

National Liquor News

Leaders Forum 2012 - Gordon Broderick, Executive Director DSICA

Each year starts with a new set of challenges; the nation's politics and economy are always changing.

The world's economic situation looks dire for 2012, and this is making trading conditions difficult for all sectors of the industry. Australian consumers have decided to be cautious in the face of the global uncertainty, and to save more and spend less. This is reflected in off-premise and on-premise sales so 2012 looks to be a difficult year commercially.

For heavily regulated industries like the alcohol industry, the other challenges we face are highly influenced by the question of what are the regulators and the political world going to want to do in terms of further restrictions on the alcohol industry.

The answer is always dominated by public opinion and the media's concerns about deep-rooted social problems such as crime, street violence, poor parenting, hedonistic or reckless teenage behaviours, etc. Sometimes or often alcohol abuse is involved, so these complex social problems become alcohol problems in the eyes of the regulators and journalists.

Hence, society's behavioural problems become our industry's problems. More regulations are called for, and clamp-downs suggested. The pressure builds for something to be done!

In reality, those types of issues are very complex social problems but governments have few effective or cheap ways to do anything about them. For example, what can a government – any government – realistically able to do about poor parenting skills creating the next generation of impulsive risk taking and disconnected youth?

However, governments have lots of regulations and existing means of controlling the alcohol industry, such as licensing hours and conditions, lock-outs, product bans, banned drinker registers, advertising restrictions, and taxes.

All too often, the state governments' respond to social problems and crimes through new regulations and guidelines, sometimes new fees and charges, because that response is all that those governments can put in place. These new requirements are almost always on the industry, very rarely on the public. But the public suffers in the end by being inconvenienced even more, or treated even more like children, and they pay as well through higher prices.

If Australians are changing how they drink for the worse, it is because of some very large social changes that took place over decades, for examples the changing role of women in the workforce, and both sexes are delaying marriage and becoming parents. The night-time economy did not spring up overnight.

The constantly increasing regulation, whilst ignoring those big social changes and the complex social problems, is simply becoming less and less effective. It is certainly more expensive.

DSICA published in late 2011 a new book - *Alcohol in Context* - on the social aspects of alcohol policy, as opposed to the economic aspects of taxation and prices.

We believe that the alcohol industry has to be involved in the public debates about how some very significant social changes are affecting how alcohol is used and abused, because otherwise, we – and the responsible drinkers - will be the scapegoats for all those problems.

Alcohol in Context is a first step in broadening the debate beyond simply what new regulations should be created or how far the existing restrictions increased.