PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the Victorian Auditor-General's Reports no. 99: Follow up of Regulating Gambling and Liquor (2019) and no. 213: Reducing the Harm Caused by Gambling (2021)

Melbourne – Tuesday 25 July 2023

MEMBERS

Sarah Connolly – Chair
Nicholas McGowan – Deputy Chair
Michael Galea
Paul Hamer
Mathew Hilakari
Lauren Kathage
Bev McArthur
Danny O'Brien
Ellen Sandell

WITNESSES

Mr Scott Drummond, Acting Executive Officer, and

Mr Dave Taylor, Policy and Media, Victorian Alcohol and Drug Association;

Mr Mark Zirnsak, Senior Social Justice Advocate, Uniting Church and Alcohol Change Victoria;

Mr Robert Taylor, Knowledge Manager, Advocacy and Policy, Alcohol and Drug Foundation and Alcohol Change Victoria;

Dr Anne-Marie Laslett, Senior Research Fellow, Centre for Alcohol Policy Research, La Trobe University, Adjunct Senior Research Fellow, National Drug Research Institute, Curtin University, Honorary Senior Fellow, Melbourne School of Global and Population Health, University of Melbourne, and Alcohol Change Victoria; and

Ms Sarah Jackson, Legal Policy Adviser, Alcohol Change Victoria.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee. I ask that mobile telephones now be turned to silent.

I will begin by acknowledging the traditional Aboriginal owners of the land on which we are meeting, and we pay our respects to them, their elders past, present and emerging as well as other elders that may be from other communities who are joining us here today.

On behalf of the Parliament, the committee is conducting this follow-up inquiry into the Victorian Auditor-General's reports on regulation of gambling and liquor, and the regulation of gambling harm in Victoria.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, comments repeated outside of this hearing may not be protected by this privilege.

Witnesses will be provided with a proof version of the transcript to check, and verified transcripts, presentations and handouts will be placed on the committee's website.

I would like to welcome the Victorian Alcohol and Drug Association representatives today – we have got Scott Drummond and Dave Taylor. From Alcohol Change Victoria we have got Mark Zirnsak, Robert Taylor, Dr Anne-Marie Laslett and Sarah Jackson. Please tell me if I have missed someone's name. I have got it written out, and I have got everyone's name. Thank you. You are very much welcome here today. We are very keen to hear from you all.

I am going to invite a representative from the Victorian Alcohol and Drug Association to make an opening statement or presentation, followed by Alcohol Change Victoria. If you can keep your comments to no more than 5 minutes, that would be great. That is because the committee is really passionate about this inquiry. We will have lots of questions for you, and we never have enough time. I am going to hand over to the alcohol and drug association first. Who is going to speak? Wonderful. Thank you, Mr Drummond.

Scott DRUMMOND: Thank you for having us. My name is Scott Drummond, and I am the Acting Executive Officer of the Victorian Alcohol and Drug Association.

I would like to begin by acknowledging the traditional owners of the land on which we meet today and pay respect to elders, past, present and emerging. I acknowledge that this land was never ceded. This acknowledgement is keenly relevant to the topic of discussion today, with alcohol being the second biggest contributor to disease and injury among Aboriginal and Torres Strait Islander communities nationally.

I would also like to recognise people with lived and living experience of trauma, neurodiversity, mental health challenges, psychological distress, suicide and substance use; their families, carers and supporters; those experiencing bereavement; advocates and allies. This acknowledgement too is relevant to the topic of discussion, as substance use, especially alcohol, is correlated with many of these morbidities. For example, alcohol is linked with mental health issues as well as suicide. We appreciate the opportunity to provide

evidence for your consideration here today in conjunction with our submission that we tended earlier this month. We are pleased to be joining our colleagues from Alcohol Change Victoria – ACV – which is a collaboration of organisations seeking to reduce alcohol-related harm in the community. VAADA is a member of ACV, and to that end we support their recommendations. As the peak body for the AOD treatment sector, it is our member organisations that often see the failings of and the missed opportunities evident within alcohol regulation in Victoria. We will reflect on these harms today. Alcohol has almost always been the most prevalent drug of concern among those seeking AOD treatment and for many presents lifelong challenges in maintaining good health and wellbeing and staying in recovery.

During the pandemic our services were presented with a resurgence of alcohol-related demand, with 70 per cent of Victorian AOD agencies noting an increase in both the prevalence and the severity of alcohol-related presentations. Multiple AOD – that is, alcohol and other drug – agency staff have indicated an increase in the number of people presenting for treatment who have been consuming extraordinary amounts of alcohol, including 60-plus units of alcohol a day, and during this time the daily waitlists for AOD treatment blew out by approximately 71 per cent. Our member agencies have also noted an increase in the number of people previously in recovery who have relapsed during the pandemic. Equally, we are hearing of an increasing number of people new to the treatment system who perhaps developed harmful consumption patterns during the pandemic. Importantly, one thing the pandemic highlighted to us is that crises or stressful life events, whether impacting the individual, the family, communities or indeed our state, generally precipitate an increase in alcohol use and, judging by our member feedback, an increase in those seeking treatment for alcohol dependence.

As our colleagues will expand on shortly, the availability of alcohol, especially in disadvantaged areas, has exploded in recent years. Alcohol is easier to acquire in Victoria than ever before. This places more Victorians at risk of needing our treatment services in the months and years ahead. The drug and alcohol sector feedback regarding the rise in demand from those with alcohol problems is borne out through the release of treatment data, which saw a surge in alcohol-related presentations in Victoria during 2021 and 2022. This amounted to nearly 28,000 treatment episodes in 2021–22, increasing by 4500 episodes from the previous year. That is for alcohol-related presentations. Alcohol has contributed to 43 per cent of the demand for online AOD counselling over the past decade, accounting for nearly 4500 of the 10,000 episodes during that period. Likewise, paramedic attendances involving alcohol, with or without other substances, amount to nearly 60 per cent of all AOD-related paramedic attendances over the past decade. Victoria's overburdened paramedics attended a staggering 238,949 alcohol-related incidents during that time, of a total of 407,783 alcohol and other drug incidents. It is evident that these and other harms have soared during the pandemic and are likely to continue with the rise in availability of alcohol, including online and rapid delivery services, essentially making any mobile phone device a bottle shop.

While we appreciate the work undertaken by the Victorian Auditor-General's Office and the efforts from Liquor Control Victoria to respond to this work, it is evident, amongst escalating harms, that more could be done at a regulatory level to reduce these harms. We have heard from many service users that alcohol advertising is ubiquitous across many websites, including social media, creating difficult temptations for many people in recovery. As noted, life stressors, crises and anxiety-inducing events can increase the reliance on alcohol, and while the pandemic may be behind us, many are now facing steep financial challenges and cost-of-living pressures which, for those struggling with alcohol, make reducing or ceasing their alcohol use all the more challenging. The steady stream of advertising and the widespread availability of alcohol erode willpower. Separate to the regulator, VAADA has long called for the banning of alcohol advertising at any venue or event where there is state government buy-in.

There do remain some unknowns regarding alcohol and responding to harms. The freeze on new late-night venues in inner-city local government areas, for example, has now lifted, and we await the impact of this on the density of late-night venues. We also note that the public intoxication reforms will commence in November. This positive yet complex reform is to be commended, but there is much to consider regarding how these new services will interact with venues and the expectations from venues regarding duty of care to their patrons. May I finish by noting the increase in demand for treatment for alcohol dependence and the very real personal, familial and community impacts are, to a significant degree, the downstream effects of the expansive availability of alcohol and the challenges in reining this in. Thank you.

The CHAIR: Thank you, Mr Drummond. I am going to throw to Ms Jackson.

Sarah JACKSON: Thank you. My name is Sarah Jackson. I provide legal policy advice to Alcohol Change Victoria. Thank you for the opportunity to appear before this inquiry. I would also like to start by acknowledging the traditional owners of the land on which we are here today, the Wurundjeri people. I pay my respects to their elders past and present and any Aboriginal people here today.

Alcohol Change Vic is a collaboration of health and allied agencies that share a vision of a community that supports all Victorians to be healthy and well. We campaign for policy change to free the Victorian community from harm caused by the alcohol industry's aggressive marketing and the widespread availability and normalisation of alcohol products in the community. Everyone in our community should be supported to be healthy and safe, but alcohol fuels significant harm to people in Victoria, including from assaults and violence, family violence, cancer and other chronic health conditions, negative mental health impacts, road accidents, injuries, overdoses and deaths. Each year alcohol use causes the deaths of more than 1000 and the hospitalisation of more than 20,000 Victorians. As well as these direct harms from alcohol, my colleague Associate Professor Anne-Marie Laslett's research indicates that almost half of all Australians have been harmed from another person's alcohol use.

Alcohol is more available in Victoria than ever before. In recent years alcohol retailers have dramatically increased online sales of alcohol products and delivery of alcohol directly to people's homes, with some companies offering delivery in as little as 10 minutes. The alcohol industry has opened increasing numbers of alcohol outlets and venues, including large chain alcohol stores. The number of liquor licences in Victoria has increased sixfold over the past decades, from fewer than 4000 licences in 1986 to more than 24,000 licences and permits in 2023, and these new liquor licences and permits have been granted at a rate faster than population growth.

Alcohol companies concentrate alcohol stores in disadvantaged areas of the state. Victorian research has shown that alcohol stores are disproportionately located in areas of socio-economic disadvantage. Research has also established that increases in alcohol stores or venues in a local area lead to increases in alcohol-fuelled violence, family violence, injuries and alcohol-related chronic conditions in the local community.

As the alcohol industry has increased the availability and marketing of alcohol, data shows that alcohol-fuelled harms in Victoria and Australia are increasing. For example, the rate of alcohol-induced deaths in Australia in 2021 was the highest it has been for 10 years. Deaths from alcohol-related injuries in Australia have more than doubled over the past decade. In Victoria, the rate and number of hospital admissions and ambulance attendances related to alcohol have risen dramatically over the same period. In 2021–22, treatment episodes for alcohol as the principal drug of concern in Victoria were the highest since at least 2012, and Victoria has had more alcohol-related treatment episodes than any other state or territory.

We acknowledge that some recent changes have been made to the liquor licensing and regulatory system. These include expanding the definition of harm in the *Liquor Control Reform Act* and changing licence application requirements for packaged liquor outlets larger than 750 square metres, and those are changes that we support. However, recent changes have also expanded the supply and availability of alcohol in Victoria, including by expanding the types of businesses that can sell and deliver alcohol online, extending ordinary trading hours of on-premises licences to 1 am and lifting the freeze on new late-night licences in the city areas. We believe further changes are needed to reduce the significant harm caused by alcohol businesses in the Victorian community. Such measures need to address the widespread availability and marketing of alcohol.

We have outlined key recommendations in our submission in detail, but in summary our recommendations include: to strengthen compliance activities by increasing resourcing for liquor licensing inspections to increase their deterrent effect and introducing powers to test compliance with requirements to not serve alcohol to people who are intoxicated or minors; to strengthen liquor licence decision-making to better address harm and community impacts, including cumulative impacts of liquor licences, and to better consider the views of local community; to require community consultation for high-risk licence types, including online sales and delivery and late night premises; to introduce measures to reduce the risk of harm from online sale and delivery of alcohol, including addressing rapid alcohol delivery, targeted online marketing and preventing delivery after 10 pm at night; to regulate online marketing by alcohol retailers in Victoria, including alcohol marketing that uses data about people's preferences and behaviours to target them and marketing that promotes inducements to purchase increased volumes of alcohol; to ensure liquor licensees have a reasonable duty of care to not engage in irresponsible service of alcohol that puts people at risk of harm and to take steps to protect the safety of

people who are drunk on licensed premises; and to strengthen RSA training requirements, including for alcohol delivery drivers, late-night venues and responding to sexual harassment in venues. Thank you.

The CHAIR: Thanks, Ms Jackson. I am going to go to Mr O'Brien first.

Danny O'BRIEN: Thank you, Chair. Could I perhaps, Ms Jackson, follow on from your comments just then. We are obviously looking at the regulation here and failings in the past from VCGLR. What do you see as the biggest problem right now with liquor licensing and regulation? I welcome anyone to answer.

Sarah JACKSON: A big problem we see – or an opportunity to strengthen liquor licensing is to introduce changes to the liquor licence decision-making process. I will just refer to some notes on that. At the moment we see the problems with the process including that it places the evidentiary burden on the objectors to satisfy objection and refusal grounds relevant to harm; and it does not impose evidentiary requirements on licence applicants other than in respect of the large packaged-liquor outlets, for which a separate process has been introduced. We believe these grounds establish a high evidentiary threshold and do not allow sufficient consideration or weighting of harm in licensing decisions.

The difficulty, time, resources and costs involved in objecting to licensing applications places an unreasonable burden on local councils and the community, and you can see that in the really low rate of objections to licence applications. So it is creating a barrier to that community participation in the licensing process. The overwhelming majority of licence applications are uncontested, so the commission is unlikely to consider evidence of harm in most decisions. And the focus of the licensing scheme on individual applications does not allow effective consideration of cumulative impact and harm levels across local areas. We think this system is inconsistent with the harm minimisation objective of the Act and is leading to this proliferation of liquor licences and availability in the state.

Danny O'BRIEN: Which licence applications do you consider the most problematic? Is it live venues? Is it for big-box takeaway suppliers?

Sarah JACKSON: I think the evidence shows the large big-boxes are most associated with harm, as well as online sales and delivery licences. We are seeing increasing evidence of harm from those licence types.

Danny O'BRIEN: We have heard a bit in the hearing so far about online sales. What action would you like to see the Victorian government take to address your concerns?

Sarah JACKSON: We would like to see a number of measures at the moment. We do not think they are regulated in the same way that bricks-and-mortar stores are regulated. We would like to see stronger age verification requirements introduced at the point of online sale, we would like to see delivery cease at 10 pm at night and we would like to see measures to address the rapid delivery of alcohol – so something like a pause between order and delivery – because we believe that is a really high risk model of alcohol supply. There is evidence showing that people who use that model are much more likely to be really high risk drinkers, and often it allows them to continue drinking when they are already intoxicated. And combined with the online marketing, the targeted marketing, it is really creating a model where people who are at risk are receiving that targeted marketing on their phone – often the marketing has a 'Shop now' button, so it is almost like you have got a bottle shop on your phone. You make impulsive purchases and you can get alcohol delivered to your home in as little as 10 minutes. So we think it is a really high-risk mode of alcohol supply.

Mark ZIRNSAK: A couple of other reforms in that space – one is that, unlike other jurisdictions, our understanding is you can have distribution points for home delivery that do not need to be licensed. So if it is for home delivery you get a licence in Victoria, but then if you have a warehouse where you are keeping the alcohol and you are distributing it, that does not come up for licensing. In other states it does. Now, a lot of the online companies do use established retail outlets as their delivery points, but there would be nothing stopping you from having – so we do not know. And it also means local councils then cannot object, so if you have got a warehouse that you are distributing from, the local council cannot have that oversight about cumulative impact.

The other one to mention is training. One of the big issues is the requirement to not deliver to intoxicated people. The big issue for a delivery driver is they turn up and they have got an intoxicated person: 'What risk do I face in refusing the delivery?' We do not have responsible service of alcohol training targeted to delivery

drivers. The assumption that they have got the skills to know how to de-escalate those situations and get out of that situation without having to deliver the alcohol is pretty brave.

The other reason we focused on restrictions like time of delivery is because the enforcement from a regulator's point of view is really hard. The transaction takes place between the delivery driver and the person receiving it – there is no other witness to this. If something is violated, the only people who can currently report it would be either of those, and presumably the recipient is not going to report it – or only if it goes on to create some other problem. So if the party in the backyard gets out of hand and other people complain, then you might be aware that something went wrong in the delivery, but otherwise it is almost an impossible space to regulate from an inspection point of view. You need safeguards that are affecting the system rather than counting on the regulator being able to inspect.

Danny O'BRIEN: You both touched on this. By law, it is that responsible service of alcohol applies to deliveries, so they should not be providing alcohol to someone who is already intoxicated.

Sarah JACKSON: They should not be, and there is an offence. However, there is no specific RSA training for delivery drivers for online sales. There is general RSA training, and we think there is a need for specific training for delivery because it is a different mode of alcohol supply.

Danny O'BRIEN: There is a truckload of ways – there is (a) the issue of 'What's the driver going to do,' but (b) if there is a sober person in the house, you deliver to them. I mean, anyway. Thank you. That is good.

The CHAIR: Okay. I am going to go to Mr Hilakari.

Mathew HILAKARI: I might stick with the same theme just for a moment but maybe take us back a step to changing delivery modes and alcohol consumption modes that have gone on, particularly since COVID. Could you just extrapolate that a little bit further for the committee? How has consumption changed, particularly over the COVID period and the rise of online sales and deliveries?

Sarah JACKSON: I can talk generally about the fact that that increase in online sales and delivery – we saw it spike during COVID, but it has actually continued to increase following COVID restrictions and is a long-term trend across the country. Annual revenue from online alcohol sales in Australia has quadrupled from 339 million in 2012 to 2 billion in 2022, and that is forecast to continue. It is forecast to grow at an annual rate of 10.6 per cent to 2026–27.

Mathew HILAKARI: Do you have anything to add?

Scott DRUMMOND: Related to that, we would say that from the treatment sector perspective – so that is the downstream impacts – presentations and demand for treatment from those struggling with alcohol dependence has increased.

Mathew HILAKARI: So it is really this space where people are in their own houses rather than necessarily inside venues which is causing the increase in the harms, because I think it was mentioned that there was a 71 per cent increase in requests for support from AOD services, and that is over that COVID period when a lot of venues probably had restricted trading and limited trading, is that right?

Scott DRUMMOND: Yes. That did not necessarily mean that the harms were reduced, however, as we saw at the treatment end of the spectrum.

Mathew HILAKARI: Yes, okay.

The CHAIR: Can I just ask a question off the back of that? Was the demographic the same or was it different, in the sense that people ordering alcohol to their home were more likely to be at home with their kids and wife as opposed to out in a venue drinking? Has the demographic, or the people that you are treating, changed?

Scott DRUMMOND: We do not have the data on the breakdown exactly of those seeking treatment. We would have to look into that. We know that there has been an increase in demand for treatment from those struggling with alcohol. Just who comprises that group – we would have to look into that in more detail.

The CHAIR: Yes, if you have that, you can send it.

Dave TAYLOR: There is no data captured on the demographics of the waitlists, so it is something which we cannot really answer. Anecdotally, we have heard from agencies that there are mums and dads who upped their consumption levels during that time perhaps seeking help for the first time. Likewise there are people who were in recovery who have relapsed. So there have been greater pressures on the system from that.

Anne-Marie LASLETT: I think that while young men may have decreased their drinking during COVID, there were other groups, like older and middle-aged women, that increased their drinking, as did people who were under greater financial stress and those who were more likely to be experiencing other mental health concerns. I think it is also important to keep in context, if we are talking about big-box issues, that a lot of the harms that might come from those do occur within the home, and most Australian drinking does occur within the home. I think it is over two-thirds of Australians' drinking that occurs in the home. We also know that in Victoria a third of child protection cases involve alcohol – across Australia I think it is 26 per cent – and up to 70 per cent of family violence cases involve alcohol. Work that we have done recently looks at whether people have experienced harm from other people's drinking, and that includes a whole range of harms. Up to half of Australians report that they have been affected in a range of ways, but that can be because they have been verbally abused or they have been made to feel afraid. It can also be that they have been affected by somebody's drinking next door that has kept them up night after night or on the odd occasion. There really is an array of different harms that occur, not just to the person drinking but to those beyond that person.

Mathew HILAKARI: You mentioned having a time period between order and delivery. Have you got a recommendation around what that time period could be, and how did you get to that time period that you are going to suggest?

Sarah JACKSON: Our recommendation has been 2 hours, and it is really about trying to address the way that those services can be used to allow people to continue drinking when they are already intoxicated. We have evidence showing that a lot of people who use the services say that they would have stopped drinking but for the availability of those services. So it is a time period that allows people a safety pause. It gives people that time to think about stopping that impulsive purchasing, and that might be particularly important for someone who is experiencing alcohol dependence, for example.

Mark ZIRNSAK: It would also mean that people have to plan their alcohol consumption. So while they are sober, rational and not affected by alcohol, they are making a decision about how much alcohol they want to have. If then down the track while I am in some state of intoxication I decide that I want more, well, there is now a delay in that decision-making so that I cannot instantly get it within 10 minutes.

Mathew HILAKARI: I have heard that 2 hours mentioned before in the public sphere, and I was just wondering whether 2 hours is the right period and how we got to those 2 hours. You know, some people drink for longer periods than 2 hours and some people make those orders in that period of time. It was just really a question of how we got there.

Sarah JACKSON: I think it is just a time period that we consider to be sufficiently long to prevent that impulse purchasing.

Mark ZIRNSAK: We have suggested an exemption, though, if you are ordering a meal and alcohol is coming with it. Obviously, it would not make sense to say that the bottle of wine turns up 2 hours after the meal turns up, right? So we have applied some common sense to it as well.

Mathew HILAKARI: Yes. I probably was not looking so much at that end, but I appreciate that extra insight.

Mark ZIRNSAK: That is fine.

Mathew HILAKARI: We have talked a little bit about increased numbers of treatment episodes. Is that related to particular problems in Victoria or is that related to a higher availability of AOD beds in Victoria? What is the reason that we are getting higher treatment episodes in Victoria?

Dave TAYLOR: Look, there are a number of demand pressures. Certainly we have, over the last number of years, experienced an increase in capacity in the sector across a range of treatment modalities. With regard to the relevance to the subject matter of this committee, our concerns are that the increasing availability of alcohol and the ubiquitous advertising of alcohol across all platforms are making a contribution to demand pressures. Obviously, there are other reasons which drive people toward treatment. People can be experiencing trauma and so forth and have dependence issues relating to mental health as well. So there are a number of drivers, but availability, which comes within the remit of the regulator, is certainly a contributing factor.

Mathew HILAKARI: I guess the regulation of advertising is largely a national issue, and I have heard the calls regarding funding – whether the Victorian government provides any funding in advertising there. But in terms of a percentage of advertising, what are we talking about, the quantum there? Because I would have thought that is relatively small, in terms of the local footy club receives a little bit of funding compared to the broadcast advertising. So are we actually just looking at the really thin edge of advertising as opposed to seeking a national regime of advertising? Because I would have thought that is where the big spend is.

Robert TAYLOR: I do not know if we have those numbers. But I think, just on that example of the sports clubs, sports clubs play such a fundamental role, as an example of a community organisation that has a lot of reach and has a lot of impact in people's lives at a family level, at a kind of systems level and particularly with young people. The evidence is really strong that exposure to alcohol marketing for young people has an impact on their trajectories with their alcohol consumption later in life. We actually see sporting clubs as a really great example of where some really strong harm minimisation work can be done, even if, as you say, it might be that there is a lot more advertising spend happening in the broadcast space.

Sarah JACKSON: A lot of the advertising is by Victorian liquor licensees, particularly the major alcohol retailers, the Dan Murphys. A lot of that happens through advertising that is regulated at the local level, including outdoor advertising and advertising at sportsgrounds. We think there is scope for regulating the online marketing by those retailers who are Victorian liquor licensees as well, which makes up a huge amount of that advertising.

Mathew HILAKARI: Great. Thank you.

The CHAIR: Thank you, Mr Hilakari. Ms Sandell.

Ellen SANDELL: Thank you, Chair. Thank you, all, for being here today. Perhaps one to Mr Drummond. You mentioned the lifting of the late-night freeze on liquor licences. Could we just get some more of your thoughts on that?

Scott DRUMMOND: Well, I think we are really yet to see the impact of that, the lifting of the late-night freeze. I think in principle what we would argue is that the increase in availability and access to alcohol, particularly late at night, where we would argue the harms and the risks of alcohol use increase, both to the individual user and to the community more broadly, support an argument for maintaining the current state, if not limiting that, rather than increasing availability in future. David, would you like to add to that?

Dave TAYLOR: Yes. Look, I think Scott summed it up pretty well. I guess there could be consideration – my colleagues may have ideas on this as well – on measures which could be done to mitigate some of the harms which may occur from the lifting of the freeze.

Sarah JACKSON: Yes. There is a really large body of very clear evidence linking late-night alcohol trading and harm. For every hour of late-night trading that is extended, there is an increase of violence and assaults, and that relationship is very, very clear. So we think the freeze –

Ellen SANDELL: Is that regardless of the type of licences? I am thinking a big nightclub or beer barn versus a small boutique wine bar or something. Or is that not clear from the evidence?

Sarah JACKSON: Yes, I think that is right. I am not sure whether the evidence has looked into the differences of that late-night relationship.

Mark ZIRNSAK: There is some US research that shows there are different impacts for different types of liquor outlet and licence types, yes.

Sarah JACKSON: Yes. I mean, I think as a matter of common sense it will be clear that large venues and large outlets are selling more alcohol. They are going to contribute to more harm late at night. We do think the freeze has been effective at limiting the number of late-night licences. You can see that there has been a plateauing in the number of late-night licences in inner-city areas. If there is an increase in late-night licences as a result of the lifting, it is clear from the evidence there will be an increase in harm. We are hopeful that the guidelines that have been introduced will mean that the commission looks carefully at late-night licence applications and imposes meaningful conditions.

Ellen SANDELL: What kind of conditions would be effective?

Sarah JACKSON: We would like to see restrictions on the volume of alcohol that can be supplied late at night, so things like not selling really high alcohol volume drinks like shots, the number of drinks per transaction and that kind of thing, as well as stronger RSA requirements, so making sure that at least one person on the venue late at night has completed advanced face-to-face RSA training.

Ellen SANDELL: Are you aware if there is enough data, I guess, for us to understand when the freeze is lifted what the impact is going to be, so that in a few years we can look back and say it did create more harm or it did not – like, evaluate that policy decision, whether it was good or whether it was not?

Sarah JACKSON: There has not been good enough data. We do not have good data on alcohol-related assaults late at night in those areas, but we think it is really important that there is that kind of evaluation of what happens with the lifting of the freeze and a regular review.

Ellen SANDELL: Do you think there is still an opportunity? I am just wondering if there is an opportunity now to collect some baseline data before new licences come in.

Sarah JACKSON: Yes.

Anne-Marie LASLETT: And I think the Bureau of Crime Statistics and Research in New South Wales had a system where they were tracking where the assault occurred and tracing that back to the venue, and that was monitored over time, I think. I could look into that in more detail.

Ellen SANDELL: That would be useful if you could provide that.

Anne-Marie LASLETT: But that kind of research does look at baseline, and follow-up would be –

Ellen SANDELL: So we could copy that model in Victoria for that research.

Anne-Marie LASLETT: Potentially, yes.

Mark ZIRNSAK: When we have looked at this, though, in the past there have been issues around the police database here compared to New South Wales, and New South Wales has a much better system.

Ellen SANDELL: Is it that we do not collect the right data, or it is not provided?

Mark ZIRNSAK: Or that the database that is used here, the LEAP system in the past when we have discussed it, is not at the same standard that the New South Wales police collection is, so they have been able to use a lot more police collection of data to inform some of their decision and policy making in a way that here in Victoria has not been possible, because of that issue around the police database.

Ellen SANDELL: Thank you. There might be some opportunities for improvement there. Just a broader question – we have talked a lot about increased availability of alcohol being linked to greater harm. Obviously there are other countries where there is availability, where it is much easier to get alcohol even than it is here. What does the research show around that? Can we make any comparisons with those countries; do they have greater harms? Or is it just not comparing apples with apples, so you cannot make any assumptions?

Anne-Marie LASLETT: I think there is excellent evidence across the world that alcohol availability is associated with increased harms. I think there have been numerous meta-analyses in a book by Babor et al that has been recently released, and that has that kind of evidence.

Sarah JACKSON: But I am not sure whether I would agree that there is higher availability in other countries. Anne-Marie, are you able to? I think Australia would be up there as one of the highest in terms of alcohol outlet density. I am not sure if there is any international comparative data on that.

Anne-Marie LASLETT: I mean, it is a complex question to think about the data that exists across the world on alcohol problems and harm. I am not sure how we rank. I mean, the global statistics report on alcohol and health does give an indication of how all countries rank in terms of how many effective alcohol policies they have in place, so there might be that kind of information. When they do use that ranking system and they do look at alcohol-related harm, I think there is a link between, you know, the number, but how we rank in that setting, I am not sure.

Ellen SANDELL: I guess I am just trying to – a lot of people would have very anecdotal experiences of going to somewhere like Spain or Portugal or Italy or France and being able to get wine in the supermarket very easily, more easily than here – understand if they have the same harms. Or is it the different type of alcohol that they are providing, or is it something in the culture or the advertising? I know you cannot decouple all of those things, but I am trying to understand what the levers are to reduce harm.

Sarah JACKSON: Yes. I think in those countries you would not see the same big-box chain liquor stores. I am not sure about their online supply, whether that would be the same. I think there are cultural factors in play as well, so it does make it difficult to disentangle. But we know that the key levers are price, availability and marketing to reduce alcohol harm. There is very clear evidence about those three levers. In Victoria, we have focused on the availability and marketing. We think there is a need for reform of alcohol taxation at the national level, but our focus is on Victorian-level regulation.

Mark ZIRNSAK: The Australian government has been conducting an unintentional experiment in this space, having brought 40,000 people across from the Pacific to work in Australia under the Pacific Australia labour mobility scheme. Alcohol problems in the Pacific are at a fairly low level. You bring them into this environment where alcohol is far more accessible, plus you have changed their social situation quite significantly, and we have seen very significant alcohol problems as a result of that. It is strongly suggestive that the alcohol environment is far more a determinant factor of harm than the nature of the people.

Ellen SANDELL: Does that correct for things like, you know, obviously they are outside of their normal support systems and culture?

Mark ZIRNSAK: Correct, exactly. You have changed their environment, so it points to environmental factors being a key driver of alcohol-related harm.

Ellen SANDELL: Thanks. And just one final one following Mr Hilakari's questions. He was talking about this idea of having a pause on online sales, so a 2-hour pause. We talked a bit yesterday about also this idea of having age gating at the point of sale – I think in New South Wales you have to provide a digital licence before you can actually buy the alcohol. Is that something that you think is important for us to do?

Robert TAYLOR: Yes, we need something meaningful. Queensland are looking into it as well; they are doing a consultation into online sales and delivery at the moment, and they are looking at digital verification of age. It is just so vital. You can just click a box at the moment and then it is up to the delivery driver to enforce the point-of-delivery age verification. As we said, if there are issues with the RSA and the delivery driver not feeling confident in doing that age verification, there is effectively no policing of this compared to the existing standards and systems we have for brick and mortar.

Ellen SANDELL: And do we know if the retailers – so Coles and Woolies et cetera who sell the alcohol – are doing enough with their drivers? Is it their kind of responsibility to do more with their drivers, to be training them and enforcing it, or is it more a failure of law and regulation?

Sarah JACKSON: We know from the research that a lot of the time those proof-of-age checks are not happening. There are a lot of deliveries where proof of age is not being checked. It is not clear from the research which retailers – who it is and whether it is the major ones or the smaller independent retailers – are not doing those proof-of-age checks, but we think it is a combination. We think there is a need for improved regulation, for example, of age-verification procedures at the online point of sale, as well at the moment you can leave alcohol unattended in some circumstances where it is not a same-day delivery or where it is a

subsequent delivery. We think there are gaps there where young people could access alcohol. But we think there is also a need for improved enforcement strategies, including test purchasing or controlled purchase operations, because at the moment really there is just no way of finding out what is going on. We are relying on survey data of people who are receiving deliveries. But without that test purchasing it is really difficult to monitor what is happening.

Mark ZIRNSAK: But there is a need for training for all delivery drivers. Currently you are largely relying on the retailers' voluntary code, which –

Ellen SANDELL: I am just mindful of something that you said earlier that I was thinking about yesterday – that it is quite difficult to rely on the delivery driver. They may be in a very difficult circumstance where there is a risk to them if they do not deliver it, whether that risk is that person getting angry or that they do not want to lose their job if they are repeatedly not doing deliveries. They might be quite vulnerable workers as well. There have got to be ways to do it better than just relying on them.

Mark ZIRNSAK: You have also got the on-demand gig economy in delivery as well.

Ellen SANDELL: Yes, exactly.

Mark ZIRNSAK: 'I'm doing it through my Uber Eats platform, and I might be only getting $7 an hour or $8 an hour.'

Sarah JACKSON: Yes, and we are very mindful that it is difficult for delivery drivers, that they are likely to be in risky situations, and we think that really demonstrates the need for better training and support for those drivers so they know how to handle those situations, but also perhaps for looking at the model of using delivery agents and whether or not that should be something that should happen or whether it should have to be employees of the licensee who are doing those deliveries.

Ellen SANDELL: Thank you.

The CHAIR: Thank you, Ms Sandell. I am just conscious of time. We have got 1 minute left. If members do not have any more questions, I am just going to throw it open quickly –

Mathew HILAKARI: I will take a quick one, if that is okay. We have mentioned a few times the big-box retailers as being really the big problem. Could you just outline why that is? Is it around discounts? In which case, you know, it sort of draws me to overseas comparisons of places where there is a lot lower taxation – so if price is really the driver. Could you just go into why big boxes are so harmful?

Sarah JACKSON: My understanding is – and Anne-Marie might want to jump in – that it is really about volume of sales. That is the key thing. It is that those outlets are just selling a lot more alcohol than other outlets, and I think price is a driver as well. Those factors in combination are what leads to them creating more harm.

Mathew HILAKARI: Why would necessarily a big-box retailer sell more than, you know, one attached to Woolies or your liquor store which is more boutique? Why does that drive particular sales?

Sarah JACKSON: A lot of the time those retailers are using promotional strategies to encourage bulk-purchase discounts, encouraging increased volume of sales. You see with a lot of them that the more you buy the less you pay. I think that kind of marketing is more prevalent with those big chain stores, and they can compete more aggressively on price. But I think that increase in supply as well – because they are offering so much alcohol, I think. I mean, I am not sure if we have clear evidence on this, but I think that does drive demand as well, just that convenience, and that goes to the evidence about availability and harm. Because you are supplying so much more alcohol, that is driving consumption and harm.

Mark ZIRNSAK: In our conversations with the Master Grocers Association they would argue their members find it hard to compete on price with the big box outlets for those very reasons that Sarah talked about, so it might be worth even having a conversation with them about the experience of their outlets, because certainly conversations with them seem to indicate they would much rather sell lower volumes of higher value alcohol and reduce harm compared to strategies that are about selling large volumes of alcohol.

Anne-Marie LASLETT: I mean there is probably less data on – we often tend to separate between off- and on-premises sales, and it is difficult to draw out sometimes the big-box contributions, although we could look into how that research and whether that data is made available by the industry, which it may well keep.

The CHAIR: Thanks, Mr Hilakari. I know there are so many more questions that members may have for you today, but we are unfortunately out of time. I just want to thank you all very much for coming and appearing before us this morning and just sharing your expertise and experience and what you are seeing on the ground. It really is helpful and insightful for committees like this when we are preparing reports. If the committee has any more questions that come to mind as part of this inquiry, you are happy for us to write to you and maybe ask a couple more?

The committee will follow up on additional questions – and I think there were some questions taken on notice – in writing. And just so you know, responses are required within five working days of the committee's request. The committee is going to take a very short break before recommencing in a couple of minutes for the next set of witnesses. I declare this hearing adjourned.

Witnesses withdrew.