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Exploring the public interest case for a minimum (floor) price for alcohol – Issues Paper

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Summary

The Australian Hotels Association (AHA) does not support a national minimum alcohol price as a preventative health measure. The AHA believes market interventions by governments should always be introduced on the basis of solid evidence showing that the intervention is both effective in addressing the problem and efficient in minimising impact on productivity or living standards.

The available evidence on minimum alcohol pricing strongly suggests a national minimum alcohol price in Australia would have a significant impact on the majority of Australians who consume alcohol responsibly in moderation, and a lesser impact on the minority of people who engage in harmful drinking behaviour that is the focus of discussion. Aged pensioners are amongst the largest consumers of cask wine, the product which would be hardest hit by minimum pricing, and seniors groups have been critical of the impact it would have on quality of life for older Australians.

The Australian hospitality industry is a significant contributor to the national economy, both in terms of supporting local suppliers and by employing some 300,000 Australians. Hotels and hospitality businesses are also ingrained in the nation's social fabric as meeting places and entertainment venues.

The available evidence suggests the introduction of a national minimum alcohol price would have a significantly adverse impact on the hospitality industry despite the fact that most alcohol sold in hotels for consumption on the licensed premises is sold for well above any suggested minimum alcohol price.

A significant proportion of Australian hotels are located in winemaking regions and would suffer reduced patronage as a result of any policy which threatens the viability of the domestic wine industry. In addition, the clustering of alcohol beverage products around the nominated minimum price would see other products become more expensive, thereby limiting the ability of consumers to make purchases from hotels.

In the absence of any compelling evidence that such a policy would actually achieve a meaningful reduction in harmful drinking there is no justification for a national minimum alcohol price to be introduced in Australia.

Regardless of the industry's general opposition to the concept of a national minimum alcohol price, it would be prudent for the Australian Government to defer consideration of such a policy until the impacts of the recently-introduced minimum pricing legislation in Scotland can be observed and its success or failure in addressing harmful alcohol consumption can be measured.

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About the AHA

The Australian Hotels Association (AHA) is an organisation of employers in the hotel and hospitality industry registered under the *Fair Work (Registered Organisations) Act 2009*. Its membership of more than 5,000 licensed hotel businesses includes pub-style hotels plus three, four and five-star accommodation hotels located in each state and territory. The AHA's members are serviced by branches located in every Australian capital city and a Canberra-based national office. Accommodation hotels are represented by Tourism Accommodation Australia, a division of the AHA.

The majority of alcohol sold by hotels is consumed on the premises at prices above any mooted minimum price, but many hotel businesses include retail outlets selling packaged alcohol for take-away purchases.

With branches operating in every state and territory, the AHA actively represents hotels by working with government liquor licensing agencies and police forces to create a sustainable regulation and enforcement regime for licensed premises.

The AHA is also a member of the National Alcohol Beverage Industry Council (NABIC), the peak alcohol industry body representing each of the country's major retailer and producer representative organisations.

Economic significance of the Australian tourism and hospitality industry

Within the \$70 billion Australian tourism industry¹, the hotel sector is the most significant employer, with more than 278,000 persons employed between the pub sector (188,000)² and the accommodation sector (90,000)³, and an annual wages and salaries contribution of \$5.41 billion. In addition there are an estimated 20,000 employees in the casino sector⁴. Estimates of total industry revenue vary between \$11.1 billion (ABS) and \$14.4 billion (IBIS World) per annum⁵, and more than 60 per cent of this revenue comes from the sale of beverages.⁶

Although some hotels are large-scale operations with hundreds of employees which form part of national or international chains, the majority of Australian hotels are small, locally-owned businesses serving their surrounding communities. In 2005-06 only 145 of 65,197 businesses in the ABS Accommodation, Cafes & Restaurants sector employed more than 100 people.⁷ In its 2009 report *Australian Hotels: More than just a drink and a flutter*, PricewaterhouseCoopers stated:

“The industry remains characterised by small, independent pub owners who lack a chain or franchise affiliation. These businesses make up approximately 88% of the

¹ Tourism Australia (2011) *2020 Tourism Industry Potential one year on*

² PricewaterhouseCoopers (2009) *Australian hotels: More than just a drink and a flutter*

³ Australian Fair Pay Commission (August 2008), *Accommodation, Cafes and Restaurants Industry Profile, Research Report No.1/09*

⁴ Australasian Casino Association, *Submission to the Parliamentary Joint Select Committee on Gambling Reform*, 31 January 2011

⁵ PricewaterhouseCoopers (2009), p6

⁶ PricewaterhouseCoopers (2009): *Australian Hotels: More than just a drink and a flutter*, p16

⁷ Australian Bureau of Statistics (2007), *Australian Industry 2005-06*

market share; the remaining 12% of the market is divided amongst Woolworths Ltd (7.9%), Wesfarmers Limited (3.3%) and ALE Property Group (0.3%).”⁸

In many regional areas, hotels play central roles as a social hub, a provider of food, entertainment and banking services and a community meeting place, but also as one of the larger employers. Despite this, the ability of the hospitality industry to employ large numbers of Australians is highly volatile. For example, the change in the number of people employed in the industry between 2005 and 2008 fluctuated greatly: an increase of 46,100 in 2005 was followed by a 49,700 decrease in 2006, and a 69,600 increase in 2007 was followed by a 12,700 drop in 2008.⁹

The need for evidence-based policies

The Federal Government has publicly announced its commitment to the development of policy on the basis of sound evidence rather than on the grounds of ideology or political opportunism, even going so far as to task the Productivity Commission in 2009 to produce a detailed report titled *Strengthening evidence-based policy in the Australian Federation*. Then-Prime Minister Kevin Rudd said in 2009 that “the Government’s agenda for the public service is to ensure a robust, evidence-based policy making process. Policy design and policy evaluation should be driven by analysis of all the available options, and not by ideology.”¹⁰

The AHA supports the concept of evidence-based policy as a method of producing stable, well-considered and effective legislation. However there appears to be very little evidence, that a national minimum alcohol price is the best way to address problems associated with harmful alcohol consumption. The advocacy of a number of anti-alcohol activist organisations has focused attention on restrictive, regressive whole-of-population interventions aimed at reducing overall alcohol consumption rather than considering ways to address the particular drinking behaviours of at-risk groups.

In contrast to claims made by anti-alcohol activist organisations, there exists a wide body of evidence that challenges the view that price is an effective means of reducing harmful drinking:

- Alcohol has become more affordable in recent times, yet per-capita consumption has remained stable or declined slightly.¹¹
- AIHW (as noted in the Issues Paper) has found that harmful drinking levels have remained stable even as alcohol has become more affordable.
- The cheapest alcohol on a standard-drink-per-dollar basis is cask wine, yet sales of cask wine have been in long-term decline. Since 1993/94 the proportion of total wine sales by volume made up by cask wine has fallen from 66.9% to 37.6% in 2010/11. This period has seen a reduction in aggregate volume of cask wine sales of 13.4% despite overall wine sales increasing by 54.1% in this period¹², which has also seen a continuation of long-term decline in beer consumption.¹³

⁸ PricewaterhouseCoopers (2009) *Australian hotels: More than just a drink and a flutter*, p14

⁹ Australian Bureau of Statistics (2009) *Australian Industry*, p44

¹⁰ Productivity Commission (2009) *Strengthening evidence-based policy in the Australian Federation*, p15

¹¹ ABS catalogue 4307.0.55.001 - *Apparent Consumption of Alcohol, Australia, 2009-10*

¹² Australian Wine & Brandy Corporation (2012) *Winefacts*, accessed 8 July 2012 at www.wineaustralia.com

¹³ ABS catalogue 4307.0.55.001 - *Apparent Consumption of Alcohol, Australia, 2009-10*

These figures indicate that the cheapest form of alcohol is becoming less popular as more Australians move towards other, more expensive products.

The Issues Paper cites examples of minimum pricing in other countries yet there is a lack of any evidence of success arising from these regimes. The World Health Organization (WHO) has identified Nordic countries as being among the most harmful drinking countries in the European Union¹⁴ despite a history of government monopoly alcohol supply, high taxation and advertising bans. The Nordic example highlights the risks associated with pricing interventions, such as the creation of black markets, poor quality homemade/backyard alcohol and increasing use of illicit substances.

Paragraph 58 of the Issues Paper notes that the success or failure of minimum pricing as a public health measure depends to a high degree on the price point chosen for the minimum price. In the United Kingdom and Scotland, the selection of the actual price point seems to be largely arbitrary. The paper suggests that detailed economic modelling is needed to inform any consideration of price points for a minimum price, but that ANPHA does not intend to sponsor any such modelling.

There is also little evidence that the various pricing controls in place in eight of Canada's 10 provinces have achieved anything in terms of reducing harmful alcohol consumption. The first study seeking to determine the results of these schemes is currently being undertaken, but with the research team being headed by a prominent anti-alcohol activist, the AHA is not confident the study will produce fair evidence-based and accurate results.

Alcohol policies must distinguish harmful drinking from per-capita consumption

From a policy perspective, the Federal Government must distinguish harmful alcohol consumption from per capita consumption. There should be no policy intent to reduce per capita consumption, which the Issues Paper highlights has stabilised over the past 15 years at around 10 litres of pure alcohol per person per year. The average Australian is drinking on average around a quarter less alcohol per year than in the 1970s. Government interventions should be focused on measures that target harmful drinking behaviour rather than aggregate consumption.

The Issues Paper notes that some sectors of the Australian population are more likely to engage in harmful alcohol consumption, including males, people living in rural and remote areas, people in paid employment, people living in the Northern Territory, indigenous Australians, and young people.¹⁵ The ability to identify distinct groups such as those mentioned above highlights the need for targeted interventions to address the individual causes of harmful drinking behaviour rather than a blunt and ineffective measure being imposed on the entire population.

All consumers will bear financial pain and reduced living standards as a result of a national minimum alcohol price, yet heavy drinkers are known to be less responsive to changes in price than moderate drinkers. The impact felt by moderate drinkers is likely to be greater than any benefit achieved by change in the drinking patterns of heavy drinkers.

¹⁴ International Center for Alcohol Policies (2009) *ICAP issues briefings – Taxation of beverage alcohol*, Washington DC, p7

¹⁵ Australian National Preventative Health Agency (June 2012) *Exploring the public interest case for a minimum (floor) price on alcohol – Issues Paper*, p6

Aged pensioners and people on low incomes are amongst the largest consumers of cask wine¹⁶, the product which would be hardest hit by minimum pricing, and seniors groups have been expressed concern about the impact it would have on quality of life for older Australians. The proposal of a \$1.20 per standard drink minimum alcohol price has been criticised by National Seniors as being a “blunt instrument” that would hit already-struggling pensioners hardest and deprive them of “one of life's small pleasures that they have a tipple of wine at night time”.¹⁷

Pricing elasticity

The research available strongly suggests that harmful drinkers are generally not price-sensitive but moderate drinkers are. ANPHA's analysis in the Issues Paper of the existing research and modelling makes for alarming reading, and the AHA is very concerned about the likely impact of a national minimum alcohol price on the Australian hotel industry. The ‘Sheffield Study’ cited on page 12 of the Issues Paper states:

“the aggregate price elasticities from the Sheffield Study suggest that harmful drinkers are less responsive to change in price than moderate drinkers. This is consistent with evidence from two other studies; Manning et al (1995) which indicated that the 95th percentile of drinkers have an elasticity not significantly different from zero; and Wagenaar et al (2009) which found heavy drinkers have a mean price elasticity of -0.28. One suggestion advanced in relation to these findings is that a proportion of harmful drinkers have some dependency on alcohol. This dependency factor coupled with social factors (e.g. drinking more often socially than moderate drinkers) may make heavy drinkers more resistant to price changes.”

The worst possible outcome from this process would be for the Australian Government to introduce a policy which devastates the local liquor and hospitality industries but fails to achieve a reduction in the harmful drinking behaviour it seeks to address.

Imposing a national minimum alcohol price would reduce alcohol consumption by the majority of moderate drinkers to the detriment of the liquor and hospitality industries while producing little if any of the desired changes to harmful drinking.

Since the best available evidence suggests harmful drinkers will resist price changes and maintain their drinking patterns while moderate drinkers will reduce their consumption, a national minimum alcohol price should be dismissed as an option.

The Australian Government endeavours not to enact policies which produce ‘more pain than gain’. Regulation must not only be effective in addressing an identified problem, but also efficient in how it achieves this.¹⁸ In this case there are other options available which will address harmful drinking behaviour without unnecessarily impacting on the welfare, mobility and living standards of the majority of moderate drinkers or on the significant industries operating legitimately in the liquor and hospitality industries.

¹⁶ Mueller, S. & Umberger, W. (2009) *Myth busting: Who is the Australian cask wine consumer?*, Wine Industry Journal Jan/Feb2009, pp52-57

¹⁷ *Alcohol floor ‘a hit on elderly and poor’*, The Australian – 9 June 2011

¹⁸ Office of Best Practice Regulation (June 2010) *Best practice regulation handbook*, p4

Discredited, alarmist research should be dismissed

The AHA objects strongly to the use in the Issues Paper of the 2008 Collins & Lapsley research claiming to identify the annual cost of alcohol related harm. This research has been discredited by economists including Professor Eric Crampton from the University of Canterbury and his colleagues Matt Burgess (University of Canterbury) and Brad Taylor (Australian National University). We note the Department of Health and Ageing has advised the National Alcohol Beverage Industry Council (NABIC) that due to the controversy and contention around the research, the Collins & Lapsley paper “is not appropriate” to be included in the National Alcohol Data Knowledgebase. For the same reasons, it should not be used by ANPHA as the basis for policy consideration.

The Issues Paper also mentions the widely condemned FARE-funded paper *The Range and Magnitude of Alcohol’s Harm to Others*. This paper was reviewed in 2010 by Access Economics which said the paper “grossly exaggerated” its cost claims. In fact, Access compared government revenue from alcohol taxes to attributable health costs and found that “alcohol taxes thus pay more than the social costs of alcohol abuse, by a considerable margin, each year.”¹⁹ Similarly, the AHA urges ANPHA to distance itself from research lacking in academic rigour or which is partisan or biased in nature.

Global comparisons of per capita alcohol consumption such as the one referenced on page two of the Issues Paper often paint a misleading picture of alcohol consumption. Many countries have consumption rates close to zero due to religious or cultural factors, while the reliability of data from many developing countries is poor as there are often significant homemade or black markets providing alcohol for consumption not counted in official surveys.

The health costs arising from alcohol abuse are generally borne by the individual drinkers themselves, yet anti-alcohol activists attempt to apply these costs to the population at large. Crampton et al found that only one-quarter of the alcohol harm costs identified by Collins & Lapsley are borne by external parties.²⁰ Since heavy drinkers are less likely to adjust their consumption patterns on the grounds of price, the justification for imposing taxation or minimum pricing to reduce alcohol harms or costs is weak.

A national minimum alcohol price

Context

Alcohol is a legal product that has been part of Australia’s culture since the arrival of the First Fleet. While there are societal costs associated with overconsumption, alcohol produces some health benefits when consumed in moderation and has a legitimate place in Australia’s social and economic fabric.

Hotels are already subject to extensive regulation aimed at ensuring alcohol is supplied in a responsible manner so as to minimise harmful drinking and its impact on the local community. Alcohol producers are subject to advertising and labelling restrictions which aim to prevent irresponsible marketing of alcohol products. The Government produces healthy drinking guidelines through the National Health and Medical Research Council so that Australians can make informed choices about their drinking. The alcohol industry funds Drinkwise Australia to undertake public awareness activity aimed at promoting responsible alcohol consumption and raising awareness of

¹⁹ Access Economics (October 2010) *Review of ‘The range and magnitude of alcohol’s harm to others’*, p32

²⁰ Crampton, E., Burgess, M. & Taylor, B. (2011) *The cost of cost studies*

the risks of harmful drinking. Two recent Drinkwise campaigns have been 'Kids Absorb Your Drinking', aiming to educate parents to be aware of their role model status to their children, and 'Get the Facts', aimed at providing alcohol consumers with health and other information to inform their drinking choices.

The amount of alcohol consumed each year by Australians is not increasing. In the last few years overall consumption has actually declined by 5.4 per cent.²¹ Similarly, the frequency of incidences of heavy drinking has declined.

Australia is steadily moving towards a healthier drinking culture, and efforts by anti-alcohol activists, particularly the National Alliance for Action on Alcohol (NAAA) and its member organisations, to create a sense of alarm in policy makers about the supposedly increasing harm from alcohol should be considered in the context of what is actually occurring in relation to the evidence we have of drinking behaviour.

For a government to impose universal restrictions or policies on the entire population instead of focusing on the problems of a minority would only to undermine the legitimacy of alcohol products and the ability of individuals to make rational, informed drinking choices.

Alcohol affordability

Much has been made of the increasing affordability of alcohol in recent years, but the biggest factor driving this has been competition between major retailers and their increasing market share. Advertising pledges by retail outlets to "not be beaten on price" and the availability of significant bulk discounts (such as 30% off when you buy a dozen bottles of wine) has served to drive down off-premise alcohol prices. It should be noted that the Australian Competition and Consumer Commission (ACCC) has powers to intervene in matters relating to competition and pricing, and has made enquiries on two recent occasions in the liquor industry in Tasmania and New South Wales.

Another factor contributing to increasing affordability is the current wine glut caused by a recent oversupply of domestically-produced grapes. This is a temporary situation which the wine industry is addressing through a major restructuring, a fact acknowledged by the Federal Government in its response to the Henry Review in 2010 when it stated that it will not seek change in alcohol taxation while there is a wine glut and while an industry restructure is taking place.

Impact on hotels

Hotels sell the majority of alcohol for consumption on the licensed premises at prices well above any minimum price point that has been reported in relation to this consultation process. The equivalent of the Scottish minimum price is around \$0.80 on current exchange rates, and the AHA is aware of calls within sections of the health sector for a \$1.20 minimum price per standard drink.

Virtually all alcohol sold for consumption on licensed premises is above those price points by a considerable margin. The higher costs of on-premise alcohol reflect the greater operating costs incurred by hotels in relation to retail outlets. Examples of hotel operating costs (on top of the cost of goods sold) include:

- Wages and salaries – usually between 20-30 per cent of revenues
- Utilities – Electricity, gas & water

²¹ Australian Bureau of Statistics (2012) *Apparent consumption of alcohol, Australia – 2010-11*

- Security
- Entertainment – Cost of musical acts, music licensing, audio equipment etc
- Marketing & promotion
- Glassware & crockery
- Regulation and compliance costs – Government taxes and charges such as licensing fees

Consumers faced with higher prices for a product will either reduce their consumption of that product or stop purchasing the product completely. If hotels face a decline in patronage as a result of increased beverage prices, they are likely to suffer further revenue losses from associated declines in sales of food and meals, entertainment and gambling, meaning the overall impact of an alcohol price increase on hotels is likely to be significantly greater than merely the impact on alcohol sales alone. To provide some perspective, however, a five per cent decline in alcohol sales would result in a revenue loss to the industry of around \$385 million before any further related reductions in other revenue streams is even considered.²²

The Winemakers Federation of Australia has advised that it estimates a national minimum floor price of \$1.20 per standard drink would result in between 61 to 65 per cent of local wines increasing in price, creating a crowding of wine products around the minimum price point. This is likely to lead to products currently retailing only slightly above the minimum price to increase as producers seek to differentiate and create perceived value. The price impact on consumers is therefore likely to be greater than merely the change in lower-priced products and would have a similar market effect on alcohol consumers as the introduction of a volumetric system of alcohol taxation.

Introducing the Henry Review recommendation of a volumetric alcohol tax based on the current excise rate for packaged full-strength beer would see 95 per cent of local wines increase in price, leading to a 34 per cent fall in sales and the loss of more than 5,000 jobs in the wine industry alone.²³ Hotels located in winemaking regions would also be affected by any policy decision adversely impacting on the wine industry. In South Australia, 129 of the state's 620 hotels (21 per cent of the industry) are located in winemaking regions where wine tourism is a key driver of patronage. Hotels in other winemaking regions in Western Australia, NSW, Victoria, Tasmania and the ACT also rely heavily on their vibrant local winemakers to attract customers.

Broader economic impact

A national minimum alcohol price, whether in the form of taxation or a retail floor price, would adversely impact Government revenues be and ineffective in addressing alcohol abuse.

Alcohol taxes – like other ‘sin taxes’ such as those levied on gambling, fuel or tobacco – are regressive by nature. The impact of alcohol taxes is minimal for high income earners but significant for budget-conscious consumers. This was identified in economic modelling conducted by the UK Institute of Fiscal Studies (IFA) in its consideration of the potential impact of a £0.45 minimum alcohol price in Britain. The IFA report stated a minimum price at this level (equating to a current equivalent of \$0.75AUD) found it would reduce alcohol consumption in “poorer households with incomes below 10,000 by almost 25%. Households with incomes over 60,000 would see their consumption fall by around 12%.” This is not to suggest that the Australian impact would mirror Britain’s, as there are differences in income and affordability factors between the two countries that go beyond exchange rates, but it does help to illustrate the regressive nature of minimum pricing and the additional burden on living standards for low-income earners.

²² PricewaterhouseCoopers (2009): *Australian Hotels: More than just a drink and a flutter*, p15

²³ Winemakers Federation of Australia (2009) *Submission to Australia's Future Tax System Review*, p6

An Institute of Fiscal Studies paper analysing the potential impact of a £0.45 minimum alcohol price in the UK found “the largest beneficiary overall is Tesco, which gains around £230 million, followed by Asda (£130 million) and Sainsburys (£100 million). These stores are the largest retailers of alcohol...”²⁴

Pricing is not effective in changing harmful drinking behaviour

“The excise taxation of alcohol is a fairly blunt instrument, causing welfare losses to non-harmful users while at the same time not adequately controlling the drinking of harmful users”²⁵ according to Professor Sijbren Cnossen, engaged by the Federal Government to look at excise taxes as part of the Henry Review.

In its consideration of excise taxes, the Henry Review determined that the only way a floor price could be effective is if it could be applied differently according to each individual’s drinking patterns:

“In the real world, however, such a tax or floor price is technologically and administratively unfeasible, and would be unnecessarily intrusive... This makes setting a floor price a blunt instrument for reducing the spillover costs of alcohol use. It means that consumers who enjoy alcohol responsibly face an unnecessarily high price (and pay too much tax). In other words, even though alcohol tax raises revenue for the government, it is not a costless way of addressing alcohol abuse.”²⁶

Even in the process of calling for greater restrictions and government interventions in the area of alcohol, prominent anti-alcohol activists acknowledge that blunt price increases are futile in addressing harmful drinking. Writing on the Fairfax *National Times opinion* website in July 2012, the deputy director of the National Drug and Alcohol Research Centre, Andrew Shakescraft, said:

“The more expensive alcohol is, the less we buy. But we have also shown that when price goes up, our inclination is to drink on fewer days during the week to preserve our financial ability to binge drink on the weekend.”²⁷

Australians overwhelmingly reject pricing interventions

The most recent National Drug Strategy Household Survey (2010), completed by more than 26,000 respondents, identified a statistically significant decline in harmful drinking from the 2007 survey and a decrease in the percentage of daily drinkers to an all-time low of 7.2 per cent. Fewer women are consuming alcohol during pregnancy and more people are abstaining completely from alcohol.²⁸ These figures indicate that despite alarmist claims from anti-alcohol activists, Australians are increasingly consuming alcohol responsibly and in moderation. It is interesting to note the Survey appears to support the health benefits of moderate consumption of alcohol over abstention, with abstainers more likely to be in poor overall health, have diabetes, heart disease and high stress levels than those who had recently consumed alcohol.

²⁴ Griffith, R. & Leicester, A. (2010) *The impact of introducing a minimum price on alcohol in Britain*, Institute for Fiscal Studies, UK

²⁵ Cnossen, S. (2006) *CPB Discussion Paper No. 76 – Alcohol taxation and regulation in the European Union*, p45

²⁶ Henry Review – *Australia’s future tax system* (2009), p432

²⁷ Shakescraft, A. *We all need to act on drinking problem*, accessed 17 July 2012 at www.nationaltimes.com.au

²⁸ Australian Institute of Health and Welfare (2011) *2010 National Drug Strategy Household Survey report*

Australian citizens do not support pricing interventions in the name of public health. The three most supported measures for reducing alcohol-related problems identified in the 2010 Household Survey were:

1. Tougher drink-driving penalties
2. Stricter enforcement of responsible service laws
3. Strict monitoring of late night licensed venues

Increasing the price of alcohol was the least supported measure, while increasing tax on alcohol to pay for health, education and alcohol treatment was the third-least supported measure. The Survey also found that an increase in the price of a person's preferred drink was in the bottom three reasons to reduce alcohol consumption, with the top three reasons being health, lifestyle and social reasons.

Conclusion

Reducing consumption without significantly reducing the number of heavy drinkers, while undermining the Australian hotel industry and its significant contribution to the national economy and local communities, is not a policy that is in the national interest.

Harmful drinking behaviour is best addressed through non-pricing related interventions that target at-risk groups directly rather than by seeking to reduce overall alcohol consumption across the entire population. Population-level measures should be focused on education and awareness of the health risks of excessive alcohol consumption and the benefits of responsible, moderate consumption with a view to achieving a cultural change in drinking behaviours over the long term.

For these reasons, the AHA is strongly opposed to the introduction of a national minimum alcohol price.