



17 Napier Close  
DEAKIN ACT 2600

PO Box 269  
Woden ACT 2606

Phone: (02) 6281 0686  
Fax: (02) 6281 0995  
Email: [adca@adca.org.au](mailto:adca@adca.org.au)

ABN: 39 008 455 525

NCP Inquiry  
Productivity Commission  
PO Box 80  
BELCONNEN ACT 2616

Dear Commissioners

Thank you for the discussion draft report *Review of National Competition Policy Reforms*. We would like to accept your invitation to make a further submission to the inquiry.

On considering the draft report – particularly sections 5 (Social, regional and environmental impacts) and 6 (Lessons from NCP) – ADCA was dismayed to find that the considerable public health and safety concerns associated with increased competition amongst alcohol retailers had not been addressed. Only passing reference was made to the issue, firstly in respect of unfinished business and penalties, and secondly in relation to the public interest test.

ADCA stands firmly behind the evidence presented in its initial comprehensive submission to the review and, with other public health advocates, argues for the removal of liquor licensing legislation from the reform agenda. We ask that you would revisit our submission and give consideration to including in the final inquiry report a balanced discussion of the consequences of relaxing liquor licensing laws. We particularly wish to draw your attention to the following points.

### **Not just another commodity**

Alcohol is not like other goods and services that have been part of the reform agenda. It is not a necessity of modern life. It is not always healthful. In many instances, it is not even benign. It is a drug that, when misused, is second only to tobacco use as a preventable cause of death and hospitalisation in Australia (NEACA 2001). As such, ADCA believes that it is completely inappropriate to treat restrictions governing its sale like those that regulate the sale of other commodities.

### **Net benefit to the community**

Economic reforms are designed to increase overall living standards and inevitably there are transitional costs associated with this. While there are winners and losers in every process, the government has indicated that the costs experienced by some individuals or groups are not, in and of themselves, sufficient reason to forego reform as long as the outcomes are of net benefit to the Australian community. ADCA would like to see the inquiry report reflect some discussion of net benefit in relation to licensing legislation reform.

Considering the likely negative impacts of increasing competition in the retail alcohol sector, ADCA argues strongly that the harmful consequences will not be felt by isolated individuals or even pockets of the community, but by the Australian public as a whole. Alcohol is the most widely used drug in Australia with over 80% of the population aged 14 and over having consumed alcohol in the last 12 months when surveyed in 2001 (AIHW 2002). Further, the misuse of alcohol is common and the burden on the community from alcohol related harm is enormous – over \$7.5 billion in social costs in 1998-99 alone (Collins & Lapsley 2002). It has been conservatively estimated that in 2001, 80% of all alcohol consumed in Australia put the health and safety of drinkers at risk of acute and/or chronic harm. When looking at alcohol related mortality, in the ten years between 1992 and 2001, 31 133 Australians died from alcohol misuse (Chikritzhs et al. 2003).

In Australian jurisdictions where licensing laws have already been relaxed, regulative reform aimed at increasing competition has resulted in greater numbers and types of establishments being able to sell alcohol. This is of great concern to ADCA and other public health advocates. Research over 50 years in developed countries has demonstrated that the cheaper and more available alcohol is in a community, the higher the consumption and the higher the harms caused by the use of alcohol (Edwards, Anderson & Babor et al. 1994; Babor, Caetano & Casswell et al. 2003). Australian research has shown that trends in adult per capita alcohol consumption closely reflect patterns of alcohol related deaths and road injuries in each jurisdiction (Catalano et al. 2001).

In this context ADCA argues that while amending licensing legislation to increase competition between alcohol retailers may have some short term financial benefits, in the longer term an increase in the already significant levels of alcohol related harm in this country is also likely. This in turn will have fiscal impacts of its own through increased social, health and law enforcement costs. It is vital that these costs are factored into assessments of net benefit and decisions on whether competition reform should apply to licensing legislation.

## **Burden of proof**

The discussion draft report states that where proposed reforms will impact on regulations that have important social policy objectives, the onus of proof should be on those favouring the most problematic outcomes. ADCA agrees. There is no doubt that the objectives of licensing legislation are, at least in part, social. In this context, and given the weight of evidence on the associated risks to public health and safety, it should fall to the federal government to prove that the benefits of relaxing licensing legislation are greater than the likely resultant harms.

Debate about whether the NCP public interest test is sufficiently robust to ensure that social impacts are adequately addressed is irrelevant. State/territory governments should not have to individually prepare and prove a public interest case for the retention of existing licensing legislation where those regulations function to limit the number and types of licensed venues. To request that they do so is an inversion of the appropriate burden of proof. To penalise them for not reforming legislation that functions to safeguard the health and safety of the community is remiss.

In closing, ADCA agrees that liquor licensing legislation requires review and reform across jurisdictions and we would be supportive of the federal government taking a lead role in this process. However, such reform should be predicated on realising the considerable potential that regulations have to reduce alcohol related harm and not on the enhancement of competition between retailers.

I trust that you will give ADCA's concerns your careful consideration in the preparation of the final inquiry report.

Yours sincerely

*(signed and hard copy sent)*

Ms Cheryl Wilson  
Chief Executive Officer

15 December 2004

Australian Institute of Health and Welfare (AIHW) 2002, *2001 National Drug Strategy Household Survey: first results*, Australian Institute of Health and Welfare, Canberra.

Babor T, Caetano R & Casswell S et al. 2003, *Alcohol: no ordinary commodity*, Oxford University Press, Oxford.

Catalano P, Chikritzhs T, Stockwell T, Webb M Rohlin C & Dietze P 2001, *Trends in per capita alcohol consumption in Australia: 1990/91- 1998/99*, National Alcohol Indicators Bulletin no. 4, National Drug Research Institute, Perth.

Chikritzhs T, Catalano P, Stockwell T, Donath S, Ngo H, Young D & Matthews S 2003, *Australian alcohol indicators 1990-2001: patterns of alcohol use and related harms for Australian states and territories*, National Drug Research Institute, Perth.

Collins DJ & Lapsley HM 2002, *Counting the cost: estimates of the social costs of drug abuse in Australia in 1998-9*, National Drug Strategy monograph series no. 49, Commonwealth Department of Health and Ageing, Canberra.

Edwards G, Anderson P & Babor TF et al. 1994, *Alcohol policy and the public good*, Oxford University Press, Oxford.

National Expert Advisory Committee on Alcohol (NEACA) 2001, *National Alcohol Strategy: a plan for action 2001 to 2003-04*, Commonwealth Department of Health and Aged Care, Canberra.