

Friday, 21 May 2010

Darrell Channing
Director
Adjudication Branch

via email: adjudication@accg.gov.au

Dear Mr Channing

**Re: Queensland Office of Liquor and Gaming Regulation applications for authorisation
– interested party consultation**

Independent Distillers welcomes this opportunity to contribute to the ACCC's investigations in respect of the authorisation process for the State of Queensland's Office of Liquor and Gaming Regulation's (OLGR) *pro-forma liquor accord agreement*.

For the majority of adult Australians, responsible drinking is an important part of our culture – particularly to celebrate a milestone, or meaningful occasions. We also acknowledge that harmful drinking behaviours have become a cultural norm for a small minority of Australians, and that we have obligations as a company and as a country to minimise the damage that misuse of alcohol can cause.

Independent Distillers supports sound, evidence-based, reasonable and practicable regulation of alcohol products. In doing so, we encourage the Government to also respect the principles of adult choice and freedom of competition.

Independent Distillers is, in principle, supportive of the proposed OLGR *pro-forma liquor accord agreement*. In the process of lending our support however, we would like to place on the record several concerns we have about the direction of some of the legislative and regulatory directions currently being pursued in relation to alcohol consumption.

Avoiding Perverse Consequences

In 2009, the Australian Government radically increased the excise on the Ready To Drink (RTD) category in an attempt to reduce alcohol consumption.

Independent [REDACTED] research by [REDACTED] (see appendices from two separate data attached) shows that the higher excise, while causing a drop in RTD consumption, caused a simultaneous increase in much riskier (unmeasured) categories such as undiluted bottles of straight spirits, which had become relatively cheaper per drink.

[REDACTED] also directly attributes increases in the cider, and beer categories over the last year to consumer switching in response to the RTD excise increase. In fact, overall alcohol consumption in Australia measurably increased after the excise increases on RTDs.

National Head Office • 50 Swann Drive, Laverton VIC 3028

Telephone (03) 8369 0300 • Facsimile (03) 8369 0399

ABN 49 077 568 480

Lack of Definitions

The draft *pro-forma liquor accord agreement* requires signatories not to advertise “very high alcohol substances such as overproof rum and high alcohol carbonated drinks” without defining what is meant, or the harm which is being avoided.

For example, which of the following products might “high alcohol carbonated drinks” include?

- Champagne (12% ABV, 750 MI Bottle)
- Champagne (12% ABV, 150 MI glass)
- Coopers Best Extra Stout (6.3% ABV, 375 MI Bottle)
- Standard beer (4.8% ABV, 425 MI glass)
- Standard beer (4.8% ABV, 375 MI Bottle)
- Woodstock Bourbon & Cola RTD (made by Independent Distillers) (4.8% ABV, 375 MI can)
- Cruiser Lady Luck, Vodka RTD (made by Independent Distillers) (4% ABV, 275 MI Bottle)

We would submit that, despite the differing packaging sizes and alcohol contents, that none of these beverages falls into the high alcohol carbonated drinks category, but we are uncertain as to how the accord agreement may be enforced.

While we would not seek to interrupt the (OLGR) *pro-forma liquor accord agreement* process at this late stage to insert definitions, we would hope that future agreements either drop this element (on the basis that it is not supported by research), or add research-based definitions.

In conclusion

Independent Distillers believes that the majority of Australian adults drink responsibly and that the vast majority of Australian licensed businesses behave in a responsible and compliant manner.

We agree that new controls are sometimes needed to reduce the harm associated with the misuse of alcohol, where there is a concrete evidential basis for doing so.

We also believe that changes to the regulatory framework should proceed only on the basis of hard evidence of what works. We do not believe that the regime in any jurisdiction should discriminate against one beverage type or business format over another, unless there is a very clear and proven health basis for making that distinction.

Please do not hesitate to contact me at any stage to discuss my submission in more detail.

Yours sincerely



Myles Anceschi

General Manager – Australia

ATTACHED – Appendices with data from [REDACTED]