



Submission to the Education and Health Standing Committee

Healthway (the Western Australian Health Promotion Foundation) has been invited to present to the *Education and Health Standing Committee* who are conducting an **Inquiry into the Adequacy and Appropriateness of Prevention and Treatment Services for Alcohol and Illicit Drug Problems in Western Australia.**

Healthway is invited to give evidence in response to term of reference (2) about the broad social costs to Western Australia of the consumption of alcohol and the associated drinking culture. In particular, the committee is interested in the use of sponsorship as a strategy for reducing harm from alcohol within the community and the related issue of alcohol company sponsorship of community activities and events.

Overview of Healthway

Healthway (the Western Australian Health Promotion Foundation) seeks to promote and support healthy lifestyles to reduce the burden of preventable disease in Western Australia.

Healthway was established in 1991 under S15 of the *Tobacco Control Act 1990* as an independent statutory body reporting to the Minister for Health. Healthway now functions under Part 5 of the *Tobacco Products Control Act 2006*.

Healthway provides sponsorship to sports, arts, and racing organisations to promote healthy messages, facilitate healthy environments and to increase participation in healthy activities. Healthway also provides grants to a diverse array of organisations to encourage healthy lifestyles and advance health promotion programs.

The current priorities for Healthway are reducing harm from tobacco, reducing harm from alcohol, reducing obesity and promoting good mental health.

Alcohol and health

Alcohol is one of the most widely used mood-altering, recreational drugs in Australia. In 2007 one in ten adults consumed alcohol at levels considered to be harmful in the long term (more than 4 standard drinks per day for men and more than 2 standard drinks per day for women), and one in five consumed alcohol at least monthly at levels considered to be harmful in the short term (more than 6 standard drinks per occasion for males and more than 4 standard drinks per occasion for females).¹ New national alcohol guidelines published in 2009 introduced the concept of a progressively increasing risk with the amount consumed and recommended that both men and women should consume no more than two standard drinks on any day in order to reduce the lifetime risk of harm from alcohol-related disease or injury.²

Between 1991-2 and 2000-01, Western Australia was the only state in Australia to show an overall increase in per capita alcohol consumption.³ WA also had the second highest consumption at levels associated with short and long-term harm in 2001, with 24% and 11% of the population aged 14 years and over drinking above low risk levels at least once a month, respectively, compared with 20.5% and 9.9% nationally.³

Globally, alcohol accounts for 3.2% of deaths (1.8 million annually) and 4.0% (58.3 million) of Disability Adjusted Life Years.⁴ Alcohol is implicated in more than 60 types of disease and injury, including a number of cancers, cirrhosis of the liver, homicide, epileptic seizures and motor vehicle accidents.⁴

Alcohol is also associated with social problems such as crime, assaults, road trauma, domestic violence, family disruption and property damage. The costs of alcohol to Australian society were estimated to be more than \$15 million in 2004/05.⁵ These costs do not just impact on the individual drinker – family members and the broader community are impacted by another's drinking problems. In 2001, alcohol was implicated in 65,000 hospital admissions in Australia.⁶ In WA, 46,744 hospitalisations and 2,125 deaths between 2000 and 2004 were due to alcohol consumption.⁷

Sponsorship as a strategy to promote health

Sponsorship has been a key feature of the Healthway business model since 1991.

The objectives of the Healthway sponsorship program are:

- To encourage healthy lifestyles through the effective promotion of health messages relating to Healthway priority areas;
- To facilitate structural and policy change within organisations and venues to create healthy environments;
- To facilitate opportunities for priority population groups to participate in healthy activities, with either physical activity and/or social engagement benefits; and
- To reduce the promotion of unhealthy messages or brands which are inconsistent with Healthway priority areas.

Independent evaluation of the Healthway sponsorship program has demonstrated the effectiveness of sponsorship as a strategy to achieve high levels of awareness and comprehension of health messages promoted through sponsored events. Evaluation has also confirmed that health sponsorship can lead to self-reported behaviour change.^{8,9}

Healthway promotes the *Alcohol Think Again* message through a number of sponsorships. The *Alcohol Think Again* campaign is the community education and marketing component of the Western Australian effort to reduce the impact that risky alcohol use has on our community. The campaign is coordinated by the Drug and Alcohol Office and aims to decrease alcohol-related harm by reducing short-term and long-term harmful drinking.

Healthway sponsorship has also been an effective stimulus for policy changes resulting in healthier environments. These changes include the introduction of smoke-free areas and increased availability of healthy food choices for spectators and participants at sponsored events. Policy changes related to alcohol have been a more recent requirement of sponsorship contracts and include: bans on alcohol being

provided as prizes or awards, and non-alcoholic choices being available should alcohol be available.

Alcohol marketing through sponsorship

Alcohol companies deploy sophisticated promotional practices to target specific groups such as beginning drinkers, regular teenage drinkers and established youth drinkers.^{10,11,12} This marketing utilises diverse modalities (including sponsorship) in order to influence the formation of youth identities in ways that orient strongly to the consumption of alcohol.¹³

Nielsen Media Research from 2008 suggests that alcohol sponsorship spending in Australia equates to approximately \$300 million per annum. By comparison, total paid alcohol advertising expenditure in Australia (excluding sponsorship) is reported to be \$119 million per annum.¹⁴ The size of the investment in sponsorship highlights the importance of this marketing modality to the alcohol industry.

Alcohol marketing through sponsorship is considered particularly effective in:

1. Increasing brand awareness, and
2. Creating and reinforcing social norms where alcohol consumption is considered normal in a range of social situations, such as sporting events.

A growing body of evidence links alcohol advertising with increased alcohol consumption in young people and new drinkers. In light of this evidence a number of major reports and reviews have recommended bans or increased regulation of alcohol marketing through modalities with high exposure to young people, such as sponsorship.

A recent systematic review of longitudinal studies examined the impact of alcohol advertising and media exposure on adolescent alcohol consumption. The study concluded that alcohol advertising and promotion is associated with an increased likelihood that adolescents will start to use alcohol, and to drink more if they are already using alcohol.¹⁵

Another recent study of the effects of ownership of alcohol-branded merchandise (ABM) by young people found that among those who had previously not drunk alcohol, ABM ownership is independently associated with increased susceptibility and initiation to drinking and binge drinking.¹⁶

In the report *Australia: The healthiest country by 2020*, the National Preventative Health Taskforce (NPHT) expressed concern about the high levels of alcohol advertising and promotion to which adolescents and young Australians are exposed during live sport broadcasts, during other high adolescent/ child viewing times, through sponsorship of sport and cultural events, and through youth-oriented print media and internet-based promotions.

In the strategy prepared for the Federal Minister for Health and Ageing and released in June 2009, the NPHT recommended a staged phase out (over the period 2010-2013) of alcohol promotions from times and placements which have high exposure to young people aged up to 25 years, including sponsorship of sport and cultural events.¹⁷

The World Health Organisation (WHO) has recommended that governments be supported to effectively regulate the marketing of alcoholic beverages, including

effective regulation or banning of sponsorship of cultural and sports events, in particular those that have an impact on younger people.

The Healthway co-sponsorship strategy

Unlike tobacco advertising, which was banned in Western Australia in 1990, there are no alcohol advertising bans in Australia.¹⁴ Further, there are no specific statutory restrictions on alcohol promotion through sponsorship.

In the absence of effective regulation of alcohol promotion through sponsorship, it is imperative that Healthway strategically utilises its significant investment in sponsorship to reduce the harmful effects of this form of alcohol promotion in Western Australia.

Healthway acknowledges the positive benefits to the community that can flow from art, sport and racing activities. Indeed, Healthway invests approximately \$12 million annually into sponsorships in the art, sport and racing sectors. This accounts for nearly 60% of total annual Healthway expenditure.

However, Healthway does not accept the premise that the community outcomes derived from alcohol sponsorship of art, sports and racing organisations outweigh the detrimental effects of alcohol promotion linked to the activities of these organisations. Healthway is not aware of any evidence to support this claim. In contrast, there is compelling evidence that alcohol advertising increases alcohol consumption by young people.^{15,16}

In accordance with S64 of the *Tobacco Products Control Act 2006* children and young people are considered a priority population group by Healthway. Few people would dispute the suggestion that children should not be exposed to alcohol sponsorship and other forms of alcohol advertising. In this context it is important to note that Healthway funds very few art, sport or racing activities not involving children, either as participants or spectators.

The formation of social norms strongly associated with the consumption of alcohol, particularly amongst young people, is a key feature of the drinking culture in Western Australia. Healthway's co-sponsorship policy (first introduced in 2006) seeks to reduce the influence of alcohol sponsorship on the development of these social norms.

How the Healthway Co-sponsorship Policy works

All organisations applying to Healthway for sponsorship contracts commencing after 30 June 2010 must declare any existing food, drink or alcohol related sponsors associated with their activities or events. Healthway undertakes a risk assessment on these co-sponsorship arrangements to determine the extent to which they contribute to harm from alcohol or obesity and thus undermine health promotion returns.

Co-sponsorship risk assessment is undertaken by an expert advisory group; the Brand Advisory Committee. The committee utilises a custom risk matrix to develop recommendations for Healthway's sponsorship advisory committees and Board. The committee is comprised of individuals with expertise in alcohol and nutrition policy, marketing, sponsorship and youth interests.

The risk matrix assesses a range of parameters of the co-sponsorship arrangement. The matrix is most sensitive to the profile of the sponsorship, the extent to which children are exposed to the sponsorship and the nature of associated marketing (or “activation”) strategies utilised to leverage the sponsorship.

Co-sponsorship risk assessments and recommendations are tabled for the consideration of the sponsorship advisory committees and Board. In accordance with the enabling legislation, Healthway’s Board must approve all sponsorships over \$5,000. The Board has the power to offer sponsorship subject to any conditions it considers in the public interest or necessary to maximise health promotion returns.

It is important to note the involvement of key stakeholders from the arts and sports sectors in Healthway’s governance and sponsorship assessment processes. In accordance with S61 of the *Tobacco Products Control Act 2006* the WA Sports Federation, the Australian Council for Health Physical Education and Recreation, and the WA Arts Federation all provide nominees to the Healthway Board. The chief executives of the Department of Sport and Recreation and the Department of Culture and the Arts (or their nominees) are also members of the Board. The terms of reference of the sponsorship advisory committees stipulate the inclusion of individuals with experience in the sport, arts and racing sectors on these committees.

Sponsored organisations must also seek approval from Healthway prior to entering into any new sponsorship arrangements with alcohol, food or drink related sponsors during the term of the agreement with Healthway. It is important to note the Healthway co-sponsorship policy is based on a risk management approach to the assessment of co-sponsorship arrangements. Alcohol sponsorship arrangements assessed as low risk are likely to be approved.

The first round of applications for sponsorships under the new framework have recently been processed and considered by the Healthway Board. 45 organisations applied for sponsorship and of these 41 were offered sponsorship contracts. 7 organisations were offered sponsorship subject to extra-ordinary conditions specifically related to their existing sponsorship arrangements. Most of these conditions related to alcohol sponsorship arrangements.

Claims made by alcohol companies and sporting organisations regarding alcohol sponsorship of sport

Healthway would like to respond to some of the claims frequently made by alcohol companies or sporting organisations in the context of alcohol sponsorship of sport.

1. Critics of any moves to restrict or regulate alcohol sponsorship of sport will argue that alcohol advertising only affects brand preference and does not increase alcohol consumption. This argument is flawed and contradicted by a growing body of evidence linking alcohol advertising with increased alcohol consumption in young people and new drinkers.^{15,16}

2. Some sporting organisations claim their participation programs would not survive without the revenue derived from alcohol company sponsorship. Typically, this argument is presented from the perspective of a total ban on alcohol sponsorship, with no consideration of restrictions. Ironically, many of the same organisations made similar claims 20 years ago when faced with the prospect of losing tobacco company sponsorship.

A number of case studies can be cited to refute the implication that “grass roots” participation is somehow dependent on alcohol sponsorship. For example, the sport of netball has some 36,000 registered and playing members across 72 associations affiliated with Netball WA. The peak netball body and all its affiliated associations have agreed not to accept alcohol sponsorship. It should also be noted that alcohol sponsorship is most often associated with higher profile sporting codes that typically have the greatest capacity to generate revenue through television rights, membership, ticket sales etc.

3. Suggestions that alcohol sponsorship of sport is regulated are incorrect. In reality alcohol promotion through sport sponsorship is not addressed by any specific legislation. Direct alcohol advertising is covered by the industry’s Alcohol Beverages Advertising Code (ABAC) scheme, but the current system does not apply to advertising through sponsorship.¹⁴ Sporting organisations may adopt policies to limit the direct exposure of alcohol sponsors to junior programs and events however these efforts are self-regulated and typically overlook many forms of exposure.

While a number of major reports and reviews have recommended restrictions on alcohol sponsorship in sport, anecdotal reports suggest that some sporting organisations seek to negotiate more lucrative deals with their alcohol sponsors at every opportunity.

4. Prominent sporting organisations in Western Australia claim that the benefit provided to alcohol companies as a result of sponsorship is around brand awareness *primarily* through “pourage” (exclusive supplier) arrangements at venues that serve alcohol.

It should be noted that Healthway’s co-sponsorship policy does not prohibit or restrict the capacity of sponsored organisations to enter into pourage or supplier agreements with alcohol companies. These arrangements fall outside the scope of the policy. The reality however is that sponsorship arrangements limited only to supplier agreements are uncommon. Most supplier agreements come packaged with commitments relating to alcohol brand and/or product promotions. These agreements may encompass strategies such as signage, product promotions, player ambassadors and a range of other sponsorship activation strategies.

Alcohol companies utilise a wide range of these “sponsorship activation strategies” in partnership with sponsored organisations. Some of the more notable examples to come to Healthway’s attention include a “Buy a Bundy Rum and receive a free hamburger” promotion at a racing event and a club fundraising raffle being promoted through junior sport with a first prize of 10 cartons of Corona beer. The second of these examples was brought to Healthway’s attention by concerned West Australian parents.

Summary

Alcohol marketing through sponsorship creates and reinforces social norms where alcohol consumption is considered normal in a range of social situations, such as sporting events. A growing body of evidence links alcohol advertising with increased alcohol consumption in vulnerable population groups such as young people and new drinkers.

Healthway recognises the value of sponsorship as a strategy to improve the health of the West Australian population and will continue to invest nearly 60% of total annual

expenditure into sponsorship in 2010/11. The recent changes that have been made to the Healthway sponsorship program and co-sponsorship policy will not result in any decrease in Healthway's total investment in the arts or sports sectors.

However, Healthway does not accept the premise that the community outcomes derived from alcohol sponsorship of art, sports and racing organisations outweigh the detrimental effects of alcohol promotion linked to the activities of these organisations. There is no evidence to support this claim.

Healthway's co-sponsorship policy is designed to provide an incentive for organisations not to allow their activities to be leveraged for alcohol promotion, or to redefine their existing relationships with alcohol sponsors to reduce the negative impact of alcohol promotions.

There are a number of parallels between the current debate around alcohol sponsorship of community activities and events and the debate surrounding tobacco sponsorship some 20 years ago. The hard work and patience of many stakeholders was required to achieve the cultural, social, environmental and legislative changes that have contributed to the decline in smoking rates and tobacco related harm we have seen in Western Australia. Protecting West Australians from alcohol related harm is a no less challenging and important objective.

Approved by:
Dr. Rosanna Capolingua, Healthway Chairperson
22 June 2010

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