



21 February 2013

Executive Officer  
Liquor Act Review Committee  
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Dear Madam / Sirs

**Re: Review of the *Liquor Control Act 1988***

We note with interest that the Minister for Racing and Gaming, the Hon. Terry Waldron MLA has appointed a committee to review the *Liquor Control Act 1988*. Campari Australia Pty Ltd welcomes the opportunity to respond to this review.

Introduction

Campari Australia Pty Ltd ("Campari Australia") is one of the Top 10 Liquor Companies in Australia.

We care about how our products are produced, marketed, retailed and consumed – and believe that they should only be enjoyed responsibly by informed adults. We support any initiative that genuinely seeks to prevent and/or minimise any harm caused by alcohol misuse.

We have a keen interest in the Western Australian review of the *Liquor Control Act 1988*, in particular the advertising and marketing of liquor products.

Background

Campari Australia Pty Ltd is a wholly owned subsidiary of Davide Campari-Milano S.p.A., together with its affiliates ("Gruppo Campari").

Gruppo Campari is a major player in the global beverage sector, trading in over 190 nations around the world with leading positions in Europe and the Americas. The Group was founded in 1860 and today is the sixth-largest player worldwide in the premium spirits industry, employing more than 4,000 people globally. The Group's portfolio, with over 50 brands, spans spirits, the core business, wine and soft drinks. Internationally-renowned brands include Aperol, Appleton, Campari, Cinzano, SKYY Vodka and Wild Turkey Bourbon.

Gruppo Campari opened its first Australian office in 2010. Today, Campari Australia has five offices across Australia and New Zealand, distributes 17 brands, employs more than 100 people and, in 2012, entered the Top 10 Liquor Companies in Australia.

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### Company Position

Campari Australia is committed to being a responsible producer, distributor and marketer of alcohol beverages and supports any initiative that genuinely seeks to prevent and/or minimise any harm caused by alcohol misuse.

These commitments guide Campari Australia policies around the Responsible Sale and Marketing of our products.

### The appropriateness of the objects of the Act

We wish to clearly state our full support for any measures that encourage the responsible sale, service and supply of alcohol; encourage the responsible consumption of alcohol; and, balance the requirements of consumers for liquor and related services with minimising harm or ill-health caused to people or any group of people, due to the use of liquor.

We have one key area under the Terms of Reference of the review – being, the advertising and marketing of liquor products - which we wish to provide further comment. Our comments follow.

### The advertising and marketing of liquor products

Campari markets its products for three legitimate commercial reasons – to enhance brand loyalty, encourage switching from a competitor product and/or to build new brands. When developed and implemented appropriately and in conformity to all relevant laws, regulations, guidelines, codes and standards, we do not believe advertising and marketing undermine our shared goal of promoting a balanced and moderate drinking culture. Marketing can also have a broader positive impact in maximising consumer choice and promoting competition.

The key point from our perspective is that marketing activities must conform to licensing and advertising / promotion laws and responsible service of alcohol principles. The form of marketing is, in our view, less important than its substance and whether it supports or undermines a responsible drinking culture.

As a starting principle, it must be noted that we consider that the current Western Australian *Liquor Promotions Policy* coupled with the existing national self-regulatory models for advertising and marketing is effective and working well. We are not aware of any reputable evidence that suggest the existing regulatory systems have failed to deliver their objectives. We believe that the current system already meets the broad policy objectives outlined in the Act.

Unfortunately alcohol policy often attracts emotive arguments from those with strong points of view. Such arguments are often made without regard to scientifically-based evidence. Calls by anti-alcohol lobby groups for extreme restriction on alcohol-related marketing are prime examples, and are often upheld as a solution for alcohol misuse across society. However, the reasoning behind this position simply does not stand up to examination.

It seems many people fundamentally misunderstand the role of advertising and marketing. Uninformed critics may suggest that alcohol advertising and marketing create a market-wide demand increase, however long-term worldwide consumption data, which is trending downwards despite these activities, clearly refute this.

## Key Facts and Issues

### **Evidence around alcohol advertising and marketing and drinking patterns is inconclusive.**

- Advertising and marketing have not been shown to increase aggregate consumption by adults or young people.
- A causal link has not been established between alcohol advertising and marketing and harmful or excessive drinking patterns and resulting problems.
- Advertising and marketing of alcohol has a measurable effect on market share for particular brands and substitution between brands.

### **Particular attention has been paid to the relationship between marketing and alcohol consumption by young people.**

- Evidence shows that parental and peer influences are the most powerful factors in shaping beliefs and attitudes among young people.
- There is little correlation between advertising and drinking patterns and rates of abuse among young people.
- Drinking is one of a number of risk-taking behaviours by young people.

### **Self-regulation is an active process in which an industry is responsible for monitoring and enforcing its own conduct around the marketing of its products.**

- Codes of conduct around advertising and marketing have been developed by individual producers of alcohol, industry associations and advertising standards bodies around the world.
- Codes include provisions against risky drinking patterns, targeting of minors, implications of enhanced social, physical or sexual ability, as well as other areas.
- Effective self-regulation requires:
  - The existence of strict standards;
  - Compliance with these standards;
  - A mechanism for applying standards and ensuring compliance;
  - A mechanism for enforcement
- The self-regulatory system in Australia, developed, monitored and managed by the Australian Association of National Advertisers (AANA) and the Alcohol Beverage Advertising Code (ABAC) Scheme, meets the requirements for effective self-regulation.

## Conclusion

Australia is a mature and responsible society where the majority of people enjoy alcohol responsibly, giving rise to a range of economic and social benefits. But Australia is not alone in that there is a small minority who misuse and abuse alcohol, often deliberately, and impose costs and consequences on others. However, this need not lead to a situation where the irresponsible behaviour of a small few imposes restrictions on the vast majority.

Campari Australia is committed to promoting a culture of responsible and moderate drinking, and works proactively with key stakeholders including those in government, the community and industry to this end. Along with abiding by the Western Australian *Industry Guide – Responsible Promotion of Liquor for Consumption On Premises Policy*, we apply a stringent set of internal protocols to all of our advertising, promotional and sponsorship initiatives to ensure that these activities are consistent with a responsible approach to drinking. We also comply with both the AANA and ABAC codes, and take our obligations to comply with licensing regulations extremely seriously.

To ensure a consistently viable and ongoing business in Australia, the opportunity to continue to advertise and market our products is vital.

We look forward to working with stakeholders in Western Australia to support the twin and complementary aims of promoting a vibrant industry and a culture of moderate and responsible drinking and would welcome the opportunity to participate in any working groups to this end.

Yours sincerely



Clause 3(1)