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MEDIA RELEASE

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New alcohol cost study – same flawed research

A newly-released report claiming to quantify the annual cost of alcohol misuse has no credibility and repeats the mistakes used in a previously discredited report.

The report, *The societal costs of alcohol misuse in Australia*, commissioned by the Australian Institute of Criminology, is an update on the 2008 report by Collins & Lapsley that was found by leading international economist Dr Eric Crampton to have significantly overstated the social cost of alcohol misuse.

AHA National CEO Des Crowe said the reproduction of flawed research is concerning for the hotel industry and called for the latest report to be ignored by policy makers.

“There are both costs and benefits of consuming alcohol. Until a more balanced view emerges from the research community that recognises this reality, cost of harm studies should not be used by policy makers to justify further regulation or intervention in the hotel industry”, Mr Crowe said.

“This is a new report based on the same old flawed research that was comprehensively discredited in 2011 by Dr Eric Crampton, who found that applying mainstream economic method mean that 75 per cent of the identified costs must be excluded.

“Like several others from the anti-alcohol activist lobby, this report is biased towards producing the highest and most alarming cost figure possible by counting spurious and dubious costs such as lost productivity resulting from the misuse of alcohol. The report even attempts to quantify an annual cost of reduced household labour.

“The real concern is the biased approach towards inflating the cost of harm. No consideration is given to any of the considerable positive impacts of moderate alcohol consumption, such as increased cardio-vascular health, the employment of some 300,000 people in hotels alone and the increased economic activity that occurs due to the existence of hotels in the community.

“The report identifies emotional and productivity costs but ignores the emotional and wellbeing benefits derived from social interaction, enjoyment and celebration that involve alcohol consumed responsibly.”

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