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COST OF ALCOHOL RELATED CRIME & VIOLENCE IN CAIRNS

Address by W S (Bill) Cummings, Cummings Economics, Cairns

to the Liquor Accord Group

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1 COST OF ALCOHOL RELATED CRIME & VIOLENCE IN CAIRNS

Everyone knows that there is an economic cost of excessive alcohol consumption, especially here in Cairns and the region.

I am no expert on the subject and have not undertaken any original detailed research on the subject specifically related to Cairns.

However, I have been able to access some Australian and overseas research that might help this conference appreciate the likely extent of the problem in this region.

An internet search has turned up two pieces of original research, one in the USA and one in Australia.

2 Australian research reported by the Australian Institute of Criminology estimates the costs of alcohol abuse Australia wide as totaling \$14.3bn in 2010. That worked out at the time at \$640 per head of population and in today's dollars about \$750 per head of population.

US research reported by the US Centre for Disease Control estimates for the US, a per capita figure in today's US dollars at \$926 per capita.

- 3** If you apply national averages to regional population (we use the Cairns SA4 region that includes Cairns, Cassowary Coast, Tablelands, Mareeba and Douglas), we get an estimated total of \$190m per annum in current dollars.

We are talking about almost \$200m in total in an economy with a Gross Regional Product of about \$13bn (ie. about 1.5%) and approaching the estimated expenditure by Chinese visitors to the region.

- 4** The Australian research estimates different categories of costs, indicating the biggest cost is in work productivity 42%, traffic accidents 26% and in the criminal justice system 21%, with impacts on the health system indicated at about 12%.

Translated into the local economy, this would come to about \$40m a year to the criminal justice system, \$80m in work productivity, \$48m in traffic accidents and \$23m in the health system.

- 5** But we all know that in the Cairns region, the total is likely to be higher than this.

There are relatively high levels of unemployment, especially youth unemployment.

Indigenous unemployment is especially high with indigenous youth unemployment recorded in the last Census at 35%.

- 6** We all know that tourism is important to the city.

Our market research arm, Compass Research, carried out surveying among over 1,000 visitors in the past about the reasons for coming to Cairns and their experiences.

When asked about prior awareness of Cairns, the reply of one British backpacker was, “All I knew was that it had one main street with the Woolshed on one side and PJ. O’Briens on the other,” encapsulating that having a good time is important to the backpacker trade.

On the other hand, there were responses to a question about worst experiences that related to safety. The number of these responses was not large indicating that safety concerns were present as an issue (especially approaches by drunks and begging), but not a large issue.

I have been to and observed the decline of the once famous Mexican resort city of Acapulco against a background of rampant drug dealing and crime.

It is very important to Cairns to maintain a reputation for good order and safety if it is to remain a vibrant growing tourism centre.

7 END