



Foundation for Alcohol Research & Education

25 September 2020

Mr Peter Achterstraat AM  
NSW Productivity Commissioner  
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Dear Commissioner Achterstraat

### **PRODUCTIVITY COMMISSION GREEN PAPER: CONTINUING THE PRODUCTIVITY CONVERSATION**

Thank you for the opportunity to provide feedback on the draft recommendations of the Productivity Commission Green Paper *Continuing the productivity conversation*. In this letter, we provide feedback specifically in relation to recommendations 4.1 and 4.9.

The Foundation for Alcohol Research and Education (FARE) is an independent, not-for-profit organisation that has been working for 20 years to create healthy and safe communities, free from alcohol fuelled harm.

Alcohol causes social and economic damage. In 2018-19, alcohol was responsible for 1,929 deaths in New South Wales (NSW) and 45,000 alcohol attributable hospitalisations.<sup>1</sup> The NSW Auditor-General estimated that alcohol costs the NSW Government more than \$1 billion every year.<sup>2</sup> Across Australia the social costs of alcohol misuse in 2010 was estimated to be \$14.35 billion, with the highest costs associated with productivity losses (42 per cent), traffic accidents (26 per cent) and the criminal justice system (21 per cent).<sup>3</sup>

Noting that the Commission aims to focus on recommendations that provide the greatest productivity gains at the lowest social cost, we ask the Commission to reconsider recommendations 4.1 and 4.9 which have the potential to significantly increase alcohol harms in the community.

Noting also that the Commission seeks to align with other NSW Government priorities, we draw the Commission's attention to the *NSW Health Strategic Priorities*<sup>4</sup> Priority One 'Keep people Healthy' and the *NSW State Health Plan: Towards 2021*.<sup>5</sup> Direction One of the State Health Plan focuses on 'Keeping people healthy', including a target of 'reducing total risk drinking'. Alcohol use is also a barrier to achieving a number of the Premier's priorities, including 'protecting our most vulnerable children' and 'reducing recidivism in the prison population'.<sup>6</sup>

There is strong community support for Government action on alcohol harm. A January 2020 YouGov survey found that 78 per cent of people in NSW think more needs to be done to reduce harm caused by the sale and marketing of alcoholic products.<sup>7</sup>

The cost of alcohol to the community, the potential to inadvertently undermine other government priorities and strong community sentiment suggest that progressing with recommendations 4.1 and 4.9 will contribute to increased social costs through increasing the risk of alcohol harm.

Our specific feedback on these recommendations is provided below.

#### **Recommendation 4.1**

This recommendation includes the proposal to extend for 12 months the temporary regulatory change in response to COVID-19 that allows some licensed venues to sell takeaway and delivered liquor.

This measure has the potential to increase harm and should not be locked in place for 12 months, especially in a constantly changing situation with on premise venues reopening and increasing capacity. FARE recommends *Draft Recommendation 4.1* be removed to allow the Government the flexibility to wind back the temporary measure when the time is right, rather than having it in place for this extended period.

Increased availability of alcohol contributes to increased alcohol harms. There is an established body of Australian evidence showing increased density of takeaway alcohol outlets is correlated with greater assaults, traffic crashes and domestic violence.<sup>8,9,10</sup>

During the pandemic there have been sharp rises in alcohol deliveries.<sup>11</sup> FARE's 2020 Annual Alcohol Poll found that for Australians receiving alcohol deliveries within two hours of ordering, 70 per cent drank more than four standard drinks that day<sup>12</sup> (above recommended government health guidelines<sup>13</sup>), and of this group over a third (38 per cent) drank 11 or more standard drinks the day of delivery, putting themselves and those around them at heightened risk of harm. There is evidence that alcohol is being delivered to people who are intoxicated, with research from 2019 indicating a fifth of rapid delivery orders were placed by people too intoxicated to drive at the time the order was placed.<sup>14</sup> The more intoxicated a person is, the more likely they are to harm themselves or others. Alcohol intoxication fuels death<sup>15</sup>, suicide<sup>16</sup>, disease<sup>17</sup>, injury<sup>18</sup>, violence<sup>19</sup>, domestic violence<sup>20</sup>, mental illness<sup>21</sup>, road accidents<sup>22</sup>, child neglect and abuse<sup>23</sup>.

During COVID-19, people who have increased their alcohol intake are reporting that they are doing so to cope.<sup>24</sup> They are also reporting increased daily drinking.<sup>25</sup> People who have become unemployed or decreased work hours have also increased their drinking during the same period.<sup>26</sup>

Alcohol being supplied directly, and often late at night, into homes can further enable these problematic drinking patterns that are at much higher risk of leading to alcohol dependency. Alcohol-related assaults increase substantially between 6pm and 3am, with 37 per cent of alcohol fuelled assaults occurring in the home and more than half (57 per cent) of those being family violence.<sup>27</sup> Suicides and sudden or unnatural deaths involving alcohol predominantly happen at night, in the home environment.<sup>28</sup> The rapid delivery of alcohol to the home, late at night, only further exacerbates these known risks.

#### **Recommendation 4.9**

This recommendation includes two suggestions: general stores should be allowed to sell takeaway alcohol, and supermarkets should be able to display and sell alcohol in grocery aisles.

Allowing alcohol to be sold in general stores and displayed with groceries in supermarkets will increase alcohol availability and harms, with particular risk to children. FARE suggests *Draft Recommendation 4.9* be removed, noting the significant harms it can bring without any clear community benefit.

Alcohol is a harmful drug, not a normal grocery item. Restrictions on the promotion and sale of alcohol reflect that it is a restricted substance only available to adults. Encouraging alcohol to be on the shelf like other grocery items further normalises and exposes children to alcohol and leads to a greater risk of children purchasing or procuring alcohol.<sup>29</sup>

Community sentiment is strongly protective of children not being exposed alcohol promotion, with FARE’s 2020 Annual Alcohol Poll finding 64 per cent of Australians are opposed to children being exposed to alcohol advertising.<sup>30</sup> A key driver of this sentiment is that we know that alcohol advertising, including product packaging and display, is harmful for children. The evidence clearly shows that exposing children to alcohol marketing increases their alcohol consumption and increases their likelihood to commence drinking earlier.<sup>31,32,33,34,35</sup> Protecting children from undue alcohol promotion should be a priority so children can grow up healthy and safe.

Allowing alcohol to be sold in more outlets, such as general stores, also increases the availability of alcohol, which increases harm. Research in Western Australia found that for every 10,000 additional litres of pure alcohol sold at an off-licence liquor outlet, the risk of violence experienced in a residential setting increased by 26 per cent. The higher the volume of alcohol sales from packaged liquor outlets, the greater the likelihood of interpersonal violence. A significant association has also been found between the average volume of sales per off-site licence and all measures of assault.<sup>36</sup>

Further research shows that increased alcohol outlet density is associated with increased levels of family violence over time. A landmark density study conducted in Victoria found that a 10 per cent increase in off-licence liquor outlets is associated with a 3.3 per cent increase in family violence.<sup>37</sup> When the Alcohol Policies and Legislation Review in the Northern Territory reviewed the evidence it found that:

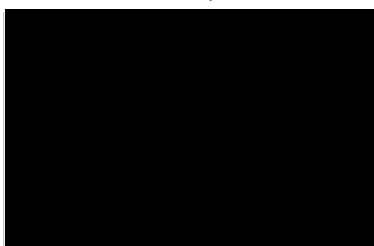
*“The evidence clearly shows density, as defined by the number of outlets and the volume of sales, for a particular geographical area or region, are essential considerations in assessing the public interest.”<sup>38</sup>*

While increasing availability of alcohol has been shown to increase harms, the converse is also true – decreasing availability decreases harms.

The Northern Territory (NT) has introduced a comprehensive alcohol reform program to reduce alcohol harm. This reform program relies on measures to restrict availability, lower sales and increase price. Those efforts have led to profound decreases in alcohol related harms. NT government data shows that the reforms have led to a 22 per cent reduction in alcohol related assaults across the Territory, including a 15.5 per cent reduction in Darwin and a 40 per cent reduction in Alice Springs. Territory-wide there was a 24.5 per cent decrease in alcohol-related emergency department presentations between September–December 2018, compared to 2017, a trend that has continued in the first quarter of this year, with presentations declining by 22 per cent.<sup>39</sup>

Thank you for considering our submission to this consultation on the Productivity Commission Green Paper.

Yours sincerely



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