



**Turning Point**  
Alcohol & Drug Centre

# The liberalisation of Victorian alcohol policy: Implications for alcohol-related harm

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# Background

- Following two decades of relatively stable liquor regulation in Victoria, a major review was commissioned by the state government in 1987
- Undertaken by economist John Nieuwenhuysen
  - Recommended sweeping reforms
- Government created of a new licensing authority to implement most recommendations, with a less judicial and less formal approach to regulation



# Liquor Control Act 1988

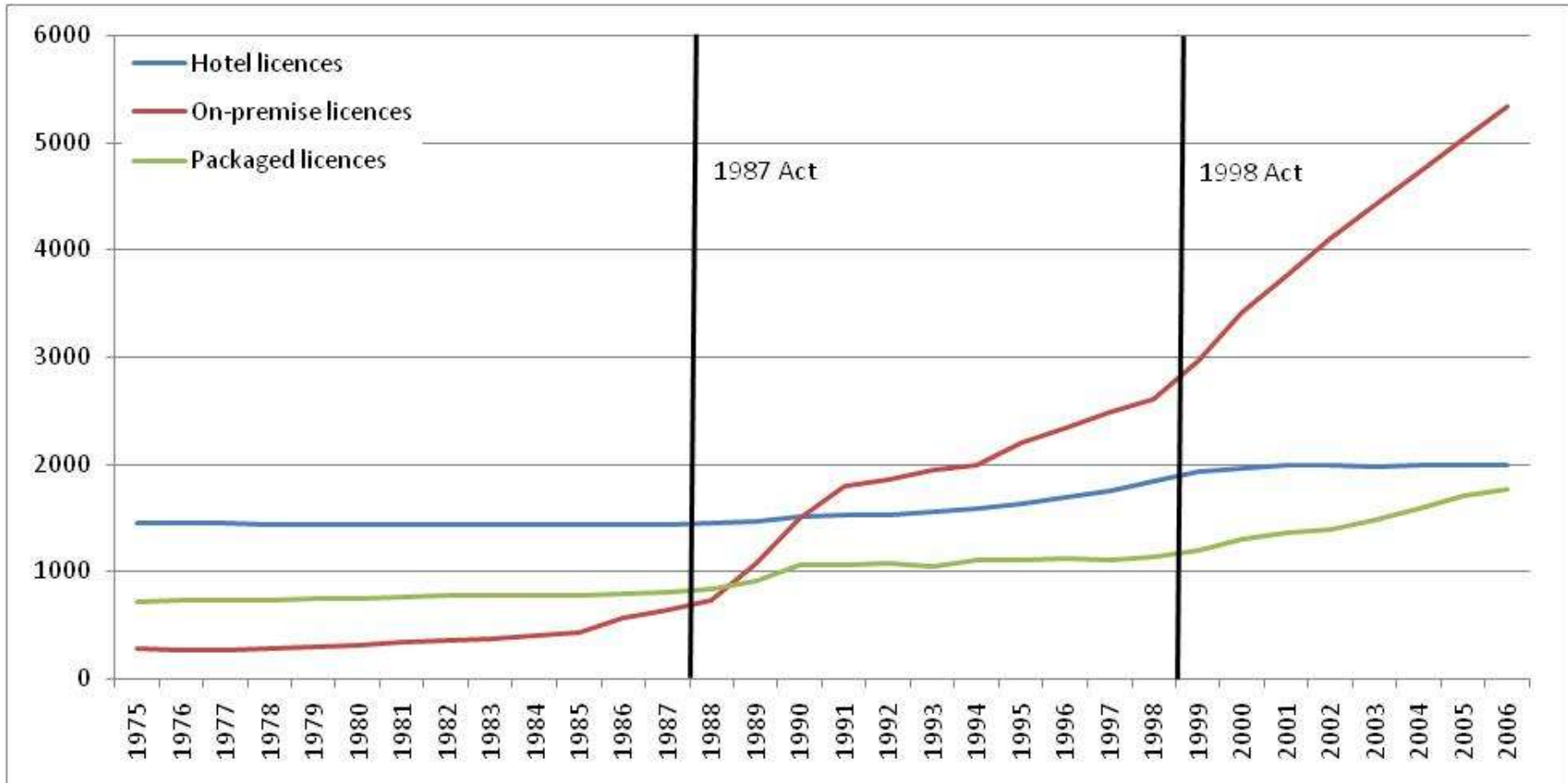
- Made getting a liquor licence relatively straightforward
- Relaxed regulations on trading hours, food service, ownership limits etc
  - Intended to introduce a European style drinking culture to Victoria
  - The effects of the changes to availability were more dramatic than even Nieuwenhuysen expected



# Liquor Control Reform Act, 1998

- New Act in 1998
  - Focussed largely on making Victoria compliant with National Competition Policy
    - E.g. Removal of 'need' criteria, lifting of 8% ownership restrictions
  - But also:
    - Loosening of restaurant restrictions (meaning 'on-premise' licences now include bars, nightclubs etc as well as restaurants)
    - Relaxation of trading hours regulation
    - Decline of licensing agency through bureaucratic hierarchy

# Effects of regulatory changes

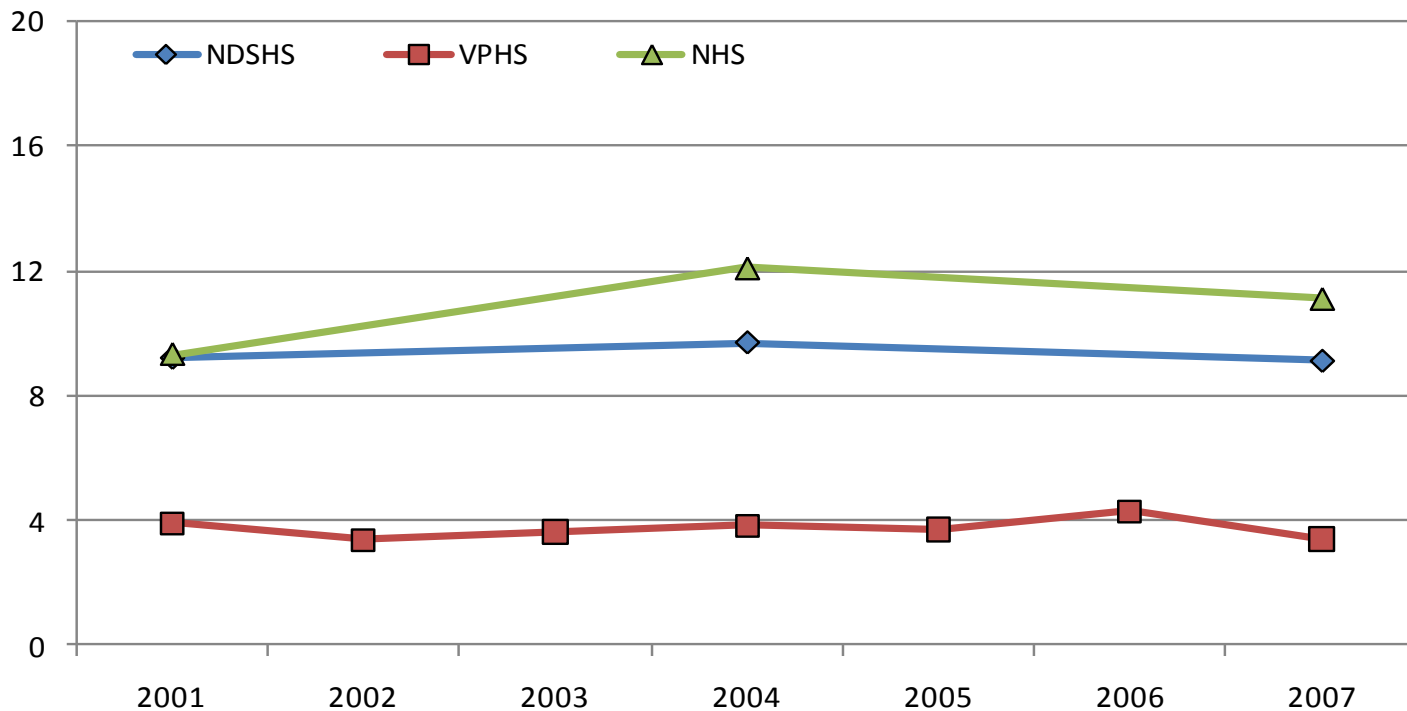


# The research literature on alcohol outlet density

- Links between outlet density and:
  - consumption and drinking patterns,
  - drink-driving and traffic accidents,
  - other injuries,
  - assault, homicide and other violent crimes,
  - child abuse and neglect,
  - sexually transmitted diseases,
  - drunkenness and neighbourhood disturbances, and
  - property damage and vandalism
- Most research from the late 1990s onwards, although some evidence existed as early as the late 1970s

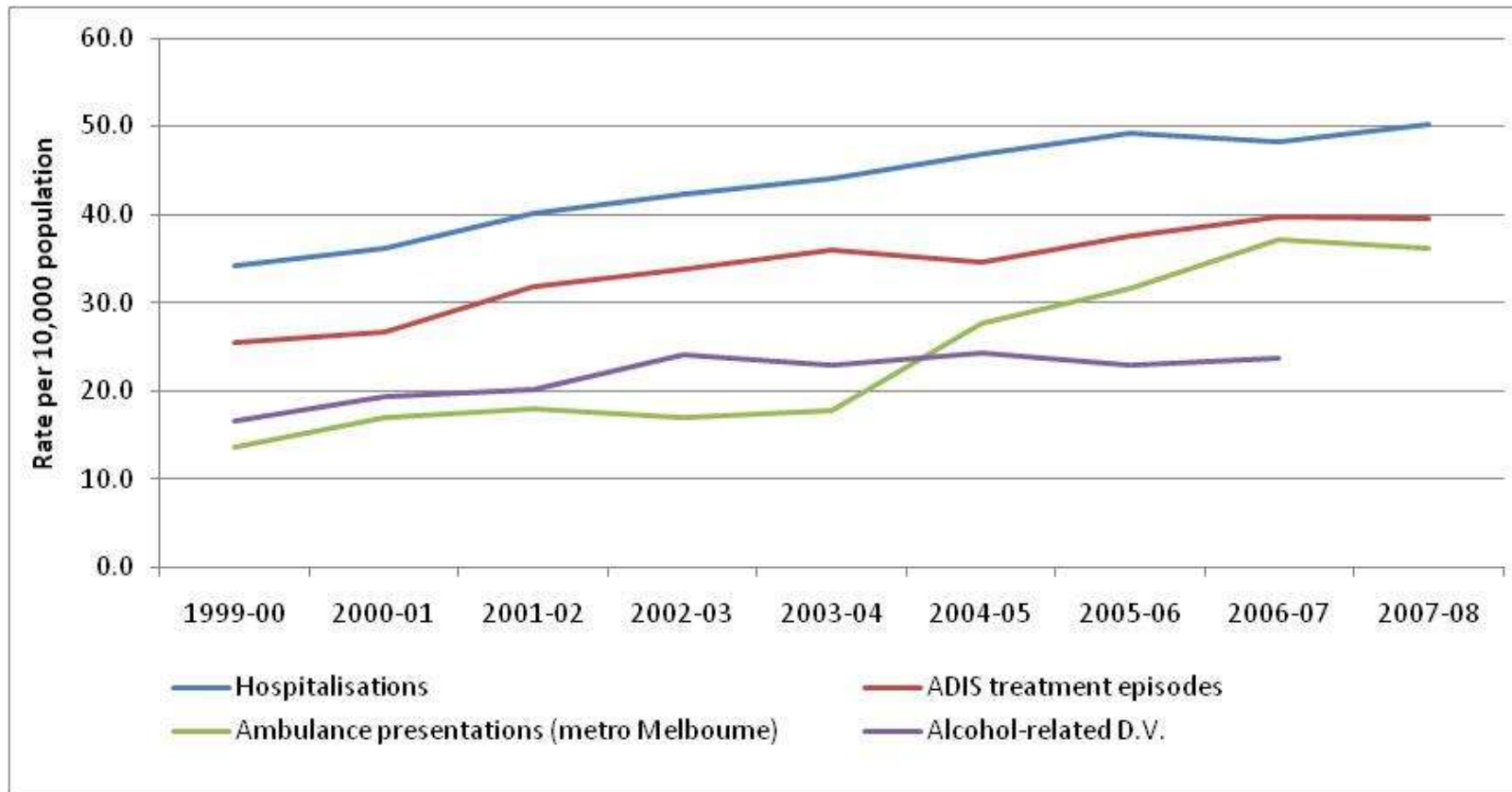
# Trends in consumption and harm

- Estimates of risky drinking rates from three Victorian survey samples



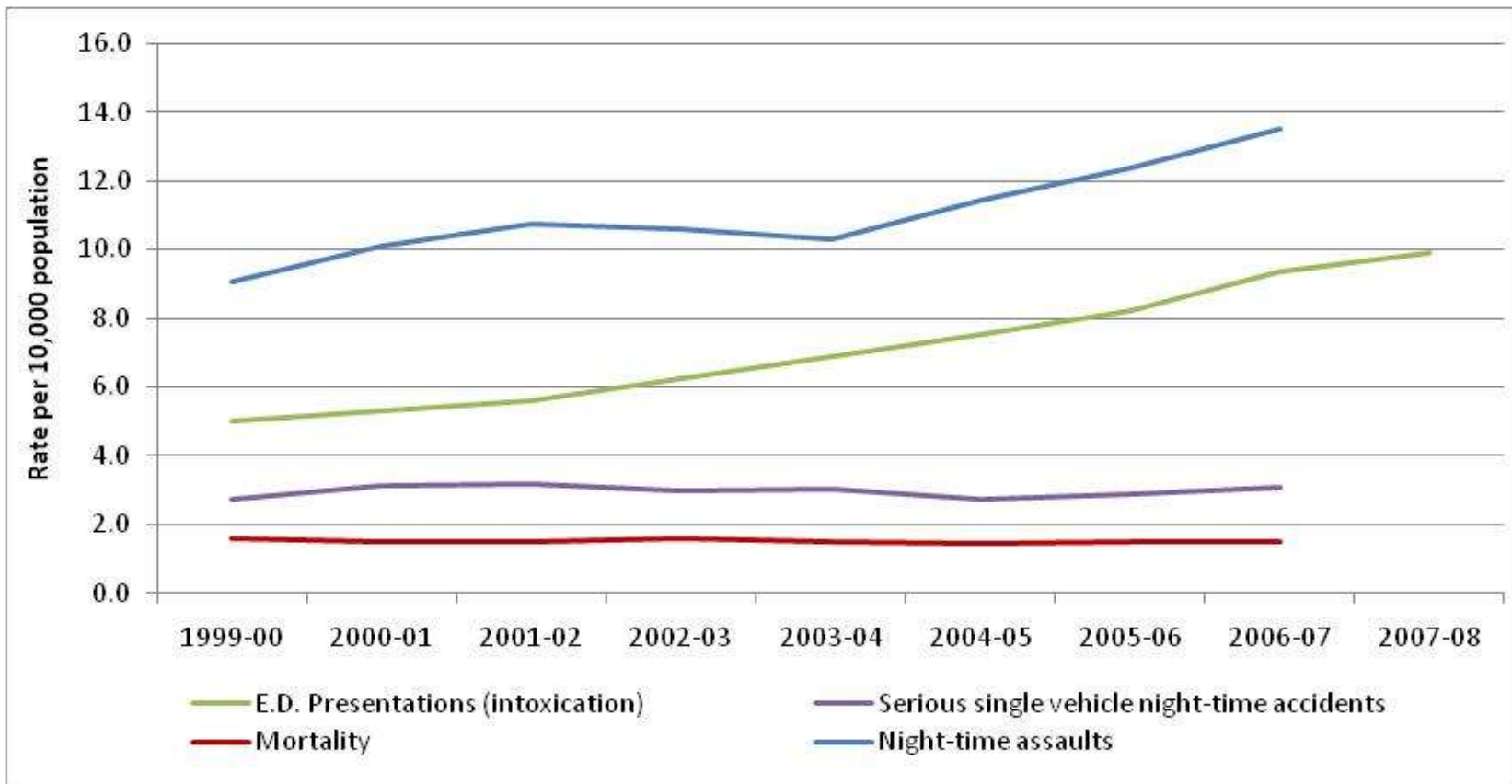
# Trends in consumption and harm

## ■ Alcohol-related harms #1



# Trends in consumption and harm

## ■ Alcohol-related harms #2





## Empirical studies

- Statewide trends are suggestive of impacts of substantial impacts from deregulation
- To provide evidence of causality, more rigorous analyses are required
  - Examine whether harm rates in small geographic areas (postcodes) vary along with changes in outlet density
- Licence density examined for on-premise, packaged and general licences

# Study 1 – longitudinal aggregate assault analysis

- Examined how changes in outlet density relate to changes in assaults over time at the postcode level
- Used fixed effects models to utilise the small number of time points (9 years) and large number of units (186 postcodes)
- Assault data provided by police based on location of offence

# Study 1 – longitudinal aggregate assault analysis

- Results suggest changes in all three licence types are related to changes in assaults
- Largest effect size for general (hotel) licence density
- These relationships were examined for subsets of postcodes (e.g. Inner-city, disadvantaged suburban), with notable variation in effects

# Study 1 – longitudinal aggregate assault analysis

- General licences positively related to violence in all suburb types except for disadvantaged suburban areas
  - Particularly problematic in central suburbs
- Packaged licences positively related to violence in advantaged and disadvantaged suburban areas
  - No effects in other areas
- On-premise licences positively related to violence in inner-urban and suburban areas



## Study 1 – Conclusions

- Changes in the number of alcohol outlets across Melbourne in the last decade are related to changes in the number of assaults
- This relationship is particularly strong in the central suburbs, with large numbers of pre-existing alcohol outlets, suggesting some form of 'saturation'

# Study 2 – longitudinal domestic violence analyses

- Similar study to the previous analysis, but focussed on domestic violence rather than assault
- A small amount of previous research provides mixed evidence on whether outlet density is related to domestic violence
- Socio-economic disadvantage has been consistently shown to be related to domestic violence, so studies of outlet effects need to control for it carefully

# Study 2 – longitudinal domestic violence analyses

- Longitudinal results:
  - Over time, general and packaged liquor licence density are positively related to domestic violence rates
  - Packaged liquor has the largest effect size when licence types are examined separately

# Study 2 – longitudinal domestic violence analyses

- Conclusions
  - Reasonable evidence that alcohol outlet density is related to rates of domestic violence at the postcode level in Melbourne
  - This relationship persists when socio-economic disadvantage is controlled for
  - Packaged liquor appears to be particularly problematic



## Overall conclusions

- Deregulation of liquor licensing through the 1980s and 1990s has resulted in a substantial increase in alcohol availability
- These increases have occurred concurrently with substantial increases in state-wide harm
- Specific studies have demonstrated links between alcohol outlet density and violence in Victoria in the last decade.



## Overall conclusions

- The studies presented provide good evidence that unrestricted growth in availability is problematic
- But: the mechanisms of the effects found are unclear



# Discussion

- Little data on changes in alcohol consumption at local or state levels in Victoria, but sparse evidence suggests little change in overall levels of consumption.
- Do the changes in licensed premise numbers alter when/how people drink without changing how much they drink?
- Does high outlet density produce more harm for the same amount of drinking?
  - Makes some sense for public assaults, but less for domestic violence



## Policy implications

- Despite uncertainty about precise mechanisms, there is growing evidence (locally and internationally) that outlet density and alcohol-related harms are strongly linked
- Policies focussing on freeing up the alcohol market have been implemented in many states and countries with little consideration to public health outcomes
- The Victorian government is slowly stepping back from complete liberalisation
  - Lesson for other states looking to follow Victoria's path



# Acknowledgements



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