



Foundation for Alcohol  
Research & Education

Level 1,  
40 Thesiger Court  
Deakin ACT 2600

PO Box 19  
Deakin West ACT 2600

T 02 6122 8600  
F 02 6232 4400

[www.fare.org.au](http://www.fare.org.au)

ABN 91 096 854 385

10 June 2014

Competition Policy Review Secretariat  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Dear Sir or Madam

**SUPPORT FOR THE SUBMISSION TO THE COMPETITION POLICY REVIEW BY THE NATIONAL ALLIANCE FOR ACTION ON ALCOHOL**

I am writing to provide my support to the National Alliance for Action on Alcohol's (NAAA) submission to the Competition Policy Review. NAAA is a national coalition that represents more than 75 organisations from across Australia, of which the Foundation for Alcohol Research and Education (FARE) is a key member.

FARE is concerned about harms caused by alcohol to the Australian community and the role competition policy has had in worsening the protections that Australians have against these harms.

The Competition Principles Agreement, outlined in the Competition Policy Review Issues Paper, highlights that legislation:

*"...should not restrict competition unless it can be demonstrated that:*

*(a) the benefits of the restriction to the community as a whole outweigh the costs; and*

*(b) the objectives of the legislation can only be achieved by restricting competition."*

This is echoed by the Prime Minister's recent statement that *"the first law of government should be: do no harm."*<sup>1</sup>

However, the reality for liquor licensing in Australia is that competition policy has contributed to the rapid increase in the number of licensed premises and hours of sale, making alcohol more affordable and more widely available than ever before.<sup>2</sup> Each year in Australia, alcohol causes more than 3,000 deaths and results in 65,000 alcohol-related hospitalisations.<sup>3</sup> There are also 70,000 people who are victims of alcohol-related assaults, including 24,000 victims of alcohol-related domestic violence.<sup>4</sup>

In 2005, the National Competition Council requested advice on *"an appropriate framework that might be applied when reviewing liquor regulation to arrive at best regulatory practice that balanced minimising harm from alcohol consumption and achieved other relevant public interest objectives including competition policy."*<sup>5</sup> Marsden Jacob Associates were commissioned to undertake this work. The report cited ten

strategies as being best practice for liquor regulation which included amending alcohol tax to increase price, restricting the hours or days of sale, outlet density restrictions, licensing and enforcement to ensure compliance, restrictions on price discounting, ability to discriminate by product type or alcohol content and restrictions on advertising and promotion.

In particular, the report noted that liberalisation in the number of liquor outlets or type of liquors outlets without the corresponding increase in levels of enforcement and compliance monitoring was a *“recipe for increased harm.”*<sup>5</sup> It can be argued that several Australian jurisdictions are now facing this situation, where liquor licencing laws that were liberalised to comply with Competition Policy requirements are now implementing strict controls to reduce spiralling levels of alcohol-related harm. Sydney is one example where high rates of alcohol-related harm and community concern has resulted in the Government recently introducing policies to reduce trading hours and impose restrictions on holders of liquor licenses.

The increase in the availability and affordability of alcohol is associated with an increase in alcohol-related harms. This has been particularly prevalent in areas with higher concentrations of licensed venues, such as Victoria, and has corresponded with higher levels of assault, domestic violence and chronic health harm.<sup>6,7,8</sup> Also, extensions of trading hours in liquor outlets has been found to increase rates of violence and road crashes in an area.<sup>9,10</sup> These changes have been particularly seen in jurisdictions where liquor licensing legislation was forced to comply with competition policy requirements.

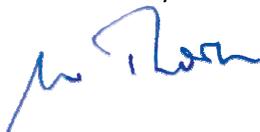
It should also be noted that the foreword in the Marsden Jacob report by the National Competition Council states that *“consumers are entitled to the many benefits of competition. They are also entitled to the protection offered by appropriate regulation of alcohol. These tasks of those designing regulation in this areas is to balance these two demands.”*<sup>5</sup> It is clear that the results of competition policy in respect to liquor licensing has come at a high cost to the Australian community.

A recent poll by FARE showed that 78 per cent of people in Australia recognise that there is a problem with excess drinking or alcohol abuse, 76 per cent believe that that alcohol-related problems will get worse or remain the same over the next five to ten years and an overwhelming majority (79%) believe that more needs to be done to reduce these harms. The Australian public also strongly support interventions that place restrictions on the way that alcohol is marketed and sold.<sup>11</sup>

Alcohol is no ordinary commodity, it is unlike soap or milk or shampoo, it has the potential to do great harm to individuals and well as families and the wider community. These harms are being experienced and felt by many in our country therefore, FARE supports and commends NAAA’s submission to the Competition Policy Review. It is critical that this Competition Policy Review does not further erode the restrictions that currently exist and allow Governments to continue to impose new conditions that are of benefit to the public first and foremost.

Thank you for the opportunity to make comment on the Competition Policy Review. If you require further information please contact Sarah Ward, Senior Policy Officer on 02 6122 8600 or [sarah.ward@fare.org.au](mailto:sarah.ward@fare.org.au)

Yours sincerely



MICHAEL THORN  
CHIEF EXECUTIVE

## References

---

- 1 Prime Minister of Australia (2014). Ministerial Statement on Deregulation: The Hon Tony Abbott MP 19 March <http://www.pm.gov.au/media/2014-03-19/ministerial-statement-deregulation>
- 2 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. <http://nceta.flinders.edu.au/files/6412/5548/2957/EN400.pdf>
- 3 Chikritzhs, T, et al. (2003). Australian Alcohol Indicators: Patterns of Alcohol Use and Related Harms for Australian States and Territories 1990-2001, National Drug Research Institute and Turning Point Alcohol & Drug Centre, Melbourne.
- 4 Laslett, A-M., Catalano, P., Chikritzhs, T., Dale, C., Doran, C., Ferris, J., Jainullabudeen, T., Livingston, M., Matthews, S., Mugavin, J., Room, R., Scholterlein, M. & Wilkinson, C. (2010). The Range and Magnitude of Alcohol's Harm to Others. Fitzroy, Victoria: Victoria, AER Centre for Alcohol Policy Research, Turning Point Alcohol and Drug Centre, Eastern Health.
- 5 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.
- 6 Livingston, M. (2008). A longitudinal analysis of alcohol outlet density and assault. *Alcoholism: Clinical and Experimental Research* 1074-1079.
- 7 Livingston, M. (2011). Alcohol outlet density and harm: Comparing the impacts on violence and chronic harms. *Drug and Alcohol Review* 515-523.
- 8 Livingston, M. (2011). A longitudinal analysis of alcohol outlet density and domestic violence. *106(6) Addiction* 919-925.
- 9 Chikritzhs T, Stockwell T. (2002). The impact of later trading hours for Australian public houses (hotels) on levels of violence. *Journal of Studies on Alcohol*, 63(5):591-9.
- 10 Chikritzhs T, Stockwell T. (2006). The impact of later trading hours for hotels on levels of impaired driver road crashes and driver breath alcohol levels. *Addiction*, 101(9):1254-64.
- 11 Foundation for Alcohol Research and Education (2014). 2014 Annual Alcohol Poll: Attitudes and Behaviours, Deakin ACT