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COST OF ALCOHOL MISUSE GOES BEYOND THE DRINKER NEW RESEARCH SHOWS HARM CAUSED BY OTHER'S DRINKING MORE THAN DOUBLES ECONOMIC IMPACT OF ALCOHOL MISUSE

- Total cost of alcohol misuse now estimated at \$36 billion annually
- This includes tangible costs of \$24.7 billion
- New report shows \$20 billion in costs caused by someone else's drinking
- Over 73% of adults are negatively affected by someone else's drinking
- Almost 70,000 Australians are reported victims of alcohol-related assaults every year, including 24,000 victims of domestic violence
- Almost 20,000 children across Australia are victims of substantiated alcohol-related child abuse [in 2006/07]

24 August 2010: A new report launched today, commissioned by the Alcohol Education and Rehabilitation Foundation (AER Foundation), found the hidden **cost of harms caused by someone else's drinking brings the total economic impact of alcohol misuse to \$36 billion annually, more than double previous estimates.**

This includes tangible costs of \$24.7 billion and intangible costs of \$11.4 billion¹.

The report, *'The Range and Magnitude of Alcohol's Harm to Others'*, found the cost of harm to others totalled **more than \$20 billion annually**². This is in addition to the known cost identified by Collins and Lapsley in 2008³, bringing the new total to \$36 billion.

The Range and Magnitude of Alcohol's Harm to Others report, undertaken by the AER Centre for Alcohol Policy Research in Melbourne, provides an insight into how individual acts of alcohol misuse ripple through families and communities. It analyses the rarely studied connections between child protection, health, law enforcement and family services.

In compiling this report, researchers drew on and analysed a wide variety of existing⁴ and newly developed data, including a national survey completed in 2008 of more than 2,600 Australians aged 18 years or older.

AER Foundation Director Rev. Tim Costello said “When people drink too much, they often fail to acknowledge the negative impact this can have on their friends, family, colleagues and the broader community. We often hear stories of family breakdowns, domestic violence, child neglect and violence on the streets. This highlights the causal link between alcohol misuse and entirely avoidable personal trauma.”

Other key findings include:

- The tangible and intangible costs caused by someone else’s drinking totals more than \$20 billion
- Tangible costs equate to \$14.3 billion which consists of out-of-pocket costs, forgone wages or productivity, and hospital and child protection costs
- Intangible costs equate to \$6.4 billion. These are costs assigned to lost quality of life due to someone else’s drinking
- 367 deaths and 13,669 hospitalisations because of the drinking of others [in 2005]
- \$88.6 million in total morbidity costs, due to the drinking of others (hospital costs, road crash injury cases and assault)
- 29% of the population reported being negatively affected by the drinking of someone who was well known to them
- More than 10 million Australians experienced some negative effect of a stranger’s drinking in one year
- 43% of people reported experiencing alcohol-related harm (physical, verbal or fear) from the drinking of someone not known to them, and altogether 70% reported experiencing noise, annoyance or worse
- \$1.6 billion a year in cost of repairs to property and personal belongings due to drinking by a stranger
- Women nominated being negatively affected by the drinking of a relative or household member more frequently than men (14% vs 8%)
- Men and women nominated being negatively affected by the drinking of friends almost equally (12% vs 11%)

“Behind each of these statistics lie personal, family and community problems that stem from the harms associated with the drinking of others. Although we don’t know the details of the stories behind these statistics, the majority of Australians will know of times when they themselves, or those close to them, have been affected by other people’s drinking,” Rev. Costello said.

“The results are clear: too many Australians are experiencing the negative impact of other’s drinking. A range of evidence-based measures is needed to shift Australia’s drinking culture. These figures demonstrate the need for population-wide strategies including volumetric taxation, licensing restrictions and mandatory regulation of alcohol advertising.”

The report will also be discussed at the AER Foundation workshop at the United Nations Department of Public Information/Non Government Organisation Conference in Melbourne from 30 August to 1 September 2010.

Citations:

¹Tangible costs consist of out-of-pocket expenses, forgone wages and productivity. Intangible costs are the costs assigned to diminished quality of life.

²The \$20bn cost identified in *The Range and Magnitude of Alcohol’s Harm to Others* report, is made up of \$14bn in tangible costs (out-of-pocket expenses, forgone wages and productivity) and \$6bn in intangible costs (lost quality of life).

This study is the first attempt to value the harm to others associated with drinking in Australia. The findings are conservative and further work is currently underway to improve the quality of data underpinning these estimates.

³The estimated cost of alcohol abuse by drinkers in Australia is \$15.3bn, as identified in a report published in 2008 by D.J. Collins and H.M. Lapsley, *The Costs of Tobacco, Alcohol and Illicit Drug Abuse to Australian Society in 2004/05*. However, when adjusted for inflation to 2008, this cost figure becomes \$17bn.

Taking into account some cost overlaps between the Collins and Lapsley study (\$17bn) and *The Range and Magnitude of Alcohol’s Harm to Others* report (\$20bn), the total costs combined from the two studies is \$36bn.

⁴Existing data includes registers of cases from: social and health agencies, police, child protection agencies, alcohol and drug services and helplines, road accident statistics, hospital records, and previous population surveys.

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A full copy of the report is available on request, or via the AER Foundation website www.aerf.com.au

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Alcohol Education & Rehabilitation Foundation (AER Foundation): The Alcohol Education & Rehabilitation Foundation is a unique, independent, not-for-profit organisation with a goal to change the way we drink. The AER Foundation collaborates with grass-roots community organisations, all levels of government, police, researchers and the private sector to turn evidence-based research on alcohol and inhalant misuse into practical, real-life solutions. Since its inception in 2001, the AER Foundation has invested over \$115 million in prevention, public education, workforce development, and treatment & rehabilitation projects, underpinned by innovative research. Our dedication to creating a safer and healthier Australia sees the AER Foundation forming new partnerships and alliances with like-minded organisations, with a focus on youth and Indigenous issues. Looking forward, the AER Foundation will continue its unwavering commitment to changing Australia's drinking culture to one of safety and responsibility. For further information: www.aerf.com.au