

Chapter 5

Alcohol advertising, taxation, and education

5.1 Aside from strategies in entertainment precincts, key methods for addressing intoxication and related violence were raised during the course of this inquiry, such as:

- regulation of alcohol advertising;
- taxation and price control of alcoholic beverages; and
- education programs aimed at changing Australian drinking culture(s).

5.2 These methods are discussed in this chapter.

Advertising

5.3 Alcohol marketing is regulated by a number of measures including legislation and industry codes of practice.¹ One such measure is the Alcoholic Beverages Advertising Code (ABAC) Responsible Alcohol Marketing Code, which requires that alcohol advertising meet standards with regards to the following issues:

- responsible and moderate portrayal of beverages;
- responsibility toward minors;
- responsible depiction of the effects of alcohol; and
- alcohol and safety.²

5.4 A number of submitters raised concerns about the current regulatory scheme, particularly with regards to the level of self-regulation and the lack of penalties for breaches. The Royal Australian & New Zealand College of Psychiatrists (RANZCP) submitted that 'Stronger regulations are required in order to limit the impact of advertising and marketing on alcohol consumption'.³ The Australian Medical Association (AMA) recommended that 'the regulation of alcohol marketing and promotion...be statutory and independent of the alcohol and advertising industries, and...carry meaningful sanctions for non-compliance'.⁴ The Law Council of Australia (LCA) recommended that consideration be given to introducing statutory restrictions on alcohol advertising and marketing, including penalising breaches.⁵ The McCusker

1 Australian National Preventive Health Agency (ANPHA), *Alcohol Advertising: the effectiveness of current regulatory codes in addressing community concern* (February 2014) <http://health.gov.au/internet/anpha/publishing.nsf/Content/draft-report-alcohol-advertising+~chapter-4> (accessed 3 May 2016).

2 Alcoholic Beverages Advertising Code (ABAC) Scheme, *ABAC Responsible Alcohol Marketing Code*, p. 2, <http://www.abac.org.au/wp-content/uploads/2014/06/ABAC-Responsible-Alcohol-Marketing-Code-30-4-14.pdf> (accessed 3 May 2016).

3 Royal Australian & New Zealand College of Psychiatrists (RANZCP), *Submission 25*, p. 6.

4 Australian Medical Association (AMA), *Submission 7*, p. 11.

5 Law Council of Australia (LCA), *Submission 30*, p. 16.

Centre for Action on Alcohol and Youth (MCAAY) and Public Health Association of Australia (PHAA) also submitted that there is 'an urgent need for strong, independent, legislated controls on all forms of alcohol advertising and promotion'.⁶

5.5 The Royal Australasian College of Physicians (RACP) and RANZCP stated that current levels of alcohol advertising in Australia are pervasive. They added that the advertising has a particular impact on children, who are especially exposed to advertising when watching sport on television.⁷ The Australian Health Promotion Association (AHPA) labelled the ability for alcohol to be advertised during daytime sports coverage an 'absurd loophole'.⁸

5.6 The RANZCP flagged research indicating that alcohol advertising leads to 'increased awareness of alcohol, more positive attitudes towards drinking, increased consumption among existing drinking, and greater likelihood that non-drinkers will begin drinking'.⁹ It recommended that 'the content of alcohol advertising should be subject to more rigorous and socially responsible standards'.¹⁰

5.7 The RACP and RANZCP recommend that sponsorship of the sporting industry by the alcohol industry be banned.¹¹ The Victorian Alcohol & Drug Association (VAADA) made a similar recommendation, arguing that restricting alcohol advertising during sporting events viewed by minors would help disassociate the relationship between sporting events and alcohol consumption.¹²

Taxation

5.8 Alcoholic beverages are currently subject to tax, and Alcohol Beverages Australia (ABA) claimed the tax is one of the highest alcohol taxes in the world.¹³ The Australian Liquor Stores Association (ALSA) submitted that the taxation of alcohol sold through liquor stores contributes over \$5 billion to the economy each year, which is over 60% of the value of all alcohol taxation in Australia.¹⁴

5.9 Nonetheless, a number of submitters raised serious concerns about the ease with which individuals can procure extremely cheap alcohol beverages—whether

6 McCusker Centre for Action on Alcohol and Youth (MCAAY) and Public Health Association of Australia (PHAA), *Submission 32*, p. 4.

7 Royal Australasian College of Physicians (RACP), *Submission 16*, Attachment 1, RACP and RANZCP Alcohol Policy (March 2016), p. 24.

8 Australian Health Promotion Association (AHPA), *Submission 24*, p. 2.

9 RANZCP, *Submission 25*, p. 6.

10 RANZCP, *Submission 25*, p. 7.

11 RACP, *Submission 16*, Attachment 1, RACP and RANZCP Alcohol Policy (March 2016), p. 27.

12 Victorian Alcohol & Drug Association (VAADA), *Submission 29*, p. 7.

13 Alcohol Beverages Australia (ABA), *Submission 59*, p. 7.

14 Mr Terry Mott, Chief Executive Officer, Australian Liquor Stores Association (ALSA), *Committee Hansard*, 15 April 2016, p. 23.

from a liquor store, or as part of a cheap promotion at an entertainment venue. Dr Jason Ferris recalled that:

...[A] colleague of mine...successfully went into an off-licence premise with \$20 in her hand and came out with seven bottles of wine and change, which worked out to be 49-odd standard drinks at about 40c a drink. If you can do that at 20 bucks—almost cover charge in the night-time economy...It is quite a reminder, when you pull out seven bottles from a box, of how much you can get for 20 bucks.¹⁵

5.10 PHAA furthered this point, asserting that '[a]lcohol is more affordable, more available and more heavily promoted today than at any stage in recent history'.¹⁶ Mr Brown similarly stated '[a]lcohol has never been more available, heavily promoted and dirt cheap in Australia'.¹⁷

5.11 Additionally, several submitters argued that the current taxation system is too complex, the tax revenue generated is outweighed by the cost to Australia of alcohol-related harm, and that increasing the tax on alcohol beverages and/or amending the taxation of alcohol is likely to have positive outcomes in terms of reducing excessive alcohol consumption.

5.12 The RACP and RANZCP called the current alcohol taxation system 'illogical and complex', as it involves different tax rates for beer, wine and spirits.¹⁸ The Royal Australasian College of Surgeons (RACS) stated that the system has not been developed according to a set of consistent policy principles.¹⁹

5.13 The RACP and RANZCP also submitted 'the taxation revenue generated from sales of alcohol in Australia is approximately \$6 billion a year (net of rebates provided to wine producers), while the social costs from alcohol-related harm is estimated at \$15 to \$36 billion. In effect, the community is subsidising alcohol drinkers'.²⁰

5.14 The RACS stated that in 2010 the total cost of alcohol 'misuse' in Australia was estimated to be up to \$36 billion, whereas in that same year the Commonwealth government received an estimated \$7.075 billion in alcohol tax revenue.²¹

5.15 St Vincent's Health Australia (SVHA) recommended that some of the revenue from alcohol taxation be directed towards measures to prevent alcohol-related harm,

15 Dr Jason Ferris, *Committee Hansard*, 15 April 2016, p 7.

16 Adjunct Professor Michael Moore, Chief Executive Officer, PHAA, *Committee Hansard*, 15 April 2016, p. 25.

17 Mr Tony Brown, *Submission 46*, p. 1.

18 RACP, *Submission 16*, Attachment 1, RACP and RANZCP Alcohol Policy (March 2016), p. 16.

19 Royal Australasian College of Surgeons (RACS), *Submission 43*, p. 4.

20 RACP, *Submission 16*, Attachment 1, RACP and RANZCP Alcohol Policy (March 2016), p. 17.

21 RACS, *Submission 43*, p. 4.

to provide treatment for people with alcohol-related problems, and to fund research into these areas.²²

5.16 A large number of submitters recommended that alcoholic products be taxed on the basis of the volume of alcohol they contain.²³ The AMA argued that such a volumetric alcohol tax would be an incentive for manufacturers to produce products with a low alcohol content.²⁴ The Australian Drug Foundation (ADF) argued that such a tax would be 'economically efficient and fair' because it would treat all kinds of alcohol in the same way, rather than differentiating between beer, wine and spirits.²⁵ The RACS stated:

New economic modelling commissioned by the Foundation for Alcohol Research and Education has shown that replacing the WET and rebate with a ten percent increase to all alcohol excise and a volumetric tax on wine and cider would deliver \$2.9 billion revenue and reduce alcohol consumption by 9.4 per cent.²⁶

5.17 A number of submitters argued that increasing the tax on alcohol beverages will reduce the consumption of alcohol, and associated harm. The ADF flagged that, while the states have carriage of liquor licensing, the Commonwealth has the power to reduce excessive drinking by influencing the price of alcohol through taxation.²⁷ The ADF also argued that:

...influencing the price of alcohol through taxation is the most effective means governments have of reducing excessive consumption and, therefore, the level of harm to a community...Many people believe that heavy drinkers are not affected by price change, but they are. They drink less when the price increases. Taxation increases are cost effective. It is the most cost-effective measure government's can introduce because it costs very little to administer.²⁸

5.18 SVHA stated that alcohol taxation is 'one of the most effective policy interventions to reduce the level of alcohol consumption and related problems', and submitted that a 10 per cent increase in price would likely lead to a five per cent decrease in consumption.²⁹ It also highlighted the 2010 Review of Australia's Tax

22 St Vincent's Health Australia (SVHA), *Submission 38*, p. 8.

23 AMA, *Submission 7*, p. 13; AHPA, *Submission 24*, p. 2; VAADA, *Submission 29*, p. 5; Australian Drug Foundation (ADF), *Submission 34*, p. 5; SVHA, *Submission 38*, p. 8; RACS, *Submission 43*, p. 4; Mr Brown, *Submission 46*, p. 5; Foundation for Alcohol Research and Education (FARE), PHAA and National Alliance for Action on Alcohol (NAAA), p. 6; Western Australian Network of Alcohol & other Drug Agencies (WANADA), *Submission 52*, p. 3.

24 AMA, *Submission 7*, p. 13.

25 ADF, *Submission 34*, p. 11.

26 RACS, *Submission 43*, p. 1.

27 Mr Geoff Munro, National Policy Manager, ADF, *Committee Hansard*, 15 April 2016, p. 26.

28 Mr Munro, ADF, *Committee Hansard*, 15 April 2016, p. 27.

29 SVHA, *Submission 38*, p. 8

System (the Henry Review) which identified taxation as 'an appropriate measure for improving social outcomes because of the high cost imposed by excessive alcohol consumption'.³⁰

5.19 The LCA argued that cost implications like taxation of minimum pricing are 'likely to be an effective policy tool',³¹ as did the PHAA, highlighting that the alcohol taxation is one of the best policy practices as recommended by the World Health Organisation (WHO).³²

5.20 Both SVHA and the AMA were of the opinion that all licensed premises should set a 'minimum floor price' for drinks to prevent promotions involving free or heavily discounted drinks.³³ The Deakin University Violence Prevention Group (DUVPG) argued that this can be effective in addressing alcohol consumption and associated violence:

I think there was a review in 2009 of the international evidence that says that, when you increase the price of alcohol—so not taxation per se—you see reductions in violence. The order of magnitude varies in different communities. Probably one of the most relevant examples recently has been in Vancouver and British Columbia, where they put in place a minimum price on alcohol. That is really important because minimum price addresses two key populations. It addresses the 20 per cent of the population who drink the most—alcoholics and young people—and it addresses their consumption patterns. What they found was an across-the-board reduction—across the whole state, a reduction of 10.4 per cent—in both violence on the street and domestic violence. They did not separate that out but they reported that it was about equally matched.³⁴

5.21 The RACP and RANZCP supported this notion, claiming that 'younger people and heavy drinkers are particularly sensitive to alcohol pricing, with changes to alcohol pricing yielding significant changes in total alcohol consumption in these groups'.³⁵ They raised the example of the 2008 'alcopops tax' which increased tax on ready-to-drink spirits by 70 per cent, and which was followed by a 30 per cent reduction in consumption of those drinks.³⁶ They also argued that this particular tax was associated with a significant decrease in the number of young people presenting

30 SVHA, *Submission 38*, p. 8

31 Mr Phillip Boulten SC, Member, National Criminal Law Committee, LCA, *Committee Hansard*, 15 April 2016, p. 14.

32 Adjunct Professor Moore, PHAA, *Committee Hansard*, 15 April 2016, p. 25.

33 SVHA, *Submission 38*, p 8; AMA, *Submission 7*, p. 13.

34 Professor Peter Miller, Deakin University Violence Prevention Group (DUVPG), *Committee Hansard*, 15 April 2016, pp 4-5.

35 RACP, *Submission 16*, Attachment 1, RACP and RANZCP Alcohol Policy (March 2016), p. 16.

36 RACP, *Submission 16*, Attachment 1, RACP and RANZCP Alcohol Policy (March 2016), p. 17.

at hospital emergency departments.³⁷ The 2012 *Dealing with alcohol-related harm and the night-time economy* or 'DANTE' report did, however, flag that this tax may have merely changed the substances people use, or the way in which they consume them, and highlighted international research which indicated that the increased cost of drinks in licensed venues led to more people 'pre-loading'.³⁸

Education

5.22 The committee heard that there are a number of education campaigns currently running in Australia. The Queensland government highlighted programs in Queensland that target individual responsibility and encourage cultural change, including:

...school programs and a multimedia education and awareness campaign targeting young people, particularly young men. The first phase of the campaign, bearing the slogan, 'What is your relationship with alcohol?' has already commenced, and subsequent phases will be rolled out over the next three years. The government is also supporting Mr Danny Green's national coward punch campaign.³⁹

5.23 The Australian Hotels Association (AHA) highlighted similar programs, and argued that rather than regulating the industry, education programs should be used to bring about a cultural change:

Examples of recent campaigns aimed at changing culture include the Danny Green One Punch Campaign Australia and also changing the term 'king-hit' to 'coward punch'. We believe there are several organisations working successfully in the space of changing culture amongst our young people. They include organisations such as DrinkWise, the Sammy D Foundation and the Wake Up Foundation. While regulation has its place in minimising violence, we believe the most effective way to decrease violence is to drive cultural change.⁴⁰

5.24 Step Back Think (SBT) likewise submitted that social violence is 'intricately linked with cultural and social norms regarding violence, masculinity, and alcohol, among other things' and that the factors influencing a person to make violent choices are complex.⁴¹ It also highlighted that its own education programs are designed to:

37 RACP, *Submission 16*, Attachment 1, RACP and RANZCP Alcohol Policy (March 2016), p. 17.

38 DUVPG, *Submission 47*, Attachment 1, Professor Miller et al., 'Dealing with alcohol-related harm and the night-time economy' (DANTE), (April 2012), p. 11.

39 Mr David Ford, Deputy Director-General of Liquor, Gaming and Fair Trading and Commissioner for Liquor and Gaming, Department of Justice and Attorney-General, Queensland Government, *Committee Hansard*, 15 April 2016, p. 36.

40 Mr Stephen Ferguson, Chief Executive Officer, Australian Hotels Association (AHA), *Committee Hansard*, 15 April 2016, p. 18.

41 Step Back Think (SBT), *Submission 27*, p. 1.

motivate young people to reflect on cultural norms and their own attitudes about social violence. Ultimately we want to empower, mobilise and support young people to actively promote respectful community relationships and safe social environments.⁴²

5.25 The LCA highlighted the particular challenges facing indigenous communities, and recommended 'investment in diagnostic and treatment services, as well as education programs regarding the misuse of alcohol, particularly targeted at Aboriginal and Torres Strait Islander people'.⁴³ The LCA added that:

The design and implementation of such programs should be led or informed by Aboriginal communities and must be consistent with the principles in the UN Declaration on the Rights of Indigenous Peoples.⁴⁴

5.26 The DUVPG stated that education campaigns which focus on telling a person how to think before they act when they are intoxicated will not work. This is because when you are intoxicated:

you start not using certain parts of your brain; you start to close down particularly the frontal cortex and the midbrain and you go back to the very basic brainstem operation, very basic emotions...we start to operate from that very base level and respond in ways that we would not normally respond.⁴⁵

5.27 The committee heard that for education programs to be effective, they need to be long-term sustained programs aimed at bringing about a change in the Australian culture of drinking and associated aggression, rather than focusing on how to think when you drink.

5.28 The Alcohol and Public Policy Group flagged that 'the impact of education and persuasion programs tends to be small, at best' and '...a focus upon educating and persuading the individual drinker to change his or her behaviour without changing the broader environment cannot be relied upon as an effective approach'.⁴⁶

5.29 The Queensland government argued that:

The one-off advertising campaign will not do it. As we have seen with other social media campaigns, such as the drink driving and smoking campaigns, they took a long time to really start to have an effect, but the cumulative effect over some years was the trick'.⁴⁷

5.30 The Foundation for Alcohol Research and Education (FARE) similarly argued that:

42 SBT, *Submission 27*, p. 7.

43 LCA, *Submission 30*, pp 17-18.

44 LCA, *Submission 30*, pp 17-18.

45 Professor Miller, DUVPG, *Committee Hansard*, 15 April 2016, p. 6.

46 See, Professor Kypros Kypri, *Submission 4*, Attachment 1, Alcohol and Public Policy Group, 'Alcohol: No Ordinary Commodity – a summary of the second edition' (2010), p. 126.

47 Mr Ford, Queensland Government, *Committee Hansard*, 15 April 2016, p. 37.

...we need strong and sustained campaigns. What we have in Australia[n] campaigns are weak and episodic public health programs around alcohol harm. That is the problem. If public awareness and public education campaigns are going to have an impact, we need to look to what happened with road safety and with the Quit campaigns which were designed to reduce the prevalence of smoking. I strongly support those sorts of campaigns. The fact is that we just do not really have them anywhere in Australia.⁴⁸

5.31 Professor Steve Allsop argued that education is important, but only when combined with other regulatory measures:

Education is critically important...to inform people. But we should not expect behaviour to change if we continually make alcohol more available and we do not challenge the way in which communities have historically accepted some of the bad behaviour that happens when people are intoxicated. It is not about investing everything in education. It is recognising the proper role of education as a strategy to inform and to provide the backdrop for the policy. It is not a substitute for policy. It is not a substitute for strategies that address the factors that contribute to harm.⁴⁹

48 Mr Michael Thorn, Chief Executive, FARE, *Committee Hansard*, Friday 15 April 2016, p. 30.

49 Professor Steve Allsop, Director, National Drug Research Institute (NDRI), Curtin University, *Committee Hansard*, 15 April 2016, p. 4.