

## **Tax Working Group Public Submissions Information Release**

### **Release Document**

**September 2018**

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In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.



NZ DRUG FOUNDATION SUBMISSION ON THE

# Alcohol Reform Bill

The Drug Foundation welcomes the Alcohol Reform Bill. It is an encouraging initial response by the Government towards reducing some of the harms from New Zealand's binge drinking environment. However, we are deeply concerned that it omits three of the most effective recommendations by the Law Commission; namely, increasing alcohol excise tax, restricting alcohol marketing and lowering blood alcohol concentration limits for driving.

**Background**

**02 Alcohol in our lives**

The Alcohol Reform Bill represents a once-in-a-generation opportunity to create better alcohol laws that reduce the significant harms caused in New Zealand communities.

**Areas in which the Bill is weak**

**08 Alcohol marketing**



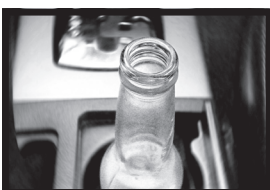
The Bill should adopt a phased approach that would eliminate all forms of alcohol marketing and sponsorship over time.

**18 Alcohol pricing**



The alcohol excise tax should be increased immediately. A greater proportion of excise revenue should be invested in harm prevention and addiction treatment. A minimum pricing scheme should be considered.

**24 Adult drink-drive limit**



Reduce the adult drink-drive limit to bring us in line with Australia and other OECD countries.

**Areas in which the Bill is strong**

**30 Social supply**



Existing controls on the private supply of alcohol to minors are weak. The Bill contains some very welcome provisions to change this.

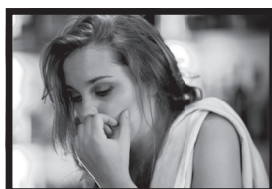
**40 Licensing and availability**



Require the development of local alcohol policies to ensure communities are empowered to make decisions about the sale of alcohol in their neighbourhoods.

**Other matters**

**36 Purchase age**



Evidence and experience support the minimum purchase age for alcohol to be 20 years.

**45 Bill of Rights inconsistencies**

We share concerns of the Attorney-General about inconsistencies between the Alcohol Reform Bill and the Bill of Rights Act.

**45 Restricting certain alcohol products**

Emerging international evidence raises concerns about new alcohol products, especially those mixed with energy additives. The Bill contains useful provisions to manage these products.

**47 Addiction treatment**

Law reform will only be fully effective when it's supported by strong addiction treatment and harm prevention services. Greater investment is needed in these areas.

**About the New Zealand Drug Foundation**

**48 About us**



The Drug Foundation has a long interest in laws governing New Zealand's drinking environment. We also work in communities to reduce alcohol and other drug harm.

[www.drugfoundation.org.nz](http://www.drugfoundation.org.nz)

**AT THE HEART OF THE MATTER, NZ DRUG FOUNDATION.**

Te Tūāpapa Tarukino o Aotearoa

18 February 2011

Secretariat  
Justice and Electoral Select Committee  
Alcohol Reform Bill  
Parliament Buildings  
Wellington

The New Zealand Drug Foundation welcomes the Alcohol Reform Bill and the opportunity to submit on this important legislation.

We would value the opportunity to appear before the Committee to make an oral submission on this Bill.

There is significant community concern about the harms caused by alcohol, and a very high level of interest in this Bill. We would therefore urge the Committee to hold your hearings across New Zealand to allow those many individuals and groups making written submissions to also appear before the Committee.

We congratulate the Law Commission for their comprehensive review of our liquor laws and commend the Government for incorporating the majority of the Law Commission's 153 recommendations to reduce alcohol-related harms and create a healthier drinking environment.

The Alcohol Reform Bill is a good start towards reducing some of the harms from binge drinking and the excessive consumption of alcohol but we are deeply concerned that it omits three of the most effective recommendations by the Law Commission, namely, increasing alcohol excise tax, restricting alcohol marketing and lowering blood alcohol concentration limits for driving.

It is essential to include these substantive measures in the Bill in order to achieve its stated objectives. Much of our submission details compelling grounds for including these particular measures in the Bill.

Information about the New Zealand Drug Foundation is included with this submission, including details about the work we are doing to contribute to reducing alcohol harm (page 48).

Please contact us if you require additional information or clarification on points raised in our submission. We wish you well for your consultation and deliberations on this Bill.

Yours sincerely

[1]

**Tim Harding**  
CHAIRPERSON

**Ross Bell**  
EXECUTIVE DIRECTOR

# Alcohol in our lives

The New Zealand Drug Foundation welcomes the Alcohol Reform Bill and the opportunity to submit on this important legislation. The Drug Foundation has a long interest in how laws governing the sale and supply of alcohol could be strengthened to reduce alcohol-related harms and create a healthier drinking environment in New Zealand.



WE WISH to congratulate Sir Geoffrey Palmer and the Law Commission for their comprehensive review of our liquor laws. We draw particular attention to the rigorous process this review entailed. Over a two-year period, the Commission engaged in extensive public consultation across New Zealand, took advice from leading national and international experts, considered nearly 3,000 written public submissions, and produced two noteworthy reports.<sup>1</sup>

Their final report – *Alcohol in our lives: curbing the harm* – contained 153 recommendations to Government on how to mitigate the harms that excessive consumption of alcohol is causing to individuals, families, communities and our society.

The Law Commission’s 153 recommendations were designed to be a mutually supportive package. We strongly believe that they should form the basis for any proposed legislative changes.

We also wish to commend Minister of Justice Hon Simon Power for drafting a Bill that incorporates the majority of the Law Commission’s 153 recommendations. However, we are deeply disappointed that the Bill omits the most important measures recommended by the Law Commission. We remind the Select Committee that Sir Geoffrey Palmer specifically cautioned the Government

against “cherry picking the more politically palatable elements”.<sup>2</sup>

While we acknowledge that the Alcohol Reform Bill represents a significant advance over the existing Sale and Supply of Liquor Act 1989, it is our view that the proposed Bill has substantive deficiencies in three major areas. The first deficiency relates to its failure to include the Law Commission’s recommendations on raising excise tax; the second deficiency relates to weak provisions on restricting alcohol marketing; the third deficiency is the Bill’s failure to reduce the adult drink-drive (BAC) limit.

Alcohol pricing, alcohol marketing and BAC levels are three critical policy areas which have strong evidence for effectiveness, and which are the most cost-effective in reducing harmful drinking and minimising harms from excessive alcohol use.

The Law Commission cautioned that “unless a comprehensive approach is taken to addressing the problems that alcohol poses for New Zealand society, those problems will not be solved”.<sup>3</sup> There is authoritative evidence to substantiate the need for a comprehensive approach to change a society’s attitude and culture around drinking,<sup>4</sup> particularly binge drinking, which causes the most harm and has

unfortunately become normalised in contemporary New Zealand culture.

Price, marketing and availability of alcohol were three policy areas that the UK evidence review by the National Institute for Health and Clinical Excellence (NICE, an independent organisation for providing guidance on health issues) recommended as critical areas to focus on in order to reduce harmful drinking and minimise harm to others.<sup>5</sup> These three must be included in legislation if the Bill is to have any chance of having a significant positive effect and reducing the binge drinking culture in New Zealand.

The blood alcohol driving limit should also be reduced to be in line with almost all other OECD countries, including Australia. The current BAC level effectively permits legalised drunk driving, a situation described as “ridiculous” by the Minister of Transport, Hon Steven Joyce, back in September 2009.<sup>6</sup>

We would also wish to see the Bill’s object be strengthened, as recommended by the Law Commission. The Law Commission expressed the view that the object should set out the purposes of the legislation in greater detail than in the current Sale and Supply of Liquor Act 1989. Setting out the object with greater precision will give the statute a better

prospect of achieving its purpose and will also ensure the central principles underpinning the scheme are clear.

While the Law Commission proposed new objectives, these are not reflected in the Bill. We recommend that the Object of “delaying the onset of young people drinking alcohol” be included in the Bill. Early initiation of drinking can have adverse effects on physical and cognitive development and increases the risk of later alcohol-use disorders and other mental health problems.<sup>7</sup>

**At the core of the debate over reducing alcohol-related harms is the issue of individual responsibility versus population-based measures. The Drug Foundation believes that while it is important to address both approaches, interventions that focus solely on notions of individual responsibility without addressing the broader social and environmental context will generally not be effective.**

## Our key recommendations



**Incorporate the 50% increase in alcohol excise tax recommended by the Law Commission to achieve a 10% average increase in retail prices.**



**Begin an immediate investigation into minimum pricing schemes.**



**Ring-fence a proportion of the revenue derived from alcohol excise for use towards treatment, harm prevention and education programmes.**



**Establish an alternative source of funding to current alcohol sponsorships using alcohol excise.**



**Implement in full the Law Commission’s three-phase alcohol marketing control system, leading to an eventual end to all forms of alcohol marketing and sponsorship.**

CONTINUES OVER

**MYTH:** Alcohol consumption has remained the same despite liberalisation of our liquor laws.

**FACT:** Total alcohol consumption has increased over the past decade. Total alcohol available for consumption (calculated from production, imports and exports) increased by 9.4% between 1998 and 2009 according to official data from Statistics New Zealand. This increase coincided with some of the most significant changes relaxing our liquor laws (e.g. purchase age lowered to 18, supermarkets allowed to sell beer and wine, Sunday trading allowed, starting time for alcohol advertisements on TV brought forward to 8:30pm from 9:00pm). Regardless of per capita consumption, it is how we are drinking that is even more important. There is clear evidence over the last decade that binge drinking is increasing.

While we acknowledge that legislation on its own won't solve our harmful drinking culture, the law has an integral part to play in shaping the environment in which alcohol is supplied and consumed. In doing so, it can help modify our binge drinking culture. (We also draw the Committee's attention to the non-legislative/regulatory work that the Drug Foundation contributes to alcohol harm reduction – page 49.)

New Zealand currently has an 'alcogenic' environment – a situation which the Law Commission has characterised as the “unbridled commercialisation of alcohol”.<sup>8</sup> Witness the 24/7 availability of extremely cheap alcohol, sophisticated multimillion dollar marketing that portrays alcohol as the gateway to social, sexual and sporting success, and drink-drive limits that essentially allow legalised drunk driving.

The Alcohol Reform Bill marks the next stage of a process that represents a once-in-a-generation opportunity to create better alcohol laws that take into account the knowledge we have gained over the last two decades and reflect the needs and aspirations of 21st-century New Zealand.

We urge the Committee to be guided by the best available evidence on how to reduce alcohol-related harms and effect change to our binge drinking culture, and not waver in the face of myths and misinformation spread by groups opposed to any law changes that would undermine their commercial interests. In this regard, we can expect industry to argue against any measures that would reduce the consumption of alcohol and thereby undermine their profits. Industry will argue against measures to reduce harm such as increased tax, reduction in the blood alcohol limit for driving and restrictions on alcohol advertising and sponsorship.<sup>9</sup>

**“While we acknowledge that legislation on its own won't solve our harmful drinking culture, the law has an integral part to play in shaping the environment in which alcohol is supplied and consumed. In doing so, it can help modify our binge drinking culture.”**

Our submission focuses on the areas in which the Alcohol Reform Bill can be strengthened, while also endorsing the many positive aspects of the Bill that will contribute to reducing alcohol-related harms.

Our submission is structured under the following main sections:

<b>Alcohol marketing</b>	PAGE 08
<b>Alcohol pricing</b>	PAGE 18
<b>Drink driving</b>	PAGE 24
<b>Social supply</b>	PAGE 30
<b>Purchase age</b>	PAGE 36
<b>Licensing and availability</b>	PAGE 40
<b>Other matters</b>	PAGE 45

Despite the deficiencies in the draft Bill, we appreciate Minister Power's repeated public assurances that the proposed Alcohol Reform Bill represents a starting point. We urge the Select Committee to address the substantive key issues and strengthen the Bill so that it will better achieve its stated objectives.



## Our key recommendations

80 **▶** 50

**Lower the current adult drink-drive limit from 80 to 50mg of alcohol per 100 ml of blood, bringing New Zealand into line with Australia and the majority of OECD countries.**



**Require the development of local alcohol policies to be mandatory rather than voluntary, ensuring all communities are empowered over decisions about how alcohol is sold and supplied in their communities.**

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**Return the minimum purchase age to 20 years.**

**“ We urge the Select Committee to address the substantive key issues and strengthen the Bill so that it will better achieve its stated objectives. ”**



# Why alcohol matters to Māori

## Key facts

# 39.2%

39.2% OF MĀORI OVER 15 YEARS ARE CATEGORISED AS HAZARDOUS DRINKERS COMPARED WITH 21.1% OF THE GENERAL POPULATION.<sup>10</sup>



MĀORI ARE FOUR TIMES MORE LIKELY THAN NON-MĀORI TO DIE OF AN ALCOHOL-RELATED CONDITION.<sup>11</sup>

THE PREVALENCE OF SEVERE ALCOHOL-RELATED PROBLEMS IN MĀORI IS MORE THAN TWICE THAT IN NON-MĀORI.<sup>12</sup>

# 43%

14

43% OF MĀORI FIRST CONSUMED ALCOHOL WHEN AGED 14 YEARS OR YOUNGER, SIGNIFICANTLY MORE THAN THE TOTAL POPULATION (32%).<sup>13</sup>

Māori, Pacific and lower socio-economic groups significantly experience disproportionately high levels of alcohol-related harm. For example, Māori are more likely to die of alcohol-related causes, more likely to be apprehended by police for an offence that involved alcohol, and more likely to experience harmful effects on areas such as financial position, work, study or employment, injuries and legal problems as a result of their drinking compared with other New Zealanders.<sup>14</sup>

New evidence also suggests that alcohol harms may not simply be reflecting existing inequalities between ethnic groups but may actually be driving inequalities. For example, Māori women suffer more adverse effects as a result of other people's drinking than any other group.<sup>15</sup>

A landmark report on the social determinants of health listed alcohol (and other drugs) as one of 10 major contributors to inequalities that can be influenced by public policy.<sup>16</sup>

We urge the Committee to give particular consideration to reducing the harms that alcohol causes to Māori, Pacific and lower socio-economic groups. Māori, Pacific and lower socio-economic groups have the most to gain by the implementation of three of the most important policy levers to reduce alcohol-related harms, namely, increasing alcohol excise tax, restricting alcohol marketing and lowering blood alcohol limits for drink driving. ■

“ A landmark report on the social determinants of health listed alcohol (and other drugs) as one of 10 major contributors to inequalities that can be influenced by public policy. ”<sup>16</sup>

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## Footnotes

- <sup>1</sup> New Zealand Law Commission (2009). Alcohol in our lives: an issues paper on the reform of New Zealand's liquor laws. Issues paper 15. Wellington, New Zealand; New Zealand Law Commission (2010). Alcohol in our lives: curbing the harm. Report 114. Wellington, New Zealand.
- <sup>2</sup> Sir Geoffrey Palmer. Media Release. Alcohol in our lives: curbing the harm. 27 April 2010.
- <sup>3</sup> Sir Geoffrey Palmer during an address at an ALAC conference in Manukau on 6 May 2010.
- <sup>4</sup> WHO Regional Office for Europe (2009). Evidence for the effectiveness and cost-effectiveness of interventions to reduce alcohol-related harm. Copenhagen, World Health Organization Regional Office for Europe. <http://www.euro.who.int/document/E92823.pdf>; Babor TF, Caetano R, et al. (2010). Alcohol: No Ordinary Commodity. Research and Public Policy. Oxford, Oxford University Press; NICE (National Institute for Health and Clinical Excellence) (2010). Alcohol use disorders: Preventing the development of hazardous and harmful drinking. NICE public health guidance 24. London, NICE.
- <sup>5</sup> NICE (2010).
- <sup>6</sup> Hon Steven Joyce speaking at a Local Authority Traffic Institute conference in Auckland on 9 September 2009.
- <sup>7</sup> D H Jernigan Global Status Report: Alcohol and Young People (World Health Organization, Geneva, 2001) at 13; C Odgers and others "Is it important to prevent early exposure to drugs and alcohol among adolescents?" (2008) 19 Psychological Science 1037 at 1041; S Tapert, L Caldwell and C Burke "Alcohol and the adolescent brain: Human studies" (2004/2005) 28 Alcohol Research and Health 205 at 206; National Institute on Alcohol Abuse and Alcoholism "The effects of alcohol on physiological processes and biological development" (2004/2005) 28 Alcohol Research and Health 125 at 126.
- <sup>8</sup> New Zealand Law Commission (2010). Alcohol in our lives: curbing the harm. Report 114. Wellington, New Zealand.
- <sup>9</sup> Bond L, Daube M, Chikritzhs T. Access to Confidential Alcohol Industry Documents: From 'Big Tobacco' to 'Big Booze'. AMJ 2009, 1, 3, 1-26. Doi 10.4066/AMJ.2009.43.
- <sup>10</sup> Ministry of Health. A Portrait of Health: Key Results of the 2006/07 New Zealand Health Survey (Ministry of Health, Wellington, 2008).
- <sup>11</sup> Connor J, Broad J, Jackson R, et al. The burden of death, disease and disability due to alcohol in New Zealand. Wellington, New Zealand: ALAC; 2005.
- <sup>12</sup> Alcohol Advisory Council of New Zealand (ALAC). Māori action plan 2009-2012: ALAC; 2009.
- <sup>13</sup> Mason K, Bhattacharya A, Stefanogiannis N, et al. Alcohol use in New Zealand: key results of the 2007/08 New Zealand Alcohol and Drug Use Survey. Wellington, New Zealand: Ministry of Health; 2009.
- <sup>14</sup> Connor et al. 2005.
- <sup>15</sup> Ministry of Health. A Portrait of Health: Key Results of the 2006/07 New Zealand Health Survey (Ministry of Health, Wellington, 2008).
- <sup>16</sup> R Wilkinson and M Marmot (eds) Social Determinants of Health: The solid facts (2nd ed, Regional Office for Europe of the World Health Organization, Denmark, 2003) at 24.

ALCOHOL MARKETING

“ Exposure of young people to alcohol marketing speeds up the onset of drinking and increases the amount consumed by those already drinking. ”

WORLD HEALTH ORGANIZATION



THE BEER  
ROUND HERE

# Alcohol marketing

## Key facts

# 200<sup>k</sup>

EACH DAY, \$200,000 IS SPENT PROMOTING ALCOHOL IN NEW ZEALAND.

# 90%

90% OF OUR KIDS AGED 5–17 ARE EXPOSED TO ALCOHOL ADVERTISING ON TV EACH WEEK.<sup>17</sup>

# 86%

86% OF SUBMISSIONS TO THE LAW COMMISSION SUPPORTED BANNING OR RESTRICTING ALL ADVERTISING OF ALL ALCOHOL IN ALL MEDIA.



# 9 MINUTES

A SCENE DEPICTING ALCOHOL OCCURS EVERY 9 MINUTES DURING PRIME TIME TELEVISION.

## What did the Law Commission recommend?

The Law Commission recommended a three-stage plan to control alcohol promotions, advertising and sponsorship. The process would take five years and phase out all forms of alcohol advertising.

**STAGE ONE** makes it an offence for off-licences to promote any event or activity that encourages excessive alcohol consumption. Promotions that specifically target young drinkers will also become an offence.

**STAGE TWO** creates a joint committee run by the Ministers of Health and Justice. This will oversee a programme to reduce exposure to alcohol advertising and increase control of advertising content.

**STAGE THREE** restricts the advertising and promotion of alcohol in all media. Eventually, no alcohol advertising will be allowed, except that which gives factual product information only.

## What was the Government's response?

The Bill falls far short of what needs to be done to effectively restrict what the Law Commission has described as the “unbridled commercialisation of alcohol”.

The Government has accepted stage one of the Law Commission's recommendations but rejected stages two and three. Instead, it is asking its officials to “continue to monitor the national and overseas research on the effects of exposure to advertising”.

Nevertheless, the proposed Alcohol Reform Bill extends the current offence relating to the promotion of excessive consumption of alcohol to include off-licences in addition to on-licences. Importantly, clause 220 stipulates a list of what constitutes the irresponsible promotion of alcohol – a list that includes the promotion or advertisement of alcohol in a manner aimed at, or that has, or is likely to have, special appeal to minors. While this measure is certainly welcome, there is nothing in the Bill that will restrict exposure to advertising or increase control over its content.



# 700,000

NEW ZEALANDERS HAVE BEEN CATEGORISED AS BINGE DRINKERS (CONSUMING SEVEN OR MORE STANDARD DRINKS PER SESSION).<sup>26</sup>

## Research and experience show

“The literature presents increasingly compelling evidence that alcohol marketing is directly impacting upon young people’s drinking behaviour.”<sup>18</sup>

Alcohol advertising and promotion increase the likelihood that adolescents will start to use alcohol, and to drink more if they are already using alcohol.<sup>19</sup>

In New Zealand, 90% of children aged between 5 and 17 years are exposed to alcohol advertising on TV each week.<sup>20</sup>

A large amount of alcohol imagery is incidental to storylines in programming on New Zealand television. Alcohol is also used in many advertisements to market non-alcohol goods and services. A recent New Zealand study found an average of one scene depicting alcohol every nine minutes of television.<sup>21</sup> Scenes depicting uncritical imagery outnumbered scenes showing possible adverse health consequences of drinking by 12 to 1.

“ The literature presents increasingly compelling evidence that alcohol marketing is directly impacting upon young people’s drinking behaviour. ”

## Exposure increases alcohol and brand awareness among children and young teenagers

In a US study of television advertising penetration, almost 29% of nine year olds and 82% of 13 year olds could list three or more beer brands.<sup>22</sup>

In New Zealand, young children as well as minors are exposed to alcohol advertising through television in their homes. The BSA reports that watching late evening television is relatively common for children even as young as 6-7 years.<sup>23</sup>

In 2003 ALAC provided the 2003 ASA code review committee with 2002 data showing that 23.7% of 10-17 year olds were watching television at 9.00-9.30pm. At 8.30pm – the new start time implemented by the ASA against advice by ALAC, the Ministry of Health and other public health organisations – 26% of 10-17 years olds were watching.<sup>24</sup>

Penetration of alcohol advertising to minors was illustrated by research on the ‘chin heads’ ad campaign for Lion Red. The research showed that 97% of minors recalled seeing the chin heads, 71% knew the ad was for Lion Red, 92% had positive views about the ads and 64% thought the chin head humour would appeal to minors.<sup>25</sup>

## Exposure to, and liking, the ads shapes beliefs and consequent drinking behaviour

Following repeated exposure to beer advertising, US college students rated alcohol as more beneficial and less risky than before seeing the advertisements,<sup>27</sup> and reported more positive assessments of the benefits of beer.<sup>28</sup> Such positive beliefs were predictive of plans about future alcohol use.<sup>29</sup>

New Zealand boys aged 10-13 said they knew more about drinking from watching ads (but no alcohol advertisement depict risks or harm). The 10-17 year olds who recalled most alcohol ads were more likely to think it was okay for kids their age to get drunk, to think their friends drank frequently and consequently to drink more themselves.<sup>30</sup>

The Dunedin Multidisciplinary Health and Development Study found an impact of response to advertising on later consumption. Numbers of alcohol ads recalled at age 15 in response to a question about the portrayal of alcohol in the media significantly predicted heavier drinking among males at age 18.<sup>31</sup> Those who responded positively to alcohol advertising at age 18 were heavier drinkers and reported more alcohol-related aggression at age 21.<sup>32</sup> By age 26, amounts but not frequency of drinking had declined for most of these



**BINGE DRINKING AMONG TEENAGERS IS INCREASING.**

BETWEEN 1995 AND 2004, THE PROPORTION OF YOUNG PEOPLE DRINKING MORE THAN SIX DRINKS ON A TYPICAL OCCASION INCREASED FROM:

- ▲ **14% TO 25%**  
IN 14–15 YEAR OLDS,
- ▲ **25% TO 36%**  
IN 16–17 YEAR OLDS AND
- ▲ **31% TO 40%**  
IN 18–19 YEAR OLDS.<sup>33</sup>

young people. Those who had responded most positively to alcohol advertising at age 18 were the most frequent drinkers at age 26.<sup>34</sup>

**Young people’s responses are linked to local advertising expenditure**

The beer companies that spent the most on advertising had the highest brand awareness, highest brand preference, highest brand use, and highest brand loyalty among the adolescents. Media and advertisements were a significant predictor of these four and also of intentions to drink at age 21.<sup>35</sup>

Advertising had a positive effect on annual alcohol participation, monthly participation and binge participation, and higher prices had a negative effect.<sup>36</sup>

A US study of drinking and alcohol advertising exposure among 15-26 year olds found that those who saw more alcohol advertisements on average drank more. The number of drinks increased by 1% for each additional ad reported. Those in markets with greater alcohol advertising expenditures drank more. Drinks increased by 3% for each additional dollar spent per capita.<sup>37</sup>

**Brand images and ‘lifestyle’ marketing are attractive to young**

In the Dunedin Multidisciplinary Health and Development Study, those who had established a relationship with a beer brand by age 18 were heavier drinkers and reported more alcohol-related aggressive behaviour at 21.<sup>38</sup> Recent marketing has an active interaction with youth culture – internet, direct promotions at venues and events, sponsorship of concerts, DJs, musicians, free music. These target young drinkers in ways that are relatively invisible to older segments of the population. This includes sweet ‘starter’ drinks (alcopops) that are marketed in low profile ways to reduce policy attention as well as costs.<sup>39</sup> New Zealand research shows that alcohol brand images and lifestyle marketing are providing young people with commercialised identities to take up, along with the alcoholic products.<sup>40</sup>

Alcohol brands in New Zealand are increasingly being marketed via sponsorships. Indeed, sponsorship of sporting or cultural events is widespread across New Zealand.

“After seven years I can still be triggered into thinking drinking would be a good idea by advertising in all its forms.”

Recovering alcoholic cited in Ministry of Health report

A snapshot of alcohol-sponsored cultural and sporting events in the summer of 2010:

EVENT	SPONSORS
Big Day Out AUCKLAND	Smirnoff, Jim Beam, Speights Summit, Lindauer
Laneways Festival AUCKLAND	Becks, Smirnoff
Jim Beam Home Grown WELLINGTON	Jim Beam
NZI Wellington Sevens	Speights Summit
Rhythm and Vines GISBORNE	Speights Summit, Yellowglen, Harvest Cider
Heineken Tennis Open	Heineken, Deutz Marlborough Cuvée
Bay of Island Sailing Week	Heineken, Mt Gay Rum
Wellington Cup Racing Carnival	Stella Artois
Phat 10 New Year's Festival INANGAHUA	Jägermeister, Speights Summit
Small Town Big Sounds MANGATAINOKA	Tui, Montana
Super 14 pre-season game BLUES AND HURRICANES, AT MANGATAINOKA	Tui
Auckland Seafood Festival	Mac's Brewery, Glengarry, 42 Below
2010 Michael Hill New Zealand Open GOLF	Allan Scott, Amisfield Wine Company, Heineken
Export Gold Series SURFING	Export Gold
Splore Festival TAPAPAKANGA REGIONAL PARK	Tiger, Cointreau, Jägermeister

Alcohol sponsorships help embed brands and products in the everyday lived experiences of drinkers and future drinkers, making alcohol ‘impressions’ on many people well below the drinking

age. These help form attitudes and preferences in adolescences that are carried into later life. There are well-recognised links between sponsorship by sportspeople and hazardous drinking.<sup>41</sup>

### Alcohol advertising has a negative impact on those with an existing drinking problem

Problem drinkers report that television advertisements make it more difficult to abstain.<sup>42</sup> A Ministry of Health report on alcohol advertising referred to how people in recovery describe how alcohol advertising acts as a constant reminder that abstinence is not normal; it offers promises of companionship, good times and association with famous people/groups.<sup>43</sup>

“After seven years I can still be triggered into thinking drinking would be a good idea by advertising in all its forms” – recovering alcoholic cited in Ministry of Health report.

The aforementioned report also states that the high profile given to alcohol products in supermarkets is said to make it difficult for people in recovery to go shopping.



The existing Code for Advertising Liquor is clearly not working. Neither is the system of industry self-regulation.

ACCORDING TO THE CURRENT CODE FOR ADVERTISING LIQUOR:



Liquor marketing and promotion shall not be directed at minors nor have strong or evident appeal to minors in particular.



Liquor marketing and promotions shall not have strong or evident appeal to under 18s.



Point-of-sale materials and promotions for liquor must not be targeted at an under 18s audience or be available in unrestricted areas at events or activities where more than 25% of the expected audience is under 18.



“ There is a strong argument that a self-regulatory body for alcohol advertising is inappropriate. ”

THE LAW COMMISSION



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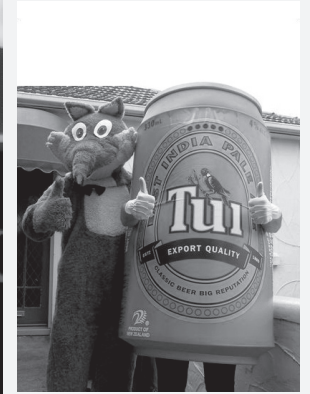
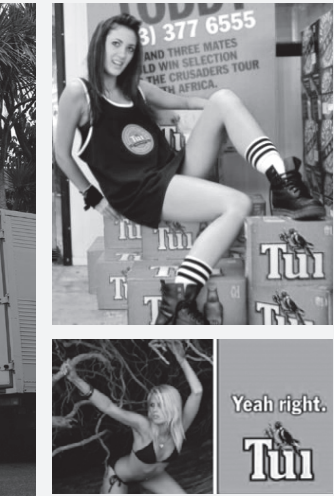
Liquor advertisements shall neither conflict with nor detract from the need for responsibility and moderation in liquor consumption.

Ⓢ

Liquor marketing and promotion shall not in any direct or indirect way suggest that consumption of the drink can lead to sexual, social, sporting or business success or popularity.

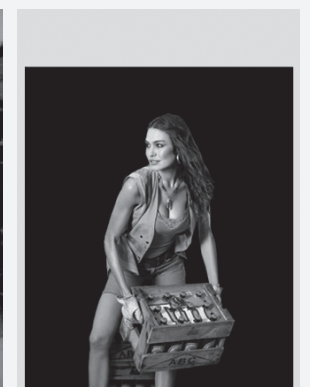
Ⓢ

The purpose of this Code is to ensure that liquor naming, labelling, packaging and promotions will be conducted in a manner that is not inconsistent with the need for responsibility, moderation, minimisation of harm, and minimisation of appeal and exposure to minors.

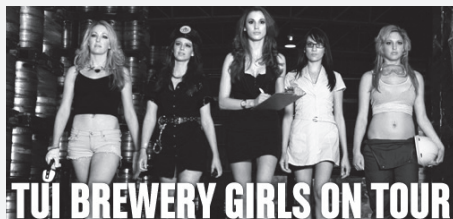


Ⓢ

Advertisements shall not be sexually provocative or suggestive or suggest any link between liquor and sexual attraction or performance.



Tui IRRESISTIBLE TO MEN SINCE 1889



“ If we really want to change our drinking culture, we need to address the environment in which our young people are continually bombarded by sophisticated marketing messages that blatantly associate alcohol with social, sporting and sexual success and encourage heavy consumption. ”

## What should the Bill include?

The Drug Foundation has consistently called for a complete tobacco-style ban of all alcohol advertising across all media and the discontinuation of all alcohol sponsorship of sporting or cultural events.

At a very minimum, the new Bill should include the Law Commission's three-stage plan to control alcohol promotions, advertising and sponsorship. The eventual goal should be an end to all forms of alcohol advertising. The Bill should also enable the Government to place external controls over the industry's ability to advertise. The Bill should place special emphasis on how to restrict new forms of marketing that target young people using social media such as Facebook or viral text messaging. It is important to emphasise that introducing restrictions on marketing would have no bearing on the right of individuals who enjoy drinking to continue to do so.

More attention needs to be paid to the extent of alcohol imagery on television.

The Drug Foundation believes there should be an end to alcohol sponsorship of sporting or cultural events across New Zealand. This practice is currently ubiquitous around the country. There are important lessons to be learned from

the removal of tobacco sponsorship of sporting and cultural events. Today, there is broad public support for the Smoke-free Environments legislation.

The transition away from dependency on alcohol sponsorship could be a gradual one that is done in an incremental manner. Large sponsorships such as Steinlager's sponsorship of the All Blacks could be taken over by the Health Sponsorship Council. We recommend that a proportion of tax from alcohol be used towards this until alternative sponsors can be found. Given the popularity of the All Blacks, it is likely that a new sponsor will quickly be found. Ending alcohol sponsorship of our sporting icons is extremely important if we are to see a shift in the culture of drinking in New Zealand.

We can expect considerable opposition to such a move from the industry and from sporting and cultural groups, large and small, who will claim that their respective organisations will collapse without alcohol sponsorship. Yet this is not consistent with history. The Benson and Hedges Cricket series did not die nor did the Rothmans rally (it even became the Smokefree rally) or the Royal New Zealand Ballet.

In the explanatory note to the Alcohol Reform Bill, the Government acknowledges that legislative settings

can support a safe and responsible drinking environment through controls on the availability of alcohol for instance. We agree entirely and suggest that exactly the same rationale should apply when it comes to legislative controls restricting advertising. ■

**MYTH:** Alcohol advertising is only about increasing market share, not about recruiting non-drinkers or increasing consumption by existing drinkers.

**FACT:** There is clear and compelling evidence that alcohol advertising encourages people to start drinking at a younger age. It also leads young people who already drink to drink more. Advertising also contributes to our drinking culture by so brazenly associating alcohol with social, sexual and sporting success.

#### Footnotes CONTINUED

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#### ALCOHOL PRICING

“ One of the consequences of alcohol being promoted and sold at pocket-money prices is that we risk losing sight of its status as a legal drug, capable of causing serious harm to others. ”

SIR GEOFFREY PALMER



**15.99**

**13.88**

**10.87**

**14.92**

**12.99**

**8.99**

**12.92**

# Alcohol pricing

## Key statistics

# 75%

OVER 75% OF SUBMISSIONS TO THE LAW COMMISSION SUPPORTED INCREASES IN PRICE (VIA EITHER EXCISE TAX OR MINIMUM PRICING).



HEAVILY DISCOUNTED ALCOHOL IS CHEAPER THAN AVERAGE PRICED BOTTLED WATER.<sup>44</sup>

# \$72M

A RISE IN EXCISE TAX OF 50% WILL HAVE NET ECONOMIC BENEFITS TO NEW ZEALAND TO THE ORDER OF \$72 MILLION EACH YEAR, VIA REDUCTIONS IN ALCOHOL-RELATED HARMS.<sup>45</sup>

## What did the Law Commission recommend?

The Law Commission recommended raising the excise tax on alcohol by 50% to achieve a 10% average increase in retail prices. They advised that this would be the most effective pricing policy to reduce harms. They also recommended that the Government fully investigate a minimum pricing scheme and makes it a legal requirement for retailers and producers to provide sales and price data. In a bid to encourage the production and availability of low-alcohol products (up to 2.5% alcohol by volume), the Law Commission also recommended reducing the excise tax on these products.

## What was the Government's response?

Extremely poor. The Government rejected all three of the Law Commission's recommendations on pricing. It has ruled out raising excise tax and stalled for time on the idea of minimum pricing. Instead, it prefers to "monitor international developments" and "review the information available on alcohol sales and price after one year". It has rejected the Law Commission's recommendation to make it a legal requirement for retailers to provide price and sales data. It has also rejected the idea of reducing excise tax on

low-alcohol products.

In its official response to the Law Commission's recommendations, the Government acknowledged that "there is increasing public concern about the accessibility of cheap alcohol encouraging people to drink more often or large amounts". It also concedes that "increased affordability facilitates excessive and harmful consumption".

“ Making alcohol less affordable is the most effective way of reducing alcohol-related harm. ”

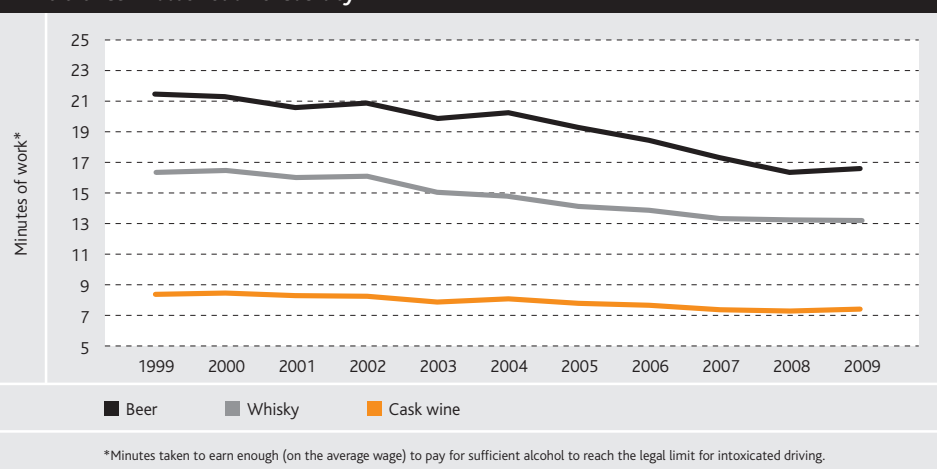
UK National Institute for Health and Clinical Excellence

## Research and experience show

Cheap products are favoured by heavy, harmful and young drinkers. Widespread availability of cheap alcohol products encourages excessive and harmful consumption. Alcohol has become more affordable over the last decade in New Zealand and heavily discounted alcohol is cheaper than average priced bottled water.<sup>46</sup>

Raising alcohol prices is internationally recognised as one of the best ways to reduce alcohol-related harms such as motor vehicle accidents,

### Time trends in alcohol affordability



“ A can of beer or an RTD can be bought for one or two dollars in many retail outlets. This is less than we pay for bottled water. ”

Sir Geoffrey Palmer

violence, sexually transmitted diseases, and cirrhosis. Raising prices reduces consumption in high-risk groups such as heavy drinkers – about 1% for each percentage rise in price – and the young. It also reduces the likelihood of young or moderate drinkers becoming heavy drinkers. The evidence for this is clear and unequivocal.<sup>47</sup>

Comparisons of tax rates and prices across US states show that increases of as little as 10 cents a drink are reflected in reduced levels of domestic violence, sexual disease, and road crashes.<sup>48</sup>

If alcohol taxes were used to raise the price of alcohol in the EU15 [European Union 15 core countries] by 10%, over 9,000 deaths would be prevented during the following year and an approximate estimate suggests that 13 billion Euros of additional excise duty would also be gained.<sup>49</sup>

Cirrhosis of the liver is one of the diseases associated with long-term heavy drinking. US research estimates a 10% increase in the price of alcohol would reduce cirrhosis deaths by 8.3-12.8%.<sup>50</sup>

Analysis by Marsden Jacob Associates, an independent Australian economics consultancy group, suggests that a rise in excise tax of 50% will have likely net economic benefits to New Zealand to the order of \$72 million each year, via reductions in alcohol-related harms. Currently, all

New Zealanders are paying for alcohol-related costs to our Police, health services and prisons via their income taxes.

Two recently published meta-analyses provide strong further evidence that raising alcohol tax is an effective strategy for reducing excessive alcohol consumption and harms.<sup>51</sup> The analysis by Wagenaar et al 2010 suggests that doubling the alcohol tax would reduce:

- alcohol-related mortality by an average of 35%
- traffic crash deaths by 11%
- sexually transmitted disease by 6%
- violence by 2%
- crime by 1.4%.

### What should the Bill include?

We urge the Select Committee to amend the Bill to include the Law Commission’s main recommendations on pricing, including increasing excise tax by 50% to achieve a 10% average increase in retail prices. The Alcohol Reform Bill should also make it a legal requirement for retailers and producers to provide sales and price data with a view to the introduction of a minimum pricing scheme. Currently, these are not collected and analysed in a systematic fashion.

The Drug Foundation believes there is a strong case for fully and immediately investigating a minimum pricing system, in addition to a raise in excise tax.

In order to do this, it should be made a legal requirement for retailers to provide price and sales data. Fixing minimum drinks prices can achieve health goals that raising alcohol taxes alone cannot by preventing below-cost selling and the deep discounting of alcohol that some retailers engage in. The key benefit of a minimum price system would be to raise the retail price of the alcohol products that provide the cheapest forms of absolute alcohol. Unlike a raise in tax, there is no opportunity for its effect to be diluted as a consequence of being absorbed by producers, wholesalers, distributors and retailers.

Recent modelling in the UK has shown that setting a minimum price of 50 pence per unit would likely increase the average weekly spend on alcohol of moderate drinkers by only 23 pence per week, but would decrease the consumption by underage and heavy drinkers by 7.3% and 10.3%, respectively.<sup>52</sup>

The Bill should also include a clause reducing the excise tax on low-alcohol products to encourage the production and availability of these products.

It is important for the Bill to stipulate that a greater proportion of revenue from excise tax on alcohol be used towards prevention, treatment, education and rehabilitation services, and to replace alcohol sponsorship of sport in the initial stages.



Excise tax revenue from alcohol in 2008 was \$907 million. Currently, most alcohol tax goes into the government's consolidated fund, from where it can be used for any government initiative. A small separate levy on alcohol goes to the Alcohol Advisory Council (\$12.7 million in the 2008/09 year). The total cost of harmful alcohol use in New Zealand in 2005/06 has been estimated at \$4.4 billion.<sup>53</sup> Estimates of direct costs to the government range from \$500 million to \$1.2 billion per year.<sup>54</sup> Ear-marking a greater proportion of excise tax towards mitigating alcohol-related harms will make the increase in price more acceptable to the public. This has been demonstrated for tobacco products and in the New Zealand setting.<sup>55</sup>

The evidence on price and tax policy suggests that it is one of the most effective ways of reducing alcohol-related harm. We recognise that taking action on these is difficult and that the public, though supportive of measures to reduce the burden of alcohol use on society, may be resistant to increases in price. The alcohol industry is likely to strongly oppose increases in price. There are also legal, administrative and commercial constraints that may impact on policy action in this area. Nevertheless, action to increase prices is both necessary and possible.

“Those who enjoy alcohol socially and drink in a low-risk manner will be little affected by the Law Commission's recommendations. Our reforms are firmly targeted at reducing the harms associated with heavy drinking and drinking to intoxication.”

– Sir Geoffrey Palmer ■

#### MYTH: Raising alcohol taxes will punish responsible drinkers

**FACT:** The modest price rises proposed by the Law Commission would NOT have a significant impact on low or moderate drinkers. For example, the average price of a 330 ml beer would rise by just 17 cents and an \$11 bottle of wine would increase by just 96 cents. Yet this modest rise would produce significant reductions in harm that would benefit all New Zealanders, drinkers, non-drinkers and taxpayers alike. The Government's reluctance to raise excise tax on alcohol appears to stem from its fear of a voter backlash. This fear is unfounded.

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# Is alcohol cheaper than bottled water?

University of Otago research claiming that some alcohol in New Zealand is more affordable than bottled water attracted an avalanche of publicity in October last year. It made the front page of the *New Zealand Herald*, and appeared in international news outlets from Asia to Latin America. Yet almost as soon as this research was announced, it came under attack from certain quarters. Could alcohol really be cheaper than bottled water in the Land of the Long White Cloud?

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THE research in question focused primarily on evaluating trends in alcohol affordability over time. Using price data collected by Statistics New Zealand for the Consumer Price Index (CPI) and average hourly earnings from the New Zealand Income Survey, the authors demonstrated that alcohol has clearly become more affordable over the past decade. Next, they looked specifically at the price of discounted alcohol and compared this with the price of bottled water. Startlingly, some alcohol was found to be cheaper than bottled water.

Those refuting the finding point out that the study did not compare equal volumes of alcohol and water. But attempting to draw meaningful comparisons on the basis of volume is problematic because alcohol comes in a great many types and strengths. While the alcohol strength of beer typically ranges between 3.5 and 5%, most wine ranges between 11 and 14%, while some spirits can exceed 45%. Alcohol can also be consumed in various ways: spirits are frequently diluted with non-alcoholic mixers while wine and beer are consumed straight.

This is why best practice when quantifying alcohol is to use the concept of a standard drink. One standard drink contains 10g of alcohol and is the amount of alcohol found in an average 330ml can of beer, a 100ml glass of wine

or 30ml of straight spirits. When measuring alcohol, it is the number of standard drinks, not the amount of liquid that matters.

Using a website that documents discounts on alcohol at outlets throughout New Zealand ([www.lips.co.nz](http://www.lips.co.nz)), the researchers found that 3 litres of white cask wine at 11.5% alcohol could be bought for \$16.99, which works out at 62 cents per standard drink. Likewise, 12 330ml bottles of beer at 5% was selling for \$9.99, which works out at 64 cents per standard drink. A litre of spirits at 40% could be bought for \$25.00, equivalent to 78 cents per standard drink.

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**“ When measuring alcohol, it is the number of standard drinks, not the amount of liquid that matters. ”**

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These prices were then compared with the price of 250ml of bottled water using the average 2010 CPI data – 67 cents. This volume was selected because it is a standard serving size for non-alcoholic beverages recognised by nutritionists and equivalent to a typical drinking glass.

At 62 cents per standard drink (cask wine) and 64 cents per standard drink (beer), some discounted alcohol is indeed cheaper than bottled water.

Mythbusters visited the website [www.lips.co.nz](http://www.lips.co.nz) on several occasions and was always able to find discounts equal to (or better) than those identified by the researchers.

Whilst the media may have sensationalised their findings, the researchers themselves were explicit about their results. “Some alcohol is more affordable than bottled water.”

This is undeniable and a conclusion reached on the basis of robust methodology and data. Importantly, the authors never claimed that all alcohol is cheaper than all bottled water.

The notion that price comparisons between alcohol and water should have been done on a volumetric basis is fundamentally flawed. Nonetheless, some alcohol is cheaper than bottled water even on a ml for ml basis.

As Sir Geoffrey Palmer noted, “A can of beer or an RTD can be bought for one or two dollars in many retail outlets. This is less than we pay for bottled water”.

A quick browse at a nearby discount liquor store was all it took to prove that he, too, is absolutely correct. ■

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Gunasekara FI, Wilson N. Very cheap drinking in New Zealand: some alcohol is more affordable than bottled water and nearly as cheap as milk. *NZMJ* 15 October 2010, Vol 123 No 1324:97-101.

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ADULT DRINK-DRIVE LIMIT

“ Current BAC limits  
are ‘ridiculous’. ”

MINISTER OF TRANSPORT HON STEVEN JOYCE



# Adult drink-drive limit

## Key facts

**80** MG PER  
100ML OF  
BLOOD

THE CURRENT BLOOD ALCOHOL CONCENTRATION (BAC) LIMIT IS 80MG OF ALCOHOL PER 100ML OF BLOOD.

**50** MG PER  
100ML OF  
BLOOD

A BAC LIMIT OF 50MG OR LESS IS STANDARD IN MOST OTHER COUNTRIES.

**15 TO 30** LIVES  
SAVED

LOWERING THE ADULT BAC LIMIT TO 50MG WOULD SAVE BETWEEN 15 AND 30 LIVES AND PREVENT BETWEEN 320 AND 686 INJURIES EVERY YEAR.

## What did the Law Commission recommend?

In its original Issues Paper, the Law Commission recommended reducing BAC limits for driving from 80 to 50mg of alcohol per 100ml of blood for adult drivers. It recommended a limit of zero for drivers under 20 years of age. The Law Commission also suggested that alcohol interlock devices be considered for all convicted drink drivers. These devices require the driver to provide an alcohol-free breath sample before the vehicle can be started.

The Law Commission envisaged that the issue of BAC limits would be addressed as part of a review of the national road safety strategy. As such, while emphasising the importance of reducing BAC levels in its Issues Paper as part of alcohol law changes, it did not include specific recommendations about BAC in its 153 final recommendations to the Government.

## What was the Government's response?

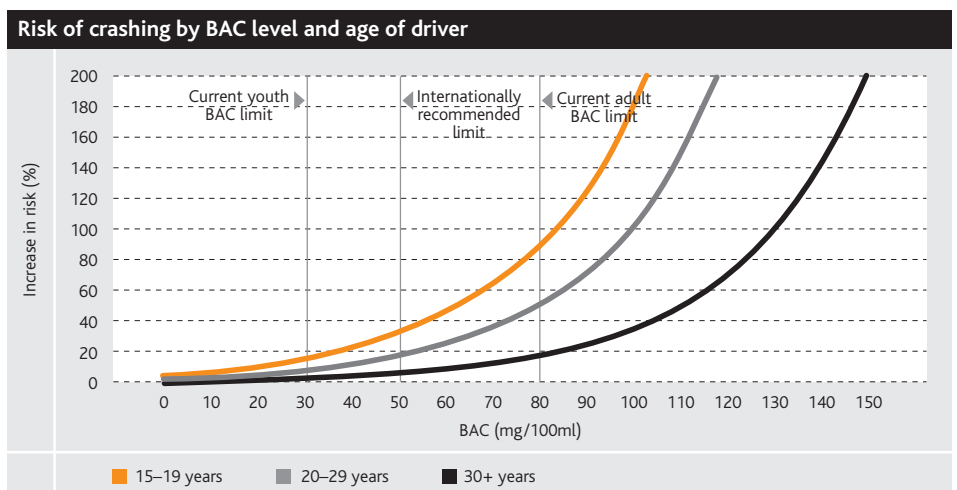
Extremely weak. The Government has turned its back on hundreds of pages of official advice and international evidence urging a lower drink-driving limit.

The Government recently opted not to change the adult BAC limit, leaving it at 80mg for adult drivers. Instead, it has requested two more years of New Zealand-specific research on crash-involved drivers with BAC levels between 50 and 80mg. The Government has adopted a zero BAC limit for drivers under 20 years of age and the recommendation for alcohol interlock devices.

## Research and experience show

There are nearly 300 international studies examining BAC levels and driving ability. They overwhelmingly show that the more alcohol a driver has consumed, the higher their crash risk. Our current BAC of 80mg allows people to become significantly impaired and still legally drive. It allows a man of average height and weight to consume six standard drinks within 90 minutes and still be under the limit.<sup>56</sup> Every 20mg of alcohol per 100ml of blood is associated with a near doubling of crash risk.<sup>57</sup> At the current rate of 80mg, a driver is twice as likely to crash as a driver at 50mg.<sup>58</sup>

The following table is derived from New Zealand data and shows that at a BAC of 80mg adult drivers aged over 30 years are 16 times as likely to be involved in a fatal crash than if they were sober. Adults aged between 20 and 29 years are about 50 times as likely.<sup>59</sup>





“ We strongly recommend an amendment be added to the Bill that lowers the adult BAC limit to 50mg per 100ml. There is ample research evidence, applicable to New Zealand, to support this change. Failure to do so is going to result in lives lost and serious injuries sustained on our roads. ”

**RELATIVE RISK OF FATAL CRASH BY BLOOD ALCOHOL LEVEL**

BAC (MG OF ALCOHOL PER 100ML OF BLOOD)	30+ YEARS	20-29 YEARS	15-19 YEARS
0	1.0	3.0	5.3
30	2.9	8.7	15.0
50	5.8	17.5	30.3
80	16.5	50.2	86.6

The Government was advised by the Ministry of Transport that on the basis of the data in 300 international studies, lowering the adult BAC limit to 50mg would save between 15 and 33 lives and prevent between 320 and 686 injuries every year. It would also produce social cost savings of between \$111 million and \$238 million per year, and ACC would save between \$44.9 million and \$94.5 million in claims. The financial benefit of lowering the limit would be 173 times greater than the cost.<sup>60</sup>

It is easier to keep track of how many drinks you’ve had when keeping below 50mg. This is about two cans of beer drunk by an average-sized adult male in one hour. People intending to keep below a limit of 80mg are more likely to lose count of their drinks.<sup>61</sup>

Most New Zealanders support a legal BAC limit of 50mg. When asked how much alcohol should be safe to drink before driving, 85% of those surveyed answered two drinks or less. This is equivalent to a BAC limit of 50mg.

A BAC limit of 50mg or less is standard for adult drivers in most other developed countries including Australia and 25 out of 29 European countries. Places that have lowered the BAC limit have experienced reductions in drinking and driving and alcohol-related deaths and injuries. In comparison with Australia, where an adult drink drive limit of 50mg has been in place for many years, New Zealand experiences a higher level of alcohol-related road crashes.

Alcohol interlocks can be an effective tool for managing recidivist drink drivers, but they are only effective in the long term if the underlying alcohol problem is addressed. Otherwise, they only work for the duration they are installed in the offender’s vehicle.<sup>62</sup>

Young people are more susceptible to the effects of alcohol and are less experienced drivers. They are at significantly increased risk of crashing even at very low BAC concentrations.

**What should the Bill include?**

We strongly recommend an amendment be added to the Bill that lowers the adult BAC limit to 50mg per 100ml. There is ample research evidence, applicable to New Zealand, to support this change. Failure to do so is going to result in lives lost and serious injuries sustained on our roads.

The Drug Foundation fully supports the Government’s decision to reduce youth BAC limits to zero. This sends a clear message to young people that if you drink any alcohol you should not drive. We also support the Government on the introduction of alcohol interlocks for repeat drink drivers. However, repeat drink driving offences are often a sign of an underlying drinking problem. Ensuring that treatment is available to recidivist drink drivers should be a priority. ■

#### BAC LIMITS FOR ADULT DRIVERS WITH FULL LICENCE IN OTHER OECD COUNTRIES

0.5 (MG/ML) OR LESS	0.8 (MG/ML)
Australia 0.5	Luxembourg 0.8
Austria 0.5	Canada 0.8
Belgium 0.5	Ireland 0.8
Czech Republic 0.0	Chile 0.8
Denmark 0.5	Mexico 0.8
Estonia 0.0	United Kingdom 0.8
Finland 0.5	United States 0.8
France 0.5	
Germany 0.5	
Greece 0.5	
Hungary 0.0	
Iceland 0.5	
Israel 0.5	
Italy 0.5	
Japan 0.3	
The Netherlands 0.5	
Norway 0.2	
Poland 0.2	
Portugal 0.5	
Slovak Republic 0.0	
Slovenia 0.5	
South Korea 0.5	
Spain 0.5	
Sweden 0.2	
Switzerland 0.5	
Turkey 0.5	

#### Footnotes CONTINUED

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- <sup>60</sup> Hartevelt J. Drink driving advice ignored. The Press. 21 September 2009.
- <sup>61</sup> Office of the Minister of Transport (2003) Road Safety to 2010 Strategy: 2004 next steps package. 15 December. Cabinet paper obtained under the Official Information Act.
- <sup>62</sup> Babor, T. et al. (2010).



#### SOCIAL SUPPLY

“ People need to think about how they are introducing their children to alcohol. They have to think what the effects of them as role models are. Children learn by example, and some of the examples are not good. ”

SIR GEOFFREY PALMER



# Social supply

## Key facts



PARENTS, OLDER BROTHERS AND SISTERS, AND FRIENDS ARE MAJOR SOURCES OF ALCOHOL SUPPLY FOR MINORS.

IT IS CURRENTLY AN OFFENCE TO PURCHASE ALCOHOL WITH THE 'INTENT TO SUPPLY' IT TO A MINOR, BUT NOT IF THE BUYER IS THE PARENT OR GUARDIAN OR THE ALCOHOL IS FOR A 'PRIVATE SOCIAL GATHERING'.



THERE ARE NO LEGAL RESTRICTIONS ON HOW ALCOHOL IS SUPPLIED TO MINORS AT PRIVATE FUNCTIONS SUCH AS AFTER-BALL PARTIES.

EXISTING CONTROLS ON THE PRIVATE SUPPLY OF ALCOHOL TO MINORS ARE LIMITED.

MANY PARENTS DO NOT WANT TO LOSE THEIR RIGHT TO INTRODUCE THEIR CHILD TO ALCOHOL IN A RESPONSIBLE MANNER BUT ARE FRUSTRATED AT BEING UNABLE TO PREVENT OTHERS FROM SUPPLYING ALCOHOL TO THEIR CHILDREN, OFTEN WITH NO ADULT SUPERVISION.

## What did the Law Commission recommend?

The Law Commission recognised the rights and responsibilities of parents with respect to the supply of alcohol to minors.

The Law Commission recommended that it be an offence for any person who is not the parent or guardian to supply alcohol to someone under the age of 18, unless they have got consent (orally or in writing) from a parent or guardian, and the alcohol is supplied in a responsible manner. Supplying alcohol in a responsible manner means taking into account factors such as: adequacy of adult supervision; age of minors present; quantity and duration of alcohol supplied; presence of intoxication; availability of food.

A parent or guardian would not be responsible if a minor had acted without their knowledge or against their instructions. The Law Commission acknowledges concerns about how consent and supervision will be enforced. If the purchase age is raised to 20, these recommendations will apply only to those under 18 because the legal responsibilities of parents and guardians end once children turn 18.

## What was the Government's response?

The Government's response to this aspect of the Bill was very good. The Government accepted the Law Commission's proposals for strengthening controls on supply of alcohol to minors. It noted that Police would have discretion not to prosecute and believes this will give protection to low-level, low-harm supply and avoid over-interference in people's private lives. Proposed clauses relating to strengthening controls on the supply of alcohol to minors are to be commended. This is a complex area in which we should learn from successful similar initiatives in other jurisdictions.

“ Proposed clauses relating to strengthening controls on the supply of alcohol to minors are to be commended. This is a complex area in which we should learn from successful similar initiatives in other jurisdictions. ”

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**“ Minors are more likely to consume larger amounts of alcohol at someone else’s home (61%) than in their own home (21%). ”**

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## Research and experience show

Parents, other family members and friends are the main sources of alcohol supply to minors. The risk of harm for minors is reduced when parents are involved and there is adult supervision. Young people drink more when alcohol is supplied by friends than by parents. For example, minors are more likely to consume larger amounts of alcohol at someone else’s home (61%) than in their own home (21%).<sup>63</sup> Furthermore, parents were the most common source of supply to minors who drank less than two standard drinks, while friends were the most common source of supply to minors who drank six or more drinks, on a single occasion.

Parents have a great influence on young people’s drinking. This influence is more positive when communication channels are clear, there is positive role modelling in the home and alcohol-specific boundaries are put in place. Delaying the age of alcohol initiation helps reduce harmful drinking. Police often respond to out-of-control parties where alcohol has been supplied by adults to other people’s children, yet find it difficult to investigate or prosecute the supplier under existing law.

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**“ Parents have a great influence on young people’s drinking. This influence is more positive when communication channels are clear, there is positive role modelling in the home and alcohol-specific boundaries are put in place. ”**

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Three states in Australia – New South Wales, Queensland and Tasmania – have introduced legislation to control the social supply of alcohol to minors on private property. In each jurisdiction, the law states only a parent, or an adult acting in the place of the parent, or with the formal approval of the parent, can supply a minor with alcohol in a private residence. In Queensland and Tasmania, a second offence of ‘irresponsible supply’ occurs when a person provides an excessive amount of alcohol or does not supervise the minor’s consumption of that alcohol to ensure that it is consumed safely. The Victorian Government has committed to introducing legislation to prohibit the supply of alcohol to young people in private settings.

We have consulted with our

colleagues in the Australian Drug Foundation over social supply legislation in Australia. The ADF believes that compared with the legislation in New South Wales, Queensland and Tasmania, the proposed New Zealand model is by far the most comprehensive.

A key issue is that of defining authorisation or consent. In the Australian legislation, no guidance is given in the legislation as to the manner in which authorisation can be given, or the extent of this authorisation. Tasmanian Police have issued guidance notes in relation to permission under their legislation, which states that “the way in which you obtain the permission is up to you: it can be written, verbal or electronic, just make sure that it is legitimate and reliable”.<sup>64</sup> Additionally, the courts would apply reasonable limitations, based on the facts of an individual case.

We have been advised by our Australian colleagues that not specifically setting out what consent is in the existing Australian legislation has not proved to be problematic. Rather, it means that Parliament has conferred discretion on decision makers to take into account all the circumstances of a given case to decide whether,

“ Enforcement of the legislation should be based on an educative approach, rather than criminal sanctions, with the focus on changing behaviour and creating societal change. ”



objectively, one could conclude that permission has been given. Furthermore, given that permission is likely to come about in different ways, implied and explicit, it would be difficult to draft legislation covering all the ways in which consent may be granted.

“ The proposed New Zealand approach to social supply legislation is excellent. Our only concern is that police discretion is not inappropriately used to target minority groups. ”

In the proposed New Zealand Bill, authorisation is framed differently. It is a defence to the charge of supplying alcohol to a minor if the supplier believes on reasonable grounds that he or she has the consent of the parent or guardian of the minor (and supplies alcohol in a responsible manner). ‘Reasonable grounds’ is a legal standard of proof, defined as “the basis for a state of mind (such as belief or suspicion) where, from an objective viewpoint, that basis was just and appropriate in all the circumstances”.<sup>65</sup> This means that there must be some basis for the belief that can be considered and evaluated by an objective third person. The belief must

be one that a reasonable person would have in that particular situation, taking into account the relevant facts and circumstances. A belief can be on reasonable grounds even if it is wrong.

The proposed New Zealand approach to social supply legislation is excellent. Our only concern is that Police discretion is not inappropriately used to target minority groups. The development of Police policy or guidelines would be a useful step to support this part of the Bill.

### What should the Bill include?

It should retain the proposals for strengthening the controls on supply of alcohol to minors by including this in the new alcohol law. This will give parents and other adults more support and clarity about their rights and responsibilities around supplying alcohol to their own and other children.

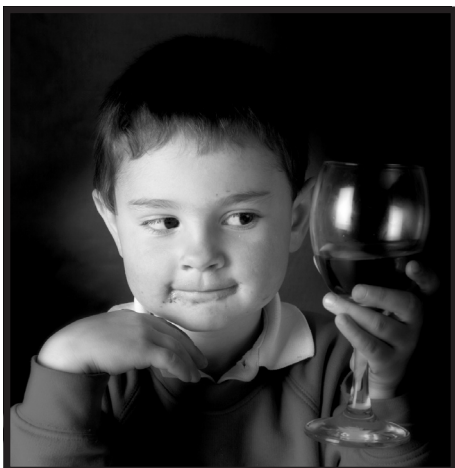
Enforcement of the legislation should be based on an educative approach, rather than criminal sanctions, with the focus on changing behaviour and creating societal change. The use of diversionary options and counselling of parents should be investigated. The introduction of such legislation would require a sustained social marketing campaign to increase awareness of the risks associated with excessive or unsupervised drinking by young people,

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and to inform the community of the new laws. It will also be necessary to invest adequate resources to ensure parents understand the critical role they play in introducing their children to alcohol, including the importance of role modelling and responsible supply.

We emphasise the importance of enforcing the new laws in such a way that Police discretion is not used to unfairly target particular socio-economic or ethnic groups.

As delaying the age of alcohol initiation helps reduce harmful drinking, we urge the Committee to include “delaying the onset of young people drinking alcohol” as a specific objective of the Bill, as was recommended by the Law Commission. ■



#### Footnotes CONTINUED

- <sup>63</sup> Ministry of Health Alcohol Use in New Zealand: Key Results of the 2007/08 New Zealand Alcohol and Drug Use Survey (Ministry of Health, Wellington, 2009).
- <sup>64</sup> Department of Police and Emergency Management, Government of Tasmania, Youth and Alcohol at home and on private property, available from URL: [http://www.police.tas.gov.au/uploads/file/Pamphlets/Youth\\_and\\_Alcohol\\_brochure.pdf](http://www.police.tas.gov.au/uploads/file/Pamphlets/Youth_and_Alcohol_brochure.pdf).
- <sup>65</sup> LexisNexis, Butterworths Encyclopaedic Australian Legal Dictionary.

#### PURCHASE AGE

“ In the decade since the age was lowered to 18, Police believe the de facto drinking age has dropped to 14 or 15 – ages at which regular alcohol consumption is associated with real risks of both short- and long-term harms. ”

LAW COMMISSION RESEARCHER CATE BRETT





# Purchase age

## Key facts



8 IN 10 YOUNG PEOPLE AGED 16–17 HAVE CONSUMED ALCOHOL IN THE PAST YEAR.

SINCE THE PURCHASE AGE WAS LOWERED FROM 20 YEARS IN 1999, THE LEVEL OF ALCOHOL-RELATED HARM EXPERIENCED BY YOUNG PEOPLE HAS INCREASED.

# 78%

OF SUBMISSIONS TO THE LAW COMMISSION SUPPORTED INCREASING THE MINIMUM PURCHASE AGE.

YOUNG PEOPLE ARE STARTING TO DRINK EVEN EARLIER THAN THEY DID A DECADE AGO.

ON-LICENCE PREMISES ARE NOT ALWAYS THE SAFE AND SUPERVISED ENVIRONMENTS THAT THEY ARE SOMETIMES MADE OUT TO BE.

## What did the Law Commission recommend?

The purchase age for alcohol should be raised to 20 years with no exceptions.

## What was the Government's response?

The Government recommends introducing a split purchase age of 18 years for on-licences and 20 years for off-licences. It considers this would reduce alcohol-related harms associated with drinking off-premises, especially the practice of 'pre-loading'. It also points to the reduced opportunity for supply by 18 and 19 year olds to younger peers.

“ Between 1995 and 2006, there was a 126% increase in hospital admissions for mental and behavioural disorders due to alcohol use in the 15-19 year age group. ”

## Research and experience show

Drinking at a young age is a risk factor for alcohol-related harms as a young adult and later in life. Since the purchase age was lowered from 20 to 18 in 1999, there has been a significant increase in intoxicated people under 20 presenting to hospital, there has been an increase in alcohol-related crashes among 15–19 year olds and young people are starting to drink at an even earlier age.

In a recent survey, eight in 10 people aged 16–17 years had consumed alcohol in the past year, with 71% of these consuming a large amount at least once and 36% drinking at least weekly.<sup>66</sup> International evidence shows that raising the purchase age reduces adolescent access to alcohol, reduces harmful youth drinking and raises the age at which young people start drinking.<sup>67</sup>

““ Between 1995 and 2006, the highest number of hospital admissions for alcohol poisoning were among 15–19 year olds, followed by 10–14 year olds. ””



### What should the Bill include?

We urge the Select Committee to be guided by the evidence and accept the Law Commission’s recommendation to return the purchase age back to 20, with no exceptions. We also recommend that purchase age be treated as a health and social policy issue rather than a conscience issue when voting in the House. We stress the importance of not allowing concern for the drinking and voting rights of young people to override the real and significant harms that have occurred since the lowering of the purchase age. ■

The Law Commission considered the idea of a split purchase age but rejected it as there is no evidence that on-licences provide a lower-risk drinking environment. A significant proportion of serious assaults occur in and around on-licensed premises.<sup>68</sup> Furthermore, a split purchase age is difficult to enforce and sends out conflicting messages.

Since 1999, new research has shown that the brain continues to develop until well into a person’s 20s. Drinking alcohol at a young age harms the developing brain.<sup>69</sup>

#### Footnotes CONTINUED

- <sup>66</sup> Ministry of Health Alcohol Use in New Zealand: Key Results of the 2007/08 New Zealand Alcohol and Drug Use Survey (Ministry of Health, Wellington, 2009).
- <sup>67</sup> Babor TF, Caetano R, et al. (2010).
- <sup>68</sup> S Casswell, J Zhang and A Wyllie “The importance of amount and location of drinking for the experience of alcohol-related problems” (1993) 88 *Addiction* 1527 at 1531.
- <sup>69</sup> National Institute on Alcohol Abuse and Alcoholism. The effects of alcohol on physiological processes and biological development. *Alcohol Res Health*. 2004-2005;28(3):125-31.

LICENSING AND AVAILABILITY

“ It’s about encouraging social responsibility and removing the harmful consequences of the saturation of liquor stores in our communities. ”

TAIMA FAGALOA, PORIRUA CITY COUNCILLOR

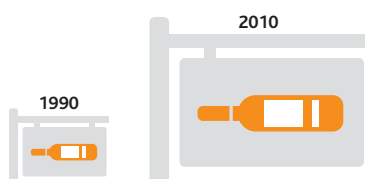


NO TO MORE LIQUOR IN CANNONS CREEK HOME TO FAMILIAL CENTRE AND PACE HEALTH SERVICE

SAY NO TO MORE Bottle store Cannons Creek

# Licensing and availability

## Key facts



THE NUMBER OF OUTLETS LICENSED TO SELL ALCOHOL HAS MORE THAN DOUBLED FROM 6,296 IN 1990 TO 14,424 IN 2010.

ALCOHOL LICENCES ARE EASY TO GET AND HARD TO LOSE.

# 24<sup>HOUR</sup>

LIQUOR LICENSING CONTRIBUTES TO DISORDER, VIOLENCE, CRIME AND TRAFFIC ACCIDENTS.

THE PUBLIC HAS LITTLE OR NO INPUT INTO WHERE AND HOW ALCOHOL IS SOLD.

## What did the Law Commission recommend?

The Law Commission recommended that communities should have more input into local licensing decisions. The primary mechanism to facilitate this is requiring every local authority to adopt a local alcohol policy. Local alcohol policies would be required to take into account factors including the number, type and hours of licensed premises, the social and economic make-up of the community, and the level of alcohol-related problems in the area. Local alcohol policies should also include a plan for reducing alcohol-related harm, local restrictions on opening hours and a list of areas where outlet density is high and no new licence applications should be accepted. The Law Commission recommended that communities be meaningfully involved in the development of local alcohol policies. To this end, they suggest that councils should involve local iwi and hapū, Police, licensing inspectors, medical officers of health and other appropriate people when developing local alcohol policies.

The Law Commission also suggested that a wider range of factors be taken into consideration when determinations about liquor licensing are being made. At the moment, decisions about liquor licensing are largely based only on how suitable the applicant is. The Law

Commission recommended that decision makers should also take other factors into account such as the local alcohol policy, the aim of the law to reduce alcohol harms, the impacts of an outlet on a neighbourhood, and whether an applicant can handle the responsibilities that come with running a licensed liquor outlet.

The Law Commission also recommended reducing the hours that liquor can be sold across the country so that all off-licences have to close by 10pm and not reopen until 9am and all on-licences have to close by 4am and not reopen until 9am, with a compulsory one-way door policy from 2am.

The Law Commission also recommended scrapping the exemptions for a range of premises that are currently not subject to liquor licensing requirements. These premises include: the House of Representatives; Police canteens; Prison Officers' canteens; Fire Service canteens; Defence Force canteens.

## What was the Government's response?

The Government accepted most of the Law Commission's recommendations around licensing, with some important exceptions. Firstly, local alcohol policies will remain voluntary, thus potentially diminishing the opportunity for all communities to have a say in how alcohol is sold and supplied in their

communities. Secondly, although the Government has agreed to remove the licensing exemptions for the House of Representatives and Prison Officers' canteens, it has proposed continued exemptions for Police, Defence and Fire Service canteens.

The Government also accepted the need to restrict trading hours but has suggested slightly different hours from what the Law Commission recommended. The Bill proposes maximum trading hours of 7am–11pm for off-licences and 8am–4am for on-licences, with a one-way door policy left up to decision makers rather than being compulsory.

### **Research and experience show**

As the law currently stands, the public has little or no input into where and how alcohol is sold. Alcohol licences are easy to get and hard to lose. This has resulted in a situation whereby communities are powerless to stop the increase of liquor outlets in their neighbourhoods. Communities have been demanding a greater say on alcohol in their neighbourhood and the Law Commission has recognised this.

Liquor outlets are frequently clustered in the most socio-economically deprived neighbourhoods. A high density of liquor outlets leads to increased competition and lower prices. This is problematic when the commodity

“**As the law currently stands, the public has little or no input into where and how alcohol is sold. Alcohol licences are easy to get and hard to lose.**”

being sold is alcohol. When alcohol availability is high, so are rates of alcohol-related harms. New Zealand research has shown that high liquor outlet density is associated with increased total police events, including: anti-social behaviour; sexual offences; dishonesty offences; violent crime; drug and alcohol offences; traffic offences; family violence; motor vehicle accidents; property damage.<sup>70</sup>

If local alcohol policies are voluntary, not all local authorities will develop one. Without a local alcohol policy, communities are denied the level of input needed to influence licence application decisions and the ability to retake control of alcohol harms in their neighbourhoods.

Twenty-four-hour liquor licensing contributes to disorder, violence, crime and traffic accidents. Limiting the availability of alcohol by restricting trading hours is among the most effective measures to reduce alcohol-related harms.<sup>71</sup> It reduces excessive

drinking, targets the heaviest drinkers and has the least impact on low to moderate drinkers. It reduces alcohol-related crime, violence and road accidents.

The maximum trading hours proposed in the Bill are quite liberal. This is all the more reason why it is important to make the development of local alcohol policies mandatory so that communities have the opportunity to reduce the hours that alcohol is sold and supplied in their neighbourhoods, if they so wish.

### **What should the Bill include?**

We commend the Government for listening to the overwhelming voice of New Zealanders who want a greater say in how alcohol is sold and supplied in their communities. The clause empowering territorial authorities to develop local alcohol policies which may include policies on any matter relevant to the object of the Bill is welcome.

However, it is particularly important that local alcohol policies be made mandatory for all local authorities and we urge the Committee to make this amendment. Mandatory local alcohol policies would ensure that all communities have a say about alcohol in their neighbourhoods, encourage all local authorities to consider the nature

## 20 YEARS OF LIBERALISATION

### ▶ 1989

LIQUOR LICENSING LIBERALISED: PREVIOUSLY BASED ON COMMUNITY 'NEED', NOW ANY 'SUITABLE' APPLICANT WITH PLANNING CONSENT GETS A LICENCE (NUMBER OF LICENCES DOUBLES IN EARLY 1990S). 24-HOUR OPENING ALLOWED. SUPERMARKETS CAN SELL WINE.

### ▶ 1992

ALCOHOL BRAND ADVERTISING ALLOWED ON TV AFTER 9PM. LIQUOR ADVERTISING CODE TRANSFERS FROM BROADCAST STANDARDS AUTHORITY (CROWN AGENCY) TO ADVERTISING STANDARDS AUTHORITY (INDUSTRY BODY).

### ▶ 1995

FROM AROUND 1995 CAFÉS START APPLYING FOR LICENCES; ALCOPOPS ENTER MARKET.

### ▶ 1999

SALE OF LIQUOR ACT AMENDED. MINIMUM PURCHASE AGE LOWERED FROM 20 TO 18. SUPERMARKETS ALLOWED TO SELL BEER AS WELL AS WINE (BUT NOT SPIRITS). SEVEN-DAY TRADING FOR 'TAVERNS' AND OFF-LICENCES.

### ▶ 2003

ADVERTISING STANDARDS AUTHORITY (ASA) MOVES START TIME FOR TELEVISION ALCOHOL ADVERTISING FROM 9.00PM TO 8.30PM.

of alcohol use in their district and ensure the licensing process is consistent nationwide.

We welcome the Government's decision to accept the Law Commission's proposals to require licensing decision makers to consider a range of factors other than just the applicant's suitability when processing applications. A broadening of the factors which authorities will be required to take into consideration when making decisions about licensing will benefit operators who currently operate responsibly, while compelling unscrupulous operators to improve their practice or face the prospect of losing their licence. Taking into account the impact of any new licensed premises on the surrounding community will help prevent the clustering of alcohol outlets, reduce the availability of alcohol and reduce alcohol harms.

We would like the Select Committee to adopt the restricted trading hours originally recommended by the Law Commission and make a one-way door policy compulsory rather than voluntary.

While we welcome the Government's decision to revoke the licensing exemptions for the House of Representatives and Prison Officers' canteens, we urge the Committee to also revoke licensing exemptions for Police, Defence and Fire Service canteens. As the Law Commission noted, "less controlled access to alcohol should not

be used as a reward for commendable public service".

The Law Commission outlined very compelling reasons for these exemptions to be removed:

Defence Force establishments could be licensed in similar ways to civilian licences, but managed internally under military authority, such as the military police, with NZDF reporting annually to the Alcohol Regulatory Authority.

Police and Fire Service canteens could operate simply under a club licence, thus minimising compliance costs.

It is important to note that the New Zealand Police support the removal of exemptions for Police canteens.

We recommend the Committee reject the proposed continued exemptions for these premises. ■

#### Footnotes CONTINUED

<sup>70</sup> M P Cameron and others The Impact of Liquor Outlets in Manukau City – A report to the Alcohol Advisory Council of New Zealand (Impact of Liquor Outlets Research Summary Report, Population Studies Centre, University of Waikato, Hamilton, 2010).

<sup>71</sup> Babor TF, Caetano R, et al. (2010). Alcohol: No Ordinary Commodity. Research and Public Policy. Oxford, Oxford University Press; NICE (National Institute for Health and Clinical Excellence) (2010). Alcohol use disorders: Preventing the development of hazardous and harmful drinking. NICE public health guidance 24. London, NICE.

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# Other matters

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## Potential inconsistencies with the Bill of Rights Act

The Attorney-General has considered the Alcohol Reform Bill for consistency with the New Zealand Bill of Rights Act and concluded that several provisions appear to be inconsistent with the affirmed rights, and are not justified under section 5 of the Bill of Rights Act.<sup>72</sup> It is our view that all five areas of concern identified by the Attorney-General are valid (though some are more serious than others) and we urge the Committee to give these concerns due scrutiny.

We are particularly concerned about the proposal to make it possible for police to arrest someone for breaching a liquor ban, which is an ‘infringement offence’. It is not clear why an arrest for a breach of a liquor ban is necessary. If there is a risk of public disorder, alternative powers of arrest are available to police. We agree with the Attorney-General’s assessment that granting powers of arrest for an infringement offence appears to be inconsistent with the right against arbitrary arrest or detention under the Bill of Rights Act. Infringement offences are not sufficiently serious to justify a power to arrest. The intention is to keep such offending out of the criminal justice system such that an offender does not result in a recorded conviction. Furthermore, the purpose of arrest and detention in the Bill is not clear as the process for an infringement

notice is effectively completed once the infringement notice is issued. The arrested person would either have to be immediately released or held without a clear obligation of release, both of which call into question the coherence of the proposed scheme.

Concerns have also been raised about allowing police to compel someone suspected of an infringement offence to give the name, address and whereabouts of anyone connected in any way with the alleged offence. This raises issues about the right to silence and the right to be free from unreasonable search and seizure. The Bill also has a number of ‘reverse onus’ provisions, which shift the burden of proof from the prosecution to the accused. This appears to contravene the cardinal principle of the presumption of innocence that lies at the core of our legal system.

While these issues lay outside the Drug Foundation’s core area of expertise, we urge the Committee to devote close attention to ensuring that the Alcohol Reform Bill does not contradict the rights and principles enshrined in the Bill of Rights Act.

## Regulations banning or restricting certain alcohol products

We welcome the provisions under Clause 383 giving specific powers to make regulations banning or restricting certain alcohol products. While it is difficult to predict future types of alcohol products that could be sold, there are already strong concerns regarding some products. We consider that this provision (subject to minor modifications) will provide the regulatory authorities with sufficient powers to ban or restrict certain products deemed dangerous or especially appealing to young people.

There are already some concerns regarding caffeinated RTDs. Many RTDs sold in New Zealand contain energy-additives, such as caffeine and/or guarana (guarana is a natural source of caffeine). Bourbon and colas are the most popular type of RTD. Pulse, for example, is the fastest-growing RTD and has 7% alcohol (vodka) combined with flavoured soda and guarana. Although research is limited, available evidence suggests that energy-additive RTDs can mask the intoxicating effects of alcohol and therefore increase the risk of alcohol-related harm.

Young people are particularly vulnerable to increased problems from ingesting these products, since they are more likely than adults to take risks and



“ Caffeinated RTDs may cause a ‘wide-awake drunk’ effect when consumed in large amounts, causing intoxicated people to perceive that they are safe to drive because the caffeine combats the drowsiness normally associated with alcohol. ”

to suffer high rates of acute alcohol problems, including alcohol-related traffic accidents, violence, sexual assault, and suicide.<sup>73</sup> Caffeinated RTDs may cause a ‘wide-awake drunk’ effect when consumed in large amounts, causing intoxicated people to perceive that they are safe to drive because the caffeine combats the drowsiness normally associated with alcohol.<sup>74</sup>

We draw the Committee’s attention to the recent determination by the US FDA after a year-long probe into the safety of caffeinated alcoholic beverages that caffeine is an “unsafe food additive” to malt alcohol beverages. Following this ruling, the federal government may seize the products if companies don’t remove the caffeine from them.

The three-month delay between the regulations coming into force after the date of their notification in the *Gazette* under Clause 383 is unduly long. If a product is deemed to be dangerous to health after consulting with the Minister of Health, then the Government should implement a ban or restriction as soon as possible. We suggest that this timeframe be amended to the day one month after the date of notification, unless the Minister is satisfied there exists or is about to exist a situation serious enough to justify urgent action.

### Addiction treatment

We are pleased to note that the explanatory note to the Bill states that the Bill will be supported by robust public education and treatment interventions. Treatment works. It reduces alcohol harm to individuals, families and communities, is cost-effective, and the benefits of effective treatment are felt across many sectors. The unmet need for alcohol treatment is significant. Greater investment in the addiction treatment sector is urgently needed so that people who are in need of help can find it.

“ Treatment works. It reduces alcohol harm to individuals, families and communities, is cost-effective, and the benefits of effective treatment are felt across many sectors. The unmet need for alcohol treatment is significant. ”

### Key facts



ONLY A QUARTER (25.8%) OF PEOPLE WITH DIAGNOSED ALCOHOL ABUSE AND JUST OVER A THIRD (36.9%) OF PEOPLE WITH DIAGNOSED ALCOHOL DEPENDENCE HAVE SOUGHT HELP FOR THEIR ALCOHOL PROBLEMS IN THE PAST YEAR.<sup>75</sup>

ONLY A SMALL PROPORTION OF PEOPLE WITH DRINKING PROBLEMS ARE EVER DIAGNOSED. IT IS ESTIMATED THAT IN THE PAST YEAR 2.6% AND 1.3% OF THE POPULATION SUFFERED FROM ALCOHOL ABUSE AND ALCOHOL DEPENDENCE, RESPECTIVELY.<sup>76</sup>

THOSE WHO DO SEEK HELP TEND TO STRUGGLE ALONE FOR A LONG TIME BEFORE REACHING OUT. THE MEDIAN DELAY BEFORE SEEKING TREATMENT FOR ALCOHOL ABUSE IS 16 YEARS, AND FOR ALCOHOL DEPENDENCE IT IS SEVEN YEARS.<sup>77</sup>



ONLY 7% OF DRINK DRIVERS WERE REFERRED FOR AOD ASSESSMENTS BY THE COURTS IN 2006/07.

MĀORI ARE TWICE AS LIKELY AS NON-MĀORI TO HAVE WANTED HELP IN ADDRESSING THEIR ALCOHOL MISUSE BUT NOT RECEIVED IT.

Treatment is a cost-effective way to reduce alcohol harm in our communities. The cost of alcohol harm to New Zealand has been calculated at \$1.31 billion a year.<sup>78</sup> For every dollar spent on treatment, five dollars are saved in health, social and criminal justice services.<sup>79</sup> Treatment reduces the costs of alcohol harms to society by reducing criminal offending and incarceration rates, domestic and child abuse decreases, and socio-economic inequalities lessen as people in recovery contribute more to society through employment.

We support the Commission's recommendation for some of the proceeds of the proposed increase in alcohol excise to be applied to spending on alcohol treatment services and training. We have elaborated on our rationale for this on page 22.

Despite the social and economic benefits of providing effective addiction treatment, there is a disconnect between the level of resourcing and the level of need in New Zealand. Under-resourcing of addiction treatment means that opportunities to reduce alcohol harm are being missed. Currently, judges are able to call for alcohol and other drug (AOD) assessments and direct offenders into treatment as part of the sentencing process. However, a lack of available treatment programmes means this is rarely possible.

Judge John Walker told the Law Commission that many offenders appearing before the District Court would benefit from addiction treatment, but that the ability to incorporate this into sentencing is "dependent on treatment being available". He went on to say, "Unfortunately, more often than not, it [treatment] isn't."

Only 7% of drink drivers were referred for AOD assessments by the courts in 2006/07. Of those with a single conviction, only 1% were ordered to be assessed. Of those with two convictions, just 6% were ordered to be assessed and of those with four convictions, only 31% were ordered to be assessed. For some people with a drinking problem, a court appearance could be the catalyst for change, providing a valuable window of opportunity to address their drinking problem. A lack of investment in the addiction treatment sector means that these opportunities are being missed.

Better integration across existing agencies and systems is crucial for treatment to be delivered more effectively. Even though under-resourcing is the single most important issue for the treatment sector, fragmentation and a lack of co-ordination are also significant impediments to better treatment. ■

#### Footnotes CONTINUED

- <sup>72</sup> Report of the Attorney-General under the New Zealand Bill of Rights Act 1990 on the Alcohol Reform Bill. 8 November 2010.
- <sup>73</sup> Simon M and Mosher J. 2007. Alcohol, energy drinks, and youth: A dangerous mix. California: Marin Institute.
- <sup>74</sup> Alcohol Advisory Council of New Zealand Policy on Ready-To-Drinks (RTDs) (Wellington, 2008).
- <sup>75</sup> J.E. Wells, J. Baxter, & D.Schaaf (Eds). (2007). Substance Use Disorders in Te Rau Hinengaro: The New Zealand Mental Health Survey. Wellington: Alcohol Advisory Council of New Zealand.
- <sup>76</sup> Ibid.
- <sup>77</sup> Ibid.
- <sup>78</sup> Slack, A., O'Dea, D., Sheerin, I., Norman, D., Wu, J., & Nana, G. (2008). New Zealand Drug Harm Index: Report to New Zealand Police. Berl: Wellington.
- <sup>79</sup> NCAT Position statement, August 2008.

# About us

The New Zealand Drug Foundation, established in 1990, is an independent trust with a national focus on minimising drug-related harm. This includes social and health harms caused by legal drugs, such as tobacco and alcohol, as well as illegal drugs, such as cannabis.

“Our focus is on advocating for policies that build a healthy society where there is the least possible harm from drug use. All efforts to control or reduce the harm from drugs must be evidence based, socially just and maintain the rights of individuals and the aspirations of communities.”

The Drug Foundation advocates evidence-based policy on these issues, and provides reliable and credible information to organisations and individuals.

The Drug Foundation recognises that drugs, legal and illegal, are a part of everyday life experience. Drugs, and their use, impact on many of us, and on the people we care about. Harms to individuals and families include injury, disease, social, personal and financial problems, and a reduced quality of life. Harms to society include unsafe communities, increased need for law enforcement, and high health and economic costs.

For these reasons, the Drug Foundation is committed to reducing drug use and its harmful consequences.

Our focus is on advocating for policies that build a healthy society where there is the least possible harm from drug use. All efforts to control or reduce the harm from drugs must be evidence based, socially just and maintain the rights of individuals and the aspirations of communities.

The Drug Foundation provides leadership and representation for our nationwide membership of organisations and individuals working on alcohol and drug issues. The Drug Foundation is a member of the International Harm Reduction Association, the Global Alcohol Policy Alliance, the Vienna NGO Committee on Drugs and the International Drug Policy Consortium.

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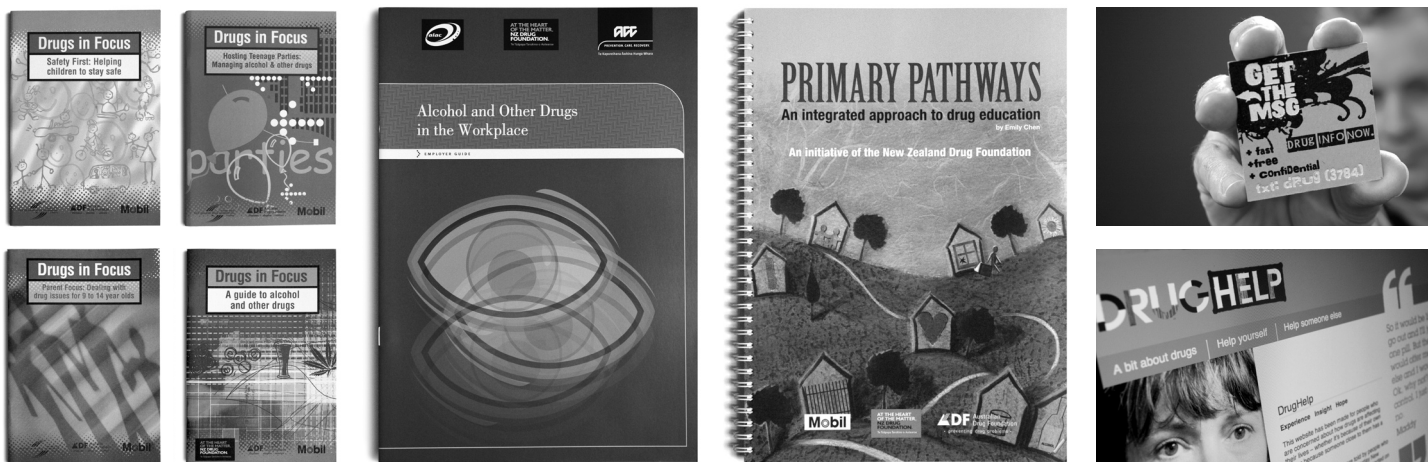
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We distribute thousands of copies of our **DRUGS IN FOCUS** booklets free of charge. These resources provide an overview of the effects of alcohol and illegal drugs. They help identify various drugs, provide information about those drugs, and give advice for addressing drug-related issues.

Our **PARENT FOCUS: DEALING WITH DRUG ISSUES FOR 9 TO 14 YEAR OLDS** guide is designed to give parents confidence when discussing alcohol and other drugs with their children. When our children ask searching questions about themselves and the society they are growing up into, parents need to be prepared with the right information, which will help parents think through the issues and support their children.

Our **SAFETY FIRST: HELPING CHILDREN TO STAY SAFE** resource is a starting point for conversations about safety between adults and children aged from 5 to 12. It provides information about a range of safety issues for young people, and discusses how we can best encourage young children to keep themselves safe.

Our very popular **HOSTING TEENAGE PARTIES: MANAGING ALCOHOL AND OTHER DRUGS RESOURCE** guides parents on how to answer that vexed question teenagers ask: "Can we have a party?" It is important for children to have fun, celebrate and learn social skills, but no one wants drunken behaviour, property damage, personal injury and gatecrashers. This booklet looks at these issues, and outlines things parents should think about when deciding whether they will hold a party, and what kind of party they will plan.

**PRIMARY PATHWAYS** is a teaching resource developed for use in primary schools across New Zealand. It provides teachers with an up-to-date, easy-to-use drug education resource which takes into account current educational trends towards integrating curriculum in primary schools.

**GET THE MSG!** is our free drug information service via mobile text messaging. It provides people with credible and factual health and safety information about drugs in a discreet and accessible way wherever they are and at any time of the day. Get the msg! demonstrates a new way of getting through to populations traditionally hard to reach.

**WWW.DRUGHELP.ORG.NZ** and **WWW.METHHELP.ORG.NZ** are web resources, launched last year, for people who are concerned about how drugs are affecting their lives – whether it's because of their own use or because someone close to them has a problem. The websites share stories told by people who have used drugs. They are everyday New Zealanders whose drug taking has impacted on their lives. It is through the experiences of others that people in trouble can see there is hope for change.

**ALCOHOL AND DRUGS IN THE WORKPLACE** is a resource jointly produced with ACC and ALAC to help owners and managers of businesses in New Zealand address the negative impact of alcohol and other drug abuse in their workplaces.

**FEBFAST** is our new nationwide health and charity event that encourages people to forgo alcohol during February, while raising money to support young people with alcohol- or drug-related problems.

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“ Unless a comprehensive approach is taken to addressing the problems that alcohol poses for New Zealand society, those problems will not be solved. ”

SIR GEOFFREY PALMER

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