

18 February 2011

S11.05

### **Submission to the Justice and Electoral Committee on the Alcohol Reform Bill**

The National Council of Women of New Zealand (NCWNZ) is an umbrella organisation representing 51 nationally organised societies and national members. It has 23 branches throughout the country attended by representatives of those societies as well as individual members. The Council's function is to serve women, families and the community at local, national and international levels through research, study, discussion and action.

NCWNZ welcomes the opportunity to make a submission on this Bill, which has been referred to as a 'once in a lifetime opportunity' to change the dire drinking culture in New Zealand. This submission has been prepared by the NCWNZ Economics Standing Committee based on input gathered from the membership, many previous submissions on this topic over several years and current NCWNZ policy.

#### **Introduction**

1. With this Bill, the Government has indicated its intention to reduce the harm caused by alcohol abuse, but not at too great an economic cost, or at the expense of moderate drinkers.<sup>1</sup> Consequently, for all its size and complexity, this Bill has failed to address important aspects of alcohol reform.

2. Specifically, except in relation to banned products and a narrow aspect of irresponsible promotion of alcohol, nothing is contained in the Bill addressing alcohol advertising, promotion and sponsorship. Neither is there any material change to licence proliferation, blood alcohol levels while driving a motor vehicle, or price. These are serious omissions.

3. The harm alcohol abuse causes in society has direct effect on the well being of women and their families. Domestic violence, the majority of which is suffered by women and children, has alcohol as a factor in many cases. Teen pregnancy, the high rate of sexually transmitted disease and risky sexual behaviour can be fuelled by alcohol. Young women are appearing more and more at hospital emergency departments due to binge drinking, and are more likely to suffer assault or rape after heavy drinking.

4. Until alcohol is signalled as a drug, and regulated accordingly, the drinking culture in New Zealand, linked to unacceptable physical, social and economic damage, is unlikely to change. Strong steps taken to reduce the harm significantly will see many other costs go down, mitigating the economic impact of reform and releasing government funding for other social needs.

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<sup>1</sup> Regulatory Impact Statement:

[www.justice.govt.nz/policy-and-consultation/alcohol/documents/alcohol-law-reform-ris](http://www.justice.govt.nz/policy-and-consultation/alcohol/documents/alcohol-law-reform-ris)

## **Advertising, promotion and sponsorship**

5. There is nothing in this bill that will make any significant difference to this hugely influential area of the alcohol industry. Alcohol advertising is self-regulated, under a code of practice that is routinely avoided. Merchandising reaches minors as clothing and other products by means of broadcast ads (TV and radio) which are aired at times when older minors tend to be tuned in and exposes them to advertisements that skirt around regulation through ‘humour’ and ‘hyperbole’.

6. Young adult submitters to the Law Commission were incredulous to learn that the advertising code specifically banned portraying alcohol as the key to sexual and social success, and they pointed to ad after ad that did just that. “The irony was frequently noted that as New Zealand undertook this comprehensive review of its liquor laws it was also preparing to host the Heineken Rugby World Cup.”<sup>2</sup>

7. Alcohol sponsorship of sport, with logo-bearing clothing products and other merchandise, most widely reaches youth and even young children. High schools are provided with sports equipment plainly labelled with alcohol logos. Alcohol manufacturers invest heavily in this kind of merchandising, up to three or four times as much as their broadcasting advertising budgets. Quite apart from the highly inappropriate union of healthful physical activity and a Class B drug, the glamorising of alcohol by association with sporting heroes has perhaps the most insidious influence on our drinking culture.

8. Submissions to the Law Commission Review ran 86% in support of banning all alcohol advertising and sponsorship.<sup>3</sup> NCWNZ strongly supports this view, with respondents urging the banning of all sporting sponsorship immediately, and the phasing out of all advertising over a set period of time, except for objective printed product information.

9. There is some concern that banning alcohol sponsorship will have a negative economic impact on sports and cultural activities. However, for those events that are broadcast, there will be no lack of sponsors. The triage of programming, event broadcasting and corporate sponsorship is too lucrative all around to be seriously endangered by the removal of alcohol sponsorship. There will always be another corporation looking to expand its market share through the power of broadcasting.<sup>4</sup> There may be merit in an argument for retaining alcohol sponsorship of cultural events that can demonstrate a very low youth participation (less than 10%).

## **Drunk driving**

10. This Bill allows police increased powers of arrest, but fails to address the high blood alcohol level when a person is in control of a motor vehicle. Many other countries have reduced blood alcohol levels to 50 mg of alcohol per 100 ml of blood for all drivers, while New Zealand still allows people to drive with 80 mg of alcohol per 100 ml of blood.

11. As indicated by the most recent NCWNZ policy resolution, passed unanimously at the 2010 Conference, NCWNZ strongly calls for an immediate reduction of legal blood alcohol level to 50mg of alcohol per 100 ml of blood, and zero tolerance for drivers under 20, as a measure to reduce the harm alcohol causes.

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<sup>2</sup> *Alcohol in our lives – curbing the harm*, Law Commission Report, Chapter 1: What New Zealanders told us, pages 48–50

<sup>3</sup> Law Commission Review of the Regulatory Framework for the Sale and Supply of Liquor – Submissions Analysis, March 2010

<sup>4</sup> Hargreaves, John; *Sport, Power and Culture*, Polity Press, Cambridge, 1995

## Product labelling

12. Another omission in this Bill is health warning labelling on alcohol products. **Clause 384 – Point of sale information regulations** allows for regulations made under section 382 that ‘may require licensees’ to display alcohol information and/or warning signs near point of sale. A more ‘Mediterranean’ attitude toward alcohol consumption was once touted as desirable for New Zealand, yet Mediterranean France has adopted a strongly restrictive stance to the alcohol industry, which includes warning labels on all alcohol products.

## Pricing

13. There is considerable evidence that the pricing of alcohol affects consumption. The retail cost of cheaper forms of alcohol has not kept pace with the Consumer Price Index over the last 20 years. The proliferation of licensed outlets, especially supermarkets, has driven prices down through sharp competition.

14. NCWNZ calls for an increase in excise tax on all alcohol products, in order to raise the price of a standard drink. As well as having the effect of reducing consumption, increased excise revenue would provide more funding for alcohol treatment programmes.

## Licensing and retail sales

### Clause 6 – Determining whether principle business of shop sale of main order household foodstuff requirements

15. This clause assumes the benefit of associating food with alcohol. While this might stem from the physical harm caused by drinking on an empty stomach, there is a strong argument that off-licence alcohol should not be sold through supermarkets or grocery stores.

16. In the original lobbying for a licence to sell wine, the supermarkets’ claim was that if alcohol could only be ‘normalised’ and take on a Mediterranean hue, then there wouldn’t be a drinking problem.<sup>5</sup> This has proved patently untrue. It is this very convenience of purchase that has helped drive prices down and alcohol consumption up, along with its related harms.

17. The two supermarket chains between them now command 58% of the wine sales and 33% of beer sales.<sup>6</sup> Although **Clause 6 (1)(a)(iii)** directs a licensing authority to have regard to the layout of retail premises, it is doubtful the authority will have any influence on supermarkets, which are carefully designed to encourage impulse buying.

18. Supermarkets claim to ‘cross-merchandise’ alcohol with food, although how this is accomplished is unclear with entire aisles devoted exclusively to alcohol products. Supermarkets aggressively promote alcohol sales through economy of scale prices, specials and the strategic placement of the product. Alcohol is the big supermarket chains’ largest single revenue stream, and is often used as a loss leader through specials to lure shoppers into the stores.<sup>7</sup>

19. NCWNZ calls for the removal of alcohol sales from supermarkets for several reasons: accessibility to alcohol would be reduced; specious attempts to ‘normalise’ alcohol would cease; and prices would not be driven down by aggressive marketing by the supermarket chains.

20. Another advantage of removing alcohol from supermarkets is the far simpler and less costly administration and control of licensing. The proliferation of service stations that sell food, and supermarkets that sell petrol, has blurred the line of what is indeed a grocery store. **Clause 38**

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<sup>5</sup> Ibid, Chapter 8: New criteria for selling takeaway alcohol, page 160

<sup>6</sup> Ibid, page 161

<sup>7</sup> Regulatory Impact Statement:

[www.justice.govt.nz/policy-and-consultation/alcohol/documents/alcohol-law-reform-ris](http://www.justice.govt.nz/policy-and-consultation/alcohol/documents/alcohol-law-reform-ris)

specifically bars petrol stations from gaining a licence, yet **Clause 35** allows a supermarket, which may be selling petrol, to also sell alcohol. Taking alcohol out of supermarkets will remove these complexities and potential court cases from the licensing process.

### **Clause 7 – Considering effects of issue or renewal of licence on amenity and good order of locality**

21. A reduction in retail liquor outlets would have a beneficial effect on local communities, by reducing consumption and related harms through less availability, and by higher priced products through less competition. However, the various clauses around issuing licences are confusing and somewhat contradictory.

22. In Part 3 Subpart 2 – Local alcohol policies, **Clauses 75 – 92** set out in great detail how local authorities may establish local alcohol policies. However, **Clause 7** not only allows no direct community input into the consideration of a new licence, but also does not require a licensing authority to take into account local alcohol policies when considering a licence application.

23. Further, **Clause 97** allows objections to licence applications only from persons who have an interest greater than the public generally. If individuals are not able to participate through a local alcohol policy, and as ‘the public generally’ are not allowed to object to licence applications, it seems the only avenue to protest the proliferation of licensed premises is to take to the streets, which some communities have done.

24. More ominous, the Regulatory Impact Statement includes a ‘risk’ to too-rigorous limitation of licence granting: ‘New Zealand’s obligations under the General Agreement on Trade in Services and other free trade agreements *restrict outlet density controls*, except where they can be justified in limited situations, most notably where they are ‘necessary’ to protect human health or to maintain public order.’<sup>8</sup>

25. The proliferation of licensed outlets directly relates to the level of alcohol consumption, to poor health outcomes and to adverse and violent behaviours. This is a clear indication of the necessity to protect human health and maintain public order, not in any limited situation, but in communities across the country. It is unacceptable that free trade agreements signed by our own Government should prevent us from protecting ourselves and our children from harm.

### **Clause 12 – Certain sales by makers, importers, distributors, and wholesalers exempted**

26. This clause states: ‘Nothing in this Act applies to the sale or supply of alcohol by ... a maker, importer, distributor, or wholesaler of alcohol ...’ to the rest of the industry. The huge corporate alcohol producers and importers are seemingly free to do as they see fit.

### **Police powers**

#### **Clause 408 – New section 245A inserted**

27. Part of this Bill amends the Local Government Act 2002. New section 245A gives extra powers to police to not only take the name and address of a person suspected of infringement, but also require the person to give names and addresses of others involved. NCWNZ considers this a step too far for police power, which could invite human rights abuses by both police and suspected persons.

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<sup>8</sup> Ibid, page 10

## Conclusion

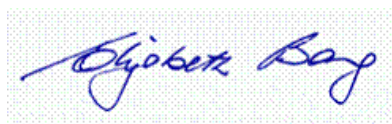
28. In spite of the length and complexity of this Bill, it has serious flaws and glaring gaps. Very few people would seriously suggest complete prohibition. Most moderate drinkers would accept loss of convenience and higher prices if it helped to curb the harm that alcohol causes. The profit margins of powerful corporations should not be privileged over the health and welfare of women and their families.

## 29. NCWNZ calls for:

- **A ban on all advertising and sponsorship, particularly sports sponsorship, except for objective printed product information.**
- **An immediate reduction of the legal limit of blood alcohol when driving, from 80 mg to 50 mg of alcohol per 100 ml of blood, and zero tolerance for drivers under 20.**
- **The removal of alcohol sales from supermarkets, and the reduction and limitation of alcohol retail outlets in communities.**
- **A rise in the price of alcohol products through an increased excise tax.**
- **Health warning labels on all alcohol products**
- **Increased opportunities for treatment for alcohol addiction.**

30. We urge the inclusion of these aspects of alcohol reform into the current Bill, so that real progress toward curbing alcohol harm can be achieved.

NCWNZ is grateful for the opportunity to comment on this important issue.



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