

The swinging pendulum of alcohol policy in the Northern Territory

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The Northern Territory (NT) of Australia has a long-standing reputation for enduring the highest rates of alcohol-related harm in the country, and possibly the world. For a country which counts itself among the wealthiest of democracies, our (Australia's) status as a world leader for alcohol-related harm ought to be a cause of urgent ameliorative and restorative action at all levels of government. But, as we explore here, vested commercial interests appear to maintain a firm grip on how alcohol policy plays out in practice. And like most forms of preventable disease, disability and premature death, socially and economically vulnerable populations pay the highest price.

Aboriginal people make up about 30% of the NT population, suffer significant social disadvantage, and endure high levels of harm from alcohol misuse. On the other hand, Aboriginal Territorians are more likely than their non-indigenous counterparts to abstain completely from alcohol, and if all Aboriginal drinking was subtracted from total consumption, per capita alcohol use in the territory would still be approximately 50% higher than the national average.¹ The general public, media, policymakers and even health professionals² could all benefit from realising that heavy or risky drinking is not just something that other people do.

Central Australia is a good testing ground for alcohol policy effects, as alcohol-related harms are very high, and in the midst of a pandemic which has demonstrated its potential to wreak havoc on frontline healthcare services, the focus of the study by Wright et al.³ on alcohol-related intensive care unit (ICU) admissions to Alice Springs Hospital is timely. That alcohol's toll on human life and society at large can be ameliorated by policy is good news in unsettling times.

In more concrete terms, the message that lies at the core of the study's findings is that policies aimed at reducing alcohol's availability—whether by way of reduced physical access or increased price—can be relied on to save lives, save hospital beds and save dollars. In this respect, the study by Wright et al.³ is in concert with decades of scientific evidence and theory supporting the crucial role that alcohol

availability plays in driving problematic alcohol consumption and its consequences.⁴

Australian governments and their agencies are relatively well informed of the evidence concerning the range of supply, harm and demand reduction strategies at their disposal to address alcohol-related problems and their enormous human and economic costs.^{5,6} This is evidenced by the many federal-level expert committees, frameworks, inquiries and guidelines that have emerged over past decades. Current initiatives, for instance, include the 2019–2028 National Alcohol Strategy, the draft National Preventive Health Strategy (alcohol and other drug-related harm listed among six focus areas), a senate inquiry into fetal alcohol spectrum disorder (FASD) and the newly minted Australian guidelines to reduce health risks from drinking alcohol.

A past initiative of particular note was the Henry Tax Review, published in 2009. The review strongly recommended reform of the national alcohol taxation system,⁷ and prioritised the cessation of preferential tax treatment bestowed on the Australian wine industry by the wine equalisation tax (WET). That recommendation was never enacted, and to this day the WET props up the very large bottom end of the wine industry by taxing its products at a flat 29% of wholesale value while all other beverages (beer, spirits, cider) are taxed according to their pure alcohol content. This means that per unit of alcohol, wine generally attracts a lower tax compared to other beverage types, and the cheaper the wine at wholesale, the lower the tax. This has created a perverse incentive for wine producers to oversupply the market with the tremendous assortment of cheap, low quality, cask wines, cleanskins and home

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brands many shoppers are familiar with. In the past few months, some wine industry representatives have been calling for even further tax concessions (e.g. no WET for 12 months) which they claim are needed to keep their industry afloat during unfavourable conditions and the COVID-19 pandemic.⁸

In 1996, a High Court ruling confirmed that excise and customs duties (sales taxes) on alcohol (as well as tobacco and petrol) can only be imposed by the federal government.⁹ This means that direct changes to excise tax are beyond the reach of states and territories, but non-tax measures are permissible.

The NT government was the first and remains the only jurisdiction in Australia to introduce a minimum unit price (MUP) for each 'standard drink' of alcohol, as legislated through the Liquor Act 2019. The primary—but somewhat conflicted—purpose of this act is to 'Minimise the harm associated with the consumption of liquor in a way that recognises the public's interest in the sale, supply, service, promotion and consumption of liquor'.¹⁰

MUP regulation is not a tax, as any windfall due to higher prices accrues to the industry rather than the Treasury. When in place, MUP only affects those beverages that were previously sold beneath the threshold. In the NT for example, the government noted that its A\$1.30 MUP was pointedly targeted at '...cheap, high alcohol content cask and bottled wine, and fortified wine'¹¹ as these products frequently sold at well under the A\$1.30 threshold. In contrast, it was expected that beers, ciders and spirits, which usually retailed at higher than A\$1.30 per standard drink, would be relatively unaffected.

Modelling and new empirical research from Scotland point to the heaviest drinkers and those with the lowest incomes accruing the large majority of health gains attributable to MUP.^{12–14} This occurs for two main reasons: (a) on the whole, heavy drinkers have a strong preference for the cheapest beverages and they drink more of it than their counterparts who drink at low levels; and (b) heavy drinkers can and do respond to price changes.^{15–17} Although Wright and colleagues³ were unable to draw out MUP-specific effects, their findings add to the weight of evidence in support of MUP as an effective public health strategy.

Behind the images of busy emergency departments, family violence shelters at capacity and closed to new clients, and the tragedy of road fatalities, is a rarely exposed commercial backdrop. More outwardly visible in recent times are the ongoing political positioning activities of the alcohol industry in its many different forms. Worldwide, vested interests have scrambled to capitalise on opportunities presented by the pandemic, pushing for special treatment (e.g. declaration of alcohol as an essential product) and pressuring elected

representatives to weaken or remove regulatory controls they hope will be difficult to unwind once the pandemic passes (e.g. Opp and Mosier,¹⁸ Cave¹⁹ and Keric and Stafford).²⁰

Also recent, but more typical of usual commercial practices, are the actions of the Woolworths-owned Endeavour Drinks Group and its five-year pursuit of a new 'big-box' Dan Murphy's liquor store in Australia's Top End. Woolworths Group Limited claims to be Australia's largest supermarket chain²¹ and apparently, it is also the largest off-trade alcohol retailer, pub and poker machine (gaming) operator in the country.²² What is special about this application is that it is located within walking distance (1–2 km) of three 'dry' (alcohol restricted) Aboriginal communities. After being roundly rejected by the territory's independent Liquor Commission in September last year, Woolworths' parent company then appealed to the NT Civil and Administrative Tribunal (NTCAT) but was again dismissed. Having been respectfully shown the door, although apparently not of a mind to exit politely, Woolworths was preparing to pursue further Supreme Court and NTCAT options when the NT government saved them the trouble. Under urgently passed legislative amendments, the NT government bypassed natural justice and empowered the Director of Liquor Licensing to decide, within 30 days, and without requirement to consider community impacts, the fate of Darwin's biggest ever alcohol outlet.

Woolworths' relentless pursuit of their commercial interests goes against the wishes of local Aboriginal communities and elders, ignores warnings from Aboriginal health, social and medical services, and thumbs its nose at the serious public health concerns expressed by the territory's independent Liquor Commission. Ironically, the now sidelined Liquor Commission arose from a formal review of alcohol policy and legislation which concluded that lack of public confidence and trust in liquor licensing decision-making called for a transparent, independent and public process that kept government at arm's length.²³

Alcohol pricing together with government controls on physical alcohol availability are recognised evidence-based components of a comprehensive approach to minimising harms from alcohol.²⁴ Legislation in Australia nearly always seeks to balance harm minimisation with allowing some degree of access to alcohol. That balance has been carefully adjusted in the NT over recent years with the introduction of MUP and associated reforms, but commercial pressures are already undermining progress, reducing transparency and pushing back the pendulum in favour of greater access. Studies, such as the one by Wright and colleagues, confirm that if left unchecked, the cost

of such pushback will be measurable in health and lives. It is fitting that it is the Aboriginal Medical Services Alliance NT, the peak body for Aboriginal community-controlled health services in the territory, that is leading the community campaign to #StopDanmurphysinDarwin.

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