

17 November 2014

Prof. Ian Harper
Chair, Competition Policy Review
The Treasury
Langton Crescent
PARKES ACT 2600

Submission from the Victorian Health Promotion Foundation (VicHealth) to the draft report of the Competition Policy Review

Dear Prof. Harper

Thank you for the opportunity to respond to the draft report of the Australian Competition Policy Review. Our submission focuses on the proposed deregulation of alcohol availability.

VicHealth was established as a statutory health promotion body by the Victorian Government in 1987, and for much of this time we have had a strong focus on [preventing harm from alcohol](#). Under the [VicHealth Action Agenda for Health Promotion](#) we have a 10-year goal of more Victorians drinking less alcohol, with a three-year priority of ensuring that more people are actively seeking the best ways to reduce harm.

Our focus and expertise provide us with a strong understanding of the importance of creating a legislative and regulatory environment that prevents health, social and economic harm to individuals and communities.

Based on this expertise, VicHealth does not support the proposed deregulation of alcohol availability contained in the draft report. VicHealth believes that there is a high likelihood of unintended negative population health impacts associated with the proposal, specifically in relation to increased illness, injury, violence and accidents.

Research on the relationship between the availability of alcohol and alcohol-related harm has consistently demonstrated that increased availability is associated with increased harms.¹ Therefore regulating the physical availability of alcohol (such as trading hours and the number of outlets) can be effective in reducing the impact of this harm on the community.²

Our position around the harmful consumption of alcohol is supported by the Australian population, with surveys revealing that over 80 per cent of people are concerned about the impact of alcohol on the community.³ This includes potential harm to family members (including children), friends, workmates as well as bystanders and strangers. Alcohol consumption is also related to crime, with

Victorian Health Promotion Foundation

Ground Floor, 15 – 31 Pelham Street, Carlton VIC 3053
PO Box 154, Carlton South VIC 3053, Australia
T +61 3 9667 1333 F +61 3 9667 1375
E vichealth@vichealth.vic.gov.au W vichealth.vic.gov.au

ABN 20 734 406 352

Patrons

The Honourable Alex Chernov AC QC
Governor of Victoria (Patron-in-Chief)
Sir James Gobbo
Dr Nigel Gray AO
Professor Emeritus
Sir Gustav Nossal AC CBE

some studies suggesting that up to half of all violent crimes are alcohol-related.⁴ Making alcohol more readily available is likely to increase the risks to communities as well as exacerbate community concern and fear.

VicHealth is also particularly concerned that deregulating alcohol availability will have the potential consequence of normalising consumption for children and young people as children would be exposed to in-store advertising and point of sale alcohol advertising. There is evidence that shows that exposure to alcohol advertising influences young people's beliefs and attitudes about drinking and increases the likelihood that adolescents will start to use alcohol and drink more.

VicHealth believes that the current level of regulation must be maintained and that local and state governments should have the ability to regulate within their jurisdictions where necessary.

We strongly recommend that the Review Panel considers the key issues provided below when developing the final report. Note that due to our state-level focus we have included Victorian data.

1. Alcohol is not an ordinary commodity; it has the potential to harm individuals and communities

While most Australians drink responsibly, harmful levels of drinking have detrimental health, social and economic impacts across the community. With links to injury, accidents, violence and over 200 physical and mental illnesses,⁵ alcohol is one of the top 10 avoidable causes of disease and death in Victoria.⁶ The negative impacts of alcohol on individual Victorians, their families and the broader community cost \$4.3 billion every year.⁷

Despite levels of alcohol consumption being relatively stable, hospital admissions, emergency department, police and ambulance data show that alcohol-related harms have significantly increased in recent years.⁸

These harms are spread widely across the community and affect all population groups. Unlike health issues such as obesity and smoking, risky drinking levels do not appear to be clearly associated with socioeconomic disadvantage. However the harms that occur as a result of alcohol misuse are more greatly borne by people from low socioeconomic backgrounds⁹ and young people.¹⁰

It is important to note that the harms from alcohol are not limited to that consumed in licensed premises such as bars or clubs. Research has found that 59 percent of those purchasing packaged liquor consume at levels that would put them at risk of alcohol-related injury on a single drinking occasion at least once a year.¹¹

For further information on the impacts of alcohol, see [Alcohol's burden of disease in Australia](#), a report on research conducted by the Turning Point Alcohol and Drug Centre and funded by the Foundation for Alcohol Research and Education (FARE) and VicHealth.

2. Increased alcohol availability is associated with increased alcohol-related harm

People's drinking behaviours are affected by a broad range of influences, including the promotion, price and availability of alcohol. Research on the relationship between the availability of alcohol and alcohol-related harm has consistently demonstrated that increased availability is associated with increased harms,¹² with harms generally more extensive in areas with higher concentrations of alcohol outlets – especially from violence.¹³ Rates of alcohol-related intimate partner violence and chronic harms are more likely to be exacerbated by the number of packaged liquor outlets within suburban areas.¹⁴

Alcohol is more available than ever before in Victoria. The number of packaged liquor outlets has more than doubled in the last two decades and trading hours have been extended, with significant increases in the number of outlets with a licence for 24-hour trading. The public health impacts of this can be seen in Victoria, with data between 2003 and 2012 showing that while licensed premises increased by 21 per cent, treatment episodes for alcohol rose by 28 per cent and ambulance attendances doubled.¹⁵

If the Competition Policy Review recommends reducing restrictions on retail liquor licensing, the increased availability of alcohol has a strong potential to increase alcohol-related harm across our community, and particularly in those areas that are more disadvantaged.

Furthermore, increased alcohol availability in outlets that have not previously sold alcohol, such as convenience stores or service stations, is likely to result in increased exposure to children and young people. The ready availability of alcohol in stores that children and young people frequent with alcoholic beverages placed side by side with soft drink or milk, thereby further normalising the perception of alcohol consumption as an everyday activity.

Children would also very likely be exposed to far higher levels of in-store and point of sale alcohol advertising than they are currently. Research has found that exposure to alcohol advertising influences young people's beliefs and attitudes about drinking and increases the likelihood that adolescents will start to use alcohol and drink more.¹⁶

3. Regulating availability is a key public health approach to preventing alcohol-related harm

VicHealth supports action to develop policies to reduce the supply and demand for alcohol, including restrictions on service of alcohol at licensed venues, closing times for packaged liquor outlets, and restrictions on outlet density.

There is reasonably consistent evidence that extending trading hours of licensed venues increases violence and other harms, while cutting trading hours reduces it.¹⁷ There has been little research conducted in Australia on the impact of restricting trading hours of packaged liquor outlets on alcohol-related harms. However, packaged liquor is considerably cheaper than alcohol purchased at pubs and bars, with wine available for as cheap as 25 cents per standard drink. The wide availability of cheap packaged liquor has led to a culture of pre-, side- and post-loading, being the drinking of alcohol before entering licensed venues, between licensed venues and after attending licensed venues, respectively.

These drinking behaviours have been shown to be associated with alcohol-related harms occurring at night.¹⁸ Restricting opening hours of packaged liquor outlets would therefore discourage the opportunistic purchasing of alcohol for pre-, side- and back-loading behaviours and reduce harm.

The Victorian Government has recognised the importance of effective liquor licensing regulation in its strategy, *Reducing the alcohol and drug toll Victoria's plan 2013–2017*. As part of the strategy they have committed to 'keep Victorian petrol stations with convenience stores alcohol-free'.¹⁹

Based on these factors, VicHealth strongly believes that regulations around outlet density and liquor licensing laws should prioritise public health concerns, with local communities and their local governments having the ability to manage existing and proposed alcohol outlets through land use planning controls. This includes appropriate harm reduction measures such as freezes on new liquor licensing applications or types.

4. The public health harms of alcohol consumption provide a strong rationale for strengthening restrictions on this commodity

The Competition Policy Review's draft report notes the risk of harm from alcohol and that this has a clear justification for regulation. However the draft report also states that restrictions pose an

impediment to competition and should therefore be reviewed.

We strongly urge the Panel to prioritise public health concerns in their review. This is particularly important because of the potentially disproportionately adverse impacts of deregulation on children, young people and those from disadvantaged areas.

We also urge the Review Panel to recognise the appropriateness of current regulations, and to ensure that local and state governments retain the ability to regulate within their jurisdictions where necessary, so that they can respond to local issues and their communities' needs.

For further evidence to support the above recommendations, we refer you to the National Alliance for Action on Alcohol's submission to the draft report.

VicHealth would welcome the opportunity to further discuss the draft report and its health impacts with the Review Panel. If you would like to follow up on any of the information in our submission, please contact Cassie Nicholls, Senior Policy Development Officer on policy@vichealth.vic.gov.au or 03 9667 1317.

Yours sincerely



Jerril Rechter
Chief Executive Officer

References

¹ National Drug Research Institute 2007, *Restrictions on the sale and supply of alcohol: Evidence and outcomes*, National Drug Research Institute, Curtin University of Technology, Perth.

² Babor, T, Caetano, R, Casswell, S, et al. 2003, *Alcohol: No ordinary commodity*, World Health Organization, New York and Oxford University Press, Oxford.

³ Tinworth, J 2008, 'Alcohol: What people think', *Of substance*, vol. 6, no. 2, pp. 10–13.

⁴ National Health and medical Research Council 2009, *Australian guidelines to reduce health risks from drinking alcohol*, National Health and medical Research Council, Canberra.

⁵ World Health Organization 2011, *Global status report on alcohol and health*, World Health Organization, Geneva; Shield, KD, Rylett, M, Gmel, G, Gmel, G, Kehoe-Chan, TAK & Rehm, J 2013, 'Global alcohol exposure estimates by country, territory and region for 2005: A contribution to the Comparative Risk Assessment for the 2010 Global Burden of Disease Study', *Addiction*, vol. 108, no. 5, pp. 912–22.

⁶ Department of Human Services 2001, *Victorian Burden of Disease Study: Mortality and morbidity in 2001*, Victorian Department of Human Services, Melbourne.

⁷ Victorian Auditor-General's Office 2012, *Effectiveness of justice strategies in preventing and reducing alcohol-related harm*, Victorian Auditor-General's Office, Melbourne.

⁸ Department of Health 2012, *Reducing the alcohol and drug toll: Victoria's plan 2013–2017*, Victorian Department of Health, Melbourne.

⁹ Victorian Drug and Alcohol Prevention Council 2010, *2009 Victorian youth alcohol and drug survey*, Victorian Department of Health, Melbourne.

¹⁰ National Preventative Health Taskforce Alcohol Working Group, *Australia: The healthiest country by 2020. Technical Report No 3: Preventing alcohol-related harm in Australia: A window of opportunity*, Preventative Health Taskforce, Canberra.

¹¹ VicHealth and Turning Point Alcohol and Drug Centre 2013, *The social harms associated with the sale and supply of packaged liquor in Victoria*, Victorian Health Promotion Foundation, Melbourne.

¹² National Drug Research Institute 2007, *Restrictions on the sale and supply of alcohol: Evidence and outcomes*, National Drug Research Institute, Curtin University of Technology, Perth.

¹³ Livingston, M 2011, 'Alcohol outlet density and harm: Comparing the impacts on violence and chronic harms', *Drug and Alcohol Review*, vol. 30, no. 5, pp. 515–523; Chikritzhs, T & Stockwell, T 2006, 'The impact of later trading hours for hotels on levels of impaired driver road crashes and driver breath alcohol levels', *Addiction*, vol. 101, no. 9, pp. 1254–1264; Australian Institute of Health and Welfare, 2011, *2010 National Drug Strategy household survey report: Drug statistics series no. 25*, cat. no. PHE 145, AIHW, Canberra.

¹⁴ Livingston, M 2011, 'Alcohol outlet density and harm: Comparing the impacts on violence and chronic harms', *Drug and Alcohol Review*, vol. 30, pp. 515–523.

¹⁵ Foundation for Alcohol Research and Education 2014, *The state of play: Alcohol in Victoria*, <http://www.fare.org.au/wp-content/uploads/2014/09/VIC-Harms-Paper-FINAL-Sep-2014.pdf>

¹⁶ Snyder, L, Fleming-Milicic, F, Slater, M, Sun, H & Strizhakova, Y 2006, 'Effects of Alcohol advertising exposure on drinking among youth', *Archives of Pediatrics and Adolescent Medicine*, vol. 160, pp. 18–24; Smith, LA & Foxcroft, DR 2009, 'The effect of alcohol advertising, marketing and portrayal on drinking behaviour in young people: systematic review of prospective cohort studies', *BMC Public Health*, vol. 9, no. 51; Anderson, P, Bruijn, A, Angus, K, Gordon, R & Hastings, G 2009, 'Impact of alcohol advertising and media exposure on adolescent alcohol use: A systematic review of longitudinal studies', *Alcohol*, vol. 44, no. 3, pp. 229–243.

¹⁷ National Drug Research Institute 2007, *Restrictions on the sale and supply of alcohol: Evidence and outcomes*, National Drug Research Institute, Curtin University of Technology, Perth; Babor, T, Caetano, R, Casswell, S, et al. 2003, *Alcohol: No ordinary commodity*, World Health Organization, New York and Oxford University Press, Oxford.

¹⁸ Astudillo, M, Kuntsche, S, Graham, K & Gmel, G 2010, 'The influence of drinking pattern, at individual and aggregate levels, on alcohol-related negative consequences', *European Addiction Research*, vol. 16, no. 3, pp. 115–23.

¹⁹ Department of Health 2012, *Reducing the alcohol and drug toll: Victoria's plan 2013–2017*, State Government of Victoria, Melbourne.