

30 June 2017

Alcohol Policies and Legislation Review  
c/o Department of Health  
PO Box 40596  
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Dear Review Manager

### **SUBMISSION TO THE *ALCOHOL POLICIES AND LEGISLATION REVIEW***

Thank you for the opportunity to provide a submission to the Northern Territory (NT) Government's *Alcohol Policies and Legislation Review*. This review process provides the NT Government with an important opportunity to implement comprehensive reforms to strengthen the regulation of alcohol and reduce alcohol-related harms in the NT.

In the Northern Territory, 38.6 per cent of people aged 12 years and older consume alcohol at rates that place them at risk of short-term harm and 28.8 per cent over consume alcohol at levels that place them at risk of long-term harm, including chronic disease and illness.<sup>1</sup> This is significantly more than the proportion reporting such consumption nationally (25.7 per cent and 17.6 per cent respectively).<sup>2</sup> The NT also has some of the heaviest consumption rates in the world. The latest data shows that consumption in the NT is 11.9 litres per capita.<sup>3</sup> This means that if NT was a country it would be in the top ten counties with the heaviest consumption rates.<sup>4</sup>

I take a keen interest in evidence-based policy development and evaluation. I wish to submit my own work on the impact of public policy measures on alcohol harm. Research that I have conducted suggests that socioeconomically disadvantaged and risky drinkers are more likely to purchase cheap alcohol and to experience more alcohol-related harms than other drinkers in Australia.<sup>5</sup> Our International Alcohol Control survey data shows drinkers in NT consumed average lower priced alcohol, but gaining higher average income compared other states in Australia. Price-based interventions could be a potential means to reduce heavy drinking and of related health and social problems in NT. A 10% increase in the alcohol price in Australian was associated with a 2% reduction in per capita alcohol consumption in the year after the price change and weaker reductions spread between the 3<sup>rd</sup> and 8<sup>th</sup> years, leading to an accumulated 6% reduction over an 8-year period. Because of the complex substitute and compliment relationships between different alcohol beverages. A uniform tax system that covers all beverages, such as volumetric based taxation based on alcohol content are more likely to reduce alcohol consumption and related harms in Australia.<sup>6</sup> My recent study found that risky drinkers are more price responsive than moderate drinkers, suggesting an increase in alcohol price or tax will achieve a greater reduction in alcohol consumption for risky drinkers and a considerably smaller impact on moderate drinkers.<sup>7</sup> Furthermore, my research findings also suggest that an increase in alcohol price or tax, or introducing a minimum unit price, can have a greater effect in reducing alcohol consumption among lower income drinkers than middle and higher income drinkers.<sup>8</sup>

This research has important implications for public policy, and may be used to guide strategies to reduce the harm caused by alcohol in our communities. For this reason, I urge you to consider this research in the context of the Northern Territory's *Alcohol Policies and Legislation Review*.

In my view, this research warrants consideration of alcohol pricing policies and harm reduction.

If you have any questions relating to my work, or would like to discuss the issue further, please do not hesitate to contact me.

Thank you once again for the opportunity to raise these important issues with you.

Yours sincerely

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<sup>1</sup> Australian Institute of Health and Welfare. (2014). *National Drug Strategy Household Survey 2013*. Retrieved from: <http://www.aihw.gov.au/alcohol-and-other-drugs/data-sources/ndshs-2013/>

<sup>2</sup> Australian Institute of Health and Welfare. (2014). *National Drug Strategy Household Survey 2013*. Retrieved from: <http://www.aihw.gov.au/alcohol-and-other-drugs/data-sources/ndshs-2013/>

<sup>3</sup> Department of the Attorney-General and Justice. (2016). NT wholesale alcohol supply for 2008-2015. *Northern Territory Government*. Retrieved from: <https://justice.nt.gov.au/attorney-general-and-justice/statistics-and-strategy/wholesale-alcohol-supply-data>

<sup>4</sup> World Health Organization (2016). Global Health Observatory data repository. Recorded alcohol per capita consumption, from 2000 Last update: May 2016. Retrieved from: <http://apps.who.int/gho/data/node.main.A1026?lang=en?showonly=GISAH>

<sup>5</sup> Callinan S, Room R, Livingston M, Jiang H. Who Purchases Low-Cost Alcohol in Australia? *Alcohol and Alcoholism* 2015; 50: 647-653.

<sup>6</sup> Jiang H, Livingston M. The dynamic effects of changes in prices and affordability on alcohol consumption: an impulse response analysis. *Alcohol and Alcoholism* 2015; 50: 631-638.

<sup>7</sup> Jiang H, Livingston M, Room R, Callinan S. Price elasticity of on- and off-premises demand for alcoholic drinks: A Tobit analysis. *Drug and Alcohol Dependence* 2016; 163: 222-228..

<sup>8</sup> Jiang H, Callinan S, Livingston M, Room R. Off-premise alcohol purchasing in Australia: Variations by age group, income level and annual amount purchased. *Drug and Alcohol Review* 2017; 36: 210-219.