

Executive Summary

The costs and harms of alcohol consumption in Australia are well documented, significant and have impacts across society including premature deaths, heavy use of the health system, high rates of crime (particularly violent crime and antisocial behaviour), child abuse and neglect, and road crashes (AIHW 2018a).

Historically, the per capita costs and harms of alcohol consumption in the Northern Territory (NT) have been the highest in the nation. The last time a comprehensive analysis of the nature of these costs was estimated was in 2009, based on consumption data from 2004/05 (SACES 2009; Skov et al 2010). At that time, the total social cost of alcohol in the NT in 2004/05 was estimated to be \$642 million (SACES 2009). On a per capita basis, this was more than four times the comparable national level.

In an effort to provide a more robust study, an alternative quantitative methodology has been used which draws on new ways to estimate social costs. To ensure currency, the statistical analysis draws on data from 2015/16, unless specified otherwise.

While alcohol consumption in the NT appears to have decreased slightly over the past decade, this report shows that the costs and harms associated with alcohol consumption have not. Indeed, the scale of the harm has continued to increase.

At a population level it is now estimated that the total social cost of alcohol in 2015/16 was \$1,386.8 million, with tangible costs of \$701.3 million, and intangible costs of \$685.5 million (excluding the lost quality of life due to addiction amongst dependent drinkers and the family members of dependent drinkers – the magnitudes of which are less certain but likely to be very substantial).

At an individual level the estimated total social cost of alcohol in 2015/16 was \$3,832.19 in tangible costs per adult resident of the Northern Territory, with intangible costs imposing a further cost of \$3,745.75 per adult. **This equates to a total estimated impact of \$7,577.94 per adult** (excluding the costs of alcohol dependence to the dependent drinker and their family).

At a population level total costs of premature mortality equate to \$785,537,761 including both tangible and intangible costs.

A summary of the tangible costs includes:

- **Total health costs equate to \$100,177,195**
- **Total road crash costs equate to \$57,626,900** (excluding mortality and hospital separations)
- **Total quantifiable costs of crime equate to \$272,577,240**
- **Total child protection costs equate to \$170,912,745**

The most significant intangible costs are:

- **Intangible costs of premature death of \$652.5 million**
- **Intangible costs of permanent impairment from road crash injuries of \$17.1 million**
- **Intangible costs of crime** (e.g. pain and suffering, reduced feeling of safety) **of \$15.9 million**

In addition, the following estimations have been made regarding the impact of alcohol on the Northern Territory in 2015/16:

- There were an estimated 141.9 net premature deaths caused by alcohol.
- Crime caused by alcohol accounted for \$75.9 million of police time while the total costs of alcohol attributable crime are just under \$142 million.
- Alcohol is estimated to be responsible for between 4.5 per cent and 11 per cent of cases of child abuse and neglect, creating costs of \$8 million to \$20 million in increased child protection spending by the NT Government, and imposing lifetime costs of \$62 million to \$384 million on the victims of child abuse and neglect.
- Almost fifty per cent of road crash deaths, and twenty per cent of serious injury crashes are attributable to alcohol.

The 2004/05 estimate of \$642 million, when adjusted for inflation over the intervening period using the Australian Bureau of Statistics (ABS) Consumer Price Index, is equivalent to \$844.4 million in 2015/16¹. The new estimate therefore represents an increase in real costs of 64.2 per cent.

However, the two figures are not directly comparable, partly because of changed understandings about the impact of alcohol and more sophisticated approaches to measurement, and partly because of a range of additional factors, including:

- Increases in the real costs of most NT Government (NTG) services impacted by alcohol, particularly police and prisons
- The inclusion of child protection costs in the current report (this was not included in the 2004/05 estimates)
- An increase in net deaths attributable to alcohol from 94.9 in 2004/05 to 141.9 in 2015/16
- Improved methodologies for valuing the intangible costs of death and disability.

For further information about the social and economic costs and harms of alcohol consumption in the NT please contact Professor James Smith, Father Frank Flynn Fellow (Harm Minimisation) on (08) 8946 8685 or via email at james.smith@menzies.edu.au

¹ Australian Bureau of Statistics Consumer Price Index Calculator
www.abs.gov.au/websitedbs/d3310114.nsf/home/Consumer+Price+Index+Inflation+Calculator .