packaged spirit drinks; however, no official data series are available to verify the extent of that growth factor.

ALCOHOL POLICY CONSIDERATIONS

Costs of Alcohol Misuse and Abuse

Much work has been done to establish a methodology which estimates a cost of substance abuse. 'The Social Costs of Drug Abuse in Australia in 1988 and 1992' (1996), by David Collins and Helen Lapsley, is an often quoted reference in Australia. It estimates costs of abuse for alcohol, tobacco and illicit drugs; it did not look at over-the-counter and prescription drug misuse.

Collins and Lapsley estimated the cost of abuse of alcohol in 1992 to be \$4.495B. In 1991 the authors published their first work in this area and had estimated the costs from alcohol abuse in 1988 to be \$6B.

The fact that their results varied so dramatically between studies – because of "...differences in the underlying epidemiological data, in the availability and quality of other data, in methodology and in presentation..." – highlights that cost estimation is theoretical and also highly contentious. A critique of their initial work by the Tasman Institute ('Costs of Alcohol Abuse: A Review of a Report by the Department of Community Services and Health, May 1991') concluded that the true figure of costs amounts to less than \$900M.

a. Why measure costs

Given the obvious debate about the methodology used to estimate costs it is instructive to consider the context of such work. In October 1995 the Canadian Centre on Substance Abuse (which has developed guidelines for estimating the costs of substance abuse) commissioned a survey of "...a small but purposefully selected international sample of policy officials and other professionals working in the substance abuse field". The results were presented in 'Some policy issues relating to the development of international guidelines for substance abuse social and economic cost studies, by Richard A Lindblat, Dr. P.H., Consultant, Washington DC. The findings included:

- The most frequently reported use of such studies was for promoting public or political awareness as part of budget proceedings.
- Most respondents reported the quality of their attributable cost data as 'fair' or 'poor' rather than 'good' or 'excellent'.
- The greatest value of cost estimates were those examining all psychoactive substances separately and providing different costs for each substance.
- The two areas respondents perceived as the greatest value from such studies were, 1) increasing public and political awareness as part of budget acquisition or budget defence, and 2) directing program expenditure or program emphasis.
- The least perceived value of cost estimates was in comparing the costs of substance abuse between countries.

These findings reflect the difficulties encountered by health and policy professionals in competing for program budgets. And the cost studies can only go some way in setting priorities for policy makers aiming to minimise substance abuse because the media and public perceptions also have a significant influence on these budget decisions.

The importance of generating cost benefit analysis is to ensure that program resources are effectively applied to problem areas. The importance therefore of these analyses is not in producing a single measurement of cost but in identifying the patterns of consumption that result in external costs to the community that can be reduced.

“What remains the case is that the great majority of social cost studies use erroneous and simplistic definitions of social cost. This does not mean that correctly specified studies will necessarily result in lower overall estimates. However, they will imply a radically different distribution of costs and significantly different implications for policy design.

Except in those cases where transaction costs associated with targeting are high, policies directed at those activities that do generate externalities are likely to be more efficient and equitable. There can be no justification for making all drinkers suffer for the costs imposed by those who combine excessive drinking with some other form of activity.¹

b. What’s involved in measuring costs

Estimating drug abuse costs is a complex field. The objective is to provide a measure of the social costs of abuse (externalities) – the impacts on the community as whole. For instance a hangover cannot be considered to be a social cost as it affects only the individual drinker who we can safely assume had knowledge that his behaviour could result in that outcome. The other aim is to include all the social cost outcomes from that behaviour – such as medical costs not covered by abusive drinkers, productivity loss, etc.

Policy makers are concerned with measuring externalities because it is the costs imposed on third parties that constitute a social cost and should require interventions to benefit the community. But this distinction is frequently overlooked, for instance, many works have incorrectly incorporated the costs of premature deaths in calculating social costs.

“In particular, premature mortality costs borne by drinkers cannot be described as external costs. As long as individual drinkers are aware of the potential health risks that might accompany their drinking – and there is no reason, given the wide publicity and ongoing public debate in this area, to suppose that they are not – then a positive decision to drink indicates that drinkers have decided that these health risks are outweighed by the positive aspects of drinking.....From a social point of view, if no one else is affected by the individual’s decision, then that decision is the correct one...” (Dubourg and Pearce)

Clearly it is important to make this distinction between private and social costs, because the private costs affect only the individual and are therefore internalised. Correctly identifying social costs allows for better targeting of policies.

Next, identifying the cost areas is not simply a matter of counting the number of deaths, illnesses or injuries caused by the abuse of a substance because most outcomes have multiple causes. For instance, aero-digestive cancers are linked to smoking and heavy alcohol consumption and road crashes involving one driver at or above 0.05% Blood Alcohol Content will involve other causative factors – speed; vehicle, road and weather conditions; as well as the contribution of the other driver.

¹ The Social Costs of Alcohol Consumption: Definitions, Measurement, and Policy Implications, Richard Dubourg and David Pearce in *Drinking Patterns & Their Consequences*, International Centre for Alcohol Policies

“In practice, we estimate the proportion of all deaths, illnesses or injuries occurring in a population that is attributable to substance abuse and multiply by the total numbers of deaths, etc, to derive indirectly the number in a population caused by substance abuse.”²

The proportion of outcomes caused by the substance abuse is the aetiological fraction, or attributable risk. This is estimated from studies of the comparative rates of death, illness or injury in groups affected by a substance and groups who are not, or have used it at different levels.

“The reliability of this method of estimating the aetiologic fraction is dependent on the ability of the set of criteria, and those who apply them, to distinguish between events that are truly caused by drugs and those which are not” (English et al).

“The relative risks obtained from case-control studies and cohort studies are subject to bias resulting from subject selection, collection of information and confounding” (English et al).

In terms of alcohol consumption these estimates are complicated further by the fact that moderate or low levels of consumption are known to provide health benefits, mainly in men 35 years of age and older.

“A substantial body of evidence that consumers of alcohol have reduced all-cause mortality now exists, largely attributed to reduced risks of ischaemic heart disease” (English et al).

Therefore, in setting an aetiologic fraction for alcohol the comparison must be between harmful and low levels of use, rather than abstinence. Indeed it is possible to calculate an aetiologic fraction for the contribution of abstinence to health risks but there are two reasons why workers in the health field have not done this; 1) because the health benefits of moderate consumption may not be valid at all levels, and 2) because “...the reduction of abstinence from alcohol is not an object of public health policy at present” (English et al).

A further issue in determining the balance of benefits and costs of alcohol use is the failure to approach the measurement of the benefits of relaxation on health and wellbeing. This is one of the reasons why alcohol continues to be an accepted product in most communities, yet it is not valued when estimating the costs and benefits of alcohol use.

c. Some conclusions on costs

This discussion of estimating costs of alcohol abuse raises important considerations for the use and meaningfulness of the results.

- The focus of many works has been on attaining a significant value for the particular substance rather than on identifying behaviours that lead to social costs.
- This has often lead to the incorrect counting of private (or internal) costs together with the social (of external) costs.
- We need to recognise that the costs are based on necessarily biased and sometimes small studies of causality between alcohol use at certain levels and illness, death and injury which may miss-state the level of attributable risk.

This is not to deny there are costs associated with alcohol misuse. But where there are multiple causes, there is usually double counting when proper statistical controls cannot be applied, for example in separating the contributions of excessive speed and low levels of blood alcohol

² The Quantification of Morbidity and Mortality Caused by Substance Abuse, (October, 1995) D.R. English, CDJ Holman, E Milne, G Hulse, MG Winter, prepared for the Second International Symposium on the Social and Economic Costs of Substance Abuse.

levels in road crashes. The injury/death costs of such crashes is often ascribed to both factors making it difficult for policy makers to decide which factor is more important to target.

- Knowledge regarding the impacts of alcohol is constantly changing as new research continues. This means that the attributable risk factors associated with alcohol also constantly change.
- Because low/moderate alcohol consumption can provide health benefits policy makers need to be particularly cautious in selecting interventions. If an intervention seeks to generally reduce consumption in the community it may increase costs where consumers cease drinking moderate/low levels and abstain. It may also reduce some of the benefits that are yet to be statistically measured such as the contribution of relaxation to general health and wellbeing.

The key implication of these factors for policy makers is the importance of correctly identifying specific behaviours that generate costs to the community and applying targeted interventions that address these behaviours specifically.

Another way of analysing policy instruments is to consider whether they are aimed at the supply of alcohol or the demand for alcohol. Supply side policies tend to be the broad instruments that affect availability – tax/price, number of outlets, hours of opening, whereas demand side policies are targeted at behaviours – consumer education, enforcement to deter unacceptable behaviours.

When we review the key interventions it is generally the demand side interventions that have been most effective, like drink driving interventions and information/education programs that ensure that the community is well educated about the impacts of alcohol use. Nevertheless, some supply side interventions have been proved to be effective, like responsible server training and proof of age enforcement.

It is also important to view policy instruments from the point of view of ease of implementation and impact on government funding. Taxation, which is often proposed as a mechanism to reduce harmful consumption, is attractive because it provides revenue and indeed there are many who propose further alcohol tax increases to directly fund other programs.

But alcohol has always suffered a 'sin' tax – excessive levels of taxation – and it has therefore become one of the staples of government revenue. The current tax reform being implemented underscores this because, had GST simply replaced the existing high levels of wholesale sales taxes, alcohol taxes and revenues would have fallen significantly. But twin revenue and political concerns resulted in government significantly increasing excise to at least maintain, or in the case of beer, increase the tax on these products. Indeed, it has become controversial that the excise increases on low alcohol beers exceeded the increases for regular strength products.

Other broad interventions, such as restrictions to availability, have a smaller cost to government than targeted interventions. They require enforcement and monitoring but not the program implementation costs that are required for effective targeted interventions.

The AAB believes that in measuring costs of alcohol abuse the behaviours that generate social costs are identified. A simplistic per capita consumption approach is not sufficient to identify community problems with alcohol because an average consumption approach does not allow us to distinguish between those who drink moderately consistently from those who drink heavily occasionally.

IN CONCLUSION

The AAB is concerned that policy instruments should be designed to effectively target consumption patterns that cause harm, either in terms of immediate impacts on the community through accidents and other harms to individuals, or through affects on long term health.

The AAB has played a leading role in the development of positive and cooperative approaches to reducing the harms related to the misuse and abuse of alcohol. In its commercial activities and in its contributions to research, community education and self-regulation the industry believes its contribution has been a positive one. The expectation is that governments and agencies will also continue this cooperative approach based on sound research and program evaluation and that the range of alcohol problems areas in Australia is closely monitored and targeted.