

# Victorian Inquiry into Strategies to Reduce Harmful Alcohol Consumption:

## Supplementary Submission by the Distilled Spirits Industry Council of Australia Inc (DSICA)

June 2005

### 1. Executive Summary

- In December 2004, DSICA lodged its submission to the Victorian Inquiry into Strategies to Reduce Harmful Consumption (referred to in this paper as “the original submission”).
- Since that time, DSICA has noted the release of several key new publications that update the existing documentary evidence regarding alcohol consumption patterns in Australia.
- Furthermore, DSICA has also noted the release in April 2005 of the *National Alcohol Strategy 2005 - 2009 Consultation Paper* (this was prepared by Turning Point Alcohol and Drug Centre on behalf of the Australian Government Department of Health and Ageing).
- Given the release of these important documents, and also the finalisation and lodgement of DSICA’s 2005-06 Pre-budget Submission with the Federal Government, DSICA believes it desirable that the Inquiry Committee is updated on the contents of these publications.
- DSICA is grateful for the opportunity to provide further information in relation to these developments by way of this Supplementary Submission. DSICA requests that the information contained in this Supplementary Submission be read as part of and in the context of its original submission.
- In the sections of this Supplementary Submission which follow, DSICA refers to the relevant sections (and headings) of the original submission.

#### National Drug Strategy

- The *National Drug Strategy, Australia’s integrated framework 2004 – 2009* was approved by the Ministerial Council on Drug Strategy (MCDS) in May 2004. The Strategy focuses on the need for evidence-based policy making in this area (see pg. 11).
- The National Alcohol Strategy is one key component of the National Drug Strategy. DSICA believes that the Committee’s considerations and recommendations should be made in the context of these two high level, overarching strategy documents.

### 2. Alcohol Consumption Facts

#### 2.1 Introduction

- This section provides supplementary information to that contained in Section 2 of the original submission.
- Section 2 of the original submission addressed some issues raised in Section 2 of the Discussion Paper: *The Nature and Extent of Alcohol Consumption in the Victorian Community*.

#### 2.2 DSICA data on per capita alcohol consumption

- As outlined in Section 2.1 (p. 8) of the original submission, DSICA prepares an annual industry-based estimate of adult per capita alcohol consumption in Australia. This estimate is included in DSICA’s annual Pre-budget submission to the Commonwealth Government.

- Historical data for the period 1970-71 to 2002-03 was outlined in Figure 1 (p. 9) of the original submission.
- DSICA lodged with the Commonwealth Treasury in March 2005 its *Pre-budget Submission 2005-06* (the 2005-06 PBS) (see *Attachment 1*). In the course of preparing the 2005-06 PBS, DSICA revised its estimates for the historical Australian alcohol market. Please refer to Figure 1 on page 5 of the 2005-06 PBS for revised DSICA data on per capita alcohol consumption.

### 2.3 Current market shares by alcohol category

- In Section 2.2 of the original submission, DSICA outlined its estimate of the market share of key alcohol product categories in Australia. These estimates were for the 2002-03 year and were provided based on information held at that time.
- These estimates were updated for the 2003-04 year in the course of preparing the DSICA 2005-06 Pre-budget Submission. The estimates for the 2003-04 year are outlined in *Figure 1* below.

*Figure 1: Australian Alcohol Beverage Market - % share in Litres of alcohol (2003-04)*



### 2.4 The best available evidence

- As noted at Section 2.5 of the original submission (p. 13), DSICA considers the National Drug Strategy (NDS) Household Survey to be the most reliable survey of alcohol consumption patterns in Australia. This view is based on an evaluation of alternative survey evidence conducted for DSICA by Professor Ian McAllister from the Australian National University (ANU).
- In April 2005, the Minister for Health and Ageing released the *2004 National Drug Strategy Household Survey First Results* (the 2004 First Results).
  - The authors of the survey claim that the 2004 survey is “the most comprehensive survey concerning licit and illicit drug use ever undertaken in Australia.” (p. 1).

- The survey is the eighth in the NDS survey series and had a sample size of 29,445 (the largest sample size for the series, almost 2,000 more than the 2001 sample and almost three times larger than the 1998 sample).
- For the first time, persons in the age group 12 to 13 were included in the sample (previously the sample was 14 years of age and older).
- The 2004 First Results presents the summary results from the survey. (The main survey report – titled *2004 National Drug Strategy Household Survey: Detailed Findings* – will be published later in 2005). Therefore, detailed analysis and conclusions from the 2004 survey can only be undertaken once this later publication is released.
- However, some initial observations can be made from the 2004 First Results as follows:
  - *Age of initiation*: the mean age at which Australians first use alcohol remains **stable** (17.2 years according to the 2004 survey; 17.1 according to the 2001 survey) (p. 5).
  - *Drinking status*: the proportion of the population drinking **daily** remained **stable** (8.9% in 2004; 8.3% in 2001); the proportion of the population drinking **weekly** has **fluctuated** (41.2% in 2004; 39.5% in 2001) (p. 16).
  - *Teenage drinkers*: the proportion of teenagers (defined as 14 to 19 years old) drinking **at least weekly** has **declined** (24.4% in 2004; 28.3% in 2001); the proportion of teenagers drinking **less than weekly** (the largest “drinking status” category) has remained **stable** (46.0% in 2004; 44.9% in 2001) (p. 17).

## 2.5 Underage drinkers

- Section 2.9 of the original submission contains significant commentary and analysis regarding the Department of Health and Ageing’s (DHA) series of surveys regarding alcohol consumption patterns of drinkers aged 15 to 17 conducted as part of the National Alcohol Campaign (NAC).
- In March 2005, DHA released its most recent survey results as part of this series – *Alcohol consumption patterns among Australian 15-17 year olds from 2000 to 2004* (the DHA 2005 report).
- The DHA 2005 report documents the results from five national surveys conducted each February commencing in 2000 and concluding in 2004.
- DSICA re-iterates its endorsement of these surveys as an appropriate source of data in relation to underage drinking patterns.
- DSICA has undertaken a preliminary analysis of the results documented in the DHA 2005 Report. Its conclusions are documented in the attached Briefing paper (see *Attachment 2*).
- The key conclusions of this survey are that there have been no significant increases in the key indicators of harmful alcohol consumption amongst young people between 2000 and 2004 (see further discussion below).

## 3. Alcohol Consumption Among Young People

### 3.1 Indicators of alcohol consumption amongst young people

- Section 3 of the original submission addressed issues regarding *Young People* in the context of *Cultures of Alcohol Consumption*.
- In particular, DSICA outlined the results of analysis on the issue of alcohol consumption by young people conducted for DSICA by Professor McAllister.

- In the 2005-06 PBS, DSICA has used this analysis and results from the *Australian secondary school students' use of alcohol in 2002 survey* to develop six key indicators in relation to alcohol consumption amongst young people.
- DSICA refers to these as “**Indicators of alcohol consumption amongst young people**” (the Indicators). These indicators are outlined and discussed on pages 17-19 and pages 31-40 of the 2005-06 PBS.
- The key observation is that all of the national alcohol consumption indicators for young people are either stable or declining.
- The Indicators are currently being updated to include results from the DHA 2005 report.

### 3.2 National Alcohol Strategy 2005 – 2009 (Consultation Paper): Young people

- DSICA (and the other members of the alcohol industry) are specifically represented on the Project Management Group overseeing the development of a new National Alcohol Strategy for Australia. That representation is through the National Alcohol Beverages Industry Council (NABIC).
- The *National Alcohol Strategy 2005 – 2009 Consultation Paper* was circulated for public comment in April 2005. A draft National Alcohol Strategy document will be prepared, issued for public consultation, and then finalised by the Ministerial Council on Drug Strategy (MCDS) in November 2005.
- The draft Strategy identifies young people as a vulnerable group in our society.
- The draft Strategy recommends 10 possible areas for attention in relation to young people, including:
  - Early prevention efforts – including protection and risk reduction approaches (eg: support in early childhood);
  - Community engagement and coordination in alcohol specific and other general programs (including evidence-based schools programs)
  - Provide sustained support and interventions for children of people with alcohol and drug problems and other difficulties that increase vulnerability;
  - Adaptation of and collaboration with programs that have been successful in delaying uptake of other risky or dangerous behaviours such as smoking;
  - Enforcement of underage drinking laws;
  - Harm reduction skills and strategies for young people who use alcohol
  - Promote adult responsibility and awareness of the risks associated with the provision of alcohol to those underage;
  - Explore workplace opportunities for prevention programmes
  - Increase the legal age at which people can purchase alcohol;
  - Ensure that young people who develop alcohol dependence have access to appropriate treatment(s).
- DSICA considers that the Committee should specifically address each of these possible initiatives in its deliberations.

#### **4. Costs of Alcohol Consumption**

- In Section 4.2 of the original submission, DSICA outlined its detailed forecast of the likely Commonwealth (non-GST) revenue from alcohol taxation by category for the 2002-03 year.
- In the 2005-06 PBS, DSICA has updated this estimate for the 2005-06 year and has also, for the first time, included an estimate of GST revenue from alcohol. Please refer to pages 6-7 of the 2005-06 PBS for these latest estimates.
- In summary, the figures for the 2 broad categories of taxation are:
  - \$4,414m in non-GST revenue; and
  - \$1,400m in GST revenue.

#### **Presentation: Monday, 20 June 2005**

- DSICA appreciates the opportunity to make a presentation to the Committee on these important new developments on Monday, 20 June 2005 at 1.30pm.

15 June 2005

**Contact:** For further information, contact Gordon Broderick, Executive Director, DSICA, 03 9696 4466