



BREWERS
ASSOCIATION

Submission

The Northern Territory Government Alcohol Policies and Legislation Review

30 June 2017

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Executive Summary

The Brewers Association of Australia and New Zealand supports the NT Government's Alcohol Policies and Legislation Review, and we're pleased to make this submission with our recommendations to reduce the harmful consumption of alcohol in the NT community.

In particular, we focus on how the NT government can mitigate harm by improving alcohol literacy through community education, combatting foetal alcohol spectrum disorder, and addressing alcohol-related violence.

The Brewers Association believes that the beer industry has a role to play in mitigating the effects of risky drinking through partnerships with government, community and academia. This report outlines industry efforts, including sponsorship of DrinkWise, as well as individual programs and investments put in place by our members.

We are also pleased to note that significant gains have been made in improving Australia's drinking culture, including reductions in underage drinking, an increase in the age of initiation, and reductions in harmful drinking patterns among young adults and the broader population.

While the NT has its own specific challenges with respect to addressing risky drinking, we urge the NT Government to consider its policies in light of decreasing consumption figures nationally.

We emphasise that any policy or legislative reforms should be thoroughly evidence-based. Furthermore, any reforms should target the harmful consumption of alcohol while not adversely affecting the majority of the population who consume responsibly and sociably.



About the Brewers Association

The Brewers Association of Australia and New Zealand is the peak industry body representing Australia's premier beer makers.

The Association and its members – Carlton and United Breweries, Lion Beer Australia and Coopers Brewery – have a longstanding commitment across a range of activities to promote responsible consumption of alcohol and minimise harm associated with alcohol misuse.

As such, we strongly support the purpose of the Northern Territory Government Alcohol Policies and Legislation Review, with an emphasis on evidence-based interventions to reduce targeted harmful or anti-social practices.

Over the past decade, Australia has seen the popularity of low- and mid-strength beers grow markedly.

Australia's brewers continue to invest in the low and mid-strength options, giving people greater choice and more control in their alcohol consumption. Today, these beers account for 25% of all beer sold in Australia.

Beer is the only alcohol category that provides credible options for people to moderate their alcohol consumption.

In addition, the beer industry makes a significant investment in cultural change and education initiatives for young people, pregnant women and parents through DrinkWise Australia. DrinkWise is an independent, not-for-profit organisation that aims to bring about a healthier and safer drinking culture through developing and implementing national information and education campaigns. Drinkwise also provides practical resources to help inform and support the community about alcohol use.

With 93% of all beer sold in Australian being made in Australia, the brewing sector underpins some 90,000 Australian jobs and generates \$15.3 billion a year in economic activity – accounting for 1% of GDP. The industry makes a substantial contribution to the NT economy through the hospitality, retail and tourism sectors.

Australians pay the highest excise on beer in the world, in addition to a 10% GST. In 2015-16, taxes on beer drinkers netted the Australian Government almost \$2.4 billion – \$2.005 billion in excise and \$377 million in GST.

Australian beer is taxed at more than twice the OECD average. In fact, along with Finland, Australians pay the highest beer excise in the world, paying more than the UK, Europe, Canada and the USA. Australian tax rates on beer are also indexed twice every year.

At \$0.58 excise on the \$2.00 wholesale pre-tax beer price, Australians pay over seven times more than Argentina, Belgium, Chile and Poland (\$0.08); over six times more than Austria, Hungary, the Netherlands and South Africa (\$0.09); almost five times more than Italy and Greece (\$0.12); double the beer excise paid in the US (\$0.29) and almost double that of New Zealand (\$0.33).

This means that the single most expensive ingredient in Australian beer is Australian Government tax. Tax already accounts for more than half of the price of a carton of full strength beer, yet beer is the lowest strength alcohol product available in Australia.

Australians drinking packaged beer typically pay between \$1.35-\$1.45 per standard drink in excise alone, as well as 10% GST on the full price per standard drink.



Harmful drinking in Australia and the Northern Territory

Drinking on the decline

Across Australia, consumption of alcohol – both moderate and harmful – is decreasing. Australians are drinking less alcohol in 2017 than at any time over the previous 50 years. Across all alcoholic beverages, in 2013-14 on average 9.7 litres of pure alcohol were consumed by every person in Australia aged 15 years and over¹ – far lower than the 1970s high of 13.1 litres per head.²

Commensurately, harmful drinking in Australia is also on the decline. This is welcome. The downward trend has only continued with the preliminary data release of the Australian Institute of Health and Welfare's 2016 National Drug Strategy Household Survey (NDSHS) results: Australians drinking alcohol in quantities exceeding the lifetime risk decreased to 17.1% in 2016, down from 18.2% in 2013 and from 21% in 2004.³

These figures should give regulators and health workers much encouragement, but the Brewers Association of Australia and New Zealand acknowledges there is more that can be done. In particular, the NT struggles with a higher proportion of both lifetime risky drinkers (29.5% of Territorians compared to 18.2% of all Australians in 2013), and single-occasion risky drinkers (39.7% of Territorians had more than four drinks in a single sitting at least once a month, as compared to 24.6% of all Australians).

The cost of harmful drinking

The Brewers Association acknowledges that there are costs associated with alcohol misuse. But claims about the net financial cost to the community of alcohol misuse are overstated. Some have extrapolated \$15 billion a year in social costs Australia-wide, with 42% of that sum reflecting lost productivity and 12% (or less than \$2 billion) in costs to the health system. Others have at times added estimates of harm on top of others to increase the numbers even further.

However, from both an economic and policy perspective, these estimates are methodologically flawed, selective and contain a range of failings and limitations. Economist Dr Eric Crampton concluded that the real community cost of alcohol misuse is at most \$3.8 billion per year.

While this is still significant, it is a far cry from the tens of billions some have claimed in order to justify far-reaching restrictions on the industry.⁴ Our view is that estimates of the social costs of alcohol misuse should be methodologically sound and evidence-based.

Demographic differences

NT men and people aged 50-59 are most likely to consume alcohol in risky quantities, and risky drinking also rose with increasing remoteness.⁵ Indigenous Australians are more likely to abstain entirely from alcohol than non-Indigenous Australians, although among those who do drink, proportionally more Indigenous Australians are likely to drink at risky levels.⁶

¹ Australian Institute of Health and Welfare, National Drug Strategy Household Survey, 2013

² Australian Bureau of Statistics, Apparent Consumption of Alcohol, 2013-14

³ Australian Institute of Health and Welfare, National Drug Strategy Household Survey 2016

⁴ Crampton, E, Burgess, M and Taylor, B (2011), 'The Cost of Cost Studies', Department of Economics and Finance, College of Business and Economics, University of Canterbury, Christchurch, New Zealand

⁵ Australian Institute of Health and Welfare, National Drug Strategy Household Survey, 2013

⁶ Australian Institute of Health and Welfare, National Drug Strategy Household Survey, 2013

Indigenous Australians are also more likely to be at risk of experiencing foetal alcohol spectrum disorder (FASD).

Harmful drinking in the NT is a complicated issue with many contributing factors, and an uneven experience across demographic groups. As a result, **broad anti-alcohol measures targeting the whole population, such as blanket price rises or restrictions, have not been effective.**

Evidence demonstrates that price controls are ineffective at targeting the harmful consumption of alcohol, and instead reduce overall per capita consumption levels. An Australian study released in 2013, based on the NDSHS conducted in 2001, 2004 and 2007, comprising a total of 79,545 respondents along with real alcohol prices compiled by Euromonitor International, concluded:

“These results suggest that in response to price increases, Australian drinkers achieved an average reduction in their overall level of alcohol consumption mostly by increasing the number of occasions on which they do not drink at all and by decreasing the number of occasions of low-intensity drinking, rather than by significantly reducing their frequency of moderate- and high-intensity drinking.

“Heavier and more frequent drinkers appear to be relatively less sensitive to changes in price.”⁷

With respect to FASD in particular, measures such as limiting opening hours or increasing prices tend to only impact moderate consumers, as those with alcohol dependency issues will continue to seek access to alcohol.

We support governments and communities groups increasing education around alcohol with at-risk communities and demographic groups. Combatting risky drinking in the Territory requires an integrative government and community response, and the beer industry has a role to play in delivering that message.

⁷ Byrnes, Shakeshaft, Petrie and Doran (2013). Can harms associated with high-intensity drinking be reduced by increasing the price of alcohol? *Drug and Alcohol Review*, 32, 27-30.

Mitigating harm

Improving alcohol literacy through community education

The Alcohol Policies and Legislation Review Issues Paper makes mention of the need to engage in educative programs to combat instances of harmful drinking in the NT community. We agree.

The Brewers Association supports the NT Government's focus on education and awareness programs to address those at risk of alcohol misuse, and we would like to share some insights in relation to developing effective campaigns. Effective campaigns and policy approaches ensure that individuals or groups at risk of harm are directly targeted through a range of policy interventions supported by education and cultural change campaigns.

Firstly, **any new education campaign around alcohol should make use of existing evidence and research around alcohol consumption.** The NT Government should seek to work with independent organisations, grass-roots community organisations and industry education efforts to leverage existing skill and expertise.

Secondly, and especially important given the experience of harmful alcohol consumption in the Territory varies based on demographics; **campaigns need to be designed with a clear and specific target in mind**, with effective research and comprehensive measurement and review.

Thirdly, **gaps in existing knowledge about the characteristics, behaviour and motivations of populations at risk of alcohol misuse should be filled with further research.** This will allow for better targeting of key demographics in line with their behavioural motivators and drivers; there is little detail on the behaviours of NT populations currently misusing alcohol, outside of prevalence statistics, and that makes it difficult to develop clear recommendations on how harmful behaviour will be addressed.

The role of education is to:

1. Raise awareness and share the knowledge and skills consumers need to make informed choices about their drinking
2. Help those who choose to drink to avoid patterns that are associated with health and social harms to themselves and others.

Alcohol education can be provided through a range of tools and channels depending on the message of the education, the target audience of the education and the likely effectiveness of different approaches. This can range from mass media, such as television and digital, to more targeted channels such as community forums or information provision through local healthcare professionals and clinics.

Key recommendation: the NT Government should make investing in alcohol education a key plank of any policy change arising from the Alcohol Policies and Legislation Review.

Education should be targeted towards at-risk groups – as this is proven to be more effective than broad campaigns.

Combatting foetal alcohol spectrum disorder

The Brewers Association strongly supports the NT Government in this priority, and we note that the beer industry has already provided assistance both directly with advice on our beer labels and indirectly through DrinkWise.



In specific at-risk communities in the NT, further work could be undertaken to increase GP and other medical professionals' engagement with women. Putting together resources and tools for medical professionals so that they are equipped to ask the right questions, provide them with relevant information about the risks of maternal alcohol consumption and refer women with potential alcohol disorders or high risk consumption is critical.

Targeted programs such as those run by Red Dust Role Models in Alice Springs, which focus on at-risk women and work to break the cycle of alcohol abuse, can provide locally tailored interventions that have the support of at-risk communities. Providing funding for the implementation of programs developed by local providers and tailored to local needs would provide a positive impact on these issues.

Key recommendation: the NT Government should work to reduce instances of FASD by targeting at-risk communities with education programs delivered through community health workers and community support groups.

Programs and information should be context-appropriate and culturally sensitive.

Addressing violence

The Brewers Association believes that anti-social and violent behaviour is never acceptable, irrespective of how, when or why it occurs. The role of alcohol in violence is complex and there is ample credible scientific data (to which this submission refers) that shows there is not a direct causal relationship between alcohol consumption and violence. However, the Brewers Association does acknowledge that violent individuals may be heavy drinkers and users of other drugs, and that violence and alcohol is a concern for the NT Government and NT communities, especially in remote regions.

The Brewers Association supports the implementation of measures that are aimed at reducing violence. We caution against alcohol-control measures, such as price increases, or blanket availability restrictions such as lockouts, being seen as the only lever available for

reducing violence – given the evidence against a causal link and the fact that research demonstrates that there are other solutions that can and should be employed first.

We recognise that alcohol-control measures may be appropriate in specific communities facing severe misuse issues and where the local community is supportive and unintended consequences have been fully investigated and mitigated.

While the Association appreciates that these issues should be part of a national conversation, we do believe that some caution should be exercised in focussing on national solutions, which may inhibit the ability of communities to tailor policy solutions to their specific local issues and environments.

In considering policy options to reduce instances of violence, the Brewers Association recommends governments consider a range of targeted options, including the development of a best-practice guide for appropriate policing and monitoring of late night entertainment precincts, consequence policing and effective targeting of known offenders, secondary school education programs and cultural change campaigns.

As a result of this, targeted interventions are more likely to be evidence based, and as such, more likely to have effective outcomes.

The International Centre for Alcohol Policies (ICAP) outlines the following criteria for building an integrated and comprehensive approach to alcohol policy:⁸

- The provision of balanced information on both benefits and harms.
- A sound evidence base founded on the best available scientific data.
- An approach that is palatable and easy for the public to understand.
- A focus on issues that correspond to actual, familiar and representative drinking behaviours.
- The recognition that alcohol consumption is an integral part of many societies and may be associated with both positive and negative outcomes.
- An approach that addresses the potential for harm in a non-judgmental way.
- Strengthening individual responsibility at the same time as enforcing external controls.
- Involvement of individuals and their communities in all aspects and levels of policy development, and consistency with other approaches and measures that are being used.

The ICAP suggests that the key to targeted measures is a balance between targeted education, early intervention, and selective enforcement strategies. In particular, the NT Government should consider initiatives in three areas.

Creating safer entertainment precincts

Where there are significant numbers of people gathering in entertainment precincts, anti-social behaviour or violence can occur. The causes are multi-faceted and alcohol should never be used as an excuse for violent behaviour. Ensuring night time entertainment precincts are safe and enjoyable is important for all stakeholders, including industry, law enforcement and the local community.

⁸International Center for Alcohol Policies. (2008). *Guide to creating integrative alcohol policies*. Washington, DC: Author.

There are a number of practical interventions that can be made in entertainment precincts and individual venues that can have a significant impact in reducing the instances of anti-social behaviour or violence in these areas. For example:

- Effective venue design to remove 'frustration factors', such as long queues, over-crowding, etc
- Effective and consistent application of responsible service of alcohol (RSA)
- Installation of lighting in public places
- CCTV around licenced premises
- Clean and easily accessible public toilets
- Well-run food outlets
- Adequate and effective transport options
- Deemphasising the consumption of alcohol for its own sake – making alcohol part of, but not the focus of, a night out.

Establishing clear behaviour standards, penalties and enforcement

Many of the high-profile 'coward punch' incidents experienced in recent years involved perpetrators with a history of violence. Ensuring the social 'rules' for night-time entertainment precincts are well-known, strong enforcement of those rules and effective targeting of known offenders to keep violent people off the streets is critical in reducing anti-social and violent behaviour.

Targeted education and cultural change campaigns

Population based policy approaches do not target those who misuse alcohol or who commit violence instead. This approach fails to recognise that the majority of Territorians do not misuse alcohol or engage in anti-social or violent behaviour. Population-wide policies also fail to take in to account cultural relevance and the role that alcohol may play in cultures and communities.

Targeted approaches focus on reducing alcohol misuse within particular groups or populations who are likely, or have been shown to, experience harm from alcohol misuse. Policy makers must understand which groups experience harm or misuse alcohol and being able to focus interventions specifically on those groups.

The Brewers Association supports the NT Government undertaking education campaigns that seek to violence-reinforcing cultural factors, such as combatting traditionally rigid conceptions about masculinity.

Key recommendation: The NT Government can combat violence by addressing underlying and symptomatic behaviours.

This includes enacting measures to create safer entertainment precincts; establishing and enforcing clear standards of behaviour and appropriate punishments; and targeting education and cultural change campaigns towards groups at risk of perpetrating violence.

Partnering with industry

DrinkWise

In Australia we have seen an excellent example of cultural change in relation to drinking and driving. Australian brewers are founding members and major funders of DrinkWise, an independent, not-for-profit organisation dedicated to changing Australia's drinking culture.

DrinkWise has seen significant success over recent years, which is reflected in improving safe consumption trends. Most notably, the 'kids absorb your drinking' campaign has had an impact on the views of parents with respect to alcohol. We will continue to support this organisation and its work. We believe that the organisation's body of experience will prove useful for the NT Government in determining its education programs.

Through voluntary adoption, the beer industry has effectively implemented labelling aimed promoting abstinence through pregnancy and breastfeeding. The brewing industry's larger players are fully compliant with the uptake of pregnancy labelling.

Labels on containers however, will only ever serve as a reminder to women about information or advice they have already received, they do not fulfil an educative role in and of themselves, which is why industry programs must be supplemented by effective education programs delivered by the Territory Government through communities and health professionals.

Company-led initiatives

CUB

CUB's parent company, ABInBev, has developed its Global Smart Drinking Goals in order to make a deeper investment in programs that measurably shift social norms and behaviours to reduce harmful alcohol use.

Major initiatives include multi-year pilot studies across nine cities, aimed at reducing the harmful use of alcohol by at least 10% by 2020. ABInBev is investing US\$1bn in social marketing globally in order to influence social norms and individual behaviours, aimed at reducing harmful alcohol use.

CUB is also a leader in developing mid-strength and low alcohol options in the Australian market. Low alcohol options have become market leaders, and we're committed to continuing to offer consumers robust health information about the products they are consuming.

Our programs and initiatives in these areas have been developed in partnership with public health experts to ensure we're following highest level of technical and scientific evidence approach.

Lion

Lion has developed leading alcohol education programs in Australia and New Zealand and partnered with a number of important organisations to evolve further the culture around drinking.

In 2015, Lion facilitated a landmark study by UK anthropologist Dr Anne Fox on understanding behaviour, particularly violent behaviour, in the night-time economies of Australia and New Zealand.

The extensive research examined the underlying cultural issues around masculinity and the episodic approach common in many Western societies to drinking versus an integrated approach (often characterised as the Mediterranean approach). The study explored of the broader role of cultural norms in determining the behaviour of people whilst they are consuming alcohol.

The research has been used to inform policy responses across jurisdictions, with significant engagement on the findings and key recommendations from both industry and government. Globally, Lion's parent company Kirin continues to focus on developing new product offerings with low and mid-strength alcohol content, which is supported the Lion portfolio of marketing-leading brands.

Coopers

Established in 1862, Coopers is Australia's largest family-owned brewery.

Coopers markets mid-strength (Mild Ale 3.5%), light beers (Premium Light 2.9% and Birell Ultra Light 0.05%) and non-alcoholic beer.

Key recommendation: Industry initiatives have been successful in providing education and enacting cultural change. The NT Government should seek to include industry perspectives and directly engage with industry in future policy development.

Contact

The Brewers Association looks forward to continuing to work with the Northern Territory Government throughout the Review period and beyond.

For more information, or to follow up on any aspect of our submission, please do not hesitate to contact me.

Kind regards,



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