

101

RECEIVED
23 OCT 2009
Law, Justice and Safety
Committee

DIAGEO

AUSTRALIA

Level 8, 55 Grafton Street
Bondi Junction NSW 2022
Locked Bag 1
Bondi Junction NSW 1355 Australia

Tel: (61 2) 9931 9888
Fax: (61 2) 9386 1549

Friday, 23 October 2009

The Research Director
Law, Justice and Safety Committee
Parliament House
Alice Street
BRISBANE QLD 4000
Email: ljsc@parliament.qld.gov.au

101

Dear Sir / Madam

Diageo Australia's response to the Law, Justice and Safety Committee's inquiry into alcohol related violence in Queensland

Diageo Australia thanks the Queensland Government Law Justice and Safety Committee for the opportunity to provide a submission in response to the issues paper on alcohol related violence in Queensland.

We welcome the Queensland Government's increased focus on addressing alcohol related issues. We share Government and community concerns about these issues and we are strongly committed to working both in partnership and on our own to deliver improvements in the drinking culture.

By way of background, Diageo is the world's leading premium beverage alcohol business, with a wide collection of brands spanning the spirits, beer and wine categories. These brands include Guinness® beer, Smirnoff®, Johnnie Walker® Scotch whisky, and Bundaberg rum®. In Australia, Diageo is the leading spirits and ready-to-drink (RTD) producer.

Please do not hesitate to call me
correspondence in greater detail.

if you wish to discuss any aspect of this

Yours sincerely

Ailish Hanley
External Relations & Public Policy Manager



Diageo Australia Limited
ABN 33 004 167 720

Operations
4 Distillers Place
Huntingwood NSW
Mail: PO Box 6468 Blacktown
NSW 2148 Australia
tel: (02) 9830 6666
fax: (02) 9830 6603

VIC State Office
114 Balmain Street
Richmond
VIC 3121 Australia
tel: (03) 8415 8200
fax: (03) 9429 2535

QLD State Office
Unit 2B Centro on James
19 James Street
Fortitude Valley
QLD 4006 Australia
tel: (07) 3257 0800
fax: (07) 3250 3133

SA State Office
Building 2
2-4 Adam Street
Hindmarsh
SA 5007 Australia
tel: (08) 8245 9300
fax: (08) 8340 2955

WA State Office
441 Stirling Hwy
Claremont WA 6010
Mail: PO Box 426
Claremont
WA 6910 Australia
tel: (08) 9285 4400
fax: (08) 9284 7429

NT State Office
Unit 2, 18 Totem Road
Coconut Grove
Darwin NT 0810
Mail: PO Box 1337 Nightcliff
NT 0814 Australia
Tel: (08) 8245 9300
Fax: (08) 8948 2576

Diageo Australia

**A response to the inquiry into alcohol-
related violence in Queensland**

23 October 2009

Introduction

Diageo Australia thanks the Queensland Government for the opportunity to provide a response to the Law, Justice and Safety Committee's inquiry into alcohol related violence in Queensland.

We support the Government's decision to conduct a comprehensive, consultative inquiry into alcohol related violence in Queensland.

Diageo Australia believes that if marketed, sold, served and consumed responsibly, any beverage alcohol product is safe to consume and offers opportunities for consumers to celebrate their lives on safe, enjoyable and memorable occasions. It follows that producers, licensees, hospitality staff, regulators, and patrons all have a unique and valuable role to play in contributing to a safe, enjoyable drinking culture and in reducing harm.

As the leading global producer of alcohol beverages, Diageo has specific experience and expertise to share in harm minimisation and responsible drinking. We have invested very significantly, both financially and through the deployment of our staff, in driving a range of responsible drinking and responsible service programmes both in Australia and overseas.

We would be pleased to share this information and provide access to experts, if appropriate. We would also welcome ongoing consultation throughout this process.

The problem

We recognise that there is a growing perception and awareness of alcohol related violence and we are strongly committed to working both in partnership and on our own to address this.

However, it's widely acknowledged that the majority of Australians consume alcohol legally, in moderation and responsibly. Therefore, while alcohol misuse and violence is a serious and complex issue, it remains a minority problem for which **targeted, evidence based and proportional** efforts are needed.

Any response needs to balance a number of socio-economic factors including: the contribution made by the licensed industry to the Queensland economy; the harms associated with excessive alcohol misuse by a minority, and; public demand for a vibrant and safe nightlife.

In the first instance, the Government should look to establish solid data and evidence to determine the actual scale of alcohol related violence in Queensland and from there identify targeted solutions which focus on specific individuals or groups who breach the law.

General comments on best practice harm minimisation measures

The Committee's issues paper lists a range of measures that have been used in Australia and overseas with the aim of reducing the harmful effects of consumption, including violence. As a producer, Diageo has experience and knowledge of specific "harm minimisation measures" relating to consumer awareness & education, product strength, pricing & taxation, and responsible advertising and promotion.

While we don't own or operate licensed premises, they are our routes to our consumers and therefore we have an interest in ensuring that our products are sold and served responsibly through these venues and through organised events. We have a strong track record of working with our customers (licensees) and regulators to improve the environment in and around licensed premises. In NSW we've worked with the Office of Liquor, Gaming & Racing to deliver a Liquor Accords toolkit and offered our DRINKIQ

programme to hospitality staff, regulators and local Liquor Accords. We also have considerable experience and best-practice information in this area from other markets where we operate. For example, in the US, we worked with the *Responsible Hospitality Institute Network of Communities* to deliver a practical guide¹ to "Planning, Managing and Policing Hospitality Zones" which encompasses staff training but covers a range of other areas including venue risk assessment, security planning, policing and community engagement. We would be pleased to share this information and provide access to experts, if appropriate.

We recommend that the Committee consider research commissioned by DrinkWise Australia² at Griffith University. This comprehensive study is focused on establishing a model to reduce aggression and violence (specifically) in and around licensed establishments. An initial review of current literature highlights the lack of scientific evidence of sustainable reductions of harm, public disorder and violence and that the "research neglect reflects and reinforces a policy environment characterised by 'feel good' strategies that have little basis in a scientific understanding of the problem"³. For example, reshaping consumer demand for alcohol is too often dismissed as being "too hard" while supply control solutions such a reduction in trading hours, glass bans and lockouts are implemented without any real evidence or on-going evaluation to determine their effectiveness.

Because alcohol related harm is a complex multi-faceted issue, we know that no one solution or measure will address the issue. Diageo believes that a comprehensive approach is needed. Such an approach should include:

- Consistent enforcement of current laws that hold both patrons and licensees accountable for their behaviour
- Appropriate training and tools for licensees and hospitality workers
- Improved community engagement through measures such as Liquor Accords
- Increased effort to drive social change in the drinking culture through public information and social marketing
- Shared and transparent evaluation data and information
- On going community and industry consultation

We recognise that many of the harm minimisation measures listed in the issues paper are already being implemented in Queensland. Indeed, the liquor industry in Queensland has undergone significant trading and regulatory reforms in recent years. In 2009 alone, reforms included the introduction of mandatory RSA and /or RMLV training for all licensees and retailers, and the introduction of annual liquor license administration fees.

We believe that any new reform needs time to bed down. We also recommend that the Committee propose a review of the raft of measures already in place to determine the effectiveness of such measures in minimising harm. For example, we are aware that the post 3am lockouts, introduced as a trial in entertainment precincts in 2005, and then across the entire state in 2006, has not been evaluated while the Victorian Government has abandoned lockouts following an independent evaluation by KPMG⁴.

Furthermore, the Committee should consider the extent to which existing legislation and regulation is being enforced at a licensee level and at a patron level. This is the first logical step to address harms. Further interventions or regulations may only serve to constrain the responsible majority while the irresponsible minority continue to operate outside the law. Current penalties for consumers or patrons include a maximum \$2,500

¹ The RHI guide can be found at www.rhiresource.org/guide/index.html

² DrinkWise Australia is an evidence-based organisation funded by the alcohol industry and focused on social change in Australia's drinking culture. Diageo is a contributing member of DrinkWise.

³ Sustaining a Reduction of Alcohol-Related Harms in the Licensed Environment (March 2009): Dr Gillian McIlwain & Prof Ross Homel, Griffith University, Brisbane, Australia

⁴ KPMG research, 2008, commissioned by Consumer Affairs, Victoria

fine and an on-the-spot fine of \$250, however, we are not aware of examples where such penalties have been imposed upon individuals who have breached the law.

In looking to minimise alcohol related violence, we ask that the Committee isolate harm minimisation measures that are proven to tackle this specific objective. We note that some of the "best practice" harm minimisation measures are not specifically focused on reducing social harm but look to address other issues such as health harms or excessive consumption. It should not be assumed that consumption levels are directly linked to violence and therefore tackling one will automatically lead to a reduction in the other. We believe that if Government is committed to reducing violence then any Committee recommendation should identify clear KPIs against this objective and track the impact of harm minimisation measures (current and future).

Non-glass receptacles

As stated above, we support measures that are targeted, evidence based and proportional, which do not penalise the majority of drinkers who sensibly enjoy a drink without causing harm to themselves or those around them.

We share the community's concern about violence in general. Personal assault of any kind is against the law. We support harsh penalties for individuals who breach the law by inflicting harm with a glass. Ultimately, we want our consumers to enjoy our premium brands in a safe and secure environment.

Recent research conducted by Griffith University on behalf of the Queensland Government shows that such assaults are rare and random; "most altercations do not involve a glass and are little more than pushing and shoving".

We believe that Government should look to support venues to provide quality experiences for consumers and work with individual licensees to assess and address patron risks. Where real evidence of risk or harm exists, Diageo is committed to working with our customers (licensees) to replace our glass products and replace them with non-glass formats.

However, where there is no justification for removing glass, there is no rationale for penalising consumers, licensees and producers. As a premium beverage alcohol producer, we invest considerably in building our brand trademarks such as Bundaberg Rum® and Johnnie Walker® Scotch whisky. We do this by investing in the packaging and promotion of our brands, which in turn allows us, and our customers, to set higher margins for our beverage alcohol products.

Using glass RTD or serving spirits and mixers in a glass is part of this premium brand positioning to consumers. Glass bottles are always seen as more premium whereas cans are more suitable for more casual off-premise occasions. Therefore moving away from glass has the potential to de-value our brands' equity but may also lead consumers and customers away from more expensive premium products towards other cheaper, less premium products.

We therefore ask that Government focus on minimising harm caused by glass or other violent assaults in a targeted manner, focusing on the individual offender in the first instance, and working with specific venues to assess and address patron risk.

Responsible production and marketing

The issues paper sets out a number of "best practice" harm minimisation measures relating to products and marketing. These are:

- Reducing the availability of full-strength products at certain venues and events
- Reducing the alcoholic content of beverages
- Limiting promotions that encourage irresponsible consumption
- Restrictions on advertising

If marketed, sold, served and consumed responsibly, any beverage alcohol product is safe. To achieve this we believe it is essential that those marketing, selling, serving and consuming these products follow both the letter and spirit of the relevant licensing and other laws. Individuals or organisations failing to meet their responsibilities in this regard should expect to be, and should be, subject to the full force of the law.

We do not support restrictions on product strength to deal with alcohol related harms. We believe that ensuring compliance with all licensing and other laws should be the default action in setting out conditions for the marketing, sale, service or consumption of beverage alcohol products. Only once these obligations have been fulfilled by those concerned, should restrictions on the freedom to consume by those legally entitled to do so, be considered. All steps should be first taken to ensure compliance by marketers, sellers, servers and consumers of beverage alcohol products, before consideration is given to restricting the convenience or freedom of the overwhelming majority of responsible consumers.

Product restrictions offer quick fix, low cost solutions but there is no research or evidence to show that they create any enduring change in consumption levels or in harms. Where restrictions product strength have been introduced, these have generally been limited to one type of product or category which has created substituted into other products or categories of equal or higher strength. Our view is that "alcohol is alcohol" regardless of whether it has been brewed, fermented or distilled. Indeed, there is no real evidence to show that one product or product type is misused or causes harm. The reality is that while the majority of consumers drink responsibly and in moderation, there are a minority who "drink to get drunk" and where specific products have been restricted or taxed at a high rate, these consumers shift their consumption to other products. At the same time, the responsible majority of moderate consumers are unable to enjoy a full strength drink or access their preferred product because of an irresponsible minority.

Diageo is fully committed to effective self-regulation of advertising and promotional activities. We ensure that all our activities adhere to the letter and spirit of state and national codes of practice for beverage alcohol brands. Our marketing code is also recognised as best practice and covers all marketing and promotional activity including events, sampling, in-venue promotions, merchandising, advertising and public relations. We do not support or condone any promotions on our brands that promote irresponsible consumption or target people under legal purchase age.

Briefly, the Diageo Marketing Code requires that our promotional material does not:

- target or primarily appeal to those under the legal purchase age for alcohol, in content or placement;
- depict or condone excessive or irresponsible consumption;
- present abstinence negatively;
- cause offence or suggest association with violent, anti-social or illegal activities;
- place undue emphasis on high alcohol content;
- imply that alcohol may be medicinal or a health product;
- depict activities or locations where drinking would be unsafe or unwise, such as driving or operating heavy machinery; or
- suggest that alcohol enhances sexual attractiveness or is necessary for social or sexual success.

We are also committed to supporting responsible service and consumption through a number of voluntary initiatives including the standard drinks symbol, which Diageo introduced in 2003 and which has subsequently been adopted across the alcohol industry. We also have a standard drinks policy where we offer a range of single serve beverage alcohol products ranging from one to two standard drinks. As part of this voluntary commitment, all single serve vessels are limited to two standard drinks or

lower. We believe these measures support individuals to make responsible choices for themselves.

Personal responsibility, parental responsibility and social change

Diageo fully supports and invests behind initiatives which promote individuals taking responsibility for their own consumption and behaviours. We use our consumer marketing expertise and resources to create initiatives that equip, inform or motivate individuals to take personal control of their own consumption. We also evaluate any responsible drinking programme to understand the impact on drinkers.

In Australia, we run a number of programmes including our interactive DRINKiQ programme which highlights the importance of responsible drinking for individuals through engaging discussion on alcohol consumption and its effects. Delivered to customers, sporting groups, other industry members and 22,000 Diageo employees globally, the programme raises awareness of the impact of alcohol, participants' personal responsibility, standard drinks and strategies to ensure a safe night out. Bundaberg Rum's Fine Form campaign which is activated through stadiums and sporting events reminds consumers to stay in control. We provide our branded Smart Shout water for free to consumers where possible at events and on premise venues, helping consumers remain hydrated, and making water an acceptable part of any drinking occasion.

Diageo recently signed up to a voluntary decision by the Distilled Spirits Industry Council to introduce responsible drinking message - *"Is Your Drinking Harming Yourself or Others?"* - across all our packaging. On behalf of DSICA, Diageo conducted focus group research with a cross-section of male and female adults aged from 18 years to 65 years. This message among a range of other possible responsible drinking messages in the areas of health, safety, responsibility and moderation were shared with the groups. The key areas that resonated most with respondents were being socially aware, being safe and influencing others.

The research indicated that *"Is Your Drinking Harming Yourself or Others?"* had the most relevance as it encouraged people to think about how irresponsible drinking affects not only themselves but also those around them. Such findings indicate that social harm is a relevant issue for individuals regardless of their age, and that a message around public safety and good behaviour would resonate with the community. The research also indicated that the more extreme, hard-hitting messages were seen to be less impactful amongst younger people, who indicated they would ignore these messages.

We also invest behind DrinkWise Australia, which is an evidence-based organisation solely focused on driving cultural change amongst Australians. The organisation places significant emphasis on evaluating campaigns and to date has strong evidence to show that social change programmes are effective in change attitudes and behaviours. DrinkWise Australia has invested Queensland-based initiatives such as Parents 5-point plan, launched in conjunction with Brisbane City Council, "Putting Youth in the Picture" across 100+ Queensland schools, and research at Griffith University. Government may consider consulting DrinkWise to help inform programme development and evaluation.

Diageo engages in a range of programmes aimed at under-18s in the UK and other markets. In Australia, we focus our investment in DrinkWise Australia which has done some significant and ground breaking research into understanding adolescent drinking patterns and the role of parents. As a result, DrinkWise Australia has extensive information into the parental role of managing adolescent drinking and promoting responsible attitudes. Qualitative research found that:

- Many parents of 'pre-teens' are looking for assistance to communicate their apprehensions around their child's initiation to alcohol at an early age;
- Many parents are less sure of how influential they are in shaping and guiding their children's decisions and as such, are looking for advice (and solutions) to how they should introduce alcohol to their children;

- Over half, 51%, of all parents indicated that they have insufficient tools, knowledge and support to be able to influence their child's attitudes and behaviors towards alcohol;
- Parents are the most common source of alcohol supply with 37% of students aged 12 to 17 indicating that their parents had given them their last drink.

Full research findings are available at:

<http://www.drinkwise.com.au/CMSPages/GetFile.aspx?guid=8767de9f-91c9-46b4-91cc-384f579c4651>

In August, DrinkWise launched a national campaign based on insights from this research. It focuses on helping Australian parents delay the age at which their teens first drink alcohol, with the science now certain that alcohol is not safe for the developing brain.

For our own part, we remain committed to developing products and marketing activities that appeal to adults. We would also welcome the opportunity to work with interested groups to minimize underage access to alcohol.

Conclusion

In conclusion, Diageo Australia fully supports Queensland Government's interest in on harm minimisation measures that reduce violence in the community. We believe that no one single solution exists and we welcome any opportunity to consult or partner with Government to minimise harm and promote responsible drinking.

We know that the majority of Australian's enjoy alcohol responsibly and in moderation. Therefore any response needs to be evidence based, targeted and proportional, and fairly reflect the responsibility of individuals, parents, industry, regulators and other stakeholders.

We believe this inquiry presents a real opportunity to review existing policies and legislation to understand the extent to which current laws and regulations are being enforced and to evaluate the effectiveness of existing measures in reducing violent harm.

We support an increased focus on promoting a responsible drinking and behaviours through social change campaigns and education. Once again, we have significant experience and expertise in communicating with consumers. We have outlined our views and shared examples of our work in this area. We would be pleased to be consulted as this review progresses, and would welcome the opportunity to participate or contribute further.

Ailish Hanley

External Relations & Public Policy Manager
Corporate Relations

Diageo Australia
Level 8, 55 Grafton Street
Bondi Junction, NSW 2022

About Diageo

Diageo is the world's leading premium drinks business with an outstanding collection of beverage alcohol brands including Bundaberg rum (Australia), Smirnoff vodka, Johnnie Walker Scotch whisky, Baileys Irish cream liqueur and Guinness beer.

Diageo is a global company, trading in more than 180 countries around the world. The company is listed on both the New York Stock Exchange (DEO) and the London Stock Exchange (DGE). For more information about Diageo, its people, brands, and performance, visit us at Diageo.com. For our global resource that promotes responsible drinking through the sharing of best practice tools, information and initiatives, visit DRINKiQ.com.

Celebrating life, every day, everywhere.