

Senate Standing Committee on Economics
PO Box 6100
Parliament House
Canberra ACT 2600



24 August 2015

Attention: Senate Standing Committee on Economics

SUBMISSION TO THE INQUIRY INTO PERSONAL CHOICE AND COMMUNITY IMPACTS

Thank you for the opportunity to provide a submission to the *Inquiry into personal choice and community impacts: a n inquiry into measures introduced to restrict personal choice 'for the individual's own good'* (Inquiry). The comments in this submission are in relation to the second term of reference (the sale and service of alcohol) and the third term of reference (the sale and use of marijuana and associated products). These comments are provided by the Victorian Alcohol and Drug Association (VAADA) Victoria to support to the submission prepared by the Foundation for Alcohol Research and Education (FARE).

TOR: b. the sale and service of alcohol, including any impact on crime and the health, enjoyment and finances of drinkers and non drinkers

Alcohol is no ordinary product, it is a drug that:

- has a depressive effect on the central nervous system
- is an addictive substance
- is a known carcinogen
- is a known cause of birth defects
- is a known cause or component in more than 200 diseases including stroke, ischaemic heart disease, numerous cancers, liver cirrhosis, respiratory disease and sexually transmitted infections
- is associated with comorbidity or co-occurrence with mental health disordersⁱ
- is a significant contributor to family violence and child maltreatmentⁱⁱ
- is second only to tobacco as a leading preventable cause of death and hospitalisation in Australia.^{iii,iv}

Unfortunately, alcohol is often promoted and sold without due consideration to the harms that it causes.^v The alcohol industry like to perpetuate the myth that alcohol is a normal, everyday product by linking it to sporting events and sporting personalities, through sponsorship of cultural events and festivals, promoting alcohol as part of national celebrations such as ANZAC Day and Australia Day, and

promoting the idea that alcohol should be consumed every day as a reward, as relaxation and for no reason in particular.^{vi,vii}

Alcohol is also more available and affordable than it has been over the past ten to 15 years.^{viii} This is particularly due to the application of Competition Policy Principles to alcohol regulations across Australia. During this time the harms from alcohol have increased, while the overall per-capita consumption of alcohol across the population has remained stable.^{ix}

In 2014 the publication *Alcohol's Burden of Disease* showed that in the ten years from 2000 to 2010 alcohol-related deaths increased by 62 per cent, alcohol-related hospitalisations doubled, from 76,467 to 157,132.^x Presented another way, 15 people die and 430 are hospitalised due to alcohol each day, making the reduction of alcohol harms one of Australia's greatest preventive health challenges.^{xi} Alongside these harms to the individual drinker, alcohol also results in harms to others including acts of violence, road traffic accidents, child maltreatment and neglect. Almost 30,000 incidents of alcohol-related domestic violence are reported to police a year, and that's just in the states and territories where this data is available. This is along with more than one million children being affected in some way by others drinking.^{xii} Alcohol harms are estimated to cost \$36 billion annually in Australia. These include crime, injury, lifelong disability, family and domestic violence, child abuse, property damage, foregone taxes, productivity reductions and intangible costs to individuals, families and companies.^{xiii}

Translating these harms into direct expenses for government, the research by the Australian Institute of Criminology (AIC) is instructive in highlighting the significant burden to government. The AIC noted that direct costs to society outweigh revenue generated from alcohol taxation by a ratio of 2:1, with \$7.075B receive by the Commonwealth in revenue yet \$14,352B expended in revenue^{xiv}. This direct expense to government highlights the significant subsidy which the tax payer is providing to an industry which continues to derive a significant profit despite the harms and associated financial costs to the community.

VAADA therefore calls on the Senate inquiry to recognise that the regulation of alcohol, because of its actual and potential to cause harm, is an appropriate part of Australia's response to managing alcohol.

By way of reference, we attach the following positions papers developed by VAADA related broadly to the regulation of alcohol:

- Alcohol Advertising, Marketing and Promotion
- Alcohol Taxation

TOR: c. the sale and use of marijuana and associated products, including any impact on the health, enjoyment and finances of users and non-users

VAADA welcomes the inclusion of this complex and nuanced TOR in this inquiry. We note that there are a number of international jurisdictions which have introduced various models related to the regulation of marijuana, both for medical and recreational consumption. The specific details of each of these models would need to be explored in detail in order to provide a robust case for regulating marijuana in Australia in a manner which accords with reducing harm and ensuring that a sibling industry to big tobacco or big alcohol does not emerge. VAADA would support reform in this area which is well supported by evidence and in line with this notion, there is a need to engage in a national conversation on not only cannabis, but also other illicit substances.

There is a broad spectrum of models available, ranging from the recent legislative changes in Colorado which have provided for the emergence of the legalisation and subsequent regulation of cannabis for recreational purposes. Other models, such as that occurring in Portugal, have enabled the decriminalisation of cannabis for personal consumption with diversionary schemes in place to assist consumers to engage with an appropriate treatment response. There are also a range of jurisdictions engaging in reform to allow for the consumption of medicinal cannabis in certain circumstances.

These cases are likely to greatly reduce the burden on the justice system, however the demand on treatment and other related services is more complex to measure. Currently, cannabis features prominently on a number of measures of harm, including:

- ambulance callouts, with 2212 callouts in Victoria during 2013/14^{xv}; and
- alcohol and other drug (AOD) treatment episodes, with cannabis being the principle drug of concern in just under one in four treatment episodes nationwide and secondary drug of concern in 44% of all episodes^{xvi}.

Just over one in ten Australians aged over 14 years have consumed cannabis in the past 12 months^{xvii}, making it the most regularly consumed illicit substance in Australia. The high rate of consumption, combined with the above indicators of harm should be utilized as a yardstick in assessing the efficacy of any major policy change. This is also indicative of a large portion of the Australian population consuming this substance and therefore its' popularity and also indicative of only a very small portion of those consuming this substance requiring AOD treatment.

On a theoretical basis, much of the underlying work on these broader issues has been canvassed by the Australia 21 reports into this issue. Research has indicated, in the case of Portugal, that decriminalisation did not result in an increase in illicit drug use^{xviii}.

It is difficult to ascertain the cost to the community of the harms associated with cannabis, however, an earlier estimate indicates that all illicit substances cost \$8.2B per annum^{xix}. Nationally, the prison system costs \$2.6B per annum^{xx} which is a considerable expense in managing 34,000 people. Most forms of decriminalisation would elicit a significant reduction on the prison population and therefore the financial burden on governments. The current approach in addressing challenges associated with illicit substance consumption need to be reviewed as there are a number of harms occurring which the current array of policies are not adequately addressing. Diverting individuals from the justice system who are engaged in illicit substance use should be prioritised.

We would urge further discussion and the development of detailed plan providing for the various issues in modifying the law with regard to the consumption of cannabis.

Sincerely,



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Executive Officer
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