



Alcohol Policy Coalition

26 May 2015

The Hon Mr Bruce Billson
C/- General Manager
Small Business, Competition and Consumer Policy Division
The Treasury
Langton Crescent
PARKES ACT 2600

Dear Mr Billson

SUBMISSION IN RESPONSE TO THE NATIONAL COMPETITION POLICY REVIEW FINAL REPORT

Executive summary:

- **Alcohol is not an ordinary consumer good, it requires differential treatment**
- **Increased availability of alcohol leads to increased alcohol-related harms**
- **Competition policy must not be crafted in a way that enables it to be deployed to undermine or impede appropriate alcohol control policies which aim to protect community health and safety**

Thank you for the opportunity to provide a submission in response to the *Competition Policy Review Final Report* (Final Report). The Alcohol Policy Coalition writes to provide comment on the Final Report and to provide support to the submission prepared by the Foundation for Alcohol Research and Education (FARE) to the Final Report.

Alcohol is not an ordinary product. It is a drug that has a depressive effect on the central nervous system, is addictive, a known carcinogen, a cause of birth defects, contributes to more than 200 diseases and has a significant role in poor mental health,¹ family violence, motor vehicle fatalities² and child maltreatment.³

Increased availability leads to increased harms

Despite this, alcohol is increasingly sold and promoted as an ordinary everyday grocery item, as common and readily available as cornflakes.^{4,5} Research has consistently demonstrated that if you increase the availability, affordability and promotion of alcohol there are resultant increases in alcohol consumption and social and health harms.⁶ This has happened in Australia with the implementation of previous rounds of Competition Policy that resulted in unprecedented growth in



the availability of alcohol, decreases in price⁷ and increases in alcohol harms. The 2014 *'Alcohol's Burden of Disease'* report showed that in the ten years (from 2000 to 2010), alcohol-related deaths increased by 62 per cent and alcohol-related hospitalisations doubled, from 76,467 to 157,132.⁸ Presented another way, 15 people die and 430 are hospitalised due to alcohol each day. This makes the reduction of alcohol-related harms one of Australia's greatest preventive health challenges.⁹

While the availability of alcohol has greatly increased in Australia in recent years, the scientific literature has increasingly recognised that alcohol is intrinsically among the most harmful psychoactive substances in common use. Expert ratings on harms from different psychoactive substances have regularly rated alcohol as more harmful than many drugs whose sale is prohibited. This is particularly so when harm to people other than the user is taken into account.¹⁰

Existing Australian laws limit access to most other psychoactive substances which affect behaviour (as alcohol does) to use as medication. In most cases requiring a doctor's prescription, and prohibiting any marketing to the general public as well as sales for nonmedical purposes. Research has highlighted the discrepancy between the risks that societies like the Australian society routinely accept in everyday patterns of alcohol consumption as compared to the much lower risk threshold that is acceptable for most other behaviours.¹¹

The Alcohol Policy Coalition does not advocate for prohibition. However, the psychoactive properties of alcohol and the potential for harm, including harm to others are sufficient to warrant exceptional treatment for alcohol. Alcohol control policies should be exempted from the competing priorities imposed by competition policy. Special treatment for alcohol is warranted, just as it is for prescription pharmaceuticals, where the prohibition on marketing, limits full competition in that market.

Final Report

The Alcohol Policy Coalition is pleased to see that the Competition Review Panel, in its Final Report, acknowledged the clear need and justification to regulate alcohol due to the harms it causes.

In particular, the APC is encouraged that the Panel acknowledged:

*"The risk of harm to individuals, families and communities from problem drinking and gambling is a clear justification for regulation" and that "...given the Panel's view that the risk of harm from liquor provides a clear justification for liquor regulation, any review of liquor licensing regulations against competition principles must take proper account of the public interest in minimising this potential harm."*¹²

The Alcohol Policy Coalition advocates for harm minimisation and believes that protecting people's health and safety should be the primary objective of alcohol regulation. In the development and implementation of the revised national competition strategy we urge you to ensure that alcohol sales and alcohol policies are not treated as ordinary commodities like general grocery items or ordinary retail businesses.

The most straightforward way to ensure that further increases in alcohol availability are not forced by competition policy compliance requirements is to declare alcohol a special product exempt from

competition policy. Failing this, we recommend that any application of competition policy to alcohol must clearly give “minimisation of harm” from the consumption and sale of alcohol priority over competition considerations. This reflects and acknowledges the harm that alcohol causes. It is also consistent with existing state legislation in some jurisdictions including Victoria and is in the public interest in order to ensure improved public health and safety.

The Alcohol Policy Coalition was also pleased that the Competition Review Panel recognised the importance of state and territory governments being able to set their own controls in terms of planning, zoning or restricting trading hours for licensed premises in their jurisdiction. In the context of the Panel’s overall recommendations we wish to highlight the Panel’s view that it:

“...does not propose that the recommendation to deregulate trading hours for sellers of ‘ordinary’ goods and services (see Recommendation 12) should prevent policymakers from regulating trading times for alcohol retailing (or gambling) in order to achieve the public policy objective of harm minimisation. Similarly, the recommendation that competition be taken into account as an important part of the planning and zoning process (see Recommendation 9) should not be interpreted as removing any ability for governments, in dealing with planning and zoning, to take full account of harm minimisation as an objective.”¹³

“... is certainly not the Panel’s view that the promotion of competition should always trump other legitimate public policy considerations.”¹⁴

In order to protect existing and future alcohol control policies, it is essential that these sentiments and overriding caveats are translated into the final national competition strategy.

Conclusion

The Alcohol Policy Coalition considers that alcohol should be treated differently from other consumer goods and harm minimisation should be the primary and overriding objective in all alcohol regulation. We urge you to ensure that this is not undermined through Competition Policy which applies generally to the sale and supply of alcohol or by enabling competition policy to trump harm minimisation principles. Further liberalisation of alcohol sales including through supermarkets should not occur. This would be detrimental to the health of Australians and add to the national healthcare burden with increased alcohol-related harms.

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

Please do not hesitate to contact Elizabeth Holzer on 03 9514 6453 if you would like to discuss these issues further.

Alcohol Policy Coalition

May 2015

About the Alcohol Policy Coalition

The Alcohol Policy Coalition is a collaboration of health and allied agencies who share a concern about the level of alcohol misuse and the associated health and social consequences for the community. The Alcohol Policy Coalition develops and promotes evidence-based policy responses that are known to be effective in preventing and reducing alcohol related problems.

The members of the Alcohol Policy Coalition are: Australasian College of Emergency Medicine, Australian Drug Foundation, Cancer Council Victoria, Foundation for Alcohol Research and Education, Inner North West Melbourne Medicare Local, Jewish Community Council of Victoria, Public Health Association of Australia (Victoria), Royal Australasian College of Surgeons, Salvation Army, Turning Point, Uniting Church, Synod of Victoria and Tasmania, Victorian Alcohol and Drug Association.

All have a strong track record in tackling major health issues in the community.

¹ World Health Organization (WHO). (2014). Global Status Report on Alcohol and Health. World Health Organization, Geneva. http://www.who.int/substance_abuse/publications/global_alcohol_report/en/

² Devlin, A., & Fitzharris, M. (2013) An analysis of single-vehicle fatality crashes in Australia at various Blood Alcohol Concentrations. Monash University Accident Research Centre, Monash Injury Research Institute.

³ Laslett, AM., Mugavin, J., Jiang, H., Manton, E., Callinan, S., MacLean, S., and Room, R. (2015) The hidden harm: Alcohol's impact on children and families. Centre for Alcohol Policy Research, Foundation for Alcohol Research and Education. Canberra.

⁴ Babor et al, 2010, Alcohol No Ordinary Commodity Research and Public Policy Second Edition, Oxford University Press

⁵ Roche, A., Bywood, P., Freeman, T., Pidd, K., Borlagdan, J. and Trifonoff, A. (2009). The social context of alcohol use in Australia. National Centre for Education and Training on Addiction, Adelaide

⁶ National Drug Research Institute. (2007). Restrictions on the sale and supply of alcohol: Evidence and outcomes. Perth: Curtin University of Technology.

⁷ Marsden Jacob Associates. (2005). Identifying a framework for regulation in packaged liquor retailing. Report prepared for the National Competition Council as part of the NCC Occasional Series, Melbourne.

⁸ Gao, C., Ogeil, R., and Lloyd, B. (2014). Alcohol's burden of disease in Australia. Canberra: FARE and VicHealth in collaboration with Turning Point.

⁹ Gao, C., Ogeil, R., and Lloyd, B. (2014). Alcohol's burden of disease in Australia. Canberra: FARE and VicHealth in collaboration with Turning Point.

¹⁰ Hall, W., Room, R. & Bondy, S. (1999) Comparing the health and psychological effects of alcohol, cannabis, nicotine and opiate use. In Kalant, H., Corrigall, W., Hall, W. & Smart, R., eds. The Health Effects of Cannabis, pp. 475-506. Toronto: Addiction Research Foundation Division, Centre for Addiction and Mental Health.

Nutt, D. J., King, L. A., & Phillips, L. D. (2010). Drug harms in the UK: a multicriteria decision analysis. *The Lancet*, 376:1558-1565.

¹¹ Rehm, J., Lachenmeier, D. & Room, R. (2014) Acceptable risk? Why does society accept a higher risk for alcohol than for other voluntary or involuntary risks? *BMC Medicine* 12:189. <http://www.biomedcentral.com/content/pdf/s12916-014-0189-z.pdf>

¹² Australian Government Competition Policy Review (2015). Competition Policy Review: Final Report. Canberra: Commonwealth of Australia. Page 145.

¹³ Australian Government Competition Policy Review (2015). Competition Policy Review: Final Report. Canberra: Commonwealth of Australia. Page 146.

¹⁴ Australian Government Competition Policy Review (2015). Competition Policy Review: Final Report. Canberra: Commonwealth of Australia. Page 47.