28 April 2020

Commissioner Dini Soulio
Consumer Affairs Commissioner
Licensing and Registration
GPO Box 2169
ADELAIDE SA 5001

Email: liquoarandgaming@sa.gov.au

Dear Commissioner Soulio,

RE: SUBMISSION TO OPPOSE FIVE APPLICATIONS FOR A LIQUOR PRODUCTION AND SALES LICENCE BY ALDI SUPERMARKETS IN SOUTH AUSTRALIA

This letter is a submission to oppose all applications by ALDI Supermarkets to obtain liquor production and sales licences in South Australia. We understand that, if approved, the current licensing applications will allow the sale of alcohol in ALDI supermarkets in the locations of Newton, Adelaide Airport, Aldinga, Hawthorn and Hayborough.

The PHAA strongly opposes the sale of alcohol in supermarkets in South Australia as this will increase the accessibility and availability of alcohol in the community, both in physical and economic terms.

PHAA supports the points raised in the submission by the South Australian Network of Drug and Alcohol Services on this matter. The following information describes the role of PHAA, demonstrates why PHAA opposes the application and how it will be inconsistent with, and contrary to, the objects of the Liquor Licensing Act 1997 (SA).

To summarise the position of PHAA, approval of these applications would undermine the intent captured within the South Australian Liquor Licensing Act for liquor production and sales licences. It is clear that approval of these applications would be a significant change in South Australia’s approach to liquor regulation. It will not only increase the availability of alcohol through the ALDI supermarket chain, but may also prompt other supermarket chains to follow suit with a commensurate increase of the availability of alcohol. We are concerned that the approval of these applications will set a dangerous precedent for the South Australian community and increase alcohol-related harms.

Introduction

The Public Health Association of Australia (PHAA) is recognised as the principal non-government organisation for public health in Australia working to promote the health and well-being of all Australians. It is the pre-eminent voice for the public’s health in Australia.

The PHAA works to ensure that the public’s health is improved through sustained and determined efforts of the Board, the National Office, the State and Territory Branches, the Special Interest Groups and members.
The efforts of the PHAA are enhanced by our vision for a healthy Australia and by engaging with like-minded stakeholders in order to build coalitions of interest that influence public opinion, the media, political parties and governments.

Health is a human right, a vital resource for everyday life, and key factor in sustainability. Health equity and inequity do not exist in isolation from the conditions that underpin people’s health. The health status of all people is impacted by the social, cultural, political, environmental and economic determinants of health. Specific focus on these determinants is necessary to reduce the unfair and unjust effects of conditions of living that cause poor health and disease. These determinants underpin the strategic direction of the Association.

All members of the Association are committed to better health outcomes based on these principles. PHAA is a national organisation comprising around 1900 individual members and representing over 40 professional groups.

Rationale for opposition

The PHAA understand that central to the South Australian Liquor Licensing Act 1997 (SA) (‘the Act’) is a focus on preventing and minimising the impact of alcohol harms in the SA community. Alcohol is a major cause of a substantial number of health and social problems, including crime, violence, traffic accidents, and other direct and indirect forms of social disruption. Its consequences are felt by users and many others in the community. The costs of alcohol to the community, from healthcare to law enforcement to a range of intangible costs, are substantial. We hold serious concern for those most vulnerable within our population and, in particular, the long-term harmful consequences that this application could impose on these populations. The PHAA believes that:

- alcohol is a commodity with the potential to cause great harm
- the ability to sell alcohol is a privilege, not a right
- the highest priority of the Liquor Licensing Act should be the minimisation of harm and ill-health due to the use of alcohol
- the protection of young people and vulnerable groups should be a priority of the Act.
- alcohol-related harms are entirely preventable; and
- limiting and ensuring appropriate availability of alcohol should be a prime consideration in any amendment to the Liquor Licensing Act.

It is the position of the PHAA¹ that appropriate controls on the physical and economical availability of alcohol are essential components of effectively preventing and reducing harm from alcohol.²

Alcohol-related harms in the South Australian community

Alcohol is responsible for 5.1% of the burden of disease in Australia³ and plays a role in more than 200 different chronic health problems including cardiovascular disease, cancers, diabetes, nutrition-related conditions, cirrhosis, and overweight and obesity.⁴

An estimated 5,785 Australians aged 15 years or older died of alcohol-attributable disease and injury in 2015, and hospitalisations attributable to alcohol exceeded 144,000 in 2012-13.⁵

¹ PHAA
² PHAA
³ PHAA
⁴ PHAA
⁵ PHAA
Data from the 2016 National Drug Strategy Household Survey indicates that over one third of South Australians (38.0%) had consumed alcohol on a single occasion at levels considered to be risky (i.e. consumed four or more drinks on one occasion), and 15.8% consumed alcohol at levels considered to be risky for lifetime harm (i.e. currently consumed more than two standard drinks per day, on average).

**Alcohol should not be sold in supermarkets**

The PHAA strongly opposes the sale of alcohol in supermarkets in South Australia as this will increase the accessibility and availability of alcohol in the community, both in physical and economic terms. Substantial evidence from Australia and elsewhere shows that increasing access and availability of alcohol leads to increased rates of alcohol related harm in the population. From a public health perspective, any moves to increase the availability of alcohol through supermarkets, or elsewhere, would be of great concern. The licensing of supermarkets to sell alcohol would be counterproductive in the South Australian context. We have similarly responded to this as a wider issue in detail in the PHAA SA submission to the 2013 Liquor Licensing Reform Consultation regarding the proposed sale of wine in supermarkets.

The application for ALDI to obtain liquor production and sales licences appears to be in clear and direct contravention to the intended use of this classification of licence. To our knowledge, ALDI is not a producer in the spirit of the Act – the category of licence within the Act was not designed to enable sale by supermarkets but rather by producers at cellar doors and related situations. When entering the SA market, ALDI did so with the clear knowledge that the state does not license supermarkets to sell alcohol, other than in a separate premise.

**Access and availability of alcohol**

The density of outlets selling alcohol is a common measure of availability. Australian and international evidence consistently shows increased density of licensed premises to be associated with higher rates of violence and traffic accidents, child abuse and neglect, and negative impacts on neighbourhood amenities and mental health. Increased outlet density leads to an increasingly competitive alcohol market-place, which may result in lower prices and hence increased ease of access to alcohol. In light of this evidence, it is difficult to see how allowing supermarket access to liquor production and sales licences would not stimulate higher demand for alcohol.

**Economic availability of alcohol**

The licensing of any supermarket will not only lead to increased physical availability but also economic availability. This is particularly true for ALDI which markets itself as offering the cheapest products. A report by the CHOICE consumer advocacy group has highlighted the significantly lower prices of goods sold by ALDI. This extends to extremely low prices of alcohol, with alcohol currently advertised for sale on ALDI’s website for as little as 25 cents per standard drink (ALDI’s Albertson’s Reserve Soft Dry Red Cask 4L [40 standard drinks] $9.99). The same CHOICE report also highlighted the potential for increased competition from ALDI to reduce the prices of other retailers, finding significantly lower average supermarket prices in states where ALDI has recently entered the market, such as South Australia.
There is strong evidence showing lower pricing to be associated with higher consumption and this is particularly the case for heavier drinkers and young people who are especially price sensitive.²⁴⁻³⁰

Exposure to alcohol by minors

Several sections within the Act aim to protect minors from exposure to the sale of alcohol. The sale of alcohol within supermarkets will inevitably result in increased exposure to the sale and promotion of alcohol as supermarkets are frequented by families and young people, and minors are also often employed within supermarkets. Increased exposure to alcohol and alcohol advertising is associated with increased consumption and alcohol-related harms.²⁴ Strong controls on the availability of and access to alcohol are an essential component of a comprehensive approach to the prevention of harm from alcohol.²,⁴,³¹

Conclusion

For the reasons stated above, PHAA opposes the granting of any licences to ALDI in relation to the sale of alcohol through its supermarkets.

For further information please contact Jacqueline Bowden Jacqueline.bowden@sahmri.com.

Yours sincerely,

Terry Slevin
Chief Executive Officer

Kate Kameniar
President, PHAA SA Branch
References


