SENATE COMMUNITY AFFAIRS COMMITTEE

INQUIRY INTO READY-TO-DRINK ALCOHOL BEVERAGES

Australian Hotels Association WESTERN AUSTRALIA

> PREPARED BY AHA(WA) CEO BRADLEY WOODS

EXECUTIVE SUMMARY

The Australian Hotels Association (WA) is in full support of the Commonwealth Government's campaign to reduce the incidence of binge-dinking and alcohol-abuse in Australian society.

The Association would support and welcome a coordinated approach to the issue that is based on education and prevention strategies, research and consultation. The AHA (WA) is committed to the goal of reducing alcohol misuse and abuse.

However, due recognition of the role and personal responsibility of the individual should be forthcoming in any debate relating to binge-drinking and the abuse of alcohol amongst teenagers.

The liquor industry, in general, could be incorporated as a powerful tool by the Commonwealth in delivering key messages targeting binge-drinking and alcohol abuse.

The most successful social marketing campaigns incorporate peer-to-peer channels of communication as opposed to messages simply imparted by regulatory organisations.

When targeting binge-drinking and the misuse of alcohol, it is imperative to acknowledge that we are trying to communicate and change the behavioural patterns of a minority of Australians. The vast majority of society consumes alcohol responsibly without causing harm or ill-health to others.

To date the Commonwealth Government's approach to the binge-drinking issue has been disappointing. Instead of placing the binge-drinking agenda on the table of every liquor producer, distributor and industry body through a coordinated process of consultation – a process which could have resulted in a strategy that had the wholesale support of the industry – the Commonwealth Government has simply chosen to try and tax a social problem out of existence.

Despite giving un undertaking in March 2008 that the Commonwealth was not considering any increases in alcohol excises in order to make products more expensive, the Federal Minister for Health announced in April – without any consultation with the liquor industry, or any warning provided to the community – that there would be an immediate increase to the excise of premixed alcohol products, which have subsequently been labelled 'alcopops'.

This 'initiative', which was dressed up and sold to the Australian society in the guise of targeting binge-drinking and being in the best interests of the nation's health, was cynically announced

during the ANZAC Day long weekend while the Nation was distracted by an extended break from work.

In doing so, the Commonwealth Government has alienated the community, the industry and diluted its health agenda by presenting the entire community as binge-drinking consumers of 'alcopops'.

It is the opinion of the AHA (WA) that the 70 per cent increase in taxation has very little to do with initiating a program designed to curb binge-drinking and benefit the health of the majority of Australians. Instead, the Commonwealth Government has undertaken a pessimistic strategy to raise-revenue through taxation increases that will further disadvantage working people, who are not binge-drinkers, while failing to present one tangible shred of evidence to suggest that they have any prevention or education programs in the pipeline.

As a result of the tax hike, there has been a decrease in the volume of pre-mixed alcohol products sold, but a sharp spike in the sales of straight spirits.

This has resulted in people engaging in mixing their own spirit-based drinks without the assurance of consuming a particular standard measure.

When announcing the Commonwealth's 'new national strategy on to address the binge-drinking epidemic among young Australians', the Prime Minister referred to the 2005 Australian Secondary Students' Alcohol and Drug (ASSAD) Survey, which indicates that one-in-ten 12-17 year olds admit to engaging in binge-drinking or drinking at risky levels on a weekly basis.

In isolation, the fact that 12 year olds are consuming alcohol is abhorrent. However, the alcoholconsumption patterns of minors should not form the foundation for a taxation increase in alcoholic beverages, or a binge drinking campaign designed at targeting the wider community.

The alcohol-consumption patterns of minors should form the foundation for a campaign that targets parents who have little ability, or little intent on controlling their children. The Commonwealth Government has simply provided bad parents with another opportunity to shift the blame for their children's bad behaviour and their own inadequacies as responsible and appropriate role-models.

In forming its strategy against binge-drinking, the Commonwealth had made a commitment to formulate a community-wide response to a community-wide problem. It would appear the Commonwealth Government fails to consider the liquor industry as part of the community.

LACK OF EVIDENCE PROVIDED

- There is no evidentiary support for increasing the excise on pre-mixed alcohol products. The Commonwealth Government has consistently highlighted binge-drinkers as being young females, yet all the evidence suggests the real consumers of pre-mixed alcohol products are 25+ single males;
- There has been no evidence presented by the Commonwealth that links the price structure of the pre-mixed alcohol market with binge-drinking;
- There has also been no evidence presented by the Commonwealth that links the increasing popularity of the pre-mixed sector with problem drinking patterns in young drinkers;

YOU CAN'T SIMPLY TAX A SOCIAL PROBLEM INTO EXTINCTION

- Taxation changes on alcohol products should only be considered when the changes are based on the best available evidence; there is broad consensus in relation to that evidence from numerous sectors, not just the health sector which is aligned to the Commonwealth Government; there is reliable evidence suggesting the taxation increases will achieve the objectives of the strategy; and the taxation increases will not result in shifting the problem to other substances;
- An independent inquiry into 'alcopop' taxation commissioned by the New Zealand Ministry of Youth Development in 2004, concluded... "that if the tax on flavoured alcoholic beverages was increased, teenagers would simply shift to drinking other products."¹
- The independent inquiry into 'alcopop' taxation commissioned by the New Zealand Ministry of Youth Development, concluded... "Binge drinking is the problem that needs to be addressed, both for teenagers and adults. Policy around alcohol should focus on

¹ Inquiry: Should alcopops be taxed higher than other alcoholic beverages to reduce teenage drinking, available: <u>http://www.myd.govt.nz/uploads/docs/20.8.1%20yp04-alcopops-report.pdf</u>,

addressing this problem drinking, rather than those who drink in a responsible manner. However, the community will need to lead any change in attitude to drinking — legislation and taxation cannot achieve a cultural shift. Teenagers also need to responsibility for their actions.²

- The independent inquiry into 'alcopop' taxation commissioned by the New Zealand Ministry of Youth Development, concluded... "Adults need to understand the content of the drinks they are supplying to teenagers, and take responsibility for the way those teenagers then consume that alcohol. In that respect flavoured alcoholic beverages are less harmful than teenagers mixing their own drinks, as the quantity of alcohol in each drink is clearly labeled."³
- The independent inquiry into 'alcopop' taxation commissioned by the New Zealand Ministry of Youth Development, concluded... "If flavoured alcoholic beverages were taxed to increase their price, that could actually cause harm by encouraging teenagers to mix their own drinks. It might also encourage an increase in home brew, where the drinks produced are of unknown alcohol content. We are concerned that price increases could also lead to teenagers stealing alcohol, or the money to purchase alcohol, from their parents, and to an increase in shoplifting."⁴

PRICE COMPARISON SUPPORTS A SHIFT IN THE PREFFERRED PRODUCT

- Increasing the taxation rate for RTD products simply makes it more cost-effective for people determined to get drunk, or determined to abuse alcohol to purchase straight spirits, without the guarantee of knowing the exact measure of alcohol they are consuming with each individual drink;
- For example, a generic 700ml bottle of bourbon purchased from a hotel bottle shop costs the consumer approximately \$30 and contains approximately 23 standard drinks (30ml).
 A bottle of cola costs approximately \$3. A carton of RTD bourbon and coke costs approximately \$60 and contains approximately 25 standard drinks;

² Inquiry: Should alcopops be taxed higher than other alcoholic beverages to reduce teenage drinking, available: <u>http://www.myd.govt.nz/uploads/docs/20.8.1%20yp04-alcopops-report.pdf</u>,

³ Inquiry: Should alcopops be taxed higher than other alcoholic beverages to reduce teenage drinking, available: <u>http://www.myd.govt.nz/uploads/docs/20.8.1%20yp04-alcopops-report.pdf</u>,

⁴ Inquiry: Should alcopops be taxed higher than other alcoholic beverages to reduce teenage drinking, available: <u>http://www.myd.govt.nz/uploads/docs/20.8.1%20yp04-alcopops-report.pdf</u>,

- The cost per glass of the 'pour your own' product of bourbon and cola works out to be approximately \$1.43, while the cost per glass for the pre-mixed alternative is approximately \$2.40;
- Outlined in 'SUPPORTING MATERIAL', which highlights price comparisons for alcoholic beverages sold by off-premise outlets, are clear illustrations of the value-for-moneystraight spirit products now represent.;
- Some off-premise outlets are now selling a bottle of straight spirits and a bottle of mixer (soft drink) as a package, which clearly outlines the disparity in the pricing structures and the 'value' of the 'pour-your-own' products;

RISK IN NOT BEING ABLE TO CONTROL THE LEVELS OF ALCOHOL INGESTED

- United States research has from 2005 shown that... "college students tend to put too much alcohol into what is considered a 'drink' likely leading to inaccuracies in selfreported consumption."⁵
- The research... "confirms that college students tend to overestimate volumes, over-pour drinks and under-report levels of consumption⁶" when relied upon to mix their own drinks instead of consuming pre-mixed alcohol products that are produced in specific standard drink measures;

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INCONSISTENT INFORMATION

- Alcohol consumption data, which targets drinking patterns should differentiate between at-risk categories within each age group;
- The Federal Government's agencies responsible for the collection of data relating to consumption and production patterns needs to collaborate with industry to establish a defined and accurate system for collecting data;

⁵ Alcoholism: Clinical & Experimental Research. 29(4):631-638, April 2005.

White, Aaron M.; Kraus, Courtney L.; Flom, Julie D.; Kestenbaum, Lori A.; Mitchell, Jamie R.; Shah, Kunal; Swartzwelder, H Scott

⁶ Alcoholism: Clinical & Experimental Research. 29(4):631-638, April 2005.

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ALTERNATIVE STRATEGY

- Simply increasing the taxation levels on alcoholic products is not the panacea curbing binge-drinking and stopping minors from abusing liquor;
- The Commonwealth Government has committed to formulating a community-wide response to a community-wide problem and should follow through on its commitment by:
 - Working in partnership with the liquor and hospitality industry to develop and implement strategic initiatives targeting at-risk groups who are determined to binge-drink and abuse alcohol. These strategies need to include pro-active education, prevention and rehabilitation campaigns that include on and offpremise communication channels involving above and below-the-line tools and tactics;
 - 2. Working in partnership with the producers of pre-mixed alcohol products to define clear parameters relating to what types of products can be produced;
 - 3. Providing clear guidelines relating to the marketing and advertising or alcohol products relating to how pre-mixed products in particular can be marketed;
 - Endorsing stricter trading practices on multinational retail chains that are able to operate profitably despite practicing the principle of 'lost litres' and heavily discounting bulk liquor purchases;
 - 5. Targeting individual responsibility;
 - 6. Targeting parents who find it acceptable to provide minors with alcohol.

CONCLUSION

As a strategy to curb binge-drinking and alcohol abuse in young people, raising the excise on a pre-mixed alcohol products is naive at best and negligent at worst.

Is the issue with binge-drinking what people drink, or how they drink and how they act when intoxicated? Ask any intelligent person on the street and they will reply in the affirmative for the latter.

The Commonwealth should be applauded for initiating the initial salvos in the war on bingedrinking, even if the first rounds have been profoundly misdirected and lacked reinforcement.

But there needs to be an acknowledgment that simply raising taxes on pre-mixed alcohol products will cure society's inebriated ills. In isolation, it is a cynical measure that insults those who do not have an issue with alcohol consumption, particularly the consumption of pre-mixed products, and one which is simply shifting the focus of binge-drinkers onto straight spirits and wine-based products.

Furthermore, aligning the taxation rate of other alcohol products with the excise on pre-mixed products unfairly discriminates against those who do not abuse alcohol and has the potential to encourage young people to cheap and accessible illicit substances.

Instead there is a significant opportunity for the Commonwealth, the community and the industry to work together in partnership to target binge-drinkers of any age, hotel patrons and society in general to define and implement clear social, behavioural guidelines for generations to come.

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Collectively, we should be initiating short, mid and long-term strategies that realign the behaviour of an at-risk minority with the overall expectations of society.



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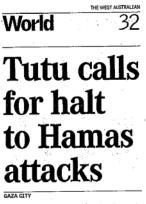
Moral thaw destroying Britishness, says cleric











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Nobel peace prize winner Desniond Tutu has urged a senior Hamas leader in the Gaza Strip to end rocket attacks by militant groups against Israel. Archbishop Tutu, leading a United Nations far-finding mission to the Hamas-run Gaza Strip, also said he was moved to tears by the "unacceptable" situation is her Palestinian territory that is under a tight Israeli Measidon. Tuesday the he da alsoft Hamas Prime.

he wai moved to tears by the "uncceptable" situation in the Plettinian territory that is under a tight Harseli blockade. He said on Tuesday that he had asked Hamas Prime Minister Ismail Hanjveh: "Con you stop the firing of rockets is ito Ismael?" The fact-finding mission was looking into the killing of 19 Palestinian civilians is an Israeli artillery attack in 2006. "The incident we are meant to investigate was a violation of human rights in the fact that civilians were targeted," Archibishop Tutus add. "We have said to the Prime Minister (Mr Haniyeh) that, equally, what happens with rockets fired at (the Israeli worn of) Sderot is a violation." He also condemned the blockade Israel says it is imposing in a bid to pressure the Hamas authorities to end the attacks by militans. "Archibishop Tutus aid after a 40-minute meeting with Mr Haniyeh. "We have already seen and heard enough blocklists the Islamist group as a terroris torganisation. However, Eigypt has been mediating between the two is a bid to achieve a truce in and around the Gans Strip. Archibishop Tutus, a prominent anti-apartheid activ-sid with sout carporines in South Africa," he said. "Eace came when former emeins at down to alls." The tothe sure a strong to south africa, was under volue minority rules and it was crucial that the two ides acgoutized. "That was out capprisence in South Africa," he said. "Eace came when former emeins at down to alls." The torse attack on November and heard enough prime the deaths in 2006 occurred, to latewrite whence the duals in 2006 occurred, to latewrite whence the duals in all the tarse with Bet Hammu vestradiy whence the duals in the tarse with Bet Hammu vestradiy whence the duals in tarse on November and eight childres, in the Romet.

19 civilians, including five women and eight children, in their homes. In February, the Israeli army announced that charges would not be brught against soldiers over the attack. After an internal investigation, the army concluded that the shelling of the civilian's hones war "a rare and grave technical error of the artillery radar system." The army said it had been aiming its artillery at an area from which Palestinian militants were firing rockst at Israel. The UN Human Rights Council decided to send a team to the strip to investigate the killings but Israel refused to grant visa. Archbishop Tutu circumvented the restrictions by driving to the Palestinian territory through Egypt.

China counts quake cost to cultural treasures BEIJING

BELING Temples, ancient pieces of pottary and the famed Terracotra Warriors were among priceless cultural resource disaged or destroyed in the devastating earthquake in China this mouth that Nilled more than 68,000 people, state press reported yesternöst, cale, damaged 1045 cultural ticlicis in worst-hit Schlaun province alone, including 148 regarded as precious, the Xinhua news segnery said. Charles and the segnery damaged was the 2000-year-dol Erwang Temple, Xinhua reported. It was built to honour two ancient kings and was a popular tourist destination until the quake. A further 239 relies were severely damaged in the inchoonging municipality, Xinhua said, citing China's Cultural Heringe Administrations. Tong Mingkang, the administration's deputy head, seid experts from all over the country would gather in the affected areas to help restoration work. In Shanxi, to the north-east of the quake zone, seven Terracotta Warriors sustained minor damage and alterna and an and an and an angester of the seven seven Terracotta Warriors sustained minor damage









