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Australian Government
Department of Health and Ageing

DEPUTY SECRETARY

Mr Darrell Channing
Director
Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

Re: Queensland Office of Liquor and Gaming Regulation – Application for a pro-forma liquor accord agreement

Dear Mr Channing

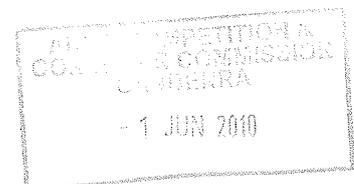
Thank you for your invitation of 28 April 2010 to the Secretary of the Department of Health and Ageing, Ms Jane Halton PSM, to provide comment on the applications from the Queensland Office of Liquor and Gaming Regulation for the implementation of a pro forma liquor accord agreement.

The Department of Health and Ageing supports the pro-forma liquor accord agreement that has been developed by the Office of Liquor and Gaming Regulation for adoption by all liquor accord participants in Queensland. I attach the Department's submission outlining our reasons in support.

Yours sincerely

Ms Rosemary Huxtable PSM
Deputy Secretary

25 May 2010





Australian Government
Department of Health and Ageing

Australian Government Department of Health and Ageing

Submission to the

Australian Competition and Consumer Commission:

Applications for Authorisation A91224 & A91225

lodged by the

The State of Queensland acting through the
Office of Liquor and Gaming

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Application for Authorisation A91224 & A91225

Applicant(s) The State of Queensland acting through the Office of Liquor and Gaming Regulation (OLGR)

Authorisation number(s)/Date lodged A91224, 15 April 2010
A91225, 23 April 2010

Summary The OLGR is seeking authorisation for a pro-forma liquor accord agreement for adoption by the liquor accord participants in Queensland. Liquor accord agreements are signed by licensed premises and others in a particular area and contain strategies to reduce the abuse and misuse of alcohol. The OLGR's pro-forma liquor accord agreement:

- is voluntary and is non-binding upon its signatories. It requires signatories to ban practices and promotions that may encourage rapid or excessive consumption of liquor, for example:
 - 'drink cards' that provide multiple free drinks;
 - extreme discounts or discounts of limited duration; and
 - any other promotions or gimmicks that encourage rapid intoxication.
- requires signatories to ensure that smaller serves of drinks (e.g. half nips) are available at differential (lower) prices;
- requires signatories not to advertise or allow promotions of very high alcohol substances such as overproof rum and high alcohol carbonated drinks; and
- requires signatories to offer and promote low alcohol beer at differential (lower) prices compared to full strength beer.

Introduction

The Department of Health and Ageing supports the pro-forma liquor accord agreement that has been developed by the Office of Liquor and Gaming Regulation for adoption by all liquor accord participants in Queensland. The Department considers liquor accords, and similar local cooperative arrangements, are important if governments and communities are to effectively and sustainably address binge drinking and alcohol-related violence. Evidence from evaluations of programs with similar components shows that restrictions, whether voluntary or mandatory, on the availability and type of alcohol sold can contribute to safer communities that experience less alcohol-related harms.

It is noted that the applicants are seeking an interim authorisation of five years duration. This would allow time for a comprehensive evaluation to be undertaken of the pro forma liquor accord agreement, to determine its effectiveness in meeting the stated objectives and whether there have been any unintended consequences, including harms to competition amongst traders.

Context

According to the 2007 National Drug Strategy Household Survey, about 35% of Australians aged 14 or over report that they have consumed alcohol at levels that risk harm in the short term from such events as accidents and violence on at least one occasion in a 12 month period. About 10 per cent drink at levels that risk harm in the long term from conditions such as cancer, cardiovascular disease, and dependence. Queenslanders report some of the highest levels of risky drinking in Australia. Over 37% of the state's population drink at levels that risk harm in the short term, and almost 12% drink at levels that risk long term harm.¹

The type of product, the drinking environment, and the pattern of drinking all play a role in determining the incidence and severity of harm to an individual and a community. Certain types of wine such as that packaged in casks and some fortified wine products have been shown to be associated with harmful drinking including by people who are alcohol dependent and among those Indigenous peoples who drink at harmful levels.²

Much of the growth in per capita alcohol consumption since 2000 has come from spirit-based ready-to-drink products (RTDs). A study conducted by the National Drug and Alcohol Research Centre has found that the palatability and packaging of some RTDs is highly appealing to young people, and that 12-17 year olds could not taste the difference between some RTDs and non-alcoholic beverages such as chocolate milk.³ Health advocates have noted that RTDs have increased the risk of alcohol related harm to young people who are already at an increased level of risk compared to other population groups.

The harms that result from alcohol abuse are significant. An estimated 813,072 Australians aged 15 years and older were hospitalised for alcohol-attributable injury and disease over the 10-year period 1995/96 to 2004/2005. From 1996 to 2005, an estimated 32,696 Australians aged 15 years and older died from alcohol-attributable injury and disease caused by risky/high risk drinking.^{4 5}

1 Australian Institute of Health and Welfare 2008. *2007 National Drug Strategy Household Survey: first results*. AIHW cat. no. PHE 98. AIHW: Canberra.

2 For example: National Drug Research Institute. (2007) *Restrictions on the sale and supply of alcohol: evidence and outcomes*. Perth: National Drug Research Institute, Curtin University of Technology.

3 Copeland, J., Gates, P., Stevenson, D., & Dillon, P. (2006). *Young people and alcohol: Taste perceptions, attitudes and experiences*. Technical Report No. 241. Sydney: National Drug and Alcohol Research Centre.

4 As defined by the 2001 NHRMC guidelines. Risky/high risk drinking in the short term is defined as 7 or more standard drinks in a day for men, and 5 or more standard drinks in a day for women. Risky/high risk drinking in the long term is defined as an average of 5 or more standard drinks per day for men, and an average of 3 or more standard drinks per day for women.

5 NDRI (2009). *Trends in estimated alcohol-attributable deaths and hospitalisations in Australia, 1996-2005*. Bulletin No. 12 Curtin University.

Alcohol abuse and related harms impose serious social costs to the Australian community, most recently estimated at \$15.3 billion in 2004-05.⁶ Aboriginal and Torres Strait Islander adults are twice as likely as non-Indigenous Australians to have abstained from alcohol consumption in the last 12 months; however a greater proportion of those who did drink consumed alcohol at levels that posed both short-term and long-term risks for their health and the health of others.

Background on Liquor Accords

A liquor accord is an agreement that can take the form of a code of practice, memorandum of understanding, or other arrangement that stakeholders enter into in order to address alcohol related problems in a local area. Licensees or representatives of a licensed venue are essential parties to an accord. They take on responsibility to implement the accord principles which can include responsible serving practices, facilitating communication with the police and other licensed venues, and maintaining incident records. Other accord parties usually come from the local police and fire authorities, local business, health departments, government agencies, local councils, as well as taxi companies, and other interested local stakeholders.

Liquor accords are often a prominent feature of jurisdictional liquor legislation, and they can facilitate the development of vibrant, successful, responsible, and safe entertainment industries as well as improve the management and operation of licensed venues to ensure they are safe and enjoyable and do not impact adversely on a local community.

Initially accords were formed on a voluntary basis and many are still voluntary. Recently, some jurisdictions have started to encourage interested parties to join a suitable, established accord. The strength of accords is that they are comprised of committed participants who encourage collaboration in their communities to find practical solutions to alcohol-related problems. They develop links with other local programs and provide a forum for licensees to identify problems and develop responses.

Accords do not replace existing practice or regulation, but rather complement liquor licensing and other legislation. The harm minimisation and responsible serving principles contained in the latest liquor laws blend purposefully and effectively with liquor accords. They are seen as a pro-active means of bringing about safer communities and can obviate the need for additional regulation, enforcement action, and ultimately court sanctions.⁷

Liquor Accord Activities and Evaluation

The research shows that accords can be an effective way to reduce harm and improve serving practices. However these gains may not endure over time.⁸ Early gains may be associated with close monitoring and enforcement activities, which tend to diminish over time unless the commitment of stakeholders can be maintained or the accord is reinforced by regulation or legislation.⁹

The experience of Port Hedland in Western Australia provides a positive example of successful liquor accords. In response to expressions of concern from Port Hedland community about local alcohol problems, the Western Australian Director of Liquor Licensing conducted a series of inquiries into the adverse effects of alcohol on the local community. Consequently, the Director decided to impose the following restrictions on the sale and promotion of packaged liquor, so that in

6 Collin D & Lapsley H 2008. *The costs of tobacco, alcohol and illicit drug abuse to Australian society in 2004/05*. Commonwealth of Australia: Canberra.

7 NSW Department of Gaming and Racing., (1999) *Liquor accords - local solutions for local liquor problems*, NSW Department of Gaming and Racing, Sydney.

8 Midford, R., Stockwell, T., and Gray, D., (2002) Prevention of alcohol-related harm: community-based interventions, in *National Alcohol Research Agenda*. Commonwealth Department of Health and Ageing, Canberra.

9 Lange, E., Stockwell, T., Rydon, P. and Beel, A., (1998) Can training bar staff in responsible serving practices reduce alcohol-related harm? *Drug and Alcohol Review*, 17, 1, 39-50.

accordance with the Liquor Licensing Act, harm and other ill health in the community caused by alcohol would be minimised.¹⁰ The restrictions included:

- No promotion or advertising of full strength beer, spirits, spirit mixers, or 2 litre wine casks.
- Takeaway alcohol only to be sold from 11am to 9pm Monday to Saturday.
- Table wine only to be sold in containers of 2 litres or less.
- Fortified wine like port and sherry only to be sold in containers of less than 2 litres.
- Spirits only to be sold in containers of 750mls or less.

An evaluation of these restrictions showed that¹¹:

- At both pre and post-surveys points, the community were knowledgeable about local strategies to reduce alcohol problems.
- The restrictions did not greatly inconvenience the community. Harm had been reduced, the community was not greatly concerned about the restrictions, and most people still bought what they wanted, but at different times.
- At pre-survey, the community wanted more control of intoxicated persons and a broader range of restrictions on the supply of alcohol. At post-survey, there was less mention of the need to control intoxicated persons, but greater support for quantity limitations. Support for easing restrictions remained negligible at both times.
- Alcohol consumption in Port Hedland remained steady when the initial restrictions were introduced, whereas it rose by approximately 20% in a neighbouring shire. In addition, per capita consumption of wine, that was subject to voluntary restrictions on large containers, decreased in Port Hedland, while remaining stable in the neighbouring shire.
- There was a decline in some proxy measures of alcohol harm when voluntary restrictions on large wine containers were introduced. Night time hospital accident and emergency incidents decreased, as did trauma related ambulance callouts.

The National Preventative Health Strategy report, *Australia: the healthiest country by 2020*, includes as a key action area to: *Improve the safety of people who drink and those around them*. The Strategy notes that “few accords have been formally evaluated, and among those that have, most have been unable to demonstrate effectiveness in either short- or (particularly) long-term reduction of alcohol-related harms. The appeal of accords tends to lie in the development of local communication networks, the facilitation of local input, a sense of local ‘control’ and improving public relations through open negotiations, rather than in actual reduction of harm. Even so, improved communication and participation may also be perceived as desirable and worthwhile outcomes in some circumstances.” The Strategy strongly recommends that voluntary regulation such as this is accompanied by effective law enforcement.¹²

In its response to the National Preventative Health Strategy report, the Commonwealth Government has stated that it will pursue the recommendations under this key action area with states and territories through the Council of Australian Governments and the Ministerial Council on Drug Strategy. The response further notes that “State and territory liquor control laws and regulations, and their effective enforcement, are a key mechanism for ensuring drinking does not get out of hand and threaten public safety...”¹³

10 NFO Donovan Research (2003). Alcohol accords: Stakeholder review. WA Government Alcohol Accords Stakeholder Review Steering Committee.

11 Midford, R. et al., (2005). An Evaluation of Liquor Licensing Restrictions in the Western Australian Community of Port Hedland. National Drug Research Institute, Perth.

12 Preventative Health Taskforce. (2009) *Australia: the healthiest country by 2020*. Australian Government, Canberra.

13 Taking Preventive Action – A response to Australia: the healthiest country by 2020 – The Report of the National Preventative Health Taskforce, p87.