

Submission to the Inquiry into the Alcohol Toll Reduction Bill 2007

Introduction

Lion Nathan welcomes the opportunity from the Senate Community Affairs Committee to make a submission to the inquiry into the Alcohol Toll Reduction Bill 2007.

As a responsible producer of alcohol beverages, we are strong supporters of evidence-based policies which reduce misuse and associated harm.

This submission will comment on the key measures of the bill and discuss additional approaches to reducing misuse.

We would be happy to appear before the Committee to expand on any points made in our submission.

Key points

- There is a real opportunity for an all of community approach to tackle alcohol misuse with sustained investment
- Alcohol misuse is best addressed through education and targeted interventions;
- There is little evidence that health information labels change drinking behaviour for the better;
- Health information labels may increase dangerous drinking behaviour;
- Moderate alcohol consumption provides health benefits – this needs to be considered as part of the debate on health information labels
- The evidence does not support any connection between alcohol marketing and misuse; and
- The benefits of marketing are too often ignored

1. Real opportunity for genuine change in Australia's drinking culture

We are concerned that a misguided focus on marketing and labelling diverts attention from real measures to achieve meaningful change.

We need to raise the level of the debate and make a long term sustained effort to change the negative aspects of Australia's drinking culture.

We believe excessive alcohol consumption is a deep-rooted societal problem which is best addressed through a significant and long term investment in social marketing and intervention programs, supported by measures to encourage people to take responsibility for their drinking decisions.

Parental and peer role-model behaviour are key drivers of misuse and we believe that they represent a huge culture change opportunity

Below are a number of integrated approaches which Lion Nathan believes have shown great promise and are worthy of further examination.

(i) Parenting: Research has shown that parenting style and parental influence (including parental drinking habits) play a very prominent role in shaping youth drinking behaviour.¹ In large part, maturing youth emulate the drinking patterns they see at home.

There is also clear evidence that young people who have a close, supportive relationship with their parents – with adequate parental monitoring and communication – are less likely to experience problems with alcohol than those from families that are not intact and where parental supervision is lacking.²

For these reasons, Lion Nathan has an ongoing partnership with the Pathways Foundation, which runs programmes to improve parent/ child relationships and provides a contemporary rite for passage into adulthood.

A number of parental programs have shown promising results in educating parents on ways to prevent underage drinking by their children.³ One in particular is the Strengthening Families Programme, a US family skills training program.⁴

(ii) Peers: Research has revealed that young people overestimate the level of drinking by their peers and behave to fit the perceived norm, however by educating people about actual peer drinking levels it is possible to reduce binge drinking. A program designed by the University of Virginia has used this 'social norms' approach to reduce binge drinking by 20-44% at nine US universities and schools.⁵

(iii) Public Education: Public Service Announcements (PSA's) have been used by governments over many years to discourage irresponsible behaviour, from littering and drink driving through to speeding and domestic violence. Of note are state drink driving campaigns, which have helped make drink driving

¹ Donovan, J. (2004) Adolescent Alcohol Initiation: A Review of Psychosocial Risk Factors, *Journal of Adolescent Health* (35):529.e7-529.e18.

² Turrisi, R., Wiersma, K.A., Hughes, K.K. (2000). Binge-drinking-related consequences in college students: role of drinking beliefs and mother-teen communications. *Psychol Addict Behav* 14(4): 342-55; Bjarnason, T., Andersson, B., Choquet, M., Elekes Morgan, M, Rapinett, G. (2003). Alcohol culture, family structure and adolescent alcohol use, multilevel modeling of frequency of heavy drinking among 15 -16 year old students in 11 European countries. *Journal of Studies on Alcohol* Mar: 64(2): 200-8; Wood, M.D. (2004). Do Parents still matter? Parent and peer influences on alcohol involvement among recent high school graduates. *Psychol Addict Behav*. Mar 18(1):19-30

³ Honik, R. et al (2002). *Evaluation of the National Youth Anti-Drug Media Campaign: Fourth Semi-Annual Report of Findings*, Bethesda, MD: National Institute on Drug Abuse

⁴ Foxcroft, D.R. et al, (2003). Longer term primary prevention for alcohol misuse in young people: a systematic review, *Addiction*, 98 (4): 397-411)

⁵ National Social Norms Institute, University of Virginia, socialnorms.org/CaseStudies/alcohol.php

socially unacceptable, and the NSW Roads and Traffic Authority's recent campaign to stigmatise speeding amongst young men by highlighting that 'no-one thinks big of you'. Lion Nathan believes similar approaches should be considered to stigmatise alcohol misuse and reinforce positive drinking patterns.

Part of the success of drink driving campaigns is that they also communicate a real sense of the consequences of drink driving i.e. losing your licence, harming your friends and family. A similar approach has been adopted by the Queensland Government's One Punch Can Kill campaign.

Lion Nathan supports a number of programs to help educate the community on alcohol related issues, including "Rethinking Drinking – You're in Control", a secondary school curriculum educating students about the responsible use of alcohol.

Recommendation: Lion Nathan does not suggest that any one approach will provide a simple inoculation against alcohol misuse and harm; alcohol education works best where there is an integrated approach involving schools, parents, peers and the wider community over a sustained period of time.⁶

2. Health information labels

Lion Nathan supports the bill's aim of providing people with information on the health impacts of excessive alcohol consumption.

We believe product-specific labels – such as alcohol content and standard drink measures - are crucial for helping people to calculate their safe drinking levels, but we do not believe that health warning labels are an appropriate way to warn people about the dangers of excessive drinking.

Where health warning labels have been adopted in other jurisdictions there is very limited evidence that they have actually changed dangerous drinking behaviour or reduced associated harm.

Extensive research conducted since the introduction of US federal labelling legislation in 1989 has found that, while there is high consumer awareness of warning labels, there is no strong evidence that labels have modified behaviour.⁷

There is also little evidence that labels change behaviour positively in at risk-groups, such as women in pregnancy. A US study found that mandated

⁶ Holder, H.D. et al, 2000. Effect of community based interventions on high risk drinking and alcohol-related injuries, *Journal of the American Medical Association*, 284 (18): 2341-2347

⁷ Alcohol Alert (34): 2, October 1996, National Institute of Alcohol Abuse and Alcoholism; Hilton, M.E. 1993. An overview of recent findings on alcohol beverage warning labels. *Journal of Public Policy and Marketing* 12(1): 1-9.

pregnancy warning labels had modified behaviour in lighter drinkers, but “among risk drinkers, the label clearly has not affected drinking behaviour.”⁸

Another study indicated a rise in drinking by US women in pregnancy after the introduction of labels, causing many health specialists to question their impact.⁹

Disturbingly, there is also evidence that warning labels may have unintended consequences, with a survey of young American college students suggesting warning labels actually increased the attractiveness of alcohol.¹⁰

As the Committee may be aware, this risk of unintended consequences was one of the key reasons cited by the former Australia New Zealand Food Authority for rejecting an application for warning labels, stating:

[T]here is considerable scientific evidence that warning statements may result in an increase in the undesirable behaviour in ‘at-risk’ groups.¹¹

The Authority also rejected warning labels on the grounds that the complexity of issues surrounding alcohol misuse did not lend themselves to simple warning labels.¹²

Likewise, when labels were proposed in Canada in the mid 1990’s the Canadian Centre for Substance Abuse (CCSA) and the Addiction Research Foundation conceded that “it is unlikely that warning labels, effectively worded and prominently placed, will have a large effect on behaviour in and of themselves.”¹³

Lion Nathan suggests that a likely reason for the ineffectiveness of labels is that the relatively small surface of a drink container is a poor medium for communicating health messages. The facts of alcohol consumption are many and various and are not easily communicated in the limited space afforded by product packaging.

In recognition of the limitations of communication on packaging, Lion Nathan applies the BeDrinkAware.com.au logo to all of its packaging and marketing materials. This encourages drinkers to go to the BeDrinkAware.com.au

⁸ Hankin, J.R.; Sloan J.J. 1993. The impact of the alcohol warning label on drinking during pregnancy. *Journal of Public Policy and Marketing* 12(1): 16.

⁹ Roan, S. 1997. A Losing Gamble; When a pregnant woman drinks, she plays roulette with her baby’s life. Stats show that the number of imbibing moms-to-be is increasing — and researchers just don’t know why. *Los Angeles Times*, June 11: E-1.

¹⁰ Snyder, LB & Blood, DJ 1992, ‘Caution: Alcohol advertising and the Surgeon General’s warnings may have adverse affects on young adults’, *Journal of Applied Communications Research*, vol. 20, no.1 pp. 37-53.

¹¹ Road to Recovery Report 2003, House of Representatives Standing Committee on Family and Community Affairs.

¹² Ibid.

¹³ Canada. House of Commons. Standing Committee on Health. Presentation to the sub-committee on bill C-222, by the Canadian Centre on Substance Abuse. April 25, 1996, p.4

website and seek out further information on responsible drinking and includes advice on a range of alcohol issues, drinking guidelines and an educative game to help people learn about standard drinks.

Regardless, we doubt whether using labels to warn people after they have purchased an alcohol beverage is ever going to be as effective as a community education campaign targeting at risk groups.

Recommendation: Health warning labels should not be introduced until there has been a full review of their effectiveness and unintended consequences. Health information should be imparted as a component of a community education campaign, as outlined by the Federal Government in its \$53 million alcohol misuse strategy.

3. The health benefits of moderate drinking

In a discussion on the dangers of excessive alcohol consumption it is easy to forget that alcohol, unlike many other drugs, can be consumed safely in moderate quantities and that moderate drinking can provide protection against a range of health problems, including:

- **Cardiovascular disease:** Moderate drinking is associated with a reduced risk of coronary heart disease, the number one cause of death in the world.¹⁴
- **Adult onset diabetes (type 2):** Studies in Japan, the UK and the US have found an association between moderate drinking and a significantly reduced risk of diabetes.¹⁵
- **Cognitive function and dementia:** Studies have found a significant reduction in vascular dementia among older adults who drink 1 to 3 drinks per day as compared to abstainers.¹⁶
- **Osteoporosis:** Studies from the UK, Denmark and the US have reported an association between moderate drinking and increased bone density, which is of particular importance to postmenopausal women.¹⁷

¹⁴ Rimm EB et al, A Biologic Basis for Moderate Alcohol Consumption and Lower Coronary Heart Disease Risk: A Meta-Analysis of Effects on Lipids and Haemostatic Factors, *BMJ*, 319: 1523–1528, 1999; Hines LM et al, Moderate Alcohol Consumption and Coronary Heart Disease: A Review, *Postgrad Med J*, 77:747–752, 2001.)

¹⁵ Rimm EB et al, Prospective Study of Cigarette Smoking, Alcohol Use, and the Risk of Diabetes in Men, *BMJ*, 310:555-559, 1995. Perry L et al, Prospective Study of Risk Factors for Development on Non-Insulin Dependent Diabetes in Middle Aged British Men, *BMJ*, 310:560-564, 1995.

¹⁶ Truelsen T, Amount and Type of Alcohol and Risk of Dementia, *Neurology*, 59:1313–1319, 2002; Peele S et al, Exploring Psychological Benefits Associated with Moderate Alcohol Use: A Necessary Corrective to Assessments of Drinking Outcomes? *Drug Alcohol Depend*, 60:221–247, 2000.

¹⁷ Feskanich D et al, Moderate Alcohol Consumption and Bone Density among Postmenopausal Women, *Journal of Women's Health*, 8(1):65-73, 1999; Hoidrup S et al, Alcohol Intake, Beverage Preference, and Risk of Hip Fracture in Men and Women, *American Journal of Epidemiology*, 149:993-100, 1999.

Recommendation: A full review of the health benefits of moderate alcohol consumption should be conducted before further consideration is given to health information labels.

4. Effective measures to ensure responsible marketing already in place

Lion Nathan supports the Bill's aim of ensuring alcohol is marketed in a responsible manner and does not target children.

Our industry (Industry) also abides by the Alcohol Beverage Advertising Code (ABAC). This is a voluntary code requiring that alcohol advertising must be directed at adults, must not encourage excessive or underage drinking and must only depict responsible and moderate consumption.

Industry has also established the Alcohol Advertising Pre-Vetting System (AAPS) with the objective of ensuring that beer and spirit advertising is responsible and in accordance with the voluntary alcohol advertising code. Complaints about code violations are adjudicated by independent third parties.

In addition, the Australian Communications and Media Authority regulates the time of day when alcohol can be advertised, and the types of programs in which advertisements can appear. Industry currently markets within these guidelines, as well as adhering to the Commercial Television Code of Practice (2004).

Lion Nathan, like other leading companies also has its own marketplace activity code that extends the principals of self-regulation beyond the ABAC system and applies every part of the process of taking our products to market from new product development to all of the ways that we communicate with consumers.

We have internal sign-off processes and significant responsibility questions are discussed by elevated to our leadership group. We take our responsibilities very seriously and therefore have training for our marketers and marketing agencies in the principles of responsible marketing.

Given this level of regulation and commitment to responsible practices, we do not believe that further restrictions will have a positive impact on misuse.

In fact, a review of the scientific literature suggests that there is little evidence linking alcohol advertising expenditure or restrictions to overall consumption or misuse.

A 2003 study by Joel Grube, a strong advocate of advertising restrictions, reviewed international studies and conceded:

In general, the findings from ecological studies provide little consistent support for a relationship between alcohol advertising expenditures or advertising restrictions and aggregate sales, consumption or problems.

They do provide stronger evidence that alcohol advertising may lead to changes in brand or beverage preferences without increasing total consumption.¹⁸

A 2001 study of seventeen OECD countries with bans on broadcast advertising found "the empirical results do not support the notion that bans on broadcast advertising of alcoholic beverages will reduce consumption or alcohol abuse." (Nelson, J. P., & Young, D. J. (2001). Do advertising bans work? An international comparison, *International Journal of Advertising*, 20: 273-296.)

Earlier studies in Europe reported that as advertising expenditure increased, overall alcohol consumption decreased in the Netherlands, Germany and the United Kingdom.¹⁹

Research on youth drinking in particular has also found little relationship between advertising and consumption. In the US, the University of Michigan's Monitoring the Future Survey has found that since the late 1990s the prevalence of US teen alcohol use has been gradually declining.²⁰ Significantly, this decline has occurred against a back drop of strong growth in alcohol advertising expenditure.²¹

Studies have shown that countries which have implemented strong advertising restrictions have not effected youth binge drinking. Denmark has one of the highest reported rates of intoxication among young people, despite restrictions on print and outdoor advertising and a ban on broadcast advertising of all but low-alcohol content products.²² Similarly, Ireland has high youth intoxication levels, despite a broadcast ban on spirits advertising and advertising restrictions on other alcoholic beverages.²³

We also note that the AANA submission includes recent research by Frontier Economics that further supports these points.

Recommendation: Further unnecessary restrictions on advertising and marketing will not help address misuse. It is unfortunate that a focus on these issues diverts from the real causes of misuse.

¹⁸ Grube, J. (2003). *Alcohol in the media: drinking portrayals, alcohol advertising, and alcohol consumption among Youth*, in National Academy of Sciences 2003 Report, pg. 613.

¹⁹ Calfee, J. and Scheraga, C. (1994) The influence of advertising on alcohol consumption: A literature review and an econometric analysis of four European nations. *International Journal of Advertising*, 13: 287-310.

²⁰ University of Michigan (2005) www.monitoringthefuture.org/pressrelease/05drugpr.pdf

²¹ Grube, JW & Waiters, E (2005). *Alcohol in the media, content and effects on drinking beliefs and behaviour among youth*, *Adolescent Medicine Clinics*, 16:327-343.

²² Hibbell, B., Andersson, B., The 1999 ESPAD Report – The European School Survey Project on Alcohol and Other Drugs: Alcohol and other drugs among students in 30 European Countries.

²³ International Center for Alcohol Policies 2002, Industry views on beverage alcohol advertising and marketing with special reference to young people.

5. The benefits of alcohol marketing are too often ignored

Marketing is an important component of a competitive market. It enhances the brand experience for consumers. The marketing industry, of which the alcohol beverages industry is a significant component, is a significant employer and contributor to economic growth.

Alcohol advertising makes a crucial funding contribution to the media industry and sporting clubs. Further unnecessary restraints on marketing have the potential to undermine companies' business case for investment in some sports.

It's often forgotten that marketing can play a positive role in dealing with misuse. Lion Nathan is concerned that further marketing restrictions would limit our ability to continue promoting the low and mid-strength beer segments. We revolutionised the low-alcohol segment in 1993 with the introduction of Tooheys Blue, and our launch of Hahn Premium Light in 1998 caused unprecedented consumer interest in low alcohol beers. We have also pioneered the development of the mid-strength market through the promotion of XXXX Gold, Queensland's most popular brand and Australia's second largest beer brand.

We believe that marketing that depicts people drinking responsibly can actually reinforce a positive drinking culture.

Recommendation: The benefits of alcohol marketing should be considered in the debate about steps to tackle alcohol misuse.

Conclusion

Lion Nathan shares the community's concerns about excessive alcohol consumption, but we believe that, based on the available evidence, there is little likelihood the bill's measures will have a significant impact on this problem.

Carefully targeted and sustained alcohol education provides stronger evidence of being able to change drinking behaviour.

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Thursday, 20 March 2008