



Submission To

**Mr Trevor Riley
Chairman
Expert Advisory Panel**

Northern Territory Alcohol Policies and Legislation Review

Comment on Issue Paper

**Prepared by
Liquor Stores Association Northern Territory
Inc.
(LSA NT)**

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As a key stakeholder with respect to liquor licensing in NT, the Liquor Stores Association Northern Territory (LSA NT) together with our national industry body the Australian Liquor Stores Association (ALSA) appreciates the opportunity to make a submission to the Northern Territory Alcohol Policies and Legislation Review.

LSA NT has been the consistent voice of the NT Retail Liquor Industry since 1986. It is a united industry body representing the majority of NT packaged liquor retailers whether they are independent liquor stores, licensed general stores, supermarkets or corporate chain stores.

Key Consideration – Priority for licence reform

A significant majority of Northern Territorians consume alcohol responsibly with 70.3% of Territorians either abstaining from alcohol or consuming alcohol at low risk levels.¹ However LSA NT does recognise that there is a proportion of the Northern Territory population that consume alcohol at harmful levels.

The Northern Territory experience is unique and faces a range of problems when it comes to substance abuse. Unfortunately, when it comes to illicit drug use, the Northern Territory ranks higher than average in nine out of thirteen categories and on par with the national average for the remaining four.² These results indicate that there are broader social issues facing the Northern Territory population that are manifesting as substance abuse, including alcohol misuse.

The Liquor Stores Association of NT supports reducing harmful alcohol consumption through direct measures. To reduce alcohol related harm in the Northern Territory, we call on this Review to consider specific and targeted measures, rather than broader population wide control policies that impact on all drinkers in the community including the majority who drink in moderation.

These measures should identify those consuming alcohol at levels that would induce harms, work to understand why alcohol is consumed at these levels and develop programs which will provide assistance to these specific groups.

Considering the wide range of issues in the Northern Territory relating to substance abuse, LSA NT supports targeted program implementation that will produce effective change in harmful alcohol consumption patterns.

In addition, we note that local solutions for local communities is the best approach. This is particularly pertinent for the Northern Territory's Indigenous population because it recognises that each community faces its own unique circumstances and that support for restrictions from that community is essential.³⁴

¹ AIHW Drug Data, Table 7.5 Lifetime risk status, people ages 14 or older, by state/territory, 2013, Australian Institute of Health and Welfare.

² AIHW Drug Data, Table 7.12 Summary of recent drug use, people aged 14 years or older, by state/territory, 2013, Australian Institute of Health and Welfare.

³ Recommendation 7, Final report *Alcohol, Hurting People and Harming Communities*, Inquiry into the harmful use of alcohol in Aboriginal and Torres Strait Islander communities, House of Representatives Standing Committee on Indigenous Affairs, 2015.

⁴ Gregory, K. (2014, Dec 5) *Higher prices won't stop problem drinkers, alcohol sellers tell inquiry*. Retrieved from <http://www.abc.net.au/news/2014-12-04/alcohol-sellers-say-higher-prices-wont-stop-problem-drinkers/5945430>, last accessed 27 June 2017

Alcohol's place in the NT Society

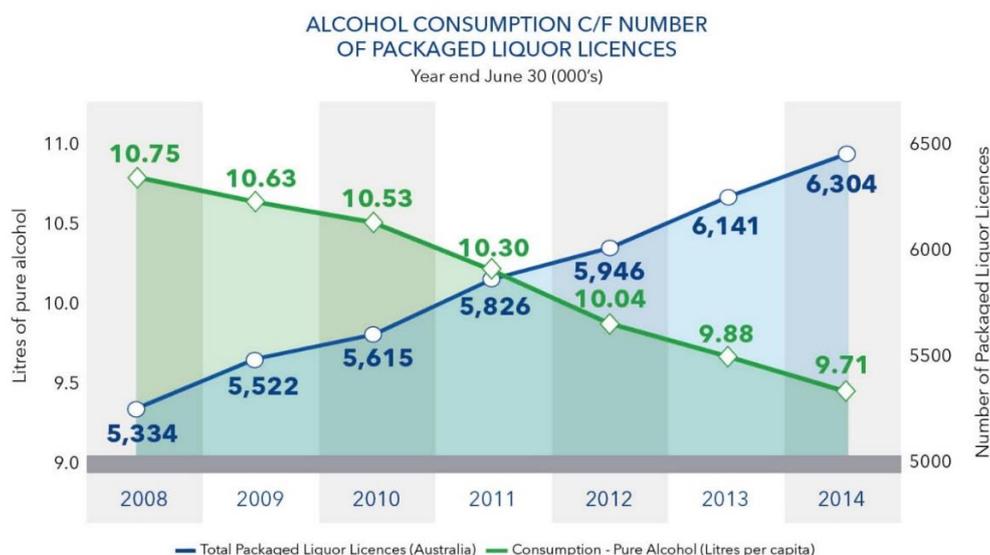
As the Issues Paper makes clear, the Northern Territory has had a long and complex history in managing the negative externalities of alcohol which are more acute than those of other State and Territories.

With few exceptions, NT policy and regulation has largely been focussed on the supply side - such as increasing price, or restricting licences, trading hours and products - which has resulted in the Northern Territory having one of the strictest liquor licensing control environments in the developed world.

International evidence suggests a sole focus on supply controls doesn't necessarily correlate to reductions in harmful drinking. An analysis of counties 'control policies'⁵ across five domains - physical availability of alcohol, drinking context, alcohol prices, alcohol advertising, and operation of motor vehicles - against rates of harmful drinking shows no correlation for males or females.

The Issues Paper selectively references research to justify the present policy position limiting the number of and day of week that packaged liquor outlets can serve Northern Territorians and the nearly two million tourists that visit each year. It fails to recognise that this is a highly contested policy area and there is no credible evidence linking the number of liquor outlets to increases in alcohol harms - in fact the evidence is quite the opposite.

In the last eight years the number of packaged liquor licences across Australia has increased by 22% (State & Territory Liquor Licensing Data) while the per capita alcohol consumption has continued its long-term decline (See attached graph with ABS Data). In fact, per capita alcohol consumption is now 26% below the levels of alcohol consumption in the 1975 (ABS data) and lower than it has been in the last 50 years.



⁵ Comparative Analysis of Alcohol Control Policies in 30 Countries. Donald A Brand, Michaela Saisana, Lisa A Rynn, Fulvia Pennoni, and Albert B Lowenfels

In contrast, the evidence to support a more liberal licensing regime is manifest and readily available for external review and critique as the “Harper” National Competition Policy Review was quite clear and aligned to the views of its many predecessors.

Its recommendations⁶ mean that “restrictions on opening hours, or planning and zoning rules, or liquor licensing regimes, or gaming licensing, should not be designed to benefit particular competitors or classes of competitors, but only to achieve the stated public policy benefits”. Further, they said “Competition should not be restricted unless: the benefits of the restrictions to the community as a whole outweigh the costs; and the objectives of the regulation can only be achieved by restricting competition.

Sunday trading for takeaway liquor anomaly

Clearly, the present regulatory and licensing framework in the Northern Territory could be said to specifically benefit a particular class of licence to the detriment of customers e.g.: There is no public policy benefit to forcing supermarket shoppers to be inconvenienced on a Sunday by travelling to a hotel bottle shop for their liquor purchases – this is an artificial market distortion caused by the current regulations.

Packaged liquor stores are regarded as specialists in the provision of packaged liquor, including fine wines and in most cases, have a far greater range of product and are more competitively priced than the hotel and tavern sector. This is anti-competitive and an obvious disadvantage to the liquor store licensee and their staff, whilst also inconveniencing the vast majority of those regular customers who are responsible and moderate consumers.

This protectionist anomaly allows hotels with bottle shops attached to their businesses to continue to trade and sell exactly the same packaged liquor products as liquor stores that are forced to remain closed, thereby artificially distorting the competitive market environments, disadvantaging regular customers, denying employment opportunities for Northern Territorians, and denying trading opportunities for our members’ businesses.

LSA NT submits that the removal of restrictions on trading hours and particularly those selective to ‘*Authority – Store*’ licence type, would be clearly a significant reform that would provide far greater choice of premium and varietal products at competitive prices for consumers and promote efficient and sustainable economic growth. The community will also benefit by the additional wages paid to employees as a result of an increase in employment opportunities, resulting in an increase in wages flowing into local communities.

The anomaly is brought into stark focus when comparing those take-away packaged liquor outlets operated under a hotel / tavern liquor licence versus those operating under a store liquor licence. For example, the Berry Springs Tavern was granted a liquor licence by transferring a supermarket licence from Nightcliff and once operating applied for licence changes that allowed not only a drive through bottle shop but also Sunday trading. The existing Berry Springs IGA and Bottlemart store that is located close to the Tavern is not permitted to trade on Sunday.

⁶ http://competitionpolicyreview.gov.au/files/2015/03/Competition-policy-review-report_online.pdf



Liquor store retailers are significantly impacted by discouraging and inconveniencing their existing loyal customers. This restriction is a significant cost, inconvenience and frustration for the number of independent liquor stores who also operate as the 'local general convenience store'. Each of those operators must isolate and secure the liquor section of their stores on Sundays, plus invest in some form of security screen to prevent access to the packaged liquor section by the general public for just one day each week.

This also causes frequent dissension with customers, especially shift workers and tourists who can see the product they wish to purchase but when informed that they are unable to be supplied, they are bemused and very vocal at the lack of logic of such regulations.

Sunday trading of liquor stores in the Northern Territory would provide a level playing field, allow customers freedom of choice and provide a broader range of choice for the vast majority of the adult population, including shift workers, local, interstate and overseas tourists who drink responsibly. It would also allow liquor stores, particularly those co-located with a supermarket, to trade and meet modern consumer's expectations for one-stop shopping convenience.

Importantly, the nature of liquor retailing has been changing over recent decades as outlet operators adapt to meet changing consumer demand for a bigger range of more premium and specialised products as the population drink less but drink better.²

Consumers are increasingly changing their drinking habits away from volume, to preferences for more interesting and premium products. They are searching for better quality, brand and product differentiation, unique taste profiles, natural flavours and provenance in wines, ciders, spirits and beers and they are far more health conscious than their parents and grandparents.

The current standard trading hours should be extended to permit Sunday trading so consumers are not penalised and inconvenienced while also being denied choice of range.

Minimum Pricing

Minimum pricing has been suggested as a model to reduce the harms from excessive alcohol consumption. Unfortunately, many of these suggestions have been made based on the Sheffield Alcohol Policy Model (the Model). The Model has attracted serious criticism for its methodology and the accuracy of the assumptions that the model relies upon.

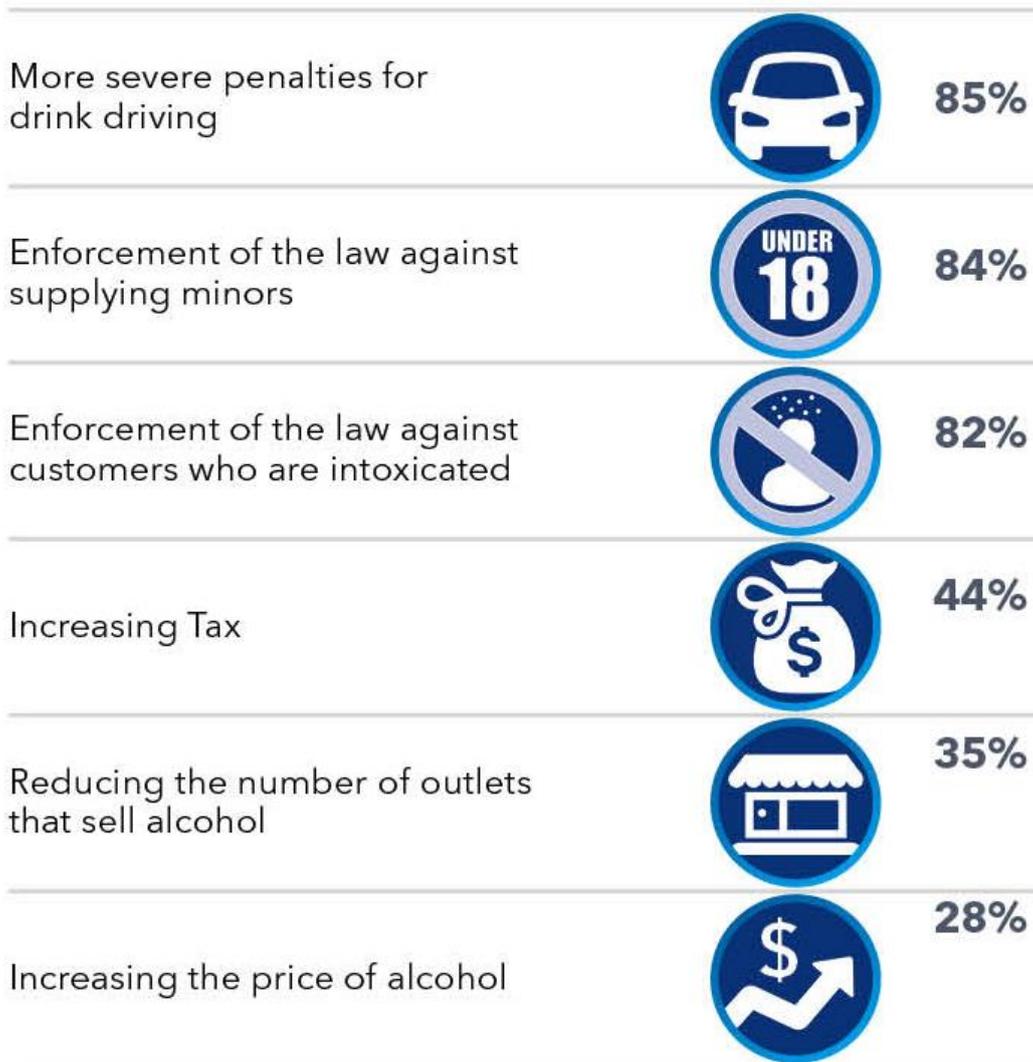
As such, the Northern Territory should not turn to minimum pricing as a means to reduce alcohol consumption or alcohol harms as there is no sound evidence to suggest that this would be the case. This would represent another blanket policy that achieves nothing more than punishing the overwhelming majority of moderate drinkers who experience health and social benefits from sensible alcohol consumption and are already paying their fair share through alcohol taxation.

What the community want

The vast majority of Australians support choice and competition in the liquor market. Pleasingly, rates of harmful drinking and alcohol-related injury continue to decline against an expansion of bottle shops, bars, cafes and restaurants across Australia.

The community also favours targeted policy interventions rather than restricting the number of outlets (See AIHW Graphic)

AUSTRALIANS SUPPORT FOR MEASURES TO REDUCE PROBLEMS ASSOCIATED WITH ALCOHOL (PERCENTAGE OF SUPPORT)



This is also the case in the NT where the AIHW National Drug Strategy Survey results for the Northern Territory also provide empirical evidence to support the view that the public does not wish to see further restrictions imposed on it:

The Northern Territory has the **least support** for the following three policies which are all population-level controls:

1. increasing the price of alcohol
2. reducing the number of outlets that sell alcohol
3. increasing tax on alcohol to pay for health, education, and the cost of treating alcohol related problems

The Northern Territory has the **most support** for the following three policies which are targeted policies:

1. more severe penalties for drink driving
2. stricter enforcement of the law against serving customers who are drunk
3. stricter enforcement of law against supplying minors

Improve fairness

- The NT Government needs to avoid the previous Governments perceptions that liquor is more of the domain of pubs and nightclubs than takeaway outlets such as in supermarkets for example. Surely, each business has an equal right to sell legally controlled substance such as liquor.
- Recognize and accept that customers want the convenience of one stop shopping which includes liquor and tobacco products.
- Acknowledge that convenience stores as Small Business Enterprises [SME's] are an integral component of the NT Landscape and play an important role covering gaps in service delivery in towns and regional and remote areas.
- While Hotels claim to need Poker Machines to remain viable in this current economic environment to survive, Supermarkets and convenience stores also to have the diversity of providing one stop convenience shopping to survive.
- Have greater respect for the fact that changes can have major implications for people's livelihoods.
 - Rather than avoid objections on grounds that objections come from competing operators, consider the facts and issues raised by those objectors. After all, they have more knowledge about industry in that region than anybody.
 - Improve timeliness of decisions. The delay of liquor decisions has major financial implications
 - Investors make decisions and commitments based upon legislative criteria and compliance to the same; investor confidence diminishes when despite meeting such compliance excessive delays are experienced putting business in jeopardy.

- Ideally liquor laws and decisions should be held at arms-length from politicians to reduce the ease with which changes and inappropriate dealings can be made.
- There should be improved transparency and clarity about decision making delegations. We are aware of decisions that were made by a Liquor Commission panel over several years being overturned by the Director of Licensing without the Liquor Commission equivalent, Director General's, knowledge. These were decisions such as granting the change of a store based license to become a tavern license, and allowing both Sunday trading and a drive through bottle shop, when these had been specifically prohibited by the Liquor Commission in a new development.
- Review what happens when a liquor license is no longer active; why do Police refer to alcohol outlet densities and include obsolete licenses that will not be reactivated?
- From a fairness sense, why will one takeaway licensee be granted Sunday Trading and/or a Drive-Through Bottleshop whilst the other is prohibited from these activities. Once an operator is offering these services in an area it is difficult to see how availability is increased in that region but it is easy to see how one operator has an advantage over others. Either let both operate or neither.
- The current Sunday Trading arrangement results in huge lines outside many bottleshops on a Sunday, often impeding traffic. It also results in people in say Wagait who have to travel up to 40km for liquor!
- There is no genuine reason ever provided for why some operators have /Sunday Trading while others don't.

Indigenous Communities

The impact of alcohol on Indigenous communities varies. Some Indigenous communities manage alcohol and other substance abuse issues well and have few problems. Other communities have very serious alcohol problems. Some communities' serious and long-standing social and economic issues are exacerbated by drunkenness.

Where an Indigenous community wants to restrict or ban alcohol the liquor retail sector has a record of co-operation and supporting that community's wishes⁽⁷⁾. Statistically a higher percentage of Indigenous Australians are non-drinkers than the non-Indigenous population⁽⁸⁾ but of the remainder, some Indigenous people have very harmful drinking patterns. Consequently, alcohol-related harms to the Indigenous population are greater than in the non-Indigenous population.

Communities should be empowered with education and assistance to help them both develop and regularly review the effectiveness of community decisions around alcohol. The industry strongly supports including information on addiction into education programs about alcohol, including programs such as DrinkWise Australia where appropriate; and assistance and support for those

⁷ <http://www.abc.net.au/news/2014-12-04/alcohol-sellers-say-higher-prices-wont-stop-problem-drinkers/5945430> accessed 29th Sept 2015

⁸ <http://www.abs.gov.au/AUSSTATS/abs@.nsf/lookup/4704.0Chapter756Oct+2010> searched 27th Aug 2015



that are addicted. However, the industry rejects programs that are driven to the wider Australian population as a proxy for targeting Indigenous communities.

As such to curb excessive drinking and promote responsible drinking the Northern Territory Government must address the underlying issues that cause people to drink excessively. As outlined under the heading “Industry Commitment to Responsible Drinking” the industry provides support for the implementation of the Strong Young Women and Strong Young Men & Boys programs. These programs provide culturally appropriate and targeted education programs for Indigenous young women and men. The Northern Territory Government should consider supporting Red Dust Role Models to expand these programs into all Northern Territory Schools and Indigenous Communities where alcohol abuse has been identified as an issue.

Banned Drinkers Register

The LSA NT supports the NT Government’s targeted initiative to reintroduce the Banned Drinkers Register (BDR) to help curb anti-social behaviour and alcohol related harm – and to ensure it is effective, recommend it apply to all types of licensed premises – including on premise consumption venues such as bars, taverns and hotels, as well as take-away outlets. This will ensure those on the BDR don’t have ANY direct access to purchase alcohol – an anomaly that should be fixed before the BDR is reintroduced.

The BDR is due to be reintroduced on September 1st this year and LSA NT also support the tightening up of Protective Custody triggers and Alcohol Related Infringement notices as these go to the core of targeting those individuals who are problem drinkers.

However out-of-date older technology may inhibit the effectiveness of this policy, as the seven-year-old BDR scanners had difficulty identifying some types of ID which significantly increased the processing time of each customer. If the Government wants the public to fully accept the BDR they need to address the speed, accuracy and efficiency of the system.

We are aware of issues with queues at drive-thru bottle shops during peak times, particularly on Sundays when our members are not permitted to open. However, it is important that LSA NT member stores can provide the same efficient service to their customers and that no-one is inconvenienced by out of date and unreliable equipment whether they are purchasing from a liquor store or a bottle shop, to ensure all law-abiding Territorians get a fair go.

Conclusion

We are pleased to make ourselves available to the Committee for further questioning. If you require further information, please do not hesitate to contact me.

LSA NT & ALSA welcome the opportunity to comment on the Issues Paper.



Alcohol should not be viewed discreetly as it is one component to chronic disease. It needs to be holistically reviewed including addressing many of social determinants which lead to alcohol abuse.

The Northern Territory has one of the world's most restrictive liquor regulatory environments. Further "supply controls" - particularly those around outlet density, trading floor size limits, and Sunday trading - are not warranted against the evidence.

As part of a modern Australia lifestyle, Territorians are demanding a more relaxed and liberal licensing regime with targeted measures to address key risk areas and groups. Currently the sale of liquor is amongst the most highly regulated market environments and the NT Liquor Act provides many restrictions on the manner of sale of alcohol beverages and the hours of operation including compulsory non-trading days of Sunday for liquor store licences, i.e. a licence that authorises the sale of liquor for removal and consumption away from the licensed premises and is endorsed with the words "Authority – Store".

The LSA NT believes that by amending the conditions applicable to 'Authority – Store' to be consistent with the conditions applied to Hotels/Taverns and Clubs trading days and hours of operation would be applied consistently across the whole industry regardless of licence type.

This would have the effect of reducing the regulatory and compliance burden, enhancing convenience for customers, promoting competition, increasing employment opportunities and reducing costs on business.

Please note that the LSA NT reserves the right to add more detail to this document as the Northern Territory Alcohol Policies and Legislation Review continues to progress.



Appendix:

Overview of LSA NT

The Liquor Stores Association of the Northern Territory (LSA NT) has been the consistent voice of the NT Retail Liquor Industry since 1986, and is a united industry body representing the majority of NT packaged liquor retailers whether it be the independent liquor store, licenced general store, supermarket or corporate chain store.

The Association's purpose is to represent the interests of packaged liquor store retailers in the Northern Territory by encouraging and promoting a responsible, sustainable and diverse packaged liquor industry.

LSA NT represents the majority of stand-alone take-away packaged liquor licences in NT. The membership includes some of the most recognised and trusted brands in liquor retailing in Australia. These range from small independent family owned local convenience outlets, independently owned and run outlets operating under banners such as Cellarbrations, Bottlemart, Bottlemart Express and Bottle-O, and many more, through to Woolworths packaged liquor outlets including BWS Liquor and Endeavour Drinks Group Liquor stores.

Members of LSA NT directly employ 3,918 store staff across the Northern Territory, including many trainees and apprentices who go on to make a career in retail. In addition to those directly employed in liquor retailing, the growing, production, packaging, wholesaling, warehousing and distribution of retail liquor products generates a further 118,000⁹ jobs across Australia.

LSA NT believes that alcohol consumption is ultimately an issue of individual responsibility and individual behaviour. However, LSA NT also fully accepts that it has a key responsibility to work with the Government and the community to minimise harm to individuals and local communities.

It is for this reason that LSA NT continues to promote standards of operation for its members beyond the required standards of legal compliance.

LSA NT and the Retail Packaged Liquor sector take their responsible service of alcohol responsibilities seriously which is why we developed and continue to promote **ID-25** and **Don't Buy It For Them** to discourage underage attempts at purchase and to educate parents and adults about their responsibility to not purchase alcohol on behalf of minors.

The issue of refusing service, particularly to parents, when our members believe secondary supply may take place is one of the biggest challenges liquor retailers and their employees face. Refusal often results in the employee being subjected to aggressive and threatening behaviour.

Several of these initiatives, initially trialled and introduced by our larger members such as Endeavour Drinks Group, have subsequently been developed and promoted to all other industry members, including:

⁹ Total of direct employment plus indirect employment as per Deloitte Access Economics, *Australian alcohol industry – economic contribution and employment* (2013) and ALSA estimates.



ID-25 – a program to educate customers, dissuade attempted purchase by minors and to reinforce staff awareness and confidence to refuse service to minors with point-of-sale material. Under this program, if a customer looks under the age of 25, staff members are encouraged to ask to see proof of age ID prior to selling alcohol to that customer, under an inoffensive promotional line “if you look under 25 take it as a compliment as we will ask for ID”.

Don't Buy It For Them – a program to discourage secondary supply and to educate the community on their shared responsibility not to supply to under age and highlights the penalties for doing so. It also reinforces staff awareness and confidence to refuse service when in doubt, with back-up point-of-sale material.

In addition to these initiatives LSA NT also worked with our National Association the Australian Liquor Stores Association (ALSA) to develop and launch the ALSA Product Ranging Guidelines.

ALSA Product Ranging Guidelines – incorporate a checklist guide to assist individual operators to make sensible product ranging decisions on products that may potentially be packaged and marketed irresponsibly.

LSA NT and its members have a long history of working with Government and regulators to disseminate alcohol educational materials through their liquor outlets, directly to consumers:

- Point-of-sale information campaigns on responsible drinking including standard drinks educational campaigns on behalf of the Commonwealth Department of Health & Ageing;
- Point-of-sale information leaflets to direct consumers to ‘Get The Facts’ on behalf of DrinkWise Australia;

LSA NT as a member of ALSA is represented as a founding Board member of DrinkWise a not-for-profit, independent research and social change agency funded by the Australian alcohol beverage industry. Through research, community based programs and social marketing campaigns it is dedicated to building a safer drinking culture in Australia. The Board of DrinkWise encompasses both industry and community members.

In addition, LSA NT supports ALSA’s national retail training body – the **Retail Liquor Development Foundation (RLDF)**, which was established in 2004 to support the training and education needs of the liquor industry to provide cost effective training to encourage responsible and professional retailing by its members. The training equips packaged liquor retailers to improve their business viability and to provide career paths for staff members who would otherwise not choose to stay in the sector. Key on-line programs developed under the RLDF for all retail packaged liquor operators and staff include *ALSA-TRAIN* – on-line professional retail liquor training program and *ALSA Retail Insights* – a knowledge and reference data base resource.

LSA NT is also currently working with other industry groups to pioneer additional professional development, training and accreditation standards for licensees and their staff.

LSA NT has a demonstrated commitment to responsible supply and promotion of alcohol beverage products.