

Why should we give the floor price a chance?

In 2002 the then NT Licensing Commission introduced trial restrictions on the availability of alcohol in Alice Springs. This came after years of campaigning by Aboriginal community organisations and PAAC, the People's Alcohol Action Coalition.

Take-away trading hours were reduced. The Commission also attempted to address the sale of very cheap table wine by prohibiting take-away alcohol in containers larger than two litres. The sale of large casks of wine was heavily implicated in the town's social and health problems.

The trial had some positive effects, but was substantially undermined by drinkers switching from cask table wine, in particular to fortified wine in flagons and casks, which was not banned.

This led to renewed advocacy for more effective approaches. In 2006, the Commission implemented the Alice Springs Liquor Supply Plan (LSP). The shorter trading hours continued, but the ban on the sale of cheap alcohol was extended to include both wine in containers larger than two litres *and* fortified wine in containers larger than one litre.

A 2011 government-commissioned study found that removing the two cheapest forms of alcohol from the market (cask wine and fortified wine in casks and large bottles) increased the price of alcohol in central Australia.

Before the introduction of the LSP, the average *wholesale* price per standard drink was around \$0.80. Under the Plan, this increased to about \$1.10.

This was primarily achieved by the bans on cheap alcohol, effectively doubling the minimum unit price, or floor price, from about \$0.25 per standard drink to \$0.50. In Alice Springs the LSP led to a significant decrease in pure alcohol consumption, from around 24 standard drinks per week for every person aged 15 years and over, to around 20 standard drinks per week.

As expected, the ban on cheap cask and fortified wine led some drinkers to turn to other types of alcohol. But while there was a 70% increase in the consumption of more expensive full-strength beer, it was more than offset by the decline in the consumption of cheap alcohol. This led to the overall 20% decline in consumption.

There was a significant decrease in adverse health effects. Treatment for alcohol-related harm at the Alice Springs Hospital, which had been rising steeply, levelled off.

In particular, the LSP led to around 120 fewer than projected Aboriginal women being hospitalised per year for assault. A similar pattern was seen for Emergency Department presentations.

There were also significant reductions in alcohol-related anti-social behaviour incidents recorded in Alice Springs.

While the causes of family and community violence are complex, it's clear that restrictions on the sale of cheap alcohol are effective in reducing alcohol-related harm.

Some will argue that problem drinkers will simply increase their expenditure on alcohol to maintain their consumption. But the LSP provides powerful evidence that this assumption is incorrect.

As we have seen in Alice Springs, product-based restrictions can be undermined as new products come on to the market. That's why a floor price is the better option. We've had a de facto voluntary floor price in supermarkets in Alice since 2011, at around \$1.00 to \$1.10.

The World Health Organization ranks the price of alcohol as the most important determinant of consumption.

Canada has effective minimum pricing. Scotland has recently introduced its own scheme and other countries are set to follow suit.

The Riley Review's expert panel accepted the evidence it received, and the NT Government has seen the value of a floor price.

The \$1.30 minimum price means the cost of the very cheapest standard drink previously sold in parts of the NT, especially Darwin, has more than doubled. Extremely cheap grog isn't available. That's a good thing. We would expect to see a consequent major reduction in consumption and harm.

Of course problem drinkers won't completely stop. The aim is that they will get less drunk less often, which will mean fewer occasions of child neglect, fewer car accidents and less community harm.

Minimum pricing is a population-wide health intervention that targets the heaviest drinkers. We need to give it time and then properly assess its effectiveness. We should take a scientific approach and wait for the results to come in.

Dr. John Boffa,
Spokesperson,
People's Alcohol Action Coalition
Alice Springs