

Northern Territory Licensing Commission

Reasons for Decision

Review of the Restriction and/or Removal of Cheap and Problem Liquor Products, Particularly Four (4) and Five (5) Litre Wine Casks Including Their Hours of Sale

Background

- 1) In the June 2009 meeting of the Licensing Commission the following decision was taken: *“The Commission has determined to undertake community wide consultations (including with all stakeholders) in the Darwin / Palmerston and rural areas to ascertain views on the restriction and/or removal of cheap and problem liquor products, particularly four (4) and five (5) litre wine casks, including their hours of sale”.*
- 2) This decision was publicly announced and heralded the commencement of widespread consultation. To commence this process, letters, together with an information pack containing information including frequently asked questions, alcohol supply statistics and measures of alcohol harm in the Northern Territory were sent to community organisations, industry bodies, Local Government Councils and all Members of the Legislative Assembly.
- 3) Following this the Commission conducted public meetings in Darwin, Palmerston, Howard Springs and Batchelor. The Commission also met with fourteen (14) organisations and additionally received thirty-four (34) written submissions, including from Government agencies, community groups and individuals.
- 4) The position expressed in submissions varied widely. While a number of individuals decried the possibility of having restrictions on cask wine sales, as this product is affordable for those on lower incomes, the majority of the organisations making submission were strongly of the view that due to the harm resulting from the consumption of high volume, low cost cask wine that the availability of this product should cease immediately. Many of these latter submissions also urged that any ban apply uniformly across the Northern Territory.
- 5) There was also a body of opinion expressed largely by health professionals, which stated that while applying supply restrictions would result in a lessening of overall alcohol consumption and resultant harm, any such decision needed to be taken as part of a suite of harm reduction and harm minimisation measures.
- 6) A large delegation of residents from the Bagot Community sought urgent action by the Commission in restricting the supply of cheap alcohol products into their community which has been Prescribed or declared “Dry” under the *Northern Territory Emergency Response Act*. The Public Officer of the Community, Health officials and residents informed the Commission of the dreadful consequences of excessive and unsupervised alcohol intake leading to Community disharmony, violence, chronic neglect of children and at times, death.
- 7) Bagot was described as a public place with many entrances, making it easy for people to bring in alcohol. It was the view of the delegation that in most instances visitors were responsible for bringing the large cask wine into the Community which readily enables the sharing out of “grog” into other containers causing widespread intoxication.
- 8) Woolworths Limited, a major retailer of cask wine products, made submission which included the following:

“We are aware that large format wine casks are often the alcohol product of choice for problem drinkers. Due to the differential rates of taxation applied to beer, wines

and spirits the average cost per standard drink is considerably lower for wine casks than for other forms of alcohol. The price combined with the convenience and portability afforded by the packaging of casks makes them attractive relative to other forms of alcohol.”

“We believe that should the restrictions proceed, a complete ban on the sale of this class of product imposed by way of licence conditions is the most effective method of implementation, as any attempt to limit the quantities sold would be fraught with practical difficulties.”

“However, we are concerned about the effectiveness of implementing these restrictions, if done in isolation. In our view, restrictions on the availability of alcohol products should not be used as a substitute for the implementation of a long-term and broadly based public health strategies to reduce alcohol consumption levels.”

- 9) In February 2010 the Commission advised that it had stayed a decision on the matter, partly to determine if a more holistic approach to alcohol issues in Darwin, Palmerston and rural areas was to be pursued by Territory and Local Government agencies. The Commission was advised that Alcohol Management Plans for Darwin and Palmerston were being developed and in the Commission’s experience such plans usually involve complementary measures which generally include supply (sales) restrictions, harm reduction and harm minimisation initiatives.
- 10) The Commission therefore stayed a decision on restrictions over the sale of four (4) and five (5) litre cask wine while these Alcohol Management Plans were being pursued.
- 11) At the full Commission meeting on 23 June 2010 the Commission took the decision to place a ban on the sale of four (4) and five (5) litre cask wine in the Darwin, Palmerston and rural areas. In taking this action the Commission also determined to extend this ban to those areas of the Territory not already covered by bans which are in place in all major townships and regions across the Territory.

Consideration of the Issues

- 12) The Commission decision to undertake community wide consultations on the restrictions of large volume cask wine was framed against a background of similar measures reducing the overall alcohol sales in other areas of the Territory such as Alice Springs, Katherine and Nhulunbuy.
- 13) Data for these centres clearly shows reduced cask wine sales and the overall impact of reducing the volume of pure alcohol sold in the affected areas. The major effect in these areas has been for beer to be substituted for the lower cost higher alcohol wine product. Against this backdrop overall alcohol sales in the Darwin and Palmerston areas was increasing at a rate above the population increase.
- 14) In Palmerston from 2003 until 2008 the sale of alcohol measured in pure alcohol content increased by 49%. This represents an alcohol supply increase by of an average of 5.8% per annum against an average population growth of 3.5% per annum. In summary, the Darwin / Palmerston areas were defying the downward trend with alcohol sales and consumption increasing, while a decline was being experienced in the rest of the Territory.
- 15) The Commission was also informed of the levels of harm being caused by takeaway alcohol. An example of this is the Drug Use Monitoring in Australia (DUMA) 2007/08 NT Data Collections. This data shows that of people arrested in Darwin, 69% had consumed alcohol before arrest, with 76% in Alice Springs.
- 16) Of those arrested in Darwin, 76% had purchased alcohol at a supermarket, standalone bottle shop or drive through bottle shop. For Alice Springs this figure was 63% (with a significant percentage saying somebody else purchased the alcohol).

- 17) Information tendered during consultations conducted by the Commission evidenced that cheap large volume products was the product of choice for many individuals whose behaviour resulted in harm, anti-social behaviour and often arrest.
- 18) Information provided to the Commission by the Department of Justice illustrated the “bang for your buck” available through purchasing large volume cask wine. The data provided shows that the purchase of cask wine can lower the cost to below \$0.40 per standard drink. This compares to on premise purchases of beer with the cost per standard drink is over \$3.00.
- 19) The Commission is aware that any restriction on large volume cask wine product will not be a single panacea to problems but it could be a measure to improve what is increasingly a problem generated through the consumption of cheap large volume liquor. In cases elsewhere in the Territory where restrictions or bans on this product have been put into effect, people usually move onto or substitute other products (such as beer) which have lower or more costly alcohol content, reducing overall alcohol consumption levels.
- 20) The Commission also realises that restricting this product would cause an inconvenience to some who are not problem drinkers but choose four (4) and five (5) litre cask wine as an affordable way to responsibly consume alcohol. Notwithstanding the impact on these responsible individuals, the Commission must consider the wider community interest and it is the Commission’s view that the wider community would benefit from the application of measures to reduce alcohol consumption by problem drinkers.
- 21) The Commission’s view that product restrictions would reduce anti-social behaviour and reduce harmful health outcomes, thereby reducing the overall cost to the community. The Commission has also turned its mind to consideration of the consequences of doing nothing. In its view doing nothing in relation to supply restrictions could result in continuing high and unacceptable levels of alcohol consumption in the Darwin / Palmerston regions. It is also mindful of the Objects of the *Liquor Act*.

Objects

- (1) *The primary object of this Act is to regulate the sale, provision, promotion and consumption of liquor.*
 - (a) *so as to minimise the harm associated with the consumption of liquor; and*
 - (b) *in a way that takes into account the public interest in the sale, provision, promotion and consumption of liquor.*
- 22) Having reached the decision at the 23 June 2010 meeting to ban the sale of four (4) and five (5) litre cask wine throughout the Territory the Commission considered it appropriate to make the announcement of this decision in concert with the announcement of wider alcohol reform measures and the development of Alcohol Management Plans. Such alcohol reforms, coupled with a ban on large volume cask sales, constitute a more holistic approach to tackling alcohol problems in the community than a ban in isolation.
- 23) If light alcohol wine products in large containers are introduced onto the market, the Commission will assess potential sale in the Northern Territory with input from the relevant authorities and organisations.

Decision

- 24) At the Licensing Commission meeting on 23 June 2010 the Commission determined to place a ban on the sale of four (4) and five (5) litre wine casks in the Darwin, Palmerston and rural areas.
- 25) As the sale of wine in four (4) and five (5) litre casks is already prohibited in Alice Springs, Tennant Creek, Katherine, Nhulunbuy and most Territory townships, the Commission resolved to ban the sale of such product throughout the whole of the Northern Territory.

- 26) The ban on the sale of four (4) and five (5) litre wine casks will need to take into the account the need for distributors, wholesalers and retailers to liquidate stocks and therefore the sale ban will take effect from 1 January 2011.
- 27) Affected Licensees will be advised of this decision to vary their liquor licence conditions through the issue of notices under Section 33 of the *Liquor Act*. Section 33 also enables Licensees to lodge a request within twenty-eight (28) days of receipt of the notice for the Commission to conduct a Hearing in relation to the varied conditions.
- 28) To determine if there are any unintended consequences of this decision or any matters arise from this decision which should be addressed by the Commission, a review of the ban will be conducted following twelve (12) months of its operation.

Richard O'Sullivan
Chairman

1 September 2010