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Dear Professor Harper

Re: Submission to the National Competition Policy Review

Thank you for the opportunity to provide a submission in response to the Competition Policy Review Draft Report.

The National Centre for Education and Training on Addiction (NCETA) is an internationally recognised research centre that works as a catalyst for change in the alcohol and other drugs (AOD) field. The Centre's mission is to build the capacity of health, human services and law enforcement sectors to respond to AOD-related issues and problems. NCETA is one of three national centres of excellence focusing on AOD issues in Australia.

NCETA has a particular interest in alcohol-related issues and has undertaken a number of large studies in this area, including a national review of liquor licensing legislation. Consistent with the extensive international literature, it is clear that any measures which increase the availability of alcohol in Australia will almost inevitably increase harms to the community. These harms include alcohol-related:

- violence in public and family settings
- behavioural offences
- road trauma
- intoxication-caused injuries
- chronic illnesses.

Alcohol, much like other psychoactive substances, is a product that requires special laws and restrictions about where it can be sold, when it can be sold and who can consume it. These regulations reflect the harm that alcohol can cause and are both in the public interest and for the public's benefit.

The recommendations outlined in the Draft Report, if implemented, will greatly increase alcohol availability in Australia. Available evidence suggests that this will lead to increases in the above alcohol harms. International evidence concerning the adverse impact of liberalising alcohol supply is unequivocal. There are a number of indicators of this, which are briefly outlined below.

1. Greater density of licensed premises increases the frequency of a range of problems, including assaults (Chikritzhs, Catalano, Pascal, & Henrickson, 2007). Research indicates a critical threshold for licence density, after which rates of violence increase sharply (Livingston, 2008).

2. A significant proportion of alcohol-related crime occurs in, or within the vicinity of, licensed premises. A study undertaken in Sydney found that more than half of the assaults recorded by police occurred within 50 metres of a liquor outlet. Only 3% of the Sydney Local Government Area (LGA) is within 20 metres of a liquor outlet, yet 37% of assaults in the LGA occurred in this space. On this basis each additional alcohol outlet per hectare in the Sydney LGA would result in an average of 4.5 additional assaults per annum (Burgess & Moffatt, 2011).
3. The harms stemming from licensed premises vary by venue type and the volume of alcohol sold. Increasing the density of alcohol outlets where the main activity is consuming alcohol increases the rate of hospital admissions for assault. Increasing the density of bottle shops increases the level of alcohol use disorders, such as liver cirrhosis, alcohol-related mental and behavioural disorders, polyneuropathy, cardiomyopathy and gastritis (Livingston, Chikritzhs, & Room, 2007).
4. As the volume of alcohol sold from bottle shops in a given area increases, assaults in both licensed and non-licensed premise settings also increase. This may reflect the phenomenon of pre-loading (Liang & Chikritzhs, 2011). That is, the likelihood of becoming involved in assaults increases if patrons have already consumed alcohol prior to attending licensed premises. This is consistent with findings from Australian (Miller et al., 2013) and United Kingdom (Hughes, Anderson, Morleo, & Bellis, 2008) research that pre-loading tends to increase overall consumption as well as the likelihood of involvement in violence.
5. The evidence concerning the effects of extended alcohol trading hours during is also well established. One review of 49 studies examined the impact of extended alcohol trading hours on alcohol-related problems in eight countries across four decades. It found that extended trading hours were associated with an increase in road crashes, impaired driver offences, emergency department attendances, interpersonal violence and disorderly conduct (Stockwell & Chikritzhs, 2009). There is also a link between extended trading hours and the times that alcohol-related violence (Chikritzhs & Stockwell, 2002) and drink driving crashes (Chikritzhs & Stockwell, 2006) occur. That is, as trading hours are extended, the times at which these events occur become later.
6. There is a large, international body of evidence which indicates that restricting alcohol sales reduces related problems (Babor et al., 2010; Campbell et al., 2009). In March 2008, Newcastle (NSW) introduced a range of strategies in response to very high levels of alcohol-related violence and other problems. Specifically, late-trading hours were reduced, a lockout was imposed from 1.30 a.m. and licensees were required to introduce a range of other measures designed to limit irresponsible patterns of alcohol sales and consumption (Jones, Kypri, Moffatt, Borzycki, & Price, 2009). Following the introduction of these measures, the number of assaults occurring after dark decreased by 29%. There was no evidence of geographic displacement of these offences, although there was some temporal displacement towards the earlier part of the evening (when they were easier for police to manage). The actual magnitude of these decreases is likely to be much larger, as less than one-third of assault victims report the offence to the police (Jones et al., 2009). The experience in Newcastle demonstrates that when evidence-based public policy is applied to alcohol-related problems, positive outcomes are optimised.

There has already been a substantial increase in the availability of alcohol over the past two decades, as evidenced in:

- An increased number of licensed premises
- Increased diversity of licensed premises
- Increased hours of availability
- Increased range of beverage types.

In recent years, most Australian jurisdictions have sought to stem the harms emanating from this trend by *increasing* restrictions on the sale of alcohol. These measures have included:

- Restrictions on the times alcohol is available for sale
- Restrictions on the kinds of alcohol sold, and beverage containers used, during certain times
- Enhanced security arrangements in licensed premises to minimise excessive consumption
- Enhancing the enforcement of laws relating to the sale of alcohol to intoxicated patrons
- Restrictions on new licences.

The existing National Competition Policy arrangements have been a significant barrier to jurisdictions' attempts to reduce the harm associated with high levels of alcohol availability. Any further liberalisation of these arrangements would worsen the situation.

It is also important to recognise that while National Competition Policy is a Commonwealth matter, states and territories are largely responsible for meeting the costs associated with the liberalisation of alcohol availability. These costs include those associated with alcohol-related crime, public order problems, and health costs.

The Draft Report states that the aim of Competition Policy is to "improve the welfare of Australians". However, available evidence suggests that the implementation of its recommendations will lead to increased alcohol availability and increased harms. Market forces may well be the most efficient method of distributing a wide variety goods and services to communities. Unfettered market forces applied to alcohol sales will likewise increase distribution efficiency, but at the cost of greatly increased community harm. In other words, in order to reduce alcohol-related harms in Australia, what is required is a reduction, not an increase, in its distribution efficiency.

There is little doubt that since the previous review of the National Competition Policy there has been a substantial increase in alcohol availability across Australia. For example, there was an increase of:

- 60% in the number of South Australian liquor licences between 1996-2009
- 25% in the number of Tasmanian liquor licences between 2001-2010
- 120% in the number of licensed premises in Victoria between 1996-2010 (Trifonoff, et al., 2011).

The current review provides an opportunity to redress this by recognising that alcohol is a product requiring closer, not more relaxed, regulation.

In closing, I would like to offer my support to the submission prepared by the Foundation for Alcohol Research and Education (FARE). The Foundation is an independent, not-for-profit organisation working to stop the harm caused by alcohol by joining with communities, governments, health professionals and police across the country.

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

Yours sincerely



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