AUSTRALIAN MEDICAL ASSOCIATION
ABN 37 008 426 793
T | 61 2 6270 5400
F | 61 2 6270 5499
E | info@ama.com.au
W | www.ama.com.au
42 Macquarie St Barton ACT 2600
PO Box 6090 Kingston ACT 2604

The Secretary
Senate Community Affairs Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Mr Humphrey

Re: AMA Submission to the Inquiry into Ready-to-Drink Alcohol Beverages

Please find attached the AMA submission to the Senate Community Affairs Committee on the Inquiry into Ready-to-Drink Alcohol Beverages.

The AMA is committed to achieving a reduction in the incidence of hazardous and harmful levels of alcohol consumption in Australia. It is pleased to see an increased focus on the harms associated with binge drinking. The AMA believes it is appropriate to protect particularly vulnerable population groups, such as young people, from alcohol related harms. It is important however, that measures are considered carefully and are appropriately targeted.

The AMA also notes that the dismantling of the expert advisory committees, including the National Expert Advisory Committee on Alcohol, under the National Drug Strategy framework, has resulted in important issues such as this not receiving on-going consideration within the wider context of a national drug and alcohol strategy.

If you need any further information, please do not hesitate to contact me.

Yours sincerely

Rosanna Capolingua

Dr Rosanna Capolingua,
President
Australian Medical Association

AMA Submission to Senate Community Affairs Committee inquiry regarding Ready to Drink Alcohol Beverages

Summary

Levels of risky alcohol drinking among Australians, particularly adolescents and teenagers, are unacceptably high. This is a matter of significant concern to the AMA.

The AMA believes that a stronger, and multi-faceted approach is needed to change potentially harmful drinking patterns. This approach must include:

1. Price signals to discourage alcohol consumption.
   Increasing the price of high alcohol content beverages acts as a disincentive. At the same time lower prices act as an incentive to encourage people, particularly young people, to shift their drinking preferences to beverages of a lower alcoholic content. Appropriate price signals can be achieved through volumetric taxation - applying levels of taxation on the sale of alcohol beverages according to the percentage of a beverage's volume that is alcohol.

   The AMA supports the use of price signals through increasing the taxation applicable to alcoholic beverages to levels that reflect their alcohol volume. "Alcopops" or ready to drink alcoholic beverages (RTDs) have been attractive in particular to a young market, to establish brand recognition and drinking behaviours. Price signals on these can be part of an overall alcohol consumption strategy.

2. Adequate funding for programs of prevention, early intervention and treatment of harmful or risky alcohol use through full use of the revenue generated from this alcohol volumetric tax.

   As the government has taken action with price signals on RTDS, the AMA believes that the full revenue expected from the proposed tax increase for RTDs should be devoted to programs to reduce harmful drinking among adolescents and the general population. Price signals alone are not the answer to excess alcohol consumption. Price signals on one particular product range will just encourage a shift to consumption of lower priced but still high alcohol beverages.

3. Uniform application of a volumetric alcohol tax to ensure that there are no incentives for people to shift their drinking preferences to cheaper, but higher alcohol volume products. This is especially important with adolescents and teenagers, who are price sensitive.

   The AMA believes that the Federal Government's focus on RTDs alone may provide perverse incentives for young people to shift their preferences to potentially more harmful behaviours or alcohol substitutes (eg., cheaper cask wines, self-mixing of spirits).

4. A comprehensive range of measures to discourage excessive alcohol consumption, and early onset of drinking, which incorporates:
    - Legislation and regulation to control the marketing and advertising of alcohol, especially to teenagers and adolescents, and the sponsorship of sporting events by alcohol manufacturers;
    - Examination of the pricing policies at drinking venues, to ensure that non-alcoholic drinks are not more expensive than alcoholic;
    - Clear and prominent warnings on alcohol products, and clearly visible 'point of sale' signage in drinking venues showing levels of risky and high risk consumption (translated in terms of standard drinks/glasses);
    - Carefully devised and targeted media campaigns and school-based education informing of the risks of excessive alcohol consumption;
    - Examination of the regulations applying to opening hours of licensed premises.

About the AMA

The AMA is the peak medical organisation in Australia representing doctors across all specialties of medicine and across all of Australia. The AMA's policies on public health issues, including alcohol consumption, are evidenced based and reflect considered medical opinion and are respected by the community, politicians and the media. As a group of professionals who are often involved in the front line treatment of alcohol related health (and social) problems, the AMA has observed recent trends with growing concern.

Concerns about young people's alcohol consumption

Excessive alcohol consumption has been shown to be causally related to more than 60 different medical conditions and is a significant cause of preventable illness and premature death. Harms relate to both short-term and long-term use, with binge drinking being particularly harmful.[1]

The AMA's position statement on Alcohol Consumption and Alcohol Related Problems (1998) notes:

> *excess alcohol consumption is an issue of public health significance, leading to an unacceptably high level of sickness and social disruption. It is associated with diseases of the nervous system, heart, liver and other organs and contributes to many common medical problems, accidents of all types, family breakdowns, unemployment, violence in our society and other alcohol related offences.*

The drinking behaviour of teenagers and adolescents is of particular concern. Despite alcohol not being allowed to be sold to people under the age of 18, Australian surveys suggest that most adolescents begin experimenting with alcohol at about 14-15 years of age.[2] The 2006 Australian School Student's Alcohol and Drug Survey (ASSAD) showed that about 8 in 10 students aged 14-17 had consumed alcohol in the year prior to the survey.

Young people are often involved in risk taking behaviours, with little understanding of the potential impacts of these choices. Teenagers and adolescents are also subject to the inexperience of age, and are at an earlier stage of brain and body development. There is also

[1] British Medical Association Board of Science, *Alcohol Misuse: tackling the UK epidemic*, February 2008
[2] Australian Institute of Family Studies Research Report no.10, 2004

evidence that the early onset of drinking is associated with long-term alcohol consumption levels into adulthood.[3]

In the context of these factors, any levels of risky drinking behaviour by teenagers and adolescents is problematic. The National Drug Research Institute has reported that when adolescents consume alcohol, most do so at risky levels, with 85 percent of alcohol consumption at risky or high-risk levels for acute harm.[4] Especially problematic will be any 'binge-drinking' behaviour in these early age groups. Data indicate that 10% – 20% of teens under the age of 18 put themselves at risk of alcohol-related harm in the short term on at least a weekly basis.[5] The recent results of the National Drug Strategy Household Survey indicate that in 2007, 9.1% of 14-19 year olds drank at risky or high risk levels at least once a week, (and a greater proportion of girls than boys drank at these levels).While this national survey does not show an increase in binge-drinking in this age range since 2004, the fact that nearly 1 in 10 under-aged teenagers binge drink is still a matter for significant concern.

The 'potential' risks associated with excessive drinking in these age groups can result in actual harms. The National Health and Medical Research Council has pointed out in its discussion paper on low-risk drinking guidelines that there is evidence that young people who use alcohol to cope with mental health or social problems are more likely to drink at dangerous levels. Binge-drinking, in combination with depression, is a significant predictor of suicidal ideas, self-harm and suicide in young people. A report of the National Drug Research Institute has noted that in one year (1999-00) 3,300 people aged 14-17 years were hospitalised for alcohol attributable injury and disease.[6]

Pricing of ready-to-drink and other alcoholic beverages

Harm-reducing alcohol policy needs to be attuned to the drinking preferences of at-risk adolescents and teenagers. Sweetened ready-to-drink alcohol products (RTDs) are not exclusively consumed by adolescents and teenagers, nor are they the sole alcohol product preferred by this age group. However, the 2006 ASSAD Survey indicates that there has been an increasing preference for RTDs among 12-17 year old males and females between 1999 and 2005. The 2007 National Drug Household Survey findings show that in 2007 females between 12 and 17 years had a very strong preference for drinking pre-mixed spirits and bottled spirits, stronger than for males in that age range. This fact, together with the earleir observation that about 1 in 10 14-19 year olds are likely to binge-drink, and girls slightly more so, means that a policy focus on RTDs is justified as part of a total alcohol strategy.

The further facts that RTDs are sweet, very palatable to drink, and are highly marketable to younger people, pose added dimensions of risk for young drinkers who may be prone to dangerous levels of consumption. CHOICE reported in March 2008 that many teenagers – including 18 and 19 years olds with drinking experience -- could not detect the alcohol in alcopops. The teen tasters acknowledged that alcopops are particularly appealing to younger teens who have little or no alcohol experience ('they don't have to taste the alcohol and they don't realise how drunk they're getting').

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[3] Australian Institute of Family Studies, Research Report no.10, 2004

[4] Chikritzhs, Catalano, Stockwell, et al, 2003, *Australian alcohol indicators, 1990–2001: patterns of alcohol use and related harms for Australian states and territories*. Perth: National Drug Research Institute, Curtin University of Technology.

[5] Australian National Council on Drugs, *Supporting the Families of Young People with Problematic Drug Use: Investigating Support Options*, Research Paper 15, January 2008, http://www.ancd.org.au/publications/pdf/rp15_supporting_families.pdf.

[6] National Drug Research Institute, National Alcohol Indicators, Bulletin No. 7

The AMA supports measures that send price signals to encourage the consumption of products with lower alcohol content. The AMA is of the view that alcohol products should be taxed according to the volume of alcohol they contain, both in terms of a price deterrent for consumers and a financial incentive for manufacturers to produce lower alcohol products. However, raising the excise tax on alcopops should be seen as part of a multi-faceted strategy to address binge drinking and excess alcohol consumption in general – it should not be applied in isolation. Strategies for addressing excess alcohol consumption – like those for tobacco and other drugs – must include a comprehensive suite of initiatives aimed at controlling supply *and* reducing demand.

Our decreasing rates of smoking comes in response to long-term, consistent approaches relating to restrictions on advertising and promotion, including sponsorship; tax increases; counter-advertising campaigns; and changes in social norms related to smoking associated with smoke-free public places and workplaces.

This has not been the case with alcohol. We have more licensed premises and they are open for longer hours. Advertising and promotion has increased, and new and attractive products have been developed and marketed to appeal to young people. A number of anomalies exist, including taxation and hospitality industry pricing (pubs and clubs charging more for non-alcoholic drinks than for alcoholic ones).

It is a well-documented economic principle that as the price of an item rises, consumption of that item falls. Although there is some discussion about the precise degree of 'elasticity' (responsiveness of consumption to price) of alcohol products, 'there is no longer any serious doubt that alcohol behaves like other commodities in that consumption is responsive to changes in price', with 'a substantial body of empirical research spanning many decades and many different countries which testifies to this point'.[7] The British Medical Association has also concluded that, 'the relationship between the affordability of alcohol and the level of consumption provides an effective tool for controlling levels of consumption and reducing levels of alcohol-related harm':

> *There is strong and consistent evidence that the affordability of alcohol influences the level of consumption – not only within the population in general, but particularly among certain groups, including young people.*[8]

Another report notes that:

> *Studies of consumption patterns in Australia, New Zealand, Canada, Finland, Ireland, Norway, Sweden, the United Kingdom, and the United States have consistently shown that when other factors remain unchanged, a rise in alcohol prices has generally led to a drop in the consumption of alcohol (Collins and Lapsley, 1996; Osterberg, 1992). There is clear evidence that this basic economic theory of price influencing demand is applicable to the demand for alcohol beverages, despite their dependence-inducing capability (Chaloupka,*1993). [9]

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[7] T Stockwell, J Leng and J Sturge, 2005, 'Alcohol pricing and public health in Canada: issues and opportunities', discussion paper prepared for the National Alcohol Strategy Working Group, Centre for Addictions Research of British Columbia, University of Victoria, November 2005

[8] British Medical Association Board of Science 2008, p.49

[9] *A submission to the Federal Parliamentary Inquiry into Substance Abuse in Australian Communities*, by D Crosbie, T Stockwell, A Wodak, I O'Ferrall, 15 June 2000, http://www.aph.gov.au/house/committee/fca/subabuse/sub123.pdf:

The AMA believes that pricing should form part of a suite of measures designed to target excessive alcohol consumption among young people and adults. The Federal Government's proposed RTD tax increase alone will not solve the problem, and it is simplistic to suggest otherwise. **It is important also that the 70% level that has been set for this proposed increase be justified, especially in relation to levels applying to other beverages. Currently, it is not clear how this level has been derived.**

It should also be noted that achieving a reduction in alcohol-related harm does not necessarily require a decrease in people's social enjoyment. Studies have shown that party-goers, when provided with 3 percent strength and 7 percent strength beer, consume similar amounts and report similar levels of enjoyment.[10]

The AMA supports:

- **Setting levels of taxation on alcohol products based on the percentage of the volume that is alcohol, with a view to making lower-alcohol products more affordable and attractive to purchasers, manufacturers and retailers;**

- **Hypothecating the estimated $3.1 billion in Government revenue derived from the proposed increase in tax on RTDs for specific use in funding programs to reduce harmful drinking among adolescents and the general population;**

- **Providing for the adequate funding of alcohol education, awareness, prevention and treatment programs;**

- **Examination of the pricing practices of hospitality industry venues, (for example, to address instances where the prices of non-alcoholic drinks may be higher than alcoholic ones).**

Interventions to limit excessive alcohol consumption among adolescents and young people

It is important that consumption patterns and cultures be considered in the design and implementation of interventions to discourage excessive alcohol consumption. The evidence suggests that adolescents tend to drink at home, at parties, or at friends' homes to a greater extent than in licensed premises.[11]

Most of the adverse effects of alcohol consumption are due to consumption at hazardous, but socially acceptable, levels. This pattern of consumption has become part of Australian culture and must be addressed. The AMA advocates a range of strategies to reduce hazardous and harmful levels of alcohol consumption. The problem is so large and so pervasive that it warrants, a strategy that addresses social norms in the same way that efforts to reduce smoking have done so, and produced new social norms.

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[10] ES Geller, MJ Kalsher and SW Clarke, 1991, Beer versus mixed drink consumption at fraternity parties: a time and place for low-alcohol alternatives, *Journal of Studies on Alcohol* 52:197-203, reported in Stockwell, Leng and Sturge 2005

[11] See L Hayes, D Smart, JW Toumbourou and A Sanson, 2004, *Parenting influences on adolescent alcohol use*, Australian Institute of Family Studies Research Report no.10, http://www.aifs.gov.au/institute/pubs/resreport10/main.html

Comprehensive efforts to discourage excessive consumption of alcohol, including RTDs, should include both supply control and demand reduction measures such as:

- **targeted media education campaigns around the risks of excess alcohol consumption;**

- **school-based education on the harms of alcohol abuse, and to inculcate skills in decision-making and resistance to risk-taking;**

- **clear and prominent labels on alcohol products giving information on the health and social risks associated with excess consumption[12] (including clear messages about alcohol and pregnancy);**

- **clear and prominent 'point of sale' signage indicating risks of excess alcohol, expressed in terms of standard glasses;**

- **legislative controls on marketing and advertising of alcohol, (especially when targeted to young people, and when this involves sports sponsorship);**

- **an examination of regulations relating to the positioning and opening hours of licensed premises;**

- **an examination and recommendations about how alcohol consumption is portrayed in the media;**

- **major initiatives designed to alter the current culture that accepts and celebrates the over-consumption of alcohol.**

The Federal Government must show leadership with national education and community awareness campaigns and must also look at the ways that alcohol products are marketed, particularly to young people. This must include the serious consideration of the promotional links between alcohol and sport.

Initiatives also needed to look carefully at the language used to present information and advice and whether this is meaningful. Alcohol education campaigns often focus on the number of standard drinks an individual consumes, while the general public often think of their level of consumption in terms of how long they have been drinking, how it makes them feel, etc. Messages that rely on the concept of a 'standard drink' may be difficult to apply in social situations where there are no common glass sizes, where people may have drinks poured for them, and where not everyone counts how many drinks they have consumed over a given period of time. Efforts need to be made to clearly communicate how many standard drinks people are consuming, and what levels of risk are involved.

Because the evidence around alcohol consumption suggests that delaying the onset of drinking reduces long-term consumption levels into adulthood measures designed to discourage under-age alcohol consumption constitute a valid public health goal.
With the annual costs of alcohol abuse estimated at more than $15 billion, there is an urgent need for action -- but also a need to ensure that any action is carefully designed, based on the best possible information and evidence, and is monitored and reviewed.

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[12] Where this is deemed effective. See *National Alcohol Strategy 2005-2009: Consultation Paper,* April 2005, Turning Point Alcohol & Drug Centre for the Australian Department of Health & Ageing, p.4