



Tasmania

PUBLIC BENEFIT JUSTIFICATION FOR RETAINING CERTAIN RESTRICTIONS ON COMPETITION IN THE LIQUOR AND ACCOMMODATION ACT 1990

Background

Tasmania has a strong commitment to meeting its National Competition Policy (NCP) obligations under the NCP Agreements. In particular, Tasmania is committed to the legislation review requirements and to reform legislation where restrictions on competition are not in the public benefit. A recent example is the removal of restrictions on shop trading hours in the *Shop Trading Hours Act 1984*, following a review that found conclusively that the restrictions were not in the public benefit.

This paper outlines the public benefit justification for the Tasmanian Government's decision to reject the recommendations of the Liquor and Accommodation Review Group to remove:

- the prohibition in the *Liquor and Accommodation Act 1990* (the Act) on supermarkets holding a liquor licence or permit;
- the principal purpose test for off-licence premises; and
- accommodation licensing.

Accompanying this paper is a report, titled *Social Harm Research Document*, which presents additional evidence that supports the Government's position.

The Review of the Liquor and Accommodation Act

The Tasmanian Government recently considered the recommendations arising from the NCP review of the Act. Consistent with all NCP reviews in Tasmania, the review was transparent and robust and the Review Group was independent.

The Review Group made 17 recommendations in relation to the Act and the *Liquor and Accommodation Amendment Act 2002* (Amendment Act). The recommendations are summarised below.

Of the 17 recommendations, the following relate to major restrictions on competition:

- Recommendation 1 – removal of the prohibition of supermarkets selling liquor;
- Recommendation 2 – removal of the nine-litre limit and of the requirement for off-licences premises to have the sale of liquor as their principal activity;
- Recommendation 4 – removal of the requirement of the Board to take into account whether granting a licence will ‘aid and promote the economic and social growth of Tasmania’;
- Recommendation 10 – repeal of the accommodation licensing scheme; and
- Recommendation 14 – granting the travellers’ rule to clubs by allowing interstate visitors to access clubs’ bar facilities.

The following recommendations relate to minor restrictions on competition:

- Recommendation 3 – that a licensee be required to have ‘effective control’ over the licensed premises, and not ‘personal and effective control’, as is currently required;
- Recommendations 5 and 6 – that the licensing system and the existing class of licences and permits be retained;
- Recommendation 8 – that the Good Friday trading restrictions contained in the Act be repealed;
- Recommendation 9 – the removal of the requirement for licensed premises to be in good repair and the prohibition of alterations to premises without approval of the Commissioner;
- Recommendation 12 – that section 10 of the Amendment Act, which requires the demonstration of sound commercial principles for licence applicants, be repealed;
- Recommendation 14 – that the draft regulations be amended to allow bone fide not-for-profit organisations access to club bar facilities for meetings or functions, in accordance with the relevant club’s constitution, without the need to apply for a permit.

The remaining recommendations in the Final Report deal with regulatory design issues and, in the case of the strategic plan, the development of the liquor industry:

- Recommendation 1 – that licence conditions for supermarkets be included in the regulations, which specify Responsible Serving of Alcohol (RSA) training for serving staff and also specify physically sectioned-off sales, display and checkout area for alcohol sales;

- Recommendation 2 – that all applicants for an off-licence, under the proposals contained in this recommendation, be required to meet the ‘fit and proper person’ and ‘training and qualifications’ requirements that currently apply to general and off-licences;
- Recommendation 4 – that the Act be amended to remove reference to the Board and to place administrative responsibility with the Commissioner, and that the requirement contained in the draft Regulations to grant a licence or permit only if it is in the public interest to do so be repealed;
- Recommendation 7 – that section 22(1)(a) of the Act, which restricts the granting of a licence to persons who have attained the age of 21 years, be amended to reduce the age restriction to 18 years;
- Recommendation 11 – that section 6 of the Amendment Act, which requires the Minister to prepare a strategic plan in respect of the sale of liquor, be repealed or become the responsibility of industry representatives with no anti-competitive provisions;
- Recommendation 13 – that if the Board is retained, against Recommendation 4, it remain at its current structure of three persons and not be expanded to six, as provided for in section 21 of the Amendment Act;
- Recommendation 15 – that the following Statement of Objectives be included in the Act:

“The objectives of the Liquor (and Accommodation) Act are to encourage safety, quality and diversity in the provision of liquor (and accommodation) services for the benefit and enjoyment of both the Tasmanian community and visitors to the State.”
- Recommendation 16 – that the definition of ‘licence applicant’ be expanded to include known associates, similar to the licence requirements imposed under Tasmania’s *Gaming Control Act 1993*; and
- Recommendation 17 – that the definition of ‘qualifications’ be expanded to include competencies obtained through experience, that all staff serving alcohol in general, on and off-licence establishments be trained in RSA and a period of three months’ grace should apply to allow for the training of all staff to be completed.

The Government has accepted all of the review recommendations except Recommendation 1 (to permit supermarkets to sell liquor), part of Recommendation 2 (to remove the principal activity requirement), part of Recommendation 4 (to remove public interest criteria for approving applications and to abolish the Board), Recommendation 10 (to abolish the accommodation licensing scheme) and Recommendation 5 (to insert a statement of objectives).

Of the recommendations rejected, those to permit the sale of liquor by supermarkets, to remove the principal activity requirement and to abolish the tourist accommodation licensing scheme involve the retention of restrictions on competition.

The decisions of the Government constitute a package of reforms which focuses on harm minimisation as the principal objective of the legislation and which removes unnecessary restrictions on competition, retaining only those which it considers are in the public interest. The Government has accepted the vast majority of the recommendations and has agreed to more pro-competitive arrangements for clubs than those recommended by the Review Group in agreeing to allow visitors who reside more than 5 kilometres from a club to gain access to its bar facilities.

Sale of Liquor by Supermarkets and Off-licences

The Act currently contains three restrictions relating to the sale of liquor by non-hotel businesses. Firstly, the Act prohibits the issue of liquor licences to supermarkets. Secondly, the Act requires that liquor sold at off-licence premises not connected to a hotel be sold in quantities of at least nine litres and only between 8 am and 6 pm and it also prohibits the sale of liquor at these premises on Sundays. Thirdly, the Guidelines issued under section 17 of the Act prevent the sale of liquor at off-licence premises from forming part of any other retail business. This provision is contained in draft regulations as the 'principal purpose test', which requires off-licences to have, as their principal activity, the sale of liquor.

While some retail stores are permitted to sell Tasmanian wine, this is under a special licence that is reserved for hospitality and tourist-oriented stores.

Review Group findings and recommendations

The Review Group found that removing the restriction on supermarkets selling liquor would lead to increased convenience and diversity, and a marginal price benefit. It concluded that the short-term impact on price would be a marginal financial benefit to consumers, while the medium to long term price implications are impossible to measure. It also concluded there would be no impact on quality.

The Review Group was provided with information to suggest that liquor prices in Tasmania are already very competitive, and the freeing up of the market would not impact on price to any significant degree. The Review Group found that that:

“the likely impact on price, in the short term, would be negligible, with the possibility of some discounting of main line items. The medium to longer-term implications of permitting supermarkets to sell liquor for off-premise consumption are difficult to predict and impossible to measure and the Review Group believes it would not be appropriate to draw any conclusions on this issue.”

Permitting the major supermarket chains to sell liquor was found to have a negative impact on employment and the Tasmanian economy, based on its market research of the impact of such a measure.

The Review Group found that:

“the removal of the restriction preventing supermarkets from selling alcohol for off-premise consumption would result in an economic cost to the State, which would be more intensely felt in regional areas.”

The Review Group did accept that some adverse impacts on community safety would arise from the extension of the sale of liquor to supermarkets, notwithstanding the preventative measures it proposed.

The costs and benefits of allowing supermarkets to sell liquor were found by the Review Group to be evenly balanced. A summary of its findings is reproduced below in Chart 1.

Chart 1: Review Group assessment of the costs and benefits of removing the prohibition on supermarkets selling liquor.

Cost					Benefit			
Higher			Lower		Lower			Higher
					Price			
					Quality			
					Convenience			
					Community Safety			
					Economy			

Source: Liquor and Accommodation Review Group – Regulatory Impact Statement, August 2002

The Review Group concluded that:

“the net impact of removing the restriction prohibiting supermarkets from selling liquor for off-premise consumption would be negligible... .

Therefore, in accordance with the NCP principles, in instances where there is no net cost or benefit of maintaining the restriction, the Review Group must conclude that there are no sound reasons for maintaining the restriction.”

The Review Group also recommended that the principal purpose test be removed. This would allow any retail outlet to apply for a licence to sell liquor, even if the primary purpose of that outlet was the sale of other goods. This would allow petrol

service stations, hardware, grocery stores and any other retail outlets to apply to sell liquor.

The Tasmanian Government's response to the Review Group recommendations

Liquor is a substance that falls within a special category of products whose sale needs to be carefully regulated. It is not like most goods where greater consumption increases welfare. Liquor is a potentially dangerous drug if used to excess and needs to be regulated in order to minimise the health, social and economic harm it can cause. The very fact that it is widely accepted, in all jurisdictions, that alcohol sales and use should be treated as a 'controlled substance' is strong support for this position.

There is significant evidence that accessibility is linked to harm. There is also evidence that convenience stores are a major source of liquor to minors and that convenience and grocery stores sell liquor to minors more frequently than do specialist liquor outlets (Wagenaar, 1993). Moreover, outlets that derive a greater proportion of their revenue from liquor sales demonstrate a lower propensity to sell liquor to minors. Convenience and grocery stores are less likely to have measures in place to prevent minors from purchasing liquor.

For reasons set out below, the cost benefit analysis undertaken by the Review Group overestimated the benefits in terms of convenience and underestimated the costs in terms of safety.

When the Review Group surveyed the concentration of take-away liquor outlets in March 2001, Tasmania had the second largest number of outlets per capita in Australia, with just under one outlet per 1 000 adults, behind the Northern Territory with 1.44 per 1 000 adults.

If each supermarket operated by the two major supermarket chains sold liquor, that rate would increase to 1.14 outlets per 1 000 adults, well ahead of other states and the ACT. The rate would be significantly higher if independent supermarkets are also included. If any retailer were permitted to sell liquor as the Review Group recommends, the concentration could be even greater and very likely to be above the rate in the Northern Territory, leading to even greater social costs.

The Review Group did not receive any evidence from welfare organisations in the course of the review. The Government considered that a full understanding of the social impacts of extending liquor sales to supermarkets and other retail outlets required advice from these organisations, as they have first hand knowledge of the social harm from alcohol misuse. The Government therefore wrote to all relevant welfare organisations in Tasmania on this issue.

The Government received advice from Anglicare, the Salvation Army and the Tasmanian Council of Social Services. All organisations that responded advised that an increased access to alcohol, which would arise if supermarkets sold liquor, would

have a major adverse impact on community welfare, including the risk of increased violence and additional health costs to individuals and the health sector.

The Government examined closely the reports from the Review Group and the findings and recommendations as they relate to supermarkets. It balanced the potential benefits of removing the restriction on supermarkets with the potential costs of doing so.

After carefully considering all of the evidence, the Government determined that it was not in the public benefit to remove the restriction. While the expected benefits of removing the restriction are minor, the risks and costs are significant. The Government determined that permitting supermarkets to sell liquor would result in the potential for significant economic, health and social costs.

The, potential, and in fact likely, costs in terms of misuse of alcohol resulting from the greater access, together with the other costs, exceed the possible benefits to consumers in terms of price and convenience. As most shopping centres have bottle shops in hotels close by, the convenience benefit if realised is not expected to be large and the question of whether the removal of restrictions on supermarkets is in the public benefit is not nearly clear enough to justify its removal.

An assessment of the costs and benefits that reflects all the evidence obtained by the Government is set out in Chart 2 below. The conclusion is that the costs in terms of safety and economy outweigh the benefits in terms of price and convenience. Indeed, the evidence is that if there were a reduction in price, this would lead directly to increased consumption and greater risk of harm.

Chart 2: The Government's assessment of the costs and benefits of removing the prohibition on supermarkets selling liquor.

Cost					Benefit				
Higher				Lower	Lower				Higher
					Price				
					Quality				
					Convenience				
			Community Safety						
			Economy						

The requirement that off-licences no longer have, as their principal activity, the sale of liquor, raises similar issues to the sale of liquor by supermarkets. Again, the issue is increased availability and accessibility and the potential harm this would cause with relatively minor benefits. Significantly increased availability of liquor through retail outlets is not a desirable policy outcome, particularly when the Government is of the strong view that alcohol is a recreational product and its availability through dedicated

outlets is already sufficiently widespread and subject to open competition between these existing outlets.

For the reasons outlined above, the Government has also determined that that the costs associated with removing the principal activity requirement for off-licences outweigh the benefits and it has therefore decided to retain the current restriction. This will prevent general retail stores from being able to sell liquor, consistent with the arrangements in other jurisdictions.

In determining its response to the Review Group's recommendations, the Government has taken a balanced approach by carefully analysing each of the recommendations on their merits. Accordingly, it has accepted many of the recommendations to remove restrictions that are not in the public benefit. The overall result will be an improved regulatory framework that places greater emphasis on the minimisation of harm from the misuse of liquor and not encourage more widespread or increased alcohol consumption.

The decision to remove the nine-litre minimum purchase restriction and the restrictions on the operating hours (currently between 8:00 am and 6:00 pm from Monday to Saturday) in respect of off-licences is one that will remove an unnecessary restriction on competition and also prevent consumers from purchasing large quantities of liquor.

By removing the restriction that off-licences only sell liquor in quantities of at least nine litres, and at the same time implementing harm minimisation measures including the requirement that all persons serving liquor undertake training in the responsible service of alcohol, the needs of consumers are balanced with the need to protect the community from the harms associated with excessive consumption.

While the Government has rejected the recommendation to remove the restrictions on supermarkets and other non-liquor related outlets, it has agreed to changes in the criteria that the Licensing Board and Commissioner must take into account in considering licence applications. The requirement that applications demonstrate sound commercial principles and the requirement that the Board and the Commissioner consider the social and economic development of Tasmania by encouraging and facilitating the orderly development of the hospitality industry will be removed. Instead, a simplified test of whether the application is in the best interests of the community, will be applied. This test will focus on harm minimisation and will remove obstacles in the current arrangements to some applicants obtaining a licence.

In determining whether to issue a licence, the Commissioner and the Board will consider issues such as accessibility, social impact, health and safety, the location of premises relative to other institutions or community facilities, including schools and other places where young people assemble or frequent. Issues of a commercial or economic development nature will be left to the market to determine.

There have been no complaints from consumer groups or other stakeholders, apart from some supermarket operators, following the Government's announcement.

Indeed, there has been widespread public support. This is further evidence that no major public costs are imposed by this decision.

Accommodation Licensing

Under the Act, all tourism accommodation operators must be licensed. The Government has decided to retain the licensing scheme. The Government considers that licensing tourist accommodation acts as a consumer protection measure and provides an additional incentive to ensure that operators meet their statutory requirements. This is important for the tourism industry, particularly at a time when the industry is undergoing significant expansion.

Under the Amendment Act, which will soon commence, an alternative accommodation scheme is established, which will give accommodation operators the option of operating under an approved industry accreditation scheme, thereby excusing them from the requirement to obtain a licence under the Act.

Accommodation licensing arrangements for those establishments not in approved schemes will be less prescriptive than under the current accommodation licensing scheme. For the vast majority of licensed operators, licensing will only require compliance with general statutory obligations, such as those in relation to food, health and fire safety. Consistent with current arrangements, there will also be no restriction on the number of accommodation licences.

There is no evidence that the current licensing scheme has restricted entry into Tasmania's tourist accommodation industry, or imposed significant costs on operators in that industry. In practice, therefore, the accommodation licensing system does not represent a significant restriction on competition.

Summary

Arising from the national review of the National Competition Policy Agreements in 2000, CoAG agreed, in relation to legislative review obligations, that:

"In assessing whether the threshold requirement of Clause 5 has been achieved, the NCC should consider whether the conclusion reached in the report is within a range of outcomes that could reasonably be reached based on the information available to a properly constituted review process. Within the range of outcomes that could reasonably be reached, it is a matter for Government to determine what policy is in the public interest."

As outlined above, the decisions reached by the Government in relation to the regulation of liquor sales and accommodation are in the public interest and are based on the best information available. Tasmania has therefore fully complied with its legislation review obligations under National Competition Policy.

Social Harm Research Document:
Issues Relating to Increasing Liquor Outlet Density

TABLE OF CONTENTS

1.	SOCIAL HARM ISSUES OF INCREASING LIQUOR OUTLET DENSITY.....	3
1.1.1	<i>Liquor Outlet Density and Social Harm</i>	<i>3</i>
1.1.1.1	<i>Liquor Outlet Density and Violence, Homicide & Suicide</i>	<i>3</i>
1.1.1.2	<i>Liquor Outlet Density and High Risk Sexual Behaviour.....</i>	<i>4</i>
1.1.1.3	<i>Liquor Outlet Density and Alcohol Related Hospital Admissions</i>	<i>4</i>
1.1.1.4	<i>Outlet Availability and Alcoholism Rates</i>	<i>4</i>
1.1.1.5	<i>The Causal relationship between Liquor Outlet Density and Social Harm in New Zealand</i>	<i>5</i>
1.1.2	<i>Increased Liquor Outlet Density and Social Harm in New Zealand</i>	<i>5</i>
1.1.2.1	<i>Drinking Trends of Youth since Deregulation in New Zealand</i>	<i>6</i>
1.1.3	<i>Increased Liquor Outlet Density and Social Harm in Victoria</i>	<i>6</i>
1.1.4	<i>Youth Access To Alcohol Through Convenience Stores</i>	<i>7</i>
1.1.5	<i>Increased availability of alcohol can lead to increased social harm without an increase in mean consumption</i>	<i>8</i>
1.2	Federal Government Drug and Alcohol Harm Minimisation Policies.....	8
2.	ALCOHOL PROBLEMS IN EUROPE.....	9
2.1	United States Office of Juvenile Justice and Delinquency dispels myth that young people from Europe drink more responsibly than young people from other countries.	9
2.2	World Health Organization:- "Alcohol is the Number One Killer of Young Men in Europe"	10
AUTHORS.....		10
REFERENCES.....		11

1. Social Harm Issues Of Increasing Liquor Outlet Density

An examination of the medical literature using medical databases such as "PubMed" (replaced Medline), Cochrane and other industry resources such as "Ovid, Current Contents" reveal a significant body of literature regarding the relationships between increased liquor licence densities and the resultant increases in the rates of: violent crime, assaultive violence, homicide, suicide, risky sexual activity, alcoholism and alcohol related hospital admissions. This is irrespective of the mean alcohol consumption in a community and other socio-economic variables.

1.1.1 Liquor Outlet Density and Social Harm

1.1.1.1 Liquor Outlet Density and Violence, Homicide & Suicide

Treno (Treno et al., 2001) analysed the relationship between alcohol availability and injury. The data examined were from a general population survey administered to 13,440 California respondents as part of a community-based project to reduce alcohol-involved injury and death. The analyses indicated an association between both on-premise and off-premise individual-level outlet densities and self-reported injuries. The study concluded that alcohol availability appeared to be related to self-reported injury.

Scribner (Scribner et al., 1995) found that higher levels of alcohol outlet density are geographically associated with higher rates of assaultive violence in an ecologic analysis of 74 cities in the Los Angeles County. This association was independent of measured confounders¹, including city-level measures of unemployment, ethnic/racial makeup, income, age structure, city size, household size, and female-headed households

Speer (Speer et al., 1998) found that outlet densities were significant predictors of violent crime and also suggested that alcohol outlets represent a form of undesirable land use in suburbs of lower economic advantage.

Scribner's (Scribner et al., 1999) research saw that strong geographic associations with homicide rates among urban residential census regions in New Orleans were found with both off-sale alcohol outlets per square mile and off-sale outlets per person. Scribner found that a 10% higher off-sale outlet density accounted for a 2.4% higher homicide rate. It was suggested that communities faced with high rates of assaultive violence might consider policy interventions that address alcohol outlet related factors.

¹ Confounders are other factors that could be considered to influence the results.

Escobedo (Escobedo and Ortiz 2002) examined the relationship between liquor outlet density and injury and violence in New Mexico based on data from 1990 to 1994, the results adjusted for age, sex, and minority status showed that liquor outlet density was significantly associated with the incidence of suicide.

The World Health Organisation use suicide rates as an indicator of alcohol related harm in a society (Jemigan, 2001)

Gorman (Gorman et al., 2001) examined the relationship between neighborhood social structure, alcohol outlet densities and violent crime in Camden, New Jersey. Data pertaining to neighborhood social structure, violent crime and alcohol densities were collected for 98 block groups. Results showed that those areas with high alcohol outlet densities experienced more violent crime than low-density areas, after controlling for neighborhood social structure. Results also indicated that outlet densities contributed significantly to violent crime within target block groups but not in adjacent neighborhoods.

1.1.1.2 Liquor Outlet Density and High Risk Sexual Behaviour

Scribner (Scribner et al., 1998) assessed the geographic relationship between alcohol availability and high-risk sexual behaviour at the neighbourhood level in New Orleans during 1995. Results from the study indicated that all alcohol outlet density variables were positively related to gonorrhoea rates. Off-premise outlets per square mile were most strongly related to gonorrhoea rates. A 10% increase in off-sale alcohol outlet density accounted for a 5.8% increase in gonorrhoea rates. It was noted that although the results cannot be interpreted causally, they do justify a public health intervention as a next step in defining the relation between alcohol availability and high-risk sexual behaviour

Even though Tasmania does not have a high incidence or prevalence of gonorrhoea, it is reasonable to assume that the above results may be applicable to other sexually transmitted diseases such as Chlamydia. Chlamydia is the most commonly reported sexually transmitted disease (STD) in Tasmania. Hundreds of cases are diagnosed annually. In 1997 there were 263 diagnosed cases, climbing to another 479 cases in 2002. As a significant portion of patients have no symptoms, the actual number of people with the disease is likely to be significantly higher. Chlamydia, if not treated, can cause serious complications, such as pelvic inflammatory disease in women which can lead to infertility and an arthritis-like disease in men and women. (Communicable Diseases Network Australia - National Notifiable Diseases Surveillance System, 1999, Communicable Diseases Network Australia - National Notifiable Diseases Surveillance System, 2003, Beers and Berkow, 1997)

1.1.1.3 Liquor Outlet Density and Alcohol Related Hospital Admissions

Tatlow (Tatlow et al., 2000) examined the relationship between the geographic density of alcohol outlets and the number of alcohol-related hospital admissions in California. The analysis demonstrated that the number of liquor outlets was a significant predictor of alcohol-related hospital admissions, net of other predictors.

1.1.1.4 Outlet Availability and Alcoholism Rates

Parker (Parker et al., 1978) assessed the effects of outlet rates while controlling for the effects of per capita income, urbanism, and limitations by population on the number of sales outlets. The

analysis discloses strong effects of outlet availability on per capita consumption and alcoholism rates in states that do not have restrictions on the number of outlets per unit of population.

1.1.1.5 The Causal relationship between Liquor Outlet Density and Social Harm in New Zealand

To determine if the relationship between alcohol outlet density and social harm is a causal relationship, Kraushaar (Kraushaar and Alsop, 1995) undertook a 4 year control² study to examine the effects of change in alcohol availability on rates of offending in six towns in New Zealand, two without hotels, and four with hotels. One hotel was destroyed by fire and another hotel, less than 100km away was destroyed by an earthquake, leaving a region without any alcohol outlets (Alsop, 2003). Kraushaar (Kraushaar and Alsop, 1995) found that his results were consistent with previous interruption in supply-alcohol availability theory, as both antisocial (drink related) and drunk driving offences decreased in experimental towns and increased relative to national offence trends in the control towns. Kraushaar (Kraushaar and Alsop, 1995) concluded there was a causal relation between alcohol and crime as crime decreased significantly for 2 years in areas of reduced alcohol availability.

1.1.2 Increased Liquor Outlet Density and Social Harm in New Zealand

The deregulation of alcohol in New Zealand is particularly interesting as New Zealand is our geographical neighbour and they underwent significant deregulation of alcohol in a similar manner to that proposed by the Review for Tasmania.

In April 1990, New Zealand amended its liquor act and the number of "takeaway" liquor licences increased from 6,247 in 1988 to 11,048 in 1996 (Roche, 1999).

While there were significant alterations with respect to crime following the deregulation of alcohol, it would be inappropriate to attribute all these broad changes in National crime statistics to a single change in public policy. Conversely, in light of the above literature it would also be inappropriate to dismiss these changes as simply changes in the public's reporting of crime or changes in policing practices.

According to the Ministry of Justice in New Zealand, the New Zealand Ministry of Health and the New Zealand Police the following relevant statistics have been gathered

- "Grievous assault" - From 1990 -1996 the number of convictions more than doubled from 610 convictions to 1223.
- "Threatening to kill or do grievous bodily harm": From 1990 to 1996 the number of convictions jumped from 237 to 587. From 1990 to 1998 the figure almost tripled to 634.

² A control study involves using a group of individuals who are similar to the study group in every important respect except for exposure to a particular risk factor or treatment.

- "Aggravated robbery" (the offender causes grievous bodily harm): From 1990 to 1996 the number of convictions doubled from 244 to 482.

(Spier, 1999)

- Disorderly behaviour by 18-19 year olds. From 1991 to 1996 there has been an approximate increase of 60% in the number of convictions (Marriott-Lloyd and Webb, 2002).

1.1.2.1 Drinking Trends of Youth since Deregulation in New Zealand

The New Zealand Health Information Service of New Zealand noted that (since deregulation in 1990) the typical quantity consumed by 14-to-19-year-olds rose markedly over the 1990-99 period, by about two drinks per typical occasion.

At the beginning of the decade, only 12 percent of this age group consumed six or more drinks on a typical occasion. In 1999, the proportion who drank six or more drinks was 25 percent.

Further disaggregation of the younger age group revealed that most of this increase was attributable to the 14-to-17-year-olds. People in this age group were drinking about three drinks per typical occasion in 1990, and five drinks per typical occasion in 1998 (New Zealand Health Information Service, 2001).

1.1.3 Increased Liquor Outlet Density and Social Harm in Victoria

Victoria's shifting and increasing social problems due to alcohol consumption are becoming alarmingly apparent since deregulation in Liquor licensing and increased alcohol availability in 1998/99.

Data provided by the Victorian Government Alcohol and Drug Information System (ADIS) shows that the proportion and number of young people accessing A&D treatment services for alcohol related problems, in the 2000/2001 and 2001/2002, is dramatically increasing for both the younger group (12-17 years) and the young adult group (18-25 year olds), as evidenced by the following figures from the Ministry of Health in Victoria:

Table 1: Number of young adults who accessed A&D treatment services in Victoria with alcohol as the primary drug of concern

Age Group	2000-01		2001-02*		Percent Increase in No. of Clients
	No. of Clients	Percent of all age groups	No. of Clients	Percent of all age groups	
12-17 yrs	294	3.7	405	4.4	38%
18-25 yrs	1024	12.9	1456	15.7	42%
TOTAL	1318	16.6	1861	20.1	41%

*NB: 2001-2003 forecast (based on first three quarters 2001-02)

Source: Alcohol and Drug Information System (ADIS) 2000/2001 and quarters 1 to 3 in 2001/2002

(Hon John Thwaites MP: Minister of Health Victoria, 2002)

It is well recognised that high-risk behaviours generally (Strunin and Hingson, 1992), and drinking to intoxication, are more common among young people, and especially among young males (National Expert Advisory Committee on Alcohol, 2001a, Wyllie et al., 1996). There is also evidence that the drinking trends of women are changing to match their male counterparts (Roche and Dechan, 2002)

Recent Australian data from the National Drug Strategy indicate that young people are drinking more at an earlier age and that more of them are drinking at hazardous or harmful levels, as defined by the NHMRC (National Expert Advisory Committee on Alcohol, 2001a, Pols and Hawks, 1992).

There is also substantial evidence that younger drinkers are more likely to sustain acute alcohol-related harms than older drinkers (Casswell et al., 1993).

So even though general consumption levels may not have changed enough to significantly influence the mean consumption trends of the community as a whole, changes in drinking patterns through increased availability have resulted in general increases in social harm.

1.1.4 Youth Access To Alcohol Through Convenience Stores

Adapted from (Roche, 1999).

There is some evidence that convenience stores may be an important commercial source of alcohol for youth, although with most data derived from North American or New Zealand studies (Wagenaar et al., 1993). Convenience stores and grocery stores have been found to sell alcohol to under age persons more frequently than liquor stores. On-sale outlets that derive a larger proportion of their revenues from alcohol sales showed a lower propensity to sell to underage people. It has been found that outlets that do not primarily depend on alcohol sales such as convenience stores and groceries may be less likely to have adopted practices that may reduce the probability of selling to underage people. Concern over the extension of liquor licences to mini-marts in the United States included the fact, among other things, that the attendants are often young persons who may find it difficult to decline selling alcohol to other young people (Ryan and Segars, 1987). It has been further suggested that successfully

addressing the problem of commercial access to alcohol by youth may require more attention to these types of outlets than has been the case previously (Wolfson et al., 1996).

Gruenewald, 2000, discusses how economic and geographic distributions of local supply affect patterns of alcohol problems in state and community settings. Gruenewald argues, that although overall alcohol availability may be reduced in order to lower alcohol use, the tendency for greater numbers of outlets to be focused in low-income areas and *the manner in which consumers bundle alcohol purchases with other routine activities (e.g. shopping)* may also strongly mitigate such effects (Gruenewald and Trepo, 2000) (our italics).

1.1.5 Increased availability of alcohol can lead to increased social harm without an increase in mean consumption

As indicated by the world health organisation the mean consumption of alcohol in developed countries has been decreasing since the early 1980s (WHO, 1999). As Sawka 1997 describes, the decline in use of alcohol is partly explained by the Baby Boom cohort, who naturally reduced their consumption as they matured, pursued careers and raised their families (Sawka, 1997).

However, it is well recognised that high risk behaviours generally (Strunin and Hingson, 1992), and drinking to intoxication, are more common among young people, and especially among young males (National Expert Advisory Committee on Alcohol, 2001a, Wyllie et al., 1996). There is also substantial evidence that younger drinkers are more likely to sustain acute alcohol-related harms than older drinkers (Casswell et al., 1993). So even though their general consumption levels may not be sufficient to significantly influence the mean consumption trends of the community as a whole, changes in the drinking patterns of young people, through increased availability, have the greatest ability to result in general increases in social harm.

Furthermore, as has been observed in New Zealand, as alcohol was deregulated and the density of liquor outlets increased, an increasing proportion of youth became binge drinkers over time, drinking six or more drinks on one occasion. To offset this there was a similar increase in the proportion of abstainers in this age group (New Zealand Health Information Service, 2001). This is similar to Tasmania in that it has the second highest liquor outlet density in Australia, after removing "special licences", and has the highest proportion of abstainers in Australia but the third highest mean consumption of alcohol (ABS, 2002).

1.2 Federal Government Drug and Alcohol Harm Minimisation Policies

The National Alcohol Strategy, A Plan for Action 2001 to 2003-04 has as one of its objectives "*Liquor licensing legislation and regulatory initiatives that have a positive public health impact, particularly in terms of minimising harm related to the use of alcohol*". One of the outcomes sought is that "*Numbers and type of premises in an area are consistent with limiting alcohol related harm*" (National Expert Advisory Committee on Alcohol, 2001b).

2. Alcohol Problems in Europe

2.1 United States Office of Juvenile Justice and Delinquency dispels myth that young people from Europe drink more responsibly than young people from other countries.

It is a perception in our community that in spite of Europe's easy availability and liberal attitudes towards alcohol young people in Europe learn to drink at younger ages within the context of the family and as a result, young Europeans learn to drink more responsibly than do young people from other countries such as Australia.

The United States Office of Juvenile Justice and Delinquency Prevention (OJJDP) highlights that a similar perception, is also well established in the United States. People there also believe that young people in Europe drink more responsibly than those in the United States. With a uniform drinking age of 21, and recently enacted zero tolerance laws, the United States has stricter regulations than Australia, and many countries in Europe, in relation to the supply of alcohol to the young (OJJDP, 2001).

However, recent research indicates that young Europeans do not drink as responsibly as the young in other countries, as is outlined below.

In 1995, the European School Survey Project on Alcohol and Other Drugs (ESPAD) was conducted by the Swedish Council for information on Alcohol and other Drugs. It surveyed 95,000 15- to 16-year-old students in 26 European countries. The questionnaire was closely modelled upon the U.S. "Monitoring the Future Survey", conducted for the National Institute on Drug Abuse in 1995, with 14,000 15 to 16 year old students. After a comparison of the U.S. and Swedish studies was carried out by the University of New York at Albany and by the United States Office of Juvenile Justice and Delinquency Prevention (OJJDP) it was found that:

- a greater percentage of young people from nearly all European countries report drinking in the past 30 days. Of note, the United Kingdom had the second highest percentage (74%) of youth in Europe reporting having drunk alcohol in the last 30 days, with Denmark at 81% having the highest rate; the USA had only 39% of 15-16 year olds drinking in the last 30 days.
- for a majority of these European countries (23 out of 26 countries), a greater percentage of young people reported binge drinking, having five or more drinks in a row. Of note, the United Kingdom had the third highest percentage (50%) of young reporting binge drinking with 61% in Denmark and 51% in Finland and only 24% in the USA.
- about half of the European countries have intoxication rates in among young people that are higher than the intoxication rates in the United States, about a quarter had lower rates, and about a quarter had equivalent rates as the United States. Again the United Kingdom had the third highest percentage (48%) of young reporting having drunk to intoxication in the last 30 days with 58% in Denmark and 51% in Finland and only 21% in the USA.

(Bjarnason, 2001, OJJDP, 2001)

From the research, it would seem that the stricter laws and policies regarding drinking by young people in the United States are associated with lower rates of alcohol misuse and that the more liberal policies and drinking socialisation practices in Europe are associated with higher levels of alcohol misuse.

The United States is a country in which a significant body of medical research clearly demonstrates that increasing the liquor outlet density increases many aspects of social harm.

2.2 World Health Organization:- “Alcohol is the Number One Killer of Young Men in Europe”

At the World Health Organization Ministerial Conference on Young People and Alcohol in Stockholm, in 2001, the director of the World Health Organisation, Dr Brundtland released data from the WHO “Global Burden of Disease 2000 study” highlighting the fact that one in four deaths of European men in the group aged 15–29 years is related to alcohol. In parts of eastern Europe, the figure is as high as one in three (Brundtland, 2001, Mathers et al., 2002, WHO, 2001a).

At this conference Dr Gro Harlem Brundtland, also stated that while some progress had been made in reducing overall alcohol consumption in western parts of the European region, the situation in the eastern part is worsening, and there are alarming signs of deteriorating drinking habits among young people across the whole region (Brundtland, 2001).

In a landmark declaration, European health ministers and other participants including young people, gathered and agreed on actions to reduce harm from alcohol and protect public health. The declaration called on governments, intergovernmental and non-governmental agencies and other interested parties to urgently address evidence of growing harm due to alcohol across Europe. In total 51 representatives of all countries in the WHO European Region agreed on specific common targets to reduce alcohol related harm to young Europeans to be achieved by 2006 (WHO, 2001b).

Authors

Dr Martin Bleasel, B Pharm (Hons), Ph D¹

Mr Stuart Jones, G.C.M., M.B.A.¹

Mr. James Bleasel, B. Sc. (Technology)¹

¹Nine Eleven Australia, PO Box 511, Moonah, Tasmania 7009

References

- ABS, A. B. o. S. (2002) *Statistics - Tasmania: Alcohol consumption*, Australian Bureau of Statistics, Commonwealth of Australia.
- Alsop, B. (2003) *Destruction of two hotels in New Zealand*, Otago, New Zealand.
- Beers, M. H. and Berkow, R. (Eds.) (1997) *The Merk Manual: Seventeenth Edition*, Merck Research Laboratories, Whitehouse Station N.J.
- Bjarnason, T. (2001) *Press Release issued by the State University of New York at Albany*, University of New York Albany, Albany.
- Brundtland, G. H. (2001) *WHO: European Ministerial Conference on Young People and Alcohol*, World Health Organization: Office of the Director-General, Stockholm Sweden.
- Casswell, S., Zhang, J. F. and Wyllie, A. (1993) *The importance of amount and location of drinking for the experience of alcohol-related problems*, *Addiction*, 88, 1527-34.
- Communicable Diseases Network Australia - National Notifiable Diseases Surveillance System (1999) *Annual report of the Australian Gonococcal Surveillance Program, 1998*, *Commun Dis Intell*, 23, 193-7.
- Communicable Diseases Network Australia - National Notifiable Diseases Surveillance System (2003) *Personal Communication*, Canberra, Australia.
- Gorman, D. M., Speer, P. W., Gruenewald, P. J. and Labouvie, E. W. (2001) *Spatial dynamics of alcohol availability, neighborhood structure and violent crime*, *J Stud Alcohol*, 62, 628-36.
- Gruenewald, P. J. and Trepo, A. J. (2000) *Local and global alcohol supply: economic and geographic models of community systems*, *Addiction*, 95, S537-49.
- Hon John Thwaites MP: Minister of Health Victoria (2002) *Victorian Alcohol Strategy: Stage one*, Department of Human Services, Melbourne, Australia.
- Kraushaar, K. and Alsop, B. (1995) *A naturalistic alcohol availability experiment: Effects on crime*, *The Cochrane Central Register of Controlled Trials*, CN-00241599.
- Marriott-Lloyd, P. and Webb, M. (2002) *Tackling alcohol-related offences and disorder in New Zealand*, Policy Unit, Office of the Commissioner, New Zealand Police.
- Mathers, C. D., Stein, C., Fat, D. M., Rao, C., Inoue, M., Tomijima, N., Bernard, C., Lopez, A. D. and Murray, C. J. L. (2002) *Global Burden of Disease 2000: Version 2 methods and results*, *Global Programme on Evidence for Health Policy Discussion Paper No. 50*, World Health Organization.
- National Expert Advisory Committee on Alcohol (2001a) *Alcohol in Australia Issues and Strategies A background paper to the National Alcohol Strategy: A Plan for Action 2001 to 2003/04*, Public Affairs, Parliamentary and Access Branch Commonwealth Department of Health and Aged Care, Canberra.

- National Expert Advisory Committee on Alcohol (2001b) *National Alcohol Strategy A Plan for Action 2001 to 2003-04*, Commonwealth of Australia: Publication approval number: 2929.
- New Zealand Health Information Service (Ed.) (2001) *New Zealand Drug Statistics*, Ministry of Health, New Zealand, Wellington.
- OJJDP (2001) *Comparison of Drinking Rates and Problems: European Countries and the United States*, U.S. Department of Justice, Office of Juvenile Justice and Delinquency Prevention, USA.
- Parker, D. A., Woiz, M. W. and Harford, T. C. (1978) *The prevention of alcoholism: an empirical report on the effects of outlet availability*, *Alcohol Clin Exp Res*, 2, 339-43.
- Pols, R. and Hawks, D. (1992) *Is there a safe level of daily consumption of alcohol for men and women?*, NHMRC, Australian Government Publishing Service, Canberra.
- Roche, A. M. (1999) In *National competition policy review of the Queensland Liquor Act 1992* Department of Tourism, Sport and Racing, Queensland.
- Roche, A. M. and Dechan, A. (2002) *Women's alcohol consumption: emerging patterns, problems and public health implications. [Review]*, *Drug & Alcohol Review*, 21, 169-78.
- Ryan, B. and Segars, L. (1987) *Mini-marts and maxi-problems: The relationship between purchase and consumption location*, *Alcohol Health and Research World*, 12, 26-29.
- Sawka, E. (1997) *Trends in Addictions, Developments*, 17.
- Scribner, R., Cohen, D., Kaplan, S. and Allen, S. H. (1999) *Alcohol availability and homicide in New Orleans: conceptual considerations for small area analysis of the effect of alcohol outlet density*, *J Stud Alcohol*, 60, 310-6.
- Scribner, R. A., Cohen, D. A. and Farley, T. A. (1998) *A geographic relation between alcohol availability and gonorrhoea rates*, *Sex Transm Dis*, 25, 544-8.
- Scribner, R. A., MacKinnon, D. P. and Dwyer, J. H. (1995) *The risk of assaultive violence and alcohol availability in Los Angeles County*, *Am J Public Health*, 85, 335-40.
- Speer, P. W., Gorman, D. M., Labouvic, E. W. and Ontkush, M. J. (1998) *Violent crime and alcohol availability: relationships in an urban community*, *J Public Health Policy*, 19, 303-18.
- Spier, P. (1999) *Conviction and sentencing of offenders in New Zealand: 1989 to 1998*, Ministry of Justice: New Zealand, Wellington.
- Strunin, L. and Hingson, R. (1992) *Alcohol, drugs, and adolescent sexual behavior*, *Int J Addict*, 27, 129-46.
- Tatlow, J. R., Clapp, J. D. and Hohman, M. M. (2000) *The relationship between the geographic density of alcohol outlets and alcohol-related hospital admissions in San Diego County*, *J Community Health*, 25, 79-88.

- Treno, A. J., Gruenewald, P. J. and Johnson, F. W. (2001) *Alcohol availability and injury: the role of local outlet densities*, *Alcohol Clin Exp Res*, 25, 1467-71.
- Wagenaar, A. C., Finnegan, J. R., Wolfson, M., Anstine, P. S., Williams, C. L. and Perry, C. L. (1993) *Where and how adolescents obtain alcoholic beverages*, *Public Health Rep*, 108, 459-64.
- WHO (1999) *In Global status report on alcohol* World Health Organisation, Geneva.
- WHO (2001a) *Alcohol – number-one killer of young men in Europe: Press Release EURO 2/01*. World Health Organization: Information Office, Copenhagen & Stockholm.
- WHO (2001b) *Reducing alcohol harm to young people: Europe's Health Ministers say "the time to act is now!" Press release EURO 03/01*, World Health Organization, Regional Office for Europe, Copenhagen and Stockholm.
- Wolfson, M., Toomey, T. L., Murray, D. M., Forster, J. L., Short, B. J. and Wagenaar, A. C. (1996) *Alcohol outlet policies and practices concerning sales to underage people*, *Addiction*, 91, 589-602.
- Wyllie, A., Millard, M. and Zhang, J. F. (1996) *Drinking in New Zealand: A national survey 1995*, Alcohol and Public Health Research Unit, Auckland.