

Submission to

**Consumer and Business Services
Attorney-General's Department**

***Liquor Licensing Discussion
Paper***

**Prepared by
The Australian Liquor Stores
Association Inc.
(ALSA)**

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The Australian Liquor Stores Association Inc. (ALSA) welcomes the opportunity to make the following submission to the South Australian Consumer and Business Services Department *Liquor Licensing Discussion paper*.

Introduction

ALSA supports the South Australian (SA) Government's review of liquor licensing legislation in order to ensure that it remains relevant for a modern SA society and economy.

Modest and sensible regulatory reform will provide South Australian consumers with greater choice, convenience, and competition and lead to a major investment by the liquor and hospitality industry to provide for the needs of a modern, vibrant Australian lifestyle.

ALSA believes reform to alcohol policy needs to give sufficient weight and prominence to measures that specifically target those who cause harm while respecting the right of the vast majority to continue to consume alcohol responsibly. Such measures fall broadly under the two (2) following areas:

1. *Require* individuals through regulation, sanctions and policing of existing legislation to take personal responsibility for their behaviour when consuming alcohol or supplying liquor to others, and also while on, or in the vicinity of licensed premises and in public places; and
2. *Promote and encourage* individuals and communities to take responsibility for alcohol consumption and behave in socially appropriate ways. This is achieved through targeted education; harm minimisation and treatment initiatives aimed at intervening early to avoid problematic drinking and any associated violence as well as to prevent the recurrence of these behaviours.

This discussion paper presents a welcome opportunity to review the unnecessary red tape currently embedded in the South Australian liquor licensing process and associated legislation. ALSA has identified a number of aspects that the review would benefit from considering.

Liquor licence categories

South Australia has 12 liquor licence categories which are significantly more than other jurisdictions. For example NSW, WA, ACT and Tasmania have between 5 – 9 liquor licence categories.

The excessive number of liquor licence categories in South Australia can result in confusion when interpreting and enforcing the licensing requirements for certain premises. ALSA would support the reduction in the number of licence categories and conditions to a more manageable level as this would simplify the Act for licensees, licensing authorities, the police and the community.

Liquor licensing framework and application process

The Review should consider options to reduce the time taken to determine licence applications.

A proposed retail liquor merchant requires approval from both the Local Government and the Liquor and Gambling Commissioner. The two consent authorities sometimes duplicate each other's work – meaning that an opportunity exists to more precisely define which body is responsible for which tasks, and for the two consent authorities to recognise the work undertaken by the other.

Holding commercial property for extended periods incurs significant costs for investors. This is in addition to the costs of the licence application process itself which frequently involve significant legal fees and the costs involved in undertaking a community or social impact statement (Impact Statement).

It often takes a very long time for a decision on a licence application to be decided - there is no time limit by which a decision must be made - and many applications take in excess of 12 months to reach determination. The process is very time-consuming and expensive for the applicants (lawyers quote up to \$100,000, even more), and clearly discourages individuals and smaller entities from seeking licences.

The costs of delays are not only the concern of an applicant, but are also borne by prospective landlords and developers who are reluctant to take on the additional financial risk that is inherent in the process. Further compounding this challenging set of circumstances is that time delays can lead to expiration of agreements (after incurring considerable and now wasted expense) putting both the applicant and the lessor at risk.

The ultimate impact of this situation is that it is inordinately time consuming, results in significant financial disadvantage to applicants, discourages investment and inconveniences consumers.

ALSA submits that the planning permit and liquor licence processes would benefit from greater alignment and any new process should include statutory timeframes for decision making; improved risk-based assessment that recognises the qualities of the applicant and the class of licence being applied for; and a transparent end-to-end application process.

The costs and red tape involved in the linear licence approval process can be reduced by having one consent authority recognising the process and steps undertaken by another consent authority. This can be achieved by more precisely defining role of local councils in the process.

Development application process

The rigorous development application process is the appropriate time for councils to consider the proposed use of premises. It is at this stage that the local council can place restrictions on how a premise can be lawfully used.

Councils should not have the right to subsequently intervene to oppose a liquor licence application if they have already approved the development application.

Community participation

ALSA recognises that a further objection to a liquor licence from a single member of the public can cause unnecessary delay for the business owner and can provide a second forum for an objector to be heard.

ALSA acknowledges the importance of community participation in the licensing application process but also recognises that where the social risks of a proposal have already been carefully scrutinised by one consent authority that there is no need for the process to be undertaken again by a different consent authority.

Change is needed to improve the reliability and predictability of the planning and liquor licensing systems.

Standard licence Conditions

A liquor licence authorises the licensee to sell and supply liquor in accordance with the conditions of the licence – which are set out in the Liquor Licensing Act 1997 (the Act). These conditions include responsibilities in relation to supervision and management, noise, non-supply of liquor to minors, sale and supply to ‘intoxicated persons’ etc.

The Act provides for mandatory Codes of Practice which impose further enforceable licence conditions and obligations. The current General Code of Practice is very prescriptive and sets out what licensees must do with respect to managing the responsible service of alcohol in their premises.

ALSA does not believe that the standard conditions for retail liquor merchants should include conditions based on capacity as this is not relevant to our sector. There is a significant difference between on premise where people purchase and consume alcohol, generally over a period of a few hours compared to retail liquor merchants where customers are in the store for 5 minutes or less to purchase alcohol beverages for consumption off the premises, or for cellaring for later use.

ALSA does not support a ‘one size fits all’ approach for standard liquor licence conditions to be imposed upon a licence class or a zone. ALSA believes that it is equally unfair to penalise our members without any substantiated evidence of harms arising from those particular businesses.

ALSA is supportive of stronger enforcement action to be taken for serious breaches on a specific licence, rather than impose additional conditions across all licences in the licence category.

Responsible Persons

Under the Liquor Licensing Act 1997 licensed premises must be personally managed and supervised by a 'responsible person' at all times when the premises are open to the public.

ALSA acknowledges the benefit of a 'responsible person' on licensed premises to manage and supervise the business and exercise authority over the activities that occur at the premises. Other Australian jurisdictions have similar positions such as either approved managers in WA and Queensland or nominees in Victoria and NT.

However, ALSA believes the application and approval process for a 'responsible person' in South Australia should be reviewed to reduce administrative burden.

The current process for applicants completing the 'responsible person test' is excessive as an applicant is required to satisfy the licensing authority that they are a fit and proper person by completing the Personal Information Declaration (PID) form. The applicant must provide details of all convictions (including traffic convictions), credit details and provide detailed information about close associates, such as their family and relatives which can be an unnecessary invasion of privacy for a relative without any connection to the business and a further costly and irrelevant piece of red tape.

ALSA submits that a person should not be judged on the criminal history of their family, relatives or the associates of the same. No other jurisdiction requires information by association to approve a person to manage or supervise premises. This results in long delays for approval as the application has to go to SAPOL who do checks on every associate listed on the form. Delays are also experienced due to a shortfall in the number of persons processing applications in CBS.

One of our members has experienced a number of instances where their applicants have been required to attend a police hearing on the basis of information about a relative which is embarrassing and invasion of privacy for what gain? This has resulted in a lengthy timeframe for approval of the application.

The provisions of the Liquor Licensing Act 1997 make it clear to licensees and their staff that they must take their obligations and responsibilities seriously.

Should a licensee or staff member breach the Act, Regulations or the conditions of licence (which includes the Codes of Practice) they may be prosecuted or have action taken by the Liquor and Gambling Commissioner before the Licensing Court. This may result in a fine and / or disqualification from holding a licence.

ALSA believes that sufficient laws and regulations currently exist to ensure the responsible service of alcohol and that it is not necessary to introduce other mechanisms to ensure appropriate responsible persons are in the industry.

Drug and alcohol testing for responsible persons

ALSA does not believe that it is reasonable for responsible persons to be tested for being under the influence of drugs and alcohol whilst on duty.

Professional and responsible retail liquor merchants have their own staff Code of Conduct which clearly outlines how their employees are required to behave in the course of their employment, and generally specifies the employer's drug and alcohol policy. The development and implementation of a clearly defined drugs and alcohol policy is a means of how employers responsibly manage the workplace risks related to drug and alcohol use.

Unacceptable conduct is generally defined as possessing or consuming alcohol or illegal drugs during working hours, and working under the influence of illegal drugs or alcohol.

Non-compliance with an employer Code of Conduct generally results in serious consequences such as disciplinary action or termination for serious breaches.

Harm minimisation provisions

It is not consumption *per se* that causes harm, but the excessive and abusive use of alcohol beverages that can cause harm. ALSA, therefore, submits that the harm minimisation provisions in the legislation should focus on reducing harmful levels of drinking, and the potential for harm should only be associated with excessive consumption and harmful drinking patterns. This would recognise that there is no harm to people or others when alcohol beverages are consumed responsibly and in moderation.

The reality is that the vast majority of adult Australians are drinking responsibly and in moderation, and that overall per capita consumption continues to decline. ALSA welcomes measured, evidence-based research into the overall issue of alcohol consumption, drinking culture and the drivers of individual behaviour, to ensure that any policy recommendations will be effectively targeted and result in long term sustainable and healthy lifestyles for the community first and foremost, not simplistic overall population control shot-gun approaches that are unlikely to change behaviour in the minority who are misusing or abusing the alcohol beverages.

South Australia Police (SAPOL)

The current situation relating to the SAPOL role in the liquor licence application process is appropriate, and similar to Police participation in the application process in other Australian jurisdictions.

Number of licensed venues

It is impossible to generalise that there is any overall causal link to social harm as a result of liquor licence density, in every location across all licence types and communities. The 2013 NSW Liquor Act Review¹ reported that "there does not appear to be a direct

¹ Report on the statutory review of the *Liquor Act 2007* and the *Gaming and Liquor Administration Act 2007*, page 62

correlation between rates of domestic violence overall and the state-wide increase in the number of packaged liquor outlets”.

Recent ABS data² confirmed that despite a growing population, and a dramatic increase in the number of outlets, the overall volume of pure alcohol sold has dropped for the seventh year in a row, and the overall apparent per capita consumption has declined to a “50 year low”.³ There has been a shift to premiumisation with brands, taste, quantity and product differentiation becoming increasingly relevant rather than just the quantity of pure alcohol.

The total number of liquor licences in SA⁴ has increased 25% from 2005 (5056) to 2015 (6337), but this significant growth is not across all liquor licence types. In the ten year period (2005 – 15) there has been 300% increase in direct sale licences, 41% increase in Producer licences and 28% increase in Restaurant / BYO Restaurant licences whilst there has been a 2% decrease in Retail Liquor Merchants and 16% decrease in Club licences.

The consumption of alcohol has continued to decline during the same period, demonstrating that increased availability does not necessarily result in people drinking more but provides consumers with more choice of where to purchase.

The liquor market in Australia has matured. An additional outlet will simply provide greater choice, range and convenience to the consumer. When a new store opens, consumers may choose to shop at the new store due to their own shopping preferences, however these sales will be made in lieu of sales that would have occurred at other premises where they previously shopped.

Size of retail liquor merchant

ALSA is not supportive of the proposal that retail liquor merchant licences should be limited or categorised by size. There is no distinction between the risk profiles of a small retail liquor store over a large format store. The large store will obviously carry a greater range of product and accompanying service, but in no way could be said to be “riskier” than a small format store.

The issue of large retail liquor store size is frequently raised as a negative by those opposing the existence or the development of these premises. However, it is based on the incorrect premise that an increase in the size of an outlet will somehow lead to a corresponding increase in the quantity of alcohol beverages consumed by the surrounding community.

The increase in store size is directly correlated to an increase in the range of available products, but this has not resulted in an increase of overall consumption which has fallen in real terms for each of the past six years reported by the ABS⁵ to 9.7 litres of pure

² Australian Bureau of Statistics, **4307.0.55.001 - Apparent Consumption of Alcohol, Australia, 2013-14** 6 May 2015

³ Ibid

⁴ Government of South Australia, Attorney-General's Department, *Current Liquor Licences* as at 30 June 2015

⁵ Australian Bureau of Statistics, **4307.0.55.001 - Apparent Consumption of Alcohol, Australia, 2013-14** 6 May 2015

alcohol per person in 2013-14. This is the lowest level since 1962-63⁶ despite the development of large format stores and increased outlet numbers.

Consumer demand for choice and new experiences has led not only to the massive growth in wine brands but the significant fragmentation of the beer market. Thirty years ago a dozen lines covering four brands in three different pack formats accounted for 90% of beer sales. Today a store would need to carry almost 200 different lines to cover 90% of beer consumers' requirements. Similar changes have been seen in the growth in the range of premium spirits and international wines.

Today's contemporary consumer demands a wide range of products to be available at a time and location that suits them. The number, variety and depth of liquor products now available in the marketplace has exploded over the last decade and more shelf and floor space is necessary to offer shoppers choice and brand presentation.

Needs test / Regulate competition

The present licensing system that arose from National Competition Reform has assisted in securing outcomes that are less influenced by the anti-competitive actions of incumbent commercial operators. Previously, existing liquor businesses were the primary opponents of new liquor licences and used the court system and appellation procedures to significantly delay application processes and protect themselves from commercial competition.

New South Wales and Victoria have removed the "needs test" and fallen into line with other liquor licensing jurisdictions in Australia whereby "need" is no longer a ground upon which one can legitimately object against a liquor licence application.

In those jurisdictions where the needs test has been removed, there have been significant increases in the number of packaged liquor licences across both independent and chain store operators. Apart from the recent entry of new players such as ALDI, this growth in licence numbers after the needs test was removed, appears to be approximately in line with the proportion of independents versus chain store operated outlets prior to the relaxation of that condition.

The Productivity Commission chairman, Peter Harris recently gave an address to the Economic and Social Outlook Conference 2015 - *Rebuilding Foundations for Reform*⁷ and stated that productivity would be boosted if governments removed location and time-based restrictions on businesses. Mr Harris also said that the liquor licensing restrictions were more about competitors than public safety and suggested that regulators should be able to grant exemptions for innovative businesses.

The public interest test should be tiered accordingly to recognise applications that are clearly low-risk such as for the sale of packaged liquor largely tied to normal shop trading hours in communities with responsible alcohol beverage consumption.

⁶ Ibid.

⁷ <http://www.pc.gov.au/news-media/speeches/making-a-difference>

The test should also recognise operators that have clear and transparent systems and a demonstrated commitment to minimising the opportunity for harm within their existing business.

Alcohol in supermarkets

Other Australian jurisdictions have legislation that permits supermarkets to apply for a liquor licence to sell alcohol beverages by creating a separate delineated area in, or adjacent to, their premises. South Australian supermarket operators are able to apply for a liquor licence under the current liquor licensing laws as long as they maintain the current requirement under the South Australian Liquor Licensing Act 1997, for the premises to be “physically separate”.

Take-away packaged liquor is currently sold in South Australia through outlets operating under a retail liquor merchant’s licence and also hotel bottle shops, particularly in regional areas with many of those having drive-through facilities.

It is important that the liquor licensing regime is fair and equitable with all applicants treated the same, using the same assessment criteria and taking into account the merits of each application.

ALSA is supportive of the proposal for the same regulatory obligations such as mandatory responsible service of alcohol training being applied to any sales of alcohol beverages by any form of licensed liquor outlet operating under similar licence types to minimise any adverse community impact.

Compliance / breaches etc.

Authorised Officers already have significant compliance and enforcement powers within the Liquor Act to deal with breaches, and ALSA would support Authorised Officers utilising those existing powers rather than increasing inspectors’ powers.

Penalties and enforcement

ALSA is supportive of appropriate penalties for licensees, employees and members of the public who do not comply with laws relating to RSA principles including sale to intoxicated persons, sale and supply of alcohol to minors, secondary supply of alcohol to minors etc.

ALSA is supportive of stronger enforcement action to be taken for serious breaches on a specific licence, rather than imposed as a condition across all licences in the licence category.

ALSA would encourage the enforcement of existing penalties for secondary supply to members of the public who breach these laws along with a public communication strategy to ensure that both the industry and that all adults understand their responsibilities by encouraging them to rethink before they purchase alcohol beverages on behalf of a minor. Server responsibility is important and relevant, but it needs a shared understanding and acceptance of responsibility by the community to make those provisions work.

The law abiding majority of adults who enjoy and consume alcohol should not have to suffer for the actions of a few. For the minority who consume alcohol at harmful levels, this behaviour can lead to negative social consequences. The consumption of alcohol can no longer be viewed as “an excuse” for criminal and antisocial behaviour and a cultural, policy and policing emphasis must be placed on these individuals accepting responsibility for their own actions and consequences.

A simplistic policy focus solely on availability of alcohol will not produce the results the community is looking for in terms of a reduction in the levels of antisocial behaviours and violence. There must be a general recognition that the interrelationship between excessive alcohol consumption and criminal and antisocial behaviour is complex and multifaceted.

ALSA recommends that cooperative consultation with the sector is undertaken to investigate and develop community education approaches to reinforce harm minimisation messages and assist in conveying to the community expectations of requirements of the Act. These important messages include secondary supply, underage drinking and responsible behaviour on and around licensed premises.

ALSA encourages and supports a responsible approach to the service of alcohol by all stakeholders, including our retail liquor store members and the communities they serve, by developing and actively encouraging our members to support initiatives such as “ID-25”, “Don’t Buy It For Them” and *ALSA Product Ranging Guidelines*.

Secondary supply to minors

The most recent data from the AIHW National Household Drug Strategy Survey⁸ has encouragingly reported that an increasing proportion of young Australians are choosing to abstain from alcohol - between 2010 and 2013 there was an increase in young people aged 12 to 17 years abstaining from alcohol (increasing from 64% to 71.2%⁹). The evidence demonstrates that it is not inevitable that young people will drink, but for those who do Government surveys consistently report that the vast majority of underage drinkers obtain their *first* serve of alcohol¹⁰ through parents (30.7%), friends (49.5%) older relatives of legal purchasing age (14.1%) with only 0.4% of 12 – 17 year olds obtaining their first alcohol beverage by purchasing (e.g. from a licensed outlet).

There are two types of laws governing underage drinking. Across Australia State and Territory Liquor Laws prohibit those under 18 years of age to purchase or consume alcohol in licensed premises or in public places, and it is illegal for staff of licensed premises to serve alcohol to minors.

Secondary supply laws make it illegal for adults to purchase alcohol on behalf of minors.

A person who is under the age of 18 is not breaking the law if they drink alcohol beverages on private property, however in most states and territories, the person who supplied them

⁸ AIHW 2014, NDSHS 2013

⁹ AIHW 2014, NDSHS 2013, Table 4.3

¹⁰ AIHW 2014, NDSHS 2013, Table 4.26

with the alcohol beverages could be breaking the law unless they are the child’s parent or guardian and act in a responsible manner.

Figure 1: Penalties for adults supplying alcohol to minors (under 18 years of age)

<i>State</i>	<i>Secondary supply – buying on behalf of minors</i>	<i>Parental / guardian approval Responsible Supervision</i>	<i>Maximum Fine</i>
NSW	It is illegal to obtain liquor for minors from licensed premises unless the person is a parent or guardian of the minor or is authorised to supply liquor by a parent or guardian.	It is illegal to supply alcohol to minors in a private home unless it is supplied by the child’s parent or guardian, or an adult who had the approval of the child’s parent or guardian. The supply of alcohol to a minor must be consistent with the responsible supervision of that child	Up to \$11,000 and/or 12 months jail term apply for each underage drinker involved.
QLD	It is an offence to supply alcohol to a minor in a public place, and It is an offence to sell or supply alcohol to a minor on licensed premises.	It is illegal to supply alcohol to people aged under 18 years in a private home unless it is supplied by a parent, step-parent, guardian, or an adult with parental responsibilities. If the supply of this alcohol is not accompanied with ‘responsible supervision’, the supplier may still be prosecuted	Up to \$8,000.
TAS	It is illegal to obtain liquor for minors from licensed premises unless the person is a parent or guardian of the minor or is authorised to supply liquor by a parent or guardian.	It is illegal to supply alcohol to people aged under 18 years in a private home unless it is supplied by a parent, step-parent, guardian, or an adult with parental responsibilities. If the supply of this alcohol is not accompanied with ‘responsible supervision’, the supplier may still be prosecuted	Up to \$12, 000 or a jail term of up to 12 months.
NT	It is illegal to obtain liquor for minors from licensed premises unless the person is a parent or guardian of the minor or is authorised to supply liquor by a parent or guardian.	It is illegal to supply alcohol to people aged under 18 years in a private home unless it is supplied by a parent, step-parent, guardian, or an adult who has the parental rights and responsibilities for the child. If the supply of alcohol is not accompanied with ‘responsible supervision’, the supplier may still be prosecuted.	Up to \$13,300.
VIC	It is illegal to obtain liquor for minors from licensed premises unless the person is a parent or guardian of the minor or is authorised to supply liquor by a parent or guardian.	It is illegal to supply alcohol to people aged under 18 years in a private home unless parental consent has been given.	Up to \$7, 000.
ACT	‘Secondary supply’ offences prohibit the supply of alcohol to people aged under 18 years by anyone other than a parent or guardian or someone authorised by a parent or guardian.	‘Secondary supply’ offences prohibit the supply of alcohol to people aged under 18 years by anyone other than a parent or guardian or someone authorised by a parent or guardian on private property or land ‘Responsible supervision’ supply of alcohol legislation will come into effect mid-2016.	Up to \$3,000
WA	It is an offence for a person to supply liquor to a juvenile without the consent of the juvenile’s parent or guardian.	It is an offence for a person to supply liquor to a juvenile without the consent of the juvenile’s parent. Supply of alcohol to a juvenile must be accompanied by responsible supervision.	\$10,000

ALSA supports a penalty to adults guilty of secondary supply. The legislative changes would bring SA into line with most other jurisdictions which already have, or are implementing, secondary supply legislation. The SA Government should also consider the introduction of a responsible supervision test in the Liquor Act to ensure any alcohol beverage supplied to a minor by a parent or guardian, or with the consent of a parent or guardian, in a private setting is done responsibly.

Based on our experience in other jurisdictions where secondary supply is an offence, it seems many parents and other adults may not be aware that secondary supply is actually an offence in those jurisdictions. So ALSA recommends a strong community education program to increase awareness of the responsibilities and encourage compliance by the general public.

ALSA developed the “*Don’t Buy It For Them*” point of sale campaign to inform our customers about the risks of secondary supply of alcohol to minors and to provide support to staff in managing customer interactions. The staff training and point-of-sale material that we use as part of this campaign would be well supported by further government initiatives.

ALSA would be pleased to open discussions with hotel, clubs and restaurants about our “*Don’t Buy It For Them*” and “*ID-25*” to discourage underage attempts at purchase program to support wider industry commitments.

Efforts to improve drinking behaviour among young people are best directed at supporting and educating parents about the role modelling they display in the presence of their children. This should include positive message for parents about how they can influence their child’s behaviour and stress the importance of parents own drinking and what their children observe and think about this.

DrinkWise Australia has adopted a long-term approach towards generational cultural change in the way people drink through the development of national information and education campaigns that inform and support the community to change this culture. The DrinkWise campaigns ‘Kids and Alcohol Don’t Mix’ and ‘Kids Absorb Your Drinking’ have made a genuine contribution towards effecting generational change.

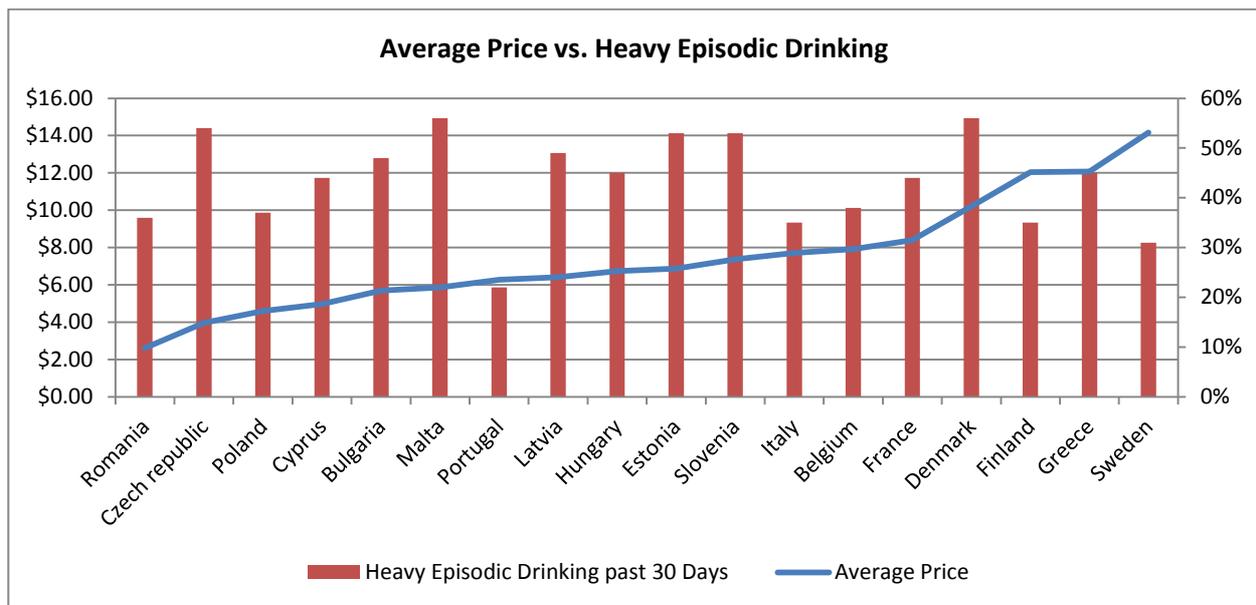
The initiatives seek to make a cultural change in the way Australians approach drinking, and to foster a more responsible drinking culture and ultimately a safer and healthier community .

Price of alcohol

While ALSA does not dispute that excessive consumption of alcohol beverages may cause harm in the community when it is abused or misused. However, the vast majority of the adult population enjoy alcohol beverages responsibly and in moderation which adds pleasure to the many different occasions such as social gatherings in the safety and comfort of their own home, at meals or BBQ’s with family and friends or at a BYO restaurant.

There is evidence that countries which adopt a mature and sensible approach to alcohol and its role in society have lower rates of harmful drinking. As can be seen from **Figure 2** below¹¹, there is no correlation to alcohol prices and harmful drinking rates. This makes the case for high rates of alcohol taxes to be purely one of revenue raising for government rather than addressing the harmful consumption of alcohol.

Figure 2: Average Price vs. Heavy Episodic Drinking



Regulations and restrictions aimed at the general population level have greatest impact on the marginal drinker i.e. those moderate drinkers who drink the least and infrequently, who can take or leave consuming alcohol. These drinkers' consumption level and patterns are entirely non-problematic. For these drinkers, higher prices and barriers to purchasing are significant deterrents.

Conversely, the drinkers who drink the most, and who are most attached to drinking, don't change their patterns of consumption because the impact of the additional restrictions and higher prices are less than their willingness to overcome them.

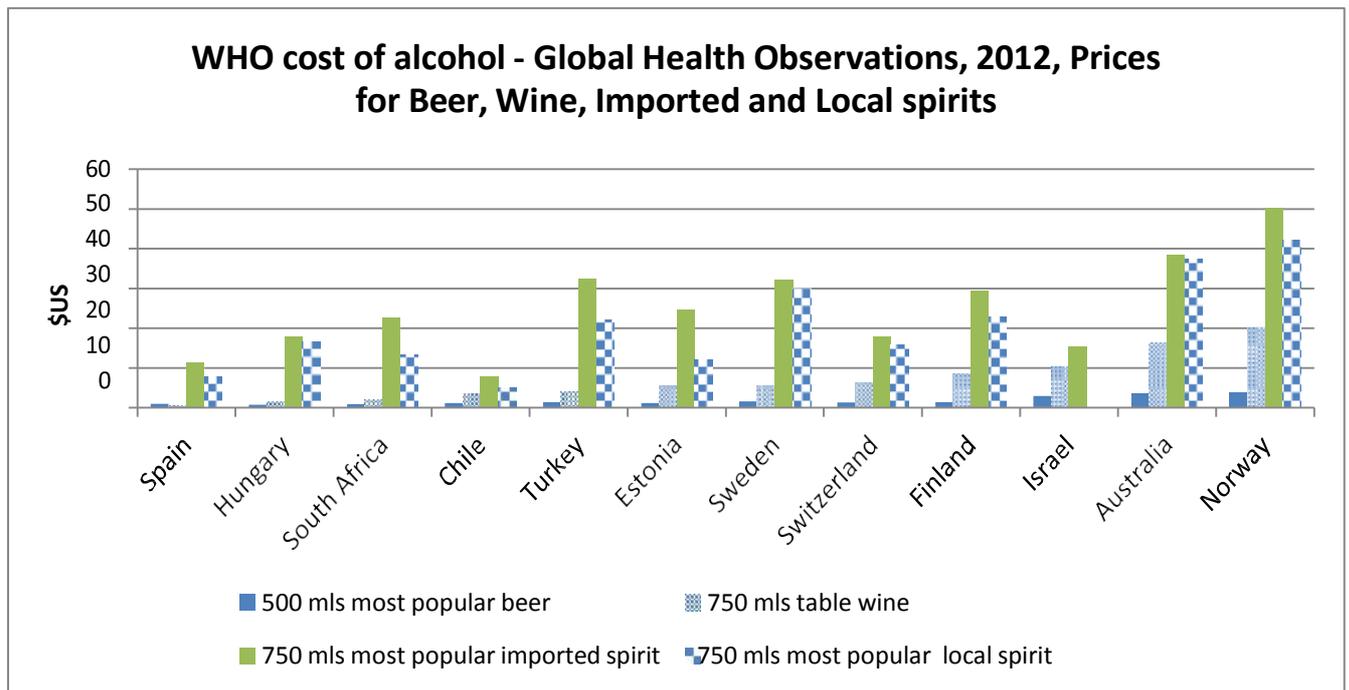
ALSA acknowledges that higher prices will impact on overall consumption. Due however to the elasticity's involved, it is clear that moderate drinkers who cause little to no externalities will reduce consumption, while harmful drinkers will not alter their drinking behaviours.

¹¹ **EU Figures:** Alcohol in the European Union Consumption, Harm and Policy Approaches. WHO, 2012;
AUS Figures: 2010 National Drug Strategy Household Survey report. Australian Institute of Health and Welfare, July 2011
Tax Figures: Beer and spirits www.ato.gov.au; wine values Fogarty (2012)

Cost of alcohol – OECD comparisons

Concern over alcohol-related violence has prompted demands to increase the price of alcohol¹². But global data shows that, far from being inexpensive, Australia is one of the most expensive countries to buy alcohol. Of the OECD countries who responded to the WHO Global Health Survey in 2012¹³, Australia has the 2ND most expensive alcohol in all categories, i.e. most popular beer, wine, imported and locally produced spirits.

Figure 3: World Health Organisation (WHO) Cost of alcohol



N.B International positions may vary according to currency exchange rate variations.

Australians support targeted measures to curb alcohol abuse

The Australian Institute of Health and Welfare (AIHW) has conducted the National Drug Strategy Household Survey (NDSHS) every 2 to 3 years since 1985. The 2013 National Drug Strategy Household Survey¹⁴ collected data from nearly 24,000 people across Australia.

The most recent NDSHS 2013 results found that Australians support targeted measures rather than whole of population control measures to curb alcohol abuse.

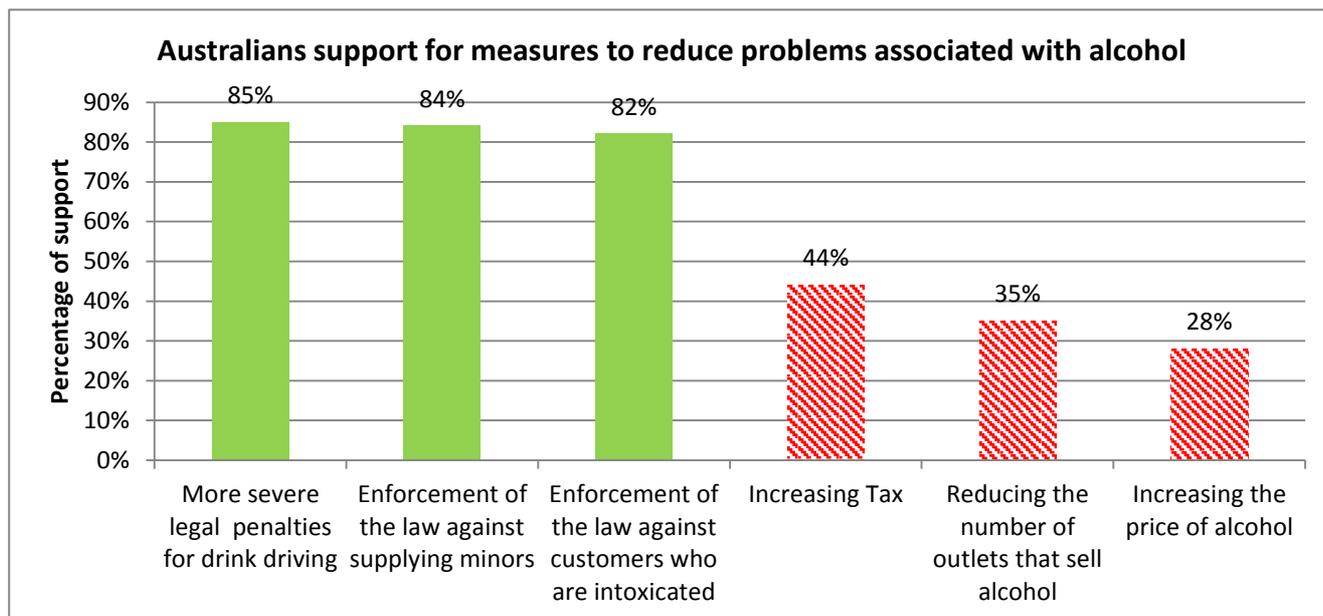
¹² Ting, Inga, *Lifting alcohol prices won't stop binges: experts*, SMH, 13 January 2014

¹³ World Health Organisation, OECD, 2012, *Only 12 OECD countries are represented. NB. other countries (such as USA, UK, Belgium, NZ, Ireland, France and Netherlands) did not respond to WHO Global Survey on Alcohol & Health in 2012*

¹⁴ Australian Institute of Health and Welfare (AIHW) 2014, NDSHS 2013

Population wide measures to reduce alcohol related problems received the lowest level of support with only 28% supporting increasing the price of alcohol, compared to targeted measures which were strongly supported such as greater enforcement of penalties for drink drivers (85%), enforcement against supplying minors (84%) and enforcement against serving intoxicated customers (82%).

Figure 4: Australians support for measures to reduce problems associated with alcohol¹⁵



Reduce alcohol abuse

The most recent AIHW survey reported that the majority of the population are drinking moderately, with nearly half taking action to reduce their alcohol intake in 2013. However, for the minority of people who misuse alcohol, we support greater education, and where necessary, targeted interventions to reduce the instances of misuse.

Whilst the AIHW's findings reinforce an ongoing trend of a positive Australian drinking culture, we recognise that there is more work to be done. ALSA acknowledges the need for a strong and balanced regulatory and policy framework at national, state and local levels to reduce the harmful consumption of alcohol.

ALSA supports a collaborative effort between government, industry and the community to create a safer, healthier drinking culture in Australia and to minimise alcohol related harm to individuals and communities. ALSA does not support alcohol policies that seek to reduce total alcohol consumption in Australia as this will not reduce misuse but will punish the majority of consumers who are already drinking in moderation.

¹⁵ AIHW 2014, NDSHS 2013, Table 9.11

In seeking to reduce misuse and risky drinking behaviours, the SA Government must recognise the fundamental role of all stakeholders in encouraging Australians to choose moderation when it comes to consuming alcohol. We endorse a positive approach, so we are all “aiming for a healthier and safer drinking culture in Australia”.¹⁶

The objects of the ACT

Alcohol is a legal product and has a legitimate place in the community when consumed responsibly. It is not consumption per se that causes harm, but the excessive and abusive use of alcohol that can cause harm.

It is important that the interpretation of the Act’s policy objectives adequately reflect a regulatory environment that balances the needs of the majority who consume alcohol beverages responsibly and in moderation against the small minority who seek to drink at excessive or harmful levels.

ALSA therefore submits that object (a) of the Liquor Licensing Act 1997 should be amended to focus on harmful consumption so as to read:

- (a) To encourage responsible attitudes towards the promotion, sale, supply, consumption and use of liquor, to develop and implement principles directed towards that end (the responsible service and consumption principles) and minimise the harmful consumption of liquor.**

This would recognise that there is no harm to people or others when alcohol is consumed responsibly and in moderation. The potential for harm should only be associated with excessive consumption.

The policy objectives should recognise the importance of a properly regulated liquor industry that is able to develop in a way that is consistent with public interest whereby the risk of and actual harm arising from the sale, supply and consumption of alcohol is minimised.

ALSA supports the primary object of the Act to setting the market and conditions in which alcohol can be sold and of which licensees can reasonably be responsible for managing. The important issues of health, social, education, policing and community issues are more fittingly dealt with holistically rather than solely by licensees. It may be appropriate that these be objects of the Act, but it more sensibly rests as a secondary object.

Annual licence fees

The current system of annual licence fees is comprised of a base fee for all licence types, with additional fees imposed of those venues which trade until 2am, and further fees for those who are trade beyond 2am.

¹⁶ DrinkWise primary goal, <https://drinkwise.org.au/about-us/about/#>

Retail liquor merchant's liquor fees are the same as a number of on premise venues such as hotels and clubs. However, ALSA believes it is essential to differentiate between licence types (e.g. hotel or club vs off-licence) as there is a significant difference between on premise where people purchase and consume alcohol, generally over a period of a few hours compared to off licence where customers purchase alcohol for consumption off the premises and for later use.

ALSA submits that any review of licence fees must not create a disproportionate and unjustifiable cost burden on retailers.

Statutory Liquor licence conditions

ALSA submits that the current statutory liquor licence conditions are outdated. In many instances the Code duplicates existing legislation. The current system essentially results in 'double handling' to add a condition to a licence that requires the licensee to abide by other legislation.

ALSA is supportive that trading hours should continue to be legislated. However the Australian Centre for Retail Studies *Sunday Trading Research*¹⁷ stated that "*Consumers want flexibility in shopping, which has been somewhat conditioned by online shopping. Consumers are seeking retail experiences outside of 9am – 5pm and on weekends*". ALSA recommends that the closing time could be extended to meet contemporary customer needs. Currently a retail merchant's licence is authorised '*to sell liquor on the licensed premises on any day except Good Friday and Christmas Day between the hours of 8 am and 9 pm*'.

Conclusion

ALSA is supportive of the regulatory reforms that reduce red tape and compliance burden in South Australia and will produce more efficient regulation. We look forward to the Department's consideration of our submission.



Terry Mott
CEO

¹⁷ Australian Centre for Research Studies, Monash University, *Sunday Trading Research*, 2012
<http://www.retail.org.au/Portals/0/media/Attachment%20SS1%20-%20Sunday%20Trade%20Research%20Report.pdf>

Overview of Australian Liquor Stores Association (ALSA)

The Australian Liquor Stores Association Inc. (ALSA) has a charter to create and promote a responsible, sustainable and diverse off-premise liquor sector across Australia by effective and relevant engagement of all stakeholders.

ALSA was formed in 1983 by the State associations as the National Industry Association for the Liquor Store Sector and its membership represents around 80% of value of the market for take-away retail packaged liquor stores around Australia. The Board of ALSA is comprised of the Presidents from each of the State & Territory Liquor Stores Associations, plus one representative from Woolworths Liquor Group.

ALSA Member organisations include LSA NSW & ACT, LSA NT, LSA WA, ALSA SEA (representing Victoria, South Australia and Tasmania), in addition to Woolworths. ALDI Stores have also recently joined our LSA NSW organisation.

Member stores include some of the most recognised and trusted brands in liquor retailing in Australia. These range from small family owned local convenience independent outlets, independently owned and run outlets operating under banners such as Cellarbrations, Little Bottler, Local Liquor, Baron's, Porters and many more, through to Woolworths packaged liquor outlets including Dan Murphy's, BWS Liquor & Woolworth's Liquor plus ALDI licensed stores.

ALSA members support employment of 165,000 with over 47,000 people directly in the retail liquor store sector across Australia, including many trainees and apprentices, in addition to a further 118,000 indirect jobs.

ALSA Aims & Values

ALSA focuses on the National political environment representing the views of the retail liquor sector to government and other stakeholders, to seek legislative outcomes that will improve the business viability and regulatory environment, or at least reduce the impact of new regulation on the businesses of our members.

ALSA takes an active role in commentary and shaping National alcohol policy and regulation along with the other key industry market sectors including beverage producers and other hospitality groups.

ALSA believes that alcohol consumption is ultimately an issue of individual responsibility. However, ALSA and our members fully accept that we have a responsibility to work with Governments and the community to minimise alcohol related harm to individuals and communities.

ALSA continues to promote standards of operation for its members beyond the minimum required standards of legal compliance and has implemented a range of voluntary product and service control initiatives across our members' stores, which are focused on responsible supply and promotion of alcohol.

ALSA has a demonstrated commitment to responsible supply and promotion of alcohol beverage products and has in place many voluntary responsible service and supply initiatives.

ALSA Initiatives

The key initiatives are supported by point-of-sale material & include:

“ID-25” – If a customer looks under the age of 25 we encourage customers to take it as a compliment, as our staff will ask to see proof of age identification prior to selling them alcohol

“Don’t Buy It For Them” – Designed to discourage Secondary Purchase & Supply and educate customers and staff they have a joint responsibility when it comes to discouraging underage drinking

“ALSA Product Ranging Guidelines” – Incorporates a checklist guide to assist individual operators to make sensible product ranging decisions on products that may have been packaged and marketed irresponsibly.

ALSA was a founding Board member of DrinkWise – a not-for-profit, independent research and social change agency funded by the Australian alcohol beverage industry. Through research, community based programs & social marketing campaigns it is dedicated to building a safer drinking culture in Australia. The Board of DrinkWise encompasses both industry & community members. ALSA continues to have a seat on the DrinkWise Board & plays an active role including providing retail outlet distribution support for DrinkWise campaigns.

ALSA have also provided the same retail outlet distribution support for the Commonwealth DoHA Point-of-Sale information campaigns on responsible drinking, including standard drinks educational campaigns. The ALSA Executive has participated on a number of National Committees to jointly develop Commonwealth alcohol education campaign direction & content.

ALSA owns and runs the Retail Liquor Development Foundation (RLDF) to provide cost effective training for liquor store staff, managers and owners, to develop career paths for young people in the industry and to encourage responsible and professional retailing by the constituent members of ALSA. This program has been relaunched as *ALSA-TRAIN*, an on-line website training program which also forms the theoretical pathway for government accredited Certificate IV Retail Management qualification.

ALSA has also recently launched *ALSA Retail Insights* – a website knowledge resource for liquor retailers and the industry to access up to date information with modules including a retail calculator toolkit for managing profitability, market insights, shopper insights, energy efficiency management, retail merchandising and other modules currently under development include retail store design & layout.