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Submission to the Draft National Alcohol Strategy 2018-2026

Please find attached the Winemakers' Federation of Australia's (WFA) submission on the Draft National Alcohol Strategy (NAS) 2018-2026. WFA also supports the submission made by Alcohol Beverages Australia (ABA), but would like to make some additional comments of particular importance to the Australian wine sector.

Australian winemakers welcome joint action by all Governments to reduce alcohol-related harm and have been at the forefront in delivering responsible consumption messaging and preventing abuse where we have direct influence.

WFA strongly supports the overall aim of the Draft NAS, focussing on reducing harmful consumption, but disagrees with the suggested actions to achieve that aim, which rely on population-wide measures rather than evidence-driven and targeted solutions. We believe the Draft NAS needs to more clearly link at-risk demographics and behaviours with targeted interventions. It should also set out a road map or plan that clearly identifies what actions have been implemented in the past, what policies and programs have been successful, and what specific actions need to be taken to target key demographics or behaviours.

It is also extremely concerning that despite having a powerful connection to consumers through multiple communication channels, industry has been specifically excluded from participating in future policy and program development. A critical tenet of best practice governance and policy development is to include all stakeholders in development and implementation. WFA believes that the Australian, State and Territory Governments expect industry to play a key role in reducing harmful alcohol consumption and this must be done in partnership with genuine collaboration.

The Draft NAS contains many priorities and actions that we strongly support, including the national standardisation of Responsible Service of Alcohol requirements, improved awareness and enforcement of secondary supply legislation and improved treatment, information and support services.

WFA looks forward to working with Australian, State and Territory Governments to determine how the final NAS can genuinely embrace all stakeholders to develop long-lasting and targeted interventions that reduce harmful alcohol consumption.



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National Alcohol Strategy 2018 - 2026– Consultation Draft

Submission by the Winemakers' Federation of Australia

The Winemakers' Federation of Australia (WFA) is the national peak body for Australia's winemakers. WFA represents the interests of Australian winemakers on national and international issues affecting the Australian wine industry.

Australia's wine industry is the economic and social backbone of many rural and regional communities. There are nearly 3,000 wineries in Australia ranging from small family owned and operated businesses, to large companies with operations across the world. However, the large majority of wine business are relatively small, operating a highly capital-intensive and seasonally dependent business.

The Australian wine industry is the only vertically integrated agricultural industry that grows its own products, manufactures it on-farm, packages, distributes, markets and exports direct to consumers. It contributes more than \$40 billion to the economy each year, supports the jobs of more than 172,000 Australians and is our fourth most valuable export commodity after beef, wheat and wool.

The Australian wine industry is recognised as a significant contributor to Australia's economy, providing a unique tourism offering and a powerhouse for exports. State and Territory Governments recognise the wine industry in their strategic and economic priorities, particularly related to regional tourism.

Australian winemakers produce high quality products that are differentiated to meet changing consumer demands and price points. Australian winemakers are among the highest taxed wine industries in the world, especially when compared with our international competitors.

WFA is recognised as a representative organisation under the *Wine Australia Act 2013* and is incorporated under the SA Associations Incorporation Act 1985.

WFA members produce around 70 per cent of the national wine grape crush. WFA represents small, medium and large winemakers from across Australia's 65 wine-making regions.

SUMMARY

The Winemakers' Federation of Australia (WFA) supports the stated aim of the Draft NAS 2018-2026 (Draft NAS) which focusses on reducing harmful alcohol consumption through collaboration and partnership between government and non-government sectors.

The draft NAS also contains several actions that WFA strongly supports, including the national standardisation of Responsible Service of Alcohol requirements, improved awareness and enforcement of secondary supply legislation, improved treatment, information and support services, and effective compliance activities. WFA also supports implementation of the yet to be finalised National Foetal Alcohol Spectrum Disorder (FASD) Strategic Action Plan and looks forward to opportunities for industry participation.

WFA is concerned the draft NAS does not include an assessment of previous national strategies, recognition of the significant reductions in harmful alcohol consumption levels already achieved, or the specific areas that remain a priority for action. Without this context it is difficult to develop well-designed solutions that targets specific behaviours or demographics.

WFA is also very concerned that industry stakeholders have been specifically excluded from the proposed Reference Group that will provide advice on monitoring and implementing the NAS. Industry has a one-to-one interface with consumers and is a critical partner in delivering awareness and prevention messages. The strategy is significantly undermined without industry as full partners and collaborators.

Specific concerns are summarised below with further discussion in WFA's detailed submission (attached).

Introduction of a minimum floor price for alcohol (page 18)

WFA does not support minimum unit pricing (MUP) as a tool to target harmful consumption. MUP unfairly increases costs for lower socio economic consumers who are consuming responsibly, does not raise any additional revenue for government health programs, and directly increases profits for large national retailers with no benefits for producers. A minimum floor price of \$1.50 per standard drink (as recommended in the Northern Territory's recent review¹) will increase the price of a 4 litre cask of red wine by 300 percent to more than \$60.00. Harmful consumption is not restricted to lower priced alcohol, or poorer consumers.

The 2016 National Drug Strategy Household Survey (NDSHS) 2016 found that people in the lowest socio-economic groups are more likely to abstain from alcohol than people in the highest groups (32% compared with 18.2%), and less likely to exceed lifetime risk guidelines and single occasion risk guidelines, than those in higher socio-economic groups². An MUP will not target harmful consumption by increasing the lowest alcohol product prices, but will unfairly suggest that most harm occurs by those in the lowest socio economic areas when this is clearly not based on evidence.

Taxation reform to include volumetric taxation (as recommended by the Henry Tax Review) (page 18)

Tax reform suggested by the 2010 Henry Tax Review (abolition of the Wine Equalisation Tax and expansion of the volumetric excise system) should not be included in the NAS.

¹ Northern Territory Government 2017 Alcohol Policies and Legislation Review Final Report
<https://alcoholreview.nt.gov.au/governance?a=453497>

² Australian Institute of Health and Welfare 2017. National Drug Strategy Household Survey 2016: detailed findings. Drug Statistics series no. 31. Cat. no. PHE 214. Canberra: AIHW.

It is a blunt and ineffective means to target harmful alcohol consumption. It would have minimal, if any, impact on patterns of harmful consumption (given substitution effects) as well as directly cause the loss of hundreds of jobs in rural and regional Australia. The Henry recommendation did not take into account the impacts on Australia's 2,500 wine businesses or the enduring justification for the differentiated system.

Wine production is totally dependent on one agricultural season each year and vulnerable to the vagaries of weather. Compare this to beer and spirits production, which can be made multiple times during the year using stored inputs sourced internationally and with significantly shorter production times. The inclusion of wine under the excise system would lead to the substantial industry consolidation, closure of family businesses and job losses and cause significant harm for many of the 172,000 employees currently sustained by the wine industry. The WET recognises these differences, a view which has also been supported by all Australian Governments.

Align a single national advertising code which covers placement and content across all media which provides consistent protection of exposure to minors regardless of programming (page 18).

A national code already exists that is consistent with community expectations, has strong compliance from industry, and includes Government representation. The Alcohol Beverages Advertising Code (ABAC) Scheme is a national quasi regulatory system that determines and adjudicates alcohol marketing guidelines relating to content and placement which have been negotiated with Government. Consumer complaints are handled independently, but all costs are borne by industry. The ABAC Scheme is the centrepiece of Australia's quasi-regulatory system and is administered by its Management Committee which includes industry, advertising and Government representatives. It has stringent content and placement requirements designed to protect minors. ABAC is effective at no cost to Governments or the tax payer.

ABAC is a single national code and its role, including the participation of Government, should be recognised in the NAS.

Implement regulatory measures to reduce alcohol advertising exposure to young people (including in sport and online) (page 18)

According to the National Drug Strategy Household Survey³, between 2004 and 2016 there was a 50 per cent increase in 12-17 year olds abstaining from alcohol. In 2016 more than 80 percent of this group did not drink alcohol. This age group is also delaying their first experiment with alcohol, with the average age of their first drink increasing to 16.1 years in 2016, compared with 14.7 years in 2004. During that time, alcohol advertising has diversified its platforms, methods and reach; however it has not generated increases in underage consumption – the opposite has occurred.

The NAS should not recommend additional regulatory measures relating to alcohol advertising as a way of targeting underage consumption. It should examine the reasons for the current positive trends and enhance those programs targeting teenagers who are still drinking at risky levels, including ways to reduce the instances of parental supply which still accounts for one-third of alcohol supply to underage drinkers.

WFA is also concerned that the action is vague, leading to significant concerns this could be interpreted to include preventing local wine businesses from sponsoring local sporting teams and other regional activities, which are often the only businesses in the region with the capacity to donate funds.

³ Ibid

This would significantly undermine the community's capacity to build healthy futures for its children through sporting activities, and would have no impact on whether those children participated in underage drinking.

Implement readable, impactful health-related warning labels (page 23)

In addition to the requirements under the Food Standards Code, Australian wine makers provide additional health-related information for consumers outlined in the national guidelines for alcohol consumption as part of its responsible consumption messaging - at cellar doors, on websites and at Point of Sale (POS). For pregnant or breastfeeding consumers, industry has voluntarily adopted on-label information to complement Government health messaging around healthy pregnancies and the prevention of Foetal Alcohol Syndrome Disorder (FASD).

Behavioural change to address broader health concerns such as obesity and the extremely large range of cancers must be part of a Government-led health initiative and community education. The role that wine products play in each case varies, and in many individual cases, is not present at all. On-label information has a limited impact on behavioural change and the amount of information able to be conveyed. The industry does not support on-label health warnings, such as graphic warnings on either front or back labels. The NAS should identify ways in which industry interface with consumers can complement Government health programs through websites, POS, joint events and other awareness raising activities.

Implement policy and legislation around serving restrictions after a set time and the type of drinks which can be purchased and cessation of sales (page 15)

Extensive State and Territory Government regulation already exists prescribing serving restrictions. Assuming this recommendation implies increasing those restrictions, WFA strongly rejects any additional restrictions that would impact cellar door and event sales. While most wine is enjoyed at home, cellar door consumption is a critical part of the tourism offering in wine regions and the ability to taste wines throughout the day and evening is vital to these businesses. This vaguely worded action should either be quantified (with a further opportunity for consultation) or removed from the NAS.

Goal: Improving the understanding and awareness of alcohol related harms in the Australian Community, particularly to those experiencing disproportionate risks and harms (page 23)

WFA is concerned that the *Opportunities for action* under this goal are not targeted or prioritised for at-risk demographics. Many refer to a business as usual approach and none suggest collaboration with industry in awareness raising activities. This exemplifies a missed opportunity for the NAS in providing national leadership to gain meaningful progress. Industry is willing to engage with governments to identify specific opportunities for collaboration and messaging through the multitude of communication channels between industry and consumers.

Conclusion

Australian wine makers are proud producers of high quality products that are differentiated to meet market and consumer preferences, both domestically and internationally. No Australian wine maker wants consumers to use their wine in a way that damages their health in the short or long term. The Australian, State and Territory Governments have an obligation to ensure that policy or regulatory measures to reduce harmful consumption are targeted, are developed with due consideration of cause, effect and past success, include close collaboration with all stakeholders, and do not have unintended consequences that harm the economic viability of legitimate industry operations.

DETAILED COMMENTS on the DRAFT NATIONAL ALCOHOL STRATEGY 2018-2026

Australian winemakers are supportive of the overall aim of preventing and minimising alcohol-related harms, but are concerned that this draft NAS does not provide sufficient analysis of the progress, or otherwise, achieved by at least the most recent National Alcohol Strategy (2006-2011) including the significant regulatory requirements and programs that have since been implemented by all Governments. Given the time elapsed since the last NAS, this analysis is critical.

The NAS should recognise that alcohol consumption is already one of the most highly regulated activities in Australia. Alcohol consumption trends have shown that fewer people are consuming alcohol at harmful levels, particularly in key demographics. WFA is concerned the draft NAS does not discuss or assess the effectiveness of previous strategies and therefore there is no road map along which to assess progress towards an end goal.

In addition, the Draft NAS does not discuss or analyse the causal factors leading to harmful alcohol consumption and by that omission, focusses on the availability of alcohol as the reason some consumers use it in ways which harm themselves and others. It is widely acknowledged that alcohol abuse is a result of a complex range of issues including family and peer attitudes, mental health, social isolation and stress. Identification of underlying causes is critical in developing appropriate mitigating actions to prevent harmful consumption.

This lack of critical assessment has led to a Draft NAS that proposes vague, population-wide measures which may have some impact (with their extreme implementation) in reducing overall alcohol consumption through blunt pricing and taxing measures. However, these measures will provide no assistance to those using alcohol at harmful levels now, or in the future, and will squander health budget revenues which could be used in targeted programs with specific at-risk demographic groups.

WFA has concerns that despite the stated aim of the Draft NAS including collaboration and partnership with the non-government sector, the industry is specifically excluded from participating in ongoing policy development (page 24). Industry is a legitimate stakeholder that can contribute valuable information about how consumers are using their products, can help to develop innovative solutions (particularly at point of sale) and suggest ways to improve regulatory activities to target those undertaking harmful consumption practices. Effective policy and program development must include collaboration with industry, like any other Government policy process.

The Draft NAS should be revised to:

- include analysis of causal factors leading to abuse in specific demographics (to focus actions)
- discuss and assess previous National Alcohol Strategies to identify successes and failures
- include additional analysis of progress achieved in each demographic and priorities for action within those categories since the last NAS
- clearly identify where we are on a long term road map towards minimising harmful consumption, and benchmarking our progress against other similar economies, and
- provide detailed opportunities for action including identification of which demographic they will target and the existing or new policy or program for their implementation.

The following comments relate to specific sections in the Draft NAS.

THE NATIONAL ALCOHOL STRATEGY 2018–2026 AT A GLANCE (Page 2)

WFA supports the aim as it identifies the most harmful levels of alcohol consumption for action through collaborations and partnerships with non-government sectors, as well as a specific reduction in harmful alcohol consumption. However, the document requires significantly more explanation as to why 10 per cent is an appropriate reduction target for Australia in the context of current consumption trends.

The Draft NAS should be revised to explain why a 10 per cent reduction is an appropriate overall target.

PURPOSE OF A NATIONAL ALCOHOL STRATEGY (Page 4)

The purpose should clearly identify the specific target groups, regions or demographics currently suffering from harmful consumption levels and identify the specific improvements in each group that the NAS will seek to achieve.

The Draft NAS refers to Australia's commitment to the 10 per cent reduction in harmful alcohol consumption as outlined in the *World Health Organization's (WHO) Global Action Plan for the Prevention and Control of Non-Communicable Disease 2013-2020*, and the 10 per cent reduction is also a stated aim of the Draft NAS. However, neither does it state why this is a useful or relevant target reduction figure in the Australian context, nor does it put it in perspective with past reductions or future expectations.

There is also no discussion regarding a realistic end goal, given it is impossible that harm will ever be zero, or is there discussion about the rate of reductions possible given recent consumption declines. It is likely that once demographic analysis is done, there will be significant opportunities to achieve greater than 10 per cent consumption reductions in specific demographics, but this can only be achieved by targeted and well-designed measures.

There is no clear purpose outlined in this section, other than discussion of the bureaucratic processes which led to the development of the Strategy and the clear intention to specifically exclude industry as a stakeholder in the Alcohol Reference Group.

The exclusion of industry is contrary to the Australian Government Department of Health's stakeholder engagement statement, which says:

Stakeholder engagement is critical to the realisation of our strategic priorities and for the successful delivery of our vision. We value our stakeholders and the input and knowledge they can bring to any issue we are dealing with. Our stakeholders include peak bodies, NGOs, industry, health professionals and consumers as well as other government departments and agencies at the Commonwealth, and state and territory level.⁴

The Draft NAS does not provide a reason why industry is to be excluded from participating in the new Alcohol Reference Group, despite all other stakeholders being included. It is unreasonable and also a poor public policy development process.

This Draft NAS has deliberately disenfranchised Australian winemakers who have actively participated in Australian and State Government programs to reduce alcohol related harm by direct communication with consumers. Industry-supported initiatives include drink driving education, pregnancy warnings, promotion of awareness of standard drinks, training of staff in relation to Responsible Service of Alcohol, changes to cellar door operations to minimise and prevent over-consumption and responsible event management.

⁴ <http://www.health.gov.au/internet/main/publishing.nsf/Content/stakeholder-engagement>

The Draft NAS should be revised to include industry representatives on the Alcohol Reference Group.

Alcohol-related harm: Where are we now? (Page 7)

It is inappropriate to discuss the Australian 'alcohol culture' as binge drinking and glorification generated by advertising when Government data disproves these perceptions. The National Drug Strategy Household Survey 2016 (NDSHS 2016) results show very clear evidence contrary to these Australian alcohol cultural myths. The NDSHS 2016 results should be summarised accurately to build an evidenced based picture that shows the very positive changes, as well as the specific areas where there are opportunities to act.

This section does not provide any analysis of previous strategies or actions that were successful, or discussion related to ongoing priorities. Consequently, there is no understanding or acknowledgement of the gains already made by certain measures – for example, the success of secondary supply laws as reflected in decreased alcohol consumption levels by 12-17 year olds.

While the Draft NAS describes groups and communities disproportionately experiencing the effects of harmful alcohol consumption, it does not provide an analysis of the range of causal factors leading to alcohol harm and abuse, or link those factors to specific opportunities for action. If this was done, priority actions would be much more closely linked to target groups and likely to be more effective as solutions. It also does not include assessment of activities that have been successful for these groups, which could also inform future activities.

The NAS should seek to actively support programs (or at the very least, make reference to them), in and outside of the health portfolio, that address causal factors and support individuals in these groups and communities. Targeted programs to reduce harmful alcohol consumption could then be designed and delivered in effective and complementary ways.

The Draft NAS should use current evidence to explain the complex picture of harmful alcohol consumption and where it occurs demographically, and within specific communities. It should show the success and failures of previous strategies and identify specific interventions for specific demographics and communities.

PRIORITY AREAS OF FOCUS (Page 13)

WFA supports many of the *Opportunities for action* across the four priority areas of focus, given that many of these are already in law or implemented across most or all States and Territories. Examples include the use of plastic glassware, serving restrictions, requirements for Responsible Service of Alcohol qualifications and compliance (noting that significant work is needed to achieve national recognition and standardisation), accessible public transport, alcohol-free areas, enforcement of licensing laws, and improved offender treatment and rehabilitation services. Our support also extends to continued enforcement of secondary supply legislation, effective policing and enforcement of laws, interruption of illegal importation, improved access to treatment, information and support services and targeted communications to promote healthy behaviours in at-risk groups.

The overall weakness underlying these priority areas is that the identified *Opportunities for action* are lacking detail, are already implemented in many cases and do not specify a target demographic, venue or location. The generality of the described actions result in alarm for industry participants due to its potential to completely disrupt current business practices.

The Draft NAS should not include *Opportunities for action* that are already in place, but should focus on new and innovative actions, identify how it will reduce harmful consumption in specific demographics and communities, and provide some detail about those actions.

Priority 2 Managing availability, price and promotion (Page 18)

Introduction of a minimum floor price for alcohol

A recent Northern Territory liquor licensing review recommended introduction of a \$1.50 minimum unit price for a standard alcoholic drink and the Northern Territory Government accepted this recommendation⁵. If implemented at that rate in all States and Territories, a 4 litre cask of red wine would cost the consumer at least \$61.50⁶. Similarly, a 2 litre cask of white wine would cost consumers at least \$27.00. A floor price will directly increase profits for the large liquor retailers with no additional revenue generated for Government health expenditure and no flow-on benefits for producers.

A minimum floor price unfairly targets low socio economic consumers and incorrectly marks them as the main source of alcohol abuse. The impact of increased prices on lower cost products will not result in any health gains for people with serious alcohol addiction, but will increase alcohol prices and the cost of living for those in lower socio economic circumstances who do not deserve to be made pariahs or incorrectly blamed as the major demographic for alcohol abuse.

A large public health consortium, including Universities as well as the Foundation for Alcohol Research and Education, released a report in 2017 that found that *unlike most health risk factors, drinking at risky levels is more prevalent in higher socio-economic communities*⁷.

The NDSHS 2016⁸ also found that people in the lowest socioeconomic area were:

- much more likely to abstain from alcohol than people in the highest area (32% compared with 18.2%);
- less likely to exceed the lifetime risk guidelines (15.8% compared with 17.6%),
- less likely to exceed the single occasion risk guidelines (23% compared with 26%), and
- slightly more likely than people in the highest socioeconomic area to drink 11 or more drinks monthly or more often (7.6% compared with 6.4%).

This shows that overall, more people in the highest socio economic area are exceeding risk guidelines than those in the lowest socio economic area. A MUP would not be targeting the majority of those consuming at harmful levels, but would unfairly target a significant number of consumers in the lowest socio economic areas who were drinking responsibly and cannot afford additional cost of living pressures.

The DFAT NAS does not include any evidence that a MUP would be effective in reducing harmful consumption, even among those in the lowest socio economic areas. As noted in the submission by Alcohol Beverages Australia⁹;

While advocates of MUP may claim that it targets the harmful alcohol consumption, this is not the case. Most minimum pricing policy ideas are based on the scientifically disproven and derided Sheffield Alcohol Policy Model, which falsely assumes that increasing prices will cause heavy drinkers to reduce their alcohol consumption, but its calculations are based on controversial beliefs about the relationship between per capita alcohol consumption and rates of alcohol related harm. Its assumptions about the relationship between price and consumption have frequently been refuted by real world evidence.

⁵ See note 1.

⁶ <http://www.alcohol.gov.au/internet/alcohol/publishing.nsf/content/drinksguide-cnt>

⁷ Harris, B, Fetherston, H & Calder, R. *Australia's Health Tracker by Socio-economic status 2017*, Australian Health Policy Collaboration, Melbourne, Victoria University, November 2017.

⁸ See note 2

⁹ Alcohol Beverages Australia 2018 Submission to the Draft National Alcohol Strategy www.alcoholbeveragesaustralia.org.au

Real life outcomes in places with an MUP like British Columbia also show us that MUP does not improve outcomes when it comes to harmful consumption.

In British Columbia the actual number of deaths directly attributable to alcohol between 2002-2011 increased from 315 to 387 (22%) despite MUP being in place during this period¹⁰. If MUP were to produce outcomes for the heaviest drinkers, then the expectation would also be that alcohol-related deaths would decrease as a result of the introduction of such a policy, because it would stand to reason that those drinking at the heaviest levels would be most susceptible to alcohol related death.

Increasing alcohol prices across the board is also a poor policy lever to target abuse, with Deakin University recently reporting that the current draft National Alcohol Strategy's claim *that higher alcohol prices decrease both alcohol consumption and alcohol-related harms* is not supported by evidence¹¹. Their research found that after examining 114 international studies and correcting evidence for bias using standard methodologies, a 10% increase in the price of beer is likely to only reduce overall consumption by approximately 2%. Similarly for spirits, the reduction in consumption will be approximately 3%.¹² While the research did not examine the impact for wine, we can assume similar results.

The Draft NAS should remove MUP as an action to reduce harmful consumption as it will not target a significant proportion of those participating in harmful consumption practices, it will significantly increase cost of living pressures for consumers in the lowest socio economic areas and will only increase the profits of large, national retailers with no benefits to Government revenues or health budgets.

Taxation reform to include volumetric taxation (as recommended by the Henry Tax Review)

Taxation is not an effective means to address harmful consumption. It penalises all consumers of alcohol without targeting those most in need of specific intervention. While WFA supports administrative changes to increase the efficiencies of tax collection, Australian winemakers do not support changes to the WET as a tool to target harmful alcohol consumption.

Following the long awaited legislative passage of reforms to the Wine Equalisation Tax (WET) Rebate last year, the industry is now looking forward to structural stability so it can make long-term investment decisions, in part to take advantage of export growth opportunities. Significant changes to the WET, including its complete removal, would devastate the Australian wine industry as we know it. Australian winemakers could not survive under the current excise system or administrative arrangements because it was not designed to manage tax collection for an agriculturally-based industry.

The excise system was designed to collect tax from very large beer and spirits companies, many of whom are multinationals with regular cash flow and multiple production cycles throughout the year. Australia's small wine producers would be overwhelmed by the excise regulation requirements and significant industry consolidation would occur resulting in only very large companies operating in the Australian wine landscape.

The WET was designed as an effective and efficient system to collect tax from wine producers taking into account it's agricultural base including its vulnerability to seasonal conditions, its dependence on one annual production cycle, its vertical integration and manufacturing characteristics, as well as its rural and regional footprint.

¹⁰ Centre for Addictions Research of BC (2013). Alcohol-related deaths in British Columbia. CARBC Data Notes, p. 1-3. University of Victoria.

¹¹ <https://theconversation.com/politicians-are-inflating-the-evidence-used-to-justify-tax-increases-89492>

¹² Ioannidis, J. P. A., Stanley, T. D. and Doucouliagos, H. (2017), The Power of Bias in Economics Research. Econ J, 127: F236–F265. doi:10.1111/eoj.12461

Regardless of these differences, neither system should be used as a vehicle to target harmful consumption. Governments should focus on developing a policy based on a clear understanding of the causal factors leading to abuse, the specific demographics and communities where abuse occurs, and developing targeted measures to assist those people to reduce harmful consumption practices. Population-wide measures, such as tax, will not help those most in need.

The Draft NAS should remove this action, as it is not an effective means to target harmful consumption and therefore does not meet the stated aim of the NAS.

National standardisation of Responsible Service of Alcohol (RSA) requirements and improved awareness and enforcement of secondary supply legislation (and consideration for nationally consistent approach).

WFA strongly supports national standardisation of RSA requirements. Currently there is a national standard for RSA certification, however, RSA certification obtained in one jurisdiction is not automatically recognised by all other jurisdictions. New South Wales and Victoria, in particular, impose additional administrative, training and costs to recognise RSA certifications from other jurisdictions. This results in significant additional costs, particularly for the wine industry, as it conducts inter-state tastings and events. This is a ridiculous situation as all States and Territories have approved and require the national RSA training standard, but have different training and other requirements when individuals move to jobs across a border permanently, or for short events such as tastings. State and Territory Government should be able to work together to resolve this long-standing and costly issue.

WFA supports strong secondary supply legislation and a nationally consistent approach. WFA believes that this should also be part of an awareness raising campaign with parents, as evidence shows that 30 percent of underage supply comes from parents¹³. This should be part of a targeted prevention and awareness campaign aimed at parents, similar to the very successful DrinkWise campaign *Kids Absorb Your Drinking*. That campaign was very successful, and could be followed by a Government-sponsored campaign focussing on the potential long-term harm of supplying alcohol to adolescents. There are significant opportunities for industry to work with Governments on this type of campaign.

Align a single national advertising code which covers placement and content across all media which provides consistent protection of exposure to minors regardless of programming.

Young people are starting to consume alcohol at older ages, are consuming less than their demographic counterparts of previous years (more are abstaining). This trend in decreasing consumption is also reflected as this cohort move into their 20's, particularly young males, as found in the NDSHS 2016¹⁴. Advertising by the alcohol industry is not targeting underage people and has not led to an increase in underage drinking. Thousands of small wine businesses depend on advertising, and increasingly on social media platforms, to sell their products to adults in a market where they are competing with multi-million dollar companies with significant advertising resources. Strict advertising requirements to protect children are already in place and are effective.

The Alcohol Beverages Advertising Code (ABAC) Scheme is a national quasi regulatory system that determines and adjudicates alcohol marketing guidelines relating to content and placement which have been negotiated with government. Consumer complaints are handled independently, but all costs are borne by industry. The ABAC Scheme is the centrepiece of Australia's quasi-regulatory system and is administered by its Management Committee which includes industry, advertising and government representatives. It has stringent content and placement requirements designed to protect minors. ABAC is effective at no cost to Governments or the tax payer.

¹³ See note 2

¹⁴ Ibid

The Draft NAS should recognise the ABAC Scheme as the single national code and acknowledge the participation of Government in setting its guidelines and ongoing management.

Implement regulatory measures to reduce alcohol advertising exposure to young people (including in sport and online)

As noted above, alcohol advertising already has strict guidelines and adjudication processes governing content and placement, including to young people, under the ABAC Scheme. Recent Government data shows that alcohol consumption among young people is declining.

While this action lacks detail, WFA is concerned that this could prevent local wineries from sponsoring the local netball or soccer team or regional events. This would be counterproductive to encouraging healthy communities and also exclude many children living in rural and regional communities from playing sport.

The reasons that children consume alcohol before they are 18 are complex and varied. However, many studies have shown that the factors that most influence underage drinking behaviours are parental attitudes and supply, and peer pressure. A recent study recommended that future interventions to maintain the decline in underage alcohol consumption include school drug education, restrictive underage purchase laws and parent education¹⁵.

Implement readable, impactful health-related warning labels (page 23)

WFA does not support mandated, on-label, generic health-related warnings. WFA supports the principle of providing consumers with a range of information about wine products and many wine businesses provide additional product information via their website. The provision of generic health-related information for consumers must be led by Governments, include collaboration with industry, and utilise the full range of 21st century social and mainstream media channels to target at-risk groups. Consumer information and public health campaigns should not rely on the limited capacity of labels to achieve behavioural change, but rather find innovative ways for industry to assist in getting specific messages to specific consumers.

Behavioural change to address broad health concerns such as obesity and the extremely large range of cancers must be part of Government-led health initiatives and community education. The role that wine products play in each case varies, and in many individual cases, is not present at all. On-label information has a limited impact on behavioural change and the amount of information able to be conveyed. The NAS should identify ways in which industry's' interface with consumers can complement Government health programs through websites, POS, joint events and other awareness raising activities.

Governments have been considering on-label energy labelling and in 2015 requested a Cost Benefit Analysis¹⁶ which found that:

Internationally there is currently very little mandatory energy labelling on alcoholic beverages so there is little prior experience of how effective it might be.....

There are many uncertainties around the estimates but on the evidence examined there are reasons to doubt whether the energy content labelling considered in this report would be sufficiently effective to induce the behaviour change required to produce net benefits.

¹⁵ Toumbourou, J., Rowland, B., Ghayour-Minaie, M., Sherker, S., Patton, G., & Williams, J., (2018) Student survey trends in reported alcohol use and influencing factors in Australia Drug and Alcohol Review (2018) DOI: 10.1111/dar.12645

¹⁶ The net benefits of energy labelling on alcoholic beverages: Cost benefit analysis of the impacts of mandatory labelling of energy content on alcoholic beverages. NZIER Report to Food Standards Australia New Zealand (2015)

.....the evidence on the relationship between alcohol consumption and weight gain is mixed and the effect of alcohol consumption on weight gain is not readily predictable due to other confounding factors.....

The literature on labelling effectiveness in general shows it can raise awareness and aid recall, but there is less evidence conclusively linking it to changes in behaviour. There are currently very few instances internationally of mandatory energy labelling on alcoholic beverages and there is no empirical evidence on effectiveness specific to this sort of labelling.

This Cost Benefit Analysis outlining the lack of evidence for on-label energy labelling, also outlines the limitation of labelling generally for broader health factors. However, there is an opportunity for Governments and industry to work together to provide more comprehensive information to consumers, through other digital and web-based content, which could be easily and readily changed for different consumers, events, seasons and to complement most recent Government health campaigns.

The Draft NAS should be amended to highlight the opportunities for Governments to work with industry to provide comprehensive information to consumers about healthy lifestyles and how to ensure that alcohol consumption does not become a deciding factor leading to significant health risks.

Licensing procedures that consider outlet density, trading hours, impact on amenity, and related risks and harms, drawing on local evidence and local community concerns.

States and Territories have comprehensive legislation regulating these issues as well as embedded stakeholder consultation processes. This action does not provide any innovative opportunities for Governments to identify those consuming alcohol at harmful levels or provide any detail around how changes in these licensing procedures will assist those consuming at harmful levels.

States and Territories need to recognise that the operation of a cellar door in a regional area is significantly different to a nightclub in an inner city location. Density, trading hours and other licensing considerations must take into account the difference in risks and harms of different venues.

The Draft NAS should again be clear how changes in procedures that already exist will specifically target harmful consumption practices compared with the significant amount of regulation already in place.

