

# The high cost of cheap alcohol

Australia needs a minimum unit price on alcohol in all states and territories



## Alcohol should not be cheaper than water

The Royal Australasian College of Physicians calls on Australian governments to urgently introduce a minimum unit price on alcohol. **A higher price on the cheapest and strongest drinks will result in a decrease in harmful consumption of alcohol.**

## Alcohol is harming Australians

Alcohol is one of the most harmful drugs in Australia when prevalence of use, harm to the user and harm to others are accounted for. Yet over a quarter of Australians consume alcohol at damaging levels at least once a month.

Alcohol use is the sixth leading contributor to disease, making up 4.5 per cent of the total disease burden.

Alcohol is a factor in over 30 diseases and injuries:

- alcohol use disorders
- eight types of cancer
- chronic liver disease
- coronary heart disease, and
- 12 types of injuries (e.g. road traffic injuries, suicide and self-inflicted injuries).

## What is minimum unit pricing on alcohol?

Minimum unit pricing (MUP) sets a floor price for a defined unit of alcohol. A unit cannot be sold for less than the minimum price as set by the State or Territory.

The goal of MUP is to make stronger drinks more expensive. The policy mostly targets drinks that are

available at unacceptably low prices, taking into consideration the impact drinks with high alcohol content may have on drinkers, their families and the community.



**One  
in six  
Australians**

consume alcohol at levels placing them at lifetime risk of an alcohol-related disease or injury.



**24 per cent  
of Australians  
over 14 years old**

have been a victim of an alcohol-related incident.



**35 per cent  
of all substance-  
related treatment  
episodes**

are related to alcohol, making it the most commonly treated drug in Australia.

## The effects of minimum unit pricing

Alcohol is economically similar to other commodities – the volume of alcohol sold decreases with a higher price. Increasing the price of alcoholic beverages is an effective intervention to reduce alcohol misuse and related harm. Evidence from modelling and observational studies shows that MUP can protect health and save lives.

MUP has a bigger impact on harmful drinkers, i.e. people who regularly drink more than

recommended by the Australian Government guidelines. It has a marginal effect on moderate drinkers because they tend not to buy the cheapest alcohol that maximises their drinking.

The biggest beneficiary of MUP is the community because of improved health and wellbeing and reduced crime. Modelling shows that MUP also saves money on healthcare and welfare services and cuts back on crime and policing costs.

## MUP in practice: the Northern Territory

In the NT, the **MUP of \$1.30** per a standard drink applies to all retail sales of alcohol, including those from take-away outlets and licensed premises such as pubs, clubs and bars. A standard drink contains 10 grams of alcohol.

One standard  
drink



## Minimum unit pricing works

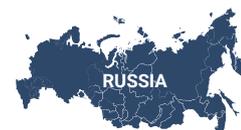


After the first 12 months of MUP in the NT, an independent evaluation reported a clear decrease in the number of alcohol-related assaults and emergency department presentations. **In light of these results, the NT Government has committed to retain the MUP.**



**The MUP in Scotland cut alcohol consumption at the same time it was increasing among its neighbours in England.**

The biggest decline occurred among the heaviest drinkers.



**The World Health Organisation recognised MUP as key to Russia's drastic reduction in alcohol consumption** and the attainment of a historic peak life expectancy in 2018.

“ Alcohol products should not be cheaper than water. If we want Australian children and families to have the best protection from the potentially devastating impacts of alcohol use, we need effective regulation via pricing now. ”

– Dr Richard Budd, Chair, NT Regional Committee



## Minimum unit pricing reduces health inequalities

MUP is a way of ensuring that alcohol is sold at an appropriate price in light of its widespread harmful effects on society.

The policy is designed to target heavy drinkers. Over 3.8 million Australians consume more than four standard alcoholic drinks a day. 20 per cent of Australians are consuming 75% of all the alcohol – these users are targeted by the alcohol industry as ‘super consumers’.

Since heavy drinkers of alcohol and young people are sensitive to changes in the price of alcohol, MUP can be used to:

- cut rates of underage alcohol consumption
- reduce both regular consumption of large volumes of alcohol and episodic binges, and
- encourage safer consumer choices.

The small increase in the cost of alcohol that might affect moderate drinkers must be seen in the context of the total health, social and economic costs of excessive alcohol use.

Minimum unit pricing preserves consumer choice while promoting healthier options.

Under MUP, alcohol will remain widely accessible in Australia and adults will remain free to make their own choices. The idea is to reduce the hazardous levels of use by the heaviest consumers and support healthier choices for all users.

Excessive intake of alcohol causes harm, and the likelihood of harm increases with the amount of alcohol consumed. MUP promotes harm minimisation, not prohibition.

For references and more information on MUP, see the relevant heading on the RACP alcohol policy website