

10 January 2024

Ms Robyn Kruk AO, Panel Chair
Commonwealth Government COVID-19 Response Inquiry
Department of the Prime Minister and Cabinet
COVID-19Inquiry@pmc.gov.au

Dear Ms Kruk,

Commonwealth Government COVID-19 Response Inquiry

Thank you for the opportunity to provide a submission to this Inquiry. COVID-19 has had lasting impacts on the ways that alcohol is sold and marketed and the resulting harms. Action is needed to ensure that common sense measures are introduced to help reduce and prevent alcohol harm.

The Foundation for Alcohol Research and Education (FARE) is the leading not-for-profit organisation working towards an Australia free from alcohol harm. With local communities, values-aligned organisations, health professionals and researchers across the country, we strive to improve the health and wellbeing of everyone in Australia.

FARE recommends:

1. Laws relating to the collection of people's data online, the sale and marketing of alcohol and licensing need to be modernised to take into consideration the changed way that alcohol is marketed and sold online. This includes increasing protections in the Privacy Act, State and Territory Liquor Acts and introducing independent regulation of alcohol marketing.
2. A nation-wide awareness-raising campaign on alcohol is needed to increase the community's understanding of the risks associated with alcohol use.
3. The increasing rates of alcohol harm are concerning and warrant an urgent whole-of-government response that involves coordination between State and Territory health and regulatory bodies to ensure that alcohol harms are reduced and prevented.

Increased alcohol harms - *There are increasing rates of alcohol harms across the country, with alcohol induced deaths and treatment episodes at their highest rates in a decade.*

Several data sets show recent increasing rates of alcohol harms across the country. Data released by the ABS in September 2023 shows the rate of alcohol-induced deaths has increased by 9.1 per cent between 2021 and 2022.¹ This is the fourth consecutive year there has been an increase in the rate of deaths from alcohol in Australia and is also the highest rate of deaths in a decade. The rate of deaths increased from 5.4 deaths per 100,000 to 6.0 deaths per 100,000. There were 1,742 alcohol-induced deaths recorded in 2022, up from 1,578 deaths in 2021.

AIHW data shows that the number of Australians reaching out to alcohol treatment services is also at its highest in a decade, with almost half (49 per cent) of all alcohol and other drug treatment episodes involving alcohol as a drug of concern.² Treatment episodes where alcohol is the principal drug of concern have increased by 37 per cent since 2012-13 reaching 87,334 episodes in 2021-22. Since COVID-19 began in 2019-20, when alcohol companies aggressively marketed their products as a way to cope with the stresses of the pandemic, there has been a 16.4 per cent increase to 2021-22, in people reaching out for help for alcohol.

AIHW data also shows the rate of deaths from alcohol-related injury has more than doubled in a decade, from 4.8 to 9.7 deaths per 100,000 people.³ There were 1,946 alcohol-related injury deaths in 2019-20, representing almost one in seven deaths from injury, and 30,000 people were hospitalised with falls, intentional self-harm and assault the leading causes. Alcohol was involved in one in four hospitalisations for self-harm and one in five hospitalisations due to assault.

Predatory marketing - The way that alcohol is marketed and sold online is becoming more predatory, making every phone a bottleshop and billboard, putting people at greater risk of harm.

During COVID-19, alcohol companies and retailers took advantage of the pandemic to sell more alcohol. Alcohol companies invested significantly in digital marketing and in expanding their capacity to deliver alcohol, outpacing privacy and marketing regulation. In 2021/22, the Endeavour Group, which controls almost half of the alcohol retail market in Australia, invested \$74 million in its digital arm 'EndeavourX',⁴ to become the 'Netflix of alcohol'.⁵

As people spent more time online, the capacity for companies to collect data on them increased. This allowed them to market products towards people based on online behaviours. In the same way as when people purchase books online, they are sold more books, when people purchase alcohol online, they are served more alcohol advertisements. The difference is that alcohol is a drug that can be addictive. By its nature this marketing targets people who are most at risk.

Alcohol companies used the COVID-19 pandemic to market to people who were most vulnerable. An analysis of alcohol ads on meta platforms, just after stay-at-home restrictions were introduced, found nearly three-quarters of ads (71 per cent) explicitly or implicitly referenced the COVID-19 pandemic.⁶ Two-thirds (66 per cent) of the alcohol ads also had a 'Shop now' or 'Get offer' button linking directly to their online store.

There are not effective controls of alcohol marketing in Australia. At the federal level, the Alcohol Beverages Advertising Code (ABAC) is an alcohol lobby group-run scheme that has no legal standing or enforcement capacity. At the State and Territory level, Liquor Acts are often silent on the online marketing of alcohol. These Acts are outdated, largely still focusing on physical premises – pubs, clubs and bars – when 80 per cent alcohol is sold for use at home.

Alcohol companies sell 36 per cent of alcohol to just five per cent of people, who they require to drink on average 8 standard drinks per day (with many drinking in much greater quantities).⁷ The online environment makes it easier for alcohol companies to know more about these people. By its nature, this business model is one where people who are most at risk are targeted to grow sales, increasing the risk of harm.

"I struggle with alcohol, so when I see [online ads], I get triggered... constant bombardment with marketing is wearing down my resilience." - Maz, 35-44 years old, Female

"Alcohol ads on social media, and also marketing sent to my personal inbox, that I haven't subscribed to (I have an alcohol addiction)." – Heidi, 25-34 years old, Non-binary⁸

Online sales and delivery - Regulation has not kept pace with the changing ways alcohol is sold, with some governments making the sale of alcohol easier, increasing the risk of harm.

Many of the State and Territory Liquor Acts across the country do not include the delivery of alcohol, and those that do, do not adequately consider the changed environment for harm that the delivery of alcohol presents. There is clear evidence that alcohol sold rapidly online is more likely to be used

at high risk levels, with people who use alcohol at higher risk levels 7 times more likely to order alcohol to continue a current drinking session.

In addition, people who drink alcohol at higher risk levels are more likely to be frequently targeted by companies with alcohol ads online. They are more likely to be sold alcohol while intoxicated, at least weekly, and on the same day that the order is made.⁹ Many States and Territories expanded the capacity for alcohol to be sold from more venues during COVID-19 and then ensured this continued. This means more premises are now effectively bottle shops, increasing accessibility and availability of alcohol, which increases the risk of harm.

Common sense measures are needed to reduce and prevent the risk of harm posed by these online environments. These measures include limiting late night and rapid deliveries, effective digital sales and delivery ID-checks, preventing predatory marketing, improved data collection, specific licence categories and risk ratings, and support for delivery staff, such as delivery-specific responsible service of alcohol (RSA) training.

Yours sincerely,



Dr Catherine Earl
Director of Policy and Research

¹ ABS (2022) *Causes of Death, Australia* <https://www.abs.gov.au/statistics/health/causes-death/causes-death-australia/latest-release>

² AIHW (2023) *Alcohol and other drug treatment services in Australia annual report* <https://www.aihw.gov.au/reports/alcohol-other-drug-treatment-services/alcohol-other-drug-treatment-services-australia/contents/about>

³ AIHW (2023) *Alcohol-related injury: hospitalisations and deaths, 2019–20 Summary* <https://www.aihw.gov.au/reports/injury/alcohol-related-injuries-2019-20/contents/summary>

⁴ Endeavour Group (2022) *2022 Annual Report*, p. 29 https://assets-global.website-files.com/63376b94b708b416ace71770/6357cde1be6b5c02937e2f05_2022_Annual%20Report.pdf

⁵ House A (2019) *Dan Murphy's introduces Netflix approach to marketing*. Drinks Trade. <https://www.drinkstrade.com.au/dan-murphys-introduces-netflix-approach-to-marketing>

⁶ CCWA & FARE (2020) *An alcohol ad every 35 seconds A snapshot of how the alcohol industry is using a global pandemic as a marketing opportunity*. <https://fare.org.au/wp-content/uploads/2020/05/08-CCWA-FARE-An-alcohol-ad-every-35-seconds-A-snapshot-final.pdf>

⁷ Cook M, Mojica-Perez Y & Callinan S (2022) *Distribution of alcohol use in Australia* <https://fare.org.au/wp-content/uploads/CAPR-report-Distribution-of-alcohol-use-in-Australia.pdf>

⁸ FARE (2023) *Experiences with online marketing of alcohol, gambling and unhealthy food: A survey* <https://fare.org.au/wp-content/uploads/Community-Voices-Report.pdf>

⁹ Coomber K, Baldwin R, Taylor N, et al (2023) *Characteristics of high- and low-risk drinkers who use online alcohol home delivery in Western Australia* <https://onlinelibrary.wiley.com/doi/full/10.1111/dar.13783>