



# **Submission Booklet**

**Submissions to  
Draft  
Local Alcohol Policy**

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**Michelle Higgin**

**From:** Melanie Desmarais [melanied@cancersociety.org.nz]  
**Sent:** Saturday, 31 August 2013 2:08 a.m.  
**To:** WebMail  
**Subject:** DRAFT LOCAL ALCOHOL POLICY submission  
**Importance:** High  
**Attachments:** image001.jpg; WAITOMO DLAP.docx

Dear Sir/Madam,

Please find the submission attached in support of the Draft Local Alcohol Policy, on behalf of the Waikato, Bay of Plenty Division of the Cancer Society. All relevant information is included and we would appreciate the opportunity to present our submission at a future hearing.

Kind regards,  
Melanie



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## **SUBMISSION TO WAITOMO DISTRICT COUNCIL :**

### ***In response to the Waitomo District Council's Draft Local Alcohol Policy.***

**From the Cancer Society, Waikato, Bay of Plenty Division Inc.**

Submitted by:

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The Cancer Society, Waikato Bay of Plenty Division (hereafter referred to as Cancer Society) appreciates this opportunity to work with the Waitomo District Council to support alcohol risk reduction principles outlined in the Waitomo District Draft Local Alcohol Policy (DLAP).

We would welcome the opportunity to talk to Council about our submission.

The Cancer Society congratulates The Waitomo District Council and key partners for recognising the need to reduce alcohol-related harm in the region and 'to apply local measures aimed to reduce alcohol related harm and to give local communities more say in those measures.'<sup>1</sup>

We thank you for the opportunity to comment on this draft plan.

We are fully supportive of the intention of Council and key partners to encourage an environment that is compliant with the object of the Sale and Supply of Alcohol Act 2012 that:

- (a) the sale, supply, and consumption of alcohol should be undertaken safely and responsibly; and
- (b) the harm caused by the excessive or inappropriate consumption of alcohol should be minimised.

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<sup>1</sup> Statement of Proposal, Waitomo Draft Local Alcohol Policy 2013

As the major non-governmental organisation seeking to reduce the incidence and impact of cancer within communities across New Zealand, we have tailored our response to the Council Draft Local Alcohol Policy to align with our principle concerns relating to population health and the health risk alcohol presents.

The Cancer Society has recognised the growing International importance of the relationship between alcohol and the development of some cancers. A vast array of epidemiological evidence is available to support the correlation between alcohol and cancer.

The World Cancer Research Fund report on Food, Nutrition and Activity and the prevention of cancer has stated ... “evidence that alcoholic drinks of any type are a cause of various cancers has, on the whole, strengthened. The evidence that alcoholic drinks are a cause of cancers of the mouth, pharynx, and larynx, oesophagus, colorectum (men), and breast is convincing. They are probably a cause of colorectal cancer in women, and of liver cancer....and that ... alcohol and tobacco together increase the risk of these cancers (mouth, pharynx, and larynx) more than either acting independently”<sup>2</sup>.

More recent research, featured in the American Journal of Public Health highlighted the fact alcohol consumption is a leading preventable cause of cancer death.<sup>3</sup> Considering this, Local Alcohol Policies have the potential not only to impact upon alcohol harm reduction on a local and national scale but also within the global context.

As New Zealand is ranked 4<sup>th</sup> out of 50 countries worldwide by the World Cancer Research Fund, for the numbers of cancer incidents based on Age Standardised rate per 100,000 people<sup>3</sup>, the Cancer Society New Zealand hope that Local Alcohol Policies across New Zealand maximise the opportunity to reduce health harms which could have a significant impact on the number of new cancer incidents presenting.

The Waitomo Draft Local Alcohol Policy has a real opportunity via the LAP process, to contribute to supporting community wellbeing and contributing to the community outcomes outlined in the Long Term Plan. In particular Community Outcome 3 and 4, contributing to a “vibrant and prosperous District” (CO4): a “place that attracts more people who want to live work and play, and raise a family” as well as creating “a place where young people feel valued and have opportunities for input into the District”.<sup>4</sup>

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<sup>2</sup> Food, Nutrition and Activity and the prevention of cancer report- World Cancer Research Fund Part 2 Evidence and Judgments Chapter 4

<sup>3</sup> Source: GLOBOCAN 2008 database (version 1.2) <http://globocan.iarc.fr> taken from World Cancer Research Fund International website. [http://www.wcrf.org/cancer\\_statistics/cancer\\_frequency.php](http://www.wcrf.org/cancer_statistics/cancer_frequency.php)

<sup>4</sup> Waitomo District Council Long Term Plans

<p><b>Draft Proposed Changes Section 3:</b>  <b>3(b) Location of premises holding on-licences by reference to broad areas</b>  On-licence premises shall be limited to areas zoned Business under the Waitomo District Plan unless authorised by resource consent, and then subject to the following policies (c),(d),(e),(f),(g) and (h).</p>	<p><b>Agree</b></p>
<p><b>Reasons and evidence:</b>  <b>3(b)</b> Zoning of alcohol outlets could provide an effective means of restricting and controlling the areas where alcohol can be consumed and sold, thus limiting the availability of alcohol within the community. Research from the United States has shown that zoning can be an effective means of limiting the availability of alcohol, and its associated harms.<sup>5</sup> Caution should be exercised to ensure that zoning does not occur in or near areas of high deprivation.</p>	
<p><b>3(c) When considering a licence application the District Licensing Committee will have regard to the proximity of that proposed premise to other licensed premise(s) where it considers this relevant.</b></p>	<p><b>Agree</b></p>
<p><b>Reasons and evidence:</b>  <b>3(c)</b> Density of alcohol outlets is an important consideration. It is well documented that a substantial increase in the number of alcohol outlets results in increases in alcohol consumption and associated harms<sup>6 7 8 9</sup> Recent New Zealand research has also shown a link between outlet density and social deprivation with the highest number of outlets within areas of high deprivation, in addition, youth exposed to high levels of alcohol outlets are more likely to drink heavily and at an earlier age: A study that focused on urban youth under the legal alcohol purchase age (12-17 years) found that outlet density was associated with more frequent drinking and larger typical drinking quantities<sup>10</sup>.  Zoning and restriction of licences will therefore greatly assist in reducing the availability and hence consumption of alcohol, density of outlets and also hopefully, the location of licenced premises away from the areas of greatest deprivation.</p>	

<sup>5</sup> Campbell CA, Hahn RA, Elder R, Brewer RD, Chattopadhyay S, Fielding J, et al. The effectiveness of limiting alcohol outlet density as a means of reducing excessive alcohol consumption and alcohol-related harms. *Am J Prev Med* 2009;37(6):556-9.

<sup>6</sup> Livingston, M. (2008). Alcohol outlet density and assault: A spatial analysis. *Addiction*, 103,619-628.

<sup>7</sup> Stockwell, T., Zhao, J., Macdonald, S., Pakula, B., Gruenewald, P., & Holder, H. (2009b).

Changes in per capita alcohol sales during the partial privatization of British Columbia's retail alcohol monopoly 2003-2008: a multi-level local area analysis. *Addiction*, 104(11), 1827-1836.

<sup>8</sup> Stockwell, T., Zhao, J., MacDonald, S., Vallance, K., Gruenewald, P., Ponicki, W., Holder, H., & Treno, A. (2011). Impact on alcohol-related mortality of a rapid rise in the density of private liquor outlets in British Columbia: A local area multi-level analysis. *Addiction*, 106(4), 768 - 776.

<sup>9</sup> Huckle T, Huakau J, Sweetsur P, et al Density of alcohol outlets and teenage drinking: Living in an alcogenic environment is associated with higher consumption in a metropolitan setting. *Addiction*

<sup>10</sup> Huckle T, Huakau J, Sweetsur P, et al Density of alcohol outlets and teenage drinking: Living in an alcogenic environment is associated with higher consumption in a metropolitan setting. *Addiction* 2008;103:1614-21

<p><b>3(d) Location of premises holding on-licences by reference to proximity to facilities of a particular kind or kinds</b></p> <p>□ In addition to (b) above, an on-licence will not be issued in respect to any new premises on any site where it directly borders any school, early childcare facility, or place of worship existing at the time the premises is established. “Directly borders” includes across any road from such facility within a 45° arc as shown in figure two.</p> <p>□ In cases where a resource consent has been issued to locate a premises in a non-commercial area as allowed in (b) above, the boundary of the site shall be a minimum of 40 metres from the boundary of any school, early childcare facility, or place of worship existing at the time the premises is established.</p>	<p><b>Agree</b></p>
<p><b>3(d) Reasons and evidence:</b></p> <p>The Waikato, Bay of Plenty Cancer Society fully supports the creation of ‘buffer zones’ around sensitive locations such as schools, child-care facilities and churches, as these are areas where children and families are likely to be present. This is particularly important, not just for preventing alcohol from becoming ‘normalised’ by children, but also because research over the past twenty years has consistently indicated an association between not only outlet density and heavier drinking in young people<sup>11</sup>, but also between exposure to alcohol marketing- for example billboards and signs outside bottle shops and taverns- and early drinking initiation.<sup>12 13 14 15 16</sup> Therefore zoning of alcohol outlets and ‘buffer zones’ around locations where children and families are likely to be present could be an important measure to prevent the ‘normalisation’ and subsequent earlier initiation of alcohol by children and youth growing up in our communities, by reducing the amount of alcohol marketing and promotion that they are exposed to on a daily basis.</p>	
<p><b>3(e) Further issuing of on-licences in the District</b></p> <p>□ This policy does not cap the number of on licence premises or restrict the issue of new licences, provided the other policy criteria are met.</p>	<p><b>Agree- but with all criteria met</b></p>

<sup>11</sup> Huckle T, Huakau J, Sweetsur P, et al Density of alcohol outlets and teenage drinking: Living in an alcogenic environment is associated with higher consumption in a metropolitan setting. *Addiction* 2008;103:1614-21

<sup>12</sup> The effect of alcohol advertising, marketing and portrayal on drinking behaviour in young people: systematic review of prospective cohort studies Lesley A Smith\* and David R Foxcroft *BMC Public Health* 2009, 9:51 doi:10.1186/1471-2458-9-51

<sup>13</sup> Does alcohol advertising promote adolescent drinking? Results from a longitudinal assessment Phyllis L. Ellickson, Rebecca L. Collins, Katrin Hambarsoomians, Daniel F. McCaffrey Article first published online: 28 JAN 2005 OI: 10.1111/j.1360-0443.2005.00974.x *addiction* [Volume 100, Issue 2](#), pages 235-246, February 2005

<sup>14</sup> Anderson, De Bruijn, Angus et al., 2009b; Gordon, Harris, Mackintosh et al., 2011; Jernigan, Ostroff, Ross et al., 2007; Snyder, Milici, Slater et al., 2006).

<sup>15</sup> Babor T, Caetano Caswell S et al. 2<sup>nd</sup> edition (2010) *Alcohol: No Ordinary Commodity - Research and Public Policy*. Oxford. Oxford University Press

<sup>16</sup> Smith, L. A., & Foxcroft, D. R. (2009). The effect of alcohol advertising, marketing and portrayal on drinking behaviour in young people: Systematic review of prospective cohort studies. *BMC Public Health*, 9(51). Stoolmiller, M., Wills, T. A., & McClure, A. C. (2012). Media and family predictors of drinking onset and binge drinking among U.S adolescents. *BMJ Open*, 20.

<p><b>3(e) Reasons and evidence:</b>          Whilst we wholeheartedly support the previous measures that effectively limit the number and locations of outlets - we would recommend ongoing vigilance and monitoring of the number of outlets, their location and their density at all times and further community consultation on the issue in the future. It is hoped that if all the policy criteria are met regarding zoning, ‘buffer zones’ around schools and a restriction on new licences granted close to existing licences, there should be firm restrictions in place to ensure that both density and location are all kept in control.</p>	
<p><b>3(f) Maximum trading hours for premises holding on-licences</b></p> <ul style="list-style-type: none"> <li>□ No on-licence shall be issued or renewed for any hotel or tavern premises with hours that exceed the following (subject to sections 46 and 47 of the Act):             <ul style="list-style-type: none"> <li>o Monday to Sunday 9:00am to 2:00am the following day.</li> <li>o In the case of hotels, alcohol may be sold or supplied at anytime to any guest residing on the premises.</li> </ul> </li> <li>□ Where a new hotel, tavern or other premises where the principle activity is the consumption of alcohol is proposed within 100 meters of any area zoned residential in the Waitomo District Plan, hours will not exceed the following:             <ul style="list-style-type: none"> <li>o Sunday to Thursday 9:00am to 10.30pm,</li> <li>o Friday and Saturday 9.00am to 12.00 midnight,</li> <li>o In the case of hotels, alcohol may be sold or supplied at anytime to any guest residing on the premises.</li> </ul> </li> <li>□ No on-licence shall be issued or renewed in respect of any restaurant or café premises with hours that exceed the following (subject to sections 46 and 47 of the Act):             <ul style="list-style-type: none"> <li>o Monday to Sunday 9.00am to 12.00 midnight.</li> </ul> </li> <li>□ Any outdoor dining area will not have hours that exceed 9.00am to 10.00pm. Outside of these hours the Public Places Liquor Control Bylaw restrictions shall apply to any premise within a liquor ban area.</li> <li>□ Any function centre or other premises not defined above will be subject to hours at the District Licensing Committee discretion but shall not exceed:             <ul style="list-style-type: none"> <li>o Monday to Sunday 9:00am to 2:00am the following day.</li> </ul> </li> </ul>	<p><b>Disagree</b></p> <p><b>Agree</b></p> <p><b>Disagree</b></p>
<p><b>3(f) Reasons and evidence:</b>          Whilst the Waikato Bay of Plenty Cancer Society fully supports any reduction in trading hours, the reductions for hotels or taverns only represents a three hour reduction from the national maximum hours outlined in the Sale and Supply of Alcohol Act (being 8am-4am). It is widely evidenced that a key factor in reducing alcohol harm is to reduce consumption via reduced availability of alcohol. ‘Alcohol no Ordinary Commodity’ supports global and national evidence that...” <i>restricting trading hours is the most effective and cost-effective measure available to policymakers to reduce alcohol-related harm associated with licensed venues</i>”<sup>17</sup>.</p>	

<sup>17</sup> Babor T, Caetano Caswell S et al. 2<sup>nd</sup> edition (2010) Alcohol: No Ordinary Commodity – Research and Public Policy. Oxford. Oxford University Press

<p>Indeed a study into the effects of restricting pub closing times in Newcastle, New South Wales, Australia in 2008 found that ...”<i>a large relative reduction of 37% in assault incidence</i>” was experienced as a result of earlier closing.<sup>18</sup> Reduced trading hours could potentially reduce overall availability of alcohol, which, according to recent research undertaken by the Boston University School of Medicine (BUSM) and featured in the April 2013 American Journal of Public Health could provide “an important and underemphasised cancer prevention strategy”: “<i>Alcohol remains a major contributor to cancer mortality. Higher consumption increases risk but there is no safe threshold for alcohol and cancer risk.</i>”<sup>19</sup>We would suggest that the closing times for hotels and taverns are re-examined in favour of earlier closing for these reasons.</p>	
<p><b>3(h)One-way door restrictions</b>  <input type="checkbox"/> A one-way door restriction of one-hour prior to maximum closing time shall apply on Thursday, Friday and Saturday nights to any hotel or tavern premises with a midnight or later closing time.</p>	<p><b>Agree</b></p>
<p><b>3(h) Reasons and evidence:</b>          Although predominantly an issue for emergency services and policing, we do feel that one way door restrictions would help contribute to a reduction in alcohol consumption and refer to the ALAC evaluation of one way door policy for Christchurch where “...With the exclusion of minor assault data, violence offences on Saturday-Sunday night decreased by 22%”<sup>20</sup>during the time in which a one way door policy was in effect.</p>	
<p><b>Off-licences:</b>  <b>4(b) Location of premises holding off-licences by reference to broad areas</b>  <input type="checkbox"/> Off-licence premises (excluding remote sellers endorsed pursuant to section 40 of the Act) shall be limited to areas zoned Business pursuant to the Waitomo District Plan unless authorised by resource consent.</p>	<p><b>Agree</b></p>
<p><b>4(b)Reasons and evidence:</b>  <b>Please refer to on-licences, section 3(b) reasons and evidence above.</b></p>	

<sup>18</sup> Kypri, Kupros, Jones, Craig, McElduff, Patrick, Barker, Daniel Effects of restricting pub closing times on night time assaults in an Australian City Addiction 2011 (February) 308(2): 308-310

<sup>19</sup> David E. Nelson, Dwayne W. Jarman, Jürgen Rehm, Thomas K. Greenfield, Grégoire Rey, William C. Kerr, Paige Miller, Kevin D. Shield, Yu Ye, and Timothy S. Naimi. Alcohol-Attributable Cancer Deaths and Years of Potential Life Lost in the United States. American Journal of Public Health: April 2013, Vol. 103, No. 4, pp. 641-648.

<sup>20</sup> Global Alcohol Policy Alliance - Statement of Concern February 8, 2013 THE INTERNATIONAL PUBLIC HEALTH COMMUNITY RESPONDS TO THE GLOBAL ALCOHOL PRODUCERS' ATTEMPTS TO IMPLEMENT THE WHO GLOBAL STRATEGY ON THE HARMFUL USE OF ALCOHOL – Summary. Available at <http://www.globalgapa.org/pdfs/who-statement-of-concern-080213.pdf>

<p><b>4c) Location of premises holding off-licences by reference to proximity to premises of a particular kind or kinds</b></p> <p>□ When considering a new licence application for a new premise, the District Licensing Committee will have regard to the proximity of that proposed premise to other licensed premise(s) where it considers this relevant.</p>	<p><b>Agree</b></p>
<p><b>4c) Reasons and evidence:</b> Please refer to on-licences section 3 (c) above-reasons and evidence.</p>	
<p><b>4d) Location of premises holding off-licences by reference to proximity to facilities of a particular kind or kinds</b></p> <p>□ An off-licence will not be issued in respect to any new premise on any site where it directly borders any school, early childcare facility, or place of worship existing at the time the premise is established. “Directly borders” includes across any road from such facility within a 45° arc as shown in figure two.</p> <p>□ Renewal of a licence shall be unaffected simply on the grounds that such a facility later moves to a site which borders an existing licensed premises.</p> <p>□ The District Licensing Committee shall have regard to the proximity of any proposed off licence to a public park or reserve particularly where that park or reserve is within a liquor ban area prescribed by a bylaw.</p>	<p><b>Agree</b></p>
<p><b>4d) Reasons and evidence:</b> Please refer to on-licences section 3 (d) above for Reasons and evidence</p>	
<p><b>4(e) Further issuing of off-licences in the District</b></p> <p>□ This policy does not cap the number of off-licence premises or restrict the issue of new licences, provided the other policy criteria are met.</p>	<p><b>Agree-providing criteria are met</b></p>
<p><b>4 (e) Reasons and evidence:</b> It is hoped that with the aforementioned criteria (zoning, ‘buffer’ or ‘exclusion’ zones, limits on new licences where there are existing licences etc..) that these restrictions will be sufficient to limit the density and location of licenced outlets. We would suggest future community consultation, however- to ensure that these restrictions do adequately control the outlets within the community.</p>	
<p><b>4 (f) Maximum trading hours for premises holding off-licences</b></p> <p>□ No off-licence shall be issued or renewed with hours that exceed the following:</p> <ul style="list-style-type: none"> <li>○ Monday to Sunday 7.00am to 10.00pm</li> </ul>	<p><b>Disagree</b></p>
<p><b>4 (f) Reasons and evidence:</b> <b>k) Reasons or evidence:</b> We fully support any measures to reduce alcohol trading hours, however the</p>	

reduction in off-licence, and in particular-supermarket alcohol trading hours represents only a one hour reduction from the national maximum hours outlined in the Sale and Supply of Alcohol Act 2012. A report commissioned by the then Alcohol Advisory Council of New Zealand into the impact of Liquor outlets in Manakau highlighted some real concerns about the ‘scale’ of Supermarkets in supplying alcohol. Concerns were raised by their ability to offer beer and wine at ‘loss-leading’ prices that were substantially less than prices found in other outlet types. Loss-leading practices also contributed to price competition and increased consumption. Community views also focussed on the availability of alcohol alongside other commonplace commodities and expressed concern that this normalised its purchase for minors who might otherwise not have been exposed to the routine purchase of alcohol.<sup>21</sup>

The New Zealand Law Commission report ‘Curbing the Harm’ stated that alcohol had become “...normalised after being available for more than 20 years among the foods sold in our supermarkets and local groceries. In a retail sense, alcohol has become no different from bread or milk and is often sold at cheaper prices than these commodities”<sup>22</sup>.

Research undertaken in the U.K and featured in ‘Addiction’ in January 2008, found that participants who reported drinking prior to attending nightlife (i.e. at home or friends home) reported “... significantly higher total alcohol consumption over a night out than those who avoided drinking until reaching bars and nightclubs”.<sup>23</sup>

Hence it is important to tackle the issue of availability in off-licences and supermarkets, where alcohol is often bought much cheaper than on-licensed premises to facilitate ‘pre-loading’. A report recently commissioned by the Health promotion Agency indicates the high levels of alcohol being sold (often at ‘loss-leading’ prices) by supermarkets in New Zealand: while supermarkets were only a small proportion of the total number of licences (3 percent in 2008), they were estimated to have sold 33 percent of all beer and 58 percent of all wine<sup>24</sup> available for consumption in 2008, and that the supermarket share of alcohol sales had increased since 2000. Restricting off-licence- and in particular, supermarket alcohol trading hours more than the National maximum hours will potentially reduce the availability of cheap alcohol purchased prior to accessing on-licensed premises, and potentially reduce alcohol consumption and harm overall, as well as helping to create an understanding that alcohol is ‘no ordinary commodity’.

**Club Licences:**

**5(b) Location of premises holding club-licences by reference to broad areas**

Licensed club premises should be in close proximity to the

**Agree**

<sup>21</sup> Cameron MP, Cochrane W, McNeill K, et al. *The Impacts of Liquor Outlets in Manukau City: Summary Report-Revised*. Wellington: ALAC, 2012. Full report- <http://www.alac.org.nz/sites/default/files/research-publications/pdfs/ManukauReportSummaryREVISED.PDF>

<sup>22</sup> New Zealand. Law Commission. Alcohol in our lives : curbing the harm. ‘A Report on the review of the Regulatory Framework for the sale and supply of liquor : (Law Commission report ; no. 114)

<sup>23</sup> Alcohol, nightlife and Violence: the relative contribution of drinking before and during nights out, to negative health and criminal justice outcomes’

<sup>24</sup> The Locally Specific Impacts of Alcohol Outlet Density in the North Island of New Zealand 2006-2011 Research report commissioned by the Health Promotion Agency July 2013

<p>sports grounds or other facilities used by the club, if relevant.</p> <p><b>(c) Location of premises holding club-licences by reference to proximity to premises of a particular kind or kinds</b></p> <p>C)▫ The District Licensing Committee shall have regard to the proximity of any proposed club premises to any other existing premise(s)</p> <p><b>(d)Location of premises holding club-licences by reference to proximity to facilities of a particular kind or kinds</b></p> <p>▫ The District Licensing Committee shall have regard to the proximity of any proposed club premises to any school, early childcare facility, place of worship or residential area</p>	<p>Agree</p> <p>Agree</p>
<p><b>5 (b-d) Reasons and evidence:</b> Please refer to Reasons and evidence in section 3 and 4 (b-d)</p>	
<p><b>5(f) Maximum trading hours for premises holding club-licences</b></p> <p>▫ The District Licensing Committee will have regard to the days and hours of operation and the type of activities undertaken by the club in setting club hours.</p> <p>▫ No club-licence shall be issued or renewed with hours that exceed the following:</p> <p>o Monday to Sunday 9.00am to 1.00am the following day (Subject to section 46 of the Act)</p>	<p>Agree</p>
<p><b>5 (f) Reasons and evidence:</b> Agree, but refer to sections 4 and 5 (f) above.</p>	
<p><b>5(h) One-way door restrictions relating to club-licences</b></p> <p>▫ The District Licensing Committee may impose a one-way door condition on any licence where it believes this is warranted. The one-way door restriction shall not apply</p>	<p>Agree</p>
<p><b>5(h) Reasons and evidence:</b> Please refer to section 3 (h) above</p>	
<p><b>Special Licences:</b></p> <p><b>6(d) Location of premises holding special licences by reference to proximity to facilities of a particular kind or kinds</b></p> <p>▫ The District Licensing Committee will consider the appropriateness of issuing a special licence where the proposed premises includes, borders or is in close proximity to, any school, early childcare facility, place of worship or residential area.</p>	<p>Agree</p>
<p><b>6(d) Reasons and evidence:</b></p>	

Please refer to sections 3,4,5(d) above

#### Further Comments and Recommendations on the Draft Local Alcohol Policy.

##### Marketing and Signage:

*Alcohol related signage or advertising shall not cover an area of more than 50% of the external area of any side of the premises.*

Whilst we commend Council for its inclusion of the criteria above under discretionary conditions, relating to off-licences and special licences, and we welcome measures that seek to reduce alcohol promotion, we would suggest further reductions on the dimensions of the permitted signage.

Research over the past twenty years has consistently indicated an association between not only outlet density and heavier drinking in young people<sup>25</sup>, but also between exposure to alcohol marketing- for example billboards and signs outside bottle shops and taverns- and early drinking initiation.<sup>26 27 28 29 30 31</sup>

We would also recommend that there are public health warning signs displayed wherever alcohol is sold or consumed, alerting consumers to the harms of alcohol. These signs would be an important step towards informing the public of the growing evidence linking alcohol to many cancers and other chronic diseases, as, according to recent research, 'there is limited public awareness of the growing evidence linking even low levels of alcohol consumption with increased risk of cancer'<sup>32</sup>. Hence signage could help to create more knowledge around the harms of alcohol and in turn, an environment that is more favourable to the introduction of alcohol policies.

##### Sports Clubs and special licences

In relation to sports clubs and special licences, we would urge Council to consider the context of the location and possible influence of alcohol upon children and youth present when granting special licences/extending club hours and when considering school event licences. Wherever possible messages about holding alcohol-free events should be provided. There is a strong association between sport and alcohol that Dr Kerry O'Brien, Senior Lecturer in Behavioural Studies at Monash University, Australia, recently addressed at the Australian Medical Association's National Summit on 'Alcohol Marketing to Young People'. He stated

<sup>25</sup> Huckle T, Huakau J, Sweetsur P, et al Density of alcohol outlets and teenage drinking: Living in an alcogenic environment is associated with higher consumption in a metropolitan setting. *Addiction* 2008;103:1614-21

<sup>26</sup> Lesley A Smith<sup>†</sup> and David R Foxcroft The effect of alcohol advertising, marketing and portrayal on drinking behaviour in young people: systematic review of prospective cohort studies *BMC Public Health* 2009, 9:51 doi:10.1186/1471-2458-9-51

<sup>27</sup> Phyllis L. Ellickson, Rebecca L. Collins, Katrin Hambarsoomians, Daniel F. McCaffrey Does alcohol advertising promote adolescent drinking? Results from a longitudinal assessment Article first published online: 28 JAN 2005 *OJ: 10.1111/j.1360-0443.2005.00974.x*addiction [Volume 100, Issue 2](#), pages 235-246, February 2005

<sup>28</sup> Anderson, De Bruijn, Angus et al., 2009b; Gordon, Harris, Mackintosh et al., 2011; Jernigan, Ostroff, Ross et al., 2007; Snyder, Milici, Slater et al., 2006).

<sup>29</sup> Babor T, Caetano Caswell S et al. 2<sup>nd</sup> edition (2010) *Alcohol: No Ordinary Commodity - Research and Public Policy*. Oxford. Oxford University Press

<sup>30</sup> Smith, L. A., & Foxcroft, D. R. (2009). The effect of alcohol advertising, marketing and portrayal on drinking behaviour in young people: Systematic review of prospective cohort studies. *BMC Public Health*, 9(51)

<sup>31</sup> Stoolmiller, M., Wills, T. A., & McClure, A. C. (2012). Media and family predictors of drinking onset and binge drinking among U.S adolescents. *BMJ Open*, 20.

<sup>32</sup> Latino-Martel P, Arwidson P, Ancellin R, et al. Alcohol consumption and cancer risk: revisiting guidelines for sensible drinking. *CMAJ* 2011;183: 1861–5.

that alcohol industry advertising at, and sponsorship of, sport, was linked to decisions made by young people about when and how much to drink<sup>33</sup>. Careful consideration should also be given to the messages we give to schools about special licences. Schools should be asked to consider the impact of alcohol on young people, and be supported to choose ‘alcohol free’ events for the school community as much as possible. Those applying for special licences should have to adhere to ‘responsible hosting’ for the event, which should specify a commitment to managing alcohol consumption in a manner that avoids intoxication.

**Ready To Drink (RTDs):**

***-There shall be no “single serve” off-sales e.g. individual “stubbies” or “RTD” products in one or less than one standard drink portions***

The Waikato, Bay of Plenty Cancer Society commends Council for the inclusion of the above criteria, particularly in relation to high-alcohol ready to drink products. Particular concern has been raised over the years regarding the growing use of ready to drink (RTD) alcohol by young people. In New Zealand, the 2005-06 ALAC Alcohol Monitor found that 27% of youth drinkers (12-17 years old) consumed an RTD as their most recent alcoholic beverage (compared to 40% reporting beer) but 36% of youth binge drinkers reported that an RTD was the last alcoholic beverage they consumed<sup>34</sup>. Given the persuasive nature of promotional displays on young people in particular, and the increase in RTDs consumed (up 6% from 2003-2006), we would urge Council to consider restrictions on the size and proliferation of promotional displays-particularly those relating to the RTD/youth market, and to consider further measures to reduce access to RTDs.

**Conclusion:**

The Waikato, Bay of Plenty Division of The Cancer Society welcomes specific measures to reduce alcohol availability in our communities and to raise awareness of the link between alcohol and common cancers, such as breast and colo-rectal cancer. Evidence supports the rational that alcohol presents a ‘dose associated’ risk in relation to developing some cancers. This means that the more alcohol a person consumes on a regular basis, the more risk they place themselves in of developing cancer. Professor Jennie Connor, head of preventive and social medicine at the University of Otago, highlighted in a 2011 article for The Listener that “...recent research has concluded there is no safe dose of alcohol when it comes to cancer. For a common cancer such as of the breast, four or more drinks a day raise the risk by 50%”<sup>35</sup> It is therefore imperative for us to actively promote an environment where the risks of alcohol consumption are fully understood within our communities. We value this opportunity to contribute to the development of the Waitomo District Council’s Draft Local Alcohol Policy, and commend Council

<sup>33</sup> Source: Australian Medical Association online: <https://ama.com.au/ausmed/node/3858>

<sup>34</sup> Palmer, S., Fryer, K., & Kalafatis, E. (2006). ALAC Alcohol Monitor - Adults & Youth: 2005-06 Annual Report. Wellington: Alcohol Advisory Council of New Zealand.

<sup>35</sup> Connor, J., Kydd, R., Rehm, J., Shield, K. (2013). *Alcohol-attributable burden of disease and injury in New Zealand: 2004 and 2007*

for the inclusion of excellent criteria to limit alcohol harm. We look forward to working with council to develop the policy further.

**Michelle Higgie**

---

**From:** Leigh Walker [Leigh.Walker@buddlefindlay.com]  
**Sent:** Monday, 9 September 2013 2:50 p.m.  
**To:** WebMail  
**Cc:** Porter Kate; Clifford Phillippa; Andrew Braggins  
**Subject:** Waitomo Draft Local Alcohol Policy - Submission from Progressive Enterprises Limited  
**Attachments:** C:\Users\lwalker\AppData\Local\Temp\AUCK\_DOCS\_n1234436\_vR\_Submissions\_to\_Waitomo\_District\_Council.pdf; ria-handbk-jul13[1].pdf; Covec - Costs and Benefits of CCC Draft LAP - Final Report.pdf

Dear Council

Please find **attached** by way of service a submission on behalf of Progressive Enterprises Limited in relation to the Waitomo District Council's Draft Local Alcohol Policy, along with the Christchurch City Council cost and benefit analysis and the New Zealand Government Treasury's Regulatory Impact Analysis Handbook 2013, referred to in the submission.

We would be grateful for an opportunity to talk through the details of our submission as there is a lot of information we have developed through participating in other Draft LAP processes.

I would be grateful if you could please confirm receipt of this email.

Regards

Leigh Walker

---

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**SUBMISSION TO WAITOMO DISTRICT COUNCIL**

**ON THE WAITOMO DISTRICT DRAFT LOCAL ALCOHOL  
POLICY**

**13 SEPTEMBER 2013**



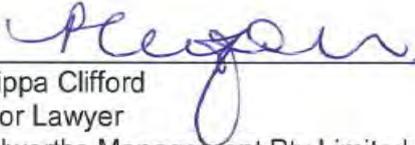
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Senior Lawyer  
Woolworths Management Pty Limited NZ Branch

Progressive Enterprises wishes to appear before the Waitomo District Council ("**Council**") to present this submission.

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## PART A: SUMMARY AND RECOMMENDATIONS

### 1. EXECUTIVE SUMMARY

- 1.1 Progressive Enterprises is one of New Zealand's leading supermarket operators and currently operates 166 Countdown supermarkets across New Zealand. It is also the franchisor of the SuperValue and FreshChoice brands in New Zealand, which represent a further 56 stores, independently operated by franchisees. Some of the SuperValue and FreshChoice stores are small supermarkets and are categorised under the Sale and Supply of Alcohol Act 2012 ("**the Act**") as grocery stores. We include them when we refer to supermarkets in this submission.
- 1.2 We are a retail investor and employer in the Waitomo area and an active part of the community we work and live in. In Waitomo, we operate one FreshChoice grocery store in Te Kuiti, which usually trades between 7am and 8pm<sup>1</sup>, but has flexibility in its off-licence hours to sell beer and wine between 7am and 11pm, seven days a week.
- 1.3 We understand that alcohol consumption has the potential to cause serious harm<sup>2</sup> particularly if it is consumed excessively or inappropriately. The Act sets in place a default national licensing approach and allows councils to tackle local issues. The purpose of a Draft LAP is therefore to respond to local concerns, not to re-examine the national issues which were widely considered and evaluated and led to the Act.
- 1.4 Reducing alcohol-related harm needs action from all parts of the community. As a retailer, we have a role to play along with other off-licensees, on-licensees, regulatory agencies and consumers. We are committed to ensuring that our stores sell and supply beer and wine in a safe and responsible manner. Please see **Appendix 1 and 1A** for a description of our commitments as a responsible operator. We support efficient and effective reasonable initiatives that minimise alcohol-related harm.
- 1.5 By law, supermarkets sell beer and wine only. We appreciate that a licence to do so is not a right, but a privilege, and we work hard to maintain that privilege. With 2.5 million customers across the country each week, Progressive Enterprises is nationally recognised as a good operator within the licensing industry. Through our training, liquor and ID 25 policies, which are over and above that required by the law, we strive to achieve best practice in the way that we market and retail beer and wine.
- 1.6 It is important to remember that decisions on the Draft LAP are also made under the Local Government Act 2002. They need to assess matters such as the benefits and costs of each option in terms of the present and future interests of the district or region<sup>3</sup>. To make these decisions it is therefore critical to have a sound evidence base, and because Progressive Enterprises is working with a number of different regions around the country, to assist that process we provide some information below:
- (a) We are a business that primarily sells produce and groceries. This applies to all age groups across all hours of the day. More specifically:

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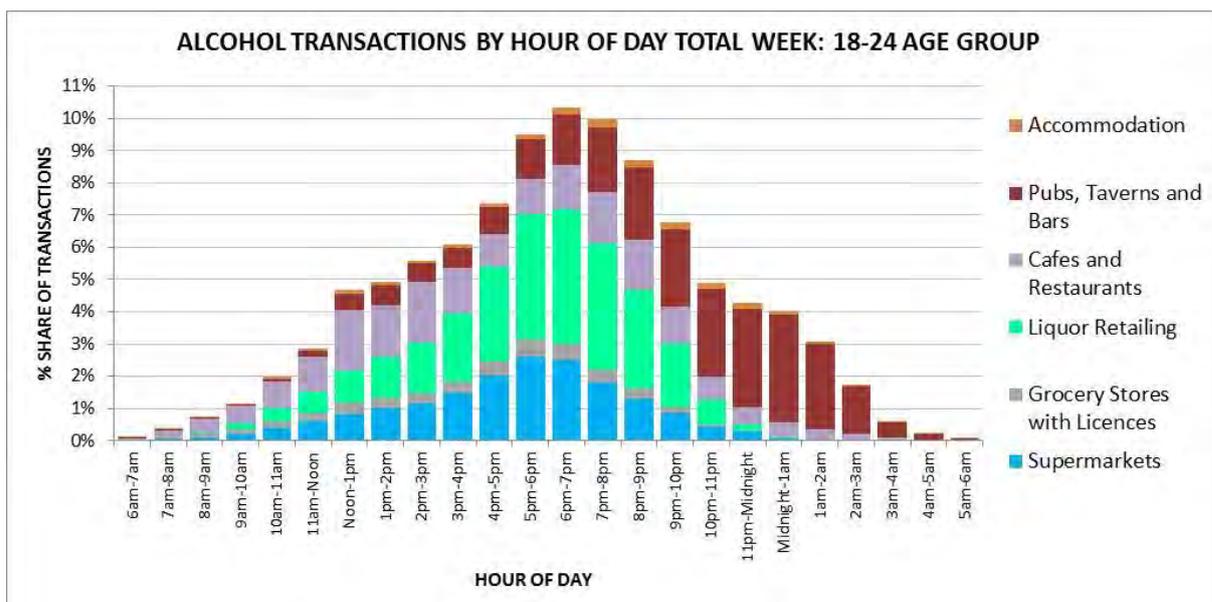
<sup>1</sup> On Saturdays and Sundays, our store opens at 8am.

<sup>2</sup> Law Commission Report, Alcohol in Our Lives at chapter 2.

<sup>3</sup> Section 77 of the Local Government Act 2002.

- (i) On any day 18% of our customers purchase beer or wine.
  - (ii) 16% of customers buy beer and wine at the same time as they purchase a selection of general groceries.
  - (iii) 1.7% of purchases in our supermarkets contain beer or wine only.
  - (iv) This has shown a consistent downward trend from 2009 when it was 2%.
  - (v) 0.3% of purchases in our supermarkets contain wine or beer and snacks or confectionary.
  - (vi) In our supermarkets, young adults consistently have a lower share of those purchases which include beer or wine than for our customers overall, across the week. On average, nine out of ten 18-25 year old customers purchase no wine and beer when they visit our stores.
- (b) In summary, our supermarkets are places where a diverse range of New Zealanders buy their food, and their beer and wine. From the very robust sales data available to us, we can confirm that the vast majority of New Zealanders do not use our supermarkets as a shop to buy beer and wine only.

1.7 We have also purchased a national sales dataset<sup>4</sup> of 53 million eftpos, debit and credit card transactions to show nationwide sales patterns (broken down by hour of week for the 2012 full year) for each type of licensed outlet, including supermarkets. The results are very informative. The raw numbers only show transactions, not alcohol transactions and have therefore been adjusted by Market Economics Limited applying Statistics NZ figures to reflect the respective proportions of sales which are related to alcohol for 18-25 year olds on Friday/Saturday nights. Further details of this are set out in **Appendix 2**.



<sup>4</sup> BNZ Marketview. This information was obtained in June 2013.

- 1.8 The national sales data from Marketview shows that:
- (a) Customers who are not part of the young adult segment make up the major share of shoppers in our stores, and their regular shopping - which includes purchases of beer and wine in the evenings - will be impacted.
  - (b) Supermarkets are not a significant destination for young adults (18-24 year olds) to buy beer or wine on Thursday, Friday and Saturday nights between 9pm and 11pm.
  - (c) Across the week as a whole, about 11% of young adults' total weekly spending on alcohol occurs between 9pm and 11pm. During this time young adults' alcohol purchases are comprised of:
    - (i) Purchasing at bottle stores (30% (of the 11%));
    - (ii) Purchasing at on-licence premises (64%), which include restaurants, bars, clubs and taverns; and
    - (iii) Purchasing in supermarkets and grocery stores (6%).
  - (d) Fridays and Saturdays show a similar pattern, with supermarkets and grocery stores attracting a smaller share of young adults' expenditure on alcohol between 9pm and 11pm (it reduces from around 6% of the 11% total spend highlighted above, to around 3%).
- 1.9 Across all commercial outlets, the evidence of Dr Douglas Fairgray shows that 18 to 24 year olds account for 30 to 50% of all alcohol purchases after midnight (nationally). They are also the key age group that suffers harm from alcohol. Accordingly, it is not clear why the Council believes that imposing blanket licence restrictions across all supermarkets will have a material effect on young adult behaviours, because the relevant supermarket customer numbers are very small. On average there are 15 young adults buying beer or wine in a Countdown store per store between 9pm and 11pm.
- 1.10 Regulations such as the Draft LAP can have significant economic impacts which are relevant when considering the benefits and costs of a Draft LAP. We encourage the Council to consider the likely effectiveness of the Draft LAP and its impact on the community. For your background information, we attach:
- (a) Christchurch City Council's cost benefit analysis report; and
  - (b) New Zealand Treasury's Regulatory Impact Analysis Handbook 2009.
- 1.11 Christchurch City Council's cost benefit analysis concluded that:
- (a) Any reduction in consumption caused by the Draft LAP will be minor and hence so too will any reductions in acute alcohol related harm. As a result, policy benefits will be minor.
  - (b) There is no evidence to support or oppose the proposed off-licence restrictions. Further, Christchurch City Council does not appear to have a strong community mandate for reducing the hours that alcohol can be sold at certain off-licences, such as supermarkets.

- (c) Because the policy does not (and essentially cannot) target problem drinkers, it is fairly blunt and therefore has the potential to negatively impact a number of law-abiding citizens.

1.12 As a national retailer, Progressive Enterprises has participated in every Draft LAP across the country to date. Often the Police and/or the Medical Officer of Health suggest that off-licence hours should not start until 9am. Sometimes they are supported by trade competitors with a view to seek a 'fair playing field'. However the Draft LAP is not about creating a new trading environment, or creating an administratively-easy system for councils to operate. It is about reducing alcohol-related harm. We have seen no evidence from any submitter across the country that restricting the sale of beer and wine in supermarkets to between 7am and 10pm will benefit the community by minimising alcohol-related harm.

1.13 We believe that retaining the default national opening hours for supermarkets, as the Draft LAP proposes, is correct for the following reasons:

- (a) Presently, under more lenient licensing laws, most bottle stores do not open until 9am. So we cannot see why a District Licensing Committee (or the Alcohol Regulation and Licensing Authority) would begin to allow bottle stores to begin trading at 7am, even if the default national hours for off-licences remained in place.
- (b) Therefore a 9am restriction for off-licences would be a control targeted only at supermarkets.
- (c) The Act prohibits the display of alcohol advertising or signage on the external walls of supermarkets. The Act also limits the internal display of beer and wine to one single area within a supermarket, the visual appearance of which would not change during unlicensed hours. We do not currently receive complaints about children walking past supermarkets.
- (d) There is no evidence to support a 9am restriction for supermarket off-licenses. There is good evidence about alcohol-related harm and late night hours (after midnight), but none of those studies related to the 7am to 9am time period.
- (e) Progressive Enterprises' own expert literature review<sup>5</sup> indicates that the available studies of changing licensed hours predominantly relate to on-licensed premises, and to changes within the early morning hours between midnight and 7am, and cannot be directly applied.
- (f) However we can say with certainty that this proposed restriction will inconvenience the vast majority of our customers who are shopping outside of these times and who are not the target of the control.

1.14 An LAP sets maximum hours for licensed premises, but within this, Council still has the power and ability to approve hours on a case by case basis, as they do currently. Some supermarkets and grocery stores currently do, and could continue to have, different maximum licensed hours to bottle stores. Notably:

- (a) Councils are able to make fine-grained distinctions between different types of alcohol licences in their LAP;

---

<sup>5</sup> Dr Mark Elwood reviewed the Christchurch City Council literature review.

- (b) Current case law supports differential hours between supermarkets and bottle stores, particularly in the morning;<sup>6</sup>
- (c) Supermarkets fulfil different customer needs to bottle stores;
- (d) There are far fewer supermarkets in key areas, such as the CBD, than bottle stores; and
- (e) Supermarkets have different customer trends to other licensed premises.

1.15 Trading hours for supermarkets have changed over the years to reflect the changing nature of the average New Zealand household, where both parents frequently work and activities are factored around a longer day. We believe these changes were reflected by Parliament in setting national default licence hours for wine and beer sales from 7am to 11pm and we support that decision.

1.16 **Appendix 1** of this submission explains the extensive changes that the Act requires in supermarkets from 18 December 2013, including reduced maximum off-licence hours from 24 hours per day to 16 hours per day (7am to 11pm). Until those changes have been implemented and have had time to be effective, it is our strong belief that a further restriction to maximum off-licence hours cannot be justified. Licence hours will still be able to be controlled on a case by case basis. This will enable Council to implement an adaptive management approach to minimising alcohol-related harm, learn what changes are effective and appropriately target further changes if they are needed.

1.17 We acknowledge that our grocery store within Waitomo does not operate beyond 8pm. However, it is not consistent with the purpose of the Act to use that as the reason to restrict off-licence hours to this time. The Sale of Liquor Act 1989 was introduced partly to move away from "need based" licensing<sup>7</sup>. While the Act allows councils to consider a range of matters when deciding appropriate off-licence hours, needs based licensing is not an appropriate reason to move away from the national default hours.

1.18 Our supermarket operating hours are determined according to market demand. There is however, no current demand for our supermarket in Waitomo to stay open beyond its current hours, but if the market develops and there is increased demand for longer operating hours, we should be able to apply for an off-licence that will then be considered on its merits (in the same way that a resource consent application is determined on its merits). The Council can still set reduced hours for each premise if they so choose on a case by case basis. The 7am – 11pm default hours do not mean those are the hours each outlet will have.

1.19 Draft LAP controls for density, proximity and location may be appropriate for licensed premises such as bars, bottle stores and restaurants. For supermarkets, these controls are more appropriately addressed in the district plan. Therefore the Draft LAP should not control these matters. However Progressive Enterprises would support the Council proposing a plan change to the district plan addressing supermarket location, proximity and density in the context of the RMA

<sup>6</sup> See *Russell Nieper Limited* (LLA decision 1116/93).

<sup>7</sup> See *Krish Liquor Ltd* (LLA Decisions PH490-491/08). "We refer briefly to the argument that there are already sufficient licensed premises in the area. It is important to appreciate that the Sale of Liquor Act 1989 no longer requires an applicant to establish a community need for the business. In 1989 Parliament essentially legislated for a 'free market' for liquor outlets. In the absence of any planning restrictions, there is no legal limit to the number of licences, which can be granted".

(which can include matters relating to alcohol-related harm as it is within the ambit of an environmental effect).

- 1.20 To deliver high quality regulation as required by the Local Government Act 2002 ("**LGA**"), LAPs need to promote a decision-making framework that is integrated with the RMA's district plan and resource consenting process as well as the building consent process and we seek some amendments to the Draft LAP to reflect this.

## 2. RECOMMENDATIONS

- 2.1 Progressive Enterprises **supports** the following Draft LAP provisions:

- (a) The proposed caps on off-licences to the extent they relate to supermarkets and grocery stores (Policy 4(e)).
- (b) The proposed opening hours (7am) for supermarkets and grocery stores (Policy 4(f)).
- (c) The proposed controls over the location of off-licensed premises by reference to broad areas, to the extent that they relate to supermarkets and grocery stores (Policy 4(b)).

- 2.2 Progressive Enterprises **seeks the following changes to** the Draft LAP provisions:

- (a) The maximum licence closing hours for supermarkets and grocery stores should be 11pm (Policy 4(f)).
- (b) The proposed controls over proximity of off-licensed premises to other premises or facilities should not apply to supermarkets and grocery stores (Policy 4(c)).
- (c) The proposed controls over the location of off-licensed premises by reference to proximity to facilities of a particular kind or kinds should not apply to supermarkets and grocery stores (Policy 4(d)).
- (d) Additional objectives should be included (Policy 2):

**Provide an efficient regulatory framework through promoting a decision making framework that is integrated with the district plan and the resource consent and building consent processes.**

**Ensure that the LAP does not duplicate regulatory controls contained within the district plan.**

**Facilitate the early processing of licence applications in conjunction with resource consent applications or building consent applications in so far as it is possible.**

- (e) Supermarkets and grocery stores could have different licensed hours to bottle stores.

## PART B: ASPECTS OF THE DRAFT LAP THAT PROGRESSIVE OPPOSES

### 3. GOOD DECISION MAKING ON LOCAL ALCOHOL POLICIES

- 3.1 The key principles for good decision making on local alcohol policies are:

- (a) If a council chooses to develop a LAP, it must be to respond to specific local (and not issues which apply universally on a national basis) issues.

- (b) A council's role includes meeting the needs of its community for good quality regulatory performance in a way that is most cost-effective for households and businesses.
- (c) "Good-quality" regulation is efficient, effective and appropriate to current and future circumstances.
- (d) In order to be effective and efficient, the regulatory process must first identify the relevant issue(s) of concern and identify evidence based options to address those issues.
- (e) The only way to achieve this is with evidence based decision making.

#### **4. OFF-LICENCE HOURS**

- 4.1 Under Policy 4(f) of the Draft LAP the proposed maximum off-licence hours are 7am to 10pm, Monday to Sunday. Progressive Enterprises opposes these off-licence closing hours to the extent that they apply to supermarkets.
- 4.2 In terms of the proposed licence hours for supermarket and grocery store off-licences, the maximum off-licence closing hours should be 11pm. We acknowledge that our grocery store within Waitomo does not operate beyond 8pm. However, it is not consistent with the purpose of the Act to use that as the reason to restrict off-licence hours to this time. The Sale of Liquor Act 1989 was introduced partly to move away from "need based" licensing. While the Act allows councils to consider a range of matters when deciding appropriate off-licence hours, needs based licensing is not an appropriate reason to move away from the national default hours.
- 4.3 Our supermarket operating hours are determined according to market demand. There is however, no current demand for our supermarket in Waitomo to stay open beyond its current hours, but if the market develops and there is increased demand for longer operating hours, we should be able to apply for an off-licence that will then be considered on its merits (in the same way that a resource consent application is determined on its merits). The Council can still set reduced hours for each premise if they so choose on a case by case basis. The 7am – 11pm default hours do not mean those are the hours each outlet will have.
- 4.4 There is no evidence to suggest that the Act's national default off-licence hours will be ineffective in addressing alcohol-related harm, particularly as they still allow local authorities to control licensing hours on a case by case basis. Accordingly, until the national default off-licence hours have been implemented and have had time to be effective, a further restriction to maximum off-licence hours for supermarkets cannot be justified. Wellington City Council originally proposed off-licence hours of 7am to 9pm, however following the consultation process has now recommended to its Councillors hours that are consistent with the Act's national default hours of 7am to 11pm.
- 4.5 We have considered the information provided on the mandatory considerations under the Act addressing:
  - (a) Objectives and policies of the District Plan;
  - (b) Number of licences held in the district, and their location and opening hours;
  - (c) Areas in which bylaws prohibit alcohol in public places;

- (d) Demography of the district's residents and visitors;
  - (e) Overall health indicators of the district's residents; and
  - (f) Nature and severity of alcohol-related problems in the district.
- 4.6 The information provided to us by the Council does not contain a full assessment of these considerations, although certain factors, such as the demography of the district's residents, have been assessed. However, without a full assessment of these mandatory considerations, it is difficult for Progressive Enterprises to understand the Council's proposed restrictions.
- 4.7 However, based on the information we have reviewed (which includes the report that was presented to the Council at its meeting of 30 July 2013<sup>8</sup> ("**the Report**")), we note the following:
- (a) The Report identifies that 32 completed surveys were returned and the results of these surveys are summarised.<sup>9</sup> It would have been useful for this information to have been provided to the public as part of the consultation process, particularly given that this information has been relied on by the Council when drafting its LAP (even though only a limited number of people participated in the survey and therefore, can only provide limited community views).
  - (b) The Council has provided us with a table summarising the results of the Council's survey. However, this summary fails to provide an analysis of the off-licence closing hours for supermarkets, and off-licences more generally. It is therefore unclear what hours the community actually supported, and therefore whether the proposed restrictions on off-licence hours are justified.
  - (c) The Council hasn't fully considered the impact of the mandatory changes imposed by the Act. The new licensing regime allows a greater range of conditions to be imposed on licenses which will improve the proactive avoidance of alcohol-related harm. There are also more significant penalties for breaching the legislation, particularly around selling to intoxicated persons and minors. There will necessarily be an increased focus on compliance by all licensees.
  - (d) Supermarkets and bottle stores do currently, and can continue to, have different licensed hours. Even under the Sale of Liquor Act 1989, bottle stores are not licensed before 9am but supermarkets are. As is the case today, within the maximum off-licence hours of 7am to 11pm, Council still has the power to determine licensed hours on a case by case basis, rather than the blanket approach proposed.
  - (e) The proposed restrictions do not take into account actual sales statistics, with the consequence that the proposed restrictions are not necessary for supermarket off-licences.
  - (f) The information provided to the Council by the Waikato District Health Board recommends licensed hours between 9am and 9pm for all off-licences, including supermarkets. The rationale provided for this restriction is that 'extended opening hours ensures alcohol is

<sup>8</sup> It is unclear who the Report was presented to, but the document number of the report is 310797 and it is titled "Waitomo District Local Alcohol Policy".

<sup>9</sup> See page 58 of the Report.

available to people for longer periods of time. Late closings are likely to benefit people who are already under the influence of alcohol'.<sup>10</sup> Young people aged 18-25 are also identified by both the Council and the DHB as the age group predominantly suffering alcohol-related harm.

However, from the sales data that Progressive Enterprises have analysed, our supermarkets are not a significant destination for young adults to purchase beer or wine, even on Saturday and Sunday nights. We also have stringent company policies in place to ensure that we do not sell beer or wine to intoxicated people, or those displaying signs that they are under the influence of alcohol. On this basis, there does not appear to be any justification for restrictions that have been proposed by the DHB, and the Council must ensure that its LAP restrictions are based on evidence.

- 4.8 Progressive Enterprises has commissioned expert witnesses to provide information regarding the various Draft LAPs that have been released for consultation around the country and have used their advice in putting together this submission.<sup>11</sup> Dr Douglas Fairgray, an economic analyst, has reviewed numerous sets of data to identify some key trends regarding the sale of alcohol in New Zealand, and finds that:
- (a) The relatively low incidence of young adults purchasing alcohol from supermarkets in the evening period, especially in relation to the large volumes of alcohol purchases being made at the same time in other premises including on-licence, is not consistent with the "off-licence then to on-licence" sequence of alcohol purchasing suggested in the anecdotal material of other councils.
  - (b) This would suggest that the Draft LAP will have limited effect in terms of intended outcomes (for the target young adult group), and have higher effect in terms of unintended outcomes (on other shoppers).
- 4.9 As was recognised by the New Zealand Treasury in their Regulatory Impact Analysis Handbook<sup>12</sup>, "stakeholders often have better access to empirical information on the size of (the) problem as well as day-to-day experience with the nature of the real issues. In addition, stakeholders' practical experience can help identify potential unintended effects that policy makers have not considered. Stakeholders may also suggest more practical solutions to achieve the policy objectives". This highlights that the data we have provided should not be treated lightly, and should be given serious consideration.

## 5. CONTROLS BY BROAD AREA, PROXIMITY AND LICENCE NUMBERS

- 5.1 Progressive Enterprises supports the Council's proposal not to limit the number of off-licence premises or the number of new licences issued (Policy 4(e)), as well as the Council's proposed restrictions regarding the location of licensed premises by reference to broad areas (Policy 4(b)), to the extent that these controls relate to supermarkets. However, Progressive Enterprises **opposes** the following Draft LAP restrictions:

<sup>10</sup> See page 32 of the Waitomo District Council Local Alcohol Policy: Alcohol and Health Information Pack, dated May 2013.

<sup>11</sup> In addition to Douglas Fairgray, Progressive Enterprises have also commissioned an expert to provide planning advice (Michael Foster) and an expert to provide a literature review of material regarding alcohol-related harm and measures to address alcohol-related harm (Dr Mark Elwood). Progressive Enterprises can provide the Council with a copy of this information on request.

<sup>12</sup> New Zealand Treasury *Regulatory Impact Analysis Handbook 2009*.

- (a) Controls over the location of off-licence premises by reference to proximity of premises to premises of a particular kind, to the extent they relate to supermarkets (Policy 4(c)); and
- (b) Controls over the proximity of licensed premises to facilities of a particular kind, to the extent they relate to supermarkets (Policy 4(d)).

- 5.2 Progressive Enterprises opposes these restrictions because the location of supermarkets off-licences is better addressed in a manner that is integrated with the Resource Management Act 1991 and through the district plan. See **Appendix 4** for more detail, and the specific submissions below.
- 5.3 Additionally, in respect of policy 4(c) of the Draft LAP, which provides that the DLC will have regard to the proximity of that premise to other licensed premises "where it considers this relevant", Progressive Enterprises considers that better guidance should be given in the Draft LAP regarding when the proximity of an application to other licensed premises will be considered "relevant". For example, it would be useful if the Council identified a list of factors regarding when proximity issues will be considered relevant, thereby enabling potential applicants to assess whether an application will be subject to greater scrutiny.

***Location controls by reference to proximity to facilities of a particular kind***

- 5.4 Policy 4(d) of the Draft LAP contains a number of restrictions including that:
- (a) An off-licence will not be issued for new premises which directly border any school, early childcare facility, or place of worship existing at the time the premises are established, unless the premises will not impact these facilities.
  - (b) The DLC must have regard to the proximity of new off-licence premises to a public park, car park, or reserve, particularly where these are within a bylaw area.
- 5.5 Supermarkets have significant controls over where they locate alcohol and any associated signage. In contrast to other licensed activities which have a direct association with alcohol, supermarkets are prohibited from having alcohol advertising on external windows or walls under the new Act, and as approximately 90% of sales are comprised from non-alcoholic products, supermarkets do not project an external image of alcohol availability to the general public. It is therefore difficult to understand how or why a supermarket would impact the operation of a school, early childcare centre or place of worship. To the contrary, planning requirements often direct that supermarkets and schools be located nearby. We expand on this issue in section 6.
- 5.6 Additionally, the definition of early childcare facility is too broad and creates a significant risk that a new early childcare facility could establish near a new supermarket location and impact on the ability to obtain an off-licence even after resource consent has been granted.
- 5.7 The Report also contains a number of contradictions which makes it difficult to understand the justification for the location restrictions that have been proposed, and whether they are necessary or not. For example, the Report identifies that the proximity of licensed premises to existing licensed premises is "a matter that the Licensing Committee can consider on a case by case basis and therefore a specified separation distance was not seen as appropriate". Despite these sentiments, the Council then states that "the proximity of licensed premises in relation to more

sensitive land uses should be controlled".<sup>13</sup> If the Licensing Committee is able to address the proximity of licensed premises to other licensed premises on a case by case basis, then the same rationale should also apply to the proximity of premises to sensitive land uses.

- 5.8 The information that has been relied on by other councils who are drafting their LAPs also suggests that these controls are unnecessary. For example, in the background material provided to us by the Tauranga City and Western Bay of Plenty District Councils, the Medical Officer of Health stated his opinion that "while there may be social reasons to limit alcohol outlets in close proximity to churches and places of worship, there is not a clear public health rationale for this."<sup>14</sup>
- 5.9 For these reasons, there does not appear to be any justification for these controls, as there is no evidence to suggest that such controls are necessary for supermarket off-licences.

## 6. OBJECTIVES OF THE DRAFT LAP

- 6.1 Progressive Enterprises seeks that new objectives be included as follows:

***Provide an efficient regulatory framework through promoting a decision making framework that is integrated with the district plan and the resource consent and building consent processes.***

***Ensure that the LAP does not duplicate regulatory controls contained within the district plan.***

***Facilitate the early processing of licence applications in conjunction with resource consent applications or building consent applications in so far as is possible.***

- 6.2 The Council's District Plan is the most appropriate mechanism for controlling the development of new supermarkets within broad areas, proximity and density.
- 6.3 As opposed to bars and bottle stores, supermarkets almost inevitably require resource consent (and so trigger a planning assessment of their specific design), and where they are located adjacent to residential areas often require limited notification. As a result, the RMA is a good tool for managing the effect of new supermarkets.
- 6.4 The primary element of a supermarket business is to sell food and groceries, with the sale of beer and wine making up around 10% of our total supermarket sales. The Act now imposes tight restrictions on what a "grocery store" is, so corner dairies will no longer be able to sell alcohol. Restrictions for supermarkets in the Act in relation to external advertising also mean that the sale of beer and wine is not brought into mind when walking past the premises. Even within supermarkets, the Act now prescribes strong controls on the layout of beer and wine.
- 6.5 We believe that addressing supermarket location through the district plan would be consistent with community feedback.<sup>15</sup> Communities will however still be able to have their say on supermarket locations and licensing through:
- (a) District Plan provisions;
  - (b) Resource consent applications, where these are notified, or limited notified; and

<sup>13</sup> See page 60 of the Report.

<sup>14</sup> See page 33 of the *Background Information for discussion of Issues and Options relating to a Draft Local Alcohol Policy*, presented to the Joint Governance Committee Workshop at Tauranga/Western BOP Council.

<sup>15</sup> See Appendix 2, paragraph 1.

- (c) In relation to licence applications where they meet the test under the Act.

## APPENDIX 1: PROGRESSIVE ENTERPRISES AS A RESPONSIBLE OPERATOR

1. Progressive Enterprises has a Liquor Policy (attached as **Appendix 1A**) and we also have in-store communications which address the sale of beer and wine in our supermarkets.
2. Our policy makes it clear that intoxicated persons are not permitted to enter or remain on the premises. Observing customers tends to be easier in a supermarket environment owing to the fact that it is brightly lit and there is individual interaction at the check-out. This is supported by the extremely small number of off-licence breaches which occur in our supermarkets across New Zealand, despite serving 2.5 million customers every week. Our supermarkets already have extensive CCTV coverage.
3. The supermarket store experience itself promotes the availability of food and non-alcoholic beverages. Under the new Act, supermarkets are not able to display non-alcoholic beverages within the "single area" for beer and wine.
4. In our stores specifically, every sale of beer or wine must be approved by a supervisor, no matter whether the customer is 18 or 80. We have an ID 25 policy which is above and beyond the legal requirement around identification, as well as a policy to request identification where a member of the group looks under 25 and our staff reasonably believes that there is a possibility that beer or wine may be being purchased for this person. We believe most customers are now very aware of what constitutes appropriate ID. Store supervisors will ask for drivers licence, passport or the HANZ card, and no other form of ID is acceptable.
5. It is our company policy not to sell beer or wine that specifically markets to and promotes the consumption of alcohol by young people. We also have a policy of not selling beer or wine below cost.
- 5.1 The Act represents the most significant tightening of alcohol licensing within the last 50 years (or more), as there are a number of additional restrictions imposed on licensees under the Act. Supermarkets are specifically targeted by a number of these restrictions.
  - (a) Supermarkets are the only off-licences that commonly have licence hours outside of 7am to 11pm. Therefore the Act's national default hours affect supermarket licensed hours more than any other type of off-licence;
  - (b) Off-licences are more involved in media advertising than on-licences. From mid-December all off-licences will have significant constraints in how they market beer or wine and advertise discounts. These constraints will not impact on-licences to the same extent;
  - (c) Supermarkets will also have to limit the location and advertising of beer and wine within their supermarket to a single area, reducing the exposure of customers to beer and wine; and
  - (d) The Government is addressing pricing on a national basis and is reviewing whether minimum pricing be introduced.
6. Any present discussion of "status quo" must therefore acknowledge that these constraints are not yet in place. The default provisions of the Act are **not** the status quo and will not be until after

18 December 2013. It is important that the Act is then given time to become established and influence behaviour.

# Responsible Service of Alcohol Policy



## **Our responsibilities:**

As a responsible business in New Zealand, Progressive Enterprises recognises obligations to community for the responsible and legal sale of alcohol.

As a retailer of beer and wine, the Company takes its responsibility seriously and aims to be the industry leader in responsible service of these products. The company aims to set a positive example to our customers and to other businesses by complying with and, where appropriate, exceeding legislative requirements.

## **Our actions:**

Progressive Enterprises actively encourages the responsible service of alcohol and staff and management are trained to adhere to all applicable rules and regulations. The penalties for the irresponsible sale of beer and wine by an individual or licensee are severe and so too are the company's internal disciplinary policies.

*We don't sell beer and wine below the price we purchased it for*

It has been a relatively common assertion that retailers sell beer or wine 'below cost' to gain custom in their stores. In our business, it has been a longstanding policy to not set the regular retail or promotional price of beer or wine below the price we purchased it for\*.

## *ID25*

To prevent the sale of beer or wine to anyone under the age of 18 the company has introduced a strict ID25 policy. For every transaction, identification is required if a customer looks under the age of 25 years of age. No proof of age = no sale.

## *Don't buy it for them*

Further, to prevent cases of 'secondary supply', our policy is to request identification for any person in a group where a member of the group looks under the age of 25 and staff member reasonably believes there is a possibility that beer or wine may be being purchased for this person.



PROGRESSIVE

At times, the company may need to refuse customers service in order to comply with this policy. While customers may not always be happy when a sale is refused, the company will support the role its staff play in making the right decisions to maintain its commitment as a responsible retailer of beer and wine.

#### *Acceptable forms of ID*

Photo identification is the only acceptable form of identification when purchasing beer and wine. We accept, in accordance with New Zealand law, New Zealand photo drivers licence, Passport (NZ or International) and the HANZ photo identification card.

In the event of a foreign identification being presented, the on duty Store Manager may then choose to authorise the transaction if they are satisfied that the person is over the age of 18 years and the identification presented includes a date of birth and a photo identification.

#### **Our role in the community:**

Progressive Enterprises believes it has a shared responsibility, along with individuals, governments, families and the community, to prevent harm. Progressive Enterprises encourages and promotes the responsible consumption of alcohol and the company proactively supports information campaigns on responsible drinking.

The company participates openly, honestly and transparently in public policy development in this area to represent the best interests of our business, our employees, our customers and our shareholders.

Progressive Enterprises recognises that each community where the company operates is different and actively encourages our store managers to participate in local liquor accords and forums.

\* This excludes one-off markdown prices where individual products may be marked down at the end of a product range or when packaging is damaged etc.

Last reviewed and published in October 2012.

**APPENDIX 2: MARKETVIEW DATA**

1. We have purchased a national sales dataset<sup>16</sup> of 53 million eftpos and credit card transactions to show nationwide sales patterns (broken down by hour of the week for the 2012 full year) for each type of licensed outlet, including supermarkets. The results are very informative and are set out in the executive summary.
2. BNZ Marketview grouped stores by their type of business. There are six types of businesses that they provided information on:
  - (d) Supermarkets;
  - (e) Liquor Outlets/bottle stores;
  - (f) Grocery and Specialty Food;
  - (g) Restaurants and Cafes;
  - (h) Taverns, Bars and Clubs; and
  - (i) Accommodation.
3. BNZ Marketview only receives information on the number of transactions, the sale amount and the age of the customer. It does not receive information on the proportion of the sale which relate to alcohol.
4. As you would understand, each of the outlet/store types has a different proportion of their sales that relate to alcohol. More specifically:
  - (a) The primary function of taverns and bottle stores is to sell alcohol, so a relatively high proportion of the BNZ Marketview data relates to alcohol sales.
  - (b) The primary function of supermarkets and restaurants is selling goods or food that is not alcohol, so a relatively low proportion of the BNZ Marketview data relates to alcohol sales.
5. Fortunately the Department of Internal Affairs and Statistics NZ hold figures on each business type's proportion of sales that relate to alcohol. To calculate the amount of alcohol sales for each type of business, Dr Fairgray (Market Economics) applied the information from the Department of Internal Affairs and Statistics NZ. The proportion of alcohol sales as a % of total sales for each business type is as follows:
  - (c) Supermarkets: 7-8% of sales;
  - (d) Liquor Outlets: 97%;
  - (e) Grocery and Specialty Food: 4%;
  - (f) Restaurants and Cafes: 18%;
  - (g) Taverns, Bars and Clubs: 55%; and

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<sup>16</sup> BNZ Marketview. This information was obtained in June 2013.

(h) Accommodation: 12%.

**APPENDIX 3: QUALIFICATIONS AND EXPERIENCE OF EXPERT WITNESS****DOUGLAS FAIRGRAY**

1. My full name is Dr Douglas James Marshall Fairgray. I am a Director of Market Economics Limited, a company I set up in 2001 after seven years as Managing Director of McDermott Fairgray Group. I have over 32 years of consulting and research experience, and I have led over 900 consultancy projects for major commercial and government clients.
2. I have particular expertise in examining how patterns of business and community activity have effect on the core matters under the Resource Management Act 1991 and Local Government Act 2002 regarding economic, social and cultural wellbeing, and urban sustainability. I have been at the forefront of development and application of methodologies to meet the "Evidence Base" requirements of the RMA and LGA, and I have conceptualised and implemented a wide range of models and techniques for commercial and government entities. These capabilities include methods for policy analysis, market studies, demographic and community assessment, social impact and economic assessment.
3. Over the last 15 years, I have had a significant focus on New Zealand's urban economies, and the important contribution of urban spatial form to community wellbeing and enablement, and sustainability. This has been especially through the (Environment) Court process, with a number of important decisions acknowledging the value of my evidence as an expert in economic geography in relation to community amenity, the nature and significance of effects, the core economic and social processes, and the importance of aggregate and cumulative outcomes in determining long term effects. I have done considerable work in regard to the nature and distribution of benefits and costs (the "who benefits, who pays?" issue) and the effects of government policies. I am a member of the RMLA, an associate of the NZ Institute of Management, and I also provide lectures to undergraduate geography classes.

**APPENDIX 4: PLANNING ISSUES FOR SUPERMARKETS**

1. It was clear from the submissions presented to the Select Committee considering the alcohol reform legislation that concerns are usually in regard to a specific type of off-licence, or on-licence, rather than the group as a whole.
2. Supermarkets did not raise the same concerns:
  - (a) The economic viability of supermarkets limits how many can be established within a community.
  - (b) Street views of supermarkets do not portray the sale of beer and wine (discussed above).
  - (c) Supermarkets do not sell hard spirits or RTDs.
  - (d) Supermarkets promote the association between food and beer and wine, which is a valid part of the strategy to foster a more responsible drinking culture and reduce alcohol-related harm.<sup>17</sup>
3. Providing growth within the community will require additional and/or expanded supermarkets to support the changed residential densities and changed living patterns.
4. Developing a new supermarket site can take five years and millions of dollars. Grocery stores take less time and cost, but not significantly so. These long lead times can involve delays when securing land parcels, as well as the resource consent and building consent application processes. As a result there is considerable investment into supermarket planning and development prior to an application for an off-licence. Because the capital investment in a supermarket is far higher and the time for consenting and construction is far longer than for bars and bottle stores, the Draft LAP (and the subsequent licensing provisions for the sale of wine and beer attached to them) is an inefficient tool for controlling new supermarket developments.
5. The planning process is subject to lengthy resource consent processes, working closely with local councils at every stage of the development. However, it is only at the end of this process that we can apply for a licence to sell wine and beer in our stores.
6. Issues such as off-licence hours, density and proximity under the Draft LAP, have the potential to impact the economic performance of our business, and in turn, our ability to invest, create jobs and pay wages. When we open a new store we receive many more job applications than we have jobs available.
7. As a major employer and retail investor in the community, we ask that you take into consideration the need for consistency and certainty in the relationship between community input on alcohol planning and district planning for the district in the future. The LAP guidance will be important because it provides signals about potential supermarket locations and enables informed investment decisions to be made.

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<sup>17</sup> Law Commission Report, Alcohol in Our Lives at para 8.33.

# Regulatory Impact Analysis Handbook

July 2013



**THE TREASURY**  
Kaitohutohu Kaupapa Rawa

New Zealand Government

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## Part 1: Introduction and RIA First Steps

This section sets out the purpose of Regulatory Impact Analysis (RIA) and how to work out whether the requirements apply to your project—including how to complete a Preliminary Impact and Risk Assessment (PIRA).

## A quick guide to Cabinet’s RIA requirements

<p><b>1. Determine whether the RIA requirements could apply</b></p>	<p>Are you starting policy work with potential regulatory implications that will lead to submission of a Cabinet paper?</p> <p>“Potential regulatory implications” means options that could involve creating, amending or repealing primary legislation or regulations.</p> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="border: 1px solid #ccc; padding: 5px; width: 45%;"> <p>If potential regulatory implications, complete <a href="#">Preliminary Impact and Risk Assessment</a> (PIRA)</p> </div> <div style="border: 1px solid #ccc; padding: 5px; width: 45%;"> <p>If no potential regulatory implications, RIA requirements do not apply. The RIA framework is still useful to structure analysis</p> </div> </div>
<p><b>2. Prepare Preliminary Impact and Risk Assessment (PIRA)</b></p>	<p>Discuss the PIRA with your Treasury policy team as early as possible, to confirm whether the RIA requirements apply and whether any of the potential regulatory proposals are likely to have a significant impact or risk.</p> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="border: 1px solid #ccc; padding: 5px; width: 45%;"> <p>If Treasury confirms that no significant impact or risk is likely, then the agency will be responsible for quality assurance</p> </div> <div style="border: 1px solid #ccc; padding: 5px; width: 45%;"> <p>If Treasury confirms that there is likely to be <a href="#">significant impact or risk</a>, Regulatory Impact Analysis Team (RIAT) involvement is required. Early engagement is recommended</p> </div> </div>
<p><b>3. Undertake regulatory impact analysis (RIA)</b></p>	<p>Apply the RIA framework to your work from the start of the policy development process. RIAT is available to provide RIA training and project-specific assistance. Discussion documents containing options with a potential for significant impact or risk must be provided to RIAT for comment prior to consultation.</p>
<p><b>4. Prepare the Regulatory Impact Statement (RIS) and Agency Disclosure Statement</b></p>	<p>The RIS should be prepared before the Cabinet paper. It provides a standalone summary of the impact analysis for decision-makers and must include all the <a href="#">required information</a>. The relevant policy manager responsible for producing the RIS is required to complete and sign the <a href="#">disclosure statement</a>, within the RIS</p>
<p><b>5. Obtain independent quality assurance of the RIS</b></p>	<p><a href="#">Independent quality assurance</a> must be provided either by RIAT or through a suitable internal review process. A <a href="#">quality assurance statement</a> (drafted by RIAT or agency’s internal QA) must be provided in the Cabinet paper</p>
<p><b>6. Prepare Cabinet paper</b></p>	<p>The Cabinet paper focuses on the Minister’s proposal. It should refer to the RIS, appended to the Cabinet paper</p>
<p><b>7. Publish the RIS</b></p>	<p>All RISs must be <a href="#">published</a> on the agency and Treasury websites. The URLs to published RISs must be included in the Explanatory Note to Bills, but with hard copies also provided to the House</p>
<p><b>8. Complete Disclosure Statement</b></p>	<p>A disclosure statement is required for all government Bills (unless exempt) and all “substantive” government SOPs. Disclosure statements are to be provided to Cabinet along with the Bill or SOP when final approval is sought to introduce legislation.</p>
<p><b>9. If RIA requirements not met</b></p>	<p>All “significant” regulatory proposals that do not meet the RIA requirements will undergo a <a href="#">post-implementation review</a>. This includes proposals that are not accompanied by a RIS but to which the RIA requirements apply.</p>

# 1 About this handbook

This handbook provides an overview of Regulatory Impact Analysis (RIA) and guidance on the main elements of Cabinet's RIA requirements. It supports and supplements the information provided in the [CabGuide](#). It also incorporates Cabinet's decisions on changes to the RIA requirements taken since 2009, when the previous edition was published.

There is a separate section for each of the main elements of the RIA requirements. These sections provide links to any templates and to further reference material.

## 1.1 Further information

This handbook cannot address all potential issues that may arise in regulatory proposals or policy situations. We recognise that developing effective legislation is a complex undertaking and that the realities of the policy development process may at times differ from the idealised process set out in this handbook. Consequently, there will be times when agencies will need to exercise their best judgement on how to give effect to the *intent* of the RIA requirements in the particular circumstances they find themselves in. The Regulatory Impact Analysis Team (RIAT) in the Treasury is the authoritative source of general guidance and can assist agencies with RIA good practice and on-going training.

The Treasury may issue more detailed, supplementary guidance on specific topics, where experience shows that such additional material would be helpful. For example the [Cost Benefit Analysis Primer](#) is a valuable resource when determining the impact of each regulatory option considered.

## 1.2 Keeping the handbook updated online

This handbook will be updated periodically online, in order to keep it accurate and as helpful as possible. This version of the handbook was last updated in **July 2013**.

To ensure you have the latest version please access the online handbook at: <http://www.treasury.govt.nz/publications/guidance/regulatory/impactanalysis>.

## 1.3 Requirements for improved disclosure of RIA

Cabinet in April 2013 agreed to increase the transparency of the RIA leading up to Cabinet consideration at the stage of introducing new legislation. Departments are now required to disclose in a standalone statement the quality assurance processes they have undertaken during the development of legislation, and key features of that legislation that are likely to be of interest to the public and Parliament

A disclosure statement is separate from a RIS (and separate from the Agency Disclosure Statement within the RIS, or ADS). Like a RIS, however, it is a departmental document that provides factual information about the development and content of legislation proposed by the government. It largely takes the form of a series of questions that must be answered YES or NO, with further information required to elaborate, explain or clarify the answer given

The information required for disclosure is linked to existing government expectations for the development of legislation, or to significant or unusual features of legislation that tend to warrant careful scrutiny. The Detailed Guide to Disclosure Statements can be found online at: [www.treasury.govt.nz/publications/guidance/regulatory](http://www.treasury.govt.nz/publications/guidance/regulatory).

For further assistance or guidance with disclosure statements and their relationship with RISs, contact RIAT: [ria@treasury.govt.nz](mailto:ria@treasury.govt.nz).

## 1.4 Your feedback welcome

We welcome your feedback on this handbook, including suggestions for possible additions or improvements. We would also like examples of good practice that can be shared with other agencies. Any comments or suggestions can be sent to [ria@treasury.govt.nz](mailto:ria@treasury.govt.nz).

## 2 The purpose of Regulatory Impact Analysis (RIA)

The purpose of Regulatory Impact Analysis (RIA) is to help achieve a high quality regulatory environment by ensuring that regulatory proposals are subject to careful and robust analysis. RIA is intended to provide assurance about whether problems might be adequately addressed through private or non-regulatory arrangements—and to ensure that particular regulatory solutions have been demonstrated to enhance the public interest.

RIA summarised in a Regulatory Impact Statement (RIS) can serve two benefits:

- **Enhancing the evidence-base to inform decisions** about regulatory proposals—to ensure that all practical options for addressing the problem have been considered and that the benefits of the preferred option not only exceed the costs but will deliver the highest level of net benefit, and
- **Transparency**—the presentation of agencies' free and frank advice to decision-makers at the relevant decision points provides reassurance that the interests of all sectors of the New Zealand public have been considered. RIA also aims to encourage the public to provide information to enhance the quality of regulatory decisions, to further inform the evidence-base.

## 2.1 Cabinet's expectations for Regulatory Stewardship

In April 2013, Cabinet agreed to a set of expectations for the public sector's responsibilities for regulation [CAB Min (13) 6/2B refers].

The expectations outline at a high level how agencies should design and implement regulation. The agency should not propose regulatory change without:

- clearly identifying the policy or operational problem it needs to address, and undertaking impact analysis to provide assurance that the case for the proposed change is robust, and
- careful implementation planning, including ensuring that implementation needs inform policy, and providing for appropriate review arrangements.

The full list of stewardship expectations can be found in the [Guidance on Regulatory System Reports](#).<sup>1</sup>

## 2.2 The role of RIAT

RIAT is an independent unit located within the Treasury. Its role is to:

- provide quality assurance (see [Part 5](#)) of the RIS for regulatory proposals likely to have a significant impact or risk
- provide comments on draft discussion documents for significant proposals
- provide general advice on the RIA requirements, and
- help build capability across government to undertake high quality impact analysis. This includes providing guidance and training, for example on appropriate analytical techniques such as cost benefit analysis.

The nature of RIAT's involvement in significant proposals will depend on the characteristics of the proposal and the policy development process, as well as the existing capabilities and internal quality assurance processes of the lead agency. It may involve:

- working alongside agencies to assist them in meeting the RIA requirements, such as by providing comments draft terms of reference for major pieces of work (eg, cost benefit analyses), and
- referring proposals to other departments, agencies or specialists who have relevant expertise in regulatory quality issues or the subject matter.

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<sup>1</sup> Available online at:  
[http://www.treasury.govt.nz/publications/guidance/regulatory/systemreport/04.htm#\\_toc1.2](http://www.treasury.govt.nz/publications/guidance/regulatory/systemreport/04.htm#_toc1.2)

### 3 When do the RIA requirements apply?

The Regulatory Impact Analysis (RIA) requirements apply to any policy initiative or review that:

- considers options that would involve creating, amending or repealing legislation (either primary legislation or disallowable instruments for the purposes of the Legislation Act 2012), and
- is expected to result in a paper being submitted to Cabinet for approval<sup>2</sup>.

This includes papers submitted to Cabinet seeking:

- the release of a discussion document (see [Part 3](#)) that contains options that may lead to regulatory change (although a RIS is not necessarily required if the RIA elements are incorporated in consultation material—see section on *Effective Consultation* ([Part 3](#)))
- “in principle” policy decisions and intermediate policy decisions, (see [Part 4](#)) particularly those where policy options are narrowed down (eg, limiting options for further work/consideration, negotiating mandates for certain international agreements)
- decisions to introduce regulatory changes that are merely enabling and the substantive decisions as to whether and what sort of intervention will be made later, and
- to inform Cabinet of a Minister’s intention to make regulations under an enabling power given to that Minister in an Act.

The RIA requirements should be met in one of the following ways:

- where Cabinet is being asked to give policy approval, a RIS must accompany the Cabinet Paper, or
- where Cabinet is being asked for permission to consult on potential regulatory options, the substantive RIA elements must be incorporated into the discussion document (or a draft RIS attached to the discussion document).

Policy proposals with regulatory implications are normally submitted to Cabinet Committees for policy approval before legislation or regulations are drafted. In rare circumstances, the policy proposal and draft regulations may be submitted together. In these cases, the usual procedure is for the paper to be submitted to the relevant Cabinet Committee, rather than directly to Cabinet Legislation Committee (LEG).

To meet the RIA requirements, RISs (or discussion documents if no RIS is produced at the consultation stage) must be complete, convincing, clear, and concise. Efficient and effective consultation must also have taken place during the RIA process, and be accurately reflected in the RIS. The specific requirements are set out in the section *Undertaking RIA* (see [Part 2](#)).

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<sup>2</sup> The RIA framework provides a useful basis for any policy development process, not just those that may consider regulatory options or result in a Cabinet paper. However, the RIA requirements are formally triggered by a submission to Cabinet.

### 3.1 Exemptions

The value of completing even a modest Regulatory Impact Statement (RIS) is likely to be limited in some circumstances, such as those where the potential proposals would result in little or no change to the status quo legislative position or would have no or very small impacts outside of government. Consequently, the RIA requirements do not apply to those aspects of proposals that:

- involve technical “revisions” or consolidations that substantially re-enact the current law in order to improve legislative clarity or navigability (including the fixing of errors, the clarification of the existing legislative intent, and the reconciliation of inconsistencies)
- are suitable for inclusion in a Statutes Amendment Bill
- would repeal or remove redundant legislative provisions
- provide solely for the commencement of existing legislation or legislative provisions;
- need to be authorised in an Appropriation Bill or an Imprest Supply Bill
- are for a Subordinate Legislation (Confirmation and Validation) Bill relating to regulations that have already been made
- implement deeds of settlement for Treaty of Waitangi claims, other than those that would amend or affect existing regulatory arrangements
- bring into effect recognition agreements under the Marine and Coastal Area (Takutai Moana) Act 2011
- are essential (the minimum necessary) in order to comply with **existing** international obligations that are binding on New Zealand, or
- have no or only minor impacts on businesses, individuals or not-for-profit entities (such as might be the case for certain changes to the internal administrative or governance arrangements of the government, like the transfer of responsibilities, staff, or assets between government agencies).

### 3.2 Discussion documents

The RIA requirements apply to discussion documents that include consideration of options that may lead to regulatory changes. A Cabinet paper seeking to release a discussion document with regulatory proposals must apply RIA in one of two ways: either a consultation/interim RIS must be appended to the discussion document; or the discussion document itself must include the substantive RIA elements. Discussion documents for significant issues must be provided to RIAT for comment prior to consultation.

Under most circumstances, Treasury recommends that departments include the elements of a RIS (a summary of the RIA) in the discussion document. In some cases—such as when a Cabinet paper seeks in-principle decisions or seeks to narrow options prior to consultation—a RIS will usually be required. Such cases are best determined either by agencies or with RIAT on an individual basis as early as possible.

Whether or not a separate RIS is prepared, the discussion document should include the RIA elements, as doing so will optimise the value of consultation for subsequent policy development. Incorporating the RIA elements involves:

- **Structuring the document around the RIA framework:** explaining the current situation and the nature and size of the problem; setting out the policy objectives; identifying the range of feasible options, and providing preliminary analysis of the costs, benefits and risks of these options, and an indication as to how they would be implemented, monitored, and reviewed. The document may indicate a preferred option.
- **Including suitable questions** for stakeholders, that will prompt respondents to confirm and challenge the analysis, provide feedback on the assumptions, estimated magnitude of impacts etc and suggest additional options.

Further information on the features of good discussion documents and consultation processes are summarised in the *Effective Consultation* section (see [Part 3](#)).

### 3.3 Supplementary Order Papers

From time to time, policy changes may be made to draft legislation that are outside the scope of the original RIS. When these changes are sought through a Supplementary Order Paper (SOP) that is submitted to Cabinet, the original RIS must be updated (or a new RIS prepared) to indicate how the changes affect the impact analysis—such as how the SOP alters the nature and/or magnitude of the impacts).

### 3.4 International treaties

In some cases, there may be legislative or regulatory implications that arise as a result of the completion and implementation of an international treaty. The RIA requirements apply to any proposals that may lead to a paper being submitted to Cabinet, which, in the case of international treaties, may include papers seeking Cabinet approval to enter into negotiations (ie, a negotiating mandate), to sign the final text of a treaty, or for a treaty to enter into force for New Zealand.

In accordance with the Cabinet Manual and Standing Orders 388-391, all multilateral treaties or “major bilateral treaties of particular significance” concluded by New Zealand require the preparation of a National Interest Analysis (NIA). When preparing an NIA for a treaty with regulatory impacts, the Ministry of Foreign Affairs (MFAT) adheres to NIA drafting guidelines produced in collaboration with the RIAT. Those guidelines require that, for treaties with regulatory impacts, the NIA also includes all the requirements otherwise considered in a RIS (becoming an “extended NIA”). A separate, standalone RIS is therefore not required when an extended NIA is prepared.

The [International Treaty Making booklet](#)<sup>3</sup>, which includes the NIA drafting instructions, contains detailed guidance about how the RIA requirements apply to treaties. For any questions regarding international treaties and arrangements, please contact the Treaty Officer in the Legal Division of the Ministry of Foreign Affairs and Trade ([treatyofficer@mfat.govt.nz](mailto:treatyofficer@mfat.govt.nz)).

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<sup>3</sup> Available online at: <http://www.mfat.govt.nz/Treaties-and-International-Law/03-Treaty-making-process/>

## 4 Scoping the issue and planning the project: Preliminary impact and risk assessment (PIRA)

Completing a preliminary impact and risk assessment (PIRA) is the first step in the RIA process. The PIRA is a basic project plan for the RIA that the agency intends to complete before proposing recommendations to Cabinet.

### 4.1 What is a PIRA?

A PIRA is a document that is intended to:

- help agencies determine whether Cabinet's RIA requirements apply to a policy initiative for which they are responsible
- help agencies identify the potential range of impacts and risks that might be presented by the regulatory options for a policy initiative or review, so that they can be appropriately addressed in the regulatory impact analysis
- help Treasury policy teams determine the level and sort of policy engagement they wish to have with the lead agency on the initiative, and
- help Treasury confirm whether the nature and size of the potential impacts and risks warrant RIAT involvement in providing independent assurance on the quality of the RIS (the significance criteria).

### 4.2 The significance criteria

A regulatory initiative is considered to trigger the significance criteria if the option/s being considered are likely to have:

- significant direct impacts or flow-on effects on New Zealand society, the economy, or the environment or
- significant policy risks, implementation risks or uncertainty.

More detail on the types of impacts and risks to be considered is set out in the PIRA template (see [Annex 1.1](#)).

### 4.3 Process for completing the PIRA

Work on the PIRA should start as early as possible in the policy process. The PIRA should be signed off by the relevant policy manager with responsibility for the completion of the work or development of the proposal.

The PIRA should be provided to the relevant Treasury policy team (and copied to RIAT via [ria@treasury.govt.nz](mailto:ria@treasury.govt.nz)) as soon there is enough information to make a call about whether the RIA requirements apply (primarily using information in the PIRA and discussion with agencies about potential impacts), significance, and whether RIAT involvement is required. This may not require definitive answers to all questions.

### 4.4 If RIAT involvement is required

RIAT provides independent quality assurance of RISs for regulatory proposals likely to have a significant impact or pose a significant risk. If RIAT involvement is identified as necessary through completing a PIRA, the next step is to engage with RIAT to determine the nature of their involvement in the policy development process.

RIAT has the discretion to allow an agency to retain responsibility, on a case by case basis, for providing assurance of the quality of their RIS even where the impacts or risks are viewed as significant. RIAT may decide not to formally assess the RIS for a significant proposal under the following sorts of circumstances:

- where the policy work has been planned (eg, was on the agency's regulatory plan) and the policy process is robust and has not been rushed
- where there is prior agreement between RIAT and the department on the policy frameworks, standards of evidence and types of impacts to be used
- where other relevant departments, agencies, groups or individuals who have expertise in the subject matter have been appropriately involved and consulted
- where the agency has demonstrated that it has robust in-house quality assurance arrangements.

The decision to allow an agency to undertake its own quality assurance of a significant proposal is not necessarily final. The conditions on which the decision is made will be set out and agreed with the agency. If any of the conditions change (eg, timeframes become compressed or additional policy options are included) then the agency must advise RIAT and the decision will be reviewed.

## Annex 1.1

# Preliminary impact and risk assessment

**Purpose of the PIRA:** A preliminary impact and risk assessment (PIRA) is intended to:

- Help agencies determine whether Cabinet’s Regulatory Impact Analysis (RIA) requirements apply to a policy initiative for which they are responsible.
- Help agencies identify the potential range of impacts and risks that might be presented by the policy options for a policy initiative or review, in order that these can be appropriately addressed in the regulatory impact analysis undertaken.
- Provide an initial plan for RIA processes and identify milestones, timeframes, and who to consult.
- Help Treasury policy teams determine the level and sort of policy engagement they wish to have with the lead agency on this policy initiative.
- Help Treasury confirm whether the nature and size of the potential impacts and risks warrant early RIAT engagement on RIA elements and involvement in providing independent quality assurance (QA) on the quality of the regulatory impact statement (RIS) that informs the policy proposals.

**When to complete a PIRA:** It should be started as early as possible in the policy development process (as soon as policy work commences). This includes processes such as reviews of policy or legislation where it is not known at the outset whether a regulatory option will ultimately be selected or preferred, but is one of the available policy options being considered.

**How to complete it:** Provide as much information as possible given the stage of policy development. **This may not require definitive answers to all questions**, and you may need to apply your judgement. Relevant supporting information may be attached. If there is insufficient information to enable Treasury to confirm “significance” at the initial stages of the policy process, the final confirmation of this may be deferred until later in the process.

**Who to send it to:** The PIRA should be provided to your Treasury policy team and copied to RIAT (email [ria@treasury.govt.nz](mailto:ria@treasury.govt.nz)). Please also liaise with your agency’s RIA team or panel (if you have one).

**Who to contact if you have any questions:** Your Treasury policy team is your first point of contact for enquiries about completing the PIRA.

## Section 1: General information

Name of the responsible (or lead) government agency:
Title of policy work programme or proposal:
If known, the title(s) of the main Act and/or Regulations that could be amended or created:
Agency contact name and phone number:
Date completed:

## Section 2: Do the RIA requirements apply?

Do the RIA requirements apply?	Yes/No/Not sure
Is this policy initiative expected to lead to a Cabinet paper?	
Will this policy initiative consider options that involve creating, amending or repealing legislation (either primary legislation or disallowable instruments for the purposes of the Legislation Act 2012)?	

If you can answer “no” to **either** of these two questions, the RIA requirements do not apply. There is no need to complete a PIRA (though the questions might still provide useful prompts).

Additional exemptions from the RIA requirements	Yes/No/Not sure
If this initiative includes legislative options, are they covered by one or more of the following exemptions?	
<ul style="list-style-type: none"> <li>• Technical “revisions” or consolidations that substantially re-enact the current law in order to improve legislative clarity or navigability (including the fixing of errors, the clarification of the existing legislative intent, and the reconciliation of inconsistencies)</li> </ul>	
<ul style="list-style-type: none"> <li>• Suitable for inclusion in a Statutes Amendment Bill (if not already covered by the point above).</li> </ul>	
<ul style="list-style-type: none"> <li>• Would repeal or remove redundant legislative provisions.</li> </ul>	
<ul style="list-style-type: none"> <li>• Provides solely for the commencement of existing legislation or legislative provisions (this does not include changing the existing commencement date).</li> </ul>	
<ul style="list-style-type: none"> <li>• Needs to be authorised in an Appropriation Bill, an Imprest Supply Bill.</li> </ul>	
<ul style="list-style-type: none"> <li>• Is for a Subordinate Legislation (Confirmation and Validation) Bill relating to regulations that have already been made</li> </ul>	
<ul style="list-style-type: none"> <li>• Implements Deeds of Settlement for Treaty of Waitangi claims, other than those that would amend or affect existing regulatory arrangements.</li> </ul>	
<ul style="list-style-type: none"> <li>• Brings into effect recognition agreements under the Marine and Coastal Area (Takutai Moana) Act 2011</li> </ul>	
<ul style="list-style-type: none"> <li>• Essential (the minimum necessary) in order to comply with <u>existing</u> international obligations that are binding on New Zealand.</li> </ul>	
<ul style="list-style-type: none"> <li>• Has no or only minor impacts on businesses, individuals or not-for-profit entities (such as might be the case for certain changes to the internal administrative or governance arrangements of the New Zealand government, like the transfer of responsibilities, staff or assets between government agencies).</li> </ul>	

If all the legislative options associated with this policy initiative qualify for one of these exemptions, then the RIA requirements do not apply.

If claiming a full exemption, please confirm this assessment with your Treasury policy team. You do not need to submit a PIRA for this purpose, but you will need to provide information in support of this claim.

If some aspects of the legislative options for this initiative can stand independently from the rest, and qualify for one of these exemptions, then the RIA requirements do not apply to those aspects. Since a PIRA will still need to be completed and submitted to your Treasury policy team, it should note any important aspects of the initiative for which an exemption is claimed.

## Section 3: Description and context

### The policy issue

What is the intended scope of the policy initiative?

*Brief description:*

What are the main underlying policy issues/problems to which this policy initiative is responding (ie, the root cause of the problem)?

*Brief description:*

What is known about the magnitude of these policy issues/problems?

*Brief description:*

What is the type or nature of the evidence supporting the problem definition?

*Brief description:*

### The policy process

Who has commissioned this work (ie, a portfolio Minister, an agency at the request of industry or the public, etc)? Is this initiative in your current regulatory plan? Who is responsible for its delivery?

*Brief description:*

What is the expected policy process, and expected timing of key milestones? *(Please indicate, as far as possible, intended timeframes for consultation, Cabinet consideration, drafting, and implementation)*

Are there any process or timing commitments, existing obligations, constraints, or previous Cabinet decisions that are relevant?

*Brief description:*

What consultation process is planned, and who will be consulted?

*Brief description:*

### The policy process

If any established methodology or form of analysis is to be followed or incorporated, please identify

*Brief description:*

### The policy options

Are there feasible non-regulatory options to consider? Is it possible that legislation is not required?

*Brief description:*

If the range of policy options to be considered is already constrained by existing government commitments, Ministerial directions, or previous Cabinet decisions, what are those constraints?

*Brief description:*

If this involves only delegated legislation, what is the legislative authority under which it must be made?

*Brief description:*

Which groups are might be noticeably affected (either positively or negatively) by the policy options being considered?

*Individuals, families and/or households? Consumers? Employees? Businesses? Not-for-profit organisations (including charities, voluntary organisations and incorporated societies)? People who live in particular regions? Users of resources eg, recreational fishers, road-users? Members of particular groups of the population (eg, ethnicities, genders, age groups etc) Central government agencies? Local government? Other?*

*Brief description:*

## Section 4: Are the significance criteria met?

A regulatory initiative is considered to trigger the significance criteria if any of the options being considered are likely to have:

- Significant direct impacts or flow-on effects on New Zealand society, the economy, or the environment, or
- Significant policy risks, implementation risks or uncertainty.

Are there significant impacts?	Yes/No/Not sure
Will any policy options that may be considered, potentially:	
<ul style="list-style-type: none"> <li>• Take or impair existing private property rights?</li> </ul>	
<ul style="list-style-type: none"> <li>• Affect the structure or openness of a particular market or industry? <i>For example, assist or hinder businesses to provide a good or service; establish or remove a licence, permit or authorisation process; create or remove barriers for businesses to enter or exit an industry?</i></li> </ul>	
<ul style="list-style-type: none"> <li>• Impact on the environment, such as regulations that affect the use and management of natural resources?</li> </ul>	
<ul style="list-style-type: none"> <li>• Have any significant distributional or equity effects? <i>For example, where significant costs are imposed or significant benefits conferred on different sectors of the population?</i></li> </ul>	
<ul style="list-style-type: none"> <li>• Alter the human rights or freedoms of choice and action of individuals?</li> </ul>	
<ul style="list-style-type: none"> <li>• Have any other significant costs or benefits on businesses, local or central government, individuals or not-for-profit organisations etc? <i>For example impose additional compliance costs; introduce or alter government cost recovery arrangements; impact on New Zealand's international capital flows or trade including the flows of goods, services, investment and ideas to and from New Zealand; impact on the incentives to work or the mobility of labour, or to invest in education or skills; impact on resource allocation, saving or investment, fiscal costs to government?</i></li> </ul>	

For the major types of impacts you have identified, please provide brief information about the nature and likely magnitude of the impacts (in whatever dimensions seem most useful and available).

Are there significant policy, design or implementation risks?	Yes/No/Not sure
Are any of the legislative options likely to be novel, or unprecedented?	
Is the evidence-base for the size of the problem or the effectiveness of different policy options weak or absent?	
Are the benefits or costs of the policy options likely to be highly uncertain? Are there obvious risks that need to be managed?	
Is the success of any of the options likely to be dependent on other policy initiatives or legislative changes?	
Are any of the legislative options likely to have flow-on implications for the future form or effectiveness of related legislation?	
Are there other issues with the clarity or navigability of, or costs of compliance with, the current legislation that it might be good to address at the same time?	
Do any of the legislative options have the potential to be inconsistent with or have implications for New Zealand's international obligations?	
Are there any issues arising in relation to New Zealand's commitment toward a single economic market with Australia?  Please check with the Ministry of Business Innovation and Employment. There may be, for instance, issues relevant to the Trans-Tasman Mutual Recognition Agreement (TTMRA).	
Are any of the legislative options likely create or extend a power to make delegated legislation, or grant a broad discretionary power to a public body?	
Are any of the legislative options likely to include provisions that depart from existing legislative norms for like issues or situations?  <i>These may include Bill of Rights Act and Privacy Act issues, fundamental common law principles, retrospective rule-making, creation of strict liability offences or burden of proof reversals, and matters affecting civil or criminal immunity. Please see the <a href="#">Legislative Advisory Committee Guidelines on Process and Content of Legislation</a>.</i>	
Are any of the options likely to create, amend, or remove offences or penalties (including pecuniary penalties), the jurisdiction of a court or tribunal, or impact on court-based procedures and workloads?	
Has implementation testing and operational expertise been integrated into the plan for evaluating options?	
Is there a possibility that local government will be expected to implement, administer, or enforce any options?	
Are implementation timeframes likely to be challenging?	
Are the actual costs or benefits highly dependent on the capability or discretionary action of the regulator?	

## Section 5: Agency assessment and Treasury confirmation

Agency's preliminary assessment	Treasury's Assessment
Do the RIA requirements apply to this policy process or proposal?	
Would any resulting regulatory proposal be likely to have a significant impact or risk and therefore require RIAT involvement?	



## Part 2: Undertaking RIA

This section provides guidance on undertaking the regulatory impact analysis (RIA) that will ultimately be summarised in the Regulatory Impact Statement (RIS) accompanying Cabinet recommendations.

### 1 The Regulatory Impact Analysis (RIA) Steps

This section describes the key elements of good Regulatory Impact Analysis (RIA). These elements should underlie the development of any policy for Cabinet consideration to which the RIA requirements apply, and should be summarised in the RIS.

This guidance is detailed because RIA is expected to deal with various policy problems and a 'one-size-fits-all' approach is not possible. Good RIA is essentially just robust policy development within a transparent framework, so several factors will be relevant to particular regulatory proposals. The detail in this guidance should not suggest that a resulting RIS (as a **summary** of the RIA) should be lengthy and overly detailed.

### 2 Describe the status quo

RIA involves assessing one or more policy options against the situation expected to occur in the absence of any **further** government action or decisions (the status quo).

The description of the status quo should cover the following key features of the current situation.

#### 2.1 Features of the market or relevant social arrangements

The description of the status quo should include consideration of the relevant prevailing market conditions or social arrangements. This may, for example, include expected demand and supply trends, and other features or characteristics such as relevant market participants or agents. This means identifying the producers, suppliers, retailers, consumers, beneficiaries, regulators, any other interested parties, and describing their interests.

RIA needs to be forward-looking in order to assess alternative options for dealing with a problem over time. It is therefore useful to identify how the status quo is likely to change over time without further intervention—rather than simply providing a static snapshot.

## 2.2 Existing legislation/regulations

The status quo should describe any existing legislation/regulations, or other relevant government interventions or programmes that are in place.

If there are non-regulatory, self-regulatory, or co-regulatory arrangements in place, these also form part of the status quo. The description should be detailed enough to enable an interested (but non-expert) member of the public to understand:

- who are the relevant parties and institutions—both public and private, regulators and regulatees, quasi-governmental, unions or clubs, and charitable organisations, etc
- what are the different incentives and observed behaviours of those parties and institutions, and
- what are the tools or resources those parties and institutions currently have available.

## 2.3 Any relevant decisions that have already been taken

Any relevant decisions that have already been taken should also be taken into account, including decisions that have been agreed by Cabinet but for which the legislation has not yet been passed.

If Cabinet has previously considered a proposal, for instance by directing or limiting scope for officials starting work on an issue which is in its early stages, prior decisions should be described in the status quo of the RIS. Previous related RISs should be briefly summarised and referenced so that the public can follow the overall RIA.

## 2.4 Confidence and supply agreements

Confidence and Supply agreements generally commit to specific policy options to achieve set objectives. These commitments are outside the Cabinet decision making process.

The analysis undertaken by Agencies in these situations usually focuses on design and implementation issues for the stipulated option. However, the RIS should at a minimum include information on:

- the merits of the policy objectives (if any) sought to be achieved by the specific commitment in the confidence and supply agreement
- the nature of the policy problem that is being addressed, and
- any alternative options for achieving the objectives / solving the problem that were not considered because of directions as to the scope of the policy process, and whether any of them might better achieve the objectives / solve the problem.

In some circumstances a full analysis will be both feasible and desirable—and may already have been undertaken by the Agency. In such cases, and where the issues at stake are significant, the RIS should include the full analysis. RIAT should be consulted where there is any doubt about the RIS to be prepared in these circumstances.

### 3 Define the problem and assess its magnitude

RIA requires a problem to be identified. Having *described* the status quo, the next task is to assess the nature and size of the problem associated with the expected outcomes in the absence of any further government action. A good problem definition will explain the gap between the current situation (what officials expect to be the status quo projected over the period of analysis) and the outcome that the agency is aiming for (as described in the objectives). Problems should be couched in terms of public interest, broadly considered.

A problem definition will be the *prima facie* case for regulatory intervention and the reason for discussing options. The problem should be able to be summarised in a pithy sentence.

#### 3.1 Size of the problem

The problem definition needs to do more than identify the gap between status quo and objectives: it should discuss its size and importance. This involves identifying the *costs and benefits* of the current arrangements, including:

- the nature and probability of the adverse outcome/s that will arise in the absence of further government intervention (in addition to the interventions already in place), and
- who is likely to be affected by the adverse outcome, including how widespread it is likely to be (ie, how many individuals, groups, firms etc. are affected), what harm or injury is likely to occur, and the magnitude of these impacts.

Not everything can or should be valued in monetary terms, but quantification should occur to the extent possible. For example, if the problem is related to economic efficiency, how much is at stake? If equity-related, what is the current distribution of costs and benefits? If an environmental problem, what is the potential effect of not acting and what are the overall costs? This quantification should include aggregate figures (totals) to help put the issue in a wider perspective.

#### 3.2 Distinguish between causes and symptoms of problems

The next step is to identify the **root cause** of the problem (not just the symptoms), for example market failure, regulatory failure, unacceptable hazard or risks, social goals/equity issues. Detail should be provided as to the nature of the problem—for example, if the market failure is a result of information asymmetries, the problem definition needs to identify who is unable to access what information and how their behaviour results in evidence of a problem.

The reason why the problem will not be addressed within existing arrangements or by private arrangements (such as individual contracts, market forces etc.) should be explained. If the problem relates to existing legislation or regulation, it should be made clear whether the problem is in relation to its **design** or its **implementation**, or both.

In practice, the status quo and problem may be inter-related and considered or discussed together. For instance, the problem may be best expressed by describing how policy objectives are not being met. However, the key elements of both should be addressed.

### Identifying and diagnosing problems

Voluntary arrangements between parties are often the best way to promote the long-term interests of consumers, employees, entrepreneurs, investors, government and wider society. However, there are circumstances when voluntary transacting can fail. Good problem definition requires an understanding of the failures that can arise from voluntary transacting, and self- or co-regulatory initiatives, and government regulatory arrangements:

- **Imperfect competition**—where one or more party is able to control a market for their own benefit at the expense of consumers or other firms.
- **Information problems**—where one party to a transaction does not have the information needed to act in their best interests. In extreme circumstances this can lead to significant costs to many parties and the market being under-developed because of a lack of trust.
- **Externalities (spill-overs)**—where costs or benefits fall on people other than those who consume the good or service. This can lead to the over- or under-provision of the good or service, and
- **Public and mixed goods**—where a good or service is:
  - *under-supplied*, because it cannot be charged for
  - *under-consumed*, because consumers are being directly charged but their consumption is not incurring extra costs, (ie, it non-rivalrous), or
  - *over-consumed*, because there is free access to the resource but consumption still imposes costs.
- **Lack of clear property rights**—unclear, ill-defined, or poorly designed property rights can mean that parties do not bear the consequences or receive the rewards that result from their actions.

Self- or co-regulatory arrangements can go some way to correcting these failures, but there are risks that other problems are created. The regulatory body might be captured to promote the interests of its members at the expense of the public (rent-seeking), in particular where members have strong market power. Such arrangements may lack legitimacy and credibility (thereby undermining effectiveness), or lack the capability and capacity to deal effectively with new or emerging problems.

The problem may relate to current regulation and previous attempts to manage risks. The government can fail where it lacks the capability or information, or has poor incentives to do a better job than voluntary and self- or co-regulatory arrangements. As well as each of the above problems, direct regulation can risk leading to further problems with:

- **Unintended consequences**—by inducing behaviour or providing incentives that do not improve welfare
- **Inefficient regulatory enforcement**—in the absence of market pressures, there may be a risk of institutional failure. For example, regulatory activity might not reflect the current preferences or risk-tolerances of the public
- **Moral hazard**—making the market less responsive to competitive pressure by giving an implicit guarantee of government support or protecting incumbents from competition
- **Crowding-out**—a reduction in private economic activity due to complying with regulation
- **Rent seeking behaviour**—government involvement can open the door to political lobbying to be given a share of wealth that has already been created. As with crowding-out, this activity distracts from creating new wealth.

## 4 Define the objectives

The objectives should summarise the Government's policy intentions, but also inform how any potential regulatory solution will be evaluated for effectiveness.

The objectives, outcomes, goals or targets that are sought in relation to the identified problem should be described. These may be a restatement of the current policy objectives if they are relevant to the status quo, or they may be particular to the problem identified in the previous section—it is important to state the objectives of any current policy arrangements and whether those objectives have changed as a result of identifying a problem. If there is an authoritative or statutory basis for undertaking the analysis eg, legislative requirement to annually review an item of regulation, this should be explained.

The objectives should be clear and should not pre-justify a particular solution. They should be specified broadly enough to allow consideration of all relevant alternative solutions. It may be appropriate to distinguish between primary and subsidiary objectives. The objectives should focus on the desired final outcome rather than the means of achieving it, but should allow the consideration of all feasible alternative options. If they do not, the objectives are likely to be too narrow.

There is usually more than one policy objective, meaning there may be potential for conflict between objectives. Balancing objectives may reflect that regulating is not costless, or that there are multiple outcomes expected by society. It should be clear how trade-offs between competing objectives are going to be made and the weightings given to objectives—not just those in direct conflict. The Treasury's [Living Standards Framework](#) provides one example of how to think about trade-offs and how to incorporate social aims into regulatory objectives<sup>4</sup>.

There may also be a hierarchy of objectives, particularly when the desired high-level policy outcomes cannot be directly measured. More specific assessment criteria and observable targets should be used to measure progress towards achieving policy objectives. If the outcomes are subject to constraints, for example if they must be achieved within a certain time period or budget, then these should be clearly specified in the statement of objectives.

Stating the objectives should also provide scope for the subsequent impact analysis. What questions will officials be asking themselves (and what information will Ministers need) when ranking options?

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<sup>4</sup> The Treasury's Living Standards Framework can be found online at: <http://www.treasury.govt.nz/abouttreasury/higherlivingstandards>

## 5 Identify the full range of feasible options

Identify the full range of policy options that may fully or partially achieve the stated objectives and thereby address the identified problem. This should include both regulatory and non-regulatory options. Within regulatory options, a representative and pertinent spectrum of viable regulatory forms should be considered.

If the range of options has been previously limited by Cabinet or by specific Ministers, this should be made clear as part of describing the status quo.

If the range of feasible options for responding to an identified problem has been restricted without a formal Cabinet decision, the reasoning behind this direction should be explained by setting out the policy objectives in the RIS. Where policy work has been limited without detailed analysis, the agency may need to outline the implications of this in the RIS, and in particular the Agency Disclosure Statement.

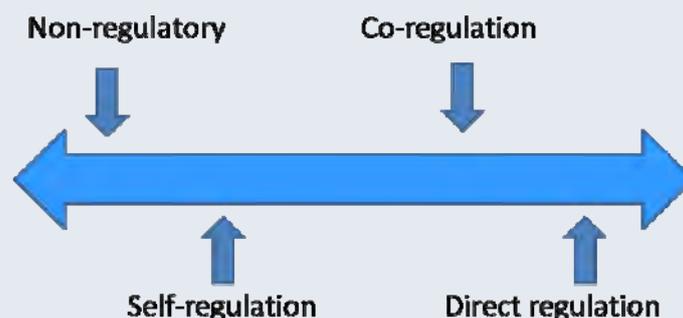
It is not always possible to analyse every possible combination or permutation of policy tools within options—there might be an infinite range of options. Unless past decisions limit the set of options that can be considered, RIA should identify and describe:

- the status quo scenario projected forward—where no further regulatory changes occur (behaviour may still be expected to change over time)
- one or more non-regulatory options (eg, education, industry self-regulation)
- one or more regulatory options, and
- what would happen without regulation or government intervention (if different from the status quo).

If deliberately excluding feasible options, or options that affected parties are likely to think are feasible, the RIA (and subsequent RIS) should explain why. If these exclusions or restrictions would lead to any shortcomings in the analysis, or increase the risks or making the decision, this should be noted in the Agency Disclosure Statement (ADS) within the subsequent RIS.

### Regulatory alternatives

A variety of regulatory and non-regulatory instruments are available to achieve the government's objectives. Selecting the right instrument will depend on the problem to be addressed and the overall policy objective.



Non-regulatory options include education campaigns and subsidies. These options seek to influence individual preferences but do not guarantee that changes in behaviour will occur. Examples include:

- drink-driving advertising campaigns that seek to reduce drink driving rates, and
- home insulation subsidies that seek to encourage home insulation improvements.

Self-regulation options can be used where a group can exert control over its membership, for example an industry body regulating its members. This can include standards used by industry members, for example the Advertising Standards Authority's *Code for Advertising to Children*, or establish a consumer complaints mechanism, for example the Insurance and Savings Ombudsman.

The government may also use co-regulatory options, which combine elements of self-regulation and government regulation. Co-regulation involves government oversight or ratification of self-regulatory instruments.

Alternatively, the government can directly control outcomes through regulation. For example, occupational licensing could be introduced where only licensed individuals are able to perform particular tasks, such as builders. Or, individuals could be required to be licensed before they are able to work in a particular profession, such as working as a physiotherapist.

Mandatory standards and codes could be introduced to control the outcome or process used. Performance based standards and codes specify the outcome that is to be achieved. In contrast, prescriptive-based standards and codes specify the technical detail around how the outcome is to be achieved. For example, if the government wished to improve vehicle safety it could introduce a standard that drivers must have a 90% survival rate in a head on crash at 50 km/h (performance based). Alternatively, the standard could require that cars have seatbelts and front and side airbags (prescription).

Regulatory options can also seek to influence behaviour, such as making information disclosure mandatory (eg, nutritional information on food packaging). This does not require consumers to make healthy food decisions but provides more information to assist their decision making.

Alternatively, the government can regulate more directly, by prohibiting certain conduct or actions. Drink driving offences are an example of this, where driving with over 80 milligrams of alcohol for every 100mls of blood is prohibited.

In many cases, there will not be one answer and a number of instruments used in conjunction may be the most effective way of addressing the problem. For example, education campaigns can be used to increase compliance with legal requirements such as the blood alcohol limits while driving.

## 5.1 Levels of analysis

Generally speaking, the level of analysis undertaken (detail and depth) should be commensurate with the magnitude of the problem and the size of the potential impacts of the options being considered. There is often judgment required to determine how much analysis is appropriate in particular circumstances and the Regulatory Impact Analysis Team (RIAT) can provide advice on this.

Sometimes it is appropriate to narrow down the initial range of options, and undertake comprehensive analysis on a more limited set of options, as this enables analytical resources

to be focused on those options most likely to deliver net benefits<sup>5</sup>. In these circumstances, the objectives against which the full range of options was assessed should be explained, and the way they were applied made explicit (eg, if any objectives were weighted more highly than others). An example of this process is where a multi-criteria analysis<sup>6</sup> is employed to narrow down the set of options subject to full cost benefit analysis. Initial options may also be narrowed down through early consultation processes.

New regulation should not conflict with or duplicate existing legislation or regulations. It is therefore also important to consider how a regulatory option will interact with the stock of regulation, including whether there is scope to reduce or remove any existing regulations.

## 6 Analyse the options

Having identified the full range of feasible options, the next step is to analyse the costs, benefits and risks of each option. The analysis needs to show how each option would alter the status quo, which option is likely to be the most effective for solving the problem, and which option has the highest net-benefit.

Options analysis should be the fundamental concern of any decision about whether to regulate and in what way. All options analysis must aim to answer:

- How does the option broadly measure up against the objectives? Answering this question may require a full impact analysis of each option.
- What is the net impact (or net benefit or cost) of taking any of the available options?
- What are the distributional implications of the options being considered? Options analysis requires evidence and analysis of who wins and who loses—and by how much.

The options analysis should structure the analysis on the different elements of the problem. This may require identifying the particular decision-points and different policy tools within an option that might address discrete elements of the broader problem. This requires an appropriate framework for analysis.

Where the problem is related to particular risks, these should have been clearly identified. The options should describe how those risks would be:

- voluntarily accepted by those bearing the consequences of any risk, eg, requiring participants to sign waivers of liability
- transferred to other parties, eg, making certain parties liable for consequences of their actions (such as advice to uninformed clients)

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<sup>5</sup> If there is a preferred option, the greatest effort should go towards analysing this, and the second-most preferred option.

<sup>6</sup> Multi-criteria analysis is a way of appraising and ranking policy options against a given set of objectives or criteria. It is not an alternative to cost benefit analysis since it evaluates options' likely effectiveness in achieving the objectives—rather than the overall efficiency from a New Zealand net-public benefits perspective.

- mitigated (reduced in likelihood or consequence), eg, by mandating safety equipment to minimise the injuries that could be sustained, or
- avoided, eg, prohibiting the activity which could lead to the risk.

## 6.1 Identify the full range of impacts

This stage involves identifying the full range of impacts, and providing a qualitative description or explanation.

Impacts can be positive or negative (ie, include both costs and benefits), and include economic, fiscal, compliance, social, environmental and cultural impacts. They include direct and indirect (flow-on) effects; one-off and recurring or on-going impacts. RIA needs to identify whether an option would increase or decrease the net-benefit to society compared with the status quo.

Discrete impacts should be separately described and accounted for:

- **Economic impacts** include the dynamic effects on overall welfare and reflect changes to overall production and consumption. They are relevant to gauging overall efficiency by considering whether the behaviour of consumers, business, and the community might be:
  - a) Altered positively to achieve the RIA objectives or create other net-benefits to society, or
  - b) Distorted with negative consequences—creating opportunity costs. Welfare losses can arise from regulation which impairs competition, stifles innovation, artificially constrains pricing or valuation decisions, or generally restrains the economic activity of individuals and firms (eg, by distracting people from more productive endeavours).
- **Fiscal costs** are borne by public agencies (and ultimately, the taxpayer) in administering the regulation or law. They include the costs of implementation, formulating standards, monitoring and enforcing compliance, and adjudicating disputes or administering appeals.
- **Compliance costs** are the direct costs that regulated parties will face in order to comply with regulatory options. They include the cost of collecting and reporting information, equipment purchases and the development of new processes and reporting systems.

Compliance costs are usually the most prominent and identifiable impacts. However, while they may affect individual or group behaviour, compliance costs may be less significant from a net economic benefit (society-wide) point of view. Cost estimates in options analysis are likely to be subject to assumptions about how regulatory options might be implemented or how businesses might choose to comply.

Consideration should be given to ways in which costs, particularly compliance costs, may be reduced or minimised. There may be trade-offs between compliance costs and the administrative costs to government—these should be explicitly identified. For instance, greater flexibility in the ways regulated parties could comply with regulatory requirements may minimise their costs, but may increase the costs of administering the regulation. The key informational requirements are set out in the following box.

### Key informational requirements for identifying compliance impacts

The specific costs on regulated and third parties should be separately identified from fiscal and wider economic impacts of regulation and should be tested with affected parties through consultation. RIA aims to make agency assessments of compliance cost impacts more transparent by identifying:

- One-off costs, such as acquiring sufficient knowledge to meet the regulatory obligations, retooling production processes, purchasing or leasing additional equipment and buildings, legal/consultancy fees and training expenses.
- Recurring and ongoing costs, such as staff costs or time, consumable materials, inspection fees/licences, costs imposed by enforcement processes, form filing (that is, costs arising from the need to devote additional time and resources to satisfying regulatory requirements).
- The parties likely to be affected. If the costs will be borne by businesses, the sector and sizes of firms should be identified to give an indication of magnitude.
- An assessment of the risks or uncertainties associated with cost estimates.
- Overlapping compliance requirements with other agencies or regulatory regimes. It may be possible to design compliance processes so that information is shared between two related compliance processes.

## 6.2 Analyse the incidence of impacts

The incidence of the impacts of each option also needs to be assessed, that is, what would happen as a result of each option and who would be affected. While it may be appropriate to consider 'who' before 'what' or 'how', both the impacts and their incidence should be identified **before** the individual impacts are valued to determine net-benefits.

The different types of people and groups relevant to the analysis will vary depending on the options being considered. They may include:

- individuals, families and/or households
- consumers
- employees (including relevant contractors and sub-contractors)
- businesses (including those upstream and downstream in the supply chain)
- people who live in particular regions
- members of particular groups of the population (ie, ethnicities, genders, age groups etc)
- users of resources eg, recreational fishers, road-users
- not-for-profit organisations (including charities, voluntary organisations and incorporated societies)
- local government, and/or
- central government agencies.

It may be necessary to further distinguish within these groups (eg, within businesses by firm size or industry sector). The proportionate incidence of costs may be of particular relevance, eg, the impact on small businesses compared to total/average firms. The redistributive effects on income or wealth may also be of concern.

Assessing the impact of options on different parties should consider the competition effects—this may be done explicitly in evaluating an option against a policy objective (to ‘promote competition’ for instance), or as part of the analysis of who bears or receives costs and benefits. If an option is likely to have effects on competition, the RIA should consider (and the RIS should summarise) the impacts on:

- **Incumbent Firms**—Will the option (eg, a proposed regulatory tool) affect companies differently, for example altering competitive relationships between them in a way that it will reduce competition in the market as a whole?
- **Entry of new firms**—Will the option restrict the entry of new firms? Will it affect competition in the long term?
- **Prices and production**—Will the option put upward pressure on prices by imposing new costs to producers?
- **Quality and variety of products and services**—Does the option include minimum standards that will reduce the range of price or performance combinations in the market?
- **Market growth**—Will the option affect the potential for parties, or the number of parties, to expand supply and meet more demand over time?
- **Related Markets**—Does the option affect related markets? That is, does it have effects on the production line?

### 6.3 Analyse the magnitude of impacts—and whether they are costs or benefits

Impacts should be quantified, and expressed in dollar terms (monetised) to the extent practical. This requires determining the number of individuals, firms or groups affected, the size of the impact on each of these, and the total impacts (ie, number affected multiplied by the size of impact). Quantification helps examine the costs of regulation and tests the assumptions and judgements involved in the formulation of policy advice. Monetisation enables comparison of options against each other and, by providing a common analytical denominator it helps avoid double-counting costs and benefits.

Quantification and monetisation is not always possible. In these cases, the costs and benefits should be described as fully as possible, drawing on any available qualitative evidence. Dollar figures should not be “invented” for their own sake.

All assessments of costs and benefits whether quantitative or qualitative, should be based on evidence, with data sources and assumptions clearly identified. If, for example, qualitative benefits are considered to outweigh monetised costs, the basis for this judgement should be explained.

Net impacts may not be easily expressed as monetary values, but the impact analysis should attempt to conclude what the **net** benefit (or cost) of each option is. Put simply, the net benefit (or cost) is the difference between total costs and total benefits.

In some cases, for example where costs and benefits will occur over many years, it may be helpful to identify a net present value (NPV) of the various options. The NPV is the sum of discounted net cash-flows, ie, the present value of costs less the present value of benefits. These concepts and how to calculate them are explained in detail in Treasury's [Cost-Benefit Analysis Primer](#).<sup>7</sup>

It is crucial when evaluating net-impacts of each option to avoid double-counting. Some costs borne by certain businesses may be passed onto consumers, but the impact considered in the CBA should be the first order impact on businesses, rather than the second order impact on consumers. The likely flow-on effect on consumers should be described separately in terms of transfers and distributional implications—not quantitatively added to the business impact. Please see Treasury's [CBA Primer](#) for guidance on quantification.

## 6.4 Risk assessment

RIA requires an assessment of risks alongside agencies' conclusions about the relative merit and likely net benefit of the options. Some important types of risks to consider are set out in the Preliminary Impact and Risk Assessment template (see [Annex 1.1](#)).

Risks should be expressed in terms of how exposed each option is to future uncertainty. Some form of sensitivity or scenario analysis should be presented in the RIS. A qualitative description of any risks and uncertainties—particularly for intangible costs and benefits—should also be given.

Risks should be identified for each of the affected parties. These might include the likelihood of compliance or of expected costs or benefit actually accruing. It might not be possible to estimate this probability with much precision—that is, there may be instances of true uncertainty. In that case, a risk analysis should assess the worst-case and best-case scenario, and comment on the likelihood of these extreme events.

### Presenting the Impact Analysis

Separate rows or detailed descriptions in the body of the RIS' option analysis may be required to summarise how the different costs and benefits are borne by which parties. There are multiple possible tables that could be used to present the analysis, but below is one example:

Party	Benefits	Costs	Net impact	Risks <i>(and likely effect on impacts)</i>
Party 1	+	-	+/-	<i>Describe</i>
Party 2	+	-	+/-	<i>Describe</i>
Party 3, etc...	+	-	+/-	<i>Describe</i>
<b>Total (net NZ)</b>	<i>Total benefits</i>	<i>Total costs</i>	<i>Net NZ welfare</i>	<i>Likelihood of net impact</i>

<sup>7</sup> The Cost-Benefit Analysis Primer can be found online at: <http://www.treasury.govt.nz/publications/guidance/planning/costbenefitanalysis/primer>

An alternative way of presenting risks or uncertainties may include expressing net impacts as adjusted by a probability value. Expected values are calculated by multiplying the magnitude of an impact by the probability that it will actually be revealed. This may be a useful way of incorporating risks into the options analysis and is ideal where there is good quantitative evidence of potential impacts.

Where it is difficult to be precise about probabilities, colour-coding has previously been effective to show how confident an Agency is about projected impacts in an options analysis table.

The specific costs, benefits, and risks may be difficult to identify, and could be more accurately described as positive or negative ‘impacts’. Where this is the case, the relative effectiveness of alternative options may need to be assessed in terms of how parties’ behaviour might change. Incentive analysis is one method of comparing each option with the status quo. A simple framework is presented as an example below. This is another way of describing particular impacts (in this case behaviour)—but note that it may not be useful for capturing the total or net effects of an option.

	Incentive under Status Quo		Incentive under Option 1 (etc...)	
	Current Behaviour	Why?	Likely Behaviour	Why?
Party 1				
Party 2				
Etc...				

## 7 Consultation

The purpose of consultation is to provide confidence about the workability of proposals and that options have been properly considered. This section covers the basic process requirements for RIA consultation—see *Effective Consultation* ([Part 3](#)) for general guidance.

To meet the RIA requirements, agencies proposing new regulation must demonstrate consultation with affected parties on the problem definition, the range of feasible options, and the impacts of the options. Consultation can be inadequate for a number of reasons, including:

- when affected or interested parties are not consulted (eg, not consulted at all or unrepresentative consultation, such as where only large organisations are consulted), and
- when consultation processes are ineffective (eg, consulted parties not given enough time to respond, important issues not consulted on, consultation documents not promoted widely enough).

The magnitude of the proposal, including who is likely to be affected determines who and how to consult—more consultation is required if the proposal has wide-reaching impacts.

In most cases, and particularly for significant proposals, there should have been material consultation before the RIS is drafted. The draft RIS nevertheless provides another vital basis for consultation, both with affected parties and with government agencies. The RIS format (which follows the RIA framework) also provides a useful vehicle for providing advice to the portfolio Minister, during the course of policy development.

The draft RIS should therefore be circulated for comment to relevant government agencies. Ideally, this should be done before the Cabinet paper is prepared. Otherwise it must be circulated with the draft Cabinet paper. It must also be included with draft Cabinet papers when they are submitted to Officials' Committees.

## 7.1 Who to consult

In addition to consultation with affected parties, a number of government agencies may need to be consulted, depending on the nature of the option or proposal.

For guidance on which departments require consultation on particular issues, see this CabGuide section on consultation with government agencies<sup>8</sup>. It does not provide a complete list of consultation requirements, but is intended to assist officials in identifying the departments they should consult.

For regulatory proposals, key government agencies to consult (as well as the relevant Treasury policy team) include the following:

- The **Ministry of Justice** (MoJ) is responsible for vetting proposals for consistency with the New Zealand Bill of Rights Act 1990, MoJ must also be consulted on proposals that potentially create or alter criminal offences, sanctions, or penalties.
- The **Ministry of Foreign Affairs and Trade** (MFAT) has certain obligations with respect to ensuring New Zealand's compliance with international agreements to which we are a Party. It is therefore important to consult MFAT where a regulatory proposal could affect New Zealand's international obligations.

These obligations include the Agreements of the World Trade Organisation (WTO), Closer Economic Relations (CER), free trade agreements, etc. Where a proposed regulation affects, or may affect traded goods and services, or foreign investment, the advice of the Ministry should be sought on whether the proposed regulation is consistent with these obligations. Even where proposed regulation is consistent, there may be an obligation to notify an international organisation or a trading partner of the proposed measures and allow them to comment. The usual timeframe for comments is 60 days.

- The **Ministry of Business, Innovation and Employment** (MBIE) should be consulted on proposals that may impact on businesses, particularly those that impose compliance costs and direct costs. MBIE should also be consulted on regulatory proposals that have Trans-Tasman Mutual Recognition Agreement (TTMRA) implications.

The TTMRA is a horizontal arrangement that impacts on a wide range of non-specified areas and is predicated on a number of principles, including comprehensiveness (there should be limited exceptions) and mutual recognition principles (as opposed to *harmonisation* principles). Judgments need to be taken on a case by case basis taking into account both trans-Tasman and domestic factors. Judgments should also be informed by the RIA requirements (as required by the Council of Australian Government (COAG) Principles and Guidelines for National Standard Setting and Regulatory Action).

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<sup>8</sup> <http://cabguide.cabinetoffice.govt.nz/procedures/consultation>

- For matters relating to **local government**, or potential regulatory options that may be implemented or enforced by local government agencies, please refer to the [Department of Internal Affairs' Guidelines](#) for which entities to engage with directly.

## 8 Conclusions and recommendations

It is crucial for RIA, and particularly for the summary of the analysis in the RIS, to clearly explain what decisions are required, what choices are available, and what stage of the policy process the RIA reflects. Failing to clearly articulate the difference between the status quo and the outcome that is being presented via the Cabinet recommendations (either the preferred option or any of the alternatives) will limit the transparency of the RIA.

There are various ways of summarising and presenting the outcomes of options analysis. Summary information to convey includes:

- For each option, a **summary of the main costs, benefits and risks** and overall (net) impacts, in relation to the status quo. This should include aggregates (eg, economy-wide totals).
- Key **assumptions underlying estimates of net benefits**. For example, the assumptions around expected compliance rates.

The usual methods of presenting convincing options analysis in a RIS to meet the RIA requirements include:

- cost-benefit analysis (CBA) if feasible—an assessment of net-benefits including quantitatively, and if necessary qualitatively, estimated impacts (see Treasury's [Cost-Benefit Analysis Primer](#))
- cost-effectiveness analysis, if feasible—to determine the least cost method of achieving a policy objective or standard, and
- incentive analysis—if an option's design is intended to change the behaviour of certain groups.

Any conclusions regarding the impacts of different options should ideally be expressed in terms of net present values (NPVs) over a reasonable time-horizon. Any weighting of risks should also be made explicit. That is, it should be made clear how trade-offs have been made (eg, between a high-risk/low cost option, and a low-risk/high cost option).

The [OECD Introductory Handbook for Undertaking RIA](#) contains greater detail about these methods<sup>9</sup>. In each case, the aim is to compare the likely situation under the status quo with each option and conclude which option is preferred according to the objectives and a judgement about net-benefits. While there should be enough impact analysis to be able to compare options, a greater level of effort should go into analysing the impacts of the preferred option and the recommendation in the Cabinet paper (which may be different).

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<sup>9</sup> Available online at: <http://www.oecd.org/gov/regulatory-policy/44789472.pdf>

It is unlikely that a RIS or discussion document can meet the RIA requirements if no clear methodology for assessing options has been explained, or if the analysis has not been articulated convincingly to inform decisions.

### Presenting a summary of the options analysis

There are multiple ways of summarising the RIA in a RIS and the presentation should be tailored to how the option has been described. For example, different parts of the problem and option may need to be described separately. A conclusion about the preferred option is not always required or possible, but the RIS requires at least a brief, clear statement to summarise options and set out the evidence base on which a decision would rest on.

A simple table can be a useful way to organise the options, structure the summary of the options analysis, and describe the net-benefits (efficiency) alongside the options' ability to achieve the stated policy objectives (effectiveness). This is just one of many potential example tables for summarising the results of RIA.

Options	Objectives	Impacts		Overall Assessment
	<i>Are they met? How?</i>	Net Effects	Risks	<i>Preferred? Why?</i>
Option 1	Describe	+/-	Describe	Describe
Option 2	Describe	+/-	Describe	Describe
Option 3	Describe	+/-	Describe	Describe

## 9 Implementation

RIA requires consideration of how the preferred option would be implemented if agreed. If the option being presented to Cabinet is different, the RIA should also include consideration of how that option could be implemented.

Choices around the implementation and enforcement of a regulatory option can have a major influence on expected compliance rates and whether the expected costs and benefits will materialise (ie, the likely effectiveness of the regulation). Significant costs can be incurred during the implementation stage (such as the costs of monitoring and data collection) so key parameters should be included in the analysis of the costs and benefits of options.

RIA should cover the entire implementation and enforcement stages of the policy by describing the impact of different choices around enforcement strategy on costs and benefits (expected compliance and effectiveness). Consideration should also be given as to how enforcement costs will be funded—although the appropriate level of analysis of implementation will depend on the stage of the policy development process and the magnitude of impact.

It is therefore important to consider some practical implementation issues before key policy and design choices are taken. To the extent that implementation design issues are not covered in the description and analysis of options and impacts, specific implementation considerations include:

- **Administration** issues, such as which agency will implement and administer the option and how it will function.

- **Timing and transitional arrangements** eg, delayed or gradual introduction of new requirements, provision of interim assistance.
- **Compliance costs minimisation strategies.** What implementation strategies will be required, such as an education campaign, the use of electronic technology, form design, advisory services and testing with stakeholders? Is there existing regulation that can be reduced or removed to prevent overlap?
- **Implementation risks** and their potential impact on the effectiveness of an option. Strategies for mitigating these risks should be explained.
- **Information** that regulated parties will require in order to comply with the regulation, and how this will be provided (eg, whether there is opportunity to rationalise or “piggyback” on existing information sources or methods of communication).
- **Enforcement strategy**—how compliance will be enforced, who will undertake this, whether there will be sanctions for non-compliance (eg, warnings, fines, licence suspension, prosecution, and whether there will be gradations of sanction depending on the level/severity of breach), the suitability of risk-based enforcement strategies.

RIA also needs to establish plans for oversight and operational safeguards. Who could (and who will) be best placed to make informed judgements about the operation of the regulatory regime, the enforcement of rules, and the performance of the regulator? These may not be the same groups, but all affected parties should be considered for their likely interest and exposure to regulator discretion and behaviour

The plans for how stakeholders are expected to continue engaging with agencies should also be clearly articulated so that stakeholders can have an indication of likely compliance costs. Imposing information and reporting requirements can create costs that are difficult to quantify without information from affected parties through consultation.

It is important that Agencies strike the right balance between collecting the necessary information to meet their responsibilities to the public, while not requiring information that is unnecessary or unavailable. Agencies and relevant regulators should only collect information essential for enforcing rules or monitoring regulatory objectives and behaviour. They should also ensure that processes are in place to only collect information once—not multiple times redundantly.

The Department of Internal Affairs (DIA) has published [Achieving Compliance - A Guide for Compliance Agencies in New Zealand](#) which contains more detail about implementing policies.

### The importance of implementation

The prevailing view has been that the implementation of legislation is “something that regulators do”, once the law is passed. This view is changing, as we increasingly recognise that how regulation works in practice has as much to do with factors that influence implementation as the law itself, and these factors can and should be taken into account in the policy development process and regulatory impact analysis.

There are two distinct phases to implementation:

- the initial phase when a new law is introduced, and
- the ongoing administration and review of the law.

The initial phase has distinct characteristics as it is at this point that historical behaviours are required to change in line with the expectations underlying the law. Behaviours are a function of both attitudes and capabilities. In addition, it is often the case that the behaviours of more than one group need to change. Experience suggests that the behaviours that must change to achieve the objectives of the law are often path-dependent and can be deeply embedded, and we typically under-estimate the effort required to effect change. Therefore, we need to allow sufficient time for implementation, to adopt appropriate strategies to facilitate and manage the change process, and undertake sufficient ongoing monitoring and evaluation.

The questions that should be asked at the outset include:

- What groups will be affected by this law (this will bear on the analysis of the status quo; key groups include producers, consumers, regulators, standards bodies etc)?
- What behaviours would we expect these groups to demonstrate if the law is to achieve its intended objectives? Bear in mind that actors respond to their “complete” regulatory environment, which may involve other areas of regulation and legislation than the policy question at hand.
- What might act as a barrier to behavioural change? Put yourself in the shoes of the affected parties – what incentives are in place to influence their behaviours?
- What strategies are likely to work best during the implementation phase to reduce these barriers? This will include consideration of appropriate transition arrangements.
- What monitoring and evaluation strategy is required to identify and address emerging issues that are affecting the effective implementation of the law?

When considering the factors that influence the administration of the law on an ongoing basis, it is important to note that interventions that do not deliver on their intended objectives may reflect poor strategy choice by the regulator rather than the rules themselves. There are two key factors to consider in the analysis:

- 1 Regulators are always in the situation of allocating limited resources. In effect they must make hard choices about where to invest their regulatory capability. Risk-based frameworks are most commonly used today to make resource allocation decisions. In effect these require regulators to make an assessment of the likelihood and consequences of certain adverse events happening, relative to the cost of mitigating them, and use this information to prioritise activity. Dealing with uncertainty is an important dimension of risk-based regulatory action.
- 2 Regulated entities are not homogenous. A strategy that works best for one group may not be effective or necessary for another.

Given these two factors, in addition to revisiting the factors and question outlined above, the questions we should also ask at the outset include:

- Does the proposed law permit risk-based decision making by the regulator?
- Can we be assured that the regulator will take a risk-based approach?
- Does the regulator have the statutory tools to take a “fit for purpose” approach to enforcement?
- Can we be assured that the regulator will take a “fit for purpose” approach?

## 10 Monitoring, evaluation and review

RIA must establish the agency's plans for monitoring, evaluating, and reviewing the performance over time. The key questions are:

- How will the Agency determine when and whether the regulatory changes have performed well?
- How will the Agency assess whether the preferred option continues to have a greater net-benefit than alternatives?

While the plans for monitoring the implementation of the preferred option should be summarised in the RIS, it is also important that any new regulation is monitored and periodically reviewed to evaluate whether the option is the preferred solution to the particular policy problem over time. Such monitoring and evaluation helps to ensure that new regulations are working as expected (delivering the anticipated benefits at expected costs), that there have been no unforeseen consequences and they continue to be necessary as circumstances change and evolve.

When new regulatory options are being proposed, it is important to have a clear understanding of the channels through which the intervention is expected to generate the intended benefits. Analysis needs to consider how effectiveness will be measured: what indicators will be used; what data will be required; how this information will be collected, and by whom. As noted above, monitoring and evaluation involves costs, which should be factored in to the analysis of options.

On-going or periodic consultation with stakeholders may be appropriate, in which case the arrangements for this should be agreed. It may be appropriate to establish a feedback mechanism (eg, a way for stakeholders to ask questions or lodge complaints). Regular, public reporting on the effectiveness of the regulation may also be considered.

Plans should also be made for how and when the regulation will be reviewed. Agencies should consider committing to a periodic review of particular regulatory interventions, either through a sunset-review clause in the regulation itself, or through committing to collect and monitor information for evaluating regulatory performance. Reviews should be reported and consulted on with a view to ensuring regulation remains fit for purpose.

Reviews should consider the following issues:

- Is there still a problem (and is it the one originally identified)?
- Are the objectives being met?
- Are the impacts as expected? Are there any unforeseen problems? Are there any indirect effects that were not anticipated?

Is intervention still required? Is the current intervention still the most appropriate, or would another measure be more suitable?



## Part 3: Effective Consultation

This section provides guidance on how to conduct effective consultation and tips for producing meaningful, clear discussion documents, for regulatory proposals.

### 1 The purpose and implications of consultation

The purpose of consultation is two-fold: to gain information to assist with policy development; and to inform stakeholders about what's happening. This section contains explains the key features of effective and efficient consultation, and provides general guidance for preparing discussion documents that meet the Regulatory Impact Analysis (RIA) requirements.

#### 1.1 The value of consultation to good RIA

Undertaking consultation during the policy development process can result in better quality regulatory proposals that are more likely to achieve their objectives. Having a consultation process acknowledges that those who are going to be affected by regulation may have access to more and better information about the real world impacts of proposals than the government officials who are developing them. This information can be critical to developing regulatory proposals that maximise the benefits, minimise the costs and avoid unintended consequences. Consultation therefore provides an important safeguard against regulatory failure.

The practical benefits of consultation include:

- better information, contributing to better quality regulatory proposals
- increased scrutiny of officials' analysis and advice, allowing potential problems with a proposal to be identified early
- durability as better designed policies are less likely to need amendments once introduced
- increased public buy-in/acceptance as stakeholders are more likely to accept a proposal they have been involved in developing, and
- improved understanding and increased compliance (therefore improved regulatory effectiveness).

#### 1.2 Costs and risks

While there are a number of benefits from consultation, there is also a risk that the consultation process will not achieve the desired outcomes. Policy makers need to consider who they are consulting and what they are consulting on to ensure that the process is effective and efficient.

Poorly designed consultation can be time consuming (both for stakeholders and officials) and fail to improve the policy design. Over-consulting stakeholders creates a risk of consultation fatigue where stakeholders are disinclined to be involved in future consultation processes. If the consultation process is poorly targeted or vague, the feedback received from stakeholders is unlikely to significantly improve policy.

## 1.3 Timing

The benefits from consultation arise throughout the policy process: from correctly identifying the nature and source of the problem and identifying feasible alternative options and the associated costs, benefits and risks; through to practical design and implementation issues.

When designing policy, it is important to ensure that the policy addresses the source of the problem rather than the symptoms and is correctly targeted, to avoid “over-regulation”. Stakeholders often have better access to empirical information on the size of problem as well as day-to-day experience with the nature of the real issues. In addition, stakeholders’ practical experience can help identify potential unintended effects that policy makers have not considered. Stakeholders may also suggest more practical solutions to achieve the policy objectives.

As consultation can add value at all the various stages of analysis, it is important that for it to be considered and planned for at the very outset of the policy development process. Undertaking consultation late in the process limits the benefits that can be gained, as it can be too late to substantially alter the policy design.

### What does efficient and effective consultation look like?

Essentially, good consultation is fit for purpose and tailored to both the nature and magnitude of the proposals, and the needs of stakeholders. One size does not fit all.

Principles for effective and efficient consultation have been developed and published by a number of organisations. A summary of these is provided in the following table.

Features of efficient and effective consultation	
Continuous	Undertaken throughout policy development process.
Timely	Realistic timeframes for stakeholders to respond. Undertaken early enough to have an impact on policy design.
Targeted	Need to consult relevant groups, including Māori.
Appropriate and accessible	The way the consultation is carried out should be tailored to the information needs and preferred engagement styles of those being consulted such as email, meetings and written submissions. It should also be scaled to the magnitude and proposed impact of the proposal.
Transparent	Stakeholders should understand how feedback was incorporated in policy development. Officials also need the capability to understand feedback to be able to incorporate (eg, may need to bring in technical expertise).
Clear	Consultation scope and objectives (including decisions already made) should be clear to stakeholders.
Co-ordinated	To the extent possible, processes should be co-ordinated across policy areas/sectors.

## 2 Preparing consultation material

This guidance for preparing discussion documents follows the same framework as the general RIA guidance in the previous section, but it is directed at eliciting good quality feedback from respondents through targeted questions in consultation material.

The quality of a discussion document will affect not just subsequent policy work and decision-making, but also the public's trust in officials to provide good policy advice based on reliable evidence. Consultation from a discussion document can and often will be the richest source of information and ideas available to officials in the course of policy development. They can start or challenge policy debates and, more importantly, they can provide officials with an opportunity to test analysis and to collect information to assess the likely impacts of alternative policy and regulatory options.

A discussion document should outline any (preliminary) conclusions from previous consultation exercises. If there has been substantial prior consultation (eg, workshops, international meetings etc.), then respondents should be advised and the outcomes summarised.

Using the RIA framework in structuring discussion documents should help to ensure that they provide a clear articulation of proposed regulatory changes to stakeholders, experts and the general public. Where there is potential for significant regulatory proposals, the Regulatory Impact Analysis Team (RIAT) must be provided with draft consultation material for comment before publication, but RIAT does not provide formal QA of discussion documents. This is the responsibility of agencies themselves.

The RIA requirements apply to discussion documents that include options that may lead to legislative or regulatory changes, and where Cabinet approval is sought for the release of the document. However, unless options are being narrowed down for consultation, there is no formal Cabinet requirement for independent quality assurance of discussion documents. Where explicit decisions are being sought in order to narrow down the options presented in a discussion document, then a RIS is required for those decisions.

As set out above, the RIS that accompanies final policy proposals will be assessed against the RIA quality assurance criteria. The quality of the consultation via a discussion document will therefore weigh heavily in this assessment.

### 2.1 How are RISs and discussion documents different?

A RIS is the department's document, but a discussion document need not be—discussion documents can be issued in the name of Ministers. Because a discussion document may be issued by a Minister, it does not require an Agency Disclosure Statement (ADS). It will, however, be necessary to discuss in the document any gaps in information or any limitations on the scope of potential policy decisions. It may therefore be important to make explicit any matters on which submissions are specifically not invited

A RIS is not an advocacy document—but a discussion document can be. A RIS should be officials' best advice on impacts, presented dispassionately and without prejudice. A discussion document, on the other hand, can (and sometimes ought to) be more provocative, more leading.

If assertions are used to justify particular positions or analysis in a discussion document, it is important that respondents are explicitly invited to challenge the assumptions, analysis and conclusions supporting the options being advocated. These submissions and challenges should be received and considered in good faith. The major feedback from consultation, and the Agency's responses, should be summarised in the RIS that accompanies final Cabinet in-principle recommendations.

Depending on the intended audience, a discussion document can be more or less technical than a RIS. A RIS should be written for an informed, but non-expert decision-maker. By default, RIAT recommends that discussion documents be pitched at around the same level, unless the intended audience is:

- Broader, in which case respondents might need a more basic introduction to the policy question being discussed, or
- Narrower (say, a small population of experts), in which case respondents are likely to possess some degree of technical knowledge.

## 2.2 Questions that work

Questions should serve at least two functions: to invite challenge and to improve information. The best discussion documents keep questions as open as possible but are explicit about what is being sought.

Ideally, questions appear immediately after any assertion or hypothesis that can be challenged or augmented, and officials' analytical frameworks may be summarised with a flow chart linking key questions and decision points to the different stages in the policy process. For longer documents, it might be useful to also include a consolidated list of question (eg, as an appendix), so that it is clear which parts of the document the individual questions relate to.

The rest of this section is structured to follow a general RIA framework, as found in a RIS. Each section concludes with some recommended questions.

## 2.3 What is a good description of the status quo for a discussion document?

A good discussion document should include a description of the current arrangements and how they are likely to evolve without further regulatory change. In other words, document should outline a base case (or a 'do-nothing' scenario) that says, "Suppose we took none of the regulatory options considered here: what would happen?"

Examples of possible questions for the status quo section:

- Do you agree with this characterisation of the status quo? If not, please provide evidence to support your views.
- How would you describe the status quo? What other factors should be considered?

## 2.4 Problem definitions in discussion documents

The problem definition needs to do more than identify the gap: it should discuss its size and importance. If uncertain about the reality or size of the problem, Agencies should use questions to test thinking:

- Do you agree with this characterisation of the problem? If not, why not?
- In your view, what are the problems with the current regulatory settings?
- How important are these problems?
- How important are they to the New Zealand public?
- What are the consequences of continuing to follow (or not follow) international practice in terms of New Zealand's public interests?
- What evidence should we examine to inform further analysis of the problems?

## 2.5 Objectives

The objectives should be clear and should have the potential to be observable; stating what evidence would suggest a particular objective or desired outcome had been achieved. Following a clear statement of the relevant objectives, a discussion document should ask:

- Have we identified the correct objectives?
- What objectives should we use to assess and rank options?

## 2.6 Identifying options

A RIS and a discussion document that incorporates RIA should include a representative range of feasible options. There might be an infinite range of feasible options, but there is no need to include every single possible variation. Unless past decisions limit the set of options that can be consulted on, a discussion document should identify and describe at least:

- the status quo scenario projected forward—where no further regulatory changes occur (behaviour may still be expected to change over time)
- one or more non-regulatory options (eg, education, industry self-regulation), and
- one or more regulatory options, including what would happen without regulation (if different from the status quo).

If deliberately excluding feasible options, or options that respondents are likely to think are feasible, this section should explain why.

A consultation document that only requests feedback on a particular set of options without considering alternatives (sometimes referred to as a 'white paper') is unlikely to meet the RIA requirements—unless a good quality RIS is annexed to the paper for consultation.

Questions about the identification of options could include:

- Do you agree that these are the correct options to consider? If not, why not?
- What options should we consider to solve the problem (either as identified in this document, or as you identify the problem)?
- Please suggest options not discussed here. Of the options discussed, please say which options should not be considered. In both cases, please explain why.

## 2.7 Options analysis

The questions for discussion documents may depend on the quality and quantity of evidence gathered so far—agencies may have limited information at the consultation stage of a policy process and should be open about that. Respondents may be aware of impacts that officials and decision-makers might not appreciate.

Discussion documents should set out agencies' preliminary views on impacts (costs, benefits, likely behavioural changes, and risks) and attempt to get better information from stakeholders. Consultation should seek sources of information, identification of other parties potentially affected by options (including an indication of likely winners and losers), valuation methods and views on whether there are any other matters that may not have been considered appropriately.

Consultation questions should test agencies' consideration of options and impacts. Consultation for good quality RIA should aim at assessing the likelihood of the impacts being revealed—including probabilities and the projected net-benefit values of best- and worst-case scenarios.

- Do you agree with the impact analysis of this option (or these options)? If not, why not? Please provide evidence to support your answer.
- What are the impacts of this option? It is usually best to ask about impacts and risks option-by-option.
- How should we value these impacts?
- What impacts are not included here?
- What is the net impact of this option?
- How likely is it that this option could result in greater benefits than those discussed here? How likely is it that this option could result in greater costs than those discussed here? What do you think is the likely best- and worst-case scenario?
- Who gains from this option and by how much? Who loses and by how much?
- What sources of information should we use to assess expected costs and benefits and to assess risks?

## 2.8 Implementation

Stakeholders who are more closely engaged with or affected by the government agency that enforces or monitors the status quo will have an interest in next steps, and may be able to advise whether the options are actually able to be implemented as envisaged by agencies. The plans for implementation should be clearly articulated so that stakeholders can have an indication of whether plans will be effective and whether the timeframes are achievable.

Questions might include:

- Do you agree with the proposed implementation and monitoring arrangements? If not, please provide evidence to support your view.
- How should the proposal considered in this document be implemented and monitored?

## 2.9 Monitoring, evaluation and review

The plans for on-going monitoring, evaluation, and review should be presented to stakeholders early—even if they are likely to be administered in the same way as other operational policies by the Agency. Some of the information will come from stakeholders who are more closely engaged with or affected by the government agency that enforces or monitors the status quo. The plans for how stakeholders are expected to continue engaging with agencies should be clearly articulated so that stakeholders can have an indication of likely compliance costs.

Useful questions might include:

- Do you agree with the proposed monitoring arrangements? If not, please support your view.
- How should the proposal considered in this document be monitored?
- What should be monitored? To whom should results be reported?

## 3 Discussion documents must be clear

A RIS that meets the RIA requirements will be clear and concise—a discussion document may require more detailed information but it should still be clear and concise. The language and presentation of the discussion document should be informed by the prior knowledge of the parties being targeted for consultation. Discussion documents that are long and difficult to read will not aid effective consultation.

We recommend planning for internal or external independent reviewing of discussion documents. Independent reviewers can be highly effective where they are not subject experts, and may be able to identify ways to adjust a document to better seek a wide range of submissions.



## Part 4: The RIS Process

This section describes the steps involved in putting together a Regulatory Impact Statement (RIS), from the template to the publication process—including obtaining independent quality assurance (QA) and providing the RIS to Cabinet.

### 1 Preparing a Regulatory Impact Statement (RIS)

The RIS is a government agency document, as distinct from a Cabinet paper which is a Minister's document. The RIS provides a summary of the agency's best advice to their Minister and to Cabinet on the problem definition, objectives, identification and analysis of the full range of practical options, and information on implementation arrangements. By contrast, the Cabinet paper presents the Minister's advice or recommendation to Cabinet.

The purpose of the RIS is to:

- provide the basis for consultation with stakeholders, and with other government agencies
- provide the basis for engagement with Ministers and therefore helping to inform and influence the policy discussion and Ministers' decisions
- inform Cabinet about the range of feasible options and the benefits, costs and risks of the preferred option(s), and
- enhance transparency and accountability for decision making through public disclosure once decisions are taken.

The RIS should provide an objective, balanced presentation of the analysis of impacts, with any conclusions reached by the agency explained and justified.

It should be prepared before the Cabinet paper, so that it informs the development of the preferred option and hence the Ministerial recommendations in the Cabinet paper. It should provide a reference point from which the Cabinet paper is developed, thus avoiding the need for a lengthy Cabinet paper and repetition between the two documents.

#### 1.1 Required information

The RIS must contain the following information:

- agency disclosure statement (ADS)
- description of existing arrangements and the status quo
- problem definition
- objectives

- options and impact analysis – identification of the full range of feasible options, and analysis of the costs, benefits and risks of each option
- consultation
- conclusions and recommendations
- implementation plans, including risks, and
- arrangements for monitoring, evaluation and review.

A preferred option may be identified and discussed, but this is optional. Similarly, while the RIS needs to cover the policy problem being addressed, it is not required for the preferred option in the RIS to be reflected in the Cabinet paper (for instance if the Cabinet recommendation diverges from the Agency's advice). However, if possible the RIS should address the potential impacts of the recommendation in the Cabinet Paper alongside the alternative feasible options.

If the RIS does not cover options that form recommendations in the Cabinet Paper, the Agency Disclosure Statement should outline these options and explain why they do not form part of the RIA.

The required information, and a suggested template, is set out in more detail in [Annex 4.1](#).

## 1.2 Agency Disclosure statement

The agency is required to complete an agency disclosure statement (ADS) on the front of the RIS, which:

- discloses information to highlight any key gaps, assumptions, dependencies and significant constraints, caveats or uncertainties in the analysis, and
- is signed by the person with responsibility for the production of the RIS.

The disclosure statement should be completed before the RIS is submitted for quality assurance, and included with the RIS that is provided to the reviewer. This is different from the disclosure requirements described on page 3.

The ADS needs to identify gaps or constraints in the analysis and briefly identified the proxies used to fill these gaps, or the assumptions to overcome the constraints. This should give the reader an accurate sense of the level of analysis conducted in the RIS and give Cabinet (as the ultimate decision-maker) an appreciation of the level of reliance that can be placed on that analysis.

The ADS should not be an executive summary of the RIS and should not present detailed background—it should focus on constraints or the analysis and signal any major impacts that might pose risks. If timing or previous decisions have constrained analysis, the reasons or previous decisions and RISs should be clearly but briefly explained.

## 1.3 RISs for in-principle or intermediate policy decisions

As noted in *When so the RIA requirements apply?* (see [Part 1](#)), the RIA requirements apply when in-principle or intermediate policy decisions are taken by Cabinet. This is particularly important when options are narrowed down (eg, particular options are selected for further work, and/or options are removed from consideration). At these points, it may not be possible to prepare a comprehensive RIS. Instead, a draft or interim RIS may be prepared.

Draft or interim RISs may need to be updated for subsequent Cabinet decisions, to reflect the results of further analysis and any additional or new information that is available.

When a series of policy decisions is taken, it can be useful to refer to the RISs that were prepared for previous decisions. The nature of the earlier decisions should be explained, and URLs to the previous RISs provided. This background information can be presented in the status quo section, or as a separate introductory section.

## 1.4 Consultation and circulation

The draft RIS should be circulated for comment to relevant government agencies. Ideally, this should be done **before the Cabinet paper is prepared**. Otherwise it must be circulated with the draft Cabinet paper. It must also be included with draft Cabinet papers when they are submitted to Officials' Committees.

# 2 Obtaining Quality Assurance (QA)

Independent quality assurance must be undertaken on all RISs. The criteria for assessing quality are the same regardless of whether the RIS is assessed by the authoring agency or by RIAT.

## 2.1 Independent quality assurance

If the quality assurance is undertaken by the agency, it must be done by a person or group not directly involved in preparing the RIS and nominated by the agency's Chief Executive. A statement on the quality of the impact analysis will be provided in the Cabinet paper (see below).

The reviewer (whether RIAT or the agency) will distinguish between the RIS (and the analysis it summarises) and the actual regulatory proposal. The role of the reviewer is not to provide advice on the merit of the regulatory proposals, but on the quality of the RIS. The quality assurance should be undertaken before final advice is provided to the portfolio Minister.

## 2.2 Early warning

Ministers have expressed a strong preference for early warning where a significant RIS or discussion document is unlikely to meet the RIA requirements and where a RIS is required but will not be prepared.

Early warning is the primary responsibility of the agency responsible for preparing the RIS or discussion document, and needs to be given sufficient priority by agency officials. Further, for any significant RIS or discussion document that has not met, or in the view of the RIA team is unlikely to meet the RIA requirements, Treasury may advise the Minister of Finance and the Minister for Regulatory Reform, including whether these Ministers could usefully bring any issues to the attention of the portfolio Minister or other colleagues.

## 2.3 QA criteria

The QA criteria (see [Part 5](#)) should be used as a basis for the formal QA assessment. The first three criteria are the most important in terms of the substance of the analysis, and more weight should be placed on these aspects:

- **Complete**—Ensure that all the required information (see [Annex 4.1](#)) is provided in the RIS.
- **Convincing**—This criterion relates to the analytical framework that has been employed, and the level and type of analysis that has been undertaken. The *Undertaking RIA* (see [Part 2](#)) section of the Handbook should be used as a guide to assessment against this dimension of quality.
- **Consulted**—The *Effective Consultation* section (see [Part 3](#)) of the Handbook sets out the requirements for consultation. It is important that the RIS does not just state what consultation has been undertaken, but also explains the nature of any issues raised or views expressed by stakeholders, and how these have been taken into account in the development of the final proposal.

The final criterion—**clear** and **concise**—relates to the presentation of material in the RIS. Information should be succinct and in plain English, to enable decision-makers to easily understand the issues and trade-offs associated with the choices they are making. The RIS should also be sufficiently clear so the general public can understand the basis on which government decisions have been taken. It may be more helpful to present some information in tabular or diagrammatic form, and flexibility of presentation is permitted.

More guidance on applying the QA criteria can be found on in the section *Providing QA*. They should be used in conjunction with the overview of required information (see [Annex 4.1](#)) for the RIS and the guidance on impact analysis (see [Part 2](#)) provided in this handbook, including consultation (see [Part 3](#)) requirements.

## 2.4 Features of a robust quality assurance process

The process for achieving robust quality assurance is not prescribed, as agencies will need to tailor processes according to their own structures, policy processes and available resources. However, the following characteristics should be considered:

- The reviewer is nominated by the agency's Chief Executive and provides the opinion on quality of the impact analysis in the Cabinet paper. This person should therefore have sign-out authority and have suitable capability – including a thorough understanding of the RIA regime, and sufficient experience and expertise in policy analysis.

- The reviewer should be provided with early warning and have sufficient time to undertake quality assurance (ideally 5-10 working days).
- Time should be allowed for iteration with the reviewer, so that comments and queries can be addressed.

The reviewer should be provided with the RIS, including the completed disclosure statement. They may ask for material to test statements made in the RIS, eg, evidence that has been cited or referenced, assumptions and calculations underlying the cost benefit analysis, or the summary of stakeholder submissions. This material should be provided, so that the reviewer can be assured that the analysis is correct and robust.

When the agency is responsible for providing the quality assurance, it can be acquired in different ways:

- Some agencies have internal RIS review panels, comprising people from different policy teams.
- A permanent panel may not be possible in smaller agencies. Another option is to identify a pool of experienced people who can be drawn on, on an *ad hoc* basis. This pool could be comprised of people from other agencies (ie, not just internally sourced).
- For some large or complex pieces of work, or for small agencies where conflicts of interest are difficult to avoid, it may be appropriate to outsource independent quality assurance such as from a private sector consultant or subject matter expert (eg, academic). In these circumstances, it is important that the reviewer is familiar with the government's RIA requirements and the quality assurance criteria.

In addition to the formal quality assurance, a further test of whether the RIS is clear and well-communicated is to have someone completely uninvolved with the subject matter review the RIS. This can help ensure that the RIS will be easily understood by audiences with perhaps little or no prior history of the issues, including Ministers (hence assisting decision-making), and also the general public when it is published (thus meeting the transparency and accountability functions of the RIS).

## 2.5 Regulatory proposals that do not meet the RIA requirements

For any regulatory proposal that does not meet the RIA requirements, Treasury may advise the Minister of Finance and the Minister for Regulatory Reform. This includes regulatory proposals:

- for which a RIS was required but not prepared, or
- for which the RIA (as summarised in the RIS) is deficient.

For proposals that do not meet the criteria for RIAT involvement, this advice may be provided by the relevant Treasury policy team.

For proposals that only partially meet the RIA requirements, reasons should be given in the Cabinet paper to explain the key deficiencies and risks for Cabinet's decision.

## 2.6 Significant proposals that do not meet the RIA requirements

If a regulatory proposal meets the criteria for RIAT involvement, but does not meet the Government's RIA requirements and is ultimately agreed to by Cabinet, then it will be subject to a post-implementation review. The nature and timing of this review are to be:

- agreed by the lead agency in consultation with Treasury, and
- signed off by the responsible Minister, in consultation with the Minister of Finance and the Minister for Regulatory Reform.

## 2.7 Further guidance

More detailed advice on undertaking independent quality assurance is provided in [Part 5](#).

# 3 Preparing the Cabinet paper

While the RIS is a document produced by an agency summarising its analysis of an identified problem, the associated Cabinet paper is usually written from the perspective of a Minister.

All Cabinet papers must include a section entitled **Regulatory Impact Analysis** to link the two documents. This section includes the following information.

- Statement explaining whether the RIA requirements apply to the proposal or any alternative options in the paper which Ministers may select, and if not, the specific exemption being claimed.
- Whether a RIS has been prepared and attached to the Cabinet paper, and if not, the reasons why.
- An independent government agency opinion on the quality of the analysis which states the following:

**“[Name of team or position of person<sup>10</sup> completing opinion – either from authoring agency or RIAT] has reviewed the Regulatory Impact Statement (RIS) prepared by [name of agency] and associated supporting material, and**

*[Statement on whether the reviewer considers that the information and analysis summarised in the RIS meets/does not meet/partially meets the quality assurance criteria*

*[Comment on any issues that have been identified in relation to any of the dimensions of quality specified in the quality assurance criteria].”*

Ministers no longer need to certify in the Cabinet paper that proposals are consistent with the 2009 Government Statement on Regulation.

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<sup>10</sup> If the quality assurance has been provided by, eg, an internal RIS review panel, the name of this panel would be stated. Otherwise the position title of the reviewer should be stated (eg, Manager, [ ... ] Team).

## 4 Publishing the RIS

The full text of all RISs must be published, in order to foster openness and transparency around the regulatory decision-making process.

RISs must be published on the lead Agency's **and** Treasury's websites, and the URLs to the location of the RIS must be included in the Explanatory Note to any Bill, Supplementary Order Paper (SOP), or regulations for which a RIS was prepared.

The [Parliamentary Counsel Office \(PCO\)](#) will provide standard wording for text to accompany the URLs. This wording may need to be adapted for different circumstances (eg, when multiple RISs for a series of policy decisions have been provided). Agencies must provide a specific, designated URL to PCO for each Bill, SOP, or regulations. Agencies must ensure that these are supplied in sufficient time to enable them to be included in the copies of the draft Bill, SOP, or regulations that are printed for submission to the Cabinet Legislation Committee (LEG).

### 4.1 Withholding sensitive or confidential information

Deletions can be made from published versions of RISs, consistent with the provisions of the [Official Information Act 1982](#).

### 4.2 Timing of publication

Publication is required at the time:

- any resulting Bill is introduced into the House or Supplementary Order Paper is released
- any resulting regulation is gazetted, or
- the government announces its decision not to regulate.

RISs may be published earlier at the discretion of the responsible Minister and/or Cabinet, for example with the press statement announcing any new policy for which a RIS is required.

### 4.3 Process for publication

When the RIS is due for publication (according to the requirements set out above), agencies must send the specific URL and a Word version of the RIS to Treasury at [ria@treasury.govt.nz](mailto:ria@treasury.govt.nz). The RIS on agency websites must comply with the New Zealand Government Web Standards and Recommendations, which are available at <https://webtoolkit.govt.nz/>.

Agencies must keep Treasury informed (via [ria@treasury.govt.nz](mailto:ria@treasury.govt.nz)) about the timing of introduction/gazettal so that Treasury can publish the RIS as soon as possible after the Bill or regulations become publicly available.

Forty printed copies of the RIS must also be provided to the Bills Office. See <http://www.pco.parliament.govt.nz/ris-guidance/>.

Select committee clerks will include relevant RISs in the material provided to Select Committees on Bills referred to that Committee.

## Annex 4.1

# Regulatory Impact Statement: Overview of required information

This template sets out the elements that must be considered and addressed as part of Regulatory Impact Analysis, and summarised in the Regulatory Impact Statement. In some cases not all items will be relevant and in others more detailed analysis will be required.

Flexibility is permitted in the presentation of this information - for instance, some information may be usefully presented in tables or diagrams. There is no formal page limit; but the RIS should try to concisely summarise the analysis undertaken. Unless very short, RISs should include an executive summary (for example with a summary table of the options analysis). Paragraph and page numbers should be included.

## Regulatory Impact Statement

Title of Proposal/Name of Issue

### Agency Disclosure Statement

*This Regulatory Impact Statement has been prepared by [name of agency].*

*It provides an analysis of options to [state in one sentence what problem the options in this paper seek to address].*

[Paragraphs describing the nature and extent of the analysis undertaken, explicitly noting:

- key gaps
- assumptions
- dependencies
- any significant constraints, caveats or uncertainties concerning the analysis,
- any time constraints, including the nature and cause of the constraints, and
- any further work required before any policy decisions could be implemented.]

[Please note that the Agency Disclosure Statement should address the reliance that decision-makers may place on the analysis. It should not be an executive summary of the RIS.]

*[Name and designation of person responsible for preparing the RIS]*

*[Signature of person]*

*[Date]*

## Executive summary

- A short outline of the RIS and key conclusions—preferably in less than one page.

## Status quo and problem definition

- Describe the key features of the current situation, including any existing legislation/regulations or other government interventions/programmes, and features of the market, as relevant.
- Explain any relevant decisions that have already been taken.
- Describe the costs and benefits of status quo, ie, expected outcomes in the absence of any further government action.
- Identify the root cause of the problem (not just the symptoms).

## Objectives

- Explain the desired government outcomes/objectives against which the options are assessed, eg, the level of risk reduction to be achieved.
- State whether there is an authoritative or statutory basis for undertaking the analysis, eg, a legislative requirement to annually review the regulation.
- State whether the outcomes are subject to any constraints, eg, whether they must be achieved within a certain time period or budget.

## Options and impact analysis

- Identify the full range of practical options (regulatory and non-regulatory) that may wholly or partly achieve the objectives. Within the regulatory options, this includes identifying the full (viable) range of regulatory responses.
- For each feasible option:
  - identify the full range of impacts (including economic, fiscal, compliance, social, environmental and cultural) and provide an appropriate level of quantification
  - describe the incidence of these impacts (ie, who bears the costs and the benefits) and assess the net benefit compared with the status quo.

## Consultation

- Explain who has been consulted and what form the consultation took.
- Outline key feedback received, with particular emphasis on any significant concerns that were raised about the preferred option, how the proposal has been altered to address these concerns (and if not, why not).
- If there was no limited or no consultation undertaken, the reasons why.

## Conclusions and recommendations

- Summarise and present the outcome of the options analysis.
- It is not mandatory for an agency to recommend or reject a particular option. But where an agency does so, it should explain and justify their recommendation in the RIS.

## Implementation plan

- Summarise how the proposed option(s) will be given effect, including transitional arrangements.
- Describe how implementation risks will be being mitigated.
- Describe the steps that are being taken to minimise compliance costs.
- Describe how the proposal would interact with, or impact on, existing regulation, including whether there is scope to reduce or remove any existing regulations.
- Outline the enforcement strategy that will be implemented to ensure that the preferred option achieves its public policy objectives.

## Monitoring, evaluation and review

- Outline plans for monitoring and evaluating the effectiveness of the preferred option, including performance indicators and how the necessary data will be collected.
- Explain how it will be reviewed and what the review process will involve (and if no plans for review, the reasons why).

## Part 5: Providing Quality Assurance (QA)

This section contains advice on providing independent quality assurance (QA) of Regulatory Impact Statements (RISs). It is aimed at people who are asked to provide feedback on the quality of a RIS, and those providing the independent QA. This guidance should be read in conjunction with the rest of *the Handbook*.

### 1 The purpose of quality assurance

The purpose of independent QA of RISs is to provide assurance to Cabinet that it is making decisions on the basis of the best possible advice. It does this by requiring that an appropriate person (someone who is not responsible for producing the RIS) has considered whether the analysis and information summarised in the RIS is of a sufficient standard to properly inform the decisions being taken. The reviewer's assessment is summarised in a formal statement that is included in the Cabinet paper accompanying the RIS.

Cabinet requires that independent quality assurance (QA) is undertaken on all Regulatory Impact Statements (RISs).<sup>11</sup> If any of the options considered in the RIS are likely to have a significant impact or risk (see [Part 1](#)), then this formal QA will be undertaken by the Regulatory Impact Analysis Team (RIAT) in Treasury. For all other RISs, the QA will be provided by the authoring agency.

#### 1.1 The QA criteria

The QA criteria (see [Annex 5.2](#)) should be used as a basis for the formal QA assessment. The first three criteria are the most important in terms of the substance of the analysis, and more weight should be placed on these aspects:

- **Complete**—Ensure that all the required information (see [Annex 5.1](#)) is provided in the RIS.
- **Convincing**—This criterion relates to the analytical framework that has been employed, and the level and type of analysis that has been undertaken. The *Undertaking RIA* section ([Part 2](#)) of the Handbook should be used as a guide to assessment against this dimension of quality.
- **Consulted**—The *Effective Consultation* section (see [Part 3](#)) of the Handbook sets out the requirements for consultation. It is important that the RIS does not just state what consultation has been undertaken, but also explains the nature of any issues raised or

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<sup>11</sup> Refer CAB Min (09) 27/11, CAB Min (09) 38/7A.

views expressed by stakeholders, and how these have been taken into account in the development of the final proposal.

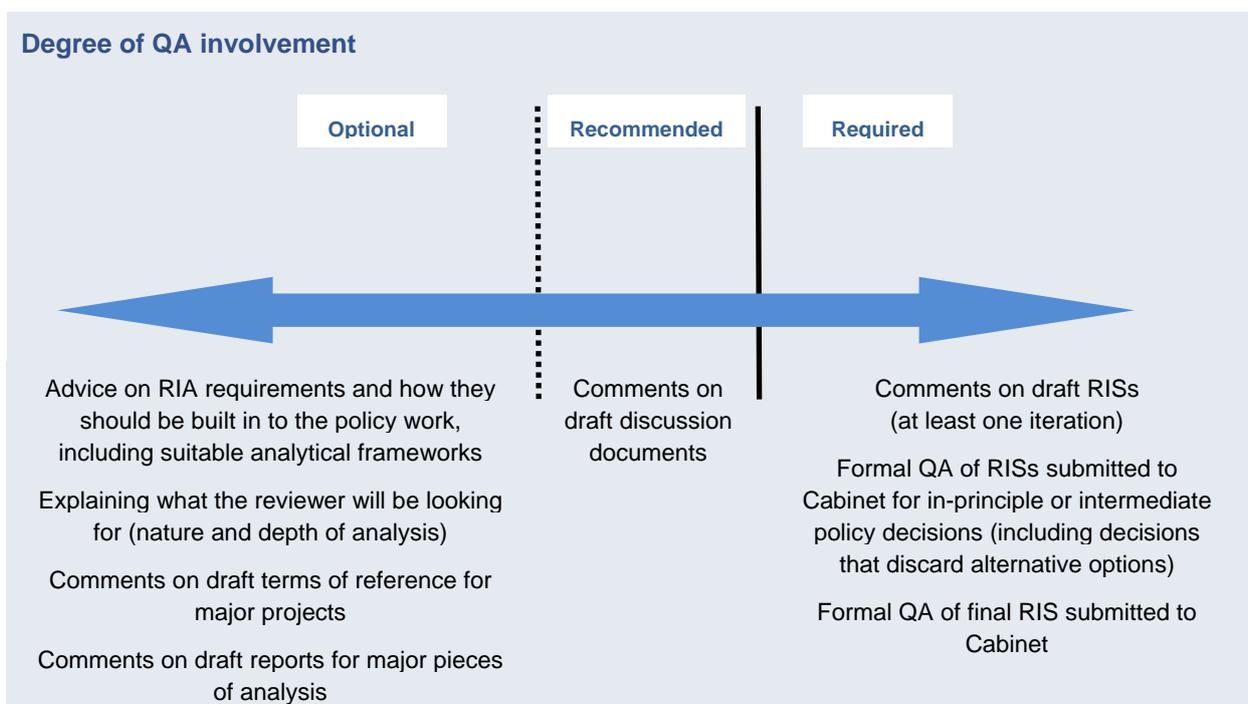
- **Clear and Concise** – The final criterion relates to the presentation of material in the RIS. Information should be succinct and in plain English, to enable decision-makers to easily understand the issues and trade-offs associated with the choices they are making. The RIS should also be sufficiently clear so the general public can understand the basis on which government decisions have been taken. It may be more helpful to present some information in tabular or diagrammatic form, and flexibility of presentation is permitted.

More guidance on applying the QA criteria can be found below.

## 2 The role of the reviewer

There are two aspects to the reviewer's role: assessing and assisting. Formal assessment of the final RIS is a mandatory requirement and represents the reviewer's core role. However, the reviewer can also provide assistance to the writer of the RIS, to help lift the quality of the final product. There are choices around the degree to which the reviewer gets involved in the earlier stages of the policy development process, illustrated in the box below.

These requirements apply to RISs that do not require assessment by RIAT. Agency reviewers may choose to review significant RISs prior to assessment by RIAT, and there are some benefits with this: it can identify and address issues with the RIS before it is provide to RIAT, and it may assist in agency capability building. However, it could also increase the time taken to obtain QA. This additional QA is therefore entirely optional.



## 2.1 Formal assessment (required)

The core role involves assessing the final RIS. Based on our experience, we strongly recommend that at least one iteration of the RIS is allowed for, meaning that the reviewer would provide comments on at least one draft of the RIS.

This applies to the RIS for final policy decisions, as well as RISs that are to be submitted to Cabinet to support any in principle or intermediate policy decisions. However the QA for interim RISs will need to be tailored to the circumstances, taking into account the stage of policy development, the nature of the decision being sought, and the level of analysis possible. At early stages of the policy process, it may not be feasible to prepare a comprehensive RIS, so the quality assurance will need to reflect these constraints.

Both the reviewers and the people responsible for the preparation of the RIS should be clear that the reviewer is concerned solely with the quality of the underlying analysis and its presentation in the RIS. The reviewer's role **is not to assess the merits of any policy options** considered in the RIS. That is, the reviewer does not have a view on whether the proposal is a good idea. However, they are concerned with the logic and argumentation presented in the RIS (the “convincing” criterion). In practice it can sometimes be hard to draw a firm distinction between the quality of the RIA/RIS and the quality of the proposal. But essentially the reviewer needs to determine whether Ministers have enough information, of sufficient quality, to make an informed decision.

## 2.2 Discussion documents (recommended)

The RIA requirements apply to discussion documents that contain options that may lead to legislative or regulatory change. There is no formal assessment requirement for discussion documents, and reviewers are therefore not mandated to provide a QA statement comment in the Cabinet paper.

However, it is desirable that quality assurance is provided on draft discussion documents, to help ensure that they will meet the RIA consultation requirements, and provide the basis for a good quality RIS at the end of the policy process. QA of consultation material reduces the likelihood of a proposal failing to meet the RIA requirements at the RIS stage.

The focus of comments should therefore be on whether the document is adequately structured around the RIA framework, and whether there are suitable questions for stakeholders. In providing comments on draft documents, reviewers should refer to the guidance on Effective Consultation.

## 2.3 Other assistance (optional)

Additional engagement earlier in the policy process can assist in lifting the quality of the analysis, and thereby the final RIS and ultimately the regulatory proposal itself. This assistance role can involve engaging at key points in the process such as:

- providing advice at the outset of the policy development process on:
  - the RIA requirements and how they should be built into the policy work, including suitable analytical frameworks and tools, and

- what the reviewer will be looking for in terms of the nature and depth of analysis and the extent of evidence on the problem, impacts and risks
- commenting on draft terms of reference for the commissioning of major pieces of analysis (such as cost-benefit analysis), to assist in establishing a suitable analytical framework, and
- commenting on draft reports on major pieces of analysis.

Preliminary Impact and Risk Assessments (PIRAs) provide a trigger for early engagement.<sup>12</sup> Reviewers may find it useful to commence their engagement at the PIRA stage, to provide early assistance in shaping the quality of the analysis. The reviewer is not required to provide advice on whether the RIA requirements apply or on how to complete a PIRA, though they may choose to provide this role.

The reviewer should take care to ensure that they preserve the independence of their final QA opinion, by focusing on the nature and quality of the analysis rather than the features of the proposal.

## 2.4 Providing comments and advice

The purpose of commenting on draft material such as discussion documents is to help enable the final RIS to meet the RIA requirements. The reviewer's comments should therefore relate to the substance of the analytical methods employed and the analytical process (including consultation), looking to the nature and level of information that will need to be presented in the final RIS.

Areas of focus may include:

- the extent of evidence on the nature and size of the problem, and of likely impacts
- the analytical framework and techniques including whether an established methodology (such as market analysis or cost-benefit analysis) will be employed
- identification and assessment of costs, benefits and risks, and
- the nature and quality of the consultation process.

It is usually helpful if early comments (eg, on draft RISs) are as comprehensive as possible, to avoid raising substantive issues late in the process. When reviewing draft RISs, it can be useful for the reviewer to provide an indication as to the likely final assessment, highlighting any areas that require further work (and what the specific gaps are) so that effort can be focused on these main areas.

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<sup>12</sup> A PIRA must be completed at the outset of the policy development process in order to determine whether the RIA requirements apply and whether RIAT will need to be involved. PIRAs must be submitted to the Treasury vote/policy team for confirmation (refer to the PIRA section of the *RIA Handbook* for details).

## 2.6 Providing final QA

### Material required

The reviewer should be provided with the RIS, including the completed disclosure statement. They may ask for material to test statements made in the RIS, eg, evidence that has been cited or referenced, assumptions and calculations underlying the cost benefit analysis, or the summary of stakeholder submissions. This material should be provided, so that the reviewer can be assured that the analysis is correct and robust.

### Applying the QA criteria

The criteria for assessing the RIS are the same regardless of whether the QA is provided by RIAT or the agency. All four dimensions must be assessed by the people providing independent quality assurance of Regulatory Impact Statements. The associated questions, however, are indicative and do not purport to be exhaustive.

In reviewing a RIS, the QA criteria should be applied to each element of the RIA framework. The matrix on the following page outlines some of the questions that should be asked by a reviewer of each section of the RIS. A potential format for providing feedback is given in Annex 5.1. Example QA Template.

### Considering the disclosure statement

The purpose of the agency disclosure statement is to provide agency accountability for the quality of their policy advice and to allow the person responsible for preparing the RIS to explain any constraints they faced in undertaking this analysis (eg, key gaps, assumptions, dependencies, caveats or uncertainties).

The reviewer should take the information in the disclosure statement into account when forming a QA opinion. The main issue this raises is to what extent any constraints identified should be considered a mitigating factor with respect to the quality of the analysis. Judgement will be required on a case-by-case basis, but in general, reviewers should consider whether the constraint is a genuine analytical constraint, whether it was reasonably possible to overcome it and whether the significance of the constraint is such that it impairs the ability of Cabinet to fully rely on the analysis in the RIS for its decision making.

For instance, a genuine analytical constraint may exist when there are no existing data eg, on the scale of the policy problem (and it is simply not possible to obtain or gather such data). There are two possible ways in which this situation can be handled:

- the RIS would note the uncertainty and risks this raises, and the QA opinion could be **subject to** the constraint, or
- the QA opinion might determine that the RIS does not meet the “convincing” criterion, but note that these deficiencies have been identified.

There is a “line” between these two forms of QA statement and it is a matter of judgement on a case-by-case basis to discern where the line is.

Another example is when the portfolio Minister has directed that analysis be undertaken only on particular policy options (and other feasible options are taken off the table prior to the preparation of the RIA/RIS). In this case, the reviewer may state whether the analysis is as good as could be expected in light of these constraints, but nonetheless only partially meets the quality assurance criteria. In such a situation, the agency's disclosure statement should also identify the alternative options that they would have analysed, had they been able to consider the full set of feasible options.

### Preparing a QA statement

The reviewer (whether RIAT or the agency) must provide a formal opinion on the quality of the analysis for inclusion in the Regulatory Impact Analysis section of the Cabinet paper. The QA statement needs to:

- state whether the reviewer considers that the information and analysis summarised in the RIS meets/does not meet/partially meets the quality assurance criteria, and
- comment on any issues that have been identified in relation to any of the dimensions of quality set out in the QA guidance.

The purpose of this statement is to provide decision-makers with advice on the quality of the information in the RIS and the reliance they should place on the underlying analysis. It is **not** a comment on the efforts of the authoring agency.

In practice, judgement is required in deciding which category a RIS falls into (particularly when choosing between “meets” and “partially meets”; and between “partially meets” and “does not meet”). The reviewer needs to consider the context of the decisions being taken (eg, whether they are in principle or final policy decisions) and any constraints that have been identified in the Agency Disclosure Statement that may compromise the quality of the analysis.

In general, we recommend that “does not meet” is used when RIS falls short of the standards on more than one aspect (eg, several components of the required information are absent or of inadequate quality). “Partially meets” may be appropriate when the RIS meets the quality standards on most dimensions, but there is one particular area of deficiency that should be highlighted.

The QA statement must use the term “meets”, “partially meets” or “does not meet” the RIA requirements, because Cabinet Office will reflect this in the top sheet they prepare for the Cabinet paper.

There is no set format for the information in the second bullet point, as this will depend on the particular circumstances of the individual RIS. However, the statement should:

- be succinct
- provide an indication as to the reliance that can be placed on the RIS, as a basis for informed decision-making
- relate the issues raised to the relevant QA criterion, and
- explain any gaps between the analysis in the RIS and what they would have expected to see, and the implications or risks this poses. That is, what further analysis could or should have been undertaken, and/or what risk mitigation can be done (eg, additional, targeted consultation).

## Template statement

Some illustrative examples are provided in Annex 5.3. Illustrative QA statements. A template is also provided in the box below.

### Overall opinion on quality of analysis

The overall opinion is to be included in the Cabinet paper under the heading *Regulatory Impact Analysis*

*[Name of team or position of person completing opinion—either from authoring agency or RIAT] has reviewed the Regulatory Impact Statement (RIS) prepared by [name of agency] and associated supporting material, and*

*[Statement on whether the reviewer considers that the information and analysis summarised in the RIS meets/does not meet/partially meets the quality assurance criteria]*

*[Comment on any issues that have been identified in relation to any of the dimensions of quality specified in the quality assurance guidance.]”*

Note: Comments should be included where a RIS has been assessed as not meeting, or only partially meeting, the RIA requirements.

## Non-standard situations

Policy processes are often non-linear, and a wide variety of non-standard situations can arise. Reviewers may come under pressure to provide QA statements in a very short space of time, on non-final RISs, or on RISs that change rapidly (eg, as policy options are altered by Ministers). Sometimes regulatory proposals will “by-pass” the RIA requirements altogether (by not having a RIS or by not being submitted to the appropriate QA process).

This guidance document does not attempt to cover all possible circumstances, and agencies will need to exercise judgement in many cases. RIAT is available to provide advice on a case-by-case basis, and share their experiences at dealing with similar situations.

## 3 Moderation and review

It is important that the QA criteria are applied consistently across proposals and over time.

### 3.1 Moderation arrangements

There is a variety of moderation arrangements that can be put in place, such as:

- having centralised oversight of all QA assessments (eg, the chair of the review panel)
- ensuring all QA is subject to peer review by others within the panel or pool of reviewers, or
- rotating QA responsibilities for types of proposals (ie, particular policy areas) so that they are not always reviewed by the same person.

## 3.2 Evaluation and review

Periodic evaluations of QA assessments can provide a further check. One way of obtaining this is by having an independent party (such as a consultant) review a random sample of QA assessments.<sup>13</sup> To assist this process, agencies should maintain a register of RISs assessed and the outcomes of these assessments. Where a RIA panel has been established, this could be undertaken by the secretariat or a nominated panel member.

Keeping track of regulatory proposals in this way will also assist agencies in providing information requested by Treasury for their report backs to Cabinet on the operation of the regulatory management system and how the Government is meeting its regulatory commitments and any other reporting Treasury may undertake.

# 4 Establishing a QA process

## 4.1 Options for obtaining QA

The process for obtaining QA is not prescribed, as agencies will need to tailor processes according to their own structures, policy processes and available resources. Some options are set out in the table below—a mix of options may be appropriate for different proposals or policy projects.

	RIA panel	Pool of reviewers	External reviewer
Distinguishing features	Permanent or rotating Can contribute to RIA awareness raising/agency capability building and expertise	Identified pool of experienced people/experts from which a panel can be drawn on a proposal-by-proposal basis May be used on an <i>ad hoc</i> basis Could comprise internal and external people (eg, from other agencies) Can contribute to RIA awareness raising/agency capability building and expertise	Eg, people from other agencies, private sector consultants, academics, subject matter experts May be suitable for large or complex pieces of work, or where conflicts of interest are difficult to avoid Less likely to contribute to agency capability building
Particular considerations	Concentrated resource commitment Process for identifying potential conflicts of interest May want chair and secretariat	Timeframes for arranging reviewers and determining process – some pre-agreement may be useful Consistency of review opinion, across proposals and over time Process for identifying potential conflicts of interest	Cost Reviewer needs to be familiar with the RIA requirements and the QA criteria Timeframes for organising review arrangements (incl. contracts) Contractual arrangements, eg, how to take account of unforeseen changes in the policy process, allowing for iterations

<sup>13</sup> The inter-agency Regulatory Impact Analysis Reference Group (RIARG) has previously commissioned two such reviews, and may commission further reviews in the future. The most recent is available on Treasury's website at <http://www.treasury.govt.nz/publications/guidance/regulatory/riareview>.

## 4.2 Selecting appropriate people

The Cabinet requirements state that if QA is provided by the agency it must be done by a person or group not directly involved with the preparation of the RIS and nominated by the agency's Chief Executive. This means that:

- The reviewer/s should have suitable **capability** – including a thorough understanding of the RIA regime, and sufficient experience and expertise in policy analysis.
- Internal reviewers should be sufficiently senior as to have sign-out authority on behalf of the agency.
- A certain level of **independence** is required.<sup>14</sup>

## 4.3 Implementing the process

- The QA process should be integrated into an agency's policy development and Cabinet paper submission process. Agencies may elect to review significant RISs before they are submitted to RIAT, but this is optional.
- The PIRA process provides an initial “hook” for engagement. Agencies may see benefit in tracking policy proposals from this initial stage, and internal RIA panels/reviewers may wish to be copied in to PIRA correspondence.
- Regulatory plans provide an additional platform for engagement, and can be used as a basis for communication with those staff likely to be involved in the development of regulatory proposals (ie, identifying relevant staff and raising awareness of the RIA requirements).
- The reviewer should be provided with **early warning** and have **sufficient time** to undertake quality assurance (ideally 5-10 working days).
- Time should be allowed for iteration with the reviewer, so that comments and queries can be addressed.
- The reviewer should be provided with the completed **disclosure statement**, so that any issues raised in this statement can be factored in to their assessment.
- There should be an agreed process for when the reviewer's final assessment is that the RIS partially meets or does not meet the QA criteria. This process may include arrangements for briefing senior management and Ministers' offices.
- If using a pool or panel of reviewers, the terms of reference for the group should cover how a joint view, and hence final decisions, will be reached and deadlock avoided (eg, electing a chair with final decision rights).

The reviewer's opinion should be considered independent and final. There may be instances when the policy team responsible for preparing the RIS is unhappy with the final assessment and/or the wording of the QA statement. In anticipation of such scenarios, agencies may wish to consider the process by which these situations will be managed (ie, identifying the responsible senior management and how they will provide support to the reviewer).

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<sup>14</sup> The person providing the QA should not be a member of the same team that has prepared the RIS. In smaller agencies where this is not possible, the QA may need to be outsourced in order to ensure independence (see Table 1 for options).

## 5 Critical success factors

**Senior management buy-in and support** is essential to the credibility and effectiveness of a robust QA process.

A **high-level of awareness** throughout the agency about the RIA requirements and the QA process is important in ensuring that all RISs obtain the required QA.

Widespread understanding of the reviewer's role and the QA process is also needed. It is recommended that procedures and protocols around the operation of the QA process are **documented and communicated** across the agency.

Having the **RIA framework embedded early** as part of the generic policy development process will help lift the quality of analysis more generally and enable the RIA requirements to be met.

# Annex 5.1 QA questions and expectations

QA Criteria	Agency Disclosure Statement	Status Quo & Problem	Objectives	Options Analysis	Implementation & Monitoring
<b>Complete</b>	<p><b>Does the ADS indicate how much confidence decision-makers should have in the RIS?</b></p> <ul style="list-style-type: none"> <li>Does the ADS briefly describe the nature and extent of the analysis undertaken, noting any limitations?</li> <li>Are all risks covered?</li> <li>Does the ADS identify any serious impacts of the preferred options?</li> <li>Have all serious impacts identified in the ADS been analysed in the RIS?</li> </ul>	<p><b>Is a problem identified and explained?</b></p> <ul style="list-style-type: none"> <li>Describe the key features of the current situation (including any existing legislation, regulations, and relevant features of the market).</li> <li>Explain relevant decisions that have already been made.</li> <li>Identify the problem, and describe the costs and benefits under the status quo (ie, the outcomes expected without intervention).</li> </ul>	<p><b>Do the objectives describe the desired outcome?</b></p> <ul style="list-style-type: none"> <li>Identify relevant policy objectives in addition to the purpose of the RIS.</li> <li>State whether any constraints exist, such as time or budget</li> </ul>	<p><b>Are all possible options identified and described?</b></p> <ul style="list-style-type: none"> <li>Identify the full range of practical options (regulatory and non-regulatory) that may wholly or partly achieve the objectives.</li> <li>Within any regulatory options, identify the full (viable) range of regulatory responses, including the range of settings that could be adopted</li> </ul>	<p><b>Is an implementation path identified and explained?</b></p> <ul style="list-style-type: none"> <li>Summarise how the preferred option(s) will be given effect, including timing, communication, transitional arrangements, and any enforcement strategies.</li> <li>Outline plans for monitoring and evaluating the preferred option, including performance indicators and how the necessary data will be collected</li> </ul>
<b>Convincing</b>	<ul style="list-style-type: none"> <li>Do any of the limitations noted in the ADS impact on the analysis in the RIS?</li> <li>- Noting limitations to the RIA in the ADS does not automatically alter the standard for QA.</li> <li>Is the structure of the ADS clear? Are the issues prioritised?</li> </ul>	<p><b>Does the problem need to be addressed?</b></p> <ul style="list-style-type: none"> <li>Describe the scope of the problem and its impacts.</li> <li>Identify the root cause of the problem (not just the symptoms).</li> <li>Demonstrate the scale of the problem using empirical or anecdotal evidence.</li> </ul>	<p><b>Will the objectives identify the best option?</b></p> <ul style="list-style-type: none"> <li>Identify any potential trade-offs between the objectives.</li> <li>Explain the Government's desired outcomes in the context of the problem, while ensuring specificity does not unduly limit the range of options.</li> </ul>	<p><b>Has the best option been selected?</b></p> <ul style="list-style-type: none"> <li>Evaluate the options against the objectives, ensuring the analysis is commensurate with the size and complexity of the problem, the magnitude of the impacts, and risks.</li> <li>Identify costs and benefits under preferred option(s) for stakeholders.</li> <li>Compare options against consistent criteria.</li> </ul>	<p><b>Is the implementation path realistic?</b></p> <ul style="list-style-type: none"> <li>Identify any implementation risks, and describe how these risks will be mitigated.</li> <li>Describe how the proposal would interact with, or impact on, existing regulation—including scope to reduce or remove any existing regulations.</li> <li>Explain how the monitoring and evaluation process will identify if any additional changes are needed.</li> </ul>
<b>Clear &amp; Concise</b>	<p><b>Is the problem clearly described?</b></p> <ul style="list-style-type: none"> <li>Explain the problem in the context of the status quo.</li> <li>Use tables and subheadings where appropriate.</li> </ul>	<p><b>Is it clear how the objectives will be applied?</b></p> <ul style="list-style-type: none"> <li>Clearly identify hierarchy and any relationships between the objectives.</li> </ul>	<p><b>Is the analysis of options presented consistently?</b></p> <ul style="list-style-type: none"> <li>Summarise and present the outcome of the options analysis in a consistent format.</li> </ul>	<p><b>Are the implications clear for affected parties?</b></p> <ul style="list-style-type: none"> <li>The information is presented in a clear way for affected parties to understand any resulting implications.</li> </ul>	
<b>Consulted</b>	<ul style="list-style-type: none"> <li>Explain who has been consulted and what form the consultation has taken.</li> <li>If there was limited or no consultation undertaken, state the reasons why.</li> </ul>	<p>Summarise key feedback received, with emphasis on any significant concerns raised about the preferred option, and how the proposal has been altered to address these concerns</p>			

## Annex 5.2 Example QA Template

The following template may be a useful format for providing high-level QA comments. More detailed assistance is likely to require an evaluation of the ‘four Cs’ QA criteria for each element of the RIA framework.

### Dimensions

#### Complete

- Is all the required information (see [Annex 5.1](#)) (including the disclosure statement) included in the RIS?
- Are all substantive elements of each fully-developed option included (or does the RIS identify the nature of the additional policy work required)?
- Have all substantive economic, social and environmental impacts been identified (and quantified where feasible)?

*Reviewer’s opinion:*

#### Convincing

- Are the status quo, problem definition and any cited evidence presented in an accurate and balanced way?
- Do the objectives relate logically to, and fully cover, the problem definition?
- Do the options offer a proportionate, well-targeted response to the problem?
- Is the level and type of analysis provided commensurate with the size and complexity of the problem and the magnitude of the impacts and risks of the policy options? (See [Part 2.](#))
- Is the nature and robustness of the cited evidence commensurate with the size and complexity of the problem and the magnitude of the impacts and risks of the policy options? (See [Part 2.](#))
- Do the conclusions relate logically and consistently to the analysis of the options?

*Reviewer’s opinion:*

#### Consulted

- Does the RIS show evidence of efficient and effective consultation (see [Part 3](#)) with all relevant stakeholders, key affected parties, government agencies and relevant experts?
- Does the RIS show how any issues raised in consultation have been addressed or dealt with?

*Reviewer’s opinion:*

**Dimensions****Clear and concise**

- Is the material communicated in plain English, with minimal use of jargon and any technical terms explained?
- Is the material structured in a way that is helpful to the reader?
- Is the material concisely presented, with minimal duplication, appropriate use of tables and diagrams, and references to more detailed source material, to help manage the length?

*Reviewer's opinion:*

## Annex 5.3 Illustrative QA statements

This section provides some examples of the sort of text that illustrate to Cabinet the independent assessment of RIA quality. Cabinet papers may relate to seeking in-principle or final policy decisions, or decisions to narrow down options for consultation. Formal independent QA of the RIS (and underlying RIA) is required for these papers.

Papers may alternatively seek agreement to release consultation material before options have been narrowed—although a preferred option may be emerging through the agency's analysis. While formal QA is not required for these consultation-stage Cabinet papers, independent review (either from within or external to the agency) is encouraged. A statement by the agency about the independent reviewer's opinion about the quality of the RIA is therefore encouraged, but not expressly required.

### Discussion Document—Possible RIA statements for Cabinet papers

The RIA requirements apply to discussion documents that contain options that may lead to legislative or regulatory change. While there is no mandated QA requirement for discussion documents (and so there is no formal requirement for a QA statement in the associated Cabinet paper), it is desirable that QA is provided on draft discussion documents.

QA, and a comment about the quality of the RIA contained in a consultation material, increases the likelihood that a policy project will meet the RIA consultation requirements at the RIS stage. It provides the basis for a good quality RIS at the end of the policy process.

#### Discussion document appropriately contains the elements of a RIA

*The Regulatory Impact Analysis (RIA) requirements apply to this policy work.*

*While there is no formal requirement to carry out an independent assessment of discussion documents, the **[name of Agency]**'s RIA Panel has nonetheless provided independent quality assurance on the discussion document and considers that it appropriately incorporates the RIA elements.*

*A Regulatory Impact Statement will be prepared when Cabinet is invited to make final decisions in relation to these **[options/proposals]**.*

#### Discussion document does not appropriately contain the elements of a RIA (option A)

*The Regulatory Impact Analysis (RIA) requirements apply to this policy work.*

*While there is no formal requirement to carry out an independent assessment of discussion documents, the **[name of Agency]**'s RIA Panel has nonetheless provided independent quality assurance on the discussion document and considers that it does not appropriately incorporate the RIA elements.*

*This is because **[eg, not clear what the problem is, policy objectives are unclear, alternative options not presented, not clear how the proposed options will address the problem, etc]**.*

*This could be mitigated through **[additional meetings with stakeholders, further research, etc]**.*

*A Regulatory Impact Statement (RIS) will be prepared when Cabinet is invited to make final decisions in relation to these **[options/proposals]**. However, there is a risk that the RIS might not fully meet the RIA requirements because one of the assessment criteria is the quality of consultation.*

### Discussion document does not appropriately contain the elements of a RIA (option B)

There may be cases where an independent party (such as an agency QA panel) was unable to review the final version of the discussion document. This may occur because a Minister was still making changes or because the document was not provided for an independent review.

*The Regulatory Impact Analysis (RIA) requirements apply to this policy work.*

*There is no formal requirement to carry out an independent assessment of discussion documents.*

*A Regulatory Impact Statement will be prepared when Cabinet is invited to make final decisions in relation to these **[options/proposals]**.*

## Decision-stage RISs—Example RIA statements for Cabinet papers

Formal assessment of the final RIS is a mandatory requirement and represents the reviewer's core role. This applies to the RIS for final policy decisions, as well as RISs that are to be submitted to Cabinet to support any in principle or intermediate policy decisions.

QA statements for interim RISs will need to be tailored to the circumstances, taking into account the stage of policy development, the nature of the decision being sought, and the level of analysis possible. At early stages of the policy process, it may not be feasible to prepare a comprehensive RIS, so the quality assurance will need to reflect these constraints.

### Partially meets

*The Manager, **[name of Team]** in the **[name of Agency]** has reviewed the RIS prepared by the **[name of Agency]** and associated supporting material, and considers that the information and analysis summarised in the RIS partially meets the quality assurance criteria.*

*In light of the constraints on the policy development process that are identified in the Agency Disclosure Statement, the reviewer considers that the information in the RIS is as complete as could be expected and identifies the main risks and uncertainties.*

*However the RIS does not provide evidence of the stated problem or convincing argumentation for the preferred option, so the need for the proposed regulation is not clear.*

*The **[name of Agency]**'s independent RIS review panel has reviewed the RIS prepared jointly by the **[name of Agency]** and the **[name of contributing Agency]**, and considers that the information and analysis summarised in the RIS partially meets the quality assurance criteria. While the analysis is largely complete, the RIA consultation requirements have not been met as there has not been public consultation on the specific proposals set out in the RIS.*

*The Chief Advisor, **[name of Team]** in the **[name of Agency]** has reviewed the RIS prepared by the Ministry of Innovation and associated supporting material, and considers that the information and analysis summarised in the RIS partially meets the quality assurance criteria. The information in the RIS is as complete as could be expected given the timeframes for policy development. However, while the risks of the preferred option have been identified, ideally analysis on the nature of these risks (including how they would manifest) and how they can be addressed or managed, would be undertaken before decisions are taken.*

#### Does not meet

The **[name of Agency]**'s RIA review panel has reviewed the RIS prepared by the **[name of Agency]** and considers that the information and analysis summarised in the RIS does not meet the quality assurance criteria, for the following reasons:

- the RIS does not identify or assess of the full range of feasible options, including non-regulatory options
- the options identified in the RIS are not assessed against the stated objectives, and
- there has been no consultation with affected stakeholders.

The Manager, **[name of Team]** has reviewed the RIS prepared by the **[name of Agency]** and considers that the information and analysis summarised in the RIS does not meet the quality assurance criteria, for the following reasons:

- the RIS provides no evidence of the stated problem, and
- the RIS provides no information on how the proposals will be implemented, including how detailed regulatory design choices may influence the overall effectiveness of the changes.

# Costs and Benefits of the Draft Local Alcohol Policy (LAP)

Prepared for

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Christchurch City Council

**Authorship**

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## Executive Summary

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### Context

The Sale and Supply of Alcohol Act 2012 (the Act) has ushered in a new regulatory regime to help combat the adverse effects of alcohol. Amongst other things, it enables territorial authorities to adopt a Local Alcohol Policy (LAP). Christchurch City Council is proposing a draft LAP that:

- Restricts the opening hours of off-licensed and on-licensed premises
- Imposes a one-way door system for some inner city bars/taverns/nightclubs
- Restricts the location of new outlets to business zones, and
- Enables various discretionary conditions to be attached to licences. e.g. CCTVs

### Purpose of this Report

This report assesses the economic costs and benefits of the draft LAP. Specifically, it analyses the effects of proposed changes to the hours at which alcohol can be sold at bottle stores, supermarkets, pubs, bars, and nightclubs (including the one-way door).

### Scope of this Report

Alcohol related harm (ARH) can be divided into chronic and acute. Chronic ARH relates to the long-term effects of prolonged excessive consumption, while acute ARH relates to the immediate effects of episodic binges. This report focuses on acute harm.

### Approach to the Analysis

The earthquakes have caused many licensed premises to close, especially in the CBD. With no way to predict when each will reopen (if ever), the resulting uncertainty has precluded a fully-quantified cost benefit analysis. Accordingly, this report adopts a more qualitative approach in which estimated policy-induced consumption changes are translated into various economic costs and benefits.

### Extent, Causes, and Risks of ARH

Alcohol causes a number of issues in New Zealand. For instance, on an average day, 52 individuals or groups of people are either driven home or detained in Police custody due to their state of intoxication, and police arrest 340 alleged offenders who show signs of having consumed alcohol prior to offending.<sup>1</sup> In addition, excessive alcohol consumption leads to a number of serious health issues, and can affect relationships with family, friends and the wider community.

Acute ARH is largely a result of our deeply entrenched binge drinking culture, which has been exacerbated by a growing gap between the prices of alcohol sold at off-license and on-license premises. The resulting price differential has fostered a pervasive culture of pre-loading, in which cheaper off-license alcohol is consumed (often quickly) before going out. To understand the risky nature of this, we first need to understand how the body processes alcohol. In simple terms, alcohol is absorbed via the digestive system, where it passes through the liver before entering the bloodstream. Once in our system, it

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<sup>1</sup> Ministry of Health (2010) Alcohol Quick Facts. Retrieved from:  
[http://www.ndp.govt.nz/moh.nsf/pagescm/7752/\\$File/alcohol-factsheets.pdf](http://www.ndp.govt.nz/moh.nsf/pagescm/7752/$File/alcohol-factsheets.pdf)

stays there for a long time. Moreover, the quicker we drink, the drunker we get and the longer it takes to get sober.

To illustrate this point, consider a 75kg male who consumes 10 drinks between 8pm and 10pm then stops for the night. By the end of the drinking session (10pm), his blood alcohol content (a key indicator of intoxication) will be nearly double the legal driving limit, and will remain above that limit for another five hours (until 3am). Nine hours after he finished drinking (7am) some traces of alcohol are likely to remain in his blood.

While these figures are startling, the issue of acute ARH is not just a result of our drinking culture. In addition, the rate of crime-related ARH depends on the physical convergence in time and space of three factors, namely:

1. A likely offender
2. A suitable target, and
3. The absence of a capable guardian.

Hence, addressing acute ARH depends not only on moderating our drinking behaviours, but also making the places that people drink safer, too. This is where discretionary licence conditions enabled by the LAP may play a role, for instance by increasing the level of surveillance in trouble spots.

Overall, younger people are the most at-risk for acute ARH because they:

- tend to drink more alcohol and are less experienced with its effects,
- are more likely to be out at night when significant harm occurs, and
- are more likely to take risks when under the influence.

### **Christchurch Local Drinking Habits**

To estimate likely policy impacts, we first needed to understand local drinking habits. According to surveys run by Council, people most commonly purchase alcohol at supermarkets and bottle stores and consume it either at home or a friend's place or party. In addition, a number of people (particularly younger people) purchase and consume alcohol at taverns, while a number of people also purchase and consume alcohol at restaurants and cafes.

To better understand local drinking habits, we obtained data on every electronic transaction by Christchurch BNZ customers at bottle stores and taverns both before and after the quakes.<sup>2</sup> While the data have limits (notably: they exclude all cash transactions and exclude alcohol purchases from supermarkets, cafes and restaurants etc), they do reveal a number of interesting insights. For instance, the data show that:

- Christchurch residents spend significantly more on alcohol now than before the quakes. In fact, bottle store expenditure has increased by 32% per capita, while tavern expenditure has increased by 23% per capita.

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<sup>2</sup> The pre-quake dataset covers the year ended 30 August 2010, while the post-quake dataset covers the year ended 30 June 2013.

- The timing of on-licensed expenditure has shifted. For instance, before the quakes, 90% of tavern expenditure occurred by 1am. After the quakes, 96% occurred by 1am. This is probably because the quakes closed many late night venues (hence reducing opportunities for late night drinking) so people shifted their expenditure/consumption forward to earlier in the evening.
- Conversely, the timing of bottle store expenditure has not changed. Both before and after the quakes, 96% of bottle store expenditure occurs by 9pm.
- Young people spend a lot less per transaction at both bottle stores and taverns, but they transact far more often, and hence spend more overall.
- There is a noticeable gap between the timing of bottle store expenditures and the timing of tavern expenditures, especially for younger people. For instance, on Saturdays, bottle store expenditure by 18 to 24 year olds peaks at 6pm, while tavern expenditure peaks at 11pm.

### **Practical Implications of the LAP**

The LAP aims to reduce ARH, mainly by curbing availability. To examine the stringency of proposed restrictions on opening hours, we compared them to the hours for which licences are currently held and the hours that licensed premises are currently open. The analysis shows that the draft LAP will affect the times at which most supermarkets and bottle stores can sell alcohol, but that effects on taverns will vary considerably. In particular, late night venues will be the worst-hit, while many (largely suburban) taverns will be mostly unaffected.

### **Literature Review**

Next we reviewed the local and international literature. We started with two recent papers by the Ministry of Justice that seek to establish a new fee regime for the alcohol licensing system. These provided some useful insights into the likely drivers of ARH, at least for on-licensed premises. Specifically, the Ministry of Justice papers show that the type of premises, their opening hours and their compliance history are key markers of risk. Of these, compliance history is by far the most important, reflecting the fact that a very small proportion of licensed premises account for a very high share of related offences.

Drilling into specific LAP elements in the academic literature painted a more mixed picture. The most promising element appears to be the proposed reductions in opening hours for on-licensed premises, which seem a potentially fruitful avenue for reducing ARH. Conversely, the academic literature suggests that the proposed one-way door policy will be ineffective and may even have negative effects. Finally, our review found that there is no evidence to support (or oppose) the proposed restrictions on off licenses.

### **Changes in Consumption**

The penultimate step was to estimate possible changes in consumption caused by the LAP, which we analysed in two steps. First, we estimated potential policy-induced consumption changes assuming no behavioural changes. That is to say, we first assumed that consumers did not shift their expenditure patterns in light of the new

trading hours. While highly unlikely, this set an upper bound for the analysis. Then, we re-estimated the changes while explicitly allowing for behavioural change.

To estimate potential changes in consumption while holding expenditure patterns constant, we simply calculated how much alcohol is currently purchased outside the hours that would be permitted by the draft LAP. Then we translated that expenditure into estimates of consumption using data in a recent Ministry of Justice report that showed the average costs of standard drinks at both off-licenses and on-licenses. According to our analysis, the LAP could reduce citywide alcohol consumption by 3.6% assuming that expenditure patterns do not change as a result.

To estimate consumption changes while explicitly allowing for behavioural change, we needed to understand how consumers were likely to react. To this end, we began by reviewing the responses that were given in various local surveys. These seemed to suggest that significant behavioural change could be expected. For instance, a survey run by Hospitality New Zealand asked “If the hours for off-licence sales were reduced, would you still purchase alcohol for the night prior to going out for a night out or would you go to a bar earlier?” 90% said they would just buy their off-licence alcohol earlier, and 10% said they would go out to bars earlier.

Despite the strength of these various survey results, it would be unwise to ground the analysis purely on the basis of them, as actual behaviours can often differ markedly from the responses given to surveys. Consequently, we sought a more concrete basis.

As it happens, the earthquakes themselves provided a perfect natural experiment into the way that people are likely to react to changes in opening hours, at least for on-licences. This is because the quakes had a disproportionate impact on inner city taverns, which accounted for the majority of late-night venues. Thus, the quakes naturally caused a natural reduction in late-night opening hours. This means that, just by comparing the pre-quake and post-quake distributions of tavern expenditure, we could directly observe how consumers might react to the LAP.

The pre- and post-quake comparisons revealed a significant shift in drinking times at on-licensed premises as a result of the quakes, particularly for younger people. For instance, before the quakes, only 62% of tavern expenditure by 18 to 24 years olds occurred by midnight. After the quakes, this share jumped to 80%. The shifts for other age groups were not so dramatic, but were evident nonetheless.

On the basis of these findings, we assumed that 75% of off-licence expenditure and 50% of on-licence expenditure currently outside the opening hours proposed by the LAP would be shifted forward via consumer reactions. Applying this assumption, we estimated that the LAP would reduce citywide alcohol consumption by 1% (having allowed for behavioural change).

### Analysis of Costs and Benefits

To analyse potential costs and benefits, we adopted a comprehensive analytical framework recently designed by the European Union to provide a standardised method for measuring the effects of alcohol-related policies.<sup>3</sup>

Overall, our analysis suggests that economic costs will outweigh benefits because:

- While the international literature has shown that reductions in opening hours can help reduce ARH, reductions in consumption caused by the LAP will be minor and hence so too will any reductions in acute ARH. As a result, policy benefits will be minor.
- At the same time, the policy could have a number of unintended consequences, including undermining the viability of rebuilding licensed premises in the CBD.
- In addition, it will impose additional costs on many licensed premises, and unduly disadvantage a number of very low-risk premises, such as wineries.
- The key issue is that – while very difficult to do within the ambit of a LAP – the policy fails to address the key drivers of acute harm, namely our binge drinking culture coupled with a tendency to pre-load.
- Further, the policy appears too coarse, and may not adequately reflect the relative harm caused by different types of licensed premises. A more fine-grained approach should be considered.
- A significant amount of ARH occurs in the home, and the policy is unlikely to provide much assistance with this. Conversely, regulating the density of outlets in certain areas may have positive effects, but these have not been included.
- There is no evidence to support or oppose the proposed off-licence restrictions. Further, council does not appear to have a strong community mandate for reducing the hours that alcohol can be sold at certain off-licenses, such as supermarkets.
- Because the policy does not (and essentially cannot) target problem drinkers, it is fairly blunt and therefore has the potential to negatively impact a number of law-abiding citizens.

It is also important to note that, even if this analysis did conclude that benefits exceeded costs, this does not necessarily mean that the policy should be adopted. Rather, Council must also satisfy itself and the wider community that the draft LAP is the best way to meet policy objectives. However, this cannot be determined until a thorough examination of all other options has been completed. We therefore recommend that Council take the opportunity to re-examine its options before deciding whether or not to proceed with the LAP.

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<sup>3</sup> European Commission (2007) Standardizing Measurement of Alcohol Related Troubles

# 1 Introduction

---

## 1.1 Context

The Sale and Supply of Alcohol Act 2012 (the Act) has created a new regulatory regime to help combat the harm caused by the sale and consumption of alcohol. Amongst other things, the Act enables Councils to adopt a Local Alcohol Policy (LAP). In February 2013, Christchurch City Council unanimously agreed to adopt a LAP. This report analyses its economic costs and benefits.

## 1.2 Summary of the Draft LAP

Christchurch City Council is proposing a draft LAP that:

- Sets maximum opening hours for off-licenses of 9am to 9pm.
- Sets maximum opening hours for most on-licenses of 8am to 1am.
- Defines an area within the central city where the maximum closing time for on-licenses is 3am with a one-way door policy from 1am.
- Restricts the location of new bottle stores and taverns to business zones, and
- Allows a number of discretionary conditions to be attached to licenses e.g. requiring security staff, CCTVs, exterior lighting, queue management.

## 1.3 LAP Objectives

The main objective of Council's draft LAP is to reduce alcohol related harm (ARH)<sup>4</sup>. This is defined in section 4 of the Act as follows:

*"The harm caused by the excessive or inappropriate consumption of alcohol includes –*

- (a) any crime, damage, death, disease, disorderly behaviour, illness, or injury, directly or indirectly caused, or directly or indirectly contributed to, by the excessive or inappropriate consumption of alcohol; and*
- (b) any harm to society generally or the community, directly or indirectly caused, or directly or indirectly contributed to, by any crime, damage, death, disease, disorderly behaviour, illness, or injury of a kind described in paragraph (a)."*

In general, ARH can be divided into chronic and acute. Chronic harm relates to the long-term effects of prolonged excessive alcohol consumption, while acute harm relates to the immediate effects of excessive consumption i.e. binge drinking. This report focuses only on acute harm.

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<sup>4</sup> A secondary objective is "facilitate the return of late-night entertainment venues to the central city."

## 1.4 Changes Occurring Irrespective of the LAP

Councils are not obliged to adopt a LAP, and several legislative changes are occurring regardless. The following box summarises the nature and timing of these.

### Summary of Changes Occurring Under Law

#### From 19 December 2012:

- The new Alcohol Regulatory and Licensing Authority (ARLA) replaces the Liquor Licensing Authority
- Only interim one-year licences can be issued for new liquor licences. When interim licences expire, holders must apply for a new licence under the criteria of the new laws
- Local authorities can start drafting local alcohol policies (LAPs)

#### From 18 June 2013:

- All licence applications have to meet new, expanded criteria (eg, whether the licence is likely to increase alcohol-related harm or negatively impact the community)
- All licence applications also are subject to new grounds for objection

#### From 18 December 2013

- Anyone who supplies alcohol to minors must do so responsibly. The penalty for failing to do so is a fine of up to \$2,000
- Territorial authorities can implement local alcohol policies (LAPs)
- New national maximum trading hours apply
- On-licences, such as bars, will have to provide water, low-alcohol beverages, food and information about safe transport
- Using a fake ID, using someone else's ID and giving or lending an ID to an underage person to buy alcohol becomes an offence
- New offences apply for irresponsible advertising and promotions
- Licences and managers certificates can be cancelled for five years for specified repeat offences
- District Licensing Committees (DLCs) replace District Licensing Agencies. DLCs will decide all applications for new or renewed licences and managers certificates.

## 1.5 Scope and Purpose of this Report

The purpose of this report is to assess the economic costs and benefits of the draft LAP. Given the limited time available, however this report focuses only on those elements likely to have the greatest impacts. To this end, we note that:

- Most cafés, restaurants and sports clubs will not be significantly affected by the LAP, and are not perceived to be trouble areas for alcohol related harm (ARH). Accordingly, they have been excluded from the analysis.
- The LAP will not have a significant impact on the location of new bottle stores and taverns. Moreover, Council has other instruments such as its District Plan to regulate this, so it too has been ignored.
- While discretionary licence conditions are important, their effects are very difficult to determine. Accordingly, they are not discussed in any detail.

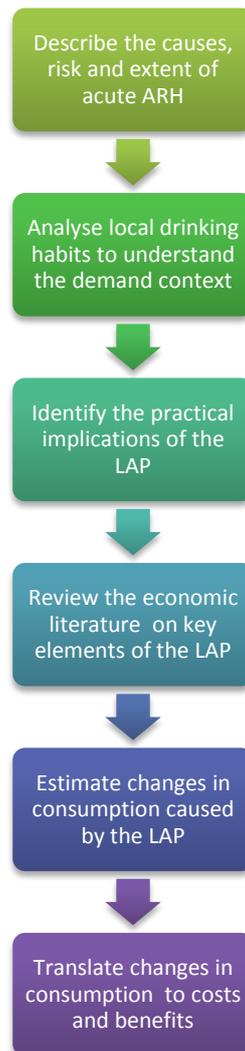
This means that our analysis focuses mainly on the effects of the LAP on the opening hours of supermarkets, bottle stores, bars, taverns, pubs and nightclubs (including the one-way door restriction mooted for parts of the central city).

## 1.6 Approach to the Analysis

In a traditional cost benefit analysis, the effects of a proposed policy are assessed on a “with and without” basis by comparing the likely future situation with and without the policy. However, the devastating effects of the quakes have created significant uncertainty around the likely future state of the market. For instance, nearly a quarter of licensed taverns are not currently operating, and there is no way to predict when (if ever) each will reopen. In addition, CERA recently signalled a review of the noise categories in the central city used by the Council to guide the location provided for late night licensed premises in the central city.

The resulting uncertainty has precluded a fully-quantified cost benefit analysis, leading this report to adopt a more qualitative approach based on the following steps:

**Figure 1: Key Steps in the Analysis**



## 1.7 Frequently Used Terms and Abbreviations

The following table explains commonly-used terms and abbreviations.

**Table 1:** Commonly Used Terms and their Meanings

Terms	Description
ARH	This stands for Alcohol Related Harm.
Acute ARH	Acute ARH refers to the immediate effects of binges. It forms the focus of this report
BAC	This stands for blood alcohol concentration, and is a common measure of intoxication
DANTE	This stands for <i>Dealing with alcohol-related harm and the night-time economy</i> , and refers to detailed report into LAP-related matters published in Australia in 2012.
LAP	This stands for Local Alcohol Policy, and refers to the draft policy that forms the focus of this report
LCR	This stands for Law Commission Report and refers to the 2009 report titled <i>Alcohol in our Lives: Curbing the harm</i>
NZADS	This stands for the 2007/08 New Zealand Alcohol and Drug Survey
One-way door	A one-way door allows patrons to leave a licensed premises but not enter or re-enter
Taverns	This refers to all pubs, bars, taverns, nightclubs etc
NTE	This stands for Night Time Economy and refers to that part of the economy that operates at night

## 1.8 Structure of this Report

The remainder of this report is structured as follows:

- **Section 2** provides important background by reviewing the extent, causes and relative risks of acute ARH.
- **Section 3** analyses local drinking habits to determine the demand context within which the policy would be adopted.
- **Section 4** examines the practical implications of the LAP, particularly with respect to proposed changes in opening hours.
- **Section 5** reviews the local and international literature on key elements of the LAP to help determine potential effectiveness.
- **Section 6** estimates potential changes in consumption caused by the LAP.
- **Section 7** assesses the likely costs and benefits of policy-induced consumption changes.
- **Section 8** provides an overall assessment of costs and benefits to reach a final conclusion.

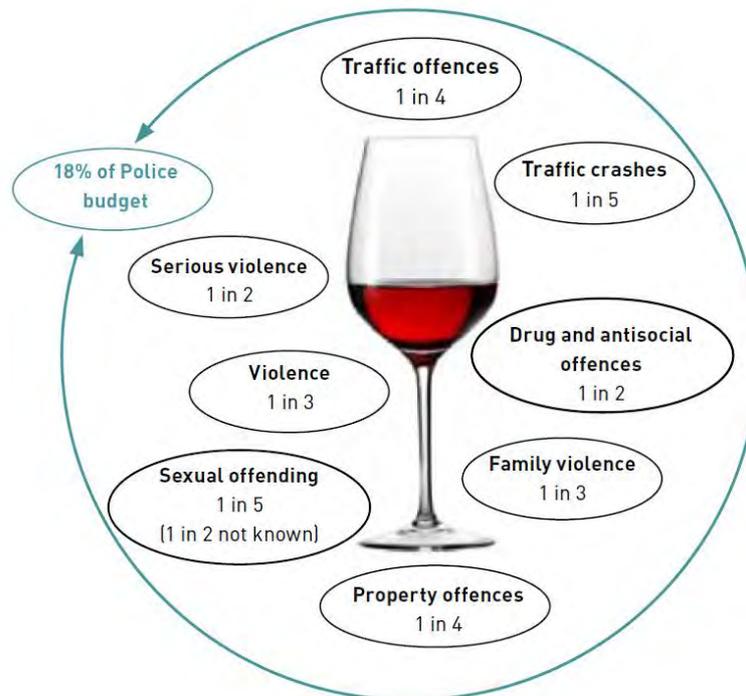
## 2 Causes, Risks and Extent of Acute ARH

This section reviews the causes and relative risks of acute ARH to provide important context. First, however, it briefly summarises the extent of acute ARH in New Zealand.

### 2.1 Extent of acute ARH

Alcohol causes a number of issues in New Zealand. For instance, on an average day, 52 individuals or groups of people are either driven home or detained in Police custody due to their state of intoxication, and police arrest 340 alleged offenders who show signs of having consumed alcohol prior to offending.<sup>5</sup> The following graphic further highlights the extent to which alcohol contributes to a number of serious crimes.

Figure 2: Estimated Contribution of Alcohol to Serious Crimes in New Zealand<sup>6</sup>



In addition, excessive alcohol consumption can lead to a number of serious health issues, and can ruin relationships with family and friends. The list goes on.

### 2.2 Causes of Acute ARH

There is widespread acceptance that acute ARH is largely caused by binge drinking. In New Zealand, this problem is exacerbated by a pervasive culture of drinking to excess, which some link back to the bygone era of six o'clock closing. For instance, DB breweries described it as following in its submission to the Law Commission:

<sup>5</sup> Ministry of Health (2010) Alcohol Quick Facts. Retrieved from:

[http://www.ndp.govt.nz/moh.nsf/pagescm/7752/\\$File/alcohol-factsheets.pdf](http://www.ndp.govt.nz/moh.nsf/pagescm/7752/$File/alcohol-factsheets.pdf)

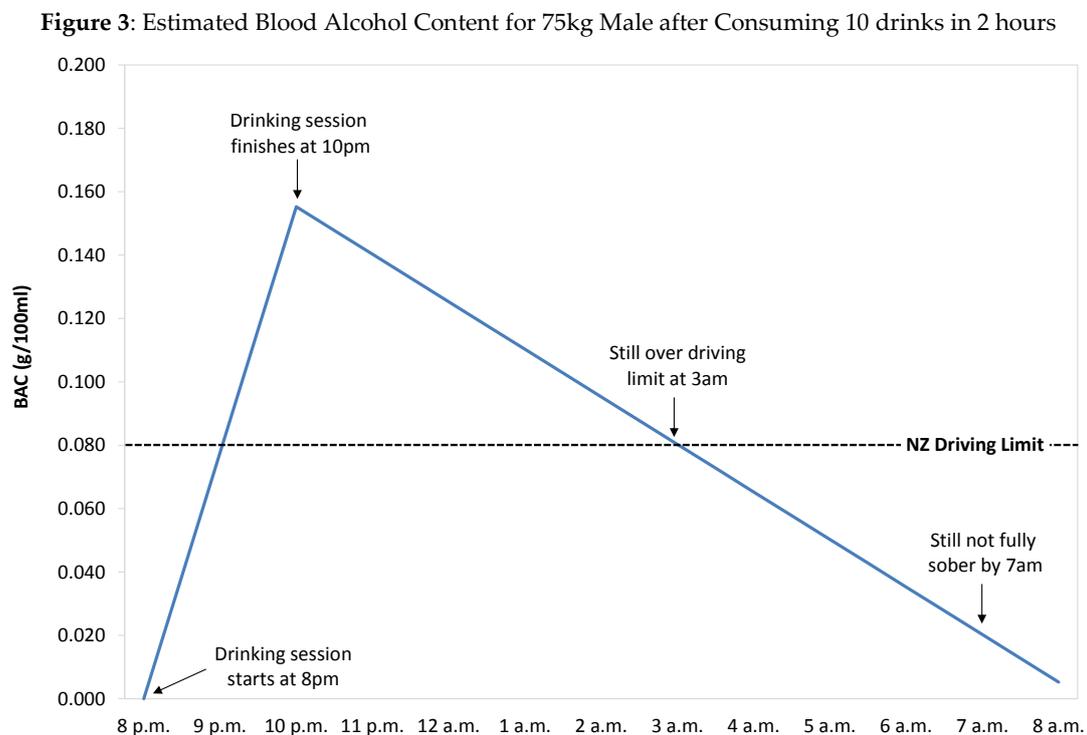
<sup>6</sup> ibid

*“The urgency given to drinking during six o’clock closing possibly created a ‘hangover’ for the following generations with an ongoing focus on drinking as much as possible. Until recently, it was fairly common for people coming of age to be given a yard glass on their 21st.”*

In addition, alcohol sold at off-licenses has become more affordable, while alcohol sold at on-licenses has become less affordable.<sup>7</sup> The resulting price differential has nurtured a culture of “pre-loading”, in which people consume (often large quantities of) off-license alcohol before going out. This is widely acknowledged as one of the key drivers of ARH in Christchurch. For instance, 86% of respondents to the community survey commissioned by Council agreed or strongly agreed that pre-loading was a major cause of alcohol related problems. Submissions by local doctors and police agreed.

To understand the risky nature of drinking large quantities in a short space of time (i.e. pre-loading), we first need to understand how the body processes alcohol. In simple terms, alcohol is absorbed via the digestive system, where it then passes through the liver before entering the bloodstream. Once in our system, it stays there for a long time. Moreover, the quicker we drink, the drunker we get and the longer it takes to get sober.

To illustrate this point, consider the following graph which shows the estimated blood alcohol content (BAC) of a 75kg male after consuming 10 drinks over 2 hours.<sup>8</sup> In general: the higher the BAC, the higher the level of intoxication and the greater the risk of acute ARH.



<sup>7</sup> For example, according to the LCR, prices for off-license alcohol products rose by 19% between 2000 and 2008, while weekly earnings rose by 39%. However, the prices for alcoholic beverages in bars and clubs rose by 45%.

<sup>8</sup> These calculations are based on the widely-used Widmark formula.

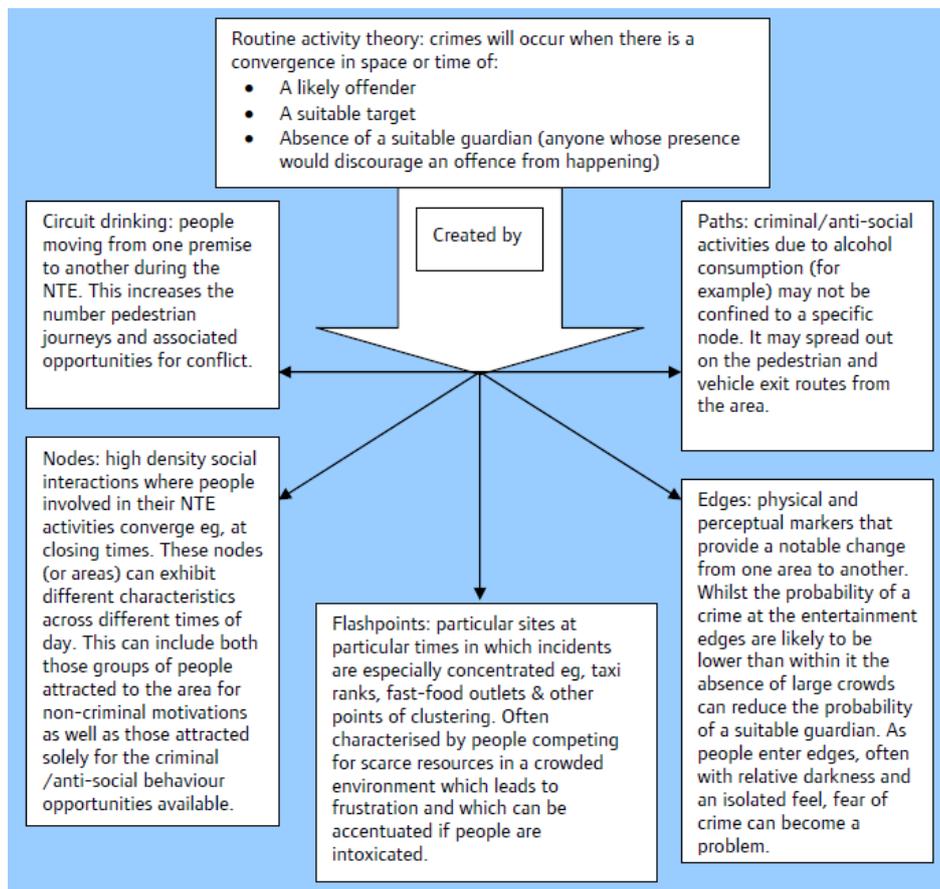
Figure 3 shows that the man's BAC is nearly double the legal driving limit by the end of the two hour drinking session, and remains above the legal limit for another five hours (until 3am). He is not likely to be fully sober again until after 7am (9 hours after the drinking session ended).

Because the BAC is such a strong marker for acute ARH, this example shows that drinking large quantities in a short space of time (i.e. pre-loading) can be dangerous.

Another factor commonly *associated* with ARH is the meteoric rise of ready-to-drinks (RTDs). The amount of RTDs consumed has grown more than 2000% since 1996. While this rampant growth *per se* is not necessarily a cause for concern, it may be in light of the extreme popularity of RTDs with younger people who are less experienced with alcohol and thus more prone to harm. For instance, according to the New Zealand Alcohol and Drug Survey 2007/08, people aged 16 to 17 are thirteen times more likely to drink RTDs than people aged 55 and over.

In addition to the factors above, the rate of ARH occurring in public places at night (i.e. in the night time economy or NTE) depends on a range of environmental factors. These are summarised in the box below, which was reproduced from a recent UK report.<sup>9</sup>

**Figure 4:** Routine Activity Theory to Identify High-Risk Crime Situations



<sup>9</sup> Wickham, M., (2012) Alcohol consumption in the night-time economy. Report for Greater London Authority

## 2.3 Relative Risks by Age

Younger people are at considerably higher risk of causing or experiencing acute ARH. There appears to be several reasons. First, younger people tend to consume more on an average occasion. Second, they are more likely to consume alcohol in the night time economy (NTE), where a significant proportion of acute ARH occurs. Third, having consumed alcohol, younger people are more likely to engage in risky behaviours.

Given these trends, it should come as no surprise that younger people dominate ARH statistics. This is illustrated in the tables below, which show the proportion of respondents to the 2007/08 New Zealand Alcohol and Drug Survey (NZADS) that reported harmful effects due to either (i) their own drinking, or (ii) someone else's.

**Table 2:** Harmful effects due to **own alcohol use** in last 12 months (NZADS 07/08)

Type of harm/age group	18-24	25-34	35-44	45-54	55-64
Financial Position	12.3%	8.3%	3.7%	2.3%	0.8%
Injuries	14.6%	6.2%	1.6%	1.1%	0.5%
Harm on Work, Study, Employment	7.7%	3.7%	2.6%	1.3%	0.3%
Legal Problems	3.3%	2.1%	0.9%	0.9%	0.4%
Difficulty Learning	2.5%	0.9%	0.5%	0.3%	0.2%
Home Life	8.7%	8.0%	5.3%	3.8%	1.6%

In both tables, across all indicators of harm, younger people report consistently higher rates of ARH than everyone else. It therefore follows that strategies aimed at reducing acute ARH should generally target younger, heavy drinkers to the extent possible.

**Table 3:** Harmful effects due to **someone else's drinking** in last 12 months (NZADS 07/08)

Type of harm/age group	18-24	25-34	35-44	45-54	55-64
Assault	9.2%	5.0%	4.5%	1.5%	0.9%
Financial position	5.5%	3.9%	3.8%	3.4%	2.3%
Friendship	27.1%	18.1%	14.3%	13.0%	7.8%
Home life	13.9%	10.4%	8.1%	7.5%	4.3%
Vehicle accident	3.0%	1.4%	0.5%	0.8%	0.2%

## 2.4 Summary

Acute ARH is largely a result of our binge drinking culture coupled with a tendency to pre-load. The dangers of pre-loading are explained by the way that our body processes and metabolises alcohol. In short: the quicker we drink, the drunker we get and the longer it takes to get sober. In addition, the extent of crime-related ARH depends on a range of environmental factors. Hence, addressing acute ARH depends not only on moderating our drinking behaviours, but also making the places that people drink safer too.

Overall, younger people are the most at-risk for acute ARH because they:

- tend to drink more alcohol and are less experienced with its effects,
- are more likely to be out at night when significant harm occurs, and
- are more likely to take risks when under the influence.

### 3 Christchurch Local Drinking Habits

This section uses a range of data to characterise local drinking habits and therefore understand the demand context within which the policy would apply.

#### 3.1 Places Alcohol is Purchased and Consumed

During the formation of the draft LAP, Council ran a Facebook survey to elicit views on a range of issues, including the places where people purchase and consume alcohol. While the respondents were mainly younger people, a number of people aged 35 and over also responded. **Table 4** shows where respondents usually purchase alcohol, while **Table 5** shows where they usually drink it.

**Table 4:** Where do you usually **buy** alcohol (pick up to 3)?

Type of Licensed Premises	18-24	25-34	35+	All
Supermarkets	77%	87%	80%	78%
Bottle stores	76%	64%	44%	71%
Pubs or bars	65%	69%	26%	61%
Restaurants or Cafés	14%	24%	36%	18%
Nightclubs	16%	7%	2%	13%
Convenience stores	2%	4%	2%	2%
Other	8%	2%	12%	8%

The results show that supermarkets and bottle stores are the most popular places to purchase alcohol, but that bottle stores tend to be more popular with younger people. This may reflect the greater range of drinks available at bottle stores, including spirits and RTDs. The results also show that pubs, bars and nightclubs are more popular with younger people, while cafes and restaurants are more popular with older people. Interestingly, very few reported regularly purchasing alcohol from convenience stores despite widespread calls to ban such sales.<sup>10</sup>

**Table 5:** Where do you usually **consume** alcohol (pick up to 3)?

Place Drink Most Often	18-24	25-34	35+	All
At home	67%	69%	82%	69%
Family or friend's houses	75%	64%	38%	70%
Pubs and Bars	63%	67%	30%	59%
Nightclubs	19%	11%	4%	17%
Restaurants and Cafés	17%	29%	36%	20%
Other	9%	9%	12%	9%

**Table 5** shows that people typically consume alcohol in private dwellings (either their own home, or a family/friend's house). Again, younger people are more likely to drink at taverns, while older people are more likely to drink at cafes and restaurants.

<sup>10</sup> Christchurch City Council (2013) Summary of Results from Facebook survey.

### 3.2 Expenditure at Bottle Stores and Taverns

To gain a deeper understanding of local drinking habits, we purchased data that captured every electronic transaction by Christchurch BNZ customers at bottle stores and taverns. The data, which report both the number and value of transactions, were broken down into detailed age bands and cover two periods:

1. The pre-quake dataset, which covers the year ended 30 August 2010, and
2. The post-quake dataset, which covers the year ended 30 June 2013.

The following table shows the number of card-holders by age band for each period.

**Table 6:** Number of BNZ Cardholders by Age Band

Age bracket	Pre-Quake	Post-Quake	Change
0-19	3,870	3,944	1.9%
20-24	6,076	5,680	-6.5%
25-29	6,363	6,229	-2.1%
30-34	6,444	6,082	-5.6%
35-39	7,241	6,504	-10.2%
40-44	7,831	7,630	-2.6%
45-49	8,161	7,843	-3.9%
50-54	7,549	7,870	4.3%
55-59	6,782	6,873	1.3%
60-64	5,882	6,084	3.4%
65-69	4,116	4,537	10.2%
70+	5,333	5,975	12.0%
<b>Total</b>	<b>75,648</b>	<b>75,251</b>	<b>-0.5%</b>

Before presenting some key highlights, an important qualification needs to be made. In particular, these data relate only to electronic transactions by BNZ customers at bottle stores and taverns. Hence they exclude all:

- Electronic transactions by non-BNZ customers,
- Cash transactions by BNZ and non-BNZ customers, and
- Cash and electronic transactions at supermarkets, cafes and restaurants etc.<sup>11</sup>

As a result, while these data provide critical insights into local expenditure habits, they should not be used to try and infer total expenditure on alcohol in Christchurch city. Total expenditure will be much higher than these figures suggest.

On that basis, Table 7 shows inflation-adjusted pre- and post-quake expenditure per cardholder.

<sup>11</sup> Ideally, we would have liked to also analyse alcohol expenditure across all licensed premises. However, this was not possible because the BNZ data does not provide any way to distinguish transactions that include alcohol from those that do not. Accordingly, there was no robust way to determine which transactions at supermarkets, cafés and restaurants etc included alcohol, so they were excluded from the analysis.

Table 7: Inflation-Adjusted Annual Expenditure per Cardholder

Age	Bottle Stores			Taverns			Total Expenditure		
	Pre	Post	Change	Pre	Post	Change	Pre	Post	Change
20-24	\$135	\$166	23%	\$161	\$170	5%	\$296	\$335	13%
25-29	\$86	\$144	68%	\$128	\$178	39%	\$214	\$322	51%
30-34	\$77	\$123	59%	\$96	\$142	48%	\$173	\$264	53%
35-39	\$76	\$108	42%	\$83	\$88	7%	\$159	\$196	23%
40-44	\$86	\$115	34%	\$71	\$95	34%	\$156	\$210	34%
45-49	\$92	\$108	17%	\$78	\$87	11%	\$170	\$195	14%
50-54	\$80	\$108	35%	\$68	\$92	35%	\$147	\$199	35%
55-59	\$69	\$91	31%	\$63	\$88	40%	\$132	\$178	35%
60-64	\$55	\$79	45%	\$41	\$60	49%	\$95	\$140	47%
65-69	\$62	\$76	22%	\$40	\$52	30%	\$102	\$128	25%
70+	\$77	\$77	-1%	\$26	\$39	47%	\$104	\$115	11%
<b>Total</b>	<b>\$82</b>	<b>\$108</b>	<b>32%</b>	<b>\$78</b>	<b>\$97</b>	<b>23%</b>	<b>\$160</b>	<b>\$204</b>	<b>28%</b>

The results in Table 7 demonstrate large increases in expenditure, which are in stark contrast to both the national trend<sup>12</sup> and also responses to the community survey, where 69% of people claimed that they drink the same now as they did before the quakes. However, a number of articles have cited increased alcohol consumption since the quakes,<sup>13</sup> and it is common for people to under-report alcohol consumption in surveys.

Figure 6 provides more information on pre- and post-quake bottle store transactions, while Figure 7 shows the corresponding information for taverns.

The graphs below reveal a number of interesting insights. For instance, they show that:

- The quakes have caused massive increases in expenditure for most age groups.
- These increases are a direct result of more transactions, not an increase in average expenditure per transaction.
- Young people spend a lot less per transaction at bottle stores and taverns, but they transact far more often than other people, so spend more overall.
- The amount that is spent per transaction at bottle stores and taverns grows at a surprisingly linear rate as people age. This does not necessarily mean that older people purchase greater quantities of alcohol per transaction. Rather, they may just be willing to buy more expensive, better quality beverages.

<sup>12</sup> For instance, the amount of alcohol available for consumption actually fell between 2010 and 2012.

<sup>13</sup> See, for example, NZ Herald (2012) Depression, stress and anxiety in post-quake Christchurch.

Retrieved from [http://www.nzherald.co.nz/nz/news/article.cfm?c\\_id=1&objectid=10842153](http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=10842153) or Adamson, S., Fanselow-Brown, P., Prince, C., Prosser, A., Snell, D., & Vertue, F. (2012) The Christchurch Earthquakes and Ongoing Stress. Christchurch Psychology. Retrieved from <http://www.christchurchpsychology.co.nz/news-and-views/christchurch-earthquakes-ongoing-stress/>

Figure 5: Annual Bottle Store Expenditure Profiles by Age

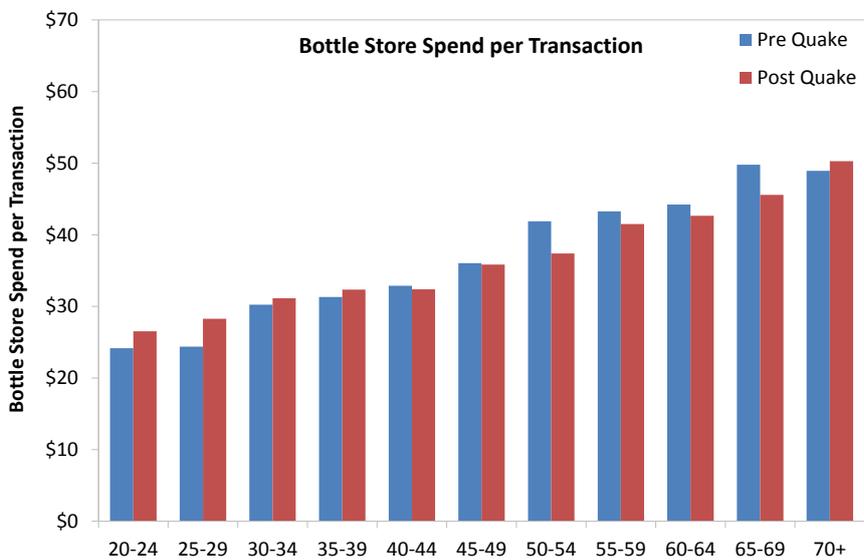
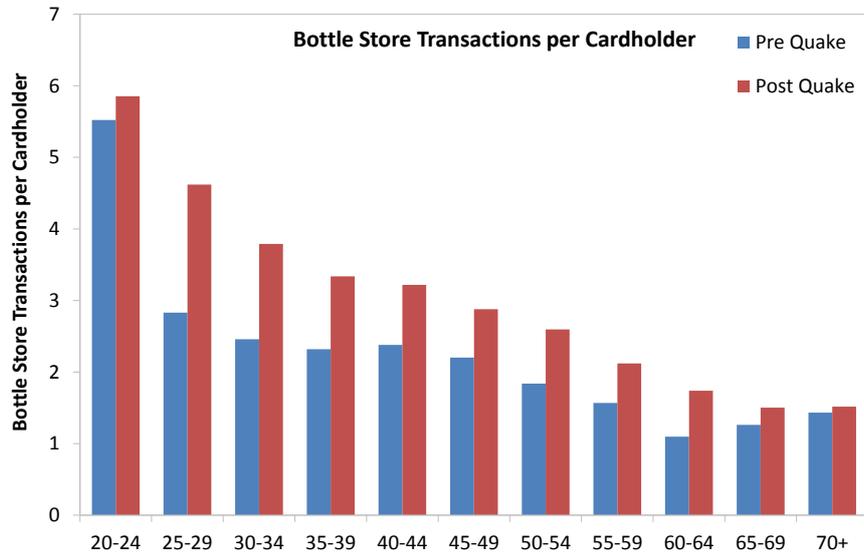
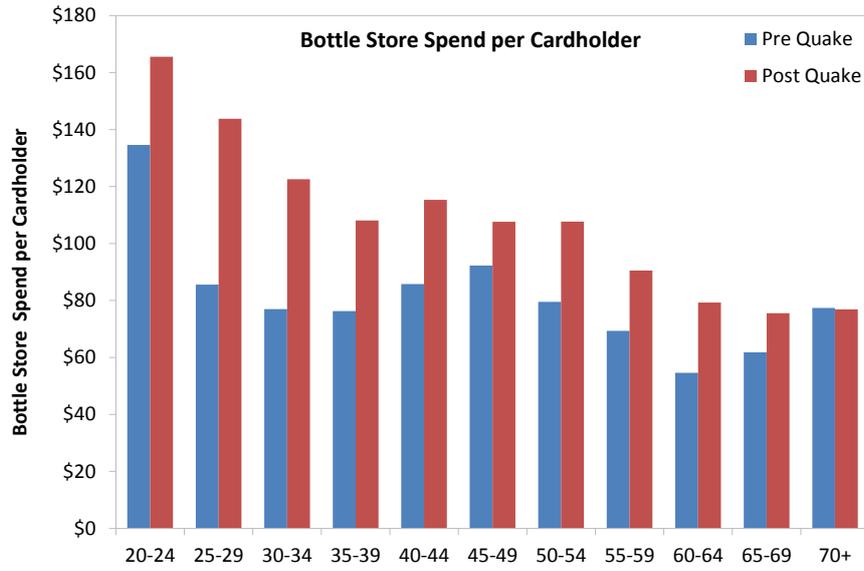
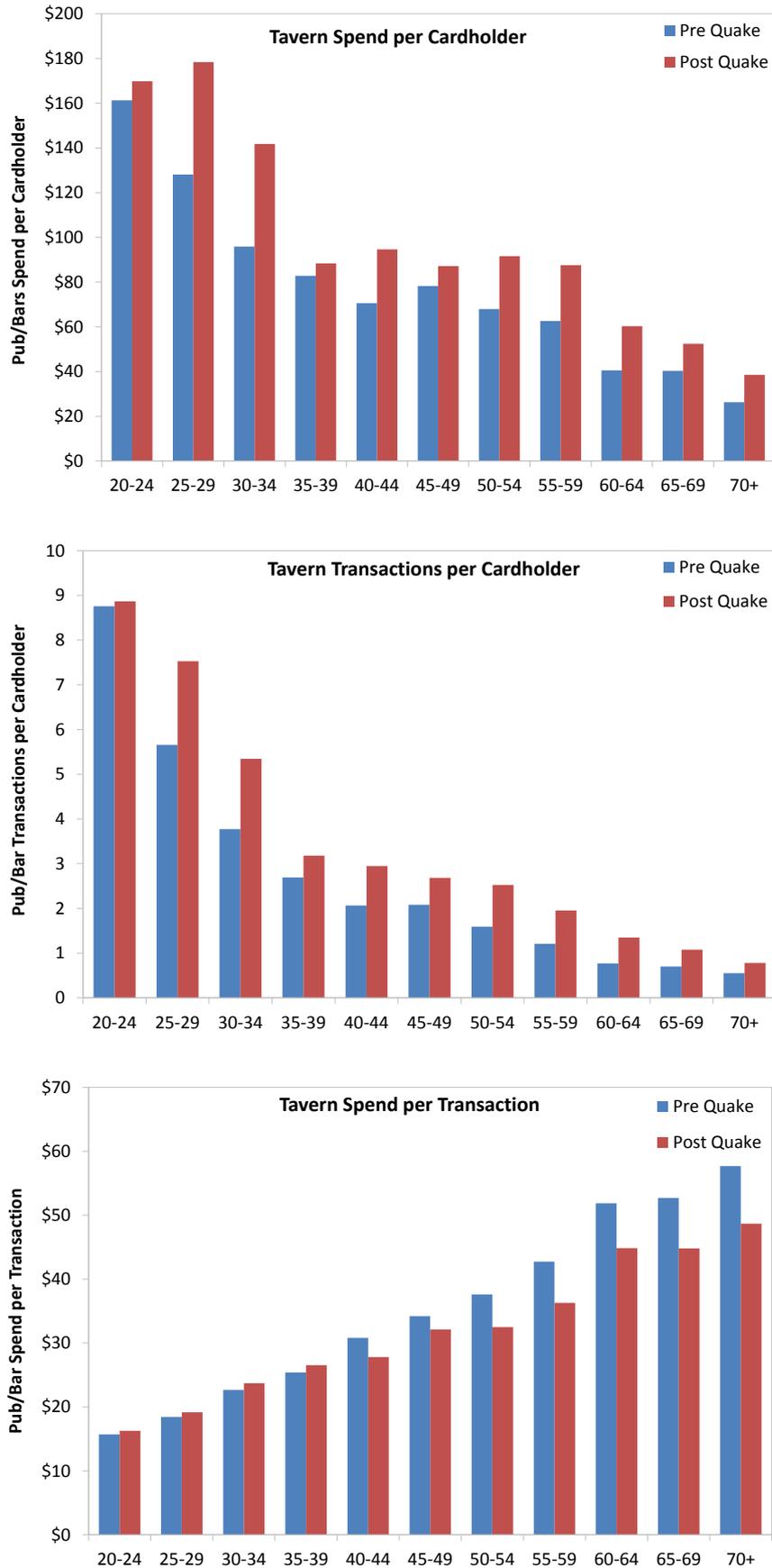


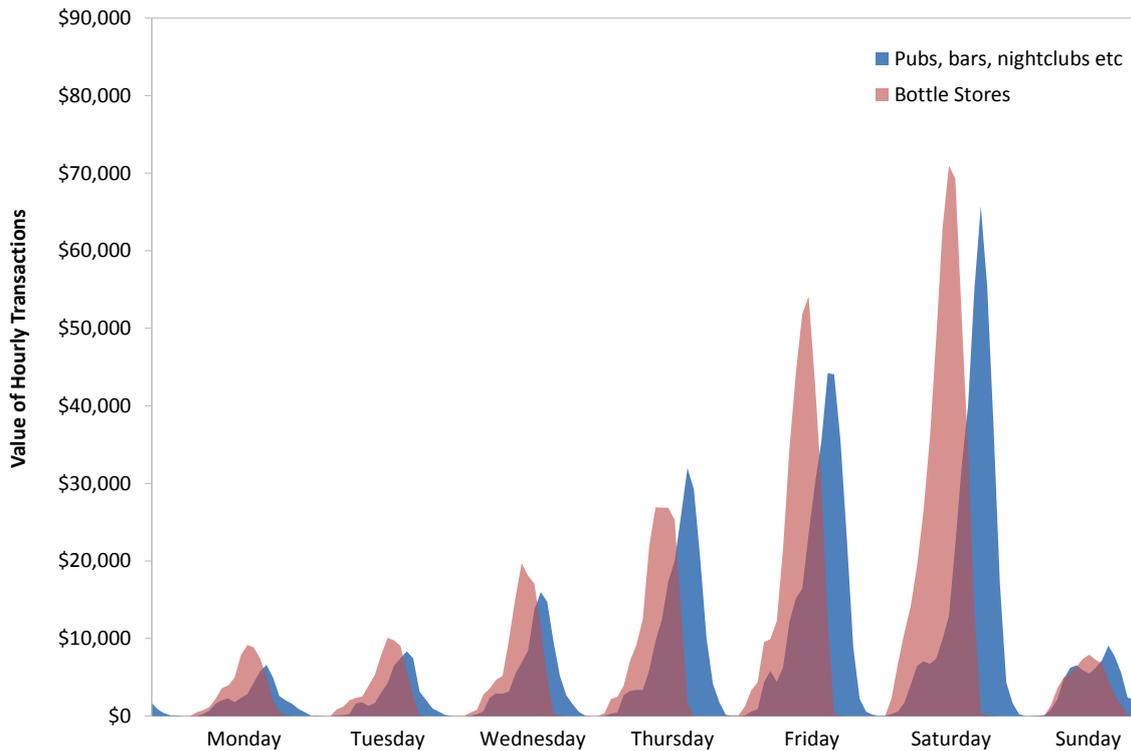
Figure 6: Annual Tavern Expenditure Profiles by Age



### 3.3 Expenditure Habits of Younger People (18 to 24)

While the general analysis above is of some interest, it is younger people who create the biggest issues in terms of acute ARH, and hence it is their drinking and expenditure habits that are of greatest interest here. We therefore now analyse how alcohol expenditure by younger people (18 to 24) unfolds during a typical week. This is shown in Figure 7, where the red area represents expenditure at bottle store, and the blue area represents expenditure at taverns.

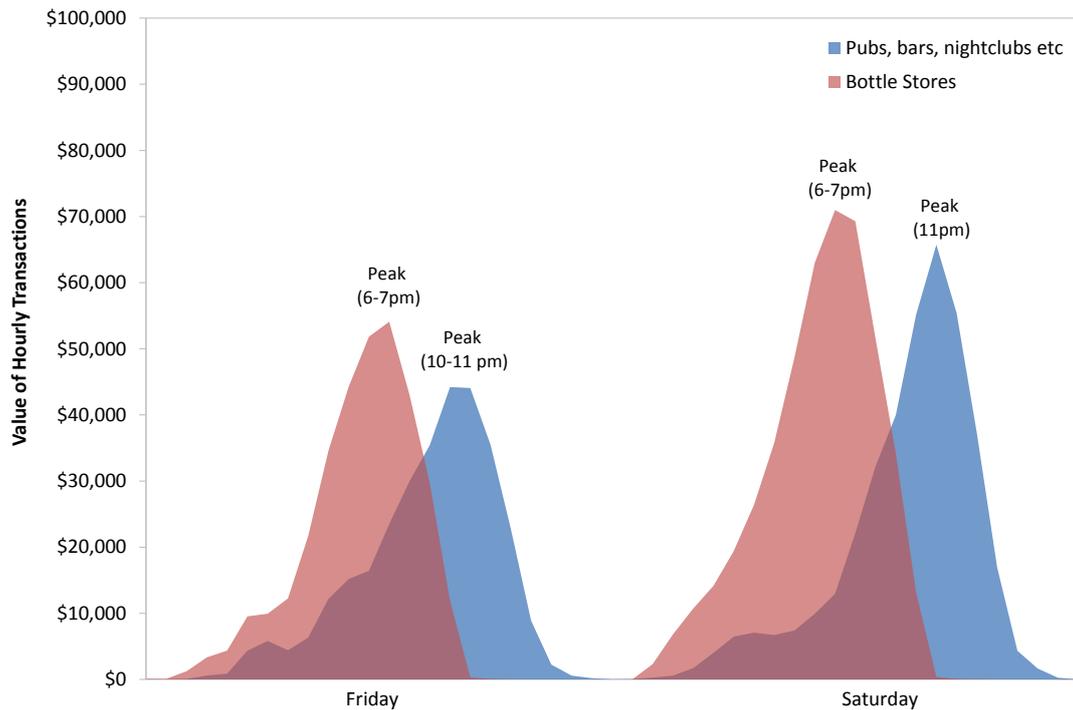
Figure 7: Weekly Profile of Expenditure for 18 to 24 year olds (Post Quake)



This graph shows that off-license and on-license expenditures both rise quickly throughout the week, before reaching their peak on Saturday night only to fall away rapidly on Sunday. It also shows that, on Friday and Saturday nights, there is a noticeable gap between the peak in bottle store sales and the peak in expenditure at taverns. While some of this will simply reflect the fact that off-licenses generally close earlier than on-licenses, it is also likely to be a direct reflection of pre-loading. To take a closer look, we now zoom in to look just at the 48 hour period from 7am Friday to 7am Sunday.

The graph below confirms that younger people purchase alcohol from bottle shops much earlier than from taverns. In fact, on Saturdays, their bottle store expenditure peaks at 6pm, while their tavern expenditure peaks at 11pm.

**Figure 8:** Expenditure for 18 to 24 year olds from 7am Friday to 7am Sunday (Post Quake)



### 3.4 Summary

This section has briefly analysed local drinking habits and found that:

- Most people purchase alcohol from supermarkets or bottle stores, and consume it at a private dwelling.
- A number of people (particularly younger people) also purchase and consume alcohol at taverns.
- Local alcohol expenditure has increased dramatically after the quakes.
- This is a result of more transactions, not an increase in spend per transaction.
- Young people spend a lot less per transaction at bottle stores and taverns, but they transact far more often, and therefore spend more overall.
- The data for younger people shows potential evidence of pre-loading, because expenditure at bottle stores tends to occur much earlier in the day/night than expenditure at taverns.

## 4 Practical Implications of the LAP

This section explores the practical implications of the LAP.

### 4.1 Introduction

The ultimate objective of the draft LAP is to reduce alcohol related harm (ARH) through a variety of means. Of these, the most accessible from an analytical perspective are the proposed restrictions in opening hours. Indeed, while other facets – such as discretionary conditions – are likely to have important impacts on ARH, they do not lend themselves easily to analysis. We therefore restrict our attention to opening hours.

### 4.2 Approach

To understand how the proposed changes in opening hours might affect the various types of licensed premises, we constructed graphs comparing them to the hours for which licences currently exist. In addition, we overlaid the restrictions to opening hours that will apply by default under the new Act near the end of the year. We start with supermarkets.

### 4.3 Restrictions on Hours of Alcohol Sales for Supermarkets

Figure 9 shows the impacts of the proposed LAP on the hours that most supermarkets will be able to sell alcohol. The green bars shows the hours for which supermarkets are currently licensed, while the blue bars show their current opening hours (according to their websites as at 15 July, 2013). The shaded grey areas on the left and right show the restrictions that will apply under the Act from 18 December 2013 regardless.

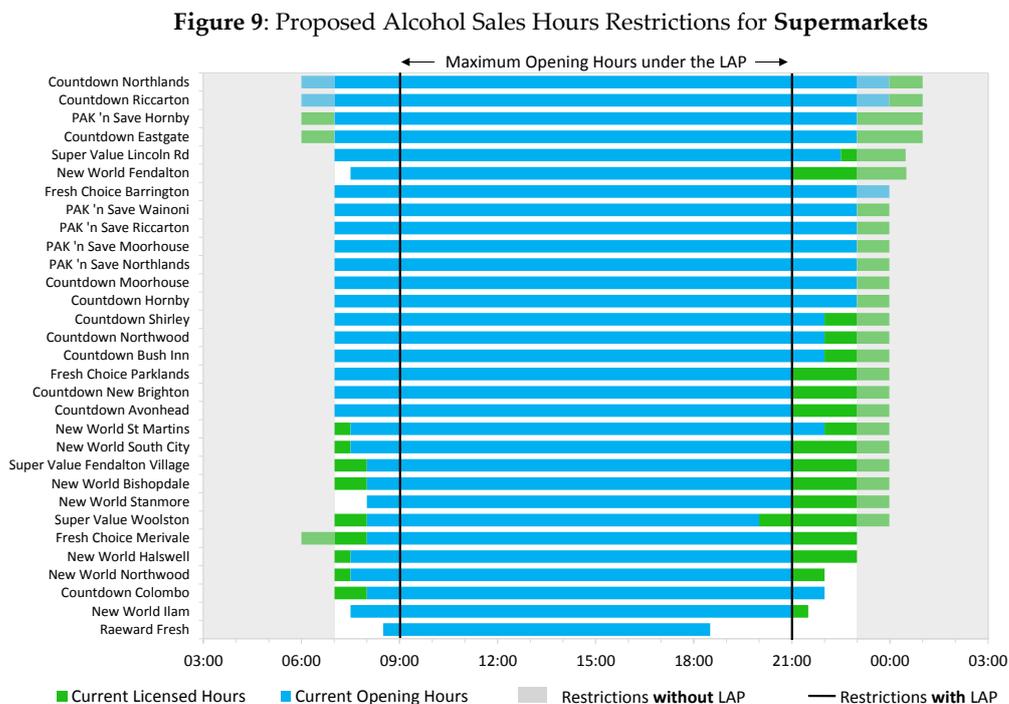


Figure 9 shows that the proposed LAP will have a fairly significant impact on the hours of alcohol trading for supermarkets. This is because all supermarkets currently open before 9am (the proposed start time for supermarket alcohol sales) and many remain open beyond 9pm (the proposed end time for supermarket alcohol sales).

#### 4.4 Restrictions on Opening Hours for Bottle Stores

Figure 10 shows the situation for bottle stores. Again, the green bars represent licensed hours, and the blue bars current opening hours. Please note, however that this is only a sample of bottle stores, as the opening hours for many were not readily identifiable. As a result, this graph should be interpreted only as indicative.

Figure 10: Proposed Opening Hours Restrictions for Bottle Stores

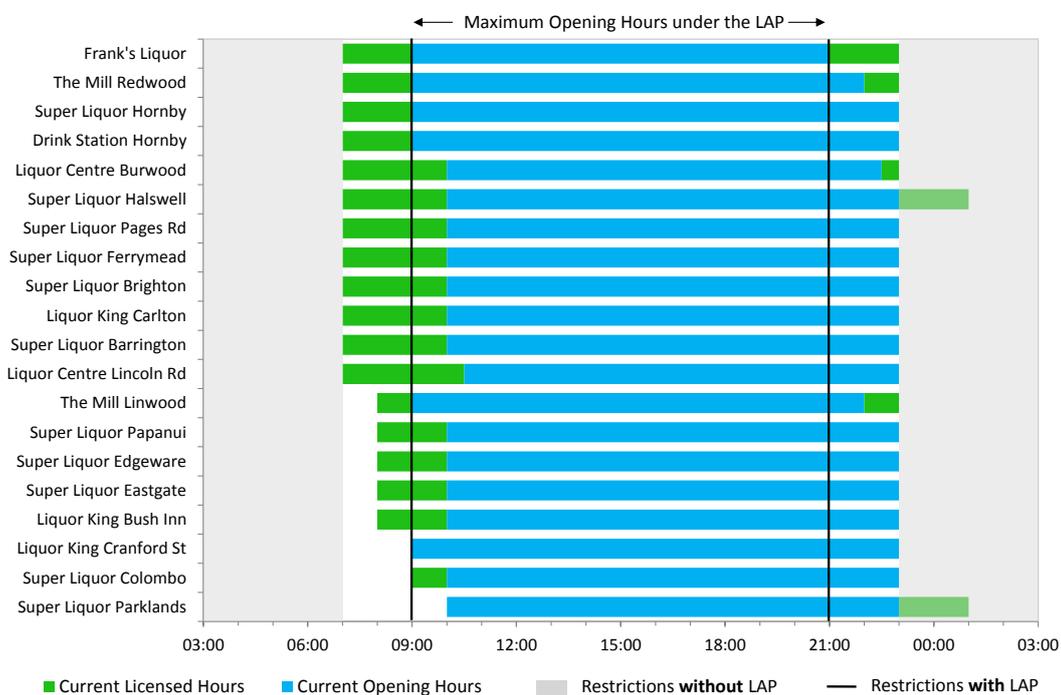
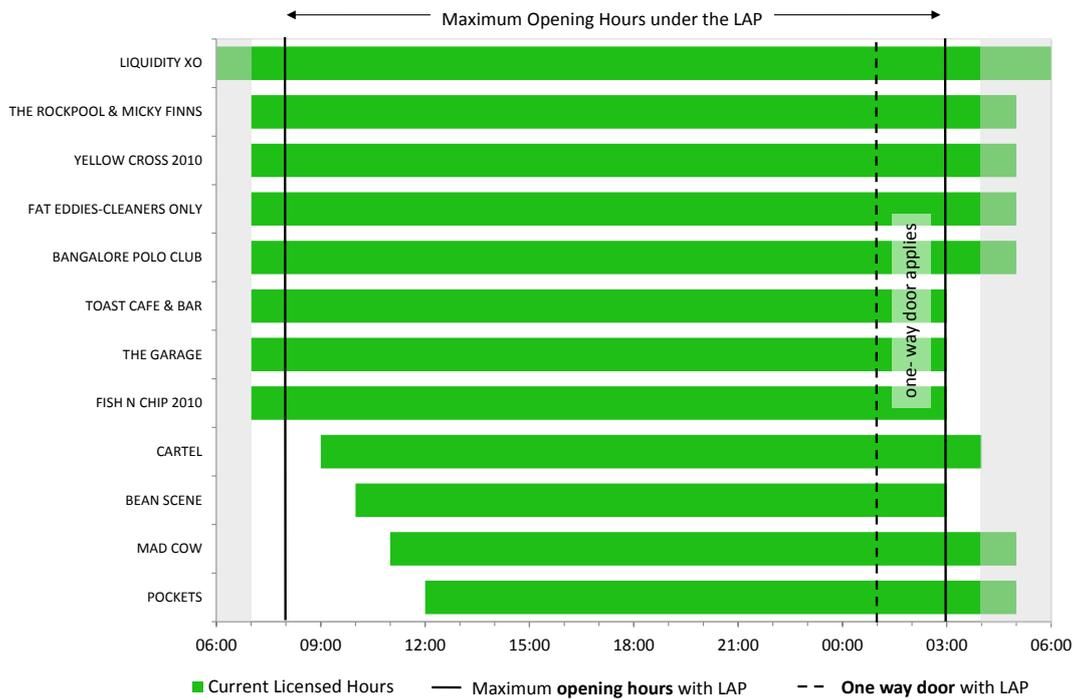


Figure 10 shows that the LAP is likely to affect bottle stores and supermarkets differently. This is because, while all supermarkets are currently open before 9am, none of the bottle stores in our sample were. Hence the start time of 9am is likely to affect only supermarkets. Conversely, all the bottle stores in our sample (bar one) remain open after 9pm, while not all of the supermarkets do. Hence, the proposed maximum time of 9pm may have a greater impact on bottle stores than supermarkets.

#### 4.5 Restrictions on Opening Hours for Taverns

The following graphs show the impacts of the draft LAP on the opening hours for taverns inside category A area (which will have a 3am closing subject to a one-way door from 1am).

**Figure 11: Proposed Opening Hours Restrictions for Category A Taverns**

**Figure 11** shows that there are 12 taverns inside the category A area, some of which are not currently operating. Most are licensed from 7am, an hour earlier than the proposed opening time of 8am. All will be affected by the proposed reduced closing time and one-way door. Two-thirds are currently licensed to trade beyond 3am, with the rest all licensed until 3am. Those that cater to the very late night crowd will be worst affected.

For taverns outside the category A area, which will have to close by 1am, we note:

- 58% (110 of 190) will not be affected by the earlier closing time as they are currently only licensed until 1am.
- For the other 42% (80 taverns), three-quarters are currently licensed until 3am or later. Hence they will potentially be affected.

#### 4.6 Summary

This section has examined the stringency of proposed restrictions on opening hours by comparing them to the hours for which licences are currently held and the hours that licensed premises are currently open (where known and applicable). The analysis shows that the draft LAP will affect the times at which most supermarkets and bottle stores can sell alcohol, but that effects on taverns will vary considerably. In particular, late night venues will be the worst-hit, while some taverns will be unaffected.

## 5 Literature Review

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This section reviews the relevant literature. First, it reviews two recent Ministry of Justice papers on a new fee regime (the issues report and public consultation report). Then, it reviews the academic literature to examine specific issues in more detail.

### 5.1 Review of Ministry of Justice Reports

In June 2013, the Ministry of Justice released two reports on establishing a new fee regime for the alcohol licensing system. One was a more technical issues paper, and the other a public consultation paper. Both are important, and together they provide a useful overview of the relative risks posed by different types of licensed premises. We start with the issues paper.

The purpose of the issues paper is to “review the available evidence on the relationship between the characteristics of licensed premises and alcohol-related harm in order to determine appropriate risk factors in the New Zealand context for setting alcohol licensing fees.”<sup>14</sup> Some key findings of the research were that:

- 15% of alcohol-related offences in the past three financial years are linked to on-licences or club-licence premises whilst 45% of alcohol-related offences are linked to home or private residences and 14% are linked to public places.
- High level time profile analysis suggests that the peak times for alcohol-related harm are between 12am and 2am.
- The majority of alcohol (about 76%) is purchased from off-licence premises, with most alcohol purchased from bottle stores or supermarkets.
- A very small minority of on-licensed premises was responsible for an extremely high share of alcohol related offences. In fact, the 30 worst on-licensed premises of 7,629 (0.4%) accounted for 21% of total alcohol attributable offences.

One of the key tasks was to assess the relationship between the characteristics of licensed premises and the rate of ARH. Due to difficulties establishing direct causal links with off-licences, however, the analysis was restricted to only on-licences. While several of the key risk factors identified in the international literature could not be included due to data limitations, the results of the analysis showed that the key cost/risk factors for on-licenses in New Zealand were:

- Licence category (especially taverns, nightclubs, adult premises, hotels, function centres)
- Late closing (after 2am)
- Compliance history (any enforcement actions)
- Gaming machines (10+ machines)

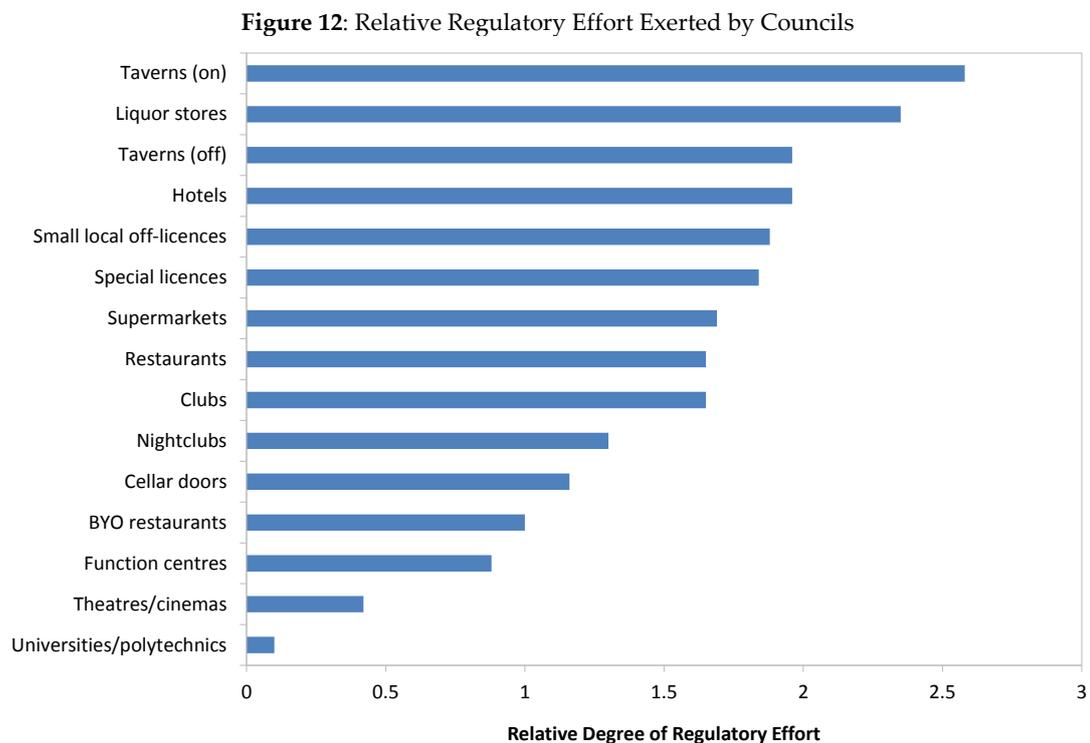
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<sup>14</sup> Ministry of Justice (2013) Risk-based licensing fees: Identifying risk factors for the New Zealand context.

According to the report:

*These factors are all correlated (to a statistically significant level) with attributable alcohol related offences. It should be noted, however, that there are a number of limitations with the data upon which the analysis is based. In particular, the data do not provide information about the purchase and consumption of alcohol from off licenses, including whether an offender purchased and consumed alcohol from an off licence prior to offending. The results of the analysis should therefore be treated with caution, since they do not necessarily explain which parts of the alcohol supply industry are contributing to harm in any particular incident.*

The paper also surveyed the regulatory effort exerted by Councils to manage different types of licensed premises. The following graph shows the results.



The public consultation paper sought to distil the key lessons from the issues paper into a non-technical document accessible to a wider audience. It proposed a specific fee regime for which feedback was sought. It identified a preferred cost/risk-based fee framework that it describes as “a pragmatic and simple approach to establishing fees that would relate reasonably well to the risks and costs created by various licensed premises.” The following diagram, which has been reproduced from the report, shows this framework:

Figure 13: Proposed Cost/Risk Category Framework for Alcohol Licences

Type of licensed premises	Weighting	Latest closing / alcohol sales time	Weighting	Number of enforcements in last three years	Weighting
Liquor store, Supermarket, Grocery off-licence	15	Before 1am	0	None	0
Night clubs, taverns, adult premises, "class 1 restaurant" <sup>1</sup>	15	1.01 - 2am	1	1 to 2	10
Taverns –off licence	10	2.01 - 3am	3	3 or more	20
Hotels, function centres, "class 1 clubs" <sup>2</sup> , "class 2 restaurants" <sup>1</sup> , universities /polytechnics	10	3.01 - 7am	5		
Remote sales, "class 2 clubs" <sup>2</sup> , "class 3 restaurants" <sup>1</sup> , other	5	24 hours	5		
Theatres/cinemas, wine cellar doors, BYO restaurants, "class 3 clubs" <sup>2</sup>	2				

The main implications of this framework appear to be that:

- There are significant, systematic differences between the relative risks posed by different types of licensed premises irrespective of their opening hours. For instance, BYO restaurants have a base score of 2, while supermarkets and bottle stores have baseline values of 15.
- While closing hours have some impact on risk, these pale in comparison to the effects of different licence types. For instance, a very late closing restaurant is deemed to have a much lower risk than an early closing bar.
- Above all, compliance history appears to be the greatest determinant of alcohol related harm. This reinforces the earlier finding that a very small proportion of premises account for an extraordinarily large share of harm.

## 5.2 Review of Academic Literature

### 5.2.1 Introductory Comments

We now turn our attention to the academic literature to take a closer look at particular elements of the LAP. However, before we do, some important qualifications seem warranted. These are described below.

First, it is important to note that there is no peer-reviewed New Zealand literature on the effects of reductions in trading hours.<sup>15</sup> Virtually all the literature cited in New

<sup>15</sup> SHORE & Whariki Research Centre (2012) An Assessment of Data Quality for Examining Alcohol-Related Issues in the Queenstown Lakes District. For ALAC.

Zealand is sourced from overseas. While this is fairly common practice, drawing conclusions on the basis of international literature creates an onus to prove that important social, cultural, political, and economic differences have been properly accounted for. Seldom is this done, however, casting some doubt over the applicability of the results.

For instance, a restriction in tavern trading hours in a country with only marginal differences between off-license and on-license beverage prices is more likely to see people going out to taverns earlier than in New Zealand, where the price differential is vast. Moreover, the effects of a restriction in tavern trading hours in a country with a relatively temperate drinking culture is unlikely to be insightful for New Zealand, where excessive binge drinking is widespread. As a result, studies conducted overseas need to be interpreted in their specific contexts to ensure the results are relevant here.

This point was alluded to in the literature review prepared by Council. For instance, the following excerpt – which relates to reducing crime in the NTE - appears on page 363 of the May agenda item:

*“Matthews (2010) looked at the legislative, policy, regulatory, and precinct management systems used in large complex global cities to manage the night time economy and reduce crime. Matthews present her findings by city as she wanted to understand the interplay between policy, legislation, compliance, economic diversity, and precinct management within each city:”*

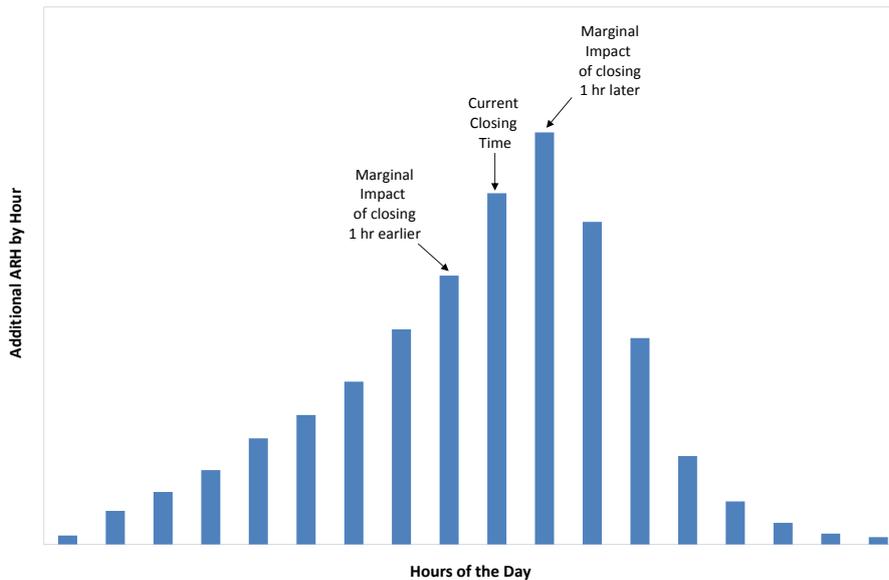
This passage clearly highlights the need to carefully account for contextual differences, however such critical filtering is often overlooked or ignored in the literature.

Second, not only is virtually all research from overseas, but most of that literature relates to *extensions* in trading hours, not restrictions. For instance, section 9 of the LCR deals with licensing hours and notes:

*“The trend towards liberalisation of trading hours has been mirrored in many other countries, as has the concern about resulting alcohol-related harm. This has prompted research in recent years into the effects of extended trading hours.”*

While it may seem intuitive to infer the potential effects of reductions in licensed hours from studies into extensions, this is valid only if the hourly rates of ARH remain constant. Otherwise, the marginal effects of an increase in hours may differ quite markedly from a corresponding decrease. The following stylised diagram elaborates.

**Figure 14:** Asymmetric Damage Function and Marginal Impacts of Earlier/Later Closing



As noted earlier, rates of ARH can vary significantly from one hour to the next, so the assumption of constant harm is unlikely to be satisfied. Consequently, studies into extensions may not be useful predictors of the effects of restrictions, and vice versa.

A recent report for Queenstown Lakes District Council also noted the potential for studies into extensions to be distorted by self-selection bias.<sup>16</sup> This is because extensions in trading hours are not mandatory, and the clientele of premises that took up the opportunity may differ from those of premises that did not. As a result, the observed impacts may not be representative of the bigger picture.

Third, many studies into opening hours (whether extensions or restrictions) relate to much larger changes in licensed hours than those proposed by the LAP. For instance, the LCR refers to a report in Brazil where on-licensed premises that were previously trading 24 hours a day were required to shut by 11pm each night. Reportedly, this reduced the murder rate by nine per month. Notwithstanding the fact that murder rates in Brazil are at least 20 times higher than New Zealand – questioning the likely relevance of the study in any case – the effect of the LAP on opening hours is much less.

Fourth, the analytical methods used in some studies may lack scientific rigour. This was one of the points made in a comprehensive 2012 report from Australia called *Dealing with alcohol-related harm and the night-time economy*.<sup>17</sup> The report, which spans 212 pages, provides one of the most detailed analyses of the topic to date and notes the following:

*“A very common problem when introducing new programs or strategies into a community setting is being able to determine which intervention is having which effect. Typically, communities use a raft of different measures to try to deal with the problems they are facing.*

<sup>16</sup> Ibid.

<sup>17</sup> National Drug Law Enforcement Research Fund (2012) *Dealing with alcohol-related harm and the night-time economy*.

*This makes evaluation of such programs or strategies very difficult.*

*Further, many measures commonly deployed (such as increased police patrols in an area) are temporary making it almost impossible to form judgement about their effectiveness in terms of measurable outcomes.*

*It may also be that factors from outside a local community may affect problems in and around licensed venues. Anecdotal reports suggest three recent changes in national policy might affect the prevalence and nature of alcohol-related problems in the community: (i) The smoking ban in public places introduced in 2007, (ii) the 'alcopops tax', and (iii) recent changes to motor vehicle licensing conditions"*

Then, noting that considerable experimentation to reduce ARH had occurred in Geelong and Newcastle, it states:

*However, only limited, ad hoc documentation and analysis has been conducted, leaving a considerable gap of systematic, evidence-based analysis. This project aims to provide evidence-based knowledge about the implementation and impact of innovative local initiatives directed at alcohol-related harms.*

Thus, while the literature can provide some useful insights, caution must be exercised when determining the potential implications of it for the LAP.

### **5.2.2 Opening Hours for On-Licensed Premises**

Having set the scene, we now review the international literature on changes in the licensed hours. We start with studies into extensions of opening hours.

As noted by most researchers, extensions of opening hours for on-licensed premises are likely to lead to increased acute ARH, both in terms of crime and violence. Table 8 which spans two pages, summarises the key literature on the effects of extensions in opening hours on the rates of alcohol-related violence. It has been adapted from a 2013 study by Humphreys et al.

To summarise – of the 19 studies reviewed, eight reported increases in violence, eight reported no change, and three reported decreases as a result of extensions to trading hours. Curiously, many of the results summarised in this table directly contradict one another. This can be seen by comparing the result of the studies marked with an asterisk, which all evaluated the impact of the licensing Act (2003) in the UK. As we can see, many conclude that the policy had positive impacts, while many conclude the opposite. Clearly, there is no strong consensus about the impacts of extensions on the rate of alcohol-related violence. Indeed, more than half the studies found that the rate of violence stayed the same or decreased as result of extensions.

We now review studies on restrictions in the opening hours of on-licensed premises. These are shown in Table 9. Unlike studies into extensions where the results were mixed, all four studies into restrictions reported decreases in violence. While the underlying sample size is small, this is certainly more encouraging.

**Table 8: Summary of Evaluations of Extensions to Trading Hours** (Adapted from Humphrey et al 2013)

Study	Study Design	Unit(s) of Analysis	Data Source	Outcome Measures	Main Findings	Peer reviewed	Directional change in violence
Chikritzhs & Stockwell (2006)	Time series analysis of extended trading permits for licensed hotels.	Perth, Australia	Police: recorded crime data	Impaired drivers involved in road crashes	Extended trading hours were consistent with increased levels of impaired driver road crashes and alcohol consumption.	Unknown	↑
Vingilis et al. (2005)	Interrupted time series of extended service hours from 1am to 2am	Ontario, New York, Michigan	Traffic fatalities	Total and alcohol-related traffic fatalities	Datasets suggest little impact on BAC positive fatalities with the extension of closing hours.	Unknown	↔
Vingilis et al. (2006)	Comparison of city-regions.	Ontario and Michigan	Traffic fatalities	Motor vehicle casualties between 11pm and 3am.	Significant increase in casualties after drinking hours were extended in Ontario.	Unknown	↑
Vingilis et al. (2007)	Interrupted time series of extended service hours.	Ontario.	Ontario Trauma Registry	Motor-vehicle collision (MVC) and other injuries.	Impact on non-MVC injuries, but no effect on MVC injuries.	Unknown	↔
Duffy et al., (1996)	Before-after, control region.	Regional, England and Wales	Police: recorded crime data	Violent crime	Non-significant increase in recorded violent crime 15.5% (95% CI:14.0%, 17.0%).	Yes	↔
Ragnardottir et al., (2002)	Before-after, no comparison	City centre, Reykjavik, Iceland.	Emergency department attendances	Weekend evening attendances	Change in total attendances (+3%), change on evaluation nights (+31%), change on weekends (+20%), change on weekdays (-2%). Significance tests not reported.	No	↑
Chikritzhs et al., (2002)	Interrupted time series design	188 Hotels in Perth, Aus.	Police: recorded crime data	Violent assault, Alcohol consumption.	Significant(p<.01) increase in violent assault in the treatment area (54.5%) versus comparison areas (18.7%).Coincided with measured increases in purchase of high-strength alcohol.	Yes	↑
*Bellis et al., (2006)	Before and after, no comparison.	Regional Unit: Wirral	Emergency department: A&E admissions	Violent assault	Significant (p<.001) decrease in violent assault compared to a pooled before period. Significant decrease in violent assault compared to the previous year.	No	↓
*Babb (2007)	Before and after, no comparison.	a) National Unit: Pooled results for 30 police forces, b) Subset of City Centre Units: 18 Police Forces	Police: recorded crime data	More serious violence, less serious wounding, less serious wounding in city centres (subset), assault with no injury (pooled & subset), harassment (pooled & subset), criminal damage	No significance tests: 22% increase between 3 a.m.-6 a.m.; 'Less serious wounding' = -5% overall decrease, and 26% increase between 3 a.m.-6 a.m. (for subset of city centres this was a 133% increase); 'Assault with no injury' = -2% overall decrease, and a 22% increase between 3 a.m.-6 a.m. (for subset of city centres this was a 123% increase). Significance tests not reported.	No	↔
*Newton et al., (2007)	Before and after, no comparison.	City Centre London: Undefined catchment area for St. Thomas' hospital	Emergency department: alcohol-related Admissions	Alcohol related attendances, Alcohol assault and injury attendances	Significant increases in 'Total number of alcohol-attendances' (5.1%); 'Alcohol related assault' (1%); 'Alcohol related injury' (2.5%); 'Alcohol related hospital admission' (1.58).	Yes	↑

Study	Study Design	Unit(s) of Analysis	Data Source	Outcome Measures	Main Findings	Peer reviewed	Directional change in violence
*Durnford et al., (2008)	Before and after, no comparison.	City Centre Birmingham: Undefined catchment area for Birmingham emergency department	Emergency department: alcohol-related admissions	Total weekly attendances	No significant change in the volume of violent assault.. Significant change in the temporal distribution of weekly assault= 44% increase in weekend offending; and a 27.3% increase in offending between 3a.m.-9a.m.	Yes	↔
*Newton et al.,(2008)/ Hough & Hunter., (2008)	Before and after, multi-site study	Multiple units: Macro (City), Meso (Cluster), Micro (Individual bar)	Police: recorded crime data, emergency department: A&E data, qualitative research	Police: violence against the person; criminal damage, disorder calls for service. A&E: violent admissions.	Violence Against the Person'= Significant change in 1 out of 5 study sites (Nottingham=2.8%, p<.001)	Yes	↔
*Pike et al., (2008)	Before and after, multi-site study	1 City and 2 Town Centre Units	Police: recorded crime data.	Take up and use of extended hours, Changes in workloads and practices, Change in drinking behaviour, Change in crime and disorder. Change in the time of offence.	No significant change in crime and disorder (reanalysed = Mean difference 1.5, t=.95, p= n.s.).	No	↔
*El-Maaytah et al., (2008)	Before and after, no comparison.	City Centre London: Undefined catchment area for University College Hospital (UCH)	Emergency department: alcohol-related trauma admissions	Head and neck trauma presentations at A&E.	Significant 34% reduction in A&E cases of alcohol-related head and neck trauma following the Act's implementation.	Yes	↓
*Jones & Goodacre (2010)	Before and after, multi-site study	Undefined catchment areas for 4 Emergency departments in South Yorkshire	Emergency department: attendances	Alcohol related attendances (clinical coding)	Significant increase in 'alcohol-related attendances' of 0.1% (95% CI 0.1-0.2, p<.0001).	Yes	↑
*Pierce & Boyle (2011)	Before and after, no comparison.	South Cambridgeshire: Undefined catchment area for Cambridge emergency department	Emergency department attendances	Assault attendances (Before/ After), domestic violence, change in time of assault attendances.	Significant increase of 12.3% (z=1.95, p=0.05) total assaults; Significant decrease ( $\chi^2=16.82$ , df=1, p<0.001) in the proportion of women assaulted; slight increase in presentations at weekends ( $\chi^2=35.95$ , df=6, p<0.001); significant increase in assault presentation (Two-sample Wilcoxon rank-sum test, p=0.004) after midnight and before 8 a.m.	Yes	↑
*Kirby & Hewitt (2011)	Before and after, no comparison.	Preston, England	Police: recorded alcohol-related crime.	Alcohol-related violence	An average decrease of 33% in alcohol related crime in the post-intervention period. A 55% increase in the average number of alcohol related offences occurring between 3 a.m. to 4 a.m. Significance tests not reported.	Yes	↓
Rosow & Norstrom (2012)	Interrupted time series design, inner city areas (treatment), outer city areas (control)	18 Norwegian cities	Police: recorded crime data	Violent assault	Statistically significant increase of 5.0 assaults per 100,000 per quarter (17%, 95% CI: 11% - 24%).	Yes	↑
Norström & Skog (2005)	Experimental evaluation of closure of alcohol outlets.	Sweden	Crime data	Assault	No significant changes in assault indicators. Significant increase in drunk driving in phase I only.	Unknown	↔

\* denotes studies evaluating the impact of the Licensing Act (2003)

**Table 9:** Summary of Evaluations of **Restrictions to Trading Hours** (Adapted from Humphreys et al 2013 & Popva et al 2009)<sup>18</sup>

Study	Study Design	Unit(s) of Analysis	Data Source	Outcome Measures	Main Findings	Peer reviewed	Directional change in violence
Jones et al (2009)	Before and after, multi-site study.	NSW, Australia	Police call-out data, crime, last-place-of-consumption.	Assaults	Significant reduction in alcohol-related assaults compared to the control area.	Unknown	↓
Kypri et al (2010)	Non-equivalent control group design with before and after observations.	NSW, Australia	Police data	Recorded assaults between 10pm – 6am.	Recorded assaults fell where pub closing times were restricted. The relative reduction attributable to the intervention was 37%.	Unknown	↓
NZ Police (2009)	Before and after, no comparison.	Timaru, New Zealand	Police data	Recorded assaults	The total number of violent assaults fell by 8% following the trading hour restriction.	Unknown	↓
Duailibi et al (2007)	Log-linear regression of a policy to restrict alcohol sales after 11pm	Diadema, Brazil	Crime data	Homicides, violence against women	Significant decrease in murder rates but no effect on assaults against women.	Unknown	↓

<sup>18</sup> Popva, S., Giesbrecht, N., Bekmuradov, D. & Patra, J. (2009) Hours and Days of Sale and Density of Alcohol Outlets: Impacts on Alcohol Consumption and Damage: A Systematic Review. *Alcohol & Alcoholism* 44(5):500-519. Doi: 10.1093/alcalc/agg054.

### 5.2.3 One-Way Door Restrictions

We now consider the literature on one-way door restrictions, which are also known as lockouts. These allow people to leave a licensed premise after a certain time, but not enter or re-enter.

Overall, the local and international literature suggests that these are relatively ineffective for reducing acute ARH. For instance, Hadfield<sup>19</sup> notes that the movement of drunken people is not removed as a result of lockouts, it is simply delayed and there is no conclusive evidence concerning their effectiveness. Similarly the 2012 DANTE report from Australia questioned the effectiveness of this intervention, and made a number of interesting points. For instance, it stated that:

- It is difficult to ascertain the true effects of lockouts, as they are almost invariably trialled as part of a wider set of initiatives, including shorter opening hours.
- However, several key informants (KIs) proposed that lockouts may limit the number of problems simply by limiting the number of patrons.
- Lockouts may improve patron behaviour because of the fear that they will not be allowed in elsewhere if they are ejected from one venue.
- Lockouts impose additional costs on some venues, particularly those that do not currently experience many problems and therefore do not have security staff. Somewhat perversely, operators that already experience significant issues and therefore already have door security do not face such cost increases. As a result, the best operators may be the worst affected financially, and vice versa.
- Lockouts may also affect different venues differently solely based on the time they close, rather than on whether they are the source of problems. Paradoxically, they undermine the ability of earlier closing venues to trade because people tend to skip them and go straight to the later-closing venues to ensure they gain entry before the one-way door applies.
- Most KIs felt that lockouts were less likely to reduce patron intoxication and aggression, although some reported increased aggression if patrons missed entering the venue while having friends inside.
- For the most part, KIs spoke negatively about lockouts as a strategy for reducing alcohol-related violence. Of the 91 that commented directly on effectiveness, 58 reported that lockouts were ineffective, whereas 33 reported them as effective in reducing violence.

A one-way door intervention trialled in Christchurch in late 2006 also produced mixed results. For instance, while the overall goal of a 10% reduction in alcohol related crime

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<sup>19</sup> Christchurch City Council (2013) Open agenda for council meeting on 16 May 2013.

and violence in the inner city was not met, there were reductions in some subsets of crime. There were several reasons why the trial may not have lived up to expectations, including a lack of early buy-in from bar operators, and the fact that many people delayed the one-way door from 3am to 4am. Others evidently didn't participate at all.

The following quote from the DANTE report seems to capture the general consensus around the merits of one way doors:

*Overall, key informants identified a number of problems and benefits associated with implementing lockouts. While the mix of interventions made it difficult to demonstrate any standalone effect in Newcastle in terms of secondary data, there was good evidence from a wide range of key informants that lockouts on their own had substantial limitations. The major benefits reported included reduced number of people travelling between venues late at night and increased flexibility for police. On the other hand, major limitations noted were; lockouts indiscriminately targeted some venues without good logic or sense only because of trading hours, they created problems for venues in terms of situations at the door, and lockouts failed to address the core problem of intoxication."*

#### **5.2.4 Opening Hours for Off-Licensed Premises**

Finally, we turn our attention to the literature on opening hours for off-licenses. Despite exhaustive searches, however, we could not locate any robust analyses or assessments of these. The only literature that we could find covered the regulation of outlet density.

It is unclear why there is no research on this topic. However, we suspect it reflects difficulties in reconciling the times at which off-license alcohol is purchased and consumed. Indeed, there is no way of knowing when alcohol purchased from an on-license will actually be consumed, which makes it virtually impossible to reconcile with the incidence of ARH.

### **5.3 Summary**

Our literature review has provided some useful insights into the likely drivers of ARH, at least for licensed premises. The Ministry of Justice papers show that the type of premises, its opening hours and its compliance history are the key markers of risk. Of these, compliance history is the most important, reflecting the fact that a very small proportion of licensed premises account for a very high share of related offences.

Drilling into specific LAP elements in the academic literature painted a more mixed picture. The most promising element appears to be the proposed reductions in opening hours for on-licensed premises, which seem promising avenues for reducing ARH. Conversely, the academic literature suggests that the proposed one-way door policy will be ineffective and may even have negative effects. Finally, our review found that there is no evidence to support (or oppose) the proposed restrictions on off licenses.

## 6 Changes in Consumption

This section estimates possible changes in consumption caused by the LAP to inform the analysis of costs and benefits.

### 6.1 Understanding the Role of Behavioural Change

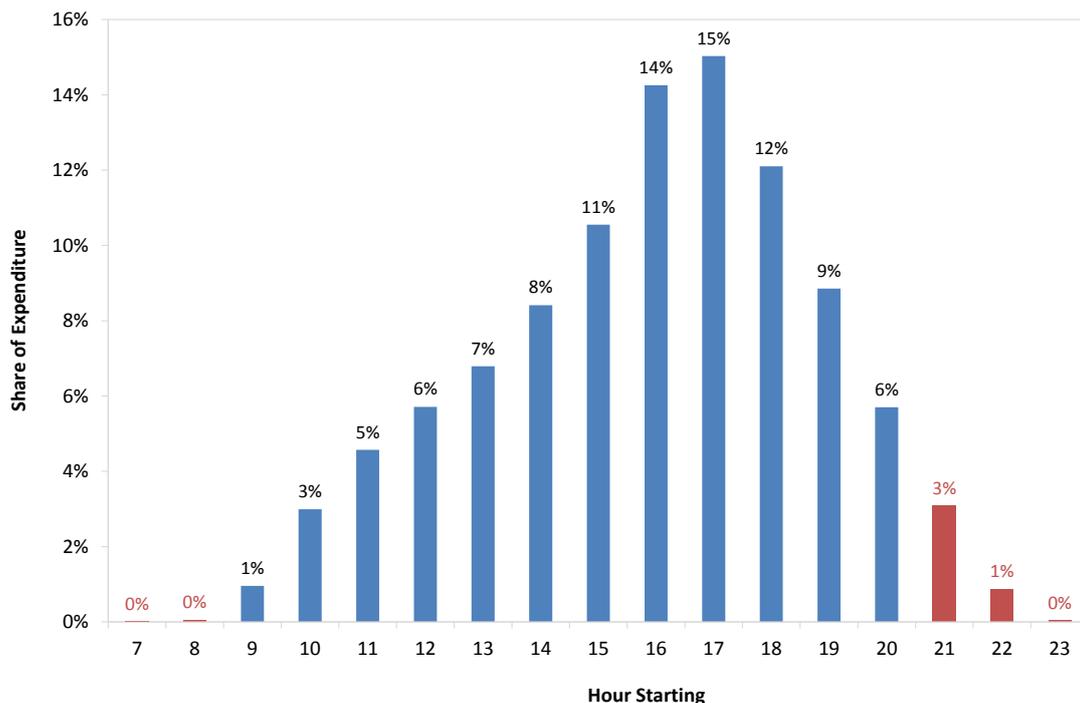
Policy initiatives such as the draft LAP do not occur in a vacuum. Instead, they are born into – and eventually form part of – complex environments in which several factors determine their ultimate success or failure. One of the most important factors to consider for the LAP is consumer reactions. Indeed, the extent to which drinking (or expenditure) habits change will profoundly affect the extent of policy-induced consumption changes.

In this section, we estimate policy-induced consumption changes in two steps. First, we estimate the changes that would occur assuming habits do not change. While highly unlikely, this sets an upper bound on the analysis. Then, we re-estimate consumption changes by factoring in potential changes in expenditure (drinking) habits.

### 6.2 Consumption Impacts Assuming No Behavioural Changes

To estimate potential changes in consumption (assuming no behavioural changes), we examined how much alcohol is currently purchased outside the hours that would be permitted by the draft LAP and translated the implied expenditure impacts to changes in consumption. To that end, **Figure 15** first shows the distribution of bottle store expenditures by hour.

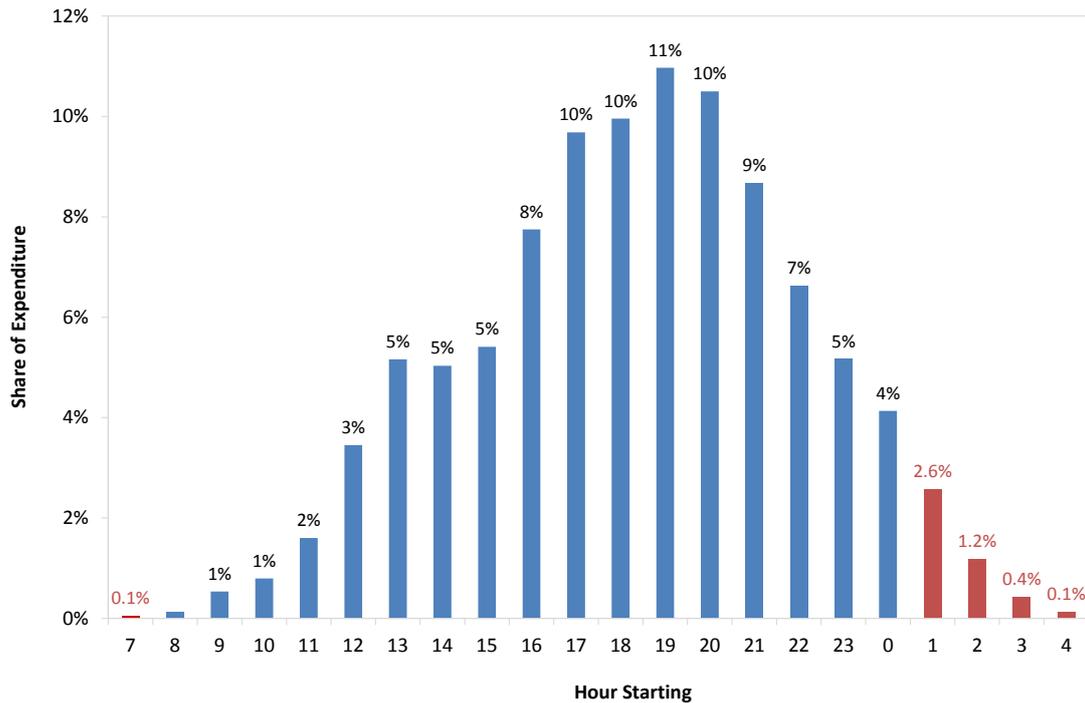
**Figure 15:** Distribution of Bottle Store Expenditure by Hour (Post Quake)



The shaded red bars in **Figure 15** denote expenditures that currently occur outside the hours that would be permitted by the LAP. They total 4%. If we assume that supermarket alcohol sales follow a similar hourly profile, this means that the LAP could reduce off-license expenditure by 4% assuming no behavioural change.

We now turn our attention to on-license expenditures. To that end, Figure 16 shows the hourly expenditure distribution of taverns.

**Figure 16:** Distribution of Tavern Expenditure by Hour (Post-Quake)



According to Figure 16, ignoring behavioural changes and using 1am as the maximum closing time, the LAP could reduce expenditure at taverns by 4.4%. However, there are two important caveats. First, not all on-license alcohol expenditure occurs at taverns. A significant amount also occurs at cafes, restaurants, sports clubs and so on, most of which will be unaffected by the LAP. Second, while most taverns will have to close at 1am, a handful will be able to trade through to 3am (subject to a one-way door policy). Accordingly, the total expenditure impact of the LAP on on-licensed expenditures will be less than 4.4%.

Even though taverns account for only 30% of licensed premises, we have assumed that they account for 50% of on-licensed alcohol expenditure. If we then ignore the fact that some taverns may shut at 3am and instead assume that they all close at 1am, we can see that the LAP would reduce on-licensed expenditure by 2.2% (i.e. 50% of 4.4%).

The final step in the analysis was to translate the estimated changes in expenditure to changes in consumption. We did this using data from a recent Ministry of Justice report which reported both the values and volumes of alcohol sold at off-licenses and on-

licenses.<sup>20</sup> According to our analysis, this scenario could result in an overall reduction of citywide alcohol consumption equal to 3.6% ignoring behavioural changes.

### 6.3 Consumption Impacts Including Behavioural Changes

We now allow for inevitable behavioural changes that will occur as a result of the draft LAP. To understand the nature and extent of these, we first reviewed the responses given to questions on this topic in both Council's Facebook survey and a survey run by Hospitality New Zealand (HNZ).

Amongst other things, Council's Facebook survey asked "if pubs, bars or nightclubs were to close an hour or so earlier, how would this change how you plan your nights out?" The responses were as follows:

- 19% would go out earlier,
- 14% would loiter around the bars/clubs after closing time,
- 31% would stay home or go to a friend's place instead, and
- 37% would go out and come home the same as they do now

Hence, nearly two-thirds of respondents said they would change their behaviours as result of the LAP. Interestingly, only a handful said they would go out earlier to compensate for the reduced hours, with many more saying they would either not go out at all or would loiter around the pubs/bars after closing time.

A related question posed in the HNZ survey was "Would earlier closing times for bars and a one-way door at 1am make you drink less?" Only 4% said that it would make them drink less.

Yet another issue canvassed in the HNZ survey was "If the hours for off licence sales (supermarkets, bottle stores) were reduced, would you still purchase alcohol for the night prior to going out for a night out or would you go to a bar earlier?" 90% said they would just buy their off-license alcohol earlier, and 10% said they would go out to bars earlier.

These responses seem to suggest that the LAP is likely to cause significant behavioural changes, and that the amount consumed by many people may not change much at all. However, it would be unwise to base the analysis solely on these responses, as there is no way to guarantee their accuracy. Indeed, people's actions may differ considerably from the responses that they provided in the past to surveys, so we sought other sources of information to guide the analysis.

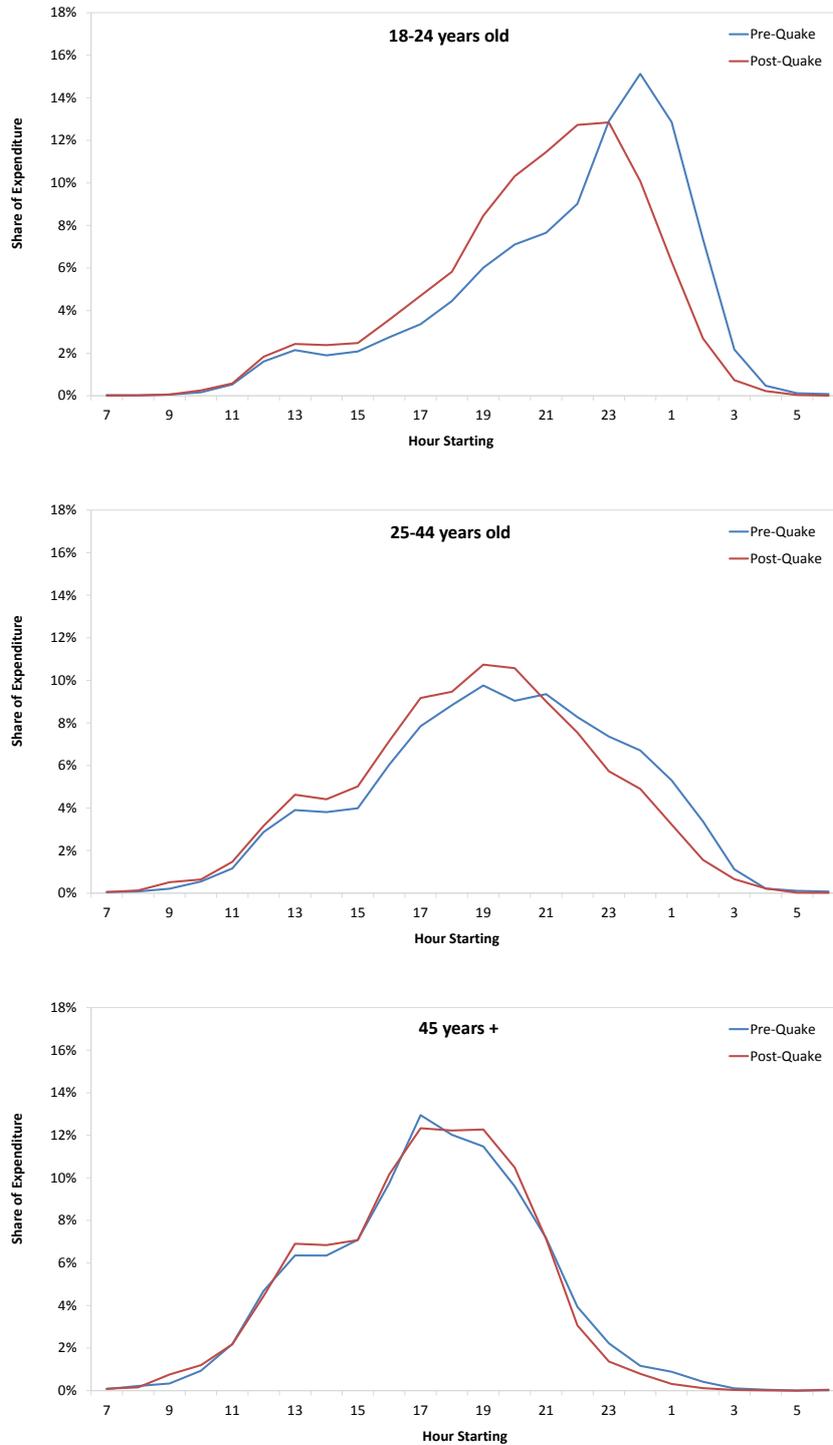
As it happens, the earthquakes themselves provide a perfect natural experiment into the way that people react to changes in opening hours, at least with respect to on-licenses. This is because the quakes had a disproportionate impact on inner city taverns, which accounted for the majority of late-night venues. As a result, the quakes themselves caused a natural reduction in late-night opening hours. Thus, by comparing the pre-

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<sup>20</sup> Ministry of Justice (2013) Risk-based licensing fees: Identifying risk factors for the New Zealand context.

quake and post-quake distributions of tavern expenditure, we can directly observe how consumers might react to the LAP (which also seeks to reduce late night trading). The following graphs show the results separately for three different age groups (18 to 24, 25-44, and 45+).

**Figure 17: Pre- and Post-Quake Distributions of Tavern Expenditure**



As we can see in the graphs above, there have been noticeable changes in expenditure habits, particularly for younger people (who comprise the majority of late-night patrons).

Based on the survey responses and analysis above, we estimated that behavioural changes (i.e. people shifting alcohol expenditure to earlier in the evening) will reduce the impacts of the LAP on off-license expenditures by 75% and on-licenses by 50%. Plugging these into the model, **we estimate that the overall impact of the LAP on citywide alcohol consumption will be a 1% reduction allowing for behavioural change.**

#### **6.4 Summary**

This section has estimated possible changes in consumption caused by the LAP to inform the analysis of costs and benefits. It has found that, having allowed for shifts in the timing of expenditure, the overall effect will be quite small. In fact, according to our analysis, the overall change in citywide consumption will be around 1% allowing for behavioural change.

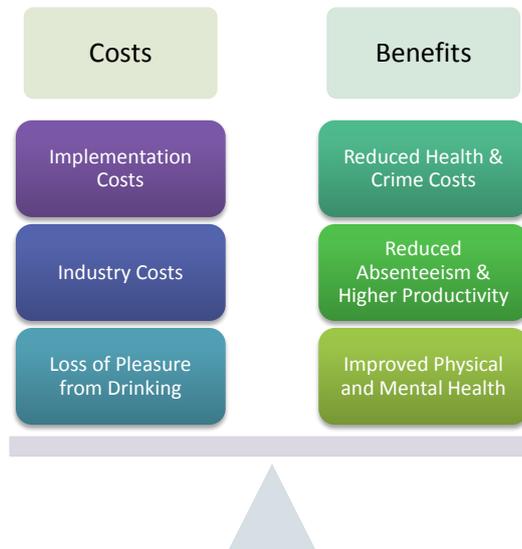
## 7 Analysis of Costs and Benefits

This section analyses the potential costs and benefits of the consumption changes estimated in the previous section.

### 7.1 Types of Costs and Benefits Considered

The following diagram shows the main categories of costs and benefit considered in this study. They have been adapted from a European Union project called Standardising Measurement of Alcohol Related Troubles (SMART), which sets the industry benchmark for studies of this kind. Further details on each type of cost and benefit are provided below. Suffice to note that our focus in all cases is on community costs and benefits, not just those that accrue to specific sectors or individuals.

Figure 18: Classes of Cost and Benefit Analysed



### 7.2 Policy Costs

#### 7.2.1 Implementation costs

The first set of policy costs relate to the costs of implementation. For the purposes of the LAP, they relate mainly to the costs of the special consultative procedure that Council is obliged to follow. In addition, they should include any other costs that may arise as a result of implementation, including the probability-weighted costs of appeals. However, they should exclude any costs incurred up to the point that a decision is made on whether to formally adopt a LAP, as those will have been incurred regardless and should therefore be treated as 'sunk.'

#### 7.2.2 Industry Costs

Industry costs relate to the impacts of the policy on the revenues, profits and employment levels of off-licensed and on-licensed premises. In addition, they should include the impacts of any expenditure redistributions. For instance, if people spend less

on alcohol as a result of the LAP, the analysis should also include the corresponding uplift in sectors to which expenditures are diverted.

Within the time available for this report, it has not been possible to model potential expenditure diversion scenarios and consider the corresponding benefits to those sectors. However, if we assume that each dollar spent in those other industries has the same impacts on profits and employment as expenditure spent on alcohol, we can roughly assume that the overall impacts on the economy will be neutral. In other words, the downturn in the alcohol market should be more-or-less offset by upturns elsewhere.

While we did not have the necessary information to consider the potential upturns in sectors that could experience a windfall gain from the policy, we did have the information to consider potential detriments on licensed premises, particularly bars/taverns/nightclubs. This seems important given that many are not currently operating, and the decision to rebuild licensed premises could be materially affected by the LAP. We therefore took the opportunity to consider the extent to which a reduction in maximum trading hours might affect the profitability and viability of rebuilding bars/taverns/nightclubs.

To better understand potential impacts on the business case for rebuilding in the central city, we first sought to understand the overall financial health of the sector. While some participants in the hospitality industry will be more profitable than others, a general picture can be established from various key surveys and datasets. For instance, the Annual Enterprise Survey is a highly-detailed financial analysis conducted each year by Statistics New Zealand, with the results disaggregated by 100 sectors. One of these is Food and Beverage services, which broadly represents the hospitality sector.

According to the results for this sector in the Annual Enterprise Survey:

- Net profits average 3.5% of sales,
- The returns on total assets average 6% of sales, and
- The average net profit per employee is less than \$3,000.

To further explore sector health, we then used benchmarking data published by the IRD for pubs, taverns and bars.<sup>21</sup> These showed that:

- The median return on total assets for medium-sized bars /pubs is 0%, and
- The median return on equity for medium-sized bars/pubs is 1%

Finally, we used Statistics NZ's industry profiler for the food and beverage services sector, which showed that:<sup>22</sup>

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<sup>21</sup> IRD (2012) Industry benchmarks: H4520 – Pubs, taverns and bars. Retrieved from <http://www.ird.govt.nz/industry-benchmarks/bm-find-your-benchmark/benchmarks-h4520-pubs.html>

- 58% of new businesses started in 2005 were no longer trading in 2010, and
- The employee turnover rate averages about 25% per quarter. This means that the entire workforce turns over about once a year.

To complete the analysis, we then used the BNZ data to see how revenues accrued over the day, both before and after the quakes, to see how the restrictions proposed by the LAP could affect turnover. The results are tabulated below by age bands of patrons. The grey shaded row shows the proportion of daily revenue earned by 1am, and the shaded red row shows the proportion earned by 3am.

**Figure 19: Cumulative Revenue Distribution for Taverns**

Hour Starting	18-24 years		25-34 years		35-44 years		45 years +	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
7	0%	0%	0%	0%	0%	0%	0%	0%
8	0%	0%	0%	0%	0%	0%	0%	0%
9	0%	0%	0%	1%	0%	1%	1%	1%
10	0%	0%	1%	1%	1%	2%	2%	2%
11	1%	1%	2%	2%	3%	4%	4%	4%
12	2%	3%	4%	5%	6%	8%	8%	9%
13	5%	5%	7%	9%	11%	14%	15%	16%
14	6%	8%	10%	12%	16%	19%	21%	23%
15	9%	10%	13%	17%	21%	25%	28%	30%
16	11%	14%	17%	23%	29%	34%	38%	40%
17	15%	18%	24%	31%	39%	44%	51%	52%
18	19%	24%	31%	40%	50%	55%	63%	64%
19	25%	33%	39%	50%	61%	66%	74%	77%
20	32%	43%	48%	61%	71%	77%	84%	87%
21	40%	54%	58%	70%	80%	85%	91%	94%
22	49%	67%	67%	79%	87%	91%	95%	97%
23	62%	80%	76%	86%	92%	95%	97%	99%
0	77%	90%	85%	92%	96%	98%	99%	99%
1	90%	96%	93%	97%	98%	99%	99%	100%
2	97%	99%	98%	99%	99%	100%	100%	100%
3	99%	100%	99%	100%	100%	100%	100%	100%
4	100%	100%	100%	100%	100%	100%	100%	100%
5	100%	100%	100%	100%	100%	100%	100%	100%
6	100%	100%	100%	100%	100%	100%	100%	100%

Not only does this table show that effects on feasibility depend on whether a venue targets younger or older people, but that they also depend on whether the pre-quake or post-quake revenues are used as a benchmark. Indeed, as discussed earlier, the revenue profile for younger people has shifted forward as a result of the quakes, so the impacts of closing earlier depend on whether we use the pre- or post-quake profiles.

As an example, consider an inner city tavern that wishes to attract mainly younger people. If it is forced to shut at 1am, this analysis suggests it could lose up to 23% of its revenue based on the pre-quake profile, and about 10% based on the post-quake profile.

<sup>22</sup> Statistics New Zealand (2013) Industry Profiler: Food and beverage services. Retrieved from <http://businesstoolbox.stats.govt.nz/IndustryProfilerViewProfile.aspx?ProfileID=GH212>

Given the relatively thin margins on which many premises appear to trade, either scenario could render the rebuild an unattractive business proposition. We therefore conclude that, for some premises, the LAP could indeed affect viability.

Overall, the venues likely to experience the greatest financial hardship from earlier opening hours are late-night venues, such as nightclubs. Many of these attract patrons from midnight onward, and their busiest times are usually from 2am onwards. A closing time of 1 am (or even 3am with a one-way door from 1am) is likely to seriously affect the viability of their businesses. This point was also made by CERA in its submission, which stated:

*“It is particularly important that the needs of the entertainment and hotel sector are considered in the development of the LAP. CERA urges the Council to consider if the opening hours of the Central Area A (Entertainment/Hospitality Precincts) will provide sufficient incentive to draw investment back into this area.”*

Another industry-related issue raised in submissions was the potential impacts of reduced alcohol trading hours on the likelihood of supermarkets remaining open outside these times. Indeed, both supermarket operators argued that people may alter their shopping hours to match the restricted alcohol trading hours, potentially rendering other times unprofitable to remain open. If opening hours are reduced as a result, there will be both inconvenience for shoppers and also a potential loss of local incomes and employment. We were unable to verify these conclusions within the time available.

In addition, the supermarkets noted that:

1. The proposed restrictions will disproportionately affect supermarkets because of the longer duration of shopping trips. Supermarket shopping takes longer than picking up a bottle of wine or beer from a bottle store, and these restrictions will generally impact on supermarket customers that arrive from about 8.30pm on.
2. Unlike taverns and bottle stores, supermarkets almost invariably require resource consent. As a result, the RMA is a good tool for managing the effects of new supermarkets.
3. The extent of ARH associated with supermarkets may be less than other types of off-license because (i) street views of supermarkets do not portray the sale of beer and wine and (ii) supermarkets not sell hard spirits or RTDs.
4. The location of beer and wine within supermarkets is now prescribed in the Act.

Finally, we note that a number of niche off licenses (e.g. wineries) are concerned that the LAP fails to adequately differentiate them from other off-licenses. For instance, representatives of the wine industry made the following comments in submissions:

1. Winery licenses are low risk and “do not generally give rise to problems of excessive consumption or sale and supply to minors because small volumes are sold at high cost to discerning consumers.”

2. Margins at wineries are extremely tight and profitability is a concern. Compliance costs can have a major impact. It is particularly difficult to get special licenses for events, as the cost of doing so can be prohibitive.
3. The LAP should differentiate between types of off-licensee according to the level of risk, cost and social and economic benefits attributable to that type of licensee.

We agree that the LAP is currently too coarse and should be refined. However, we also note that Council has considered providing for different maximum trading hours depending on the type of off-licensed premises; specifically a policy to allow supermarkets to trade for longer hours than other types of off-licenses. However, this was rejected for the following reason:<sup>23</sup>

*“However as approximately 70% of all alcohol is sold by licensed supermarkets and grocery stores, a policy allowing longer trading hours for supermarkets is assessed as inconsistent with the objectives of the LAP and potentially an unreasonable and/or unfair provision”.*

With all due respect, this statement does not appear to be factually correct. For instance, using information published in a recent Ministry of Justice report<sup>24</sup>, we calculated that (ignoring niche off licences etc) supermarkets account for 36% of alcohol sales, bottle stores account for 40%, and on-licenses account for the remaining 24%.

### 7.2.3 Loss of Pleasure from Drinking

Any policy-induced reductions in consumption will cause corresponding losses of pleasure from drinking, which economists measure using “consumer surplus.” The consumer surplus for each transaction equals the difference between what people would have been willing to pay for something and the amount that they actually pay. For instance, if someone buys a wine at a tavern for \$8 but would have been willing to pay \$10, then their consumer surplus on that transaction is \$2.

Measuring the exact impacts of alcohol-related policies on consumer surplus is fraught with difficult for at least three reasons. First, there is no way to accurately determine how much people would have been willing to pay for alcoholic beverages over and above what they actually pay, and hence the baseline consumer surplus is unknown. Second, any losses of consumer surplus associated with reduced alcohol consumption must be offset against increases in consumer surplus associated with expenditure being redirected towards other goods and services. Third, not all drinking is rational, and hence the assumptions underpinning a traditional consumer surplus analysis do not always hold. This has been discussed at length in the economic literature, but there does not appear to be any widely-held consensus on how to address it in practical terms.

Overall, we would expect the draft LAP to cause a net reduction in the pleasures from drinking. This is because, while money previously spent on alcohol is diverted elsewhere, the pleasure gained from that redirected spending will be less than the

<sup>23</sup> Christchurch City Council (2013) Open agenda for council meeting on 16 May 2013. Page 223.

<sup>24</sup> Ministry of Justice (2013) Risk-based licensing fees: Identifying risk factors for the New Zealand context.

pleasure lost from drinking, otherwise people would not choose to spend their money on alcohol in the first place. Unfortunately, it is difficult to quantify the net effects, but we are confident that there will be a net loss of some sort.

## 7.3 Policy Benefits

### 7.3.1 Reduced Health & Crime Costs

One of the greatest potential benefits of the draft LAP would be reductions in the healthcare and police resources required to deal with the negative impacts of alcohol. For instance, a 2012 report by BERL showed that alcohol costs the regional healthcare system around \$63 million per annum. The costs of policing are unknown, but are probably not as high.

As with the consumer surplus, quantifying the potential impacts of the LAP on health and police costs is difficult. However, if we assume that these costs accrue pro-rata with consumption, some ballpark estimates can be derived. To proceed, recall that our overall estimate of policy-induced consumption was a decrease of 1%. Since Christchurch City roughly accounts for two-thirds of the regional population, this translates to a reduction in regional consumption of 0.67%. Assuming that healthcare costs reduce in the same proportion, using the BERL figures we can estimate a reduction of  $\$63 \text{ million} \times 0.67\% = \$420,000$ .

However, the assumption that healthcare costs accrue pro-rata with consumption is unlikely to hold. Rather, the marginal impacts of changes to late night consumption are likely to have proportionately greater impacts than changes earlier in the day. For instance, we might say that each 1% reduction in consumption caused by the LAP reduces health and police costs by 3%. Under this assumption, the reduced health costs caused by the LAP would be around \$1.3 million.

On the other hand, a uniform closing time (which the LAP proposes except for a dozen late night inner city venues) could have negative impacts on healthcare and police costs. This was noted in several of the papers that we reviewed, and also strongly voiced by a number of submitters.

The issue is that a blanket closing time can lead to ‘peak density’, where a number of intoxicated people congregate in one place and cause trouble, particularly when there is a limited number of taxis and food operators. The LCR captured this issue as follows:

*“We are aware of concerns that a uniform closing time would place constraints on transport and policing resources, potentially creating increased risks of drinking and driving, and violence, vandalism, loitering, noise and other disorderly behaviour associated with large numbers of people vacating premises around the same times. Indeed, New Zealand has seen evidence of the harm of rigid closing times, with the “six o’clock swill” and then “10 or 11 o’clock swill”, which occurred as a result of past legislation.”*

The DANTE report also drew similar conclusions about potential adverse effects of blanket closing times as follows:

*“One of the other issues identified by key informants and often raised in the media relates to potential problems with transport and the discourse of people flowing onto the streets at the same time having difficulty finding transport and leaving safely. This was one of the major reasons quoted by the Blair government in England to extend the country’s trading hours”.*

Interestingly, this point was also addressed in the literature survey prepared by Council, which states:

*“The more that closing times vary within an area, the more even the spread of demand for services. Peaks of demand may be reduced by shifts away from fixed closing hours towards more varied trading times.”*

Unfortunately, it is difficult to say much more than this. Suffice to note that the LAP may reduce healthcare and police costs provided the effects of peak density can be adequately managed.

### 7.3.2 Reduced Absenteeism and Improved Productivity

Another benefit of the policy will be reduced absenteeism and improved worker productivity. Indeed, both can be badly affected by excessive or inappropriate alcohol consumption, so any reduction in such behaviour will be beneficial. To gauge the size of the issue, the following table from the NZADS shows self-reported absenteeism attributed to alcohol by age group.

**Table 10:** Self-Reported Alcohol-Related Absenteeism (NZADS)

# of Days off Work	16-17	18-24	25-34	35-44	45-54	55-64
One	4.6%	4.8%	3.7%	1.7%	0.7%	0.3%
Two	3.0%	4.4%	1.5%	0.3%	0.3%	0.1%
Three to Five	2.6%	3.7%	2.2%	0.7%	0.2%	0.1%
Six or More	2.6%	2.4%	0.6%	0.5%	0.4%	0.2%

The results above show that a number of people have reported missing work due to the adverse effects of drinking too much. In addition, a number of others are likely to still turn up but work relatively unproductively. While the LAP may have some impacts here, they will be small given the minor estimated reduction in consumption.

### 7.3.3 Improved Physical and Mental Health

The final benefit that we consider here are improvements to the physical and mental health of problem drinkers, their friends and family, and also the wider community. These are probably the most difficult aspect to quantify, but may also be the most significant overall. Indeed, the harmful effects of problem drinking can often take a toll on loved ones, so the benefits of any reduction in harmful consumption are likely to be widespread. Again, however, there is no way to progress the analysis beyond these high level observations.

## 8 Overall Assessment of Costs and Benefits

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Given the analysis set out in the previous section, we believe that the economic costs of the policy will outweigh the economic benefits because:

- While the international literature has shown that reductions in opening hours can help reduce ARH, reductions in consumption caused by the LAP will be minor and hence so too will any reductions in acute ARH. As a result, policy benefits will be minor.
- At the same time, the policy could have a number of unintended consequences, including undermining the potential viability of rebuilding licensed premises in the CBD.
- In addition, it will impose additional costs on many licensed premises, and unduly disadvantage a number of very low-risk premises, such as wineries.
- The key issue is that – while very difficult to do within the ambit of a LAP – the policy fails to address the key drivers of acute harm, namely our binge drinking culture coupled with a tendency to pre-load.
- Further, the policy appears too coarse, and may not adequately reflect the relative harm caused by different types of licensed premises. A more fine-grained approach should be considered.
- A significant amount of ARH occurs in the home, and the policy is unlikely to provide much assistance with this. Conversely, introducing measures to regulate the density of new outlets in certain areas may have positive effects, but these have not been included.
- There is no evidence to support or oppose the proposed off-licence restrictions. Further, council does not appear to have a strong community mandate for reducing the hours that alcohol can be sold at certain off-licenses, such as supermarkets.
- Because the policy does not (and essentially cannot) target problem drinkers, it is fairly blunt and therefore has the potential to negatively impact a number of law-abiding citizens.

It is also important to note that, even if this analysis did conclude that benefits exceeded costs, this does not necessarily mean that the policy should be adopted. Rather, Council must also satisfy itself and the wider community that the draft LAP is the best way to meet policy objectives. However, this cannot be determined until a thorough examination of all other options has been completed. We therefore recommend that Council take the opportunity to re-examine its options before deciding whether or not to proceed with the LAP.

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**Michelle Higgie**

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**From:** Julie Daniels [Julie.Daniels@foodstuffs.co.nz]  
**Sent:** Tuesday, 10 September 2013 11:46 a.m.  
**To:** WebMail  
**Subject:** Submission on draft LAP  
**Attachments:** Sfsscekon0313091012430.pdf

Please see the enclosed letter of submission. Please acknowledge receipt.

Regards

**Julie Daniels**  
Senior Solicitor

**FOODSTUFFS**  
NORTH ISLAND LIMITED

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## Submission Form Draft Local Alcohol Policy

### How do I make a submission?

You can return this form to Council by:

POST	EMAIL	FAX
Chief Executive Waitomo District Council PO Box 404 TE KUITI 3941	waitomodc@waitomo.govt.nz (email submissions must include all the information requested on this form)	(07) 878 7771

**Remember consultation closes on Friday 13 September 2013**

**Submission Period:** Tuesday 13 August 2013 - Friday 13 September 2013

**Hearing Date(s):** Tuesday 24 September 2013

### Have Your Say (enter submission here)

Name: JULIE DANIELS, FOODSTUFFS NORTH ISLAND

Address: 60 ROMA ROAD, MT ROSKILL

AUCKLAND

Phone: 09 6210622

Yes, I wish to speak in support of my submission at the hearing.

No, I do not wish to speak in support of my submission.

Please see enclosed letter of submission

**If you need to use extra pages, include your name on each page and attach them to this form.**

**Please note:** Please note that all submissions will be made available to the public, subject to the provisions of the Local Government Official Information and Meetings Act 1987.

10 September 2013

Waitomo District Council

By email: [waitomdc@waitomo.govt.nz](mailto:waitomdc@waitomo.govt.nz)

### Submission on the Waitomo Draft Local Alcohol Policy

Foodstuffs is the franchisor of the PAK'nSAVE, New World and Four Square brands. Foodstuffs takes many steps to ensure our stores are responsible retailers of alcohol.

The proposed proximity restrictions to sensitive locations in the Draft LAP for off-licences should not apply to new supermarkets and grocery stores.

Alternatively, if proximity restrictions are to be introduced the proximity restriction should not apply if the applicant can demonstrate that no adverse effects are to be caused to the sensitive location.

#### **Who we are**

The Foodstuffs Co-operatives' franchised stores employ more than 30,000 people nationwide across New Zealand's 137 New World, 50 PAK'nSAVE, 276 Four Square stores and other related brands. This extended footprint means we are an integral component of almost all local communities big and small throughout New Zealand.

As a proudly 100% Kiwi owned and operated business, the Foodstuffs Co-operatives have grown from humble beginnings to become New Zealand's biggest grocery distributor, and one of the country's largest organisations. Stores are active members of their communities and as large employers continuously strive to give back by sponsoring and giving support to a wide range of charitable initiatives, sports teams and schools.

Foodstuffs North Island Limited (**Foodstuffs**) is the franchisor of the Foodstuffs Co-operatives' brands in the North Island. Currently, we have one franchised store in your Region, Te Kuiti New World which is a major employer in Te Kuiti employing more than 80 staff. We may, of course, open more stores in your Region in the future.

#### **Steps undertaken by Foodstuffs to ensure our stores are responsible retailers of alcohol**

Foodstuffs works hard to ensure that it, and every one of its stores, is a responsible retailer of alcohol. We have voluntarily undertaken to ensure alcohol is not sold through any of our outlets

below cost. As a business, we ensure our stores understand fully their obligations under the current legislation regarding the sale of liquor.

Before a new employee can sell alcohol to customers, they must complete induction training which teaches the employee about their responsibilities under the Sale and Supply of Alcohol Act (**Act**). All employees must then undertake refresher courses which they must pass. There are voluntary online courses which store owners can recommend to their staff and, on occasion, Foodstuffs may require employees to complete this online course in addition to their mandatory training. After receiving training, all staff are required to sign an acknowledgement stating that they understand their obligations under the Act.

All duty managers and operation managers are required to carry out their Licence Controller Qualification and Foodstuffs requires that all stores have at least two people employed with their General Manager's Certificate, with supermarkets having a much larger number than this.

Our point of sale systems prompt the verification of age when an alcohol product is scanned. All stores have an "Under 25: ID required" policy which requires anyone who looks under the age of 25 to provide proof of their age.

Additionally, we have an independent programme in place where all of our stores are 'mystery shopped' to ensure proof of age compliance is being adhered to. There are heavy penalties for liquor audit fails (both internal and 'police stings'), which include fines, additional training programmes and referring repeat offenders to our Board of Directors which can result in a store owner's franchise agreement with Foodstuffs being terminated.

Due to the seriousness of the consequences of a liquor audit failure, our store owners are vigilant in ensuring that the Act is adhered to, in particular the prohibitions on supply to minors and intoxicated persons.

### ***Foodstuffs' submissions***

Foodstuffs appreciates the opportunity to provide feedback on the Waitomo District Council Draft Local Alcohol Policy (**Draft LAP**). Foodstuffs commends the Council on producing a Draft LAP which seeks to balance the needs of the community, local business and other key stakeholders such as the Police and Medical Officers of Health, who each have differing perspectives and views on alcohol in the community.

Foodstuffs' submissions are limited to clause 4.0 d) Proximity to Facilities of a Particular Kind.

### ***Proximity to Facilities of a Particular Kind***

Clause 4.0 d) of the Draft LAP would prevent an off-licence being issued to a premises which directly borders any school, early childcare facility or place of worship (**Sensitive Locations**)

existing at the time the premises are established. Directly borders is also deemed to apply to Sensitive Locations directly across the road from the premises to be licensed.

Foodstuffs is concerned about the above clauses impact on both our existing New World and the New World store which Foodstuffs is looking to develop in the Te Kuiti Township in the near future.

**Submission 1 - Proximity restriction for off-licences – does it apply to existing premises and business sales?**

We are unsure from the drafting of clause 4.0 d), if it is intended that the restriction applies to an already licenced premises. We do not believe this is the case due to the reference to “new premises on any site” at the start of the clause.

However, we would suggest that the start of clause 4.0 d) should be reworded slightly so this is clearer. Our suggested wording is:

*An off-licence will not be issued in respect of any premises not currently licenced where the site directly borders....*

This amendment would also clarify that if a new licence is required to be issued to a currently licenced premises which changes hands (thereby triggering the need for a new licence as the legal entity operating the business would change) it would not trigger the proximity restriction.

**Our considerations when opening a new supermarket or grocery store**

We are concerned about the impact that the restriction may have on any *new* supermarkets and grocery stores that we looked to open in the Council’s communities in the future.

*Our concerns with the proximity restriction*

We note that the onus is on the Council to demonstrate that the Draft LAP is reasonable in light of the object of the Act.<sup>1</sup> We are assuming that the Council believe that the proximity restriction would be reasonable in light of the second object of the Act that “*the harm caused by the excessive or inappropriate consumption of alcohol should be minimised.*”

We can understand that there may be a desire to protect children from perceived harm from exposure to alcohol outlets and alcohol advertising. However, we are not aware of any research that shows clearly that there is a reduction in alcohol harm due to restricting licenced premises around sensitive locations such as playgrounds or schools.

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<sup>1</sup> A provisional LAP can be appealed if it is unreasonable in light of the object of the Act. See sections 81 to 86. See *Nelson Gambling Taskforce Inc v Nelson City Council* CIV-2010-442-368, 7 September 2011, for an example of a successful appeal against a Council policy. In that case the High Court concluded that amendments to Nelson City Council’s Gambling Policy in 2010 were invalid because the Council failed to comply with statutory requirements which deprived the public of information it should have had as well as the correct opportunity to have input into the process.

We do not consider that a LAP needs to be so specific about its proximity restrictions as there are many other 'tools' within the Act that can be used to address a concern about children being exposed to alcohol and purchasing alcohol:

- The 'Single Alcohol Area' restriction will limit children's exposure to alcohol and alcohol promotion both within a supermarket and grocery store, as well as when they pass the exterior of such stores.
- The licence decision-makers may consider proximity to childcare centres, schools and parks as part of the wider context in assessing potential impacts on the amenity and good order<sup>2</sup>.
- The licence decision-makers can use the ability to impose any reasonable condition that is not inconsistent with the Act<sup>3</sup>. This could include a condition imposing restrictions on the volume of exterior signage advertising or promoting alcohol on licensed premises.
- There are significant penalties under the Act for licence holders who sell or supply alcohol to underage customers.

Furthermore, if the Council or Police are concerned about alcohol abuse in certain public facilities, they have other powers that can be exercised to curb any issues. Examples of these initiatives include liquor bans and arresting people who are drunk and disorderly in public.

### **Submission 2– Restriction should not apply to supermarket and grocery store licences**

If the Council are to introduce proximity restrictions in the LAP to sensitive locations we believe, for the reasons set out below, that supermarkets and grocery store licences should be distinguished from other liquor off-licences and be exempted from the restriction.

#### *Uncertainty may impact Foodstuffs' decision to open a new supermarket*

Foodstuffs invests a significant amount of time and money in its supermarket sites, and developing stores, a process which often takes many years and millions of dollars. The opening of a new supermarket can create up to 220 jobs for the local community.

In anticipation of population growth and new communities developing in certain areas we often purchase sites for future development into supermarkets many years in advance.

Foodstuffs has purchased several sites on Rora and Taupiri Streets, Te Kuiti and has obtained consent to develop a 2,471m<sup>2</sup> New World on these sites. Foodstuffs' intention is to commence construction of the new store in 2014.

---

<sup>2</sup> Section 105(h).

<sup>3</sup> Section 117.

If the draft LAP is adopted by Council and is in force when Foodstuffs applies for the store's off-licence nearing the completion of the new New World, circumstances surrounding the site could change, outside of both Foodstuffs' and Council's direct control, which would mean the new store would be prevented from obtaining an off-licence. For example, we understand that the former Maniapoto Campus on the corner of Alexandra and Taupiri Street is currently for sale. This could be purchased and turned into an early childcare facility or place of worship prior to 2015. If so, that the New World site would directly border a Sensitive Location and would be prevented by the LAP from obtaining a liquor licence. Alternatively, one of the residential houses directly across the road from the site, could become an 'early childcare facility', simply by the resident allowing their house to be where 'five or more children receive care or education'. Again, this would prevent a liquor licence from being obtained by the store.

We may not make the further significant investment needed to develop and open the new supermarket, if there is any uncertainty as to whether the new supermarket would be able to obtain a liquor licence. This would impact negatively on the community in a range of ways, including non-creation of jobs and denying the Te Kuiti community the ability to obtain groceries from a new and modern supermarket.

*Differing requirements for alcohol sales and promotion for supermarkets and grocery stores*

Our sales data shows that most alcohol purchased in our stores is part of a customer's wider main order grocery shop. By contrast, purchases from specialist liquor outlets will be purchases primarily of alcohol and much more likely to be for immediate consumption and therefore more likely to lead to any public nuisance. In addition, supermarkets and grocery stores are restricted by the Act in the types of alcohol they can sell. They can only sell beer and wine. They cannot sell spirits or RTDs.

The 'Single Alcohol Area' restriction will also limit children's exposure to alcohol and alcohol promotion both within a supermarket and grocery store, as well as when they pass the exterior of such stores. It will be a compulsory condition imposed into all supermarket and grocery store licences<sup>4</sup> that restricts the display and promotion of alcohol to be within one designated single area of the store. Having a Single Alcohol Area will mean:

- All alcohol products in a supermarket or grocery store can only be displayed within the Single Alcohol Area and cannot be displayed anywhere else in the store.
- No other products can be displayed for sale in the Single Alcohol Area.
- The promotion of alcohol (i.e. posters and other promotional material for alcohol products) can only be located within the Single Alcohol Area. There cannot be any promotion of alcohol store outside of this area. For example, signage advertising a wine special in the foyer of a store or outside of a store will be prohibited.

---

<sup>4</sup> Imposed for a new licence post 18 December 2013, and for existing licences as they are next renewed after 18 December.

### **Submission 3.1 – Exemption when no material impact on the facility**

If submission 2 is not acceptable to the Council then we consider that it would be fair if an exemption was introduced that allows the grant of an off-licence to premises in close proximity to a Sensitive Location where the application has demonstrated to the satisfaction of the Committee that the hours, signage or operation of the premises, as they relate to the sale of alcohol from the premises will not have a material impact on the Sensitive Location.

While Foodstuffs would much prefer the certainty that it could obtain a liquor licence before it committed to the large investment required to open a new supermarket or grocery store, we have confidence that we can clearly demonstrate to the Licencing Committee that our stores are very responsible retailers of alcohol and that a myriad of factors can be used to demonstrate that the new licence would not have significant material adverse effects on the relevant Sensitive Location.

We therefore suggest that clause 4.0 d) be reworded as follows:

*An off-licence will not be issued...unless it can be demonstrated to the reasonable satisfaction of the District Licensing Committee that the hours, signage or operation of the premises, as they relate to alcohol sales, will not have a material impact on those facilities. "Directly borders" includes across any road from such facility as shown in figure one.*

### **Submission 3.2 – drafting clarification - what is established?**

Clause 4.0 d) applies only if a Sensitive Location exists when the premise to be licenced "is established". We are concerned that it is unclear what "established" means in the context of a new supermarket or grocery store being opened.

As is the case with our new Te Kuiti store, for many of our large new supermarket sites land may be purchased many years in advance, it will often take a significant period of time to obtain all Council consents and to build the supermarket. Applying and obtaining an off-licence is one of the last steps completed because the off-licence cannot be issued under the Council Code of Compliance for the building works has been issued (the effect of section 100(f) of the Sale and Supply of Alcohol Act 2012). In such a situation it is hard to confirm when this new business is "established". We would suggest that "established" be replaced with "established or when resource consent is applied for (whichever is earliest)".

### **Submission 3.3 – Proposed re-drafting of clause 4.0 d)**

If submissions 3.1 and 3.2 are accepted to Council then clause 4.0 d) would be redrafted as follows:

*An off-licence will not be issued in respect of any premises not currently licenced where the site directly borders any school, early childcare facility or place of worship existing at the time the*

*premises are established or when resource consent is applied for (whichever is earliest), unless it can be demonstrated to the reasonable satisfaction of the District Licensing Committee that the hours, signage or operation of the premises, as they relate to alcohol sales, will not have a material impact on those facilities. "Directly boarders" includes across any road from such facility as shown in figure one.*

**Presenting submission in person**

Once again, Foodstuffs is grateful for the opportunity to make this written submission. We would also like the opportunity to present our submission in person.

Regards



**Julie Daniels**  
Senior Solicitor

**FOODSTUFFS**  
NORTH ISLAND LIMITED

DD: 09 621 0622 | M: 021 451 919 | P: 09 621 0600 | E: Julie.Daniels@foodstuffs.co.nz  
Support Centre, 60 Roma Road, Mt Roskill, Auckland 1440, New Zealand  
DX Box CX 15021 or PO Box 27480 Mount Roskill, Auckland 1440, New Zealand

*all the help you need*

6 September 2013

Draft Local Alcohol Policy  
 Waitomo District Council  
 PO Box 404  
 TE KUITI 3941  
 Attn: John Moran

Waitomo District Council  
**COPY**  
 Date: 11/09/2013  
 Doc #: 315373  
 File #: 350/001A

Dear sir

### **Draft Waitomo District Council Local Alcohol Policy – Submission**

Thank you for the opportunity to provide a submission on this draft policy. We do not wish to speak to this submission.

#### ***Who we are***

Liquorland Limited (**Liquorland**) is a franchised traditional liquor retailer with approximately 80 stores nationally. The shareholding in Liquorland is ultimately owned by the three Foodstuffs co-operatives. The primary business of the Foodstuffs co-operatives is supermarket properties and they operate as a retail cooperative where members are licensed to use the Foodstuffs brands - New World, PAK'nSAVE and Four Square. In 2007 Foodstuffs purchased the Liquorland brand and Franchise.

#### ***What we do to ensure our stores are responsible retailers of alcohol***

It is Liquorland's stated mission to set the standard for liquor retailing in New Zealand. We take this mission very seriously as is evidenced by the slow rate at which we have opened new stores over the last few years despite other traditional liquor retailers being very active opening new stores. We have been slower purely because our hurdles for a potential site and operator are so high. Liquorland supports and believes in the responsible consumption of alcohol as a legitimate and valuable part of society. Liquorland works hard to ensure that it, and every one of its stores, is a responsible retailer of alcohol. As a business, we ensure our franchisees fully understand their obligations under the current legislation regarding the sale of liquor.

We operate thorough training and induction training for new staff and franchisees, with particular focus on legislative obligations regarding the sale of alcohol.

Our point of sale systems prompt the verification of age when an alcohol product is scanned. All stores have an "Under 25: ID required" policy which requires anyone who looks under the age of 25 to provide proof of their age. Additionally, we have an independent programme in place where all of our stores are 'mystery shopped' to ensure proof of age compliance is being adhered to. There are heavy penalties for liquor audit failures, which include fines, additional training programmes and referring repeat offenders to our Board of Directors which can result in a store owner's Franchise Agreement with Liquorland being terminated.



*all the help you need*

### ***The density of places which sell alcohol***

We support Council's proposal not to impose density restrictions.

Liquorland does not support density provisions that restrict or cap the number of licences in a particular geographic area within the Council wards, beyond any zoning provisions in District Plans. We believe that this provides unfair competitive advantage for stores that are pre-existing or happen to be in one particular geographical area over another.

We believe licences should be considered on their individual merits, rather than being subject to density or location based restrictions. We whole heartedly support the increased hurdles that the Sale and Supply of Alcohol Act 2012 places on new licence applicants and what we believe will be a period of increased retailing standards within the industry.

### ***Proximity to certain facilities or premises***

We do not support Council's proposal to impose proximity restrictions. We do not believe our stores, as responsible retailers of alcohol, should be subject to default restrictions regarding opening close to particular facilities or premises. We believe each application should be considered on their individual merits.

Liquorland is committed to responsible liquor retailing and doesn't believe that the vast majority of our responsible customers should be penalised due to the actions of a small minority of the population. Nor do we believe that Liquorland, as a responsible liquor retailer, should be penalised because of liquor retailers that do not hold our high standards.

We believe that a number of provisions introduced by the new legislation such as improved definition of what constitutes a grocery store, new criteria for licences and renewals including good order and amenity consideration, and the '3-strikes rule' (3 convictions for certain offences and the licence holder cannot hold a liquor licence for 5 years) are likely to be sufficient to address many instances of alcohol related harm arising from irresponsible alcohol retailing.

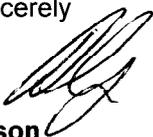
Council and the Police have other powers that can be exercised to curb issues of alcohol abuse in specific broad public areas. Examples of these initiatives include liquor bans, arresting people who are disorderly in public and enforcing the provisions within the Sale and Supply of Alcohol Act 2012.

### ***Opening hours***

We are responding in relation to off-licences only. Liquorland believes the maximum default hours in the new legislation, which have the sanction of Parliament, of 7am-11pm are appropriate. As far as we are aware there is no firm evidence that supports an argument that by restricting off-licence hours that alcohol harm is reduced.

To the extent Council wishes to amend this we would encourage consistent hours across the entire district and all types of off-licences.

Yours sincerely



**Rod Gibson**  
CEO



## Submission Form Draft Local Alcohol Policy

### How do I make a submission?

You can return this form to Council by:

POST	EMAIL	FAX
Chief Executive Waitomo District Council PO Box 404 TE KUITI 3941	waitomdc@waitomo.govt.nz (email submissions must include all the information requested on this form)	(07) 878 7771

Waitomo District Council  
**COPY**

**Remember consultation closes on Friday 13 September 2013**

**Submission Period:** Tuesday 13 August 2013 - Friday 13 September 2013

**Hearing Date(s):** Tuesday 24 September 2013

Date: 11/09/2013

Doc #: 315372

File #: 350/001A

### Have Your Say (enter submission here)

Name:

Address:

Phone:

Yes, I wish to speak in support of my submission at the hearing.

No, I do not wish to speak in support of my submission.

Piopio is a small town population of about 500 people if Tam correct, businesses need to survive due to increase costs such as increase council rate, water, electricity, telephone bills, wage increases etc. The town does not need any other new liquor outlet as this will affect other liquor outlets already operating. To keep our town, people, safe and healthy and to reduce crime rates we do not need to promote increase liquor outlet, we need to create employment opportunities in town by building new factories or industries to increase high standards of living and increase in health status of our people. The reality of opening a new dairy in town has hugely affected my business as well as others, my survival is difficult and so are others and I feel that council should respect, understand and protect the interests of business people now and in future. I strongly feel there is no need for any other new liquor outlet now or in future in a small town like Piopio.

**If you need to use extra pages, include your name on each page and attach them to this form.**

**Please note: Please note that all submissions will be made available to the public, subject to the provisions of the Local Government Official Information and Meetings Act 1987.**

**Michelle Higgle**

---

**From:** Sandra Jones [riverside\_lodge@xtra.co.nz]  
**Sent:** Wednesday, 11 September 2013 8:33 p.m.  
**To:** mx.InfoClass  
**Subject:** Waitomo District LAP submission  
**Attachments:** Waitomo District LAP submission.docx

Please find attached our submission for the Waitomo District LAP.

Regards  
Peter & Sandra Jones

The Riverside  
1 Riverside Lane  
Te Kuiti 3910  
New Zealand  
Ph 07 8788027  
Fax 07 8788057  
Email : riverside\_lodge@xtra.co.nz

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Submission – Draft Local Alcohol Policy: Waitomo District

## RIVERSIDE SUBMISSION ON

Proposed Local Alcohol Policy – Waitomo District Council

September 10 2013

Riverside has been trading under current ownership and management with no difficulty or associated problems since November 2005.

We are members of Hospitality NZ and employ a total of 3 permanent staff plus a number of casual staff.

Hospitality is a significant industry and major employer throughout the Waitomo District. The hospitality industry plays an important role in local social life. The sale of alcohol is a significant driver of economic activity. Hospitality is the third biggest area of spending for tourists.

We appreciate the opportunity make a submission on the draft Local Alcohol Policy (LAP) and are committed to working with the Waitomo District council in order to develop a practical and effective LAP.

We would like to speak to our submission.

### CONTACT DETAILS:

Peter and Sandra Jones

Proprietors

Riverside

1 Riverside Lane

Te Kuiti 3910

[Riverside\\_lodge@xtra.co.nz](mailto:Riverside_lodge@xtra.co.nz)

07 8788027

### Specific concerns with the Waitomo District Draft Local Alcohol Policy

#### 2.1 Definitions

There is currently no definition of **New Premises**. We consider that this needs to be better clarified so as to avoid any confusion or later disagreement as to whether current licensed premises are exempt from policy applicable to new licensed premises. Submission is for the inclusion of the following definition

**New premises** (including on-licence, off-licence and/or club licence) means any premises which has not been subject to a current liquor licence in the twelve (12) months prior to the application shall be considered as being a new premises for the first time.

**3 (f) Maximum trading hours for premises holding on-licences**

We notice with concern that all trading hours have a commencement time of 9am. We point out licensed premises within Waitomo District have frequent demand for early trade from passing motorists and locals seeking breakfasts. As Waitomo is a very convenient mid-point for many passing through to and from the volcanic plateau' cafes and restaurants in the district seek to be cater for that need. This allows passing motorists to enjoy a comfort stop, refresh and enjoy the facilities, amenities and services the district has to offer. We submit that on-licence premises have a commencement time of 7am each day. This would allow for responsible businesses to continue to operate as they have up until now with no identifiable problems.

**3 (f)**

*Any outdoor dining area will not have trading hours that exceed 9.00am to 10.00pm.*

We do not support the requirement for outdoor dining areas to be restricted to be used only between the hours of 9:00am and 10:00pm. A considerable number of patrons have used outdoor facilities regularly and without any disruption to the wider community. This facility is very popular with customers and if it were subject to tighter restrictions we expect it would result in a significant reduction in patronage and subsequent reduction in staffing of affected businesses. Essentially employment and business would be adversely affected, a loss to the community but with no apparent gain.

Waipa District has wisely approved licensed premises to utilise public spaces within their out-door areas until 11pm. Also in Waipa other outdoor areas within the licensed premises are allowed to operate within the usual licensing hours. Of course usual criteria applies in regard to noise etc. We seek a similar approval so that businesses can continue to operate as they have up until now with no identifiable problems.

**3 (h) One-way door restrictions**

*A one-way door restriction of one-hour prior to maximum closing time shall apply on Thursday, Friday and Saturday nights to any hotel or tavern premises with a midnight or later closing time.*

Section 111 of the Sale and Supply of Alcohol Act provides the ability for a one-way door restriction to be imposed on a licence on issue or renewal. Accordingly, we do not consider inclusion of a mandatory one-way door restriction in the LAP necessary. Instead it should only be imposed as a discretionary condition of the on-licence if there is evidence of a systematic problem.

Our submission is that clause 3.8 be amended to read as follows

A one-way door restriction of one-hour prior to the maximum closing time **may** be applied on Thursday, Friday and Saturday nights to any hotel or tavern premises with a closing time later than midnight.

**5 (h) One-way door restrictions relating to Club Licences**

*The District Licensing Committee may impose a one-way door condition on any licence where it believes this is warranted. The one-way door restriction shall not apply any earlier than two hours before the normal closing time of the premises.*

Submission

We point out that the draft policy one-way door restrictions for clubs is significantly different from other on-licences. Clubs have been provided with an optional restriction whereas on-licences are compelled to comply with a compulsory restriction.

For the same reasons as stated in 3.8 above, our submission is that clause 5.8 be amended to read as follows

A one-way door restriction of one-hour prior to the maximum closing time may be applied on Thursday, Friday and Saturday nights to any club premises with a closing time later than midnight.

**6.0 Specific Policies – Special Licences**

Submission

We have concerns with the management of events where Special Licences are issued, particularly those which involve large numbers of people. Recent events of this type have resulted in intoxicated people arriving at licenced premises after the special event has closed. This results in disruption and disorder. Our concerns are that customers of such special events are not being properly managed so as to prevent intoxication.

Section 213 of the Sale and Supply of Alcohol Act 2012 which states the following

**213 Appointment of manager: special licences**

1. Every holder of a special licence must appoint at least 1 manager in accordance with this Part.
2. The licensing committee may exempt the holder of any special licence from the requirements of subsection (1) if it is satisfied that the licensee, or some other person nominated by the licensee, will manage the conduct of the sale of alcohol pursuant to the licence.

The new legislation requires “at least 1 manager” be appointed indicating that in some cases more than 1 manager should be appointed. We also point out that holders of on and off licences are required to have a certified manager on duty “**at all times alcohol is sold**”. Given that special events

can often cater for hundreds of customers we consider that in the interests of public safety it should be mandatory for a manager to be present at all events where a special license is issued, and for 2 managers to be present at events of 150 people or more.

We also submit that

- (1) the nature of the event and its suitability for the sale of alcohol be taken into consideration
- (2) Whether or not the event could be more appropriately conducted on a licenced premise should be taken into consideration.

Our other concerns are with the allowance of privileges enjoyed by club licences as compared to other on licences, particularly those in the draft LAP relating to the following

1. More lenient restrictions relating to location by reference to broad areas
2. More lenient restrictions relating to location by reference to proximity to premises of a particular kind or kinds
3. More lenient restrictions relating to location by reference to proximity to facilities of a particular kind or kinds
4. More lenient restrictions relating to one-way door

We submit that the conditions and restrictions applied in the final policy be identical for club licences as they are to other on licences.

### **Provisions Supported**

Aside from the matters of concern above, we generally support the balance of the LAP. It recognises that existing business premises where they operate responsibly can continue to do so.

Thank you for the opportunity to present our submission.

**Michelle Higgie**

---

**From:** Ian Mc Erlich [waitomobackpackers@xtra.co.nz]  
**Sent:** Thursday, 12 September 2013 10:55 a.m.  
**To:** WebMail  
**Subject:** Submission Form Draft Alcohol Policy  
**Attachments:** Submission Form LAP.pdf; Curlys Bar submission form.docx

Chief Executive  
Waitomo District Council,

Please find attached Submissions from Dimac Ltd For the Draft Local Alcohol Policy.

**Curly McErlich**  
**OWNER OPERATOR**



Dimac Limited  
T/A Curlys Bar  
beer@curlysbar.co.nz  
PO Box 21  
WAITOMO 3943

PH/FAX: 07 878 8448

EMAIL:

WEBSITE: [www.curlysbar.co.nz](http://www.curlysbar.co.nz)

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## Submission Form Draft Local Alcohol Policy

### How do I make a submission?

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POST	EMAIL	FAX
Chief Executive Waitomo District Council PO Box 404 TE KUITI 3941	waitomodc@waitomo.govt.nz (email submissions must include all the information requested on this form)	(07) 878 7771

**Remember consultation closes on Friday 13 September 2013**

**Submission Period:** Tuesday 13 August 2013 - Friday 13 September 2013

**Hearing Date(s):** Tuesday 24 September 2013

### Have Your Say (enter submission here)

Name:

Address:

Phone:

Yes, I wish to speak in support of my submission at the hearing.

No, I do not wish to speak in support of my submission.

The food and beverage sector of the hospitality industry is integral to the entertainment offerings in New Zealand's towns and cities and plays an important role in our social life

The production and sale of alcohol are also significant drivers of economic activity, more than 70,000 people work in the food and beverage sector and its the third biggest spend for tourists.

As a result of greater availability and affordability, 75% of all alcohol is now consumed off-licence and most people involved in dealing with the effects of excessive alcohol agree it's the drinking at home or in public places that causes most of the problems.

Responsible licencees are concerned that more restrictions on 25% of the market that is already well controlled and closely monitored won't change the excessive behaviours. There is compelling evidence that some measures can actually make things worse.

It is easier to force change in Hospitality practices because the sector is professionally run and complies with the licencing framework. Whats harder is changing the behaviour of individuals and family who have most of the responsibility in curbing alcohol-related harm.

***If you need to use extra pages, include your name on each page and attach them to this form.***

*Please note: Please note that all submissions will be made available to the public, subject to the provisions of the Local Government Official Information and Meetings Act 1987.*

Dimac Limited  
PO Box 21  
Waitomo Caves  
WAITOMO 3943

### **Specific concerns with the Waitomo District Draft Alcohol Policy.**

#### **2.1 Definitions**

There is currently no definition of **New Premises**. We consider that this needs to be better clarified. So as to avoid any confusion or later disagreement as to whether current licenced premises are exempt from policy applicable to new licenced premises. Submission is for the inclusion of the following definition.

New premises (including on-licence, off-licence and /or club licence) means any premises which has not had a current licence at the date this policy came into effect. Existing premises are exempt from the provisions of this policy relating to the location of licenced premises. The exemption remains in force for as long as the existing premises remains continually licenced and will cease to exist when the current licence or any subsequent licence for the premises is surrendered or not renewed.

#### **3 (f) Maximum Trading hours for premises holding on-licences.**

We note with concern that all trading hours have a commencement time of 9 a.m. There is no obvious reason why on-licences should be restricted to start at 9 a.m when there is no similar tighter restriction applied to off-licences.

Off-licences account for the sale and supply of 75% of alcohol in New Zealand yet a tighter restriction is applied to on licenses which provide tightly regulated, supervised and controlled drinking environment.

We ask that 7am opening be retained for on licences. |

This would allow us to continue to provide a service to tourists when the occasion demands . eg early breakfasts for tour groups which has been done by us many times in the past.

The food and beverage sector is a cornerstone of New Zealand's tourism offering . Between 1997 and 2002 the area of greatest growth in tourism spending was in hospitality, with food and beverage services up 42% (Statistics NZ)

In the year to March 2012 Tourists spent 12% on food and beverage services. The spend came ahead of accommodation (9%) and placed third overall behind retail goods(including fuel and other automotive products) and air passenger transport. (Statistics NZ)

It is noted that Waipa District have approved 7am opening.

Dimac Limited  
PO Box 21  
Waitomo Caves  
WAITOMO 3943

### **3 (h) One-way door restrictions**

A one way door restriction of one hour prior to maximum closing time may apply on Thursday, Friday and Saturday nights to any hotel, tavern or club premise with a later than midnight closing time.

Experience shows that one way door policies result in a significant rise in tension with people trying to get into bars after the nominated time and those inside trying to stay and drink for as long as they possibly can. These are significant unintended consequences of a well intentioned policy

Additionally, local and international research shows that people not allowed into bars are likely to drink in public places, move to venues where there are no restrictions or party at home. That result is precisely the opposite of what the Local Alcohol Policy is attempting to achieve.

A one way door policy will also increase security costs for all venues, particularly those who do not routinely have external security personnel because they experience little or no trouble on site. The decision to implement a one way door policy should be left to individual licence holders or made a condition of the on licence if there is evidence of a systematic problem.

Section 111 of the Sale and Supply of Alcohol Act already provides the ability for a one way door restriction to be imposed on a licence on issue or renewal.

### **5(h) One way door restrictions relating to Club Licences.**

The Draft policy one way door restrictions for Clubs is significantly different from other on Licences Clubs have been provided with an optional restriction whereas on licences are compelled to comply with compulsory restriction. Accordingly Waitomo District needs to be careful to ensure that clubs are not given advantages over other on licences so as to avoid any accusation of favouritism.

### **Provisions Supported**

Aside from matters of concern above, we generally support the balance of the LAP. It recognises that existing business premises where they operate responsibly can continue to do so.

### **Conclusion**

The Waitomo District Draft Alcohol Plan needs to address alcohol related harm in a balanced, well researched and practical way that targets the actual problems. The crucial issue for reducing alcohol harm is reducing consumer demand for alcohol.

The 25% of alcohol consumed in on-licence premises is generally done in a highly regulated and controlled environment. Pre-loading, side-loading and post-loading of cheap, readily available alcohol at home, in cars or in public places is the real challenge and should be the focus of the Waitomo District Local Alcohol Policy

Submission Form – Draft Local alcohol Policy

Dimac Limited  
PO Box 21  
Waitomo Caves  
WAITOMO 3943

Dimac Ltd thanks Waitomo District Council for the opportunity to submit on the proposal. We would like to see a sensible and effective Local Alcohol Policy that reflects the Council's responsibilities to the community and to local businesses.

**Michelle Higgie**

---

**From:** DALZIELL-KERNOHAN, James [James.Kernohan@police.govt.nz]  
**Sent:** Thursday, 12 September 2013 12:03 p.m.  
**To:** WebMail  
**Subject:** LAP submissions  
**Attachments:** Waitomo Subs on Draft.pdf  
The CEO

Please find attached Police submissions to the Waitomo Draft LAP

Police would like the opportunity to be able to speak at the hearing.

**Jim Kernohan** | O/C Hamilton DLU | Alcohol Harm Reduction Officer | Sergeant 8471



New Zealand Police | Private Bag 3078 | 6 Bridge Street | Hamilton 3240  
Ext: 79432 | 07 834 9432 | 027 290 5599 | [DLU.Hamilton@police.govt.nz](mailto:DLU.Hamilton@police.govt.nz)

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Submission by Jim Kernohan  
Sergeant  
Alcohol Harm Reduction Officer  
Waikato Police District Court

In relation to the Draft Local Alcohol Policy for Waitomo District Council

## Executive Summary

- Police advocate for on licence operating hours to be 9:00am – 1:00am from Monday-Sunday and for those premises subject to para 3(f) 2: 9:00am – 10:30am Monday-Thursday and 9:00am to 12:00 midnight.
- Police strongly recommends Off License trading hours to be restricted to 9:00am to 9:00pm.
- Police supports the proposed one way door policy in the district.
- Police supports the discretionary conditions detailed within the draft policy.

## Introduction

### Legislation

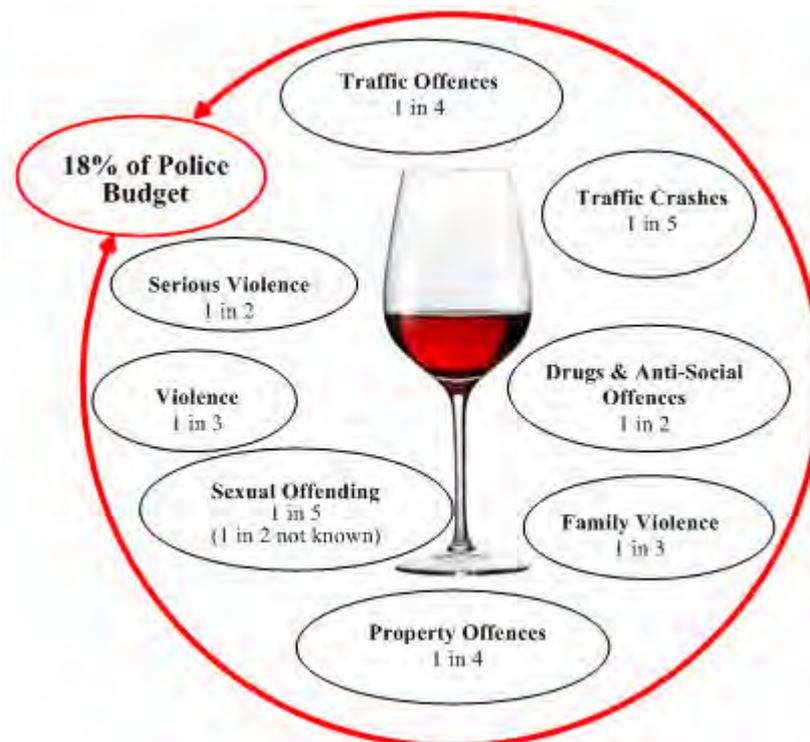
The Sale and Supply of Liquor Act 2012 (the Act) provides a new framework for the sale and supply of liquor in New Zealand. The Act provides opportunities to prevent and reduce harm and crime associated with the consumption of alcohol.

The object of the Act is contained in Section 4(1)(a), namely: The object of this Act is that (1)(a) the sale, supply and consumption of alcohol should be undertaken responsibly; and (b) the harm caused by the excessive or inappropriate consumption of alcohol should be minimized. (2)(a) the harm caused ... includes any crime, damage, death, disease, disorderly behavior, illness, or injury, directly or indirectly caused... by the inappropriate consumption of alcohol; and (b) any harm to society generally or the community, directly or indirectly caused... by any crime, damage, death, disease, disorderly behavior, illness, or injury...

While the Police accept it is necessary to have vibrant towns and economies, it is clear the Act was enacted to try and reduce some of the unnecessary and preventable harm caused by alcohol in our community. It is that position that Police takes as a starting point for submissions.

### Generic Stats

Alcohol is a significant driver of crime in New Zealand. Approximately one third of all police apprehensions involve alcohol, half of all violence is alcohol related and alcohol related events account for 18% of the Police budget (Alcohol Joint Fact Sheets: 9 Nov 2010).



## Introduction

The Waikato West Policing District covers the Waitomo TLA which includes the larger community of Te Kuiti.

The national focus for Police to 2015, is for the implementation of the Prevention First operating strategy that places prevention at the forefront of our organisation and everything we do.

In order to achieve real outcomes for our communities and meet the aims of Prevention First we will develop specific actions that will enable Police to understand and respond to the drivers of crime.

One of the drivers of crime is alcohol and to that end Police work to foster a culture of responsible drinking and to reduce incidents of alcohol related offending and victimisation.

### **Police make the following submissions in relation to the Waitomo District Council Draft Local Alcohol Policy**

#### **Trading Hours**

Police advocate for on license operating hours to be 9:00am – 1:00am from Monday-Sunday and for those premises subject to 3(f) para 2: 9:00am – 10:30am Monday-Thursday and 9:00am to 12:00 midnight.

Police strongly recommends Off License trading hours to be restricted to 9:00am to 9:00pm.

#### *Rationale*

*There is strong international and domestic evidence that supports the proposition that the longer licensed premises are open, the more alcohol related harm that can be attributed to them.*

*Recent research from the Ministry of Justice (Ministry of Justice 2012) shows that the offending associated with licensed premises goes up exponentially the longer the premises is open after midnight with a premises which closes between 3am and 5 am being linked with nine times the number of offences associated with a premises that closes before midnight.*

*Police believe that off licenses contribute to alcohol related harm by facilitating pre and side loading. Reducing the hours of trading for off licenses will reduce the availability of alcohol and consequent alcohol related harm associated with pre and side loading.*

#### Local Reasons/conditions

Police strongly opposes separate opening hours for supermarkets in the district. This creates uneven trading conditions for off licence premises. There is currently no evidence that supports a need for supermarkets to have different trading hours from other off-licences, and no rationale provided for this within the draft policy. This

provision fails to contribute to the aim of the Act of minimising harm from alcohol consumption. Police advocates that operating hours be consistent across all off-licences, and further advocates that 9:00am to 9:00pm are acceptable operating times, that balances a minimisation of harm with the commercial needs of businesses and customers. It should be noted that this does not effect the hours that a supermarket can trade in main household goods and other stocked products.

### **Limiting Density of Licensed Premises**

Police supports Population Health proposed policies relating to the proximity and density of off-licence alcohol outlets.

#### *Rationale*

*There is evidence to support the proposition that increased density of licensed premises results in greater alcohol related harm from those premises. Research by ALAC in South Auckland (ALAC 2010) echoes that completed in Western Australia (Chikritzhs TN, Catalano P, Pascal R & Henrickson N 2007) and suggests higher densities of licensed premises increase risks of social disruption, offending and public perceptions of safety.*

*There is strong evidence to support the proposition that a greater availability of alcohol causes alcohol related harm (Babor et al 2003) in vulnerable communities however there is little research around the locating of licensed premises in or near vulnerable communities such as schools. Recent local community action has been successful in preventing off license premises being placed near schools and Police believe that the local alcohol policy should be supportive of community concerns and actions such as these.*

#### *Local Reasons/conditions*

Police supports Population Health proposed policies relating to the proximity and density of off-licence alcohol outlets. Police also advocates for a cap or limitations to be placed on the number of off-licences in the district to ensure growth in outlets does not continue unabated. Studies have indicated that higher density of alcohol outlets (resulting in greater availability) may lead to increased consumption of alcohol and associated harms. There is also evidence that a large proportion of off-licence stores in the Waipā District Council and the greater Waikato region are in areas of high deprivation, where harms to vulnerable members of the community may be even higher. A high density of alcohol outlets is also likely to lead to stronger competition which may result in decreased pricing for alcohol and increased consumption.

### **Discretionary Conditions**

Police supports the discretionary conditions detailed within the draft policy.

#### *Rationale*

*There is strong international and domestic research that supports the adoption of specific restrictions to address particular local problems. Most recently a study of the*

*statutory conditions applied in Newcastle, Australia (Kypri 2012) revealed that a combination of conditions to regulate the availability of alcohol (such as no shots after midnight) combined with shortened hours and a one way door policy, reduced assaults by over 30%. A menu of possible conditions is:*

- *CCTV*
- *Prescribed ratio of security staff to patrons*
- *No shots served after midnight*
- *No glass containers after midnight*
- *Glow vests or jerkins for security staff*
- *Ten minutes of non alcohol service every hour*
- *Free non alcoholic and soft drinks to designated drivers*

### **Local Reasons/conditions**

Police supports Population Health that advocates that the Local Alcohol Policy provide for restrictions on the visual impact of off licences as part of the licensing conditions, and along with additional restrictions on hours of operation, place more stringent visual impact limitations for those near schools. Restrictions would include a maximum area of advertising as a proportion of the shop front area and a restriction or ban on product marketing where it is visible or accessible to children or underage young people. There is significant evidence to suggest that marketing of alcohol has an impact on young people's decision to start or increase drinking. Addressing the visual impact of alcohol outlets is one way to reduce the burden of harm caused to young people through alcohol consumption.

### **One Way Door Policy**

Police supports the proposed one way door policy in the district.

#### *Rationale*

*There is international and domestic evidence to support the effectiveness of a one way door policy to mitigate migration and hard closing times in entertainment precincts containing higher densities of on licensed premises. Recent research of the statutory conditions applied in Newcastle, Australia (Kypri 2012) revealed that a combination of conditions to regulate the availability of alcohol combined with shortened hours and a one way door policy reduced assaults by over 30%.*

#### *Local Reasons/conditions*

Police supports the proposed one way door policy in the district. A one way door policy may reduce safety concerns (fewer intoxicated people in one place leading to lower chances of alcohol related violence) and policing issues such as patrons who are already effected by alcohol migrating between premises late at night. There is some evidence to suggest that one way door policies do result in reduced alcohol related harm, and is most effective when enacted in conjunction with other initiatives such as reduced trading hours.

### **Contact Details**

Name: Jim Kernohan

Mobile Phone: 027 290 5599

E-mail: James.kernohan@police.govt.nz

201

**Michelle Higgin**

---

**From:** Edward Neha [ngatineha2@woosh.co.nz]  
**Sent:** Thursday, 12 September 2013 1:16 p.m.  
**To:** WebMail  
**Subject:** Local Alcohol Draft Polkicy  
**Attachments:** Alcohol policy Submission.docx

Teena koutou,

Please find attached a submission from the Maniapoto Family Violence Intervention Network on the Local Alcohol Draft Policy.

ngaa mihi  
Eddie Neha  
MFVIN Co-ordinator

021 082 69232  
eddie@mfvingroup.co.nz

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## Introduction

Teena taatou, the Maniapoto Family Violence Intervention Network (MFVIN) would firstly like to thank the Waitomo District Council for enabling groups such as ourselves to make submissions on the Local Alcohol Policy.

This submission is in support of the majority of the Policy as our network are well aware of the connectedness of alcohol and family violence.

## Background

The MFVIN group was formed in 2009 and is made up but not limited to the following organisations – Waipa Waitomo Womens Refuge, WINZ, MSD, NZ Police, Local Schools, Ngati Maniapoto Marae Pact Trust, Te Kuiti Community House, Otorohanga Community House, Population Health, Family works Northern king Country, Otorohanga Counselling Services, Child Youth and Family Services, Family health Centre, Te Tokanganui A Noho Maaori Womens Welfare League, Waitomo News, and others who deal with Family Violence on a daily basis within the Waitomo/Otorohanga districts.

The group itself comes together monthly to co-ordinate services and ideas in the prevention and reduction/elimination of family violence within our area. The group further runs events in the community to deliver messages against Family Violence and develop projects that promote intervention and prevention opportunities that currently exist or are being developed to help victims, as well as those involved to better understand their actions and make positive changes.

The MFVIN mission is “to provide a collaborative and integrated approach for the education and prevention of family violence in the Maniapoto area”.

## Alcohol and Family Violence

MFVIN openly support a national initiative from Family Violence Networks throughout New Zealand to make submissions in support of local government Alcohol Policies.

Research from Dr Rochelle Braaf clearly shows the following;

- Drinking by an abusive partner prior to aggression, results in more severe aggression, anger and violence.
- Excessive drinking can make women more vulnerable to domestic violence.
- Increasing hours of sale has been shown to increase alcohol related harms.
- Density of the number of off license premises is linked to increased family violence.

More distressing is a New Zealand article by Dr Nick Baker (Chair of Child Youth Mortality Review Committee, - lecturer and paediatrician) further indicates that;

- Alcohol impacts on the quality of parenting, contributes to family violence and leads to under supervision of vulnerable infants and children.

- 16 deaths of children and young people between 2005-2007 were from assaults due to alcohol use.

In support of the Local Authority Alcohol Policies he further states;

- Limiting access to alcohol for our most vulnerable younger members of society by increasing cost and affecting legislation (controlling the number of outlets and the opening hours of premises) is strongly advised to minimize alcohol related harm.

The MFVIN group support the Local Alcohol Policy in monitoring the number of off licenses within our rohe, also the monitoring and enforcement of regulations and laws surrounding the supply of alcohol in off licenses, on licenses and club premises. We note also the restrirctions and regulations around special Licenses.

The MFVIN group would like to see the restriction of further off license premises being developed, the continued if not more frequent monitoring of the sale of alcohol regulations, and the stringent enforcement of harsher penalties against those off license, on license and club premises who continually break the rules.

#### Conclusion

The MFVIN group support the local Alcohol Policy in the following sections/clauses;

- **3b -Location of premises holding on-licenses.** Due to the small size of our townships, we support the on licenses only being granted to areas zoned business.
- **3c – Location of premises holding on licenses by reference to proximity to premises of a particular kind or kinds.** Again due to the size of our townships, we consider that the number of on license premise need not be large.
- **3d – Location of premises holding on licenses by reference to proximity to facilities of a particular kind or kinds.** We see this clause as ensuring our youth, victims of family violence and innocents not being subjected to the influence of these premises.
- **3h – One way door restrictions.** We see this clause as restricting alcohol consumption and ensuring eliminating the trend to bar hop.
- **4b –** the same reasons as 3b above
- **4c –** the same reasons as 3c above
- **4d –** the same reasons as 3d above
- **5b – Licensed premises holding club licenses by reference to broad areas.** We believe that sports clubs traditionally have been contributors to alcohol related problems and are working with many in the Maniapoto district to educate around abuse.
- **All clauses in relation to 6.0 Specific Policies – Special Licenses.**

The MFVIN group does not support the Local Alcohol Policy in the following sections/clauses;

- **3f, 4f, and 5f – maximum trading hours.** The MFVIN group believe all maximum hours should be at the same amount being the lower scale of 9am-1am the following day, therefore restricting the hours of purchase and providing equality amongst all suppliers.

The MFVIN group see that the proposed Local alcohol Policy contributes a vital aspect to Family violence Prevention and can fit well with MFVIN projects and events which provide public health messages including the effect of alcohol fuelled Family Violence. We believe that in order to reduce alcohol related domestic violence, public health messages around domestic violence MUST BE coupled with restrictions alcohol outlet density and sales hours. MFVIN commend the Waitomo District Council in providing an opportunity to further deter/eliminate Family Violence in our community.

The MFVIN group would be more than happy to provide a verbal submission and will look forward to receiving notice of a time for MFVIN to speak.

Faithfully yours,

Andrew Connors

Chairperson

MFVIN Group

[www.mfvingroup.co.nz](http://www.mfvingroup.co.nz)

**Michelle Higgle**

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**From:** Nick Chester [Nick.Chester@waikatodhb.health.nz]  
**Sent:** Friday, 13 September 2013 9:01 a.m.  
**To:** WebMail  
**Subject:** Local Alcohol Policy submission  
**Attachments:** Waitomo LAP submission\_v1.0\_2013-09-12\_nchester.doc

Good morning

Please find a submission attached from the Medical Officer of Health at Population Health, Waikato DHB.

We look forward to speaking to this submission in person.

Regards

Nick

**Nick Chester**

Policy Analyst | Population Health | Waikato District Health Board

Hugh Monckton Trust Building - L5 | Cnr Rostrevor & Harwood Streets | PO Box 505 | Hamilton 3240

p 07 838 2569 ext 22048 | f 07 838 2382 | e [nick.chester@waikatodhb.health.nz](mailto:nick.chester@waikatodhb.health.nz)

I vote **FOR** fluoride being added to the water.

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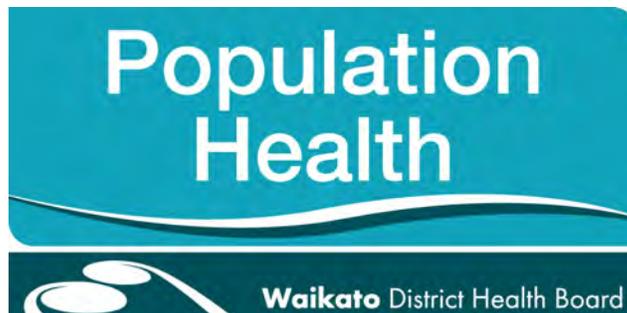
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**SUBMISSION ON:  
Waitomo District Council Draft Local Alcohol Policy**

**1. Acknowledgement**

Thank you for the opportunity to comment on the draft Local Alcohol Policy for the Waitomo District.

**2. Introduction**

- 2.1.** The Waikato District Health Board (Waikato DHB) serves a population of more than 360,270 people within 10 local authorities, stretching from the northern tip of Coromandel Peninsula to south of National Park and from Raglan and Awakino in the west to Waihi in the east. About 21% of the Waikato DHB population live in rural areas<sup>1</sup>.
- 2.2.** The Waikato DHB has five hospitals and two continuing care facilities; community services, older persons and rehabilitation service, population health service and mental health and addiction services (collectively known as its provider arm Health Waikato). It directly employs around 6083 doctors, nurses, allied health professionals and support staff.
- 2.3.** The Waikato DHB also funds and monitors (through contracts) a large number of other health and disability services that are delivered by independent providers such as GPs and practice nurses, rest homes, community laboratories, dentists, iwi health services, Pacific peoples' health services, and many other non-government organisations and agencies.
- 2.4.** The Waikato DHB is extensively engaged in providing services in the region both directly through the provider wing of the organisation and indirectly through other providers. These include personal health services and public health or population based health services.
- 2.5.** Waikato DHB has a statutory objective to improve, promote and protect the health of communities and to reduce inequalities in health outcomes.
- 2.6.** The following submission represents the views of Population Health Waikato DHB. It does not necessarily reflect the views of the Waikato District Health Board. Population Health provides public health services for the people living within the Waikato DHB region. Population Health is focused on providing early

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<sup>1</sup> Statistics New Zealand. (2006). *Census*. Wellington: Statistics New Zealand.

intervention services that improve, promote and protect the health of population groups within the Waikato DHB region. It works to help ensure all people in the Waikato have opportunities to access services and make choices that enable them to live long and healthy lives.

### 3. Submission

- 3.1. Population Health **commends** Waitomo District Council on the development of the draft policy. The Medical Officer of Health has a statutory role in the development of the Local Alcohol Policy under the Sale and Supply of Alcohol Act 2012.

### 4. Trading Hours

- 4.1. Population Health **advocates** for on licence operating hours to be 10:00am – 10:00pm from Sunday to Thursday and 10:00am – 1:00am Friday and Saturday. There is a significant body of evidence showing that a reduction in trading hours for alcohol outlets leads to a reduction in alcohol related harm. The proposed trading hours are unlikely to reduce alcohol related harm.
- 4.2. Population Health **advocates** that operating hours be consistent across all off-licences, and further **advocates** that trading hours for off-licences are 9:00am – 9:00pm. These trading hours best balance a minimisation of harm with the commercial needs of businesses and customers. The currently proposed 7:00am – 10:00pm is excessive and this is evident by current hours of operation for most off-licences in the district, which would not be open for such long hours. Currently proposed hours exceed actual demand in the district.

### 5. One Way Door Policy

- 5.1. Population Health **supports** the proposed one way door policy in the district. A one way door policy may reduce alcohol related violence (fewer intoxicated people in one place) and policing issues. There is some evidence to suggest that one way door policies do result in reduced alcohol related harm, and is most effective when enacted in conjunction with other initiatives such as reduced trading hours.

### 6. Location and density of Off Licence premises

- 6.1. Population Health **supports** the proposed policies relating to the proximity and density of off-licence alcohol outlets. However, Population Health **advocates** for a cap to be placed on the number of off-licences in the district to ensure growth in outlets does not continue. Studies have indicated that higher density of alcohol outlets (resulting in greater availability) may lead to increased consumption of alcohol and associated harms. A large proportion of off-licence stores in the Waitomo District Council and the greater Waikato District Health Board region are in areas of high deprivation. Evidence shows these communities experience disproportionate amounts of alcohol related harm. A high density of alcohol outlets is also likely to lead to stronger competition which may result in decreased pricing for alcohol and increased consumption.
- 6.2. Population Health **advocates** for a cap in the number of off-licensed premises in the district. Although the draft policy will go some way to addressing the issue of off-licence proliferation, it is unlikely to lead to a cessation in the growth of alcohol outlets in the district through currently proposed measures.

**7. Discretionary Conditions**

- 7.1. Population Health **supports** the discretionary conditions detailed within the draft policy.
- 7.2. Population Health **advocates** that the Local Alcohol Policy provide for restrictions on the visual impact of off licences as part of the licensing conditions, and along with additional restrictions on hours of operation, place more stringent visual impact limitations for those near schools. Restrictions would include a maximum area of advertising as a proportion of the shop front area and a restriction or ban on product marketing where it is visible or accessible to children or underage young people. There is significant evidence to suggest that marketing of alcohol has an impact on young people's decision to start or increase drinking. Addressing the visual impact of alcohol outlets is one way to reduce the burden of harm caused to young people through alcohol consumption.

**8. Contact details**

- 8.1. Waikato District Health Board requests the opportunity to verbally support this submission.

Any comments on this submission or requests for further information should be addressed to:

Dr Richard Wall  
Medical Officer of Health  
Population Health, Waikato DHB  
PO Box 505  
Hamilton

**Michelle Higgin**

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**From:** Louise Evans McDonald [levans@retail.org.nz]  
**Sent:** Friday, 13 September 2013 10:54 a.m.  
**To:** WebMail  
**Subject:** NZRA Submission on Draft Local Alcohol Policy  
**Attachments:** Final Submission - Waitomo Draft LAP 13 September.pdf

Good afternoon

Please find a copy of the New Zealand Retailers Association's submission on the above.

The Association have requested to speak to our submissions, and we would appreciate if this could perhaps be facilitated by way of teleconference.

Appreciate your assistance in accommodating this request.

Kind regards

Louise

Louise Evans McDonald | Government & Advisory Group Manager

**New Zealand Retailers Association Incorporated**

National Office, Level 2, CMC Building, 89 Courtenay Place, Wellington 6011

P O Box 12086, Wellington 6144

**Direct:** 04 805 0844 | **Fax:** 04 805 0831 | **Mobile:** 027 270 3555 | **Website:** [www.retail.org.nz](http://www.retail.org.nz)



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New Zealand Retailers Association

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**SUBMISSION**

**to**

**Waitomo District Council**

**Waitomo District  
Draft  
Local Alcohol Policy**

**13 September 2013**

## 1. Introduction

These submissions are presented by the New Zealand Retailers Association (“NZRA”).

These submissions are made on behalf of:

- The NZRA; and
- All members of the NZRA located within the Waitomo District, including (but not limited to) those specifically named in Schedule 1 to these submissions.

In developing these submissions we have endeavoured to reflect the views of those of our major members who operate businesses in Waitomo. These are primarily the two major supermarkets (Progressive Enterprises Ltd and Foodstuffs North Island Ltd) who may also present their own views directly to the Council. However, there are other member businesses in Waitomo District, who hold off-licences – including liquor, speciality food and convenience/grocery stores, or on licences – including cafes and restaurants, who will also be affected by the proposed restrictions set out in the draft LAP.

## 2. About New Zealand Retailers Association

The NZRA is the most significant body in the country representing the interests of retailers. We represent an industry<sup>1</sup> that has annual sales of \$70 billion and which employs 327,000 people<sup>2</sup> (approx 20% of the New Zealand workforce) in more than 44,000 outlets throughout New Zealand.

Across all store types and areas we have some 5,700 members and they in turn operate some 14,000 shop fronts. These stores range from the majority of large national retailers to thousands of owner operators.

Our membership accounts for 65% – 70% of total retail expenditure (excluding the motor vehicle sector).

## 3. Contact

Louise Evans McDonald  
Government & Advisory Group Manager  
New Zealand Retailers Association  
Level 2, CMC Building  
89 Courtenay Place, P O Box 12 086  
Wellington

or Barry Hellberg  
Government Relations Manager  
New Zealand Retailers Association  
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Email: [bhellberg@retail.org.nz](mailto:bhellberg@retail.org.nz)

<sup>1</sup> Statistics NZ Retail Trade Survey incl Retail, Food, Accommodation, Vehicle/Fuel retailing Sept 2012 Qtr

<sup>2</sup> Statistics NZ Business Demography Feb 2012

## 4. Background

The NZRA has been involved in the recent Alcohol Reforms process at a national (Central Government) level, beginning with the Law Commission's comprehensive review of legislation relating to the sale and supply of alcohol in 2009 and its subsequent report in 2010. In February 2011, the NZRA made submissions to the Justice and Electoral Select Committee on the Alcohol Reform Bill (introduced in November 2010) and has followed the progress of that bill and the subsequent Sale and Supply of Alcohol Bill (introduced in December 2012) through Parliament, to the eventual enactment of the Sale and Supply of Alcohol Act 2012 ('the Act').

The NZRA welcomes the opportunity to present its views on the draft local alcohol policy (LAP) released by the Waitomo District Council ('the Council').

Before commenting on aspects of the proposed LAP we would like to say that that the NZRA considers that any decisions on future liquor policy in Waitomo District must be based on a robust evidence based discussion around the perceived harm arising from alcohol as well as the inappropriate behaviour that arises through over indulgence in alcohol consumption. We acknowledge the Council did undertake some community surveys and held some stakeholder meetings in the lead up to the development of the LAP. However, we believe that what is lacking is an equally robust examination or commentary of the unintended economic consequences of major changes in local alcohol policy that might result in fewer jobs, less investment and less wages in Waitomo District.

Statistics New Zealand data indicates there are 9 supermarkets and grocery stores in Waitomo District that employ 110 people. Additionally, there are 2 liquor retailers employing 9 people. Both sectors make an important economic contribution to Waitomo District, and, as previously stated, major changes in liquor policy could adversely affect either sector unintentionally with perverse economic outcomes.

## 5. Submissions

The NZRA, and its members, recognise the need for alcohol reforms and the role of such reforms as part of a wider solution to address the drinking culture that exists today in New Zealand, particularly amongst at risk groups, such as youth.

However, we are concerned that the restrictions set out in the LAP represent more of a "knee-jerk" reaction to a popular social issue, than a reasoned and logical attempt at solving an identified problem.

Given the serious impact that the proposed restrictions will have on businesses and the local economy (many of which may not have been contemplated by the Committee), it is important to ensure that the provisions of the draft LAP effectively address the underlying cause of the problem, without causing undue harm to other aspects of society. We note that the Act itself already provides for mechanisms such as police reporting and licensing processes to deal with the matters of concern here.

We are particularly concerned with the robustness of the evidence that the Council now seeks to rely upon as justifying the proposed restrictions. The Council appears

to rely heavily on the results of community surveys and some stakeholder meetings, which do not provide any real basis for concluding that:

- (a) there is an existing problem associated with alcohol sale and supply practices in Waitomo District which is not addressed under existing legislation;
- (b) this problem is being caused or contributed to by location of off-licence outlets and the time at which alcohol is available for purchase;
- (c) the proposed reforms (which will seriously undermine competition within the retail sector in identified areas) are an appropriate means of fixing the problem which has been identified; and that
- (d) the proposed reforms will not cause undue harm to individual businesses and the local economy more generally.

In putting forward the draft LAP, the Council has failed to properly consider the implications of the proposed restrictions for the alcohol market, and the flow-on effect for the wider community. The proposed restrictions on trading hours will not only undermine competition within the district, thus interfering with free market processes and the profitability of individual businesses, but they are also unlikely to have any significant impact on consumer purchasing behaviours. We have not seen any evidence to suggest that the market itself will not simply “self-correct” following the imposition of these trading restrictions, with consumers choosing to either shop elsewhere, or at a different time of day.

In this respect, we consider that the problem is being pushed squarely on to the shoulders of individual business owners, where there is no evidence to suggest that it is their practices which have led to the necessity for reforms to be put in place. We would question the reasonableness of the Council in proceeding any further with the proposed reforms, particularly in circumstances where there is simply no evidentiary basis to do so.

We therefore seek that the Council reconsider the proposed reforms, including whether they are necessary to begin with.

Our submissions on the draft LAP are confined to Section 4 relating to Off Licences and, in particular, the following sections:

- Section 4 (b): Location of Premises holding off Licences by reference to broad areas;
- Section 4 (c) and (d): Location of Premises holding off licences by reference to proximity to premises of a particular kind or kinds;
- Section 4 (f): Maximum Trading Hours for premises holding off licences
- Section 4 (g): Discretionary Conditions of off licences

Our comments on these issues are set out below:

**a) Location of Premises: Sections 4 (b), 4 (c) and (d)**

We believe that resource consent issues are relevant in considering the proposal that no further off-licences should be granted unless they are located in business zones. We submit that there may well be traders who may be in the process of

obtaining, or already obtained resource consent for a particular site, and any decision to restrict off-licence premises to particular zones in Waitomo District may render investment in particular sites as no longer having any real commercial value.

The proposed “zones” will also effectively penalise anyone seeking to offer consumers within suburban and/or residential areas with a convenient alternative to having to travel to a “business zone” to purchase alcohol from an off-licence retailer.

In effect, the small-scale local bottle store will cease to exist as a viable business, simply because of its geographical location. Restrictions on the location of licensed premises will also mean that current off-licence outlets that are already established and are operating outside of those identified areas will be unable to (or find it very difficult and/or expensive to) renew their licences and will in many cases, face closure.

On the other side of the coin, retailers located within approved alcohol zones are likely to face rent rises and other pressures from landlords as they become aware of additional liquor licencing benefits associated with the location of buildings. A further unforeseen and unintended consequence of approved alcohol zones is the potential trading of licences in these zones. This would be further exacerbated should a limit on the number of licences within the zone also apply.

Again, the restriction of off-licence premises in certain localities is unlikely to have any real impact on the consumption habits of those most at risk and will have a significant effect on businesses currently operating within those environments.

In the circumstances, we consider that it is more appropriate for a Committee to approach the determination of any applications on a “case-by-case” basis, with reference to the criteria set out in the Act, taking into account effects on the amenity and good order of the particular area involved, rather than imposing a blanket rule which has the potential to impact significantly on the economic well-being of small business owners, in situations where there might be little or no justification for doing so.

**b) Maximum Trading Hours: Section 4 (f)**

Our submission is that the national default hours of 7am to 11pm (section 43 of the Act) should apply in respect of the off-licence sector operating in Waitomo District rather than the proposed hours set out in the draft plan of 7am to 10pm for all types of off licences..

We support the adoption of the national set of default trading hours as provided for in the Act and that it is unnecessary and inappropriate for further trading-hour restrictions to be imposed under the LAP.

We do not believe that the Council has produced any evidence to demonstrate that the shorter hours outlined in the draft plan will be effective in minimising alcohol related harm in Waitomo.

We would argue that reducing off-licence hours would inevitably have its greatest impact on the shopping behaviour of that section of the public that is not the target of the provisions of the LAP and would preclude those consumers having the ability to undertake a full grocery shop last thing in the evening. Evidence available to the NZRA indicates that if we look at shopping for beer and wine in supermarkets we find from factual data produced at point of sale that very few sales are alcohol only. Most purchases of alcohol, when viewed across the whole week and the entire shopping day, also include other grocery products. As a consequence, if the Council is going to curtail the current hours of operation, consumers are inevitably going to be forced to change their shopping habits and if they shop earlier this could result in supermarkets closing earlier which would result in a loss of wages and potentially a loss of jobs.

There is no evidence to suggest that the purchasing behaviour of those most likely to “pre-load” is related to the hours at which alcohol is available. We suggest that there will be no impact on the volume of alcohol purchased from an off-licence premise whether it closes at 9pm or 11pm. Faced with shortened trading hours, customers are simply more likely to change the time at which they buy their alcohol than to amend the amount they buy or go without. Is it worth considering here the behaviour of the real pre-loader - they are unlikely to be going out to purchase alcohol from off-licence premises between 9pm and 11pm as this is supposedly when they are pre-loading.

In reality, the imposition of further restrictions on trading hours will do very little to curb the consumption behaviours of those most at risk – where there is a will, there is a way. Customers will simply avert localised restrictions by either purchasing alcohol at different times of the day or driving to the next licence holder, or town which may have extended hours. It will very quickly become apparent which retailers are operating under trading hour restrictions and which are not. This will significantly impact on the viability of retail outlets themselves, while doing very little to stem the underlying problem.

We understand that other Councils’ near the Waitomo District area are looking at different hours. We submit that there is a likelihood that some consumers will opt to drive and shop outside of Waitomo District should the Council implement shorter hours of 7am to 10pm. This has the potential to cause very serious social problems, leading to potential increases in incidences of drink driving (as consumers attempt to find the closest open liquor outlet) and the creation of “alcohol hubs”, where individuals congregate after other retailers have closed and sales become concentrated in one area.

Having the national default trading hours adopted by Territorial Authorities without change would avoid these operational issues.

For the above reasons, we seek that the proposed trading hour restrictions be **deleted** from the LAP and the default trading hours of 7am to 11pm for off-licences as set out under the Act be affirmed.

**c) Discretionary conditions: Section 4 (g)**

We accept that these conditions may be appropriate but believe they should be considered on a case by case basis.

## **6. Appearance**

The New Zealand Retailers Association would like to appear to speak to our submissions.

New Zealand Retailers Association  
13 September 2013

**Schedule 1: NZRA members**

Progressive Enterprises Ltd (incorporating the Countdown, Fresh Choice and SuperValue brands)

Foodstuffs North Island Ltd (incorporating the NewWorld, Pak'nSave, Henrys Beer Wines and Spirits and Four Square brands)

Liquorland

Super Liquor



## Submission Form Draft Local Alcohol Policy

### How do I make a submission?

You can return this form to Council by:

POST	EMAIL	FAX
Chief Executive Waitomo District Council PO Box 404 TE KUITI 3941	waitomdc@waitomo.govt.nz (email submissions must include all the information requested on this form)	(07) 878 7771

**Remember consultation closes on Friday 13 September 2013**

**Submission Period:** Tuesday 13 August 2013 - Friday 13 September 2013

**Hearing Date(s):** Tuesday 24 September 2013

### Have Your Say (enter submission here)

Name:

Address:

Phone:

Yes, I wish to speak in support of my submission at the hearing.

No, I do not wish to speak in support of my submission.

The Waitomo District Youth Council conducted a survey expressing their views on the Local Alcohol Policy for 2013. On behalf

**If you need to use extra pages, include your name on each page and attach them to this form.**

*Please note: Please note that all submissions will be made available to the public, subject to the provisions of the Local Government Official Information and Meetings Act 1987.*

The Waitomo District Youth Council conducted a survey expressing their views on the Local Alcohol Policy for 2013. On behalf of my fellow Youth Council members, I have volunteered to draft a submission which relays the views expressed in this survey.

In Te Kuiti, the Waitomo District Youth Council believes that the number of off licences (e.g. bottle stores), licensed supermarkets and licensed clubs are 'about right'. On the other hand, they believe that there are 'too few' licensed restaurants and hotels, taverns, bars and night clubs. In terms of the Waitomo District as a whole, the Youth Council's thoughts on the number of licensed premises are the same as above. In the Local Alcohol Policy for 2013, the Youth Council do not believe that this policy should allow for an increase in the number of off licenced stores, licensed supermarkets, hotels or taverns and licensed clubs. However, they do believe that this council policy should allow for an increase in the number of licensed restaurants. The Youth Council believe that the proximity of Kindergartens and similar, schools, place of worship, sports facilities, community halls or centres, other places that sell alcohol, residential areas and Marae's should affect where off licences (bottle stores and licensed supermarkets) are located. The Youth Council suggested that licensed premises be located a minimum distance of 250 metres away from these facilities. In contrast, the Youth Council believes that the proximity of the following facilities mentioned above should affect where on licences (hotels, taverns, restaurants and bars) are located, and suggested that licensed premises also be located a minimum distance of 250 metres away from these facilities. The Youth Council suggested opening and closing hours for the following types of licensed premises: off licenses (e.g. bottle stores) should open at 4pm and close at 10pm; licensed supermarkets should open at 12pm and close at 9pm; licensed restaurants and cafes should maintain their usual opening and closing times; hotels, taverns, bars and night clubs should open at 12pm and close at 1am; and licensed clubs should also open at 12pm and close at 1am. The Youth Council favours having a 'one way door restriction' from 12pm for hotels, taverns, night clubs, bars, and licensed restaurants and cafes. However, they do not favour having a 'one way door restriction' for clubs.

In final, the Waitomo District Youth Council believes that the Waitomo District Council should adopt a local alcohol policy. On behalf of my fellow Youth Council members, I would like to thank you for giving us the opportunity to contribute to the Local Alcohol Policy for 2013.

**Michelle Higgle**

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**From:** Amy Robinson [Amy@ahw.org.nz]  
**Sent:** Friday, 13 September 2013 11:59 a.m.  
**To:** WebMail  
**Subject:** Draft LAP submission  
**Attachments:** image001.png; oledata.mso; SubmissionWaitomoDistrictCouncildraftLAP130913.docx

Hi,

Please find our submission to the Waitomo District Council's draft Local Alcohol Policy.

Kind regards,

*Amy Robinson | Health Promotion Advisor - Alcohol Policy and Planning*



Level 1, 27 Gillies Avenue, Newmarket | PO Box 99407 | Auckland 1149 |

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✉ [amy@ahw.org.nz](mailto:amy@ahw.org.nz)

Visit our website: [www.ahw.org.nz](http://www.ahw.org.nz)

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## **Submission on Waitomo District Council's draft Local Alcohol Policy**

**13<sup>th</sup> September, 2013**

Alcohol Healthwatch is an independent charitable trust working to reduce alcohol-related harm. We are contracted by the Ministry of Health to provide a range of regional and national health promotion services. These include: providing evidence-based information and advice on policy and planning matters; coordinating networks and projects to address alcohol-related harms, such as alcohol-related injury, fetal alcohol spectrum disorder, supply to minors and tertiary student drinking; and coordinating or otherwise supporting community action projects.

Thank you for the opportunity to provide feedback on Waitomo District Council's draft Local Alcohol Policy.

We would appreciate being contacted about the possibility of providing an oral submission also.

If you have any questions on the comments we have included in our submission, please contact:

Amy Robinson

Health Promotion Advisor

Alcohol Healthwatch

P.O. Box 99407, Newmarket, Auckland 1149

P: (09) 520 7038

E: [amy@ahw.org.nz](mailto:amy@ahw.org.nz)

## 1. Introduction

Firstly, we would like to commend Waitomo District Council on their commitment to developing a draft Local Alcohol Policy.

Our feedback is based on the following fundamental understandings:

- 1) The Sale and Supply of Alcohol Act 2012 provides for territorial authorities to develop a Local Alcohol Policy. This was in response to widespread community concerns and objections throughout New Zealand to the proliferation of outlets, the proximity of off-licences to sensitive sites such as schools, their associated visual impact and other impacts on communities.

Therefore we assert that Local Alcohol Policies must directly and effectively address these concerns.

- 2) The content of a Local Alcohol Policy must be determined on its ability to contribute to achieving the object of this Act, that being:
  - *The sale, supply, and consumption of alcohol should be undertaken safely and responsibly; and*
  - *The harm caused by the excessive or inappropriate consumption of alcohol should be minimised.*

*For the purposes of subsection (1), the harm caused by the excessive or inappropriate consumption of alcohol includes—*

- *any crime, damage, death, disease, disorderly behaviour, illness, or injury, directly or indirectly caused, or directly or indirectly contributed to, by the excessive or inappropriate consumption of alcohol; and*
- *(b) any harm to society generally or the community, directly or indirectly caused, or directly or indirectly contributed to, by any crime, damage, death, disease, disorderly behaviour, illness, or injury of a kind described in paragraph (a).*

Therefore, a Local Alcohol Policy must seek to do two things: Firstly, it needs to reduce the significant levels of alcohol-related harm that already exists and secondly; it needs to prevent further alcohol-related harm from happening (where able).

- 3) While acknowledging that Local Alcohol Policy content is limited to licensing matters, they do provide great potential to address the key risk factors of accessibility and availability of alcohol through restricting the density, location, proximity and operation of licensed premises. In relation to the matters relevant to the Local Alcohol Policy, the evidence-base of effectiveness for reducing alcohol-related harm is strongest for reducing the trading hours of alcohol outlets and reducing the numbers of alcohol outlets. With this in mind, it is important that if this policy is indeed to meet its objective, these two policy interventions will be prioritised.

With these understandings in mind Local Alcohol Policies must:

- 1) Be evidence-based and include mechanisms that will effectively reduce the accessibility/availability of alcohol.
- 2) Reflect community wishes to restrict the number and location of alcohol outlets and the hours that they operate.
- 3) Work effectively to address existing issues and prevent harm.

Our comments on this draft policy will be outlined below under their applicable headings as laid out in the draft policy. We have underlined the proposals that we support/do not support and have provided further recommendations in the boxes at the end of each section for clarity.

## **2. Objective of the Local Alcohol Policy**

Alcohol Healthwatch supports the objective as stated in the draft Local Alcohol Policy.

## **3. Specific Policies – On-licences**

### **3.1 Location of premises holding on-licences by reference to broad areas**

Alcohol Healthwatch supports the restriction of licensed premises to certain areas as outlined in the District Plan. Although there can be issues with precinct type areas there are mechanisms within the Local Alcohol Policy legislation that can reduce the potentially negative effects. For example, one way doors can assist with crowd dispersion and migration between bars near the end of the night and discretionary conditions can be placed on licensed premises to control other negative behaviours that can result from precinct type areas.

### **3.2 Location of premises holding on-licences by reference to proximity to other premises and facilities**

Alcohol Healthwatch supports the controls proposed in the draft Local Alcohol Policy with regard to proximity of on-licences to other premises and facilities such as ‘sensitive sites’. As will be discussed below, there is good evidence to show the negative effects that licensed premises can have on vulnerable populations such as children and young people.

### **3.3 Further issuing of on-licences in the District**

As mentioned in the introduction, the evidence behind decreasing the number of outlets that sell alcohol to reduce alcohol-related harm is strong. As Babor et al (2010) found; “Restricting the number of places where alcohol can be sold has been widely used to reduce alcohol-related problems by limiting consumption”<sup>1</sup>.

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<sup>1</sup> Babor et al (2010). *Alcohol No Ordinary Commodity: Research and Public Policy*. 2<sup>nd</sup> ed. Oxford University Press. P.131.

In New Zealand research undertaken by the former ALAC (conducted by the University of Waikato) in Manukau City found several key results relating to the characteristics of alcohol sales in this area.

1. Off-licence outlet density is related to social deprivation, i.e. higher relative deprivation is associated with a higher density of off-licence outlets
2. Further, off-licence outlets tend to be distributed throughout the area in order to reduce local competition
3. Areas with a higher density of off-licence outlets have higher competition between those outlets, leading to lower prices, longer operating hours and later weekend closing times
4. Higher numbers of off- and on- licences is associated with a higher number of total police events. In particular, off-licence density is associated with higher levels of anti-social behaviours, drug and alcohol offences, family violence, property abuse, property damage, traffic offences and motor vehicle accidents. On-licence density is associated with higher levels of dishonesty offences and property damage<sup>2</sup>.

An extension of this study which looked at the impact of liquor outlets on communities across the whole of the North Island has recently been released by the Health Promotion Agency<sup>3</sup>. Overall, the report states that although there is variation across the North Island, the most substantial positive relationships with violent offences were observed for bar and nightclub density, and supermarket and grocery store density. Other on-licence density and licensed club density also had significant positive relationships with violent offences, while other off-licence density had a marginally significant negative relationship with violent offences.

Although the number of on-licences may not be an issue for the community at the moment, the environment could change within the next six years and therefore the Council may want to ensure that the policy can deal with this problem if it does occur. Elsewhere in high risk/high stress areas (i.e. areas that are saturated with alcohol outlets, have high proportions of vulnerable populations such as young people, Māori and Pacific, and low socioeconomic areas) we are recommending a regional cap on licensed premises with an optional localised sinking lid policy for those communities to decide upon if they feel that they have too many alcohol outlets in their community or if they want to protect their young people from the adverse effects of high numbers of alcohol outlets. The cap and/or sinking lid can either be applied to all licensed premises or a particular type of licence e.g. off-licences. This will depend on what the issue is in your community.

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<sup>2</sup> Cameron, M.P., Cochrane, W., McNeill, K., Melbourne, O., Morrison, S., & Robertson, N. (2009). The impact of liquor outlets in Manukau City – Summary Report-Revised. Wellington: ALAC.

<sup>3</sup> Cameron, M.P., Cochrane, W., Gordon, C., and Livingston, M. (2013). *The Locally-Specific Impacts of Alcohol Outlet Density in the North Island of New Zealand, 2006-2011*, research report commissioned by the Health Promotion Agency, Hamilton: National Institute for Demographic and Economic Analysis, University of Waikato.

*Alcohol Healthwatch recommends:*

*1) That Council enables the Local Alcohol Policy to be able to manage the numbers of on-licences in the district if the need arises. This would include a regional cap on all licensed premises in the district with a localised sinking lid option for high risk/high stress areas within the district.*

### **3.4 Maximum trading hours for premises holding on-licences**

The weight of evidence suggests that restrictions on opening hours and days of sale are important policy levers for managing alcohol-related harm. Out of the mechanisms available to be used in a Local Alcohol Policy, restricting the trading hours of licensed premises will have the largest impact on reducing harm.

Babor et al (2010)<sup>4</sup> summarise the evidence for restricting trading hours “...there is strong and reasonably consistent evidence from a number of countries that changes to hours or days of trade have significant impacts on the volume of alcohol consumed and on the rates of alcohol-related problems”. The authors go on to say that when hours and days of sale are increased, consumption and harm increase, and vice versa.

The evidence also suggests that for every hour of earlier closing, the further alcohol-related harm will be reduced.

The North Island Density research that was outlined above shows a concerning picture of the negative effects all types of licensed premises can have on communities. This trend follows the same pattern throughout the country; it is just the scale of harm that differs between the large cities and smaller towns.

Figures from the Police show that nationally the predicted rate of alcohol-related offending doubles between 1-2am, doubles again between 2-3am, and doubles again between 3-5am.

Additionally, it is important to reiterate that restricting the trading hours of licensed premises is the most effective policy mechanism included in a Local Alcohol Policy to reduce harm.

Alcohol Healthwatch supports a significant restriction of the current trading hours for on-licences in the district. We believe that a significant reduction in trading hours is at least 2 hours less than the hours licensed premises currently operate at.

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<sup>4</sup> Babor et al (2010). *Alcohol No Ordinary Commodity: Research and Public Policy*. 2<sup>nd</sup> ed. Oxford University Press (p.145).

*Alcohol Healthwatch recommends the following maximum trading hours for on-licences:*

*Inner city: A reduction in on-licence trading hours of at least 2 hours from their current trading hours.*

*Suburban areas: 10am – 12am with a discretionary one-way door from 11pm.*

*Restaurant licence trading hours should not go beyond 12am.*

*One way doors should be implemented 2 hours before closing time.*

*Alcohol Healthwatch also recommends:*

*1) That Council request the GIS files for the North Island Density research from the Health Promotion Agency (if they haven't already done so) to access localised data to further inform their decision making.*

### **3.5 Discretionary Conditions of on-licences**

We support the list of discretionary conditions that has been included in the draft Local Alcohol Policy. We support the use of discretionary conditions to strengthen the policy and believe it could be useful to have a suite of conditions that are applied consistently per licence type. This will ensure ease of application, understanding and fairness.

We believe that the list of discretionary conditions for on-licences could be strengthened to include conditions that can control patron behaviours if these are required. Examples of these types of conditions include limiting the number of drinks sold per customer after a specified time, and limiting the type of drinks sold after a specified time (e.g. restrict the sale of shots).

*Alcohol Healthwatch recommends:*

*1) A suite of discretionary conditions are chosen to apply to all on-licences.*

*2) The list of discretionary conditions in the policy guidance document is strengthened to include conditions that can control patron behaviours as required. For example, the list should include the ability to limit the number of drinks sold per customer past a specified time and to limit the type of drinks sold after a specified time e.g. no shots after 12am.*

### **3.6 One way door restrictions**

The one way door mechanism has mixed evidence as to its effectiveness. However, we believe that it is a useful tool to have available, and if applied consistently can help to reduce harm. It works by staggering the time that customers leave licensed premises thereby decreasing crowds of people exiting licensed premises at the same time and also reduces migration between premises.

ALAC conducted an evaluation of the Christchurch one-way-door intervention in 2008<sup>5</sup>. The evaluation found that while there was no overall reduction in alcohol-related crime in the inner city, there were reductions in some subsets of crime. It also showed that the one-way door intervention relied on effective working relationships by all parties, including Police and licensees.

Additionally, In Dunedin in 2008 about 25 inner-city bars took part in a one-way door trial for 3 months and they found reduced alcohol-fuelled violence in the central city<sup>6</sup>.

Anecdotal evidence from licensing inspectors and NZ Police appears to be strong for one-way door policies.

Setting up a monitoring and evaluation project to assess the effectiveness of one-way doors as a mechanism to reduce harm will be an important step that local Councils can take to ensure that when the policy comes up for renewal, there will be more information to inform future decision making.

Alcohol Healthwatch supports the inclusion of a one-way door recommendation for on-licences, but would suggest an amendment to impose the one-way door from two hours before closing for the licensing precincts.

*Alcohol Healthwatch recommends:*

- 1) Setting up a monitoring and evaluation programme to evaluate the effectiveness of the one-way door policy in your local area.*
- 2) For premises that are open past 12am, the one-way door period should be implemented 2 hours before closing.*

#### **4. Specific Policies – Off-licence**

##### **4.1 Location of premises holding off-licences by reference to broad areas**

Alcohol Healthwatch supports the restriction of licensed premises to certain areas as outlined in the District Plan. However, the same concern applies as to that outlined in the on-licence section. As the evidence shows, high numbers of alcohol outlets have been associated with anti-social behaviour, family violence, binge drinking, injuries and motor vehicle accidents. Additionally, with each extra off-licence alcohol outlet within 1 km, the odds of binge drinking increase by around four percent. Therefore, it may be prudent to enable the Local Alcohol Policy to manage the numbers of off-licences in the district if required in the future.

<sup>5</sup> Law Commission (2010). *Alcohol in our lives: Curbing the Harm. A report on the review of the regulatory framework for the sale and supply of liquor*. Wellington: New Zealand.

<sup>6</sup> NZ Police (2009). *Policing Fact Sheet: Licensed premises trading hours*. Prepared by: Organisational Performance Group, Police National Headquarters: Wellington.

*Alcohol Healthwatch recommends:*

*1) That Council enables the Local Alcohol Policy to be able to manage the numbers of off-licences in the district if the need arises. This may include a regional cap on off-licences or a localised sinking lid that communities can decide upon if they feel that there are too many off-licence outlets in their area.*

#### **4.2 Location of premises holding off-licences by reference to proximity to other premises and facilities**

Over the past few years, many communities have objected to off-licences being located in close proximity to facilities of a particular kind, or sensitive sites, such as schools. There is good reason for communities to be concerned about the effect of alcohol outlets on vulnerable populations, such as children and young people. Exposure to alcohol advertising has been shown to lower the age that young people start to drink and make it more likely for them to drink heavily. After reviewing 13 longitudinal studies that reported on 38,000 young people, Anderson and others (2009)<sup>7</sup> found consistent evidence to link alcohol advertising with the uptake of drinking among non-drinking youth and increased consumption among their drinking peers. Anderson noted that these results were not surprising, as exactly the same conclusions have emerged from reviews of the impact of tobacco and food marketing on young people.

Having alcohol outlets operating near sensitive sites, in similar ways that any other shop or service operates, also helps to normalise alcohol in children's minds and encourages them to think that alcohol is a product that is just the same as any other ordinary commodity. However, alcohol is not an ordinary commodity and we should not encourage an environment in which our children view it as being one.

Alcohol Healthwatch therefore support the restrictions on the location of premises that is included in the draft policy.

Through our community forums, other sensitive sites have also been identified than what this draft policy lists. These include Alcohol and Drug treatment services, urupa, prisons, hospitals/medical centres, youth centres, transport hubs, playgrounds and parks, places of worship and rest homes. Council may want to consider adding these sensitive sites to the list included in the draft policy if they deem them to also be relevant to their communities.

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<sup>7</sup> Anderson P et al (2009). Impact of Alcohol Advertising and Media Exposure on Adolescent Alcohol Use: A systematic review of longitudinal studies. *Alcohol & Alcoholism*. 44:229-242.

*Alcohol Healthwatch recommends:*

*1) For Council to ensure that the list of facilities stated in the draft policy is extensive enough to capture those facilities that the community deem to be sensitive sites or facilities of a particular kind.*

#### **4.3 Further issuing of off-licences in the District**

As above in section 3.3.

We also recommend that direct notification be provided to all residents and sensitive sites within a 100m buffer zone of a proposed licence which would outline the licence application and the process to object or have input into that decision.

*Alcohol Healthwatch recommends:*

*1) That direct notification be provided to all residents and sensitive sites within a 100m buffer zone of a proposed off-licence which will outline the licence application and the process to object or have input into that decision.*

#### **4.4 Maximum trading hours for premises holding off-licences**

The evidence for the trading hours of off-licence premises is the same as for on-licences (as outlined above). Across the board, we know that if we can restrict the trading hours that licensed premises operate, alcohol-related harm will be reduced.

Alcohol Healthwatch therefore do not support the proposed trading for premises holding off-licences in the draft policy. There is no evidence to suggest that off-licence customers need access to alcohol between 7am and 10am or after 9pm at night. We do not believe that alcohol should be made available for sale for much longer periods than other products for example, pharmaceutical products from a chemist.

Alcohol Healthwatch supports the consistent approach that has been taken to off-licence hours in the policy as there is no evidence to suggest that supermarkets should be treated any differently from other off-licences.

Elsewhere, we are recommending trading hours for all off-licences between 10am to 9pm with no exemptions for supermarkets.

*Alcohol Healthwatch recommends the following maximum trading hours for off-licences:*

*10am-9pm for all premises.*

*There should be no exemptions for supermarkets.*

#### **4.5 Discretionary conditions of off-licences**

Alcohol Healthwatch supports the inclusion of discretionary conditions for off-licences in the draft Local Alcohol Policy.

As outlined in section 4.3 there is strong evidence to show the negative impacts that alcohol advertising on licensed premises can have on the population, particularly on our vulnerable populations such as young people and children.

We believe that the policy guidance document needs to further restrict the percentage of shop front that off-licence premises have available for signage/advertising to 30% at the most. These restrictions could be even tighter for those premises that are within a 100m buffer zone of the specified sensitive sites in the policy to limit visual impact (e.g. no visible alcohol advertising at all on or around premise). Discretionary conditions should also be applied to off-licence trading hours within this buffer zone to ensure the premises are closed during peak travel time periods for schools.

**Alcohol Healthwatch recommends:**

*1) That the discretionary condition included in the Local Alcohol Policy guidance document restricts the amount of percentage of external area allowed for signage/advertising to 30% at the most and an expectation of zero advertising for those off-licences within 100m of sensitive sites.*

*2) That the policy also allow for discretionary conditions to be applied to those off-licences within the 100m buffer zone of schools to close their premises during peak school travel times.*

### **5. Specific Policies – Club Licence**

Club licences, in particular those held by sports clubs, have shown up in the research and anecdotally as contributing to the risky drinking behaviours exercised by the participants at the club<sup>8</sup>.

Practically, it is difficult to implement the same measures on club licences that we recommend for on, off and special licences.

#### **5.1 & 5.2 Location and further issuing of club licences in the District**

Alcohol Healthwatch supports the measures outlined under the location and number mechanisms for club licences.

<sup>8</sup> O'Brien, K. (2011). Commentary on Terry-McElrath & O'Malley (2011): Bad sport – exorcizing harmful substances and other problems. *Addiction*, 106, 1866-1867.

### **5.3 Maximum trading hours for premises holding Club licences**

Alcohol Healthwatch believes that due to their nature club licences do not need to trade past 12am.

*Alcohol Healthwatch recommends:*

*1) The maximum trading hours for premises holding club licences should be 10am to 12am.*

### **5.4 Discretionary conditions of club licences**

Alcohol Healthwatch supports the list of discretionary conditions available for the use on club licences as outlined in the policy guidance document.

### **5.5 One-way door restrictions relating to club licences**

Alcohol Healthwatch supports the ability for the District Licensing Committee to impose one-way door restrictions on club licences if they see fit.

## **6. Specific Policies – Special Licences**

Events that require special licences often involve alcohol-related harm and therefore need to be managed effectively using best-practice host responsibility and large event guidelines.

### **6.1 Location of premises holding special-licences**

Alcohol Healthwatch supports the draft policy considerations of location and proximity of special licences to other facilities and sensitive sites.

### **6.2 Further issuing of special licences in the District**

Alcohol Healthwatch believes that 24 events or series of events per single licensee or applicant is excessive in a one year period. This equates to 2 events per month.

*Alcohol Healthwatch recommends:*

*1) A reduction in the number of events that a single licensee or applicant can apply for in a calendar year to 12 events (one per month).*

### **6.2 Maximum trading hours for premises holding special licences**

Alcohol Healthwatch supports the proposed maximum trading hours for special licences in the draft Local Alcohol Policy.

### **6.3 Discretionary conditions of special licences**

Alcohol Healthwatch are supportive of the discretionary conditions as outlined in the policy guidance document.

**6.4 One-way door restrictions**

Alcohol Healthwatch supports the ability for the District Licensing Committee to impose one-way door restrictions on club licences if they see fit.

**Michelle Higgie**

---

**From:** Georgie Robertson [georgie@licenceme.co.nz]  
**Sent:** Friday, 13 September 2013 2:57 p.m.  
**To:** WebMail  
**Subject:** Submission on LAP  
**Attachments:** 20130913145654299.pdf

Hello

Please find attached a submission made by Super Liquor Holdings Ltd in relation to the draft Local Alcohol Policy.

They do wish to be heard

Best regards  
Georgie Robertson

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# SUBMISSION TO THE DRAFT WAITOMO LOCAL ALCOHOL POLICY (LAP)

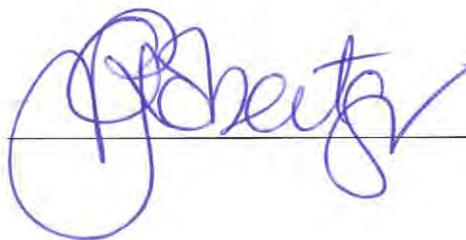
## Submitter Details:

Name: Super Liquor Holdings Ltd  
Agent: Hospitality Licensing Ltd  
Postal Address: P O Box 681  
Oneroa  
Waiheke Island  
Contact: Georgie Robertson  
Phone: 09-372-6107  
Mobile: 021-611-844  
Email: georgie@LicenceMe.co.nz

I ~~do~~/~~do not~~ wish to be heard at the committee of the full Council.

I request my written submission be considered by the full Council.

Signed:



Date: 13<sup>th</sup> Sept 2013

## 2.1 Definitions

We seek the inclusion of the following:

*"New Licence        A new licence for premises that have previously been unlicensed"*

The aim of this is to remove any ambiguity with the intention of the LAP.

The Council is aware that when licensed premises change hands a 'new' licence must be applied for. It is therefore imperative that these existing licensed premises are not disadvantaged, and have the ability to sell their businesses with the safety that the existing terms and conditions of licence can be maintained.

This is in keeping with the provisions in SSAA in terms of public objections for existing licensed premises.<sup>1</sup>

We seek the inclusion of a reference to other default definitions as set out in section 5 of the Sale & Supply of Alcohol Act 2012.

## 4. Specific Policies - Off-Licenses

### 4(b) Location of premises holding off-licenses by reference to broad areas

States that new off licence premises shall be limited to areas zoned pursuant to the Waitomo District Plan to allow commercial activities as permitted activities, unless authorised by resource consent.

We **disagree** with this policy.

This needs to be clarified to be new licenses for premises which have been previously unlicensed.

This removes any ambiguity with the intention of the LAP.

The Council is aware that when licensed premises change hands a 'new' licence must be applied for. It is therefore imperative that these existing licensed premises are not disadvantaged, and have the ability to sell their businesses with the safety that the existing terms and conditions of licence can be maintained.

---

<sup>1</sup> SSAA Section 102(4) – A public objection can only be made on suitability when the applicant applies for the same terms and conditions of a licence already in force.

This is in keeping with the provisions in SSAA in terms of public objections for existing licensed premises.

**4.(c) Location of premises holding off-licenses by reference to proximity to premises of a particular kind or kinds**

States that when considering an application for a new premise, the DLC will have regard to the proximity of that proposed premise to other licensed premises where it considers this relevant.

We **disagree** with this policy.

This is ambiguous and offers no guidance for applicants. The policy needs to be concise about what types of other licensed premises could be relevant.

**4.(d) Location of premises holding off-licenses by reference to proximity to facilities of a particular kind or kinds**

States that an off-licence will not be issued in respect to any new premises on any site where it directly borders any school, early childcare facility, or place of worship existing at the time the premises is established, unless it can be demonstrated that the hours, signage or operation of the premises will have no impact on those facilities.

- 4.4.4 States the DLC shall have regard to the proximity of any proposed new off licence premise to a public park, car park or reserve particularly where that park, car park or reserve is within a liquor ban area prescribed by a bylaw.

We **disagree** with these policies.

They both need to be clarified to be pertinent to new licenses for premises which have been previously unlicensed.

This removes any ambiguity with the intention of the LAP.

The Council is aware that when licensed premises change hands a 'new' licence must be applied for. It is therefore imperative that these existing licensed premises are not disadvantaged, and have the ability to sell their businesses with the safety that the existing terms and conditions of licence can be maintained.

**4.(f) Maximum Trading Hours**

States that no off licence shall be issued or renewed with trading hours exceeding:

Monday to Sunday            7am to 10pm

We **agree** that a 10pm closing time is sufficient, & firmly believe that this must apply to all off-licensed premises regardless of principal business.

Trading hours for all off-licensed premises should remain the same to ensure that no new or existing off-licence holder will be put at a commercial disadvantage in terms of operating hours.<sup>2</sup> It offers a fair playing field for all operators and is considered to be a consistent and appropriate approach to be taken by Council.

#### **4.(g) Discretionary Conditions of Off-Licenses**

Gives examples of 'other' conditions that may be imposed on an off-licence should the DLC see fit. This includes

"there shall be no "single serve" off sales e.g. individual "stubbies" or "RTD" products in one or less than one standard drink portion."

We **disagree** with this proposed discretionary condition. It is ambiguous, and offers no certainty as to what a single serve could be. There are a number of products sold which have the ability to be classified as a "single serve" that should not be.

This has the potential to go against the object of the Act by prescribing minimum purchase quantities for consumers.

If the Council is to impose a condition such as this, it must be far more prescriptive as to what constitutes a 'single serve' and what does not.

---

<sup>2</sup> [2011] NZ LLA PH 244 Para 10.

**Michelle Higgin**

---

**From:** Georgie Robertson [georgie@licenceme.co.nz]  
**Sent:** Friday, 13 September 2013 3:05 p.m.  
**To:** WebMail  
**Subject:** Submission on LAP  
**Attachments:** 20130913150400059.pdf

Hello

Please find attached a submission made by The Mill Retail Holdings Ltd in relation to the draft Local Alcohol Policy.

They do wish to be heard in support of their submission.

Many thanks  
Georgie Robertson

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# SUBMISSION TO THE DRAFT WAITOMO LOCAL ALCOHOL POLICY (LAP)

## Submitter Details:

Name: The Mill Retail Holdings Ltd  
Agent: Hospitality Licensing Ltd  
Postal Address: P O Box 681  
Oneroa  
Waiheke Island  
Contact: Georgie Robertson  
Phone: 09-372-6107  
Mobile: 021-611-844  
Email: georgie@LicenceMe.co.nz

I ~~do~~/~~do not~~ wish to be heard at the committee of the full Council.

I request my written submission be considered by the full Council.

Signed:



Date: 13<sup>th</sup> Sept 2013

## **Background**

As announced to the market in late May, Independent Liquor NZ, via its new subsidiary The Mill Retail Holdings, has recently purchased the existing business of The Mill Liquorsave Limited. This submission is being lodged on behalf of The Mill retail business. Independent Liquor NZ reserves the right to lodge separate submissions to the various regional LAP processes.

## 2.1 Definitions

We seek the inclusion of the following:

*"New Licence        A new licence for premises that have previously been unlicensed"*

The aim of this is to remove any ambiguity with the intention of the LAP.

The Council is aware that when licensed premises change hands a 'new' licence must be applied for. It is therefore imperative that these existing licensed premises are not disadvantaged, and have the ability to sell their businesses with the safety that the existing terms and conditions of licence can be maintained.

This is in keeping with the provisions in SSAA in terms of public objections for existing licensed premises.<sup>1</sup>

We seek the inclusion of a reference to other default definitions as set out in section 5 of the Sale & Supply of Alcohol Act 2012.

## 4. Specific Policies - Off-Licenses

### 4(b) Location of premises holding off-licenses by reference to broad areas

States that new off licence premises shall be limited to areas zoned pursuant to the Waitomo District Plan to allow commercial activities as permitted activities, unless authorised by resource consent.

We **disagree** with this policy.

This needs to be clarified to be new licenses for premises which have been previously unlicensed.

This removes any ambiguity with the intention of the LAP.

The Council is aware that when licensed premises change hands a 'new' licence must be applied for. It is therefore imperative that these existing licensed premises are not disadvantaged, and have the ability to sell their businesses with the safety that the existing terms and conditions of licence can be maintained.

This is in keeping with the provisions in SSAA in terms of public objections for existing licensed premises.

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<sup>1</sup> SSAA Section 102(4) – A public objection can only be made on suitability when the applicant applies for the same terms and conditions of a licence already in force.

**4.(c) Location of premises holding off-licenses by reference to proximity to premises of a particular kind or kinds**

States that when considering an application for a new premise, the DLC will have regard to the proximity of that proposed premise to other licensed premises where it considers this relevant.

We **disagree** with this policy.

This is ambiguous and offers no guidance for applicants. The policy needs to be concise about what types of other licensed premises could be relevant.

**4.(d) Location of premises holding off-licenses by reference to proximity to facilities of a particular kind or kinds**

States that an off-licence will not be issued in respect to any new premises on any site where it directly borders any school, early childcare facility, or place of worship existing at the time the premises is established, unless it can be demonstrated that the hours, signage or operation of the premises will have no impact on those facilities.

- 4.4.4 States the DLC shall have regard to the proximity of any proposed new off licence premise to a public park, car park or reserve particularly where that park, car park or reserve is within a liquor ban area prescribed by a bylaw.

We **disagree** with these policies.

They both need to be clarified to be pertinent to new licenses for premises which have been previously unlicensed.

This removes any ambiguity with the intention of the LAP.

The Council is aware that when licensed premises change hands a 'new' licence must be applied for. It is therefore imperative that these existing licensed premises are not disadvantaged, and have the ability to sell their businesses with the safety that the existing terms and conditions of licence can be maintained.

**4.(f) Maximum Trading Hours**

States that no off licence shall be issued or renewed with trading hours exceeding:

Monday to Sunday            7am to 10pm

We **agree** that a 10pm closing time is sufficient, & firmly believe that this must apply to all off-licensed premises regardless of principal business.

Trading hours for all off-licensed premises should remain the same to ensure that no new or existing off-licence holder will be put at a commercial disadvantage in terms of operating hours.<sup>2</sup> It offers a fair playing field for all operators and is considered to be a consistent and appropriate approach to be taken by Council.

#### 4.(g) Discretionary Conditions of Off-Licenses

Gives examples of 'other' conditions that may be imposed on an off-licence should the DLC see fit. This includes

*"Kinds of Alcohol to be sold"*

We **disagree** with this proposed condition in its current state. This conditions needs to be read in context with the relevant sections in the Act. In the Sale and Supply of Alcohol Act 2012 the condition is far more specific & prescriptive. The discretionary condition is **only** applicable where the principal business **is not** the sale of liquor. Any discretionary condition of licence would need to reflect this and thus would be in strict accordance with section 116(1)(c) of the Act.

##### S.116 Particular Discretionary conditions & other compulsory conditions: Off-Licenses

1. *The Licensing Authority or licensing committee concerned may issue an off-licence subject to conditions of any or all of the following kinds:*
  - a) *Conditions prescribing the steps to be taken by the licensee to ensure that the provisions of this Act relating to the sale of alcohol to prohibited persons are observed:*
  - b) *Conditions prescribing the people of kinds of person to whom alcohol may be sold or supplied:*
  - c) *In the case of premises where (in the opinion of the authority or committee) the principal business carried on is not the manufacture or sale of alcohol, conditions relating to the kinds or kinds of alcohol that may be sold or delivered on or from the premises.*

---

<sup>2</sup> [2011] NZ LLA PH 244 Para 10.

"there shall be no "single serve" off sales e.g. individual "stubbies" or "RTD" products in one or less than one standard drink portion."

We **disagree** with this proposed discretionary condition. It is ambiguous, and offers no certainty as to what a single serve could be. There are a number of products sold which have the ability to be classified as a "single serve" that should not be.

This has the potential to go against the object of the Act by prescribing minimum purchase quantities for consumers.

If the Council is to impose a condition such as this, it must be far more prescriptive as to what constitutes a 'single serve' and what does not.

**Michelle Higgie**

---

**From:** Caves Motor Inn [glow.worm@xtra.co.nz]  
**Sent:** Friday, 13 September 2013 3:39 p.m.  
**To:** mx.InfoClass  
**Subject:** submission local alcohol draft.doc  
**Attachments:** submission local alcohol draft.doc

Hi

Can you please acknowledge that the attached submission has been received.

Many thanks

Trish McLean

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245

59 Awakino Road  
TE KUITI  
Phone: 07 878 8051  
Fax: 07 878 6782  
Email [panorama.motor@xtra.co.nz](mailto:panorama.motor@xtra.co.nz)

---

12 September 2013

Chief Executive  
Waitomo District Council  
PO Box 404  
Te Kuiti 3941

## **Submission for Draft Local Alcohol Policy on behalf of Caves Motor Inn and Panorama Motor Inn**

*Reference to: F Specific Policies*

We object to the proposed change from our current trading hours of 7am – 3.am

1. We are responsible operators and have been trading responsibly for over thirty years, with no issues or problems with the licencing authority or community  
Trading within these hours we have always practised host responsibility and the sale of liquor act, conducting our business in a professional manner.
2. We run two of the largest accommodation outlets in the area, running large functions for corporates and weddings etc also hosting tourists visiting the area.  
This requires our businesses to have champagne breakfasts and longer staying guests at night. This in turn contributes to increased business in the town and creates employment; to reduce our trading hours to 9am will reduce our ability to operate to the requirements for these functions, thus cutting the opportunity for continued growth in the area.
3. We have no issues with the other proposed changes
4. Yes I wish to speak in support of my submission at the hearing

Yours faithfully

Ivan Haines  
Director

**Michelle Higgle**

---

**From:** Cathy Bruce [C.Bruce@hpa.org.nz]  
**Sent:** Friday, 13 September 2013 3:41 p.m.  
**To:** WebMail  
**Subject:** SUBMISSION Waitomo draft Local Alcohol Policy [HPA-HPA.FID2105]  
**Attachments:** 20130913134957190.pdf; Waitomo LAP submission HPA.DOCX

Hi

Attached is HPA's submission on the draft Waitomo District Council LAP

Thanks

**Cathy Bruce** / *Principal Advisor Local Government*

**Health Promotion Agency (HPA)**

CBRE House | 112 Tuam Street | Christchurch  
PO Box 2688 | Christchurch 8140 | New Zealand

**MOB:** 021 911 803

**TEL:** 03 963 0218

[c.bruce@hpa.org.nz](mailto:c.bruce@hpa.org.nz)

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

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## Submission Form Draft Local Alcohol Policy

### How do I make a submission?

You can return this form to Council by:

POST	EMAIL	FAX
Chief Executive Waitomo District Council PO Box 404 TE KUITI 3941	waitomodc@waitomo.govt.nz (email submissions must include all the information requested on this form)	(07) 878 7771

**Remember consultation closes on Friday 13 September 2013**

**Submission Period:** Tuesday 13 August 2013 - Friday 13 September 2013

**Hearing Date(s):** Tuesday 24 September 2013

### Have Your Say (enter submission here)

Name:

Address:

Phone:

Yes, I wish to speak in support of my submission at the hearing.

No, I do not wish to speak in support of my submission.

Please see attached letter.

**If you need to use extra pages, include your name on each page and attach them to this form.**

**Please note:** Please note that all submissions will be made available to the public, subject to the provisions of the Local Government Official Information and Meetings Act 1987.



CBRE House | 112 Tuam St  
Christchurch 8011  
PO Box 2688  
Christchurch 8140  
New Zealand  
Ph 03 963 0218  
F 04 473 0890

13 September 2013

Chief Executive  
Waitomo District Council  
PO Box 404  
Te Kuiti 3941

To Whom it May Concern

**Re: Draft Local Alcohol Policy Submission**

Thank you for providing the opportunity for the Health Promotion Agency (HPA) to comment on the Waitomo draft Local Alcohol Policy (LAP).

We **do not** wish to speak to this submission.

HPA has the statutory function of giving advice and making recommendations on the sale, supply, consumption, misuse and harm from alcohol. Since 1 July 2012 the HPA assumed the functions of the former Alcohol Advisory Council of New Zealand and the Health Sponsorship Council and some functions of the Ministry of Health.

We congratulate Waitomo District Council on its commitment to develop a LAP. The development of a LAP provides an opportunity for communities to become involved in how alcohol is sold in their neighbourhoods. The object of the Sale and Supply of Alcohol Act 2012 is that the sale, supply, and consumption of alcohol should be undertaken safely and responsibly, and the harm caused by the excessive or inappropriate consumption of alcohol should be minimised. LAPs play an important role in meeting these objectives and provide councils with a mechanism to reflect the needs of the community and minimise the harm locally.

We found that the draft policy was easy to read and that the content was easy to understand. We think that a clear, concise policy will not only be easier for your community and licensees to understand but also more useful for your District Licensing Committee (DLC). We believe the publication of the thorough and carefully considered policy guidance material will be very useful to the DLC.

However we believe that the draft LAP could have provided even more help to the DLC by being more specific and providing additional criteria for the DLC to have regard to. For example

paragraphs 3.0 (c), 4.0 (c), and 5.0 (c) require the DLC to 'have regard to proximity' but the draft LAP does not provide any guidance as to what factors the DLC should consider. These could be a specified minimum distance or a specified number of other premises. Similarly in paragraph 6.0 (f) and 6.0 (g) 'exceptional circumstances' are mentioned but no criteria about what might constitute such exceptional circumstances are provided to assist the DLC in making its decision.

HPA encourages and supports territorial authorities to develop policies that are well consulted and reflect local community views. We would have liked to have seen the background information that the territorial authority must have regard to. If this had been made available to submitters it would have provided more information about the policy decisions reached. Summaries of any stakeholder engagement that was undertaken would also have been useful. HPA believes that LAPs should reflect the views of the community as much as possible, and for this reason we recommend that in the early stages of the development of the draft LAP, engagement with a broad sector of the community and stakeholders should be undertaken.

HPA supports a reduction in trading hours for licensed premises. International research indicates there is a relationship between the hours of sale of alcohol and alcohol-related harm, showing both an increase in harm when hours are increased and a decrease in harm when hours are reduced.<sup>1</sup> This means that limiting trading hours for the sale of alcohol is a key policy lever for reducing alcohol-related harm.

We encourage territorial authorities to set hours that are appropriate for the community and allow for community say through good engagement and consultation on the development of the policy. We are therefore supportive of the hours proposed within the draft LAP.

We note the use of a one-way door restriction for all on-licences (Thursday, Friday and Saturday nights), and for club and special licences if deemed appropriate. Evidence on one-way doors is limited, but it would appear that mandatory one-way doors for on-licences are more successful than discretionary or voluntary ones. It would be useful to include in your planning some ongoing monitoring and evaluation of any one-way door policy so that their effectiveness can be measured.

We are pleased to see that the Council has considered the addition of discretionary conditions in the policy guidance document. The HPA believes that licence conditions can be an effective measure to assist councils to ensure that the sale, supply and consumption of alcohol is undertaken safely and responsibly and that the harm caused by the excessive or inappropriate consumption of alcohol is minimised as per the objectives of the Sale and Supply of Alcohol Act 2012.

In regard to the location of premises the Law Commission's consultation found that this was something that communities feel strongly about. LAPs are one of the main mechanisms for people to have a say about how alcohol is sold in their communities so we were pleased to see that the

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<sup>1</sup> Alcohol in our Lives: Curbing the Harm. A report on the review of the regulatory framework for the sale and supply of liquor. Law Commission. (Chapter 9)

Council has considered this within the draft LAP. In paragraph 3.0 (d) and 4.0(d) licences will not be granted if they 'directly border' schools etc. The HPA considers this should go further and include premises within a certain distance of schools etc as a licence with just one house between it and a school may still be unacceptable.

We note that you have not included a policy on the density of premises. The Law Commission's consultation found that outlet density is one of the most pressing issues around the sale of alcohol for many communities. Studies have suggested an association between the number of outlets and increased levels of alcohol consumption at a neighbourhood level.<sup>2</sup> We realise that density is not an issue for all councils but we would like to draw your attention to some research that has just been released which may be of interest to your Council.

The research undertaken by the University of Waikato National Institute of Demographic and Economic Analysis<sup>3</sup> looks at the geographically-specific relationships between alcohol outlet density (by type of outlet) and social harms (specifically different types of police events, and motor vehicle accidents) in the North Island of New Zealand from 2006 to 2011. In global terms, bar and nightclub density is significantly positively associated with all categories of police event and with motor vehicle accidents. Supermarket and grocery store density has statistically significant and positive effects on police events, but not motor-vehicle accidents. Licensed club and other on-licence density are significantly positively related to many of the categories of police event. This research also suggests that the nature of the relationships between alcohol outlet density and social harms are context sensitive and they vary by geographic location throughout the North Island by outlet type. GIS shape files are available for each territorial authority and are available from the HPA.

Once again, thank you for the opportunity to comment on the Waitomo District Council draft LAP. Please do not hesitate to contact Cathy Bruce, Principal Advisor Local Government, e-mail [c.bruce@hpa.org.nz](mailto:c.bruce@hpa.org.nz), phone 03 963 0218 if you would like to discuss any parts of this submission further.

Yours sincerely



Andrew Hearn  
**General Manager Policy, Research and Advice**

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<sup>2</sup> Alcohol in our Lives: Curbing the Harm. A report on the review of the regulatory framework for the sale and supply of liquor. Law Commission. (Chapter 6)

<sup>3</sup> <http://www.alcohol.org.nz/sites/default/files/research-publications/pdfs/NI%20Outlet%20Density%20Report%20FA.pdf>

**Michelle Higgie**

---

**From:** Clowdy Ngatai [Clowdy.Ngatai@waikatodhb.health.nz]  
**Sent:** Friday, 13 September 2013 4:06 p.m.  
**To:** WebMail  
**Subject:** Submission on draft LAP  
**Attachments:** alcohol submission\_ Clowdy\_ 2013-09-13.doc

Kia ora John

Please find attached my submission for Council consideration.

Nga mihi

Clowdy Ngatai

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## ***Introduction***

Thank you for the opportunity to make submission regarding the Waitomo District Council's Draft Local Alcohol Policy Proposal.

I write in support of the Council developing a Local Alcohol Policy because I am interested in reducing alcohol related harm in our local communities. I commend the council's efforts in supporting the community to have a say.

I am currently employed by the Waikato District Health Board as a Health Promoter based in Te Kuiti and I should point out that this submission is not submitted in my professional capacity.

My concerns are firstly with my children aged 11 and 9 years of age and securing a safe environment for them to grow, it is with them in mind that I submit to you today.

## ***A Street view***

On any given month over the past 12 years, my husband and I will witness at least one of the listed occurrences from the boundaries of our house:

- Abusive language which seems to be amplified by the alcohol
- Excessive drinking that spans several hours or even days
- Intoxicated party goers that spill out onto the street in early hours of the night
- Dangerous driving spurred on by unsafe party goers
- Explosive violence that occurs either late at night or in the early hours of the morning following a drinking episode.

Often we report these with police, but I do find this a very reactive measure and I think we can afford to do much better as a community to help shape this type of outcome.

I would be interested in any policy that is able to influence how a community is safe guarded against experiencing alcohol related harm.

## ***Points to consider:***

- Reducing the proposed hours of sale from off licensed sites

Anyone buying alcohol before 9am in the morning does not need to be drinking alcohol.

Restricting opening hours will also decrease the likelihood of the party dragging on to make the supermarket opening hours to replenish supplies.

- Density and location of the number off licence premises

Te Kuiti does not need any more licensed premises to cater to the population.

My children along with a number of others make their way every morning from William Street to Te Kuiti Primary School. In the last 4-5 minutes of their trip they will pass up to four on licensed sites and three off licensed sites.

I would like to see a reduction in the density of off licence premises through the region. An alcohol outlet increase will likely lead to price wars starting in the industry, driving prices down to make it more affordable.

Limiting access to alcohol for our most vulnerable younger members by increasing cost and affecting legislation (through controlling the number of outlets and the opening hours of premises) is a very proactive and justified position for a council to take to support a community to minimise alcohol related harm.

- Advertising in shop windows and on streets

Off licensed sites are often laden with advertisements that spill onto the street on sandwich boards and unattractive bill boards that my son enjoys dodging on his scooter. I am mindful of the effects we all know advertising and marketing can have on people's drinking decisions and behaviours.

## **Conclusion**

In conclusion I would like to thank the council for this opportunity to submit and would be happy to provide a verbal submission.

I will look forward to receiving notice about a time to speak in support of this submission.

Nga Mihi

Cloudy Ngatai

(Resident of Te Kuiti and mother of two)

31 William Street

Te Kuiti, 3910

07 878 8342 or 021 632 561

**Michelle Higgin**

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**From:** Alan.Sciascia@hospitalitynz.org.nz  
**Sent:** Friday, 13 September 2013 4:32 p.m.  
**To:** WebMail  
**Cc:** Sandra Jones; synergyfirst@clear.net.nz; Ian Mc Erlich; Manager Waitomo Caves Hotel  
**Subject:** Hospitality NZ submission on Waitomo DC draft LAP  
**Attachments:** WaitomoDC\_Submission\_Sep2013.pdf; \_\_HNZ Fact v Fiction\_April 2013.pdf; NelsonMail\_Drinking at home.pdf; TCC\_Chch\_OWD\_Survey.pdf

Please find attached a copy of our submission on the Waitomo District Council Draft LAP along with supporting documents for same.

We would like an opportunity to speak at the council hearings on the LAP issue

Kind regards

**Alan Sciascia**

Regional Manager

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**SUBMISSION ON**  
**Proposed Local Alcohol Policy – Waitomo District Council**  
**September 12 2013**

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Hospitality NZ is a voluntary trade association representing 2,400 hospitality businesses throughout New Zealand since 1902. As Regional Manager for Hospitality New Zealand, I support and represent four licensed premises throughout Waitomo District and these businesses employ a total of 32 staff. This submission is made on behalf of the Waikato branch of Hospitality New Zealand.

Hospitality is a significant industry and major employer throughout the Waitomo District. The hospitality industry plays an important role in social life. The sale of alcohol is a significant driver of economic activity, more than 70,000 people work in the food and beverage sector nationwide, and hospitality is the third biggest area of spending for tourists.

We appreciate the opportunity make a submission on the draft Local Alcohol Policy (LAP). I am committed to working with the Waitomo District council in order to develop a practical and effective LAP. **We would like to speak to our submission and may have an alternate representative speak on our behalf due to prior commitments.**

**CONTACT DETAILS:**

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**Key Issues and Evidence**

**The scale of the Kiwi alcohol problem**

It is generally accepted that most adult New Zealanders are not harmful consumers of alcohol. Alcohol abuse is a real and significant problem for a small minority of Kiwis. However, the current consumption of alcohol is historically quite low by New Zealand standards and barely registers compared to other countries.

While there has been a steady but small increase in alcohol consumption since 1999, consumption levels from 1969 right through to 1997 were higher – particularly during the 1970s and 1980s. The World Health Organisation ranked New Zealand as the 51<sup>st</sup> highest consumers of alcohol in their

*Global Status Report on Alcohol and Health 2011*. Despite the impression presented in the media, Kiwis are drinking less overall than we used to.

It is important to have an accurate perspective of the scale of the alcohol problem in order to develop a suitable Local Alcohol Policy. We consider that regulatory policies should be proportionate to the risk of harm and avoid penalising those who consume alcohol in moderation and avoid penalising outlets which sell alcohol responsibly.

### **Key differences between on-licences and off-licences**

It is important to note that nationally 75% of alcohol consumed is now bought from off-licences and just 25% from on-licence premises. Our understanding is that this situation equally applies in the Waitomo District area.

There are key differences between the highly regulated on-license environment and the way off-license alcohol purchases are consumed.

On-licence businesses are professionally run and comply with strict licensing conditions and a comprehensive host responsibility framework. The staff are also trained and experienced in providing a responsible drinking environment. It is illegal for people to get drunk at licensed premises and on-licence holders are accountable and responsible for patrons' behaviour. On-licences know the rules and the heavy consequences for their business if they don't comply.

Most people involved in dealing with the effects of excessive alcohol agree it is the drinking at home or in public places that causes most of the problems.

Recent research into the experiences of the industry, police, councils and health authorities show that the biggest areas of concern are the habits of 'pre-loading' at home before going to town, 'side-loading' by drinking in cars or public places because it's cheaper than buying alcohol in bars and nightclubs, and 'post-loading' by imbibing further after leaving licenced premises.

Pre-loading, side-loading and post-loading are all unmonitored and uncontrolled. The impact is exacerbated by cheap alcohol from supermarkets. This is the critical issue that the Waitomo District Local Alcohol Policy should seek to address. A number of draft LAPs, including Waitomo District, have excessively targeted on-licences when the reality is that they are generally part of the solution, not part of the problem.

Research also shows that most underage drinkers get their alcohol from parents, friends or other people. It is unlikely that those purchases are made from an on-licence. Most likely, it would have been a supermarket or bottle store. Any moves to tackle underage drinking should be targeted correctly.

It is our argument that licensed premises provide a controlled drinking environment and the Council's focus should be on other more damaging forms of alcohol consumption.

### **Focus on problem drinkers and anti-social behaviour**

Reducing access to alcohol for moderate drinkers does not result in a reduction in alcohol related harm – the issues are not automatically linked. Alcohol related harm can be reduced without affecting sensible drinkers in any way. The focus has to be on abusive and anti-social behaviour – not blanket restrictive policies which penalise responsible outlets and responsible drinkers.

Waitomo District needs to address the crucial issue for reducing alcohol harm – how to reduce consumer demand for alcohol.

### **Research paper ‘Facts and Fiction’ attached**

Attached to this submission is the ‘Facts and Fiction’ research paper commissioned by Hospitality New Zealand.

We consider it important that the Waitomo District takes the contents of this document into account during the preparation of the final LAP as it provides robust evidence challenging many assumptions around the sale and consumption of alcohol in the draft plan.

### **Specific concerns with the Waitomo District Draft Local Alcohol Policy**

#### **2.1 Definitions**

There is currently no definition of **New Premises**. We consider that this needs to be better clarified so as to avoid any confusion or later disagreement as to whether current licensed premises are exempt from policy applicable to new licensed premises. Submission is for the inclusion of the following definition

**New premises** (including on-licence, off-licence and/or club licence) means any premises which has not been subject to a current liquor licence in the twelve (12) months prior to the application shall be considered as being a new premises for the first time.

#### **3 (f) Maximum trading hours for premises holding on-licences**

We notice with concern that all trading hours have a commencement time of 9am. We point out licensed premises within Waitomo District have frequent demand for early trade from passing motorists and locals seeking breakfasts. As Waitomo is a very convenient mid-point for many passing through to and from the volcanic plateau’ cafes and restaurants in the district seek to be cater for that need. This allows passing motorists to enjoy a comfort stop, refresh and enjoy the facilities, amenities and services the district has to offer. We submit that on-licence premises have a commencement time of 7am each day. This would allow for responsible businesses to continue operating as they have up until now with no identifiable problems.

#### **3 (f)**

*Any outdoor dining area will not have trading hours that exceed 9.00am to 10.00pm.*

We do not support the requirement for outdoor dining areas to be restricted to be used only between the hours of 9:00am and 10:00pm. A considerable number of patrons have used outdoor facilities regularly and without any disruption to the wider community. This facility is very popular with customers and if it were subject to tighter restrictions we expect it would result in a significant reduction in patronage and subsequent reduction in staffing of affected businesses. Essentially employment and business would be adversely affected, a loss to the community but with no apparent gain.

Waipa District has wisely approved licensed premises to utilise public spaces within their out-door areas until 11pm. Also in Waipa other outdoor areas within the licensed premises are allowed to operate within the usual licensing hours. We seek a similar approval so that businesses can continue to operate as they have up until now with no identifiable problems.

### 3 (h) One-way door restrictions

*A one-way door restriction of one-hour prior to maximum closing time shall apply on Thursday, Friday and Saturday nights to any hotel or tavern premises with a midnight or later closing time.*

#### Submission

One-way doors and restricted hours were trialled widely in Australia and largely abandoned because they did not work and imposed significant costs on an industry that already works on low margins and tight budgets. The same results have been reported in other jurisdictions and can be expected here. In fact, one-way door policies have actually increased anti-social behaviour (see page 8, Evaluation of the Christchurch city one-way door intervention, ALAC 2008)

[http://www.alcohol.org.nz/sites/default/files/research-publications/pdfs/One\\_Way\\_Door.pdf](http://www.alcohol.org.nz/sites/default/files/research-publications/pdfs/One_Way_Door.pdf)

Experience shows that one-way door policies result in a significant rise in tension with people trying to get into bars after the nominated time and those inside trying to stay and drink for as long as they possibly can. These are significant unintended consequences of a well-intentioned policy. Additionally, local and international research shows that people not allowed into bars are likely to drink in public places, move to venues where there are no restrictions or party at home. That result is precisely the opposite of what the Local Alcohol Policy is attempting to achieve.

Our organisation conducted a comprehensive community survey seeking community views on the matters of trading hours and one-way door. This survey covered Christchurch and Tauranga, cities which have already commenced their LAP process. The survey was open to all and resulted in almost 3,000 total responses indicating the high level of community interest in this matter.

The following schedule shows the results of this survey. These clearly indicate that should a one-way door system be imposed then there could be serious unintended consequences as people drank at home, on the street or in other public spaces.

Do you believe that a one-way door will assist in reducing alcohol related issues?	No	76.3%
Would the proposed one-way door have negative impacts on your habits of going out?	Yes	67.9%
Would a one-way door make you go out earlier?	No	70.5%
If you did not get into a bar by the closing time, would you be likely to...	Stay in town	28.2%
	Drink in public	11.6%
Would having a one-way door at midnight make you drink less?	No	78.5%

Of particular serious concern is the response to the final question. Almost 80% of respondents said a one-way door would not reduce what they drank. This means they would look to drink elsewhere and almost 40% responded that they would remain in town and/or drink in a public place.

This survey clearly indicates that there is unlikely to be any community gain from the imposition of a one-way door policy and in fact would likely result in problems associated with people drinking in public spaces and other uncontrolled locations.

I refer you to a recent article published in the Nelson Mail on September 2<sup>nd</sup> 2013

<http://www.stuff.co.nz/nelson-mail/news/9115458/Drinking-at-home-more-dangerous-than-drinking-in-bars>

This article reports on a study done by St John Ambulance in conjunction with ACC. It covers a six month period December 2012 to June 2013 and recorded the number of ambulance callouts involving people who have been drinking.

Of the 269 callouts in the Nelson Bays district in the six months from December 2012 to June this year, 132 were to private homes, 53 to public places, 16 to bars, and 56 to injuries on roads.

This clearly indicates that on-licensed premises are not the problem. We remind you that 75% of alcohol is purchased and consumed in an off-licence situation so it is no surprise that 69% of ambulance callouts are to private home or public places. It therefore makes no sense to prevent the public from entering an on-licensed premises where consumption is monitored and controlled and instead force those people into an uncontrolled drinking environment.

The question also needs to be asked, what would be gained from implementing a one-way door restriction within the Waitomo District. The Police have campaigned nationally for a one-way door on the basis of a perceived need to reduce migration between premises. Given the wide-spread nature of Waitomo District and the relatively small number of licensed premises we see no evidence of any late-night customer migration between premises. We question what perceivable gain can be achieved by imposing a restriction which will limit responsible customers from enjoying the facilities of a controlled drinking environment.

A one-way door policy will also increase security costs for all venues, particularly those who do not routinely have external security personnel because they experience little or no trouble on site. The decision to implement a one-way door should be left to individual licence holders or made a condition of the on-licence if there is evidence of a systematic problem.

Another consideration is that in order to control a one-way-door restriction the business operator will have to employ security personnel. The employment of such personnel is controlled by Private Security Personnel and Private Investigators Act 2010. This act prevents the employment of non-certified personnel so the business operator will therefore have to employ backup personnel to cover the potential failure of the rostered personnel to arrive.

Finally, section 111 of the Sale and Supply of Alcohol Act already provides the ability for a one-way door restriction to be imposed on a licence on issue or renewal. Accordingly, we do not consider inclusion of a mandatory one-way door restriction in the LAP necessary. Instead it should only be imposed as a discretionary condition of the on-licence if there is evidence of a systematic problem.

We point out that the following councils have elected to NOT have a compulsory one-way door policy leaving it to District Licensing Committees to impose it on a licence where it is considered necessary

- Wellington City Council
- Christchurch City Council
- Waipa District Council

Our submission is that clause 3.8 be amended to read as follows

A one-way door restriction of one-hour prior to the maximum closing time may be applied on Thursday, Friday and Saturday nights to any hotel or tavern premises with a closing time later than midnight.

## 5 (h) One-way door restrictions relating to Club Licences

*The District Licensing Committee may impose a one-way door condition on any licence where it believes this is warranted. The one-way door restriction shall not apply any earlier than two hours before the normal closing time of the premises.*

### Submission

We point out that the draft policy one-way door restrictions for clubs is significantly different from other on-licences. Clubs have been provided with an optional restriction whereas on-licences are compelled to comply with a compulsory restriction.

For the same reasons as stated in 3.8 above, our submission is that clause 5.8 be amended to read as follows

A one-way door restriction of one-hour prior to the maximum closing time may be applied on Thursday, Friday and Saturday nights to any club premises with a closing time later than midnight.

## 6.0 Specific Policies – Special Licences

### Submission

We have concerns with the management of large events where Special Licences are issued, particularly those which involve promotion companies from outside the district serving alcohol to large numbers of people. Recent events of this type have resulted in intoxicated people arriving at licenced premises after the special event has closed. This results in disruption and disorder. Our concerns are that customers of such special events are not being properly managed so as to prevent intoxication.

We refer you to Section 212 of the Sale and Supply of Alcohol Act 2012 which states the following

### **213 Appointment of manager: special licences**

1. Every holder of a special licence must appoint at least 1 manager in accordance with this Part.
2. The licensing committee may exempt the holder of any special licence from the requirements of subsection (1) if it is satisfied that the licensee, or some other person nominated by the licensee, will manage the conduct of the sale of alcohol pursuant to the licence.

The new legislation requires “at least 1 manager” be appointed indicating that in some cases more than 1 manager should be appointed. We also point out that holders of on and off licences are required to have a certified manager on duty “at all times alcohol is sold”. Given that large special events can often cater for hundreds of customers we consider that in the interests of public safety it should be mandatory for a manager to be presented at all special licences special licenses issued for large events.

Our submission is that a new section be clause 5.8 be included as follows

### Management of Special Licences

1. Every holder of a special licence issued for an event involving 50 or more customers must appoint at least 1 manager to be present for the duration of the special licence
2. Every holder of a special licence issued for an event involving 150 or more customers must appoint at least 2 managers to be present for the duration of the special licence

## **Creation of policy which strongly favours club licences over other on licences**

### Submission

Our concerns are with the allowance of privileges enjoyed by club licences as compared to other on licences, particularly those in the draft LAP relating to the following

1. More lenient restrictions relating to location by reference to broad areas
2. More lenient restrictions relating to location by reference to proximity to premises of a particular kind or kinds
3. More lenient restrictions relating to location by reference to proximity to facilities of a particular kind or kinds
4. More lenient restrictions relating to one-way door

The restrictions applicable to club licences are all discretionary as compared to being compulsory for those applicable to on licences. This places clubs in a distinct commercial advantage over other on licences as they may obtain a licence in one location whereas an on licence would find it impossible due to the imposition of compulsory policy.

We point out that Mr John Moran (manager of Regulatory Services at Waitomo District Council) was involved with the creation of the LAP but has a very close relationship with clubs in the Waitomo district. He is a past president and past committee member of the Waitomo Club and has recently been made a life member of the same.

While we do not question the professional abilities or integrity of Mr Moran we point out that the Council should be seen to be impartial when drawing up policy and to not include policies which favour one business type over another. In the interests of avoiding any unnecessary accusation of conflict of interest we submit that the conditions and restrictions applied in the provisional policy be identical for club licences as they are to other on licences.

### Provisions Supported

Aside from the matters of concern above, we generally support the balance of the LAP. It recognises that existing business premises where they operate responsibly can continue to do so.

### **Conclusion**

The Waitomo District Draft Local Alcohol Plan needs to address alcohol related harm in a balanced, well researched and practical way that targets the actual problems. The crucial issue for reducing alcohol harm is reducing consumer demand for alcohol.

The 25% of alcohol consumed in on-licence premises is generally done in a highly regulated and controlled environment. Pre-loading, side-loading and post-loading of cheap, readily available alcohol at home, in cars or in public places is the real challenge and should be the focus of the Waitomo District Local Alcohol Policy.

We thank Waitomo District Council for the opportunity to submit on the proposal. We would like to see a sensible and effective Local Alcohol Policy that reflects the Council's responsibilities to the community and to local businesses.

## Informing the debate on Local Alcohol Policies – Fact v Fiction

The food and beverage sector of the hospitality industry is integral to the entertainment offerings in New Zealand's towns and cities and plays an important role in our social life.

The production and sale of alcohol are also significant drivers of economic activity, more than 70,000 people work in the food and beverage sector and it is the third biggest area of spend for tourists.

The Sale and Supply of Alcohol Act 2012 gives councils the ability to regulate opening hours for licensed premises, control location and impose operating restrictions on licences to reduce excessive and irresponsible drinking behaviour.

Many Councils are now planning Local Alcohol Policies or LAPs and considering measures such as restricting the number of outlets, operating hours and one-way door policies to prevent access to bars after certain times.

The hospitality sector supports sensible drinking and operators of licensed premises are compliant, responsible providers who work constructively with local authorities and police.

What people shouldn't do is confuse the well managed and professionally run licensed food and beverage premises with the huge growth in off-license and burgeoning sales in supermarkets that have seen alcohol becomes cheaper more readily available.

As a result of greater availability and affordability, 75 per cent of all alcohol is now consumed off-license and most people involved in dealing with effects of excessive alcohol agree it's the drinking at home or in public place that causes most of the problems.

Responsible licensees are concerned that more restrictions on 25% of the market that is already well controlled and closely monitored won't change the excessive behaviours. There is also compelling evidence that some measures can actually make things worse.

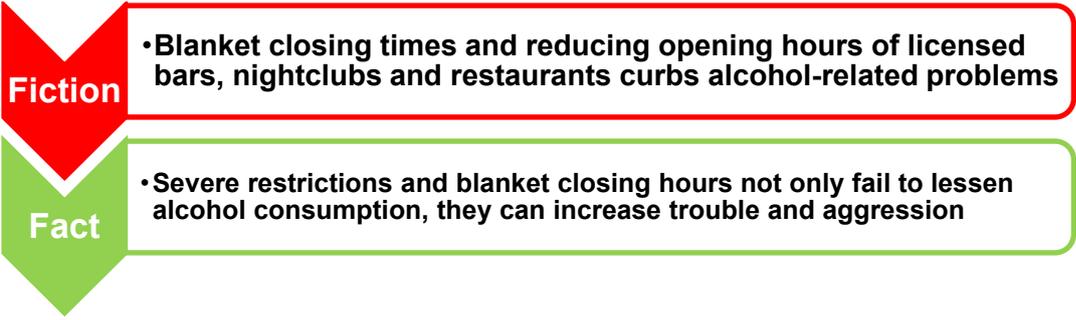
One way doors and restricted hours were trialled widely in Australia and largely abandoned because they didn't work and imposed significant cost on an industry that already works on low margins and tight budgets.

It is easier to force change in Hospitality practices because the sector is professionally run and complies with the licensing framework. What's harder is changing the behaviour of individuals and family who have most of the responsibility in curbing alcohol-related harm.

This can be an emotive subject and HNZ has undertaken extensive research to find the best available information to separate fact from fiction and inform the development of LAPs in our region. We hope you find the information useful and we would be happy to add our own experiences to the research.

**Bruce Robertson**  
Hospitality New Zealand

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**Fiction**

• **Blanket closing times and reducing opening hours of licensed bars, nightclubs and restaurants curbs alcohol-related problems**

**Fact**

• **Severe restrictions and blanket closing hours not only fail to lessen alcohol consumption, they can increase trouble and aggression**

The experience of the industry in New Zealand matches experience and research from overseas. There is concern that blanket bans and severe restrictions can actually increase the very behaviour that communities seek to avoid.

The UK report *Drinking and Public Disorder* researched links between alcohol and disorder in the UK, Europe and Scotland.

The report concluded that blanket closing times lead to 'peak density' or a concentration of behaviours which increased the likelihood of conflict and made policing more difficult. The measure was also found to create transport problems and issues for fast-food outlets in the vicinity – both of which were deemed to be hotspots for trouble.

Easter weekend this year provided stark examples of peak density problems, when all bars and nightclubs closed at midnight on Saturday, ahead of Easter Sunday's non-trading day. In Christchurch, police said "pre-loaded" people "went hard", drinking to excess before midnight. This resulted in many arrests for drunk and disorderly behaviour, and the hospital reported being extremely busy dealing with alcohol related injuries. (Stuff 31 Mar, 2013)

In Wainuiomata near Wellington, a 15-year-old was stabbed in the back after a party turned ugly in what Police central communications shift commander Mark Oliver said was one of their busiest nights of the year. "*With pubs closing at midnight, many people chose to pre-load, or start drinking early*". (Stuff 31 Mar, 2013)

A 2006 report by Greenaway and Conway in Auckland found that the common time for violent confrontations was around 3am when the majority of licensed premises close and all bar patrons are forced into the streets. These troubles would be exacerbated if all bars had the one set blanket closing time.

Similarly there is no clear evidence to support the assumption that reducing opening hours lowers the levels of alcohol consumption and intoxication.

We only need to look to the past to conclude that a reduction in opening hours does not work. Six o'clock closures led to what became known as 'the six o'clock swill' and only reinforced the drink hard and drink fast mentality.

Emergency Medicine Specialist at Wellington Hospital, Dr Paul Quigley, has first-hand experience of the strain drunken Kiwis put on the country's emergency departments. He has spoken out publically against prohibition.

The Emergency Department doctor wrote in a 2010 New Zealand Drug Foundation newsletter that the biggest impact in changing New Zealand's drinking habits will come from

curtailing off-licence supplies, not the regulated and closely monitored section of the hospitality industry.

Overseas experience also shows that shorter opening hours fail to significantly reduce society's alcohol misuse and have serious, unintended consequences on those operating in the night time economy.

In 2005, the English and Welsh Governments took a controversial approach to violence prevention by removing restrictions on opening hours for alcohol outlets.

The study, *Do flexible opening hours reduce violence? An assessment of a natural experiment in alcohol policy* assessed the effects of the move between 2004-2008 in Manchester, UK. It concluded that there was little evidence to show deregulation affected citywide violence rates.

London's Applied Criminology Centre found that extending late-night trading hours actually reduced alcohol-related violence, binge drinking and disorder as patrons dispersed over a long time period.

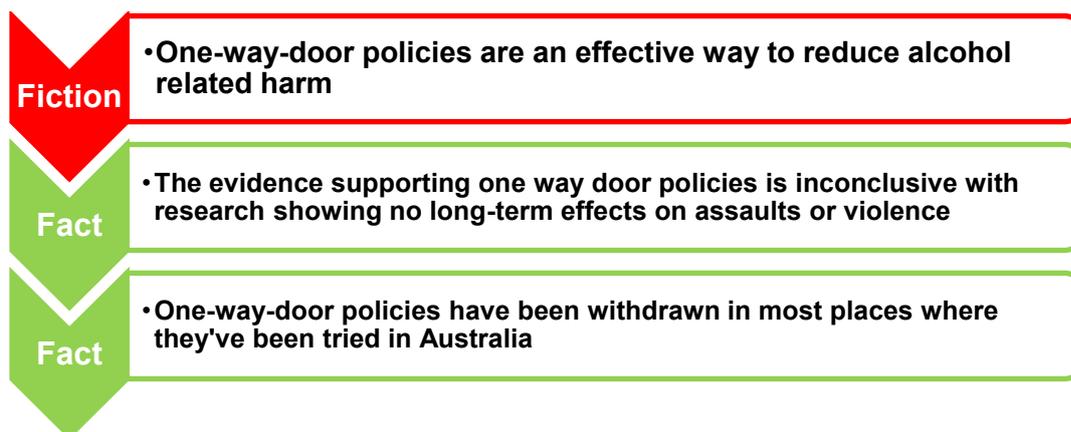
Marsh, P. and Fox Kibby, K. (1992) [\*Drinking and Public Disorder\*](#)

Greenaway, S. Conway, K. (2006) [\*Auckland Regional Community Action Project on Alcohol evaluation report. Final report.\*](#)

Stuff (31/03/2013) [\*Early closing 'pre-loading' causes havoc & Teen stabbed in party mayhem\*](#)

New Zealand Drug Foundation (2010) [\*The A&E Doctor – Dr Paul Quigley\*](#)

Humphreys, D (2012) [\*Do flexible opening hours reduce violence? An assessment of a natural experiment in alcohol policy\*](#)



One-way-door policies – or lockdowns as they are known in Australia – are a measure that has been tried repeatedly in overseas jurisdictions. They have been largely rejected because they didn't work and actually increased behavioural problems.

An extensive study into alcohol-related nightlife crime in Australia, *Dealing with alcohol-related harm and the night-time economy* compared the effectiveness of alcohol-related

crime prevention measures introduced between 2005-2010 in New South Wales and Victoria.

The study, the largest of its kind in Australia, concluded there was no evidence to show that one-way-door policies are effective in their own right. It also found the policies had no long-term effect on assaults or violence. It did, however, find that the policy harmed smaller bars and venues that trade earlier.

A KPMG assessment of Melbourne's three-month one-way-door trial (June 2008 to September 2008) found alcohol-related presentations as a proportion of total hospital emergency presentations on Friday and Saturday nights increased and continued during the temporary lockout period. The policy was subsequently scrapped.

In 2006, an ABC documentary reported on the effectiveness of Brisbane's one-way-door policy. It reported that it failed to reduce the number of assaults admitted to the Royal Brisbane and Women's Hospital. Taxi drivers were interviewed as part of the report and supported the view that the policy had failed to curb late night violence.

Queensland criminologist, Professor Ross Homel of Griffith University has extensively researched one-way-door policies. He says as a preventative measure the policy is "purely symbolic". (The Age, 2008)

Any one-way-door policy will require additional staffing. Experience tells us that higher levels of enforcement will see a big rise in tension with people trying to get into bars after the nominated time, while those inside will stay and drink for as long as they possibly can.

Our own experience, backed by international research, is that people not allowed into bars are likely to drink in public places, move to where there are no restrictions, or party at home.

This is supported by the experience in Christchurch following the 2011 earthquake and the subsequent shutdown of the central city bars and nightclubs when complaints about noisy parties in suburban areas nearly tripled. The Christchurch City Council received more than 15,000 noise complaints in the year to June 2012.

Christchurch City Council's inspections and enforcement officer, Gary Lennan says during that period, the number of complaints for parties also skyrocketed, with almost all coming from residential areas.

*"Party and band noise seem to be leading these increases and it is thought that the quakes have influenced this by reducing the number of official venues and bars, causing more celebrations to occur at private homes." (Fairfax, 2012)*

The Age (2008) ['Quick political fix' unlikely to stop violence](#)

Decon University (2012) [Dealing with alcohol-related harm and the night-time economy](#)

KPMG (2008) [Evaluation of the Temporary Late Night Entry Declaration](#)

Fairfax (2012) [Rowdy parties move to suburbs](#)

Fiction

•Regulating bars, nightclubs and restaurants is the only way to change behaviour

Fact

•Around 75 per cent of alcohol consumption occurs outside of regulated licensed premises

Most alcohol is consumed outside licensed premises. This is consistent with the rapid increase in the number of off-licence premises and the growing prevalence of supermarket alcohol sales. The hospitality industry estimates that off-premise consumption has also increased – up from 60 per cent to 75 per cent over the same period. In other words, only 25 per cent of alcohol is consumed on regulated and controlled premises.

A report for the Alcohol Advisory Council and ACC evaluated the implementation of the Christchurch Central Business District Alcohol Accord implemented between 2006 and 2007. The research identified the main sources of alcohol were friends and family, home, supermarkets and bottle stores, with much of that alcohol consumed in the home.

This reinforces conclusions drawn from an earlier paper on drinking trends, *A Decade of Drinking: Ten-year trends in drinking patterns in Auckland, New Zealand, 1990-1999*. Over the decade a number of changes occurred in the popularity of drinking locations. The number of people drinking at home increased, as did the amount of alcohol consumed in the home – up from three drinks per occasion in 1990, to four in 1999.

Consuming alcohol in their own or other people's homes – often larger amounts – also remained common place. According to the Alcohol and Public Health Research Unit, 39 per cent of men and 45 per cent of women drink at home rather than on licensed premises (24 per cent and 20 per cent respectively).

This research reinforces the experience of the industry, police, councils and health authorities that the biggest area of concern are the habits of 'pre-loading' at home before going to town, and 'side-loading' which involves drinking in cars or public places where it's cheaper than buying alcohol in bars and nightclubs. Side-loading is also unmonitored and uncontrolled.

Detective Inspector Bernie Jackson worked as the area commander for central Melbourne during the city's trial with one-way door restrictions. He also managed Victoria's Safe Streets project. He says there are more effective ways to combat alcohol-related problems than the regulation of bars, nightclubs and restaurants.

He says the introduction of measures which encourage patrons to take personal responsibility have been, by and large, the most successful when it comes to improving behaviour in Melbourne. These include introducing ID scanners (like those used in Canada) which allow venues using the computer technology to share information and identify potential trouble makers admitted to bars.

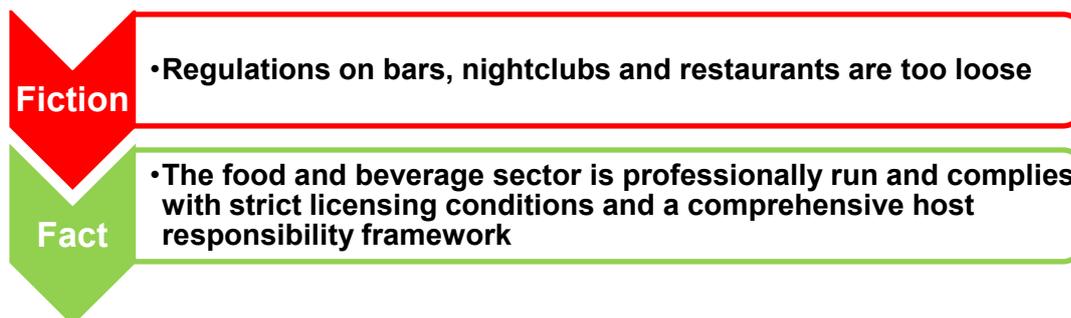
Detective Inspector Jackson also encourages councils, police and licensees to work together to tackle the issue of alcohol-related problems.

*“What underpins the success we’ve had in Melbourne is working together with licensees – this is not their problem, nor is it ours – it’s a community problem.”*

ALAC (2008) [Evaluation of the Christchurch city one-way door intervention](#)

Alcohol & Public Health Research Unit (2001) [A Decade of Drinking: Ten-year trends in drinking patterns in Auckland, New Zealand, 1990-1999](#)

Habgood R, Bhatta K, Casswell S, Pledger M, Alcohol and Public Health Research Unit (APHRU, 2001) [Drinking in New Zealand: National Surveys Comparison 1995 and 2000](#)



Licensees have a strict set of conditions relating to their premises and their license. All premises must meet requirements of the **Resource Management Act** and the **Building Code**, have a **Fire Safety & Evacuation Procedure** and comply with **Food Hygiene and Safety** regulations.

Bars are also required to have a Host Responsibility Policy. The key responsibilities for licensees are not to serve or to have underage or intoxicated people on the premises.

Consequences for breaches include prosecutions in the District Court or through the Alcohol Regulatory and Licensing Authority and substantial loss of income resulting from temporary venue closures. Any bar or nightclub owner found to have breached the act three times within three years also faces losing their licence.

Conditions for licensees include:

- Having a Host Responsibility Policy
- Trading within their licensed hours and within the conditions of their license
- A licensed Duty Manager on at all times
- Not serving minors – or even allowing them on the premises
- Not letting anyone become intoxicated, not serving anyone who is intoxicated, not letting someone stay on the premises if they are intoxicated
- Ensuring there is substantial food available and, increasingly, that it is promoted
- Providing information about transport
- Encouraging patrons, as much as they can, not to drink and drive – if a patron is caught driving under the influence, Police will register this against the license holder
- Door staff are legally certified Crowd Controllers
- Any promotions must be within the national protocol on promotions guidelines
- Providing free water ( a provision under the new Act)
- Complying with food safety regulations and gaming regulations
- Making sure staff are trained on all of the above

A full list is attached as an appendix to this document.



The food and beverage sector plays an important role in social life and is an integral part of the entertainment offerings in our towns and cities. The production and sale of alcohol are also significant drivers of economic activity through both sales and employment.

Wellington City Council prides itself and deliberately markets the city as an events capital with a distinct entertainment precinct. The Council recently surveyed 1000 residents about the role of alcohol in the capital:

- 63 per cent of respondents agreed that alcohol provides significant employment opportunities through the production, catering and retail of alcohol-related products and services
- 37 per cent agreed that alcohol availability is essential to the vibrancy of the city
- 54 per cent agreed that having a few drinks enhances their experience of dining out
- 64 per cent agree that the number of pubs, bars, and restaurants is about right

The food and beverage sector is a cornerstone of New Zealand's tourism offering. Between 1997 and 2002 the area of greatest growth in tourism spending was in hospitality, with food and beverage services up 42 per cent (Statistics New Zealand).

In the year to March 2012, tourists spent 12 per cent on food and beverage services. The spend came ahead of accommodation (9 per cent) and placed third overall behind retail goods (including fuel and other automotive products) and air passenger transport. (Statistics New Zealand, Tourism Satellite Account: 2012)

An unintended consequence of restricting trading hours of licensed premises was significant disruption and trouble for the transport sector. The Australian experience, backed by industry research, shows restrictions caused significant operational difficulties, service disruptions and increases in violence.

A 2010 submission to the NSW Government by the Newcastle Taxi Operators Association spoke of the increased taxi waiting times that occurred during the 1am inner-city lockouts and 3am fixed closing times introduced in December 2008.

The submission said that the policies led to a mass of people seeking transport between these two times, overwhelming taxi services.

This is another consequence of the 'peak density' behaviour which turns drinking hours into targets and encourages people to drink to the limit of the reduced timeframe.

A report from Victoria, Australia warned that a lack of taxi services and public transport in the small hours contributed to drink-driving, the injury of intoxicated pedestrians, and increased violence from frustrated patrons wandering the streets because they couldn't get home.

There were equally significant consequences for bars, nightclubs and pubs themselves.

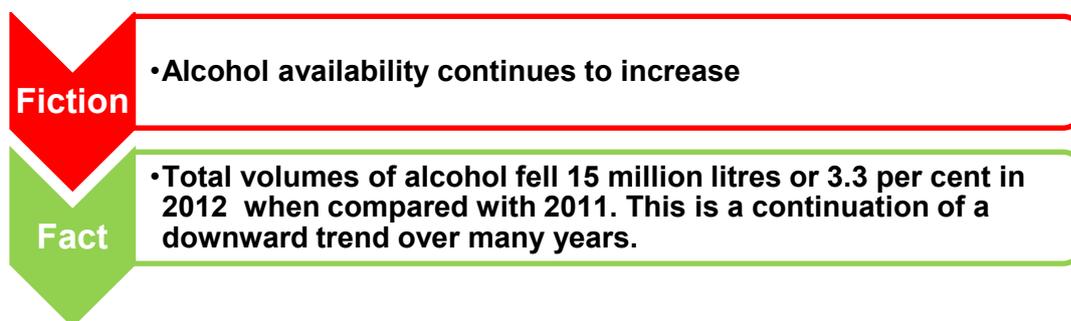
The 2010 Crosbie Warren Sinclair Report detailed the impact of restrictions introduced in New South Wales in 2008. It found that of the 14 Newcastle hotels subject to the policies, which included one-way doors and blanket closing times:

- Nine of the 14 closed, changed hands or went into receivership
- An average reduction in turnover – 27.7 per cent (weekly)
- 21.7 per cent reduction in revenues
- \$22.5 million decline in asset values
- 21.7 per cent reduction in hotel workforce

Newcastle Taxi Operators Association (2010) [Inquiry into NSW Taxi Industry](#)

Crosbie Warren Sinclair Report (2010) Review of Newcastle Restrictions prepared for the Australian Hotels Association NSW

Victorian Health Promotion Foundation (2012) [Pubs and clubs Project: Literature review of different policy and community-based intervention and baseline trends of specific interventions in Geelong, Victoria \(2000–2010\)](#)



We can't confuse the number of outlets with alcohol consumption and availability. Since the Sale of Liquor Act was introduced in 1989 the number of off-licences has more than doubled with more than 14,000 liquor outlets across the country. However, despite this backdrop statistics show consistent falls in the volume of alcohol available to consumers.

The latest Statistics New Zealand figures show a 3.3 per cent fall in the volume of alcohol available to December 2012. The 2012 statistics follow similar results from earlier years with declines of 3.1 per cent also recorded in 2009 (*Alcohol Available for Consumption: Year ended December 2012, Statistics New Zealand*).

*NB: Alcohol statistics are a measure of how much alcohol is available for consumption, rather than actual consumption.*



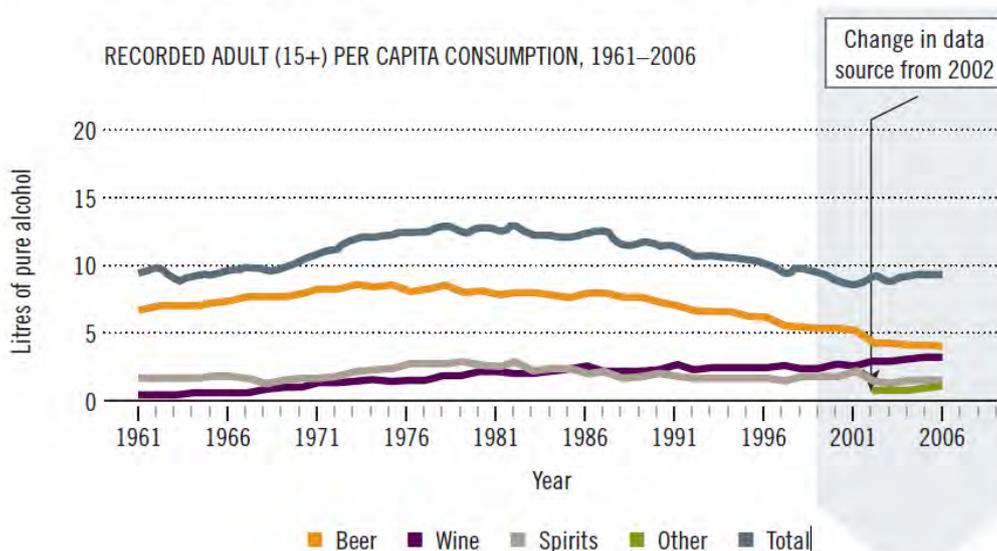
The latest figures from Statistics New Zealand don't support our reputation as a country of heavy drinkers. While we see some disturbing images of the harm caused by alcohol, the statistics put these into context as a small number that do not represent the majority of people who have responsible attitudes to alcohol.

In addition, the 2011 World Health Organisation's Global Status Report on Alcohol and Health found consumption of alcohol in New Zealand continues to fall.

**Table 3: Alcohol consumption in New Zealand (WHO)**

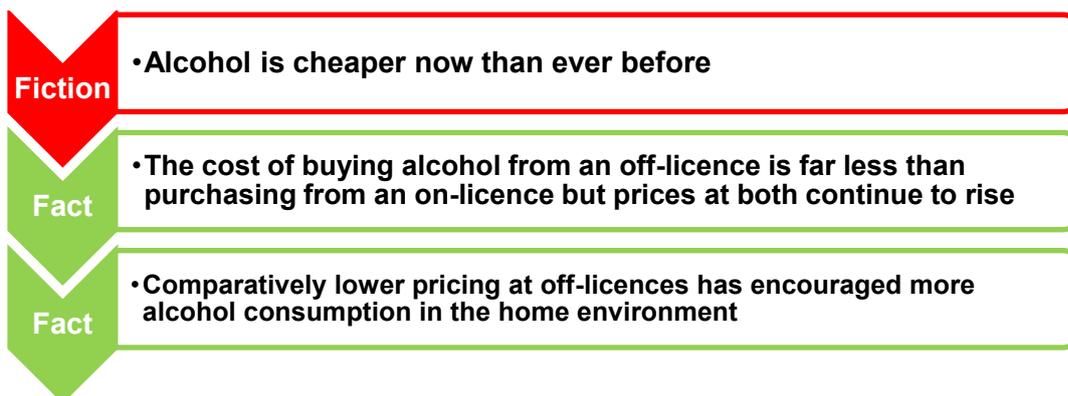
## ALCOHOL CONSUMPTION

Population data (refer to the population 15 years and older and are in litres of pure alcohol).



In the World Health Organisation report New Zealand does not even make the top 50 countries when it comes to alcohol consumption per capita. Moldova tops the list with 18.22 litres of alcohol consumed per capita, followed by the Czech Republic and Hungary. New Zealand comes in at number 51 behind Australia which places 44th on the list.

World Health Organisation (2011) [Global Status Report on Alcohol and Health 2011](#)



Dr Paul Quigley from Wellington Hospital's Emergency Department sums up the situation in a NZ Drug Foundation interview when he talks about the cost of alcohol purchased from an off-licence (supermarket, bottle store).

*"Alcohol is no longer a treat. It is cheap and easily available. Young people buy a bottle of Jim Beam and a very small bottle of Coke, mix it and drink it at home so they are intoxicated before they hit town."*

CPI figures detailing the cost of beer at off-licences (supermarkets and liquor store) has increased 14.4 per cent from 2006. Whereas, the cost of a glass (400ml) of beer at licensed premises has increased 41.52 per cent. Hospitality New Zealand members say the increase does not equate to increased profits for bar owners with the majority reporting profits well under five per cent.

Otago University research, published in the New Zealand Medical Journal in 2010 found off-licence alcohol became increasingly affordable in the 10 years to 2010.

The study found discounted (off-licence) cask wine could cost as little as 62c for a standard drink, discounted beer 64c, discounted bottled wine 65c and spirits 78c. That compared to 67c for a 250ml glass of bottled water and 43c for a glass of milk.

It found that heavily advertised alcohol discounts – such as in supermarkets – exacerbated the problem of binge drinking.

The research shows that in 1999, it took 21 minutes for a person on the average wage to afford enough beer to reach the legal driving limit. In 2010, it took only 17 minutes.

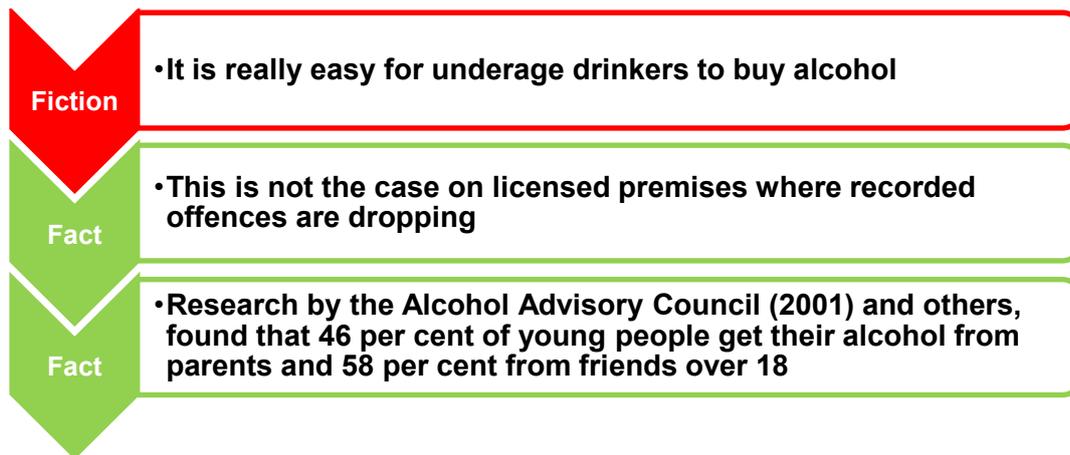
National Drug Policy New Zealand (2002) [Tackling Alcohol-related Offences and Disorder in New Zealand](#)

NZPA (2012) [Downtown Booze Beat](#)

Newswire (2012) [Contrary to belief, we may be losing 'binge' from our drinking culture](#)

McEwan, B., Swain, D., and Campbell, M. (2011) [Controlled intoxication: the self-monitoring of excessive alcohol use within a New Zealand tertiary student sample](#)

Wilson, N and the Department of Public Health, University of Otago, Wellington. (2010) [Very cheap drinking in New Zealand](#)



It is important not to confuse the regulated on-license environment with off-licenses. Those working within the industry are trained and experienced with the strict guidelines surrounding the sale of alcohol.

All licensed premises are required to have a Host Responsibility Policy outlining key responsibilities. These include not serving, or having on the premises, minors or anyone who is intoxicated – they know the rules and the consequences for their businesses if they don't comply.

Consequences include prosecutions in the District Court or through the Alcohol Regulatory and Licensing Authority and substantial loss of income resulting from temporary venue closures. Any bar or nightclub owner found to have breached the act three times within three years also faces losing their license.

Statistics from New Zealand police show the number of recorded offences for the supply of liquor to a minor continue to fall. In the 2011/12 fiscal year, there were 208 recorded offences, compared with 263 offences in 2010/11.

The number of people prosecuted for buying liquor to supply to a minor also continues to fall.

**Table 1. Purchase/acquires liquor to supply minor – National statistics**

<b>Fiscal year</b>	<b>Number of offences</b>
2007/2008	51
2008/2009	49
2009/2010	37
2010/2011	47
2011/2012	24



The New Zealand report, Tackling Alcohol-related Offences and Disorder in New Zealand (National Drug Policy New Zealand, 2002) found that since the 1999 law change, there has been a reduction in recorded offences against the Sale of Liquor Act involving licensed premises.

The biggest contributors to intoxication are practices outside the control of licensed premises:

- pre-loading – drinking before going into town, and
- side-loading – drinking in cars or other places where it's cheaper than on-license premises

In a 2012 article that followed police patrolling downtown Auckland, Constable Joseph Waugh and Constable Tim Alexander said young people often drive into town and keep large quantities of alcohol in their parked cars.

The two constables said the cheapness of spirits from bottle stores compared with buying drinks in a bar lead to many patrons “pre-loading” (also known as side-loading) in their cars.

It's an opinion backed up by Wellington police sergeant Andrew Kowalczy who was quoted in a 2012 Whitireia Journalism student's article saying that the problem isn't with licensed premises who “*understand the repercussions of the law*”, but with pre-loading.

*“You get a lot of people who instead of going into licensed premises where they have a degree of control on your behaviour and they'll monitor it, you've got people who'll sit there and they'll skull these syrupy, horrible, artificial drinks, and they'll consume as much as they can, down their throat.*”

*“And we start dealing with the people making their way into town, people coming into town in van loads, sitting in car parks, sculling back as much as they can. So they've got a buzz on, before they hit the bars and drink one beer.”*

A 2011 report, Controlled intoxication: the self-monitoring of excessive alcohol use within a New Zealand tertiary student sample, out of Waikato University, found that on-licence premises are enjoyed for their entertainment value, such as dancing and meeting people, as opposed to buying drinks. The report again reiterated the commonplace phenomenon of pre-loading due to the cheaper cost of off-licence alcohol.

**Fiction**

•Bars and clubs are making big profits

**Fact**

•A hospitality New Zealand survey found 48 per cent of members paid themselves less than the minimum wage in 2011 and 2012

The hospitality sector is far more than a provider of entertainment services and a component of the service sector. It is an integral part of the tourism industry, a large employer and a significant economic contributor to the country as a whole.

Hospitality New Zealand members are small to medium enterprises that employ and spend in their local communities. Unlike many small businesses, HNZ members argue that after paying compliance costs, taxes, fees, levies, wages, product and staff costs, the profits are minimal for many.

The majority of license holders work well beyond a 40 hour week. When earnings after expenses are divided by actual hours worked, the result is often below the minimum wage of \$13.75 an hour.

In addition, there are significant sales in the early hours of trading. The following table is the estimated annual spend between 4.00 and 7.00am in the country's bars, pubs, nightclubs, restaurants and adult entertainment venues. The figures are based on electronic card transactions and exclude cash.

	Estimated spend	% of total transactions in that area
All of NZ	\$150,105,808.20	0.55% of total transactions
<b>Of this total:</b>		
Auckland/Northland	\$ 82,810,033.15	0.70% of total transactions
Wellington	\$ 33,050,577.25	1.11% of total transactions

These figures reinforce that Auckland and Wellington accounts for more than 75 per cent of the spend during those hours. It also supports the experience of many small business in that this period provides a significant slice of a week's earning once fixed operating costs have been recovered.

In the USA, Cornell University's Hotel and Restaurant Administration Quarterly (Reynolds, D. 1998) reported that labour generally comprises around a third of hospitality costs, and food another third.

The 2007 study, Food & beverage service sector productivity, undertaken by Auckland University's Tourism Research Institute noted that many operators within the hospitality sector are locked into a cycle that generates a poor return on their investment, often resulting in short life-spans for the businesses concerned.

Despite this, the sale of alcohol in New Zealand remains an important driver of economic activity. In 2006, 71,820 people across the country were employed in pubs, cafes, restaurants, bars and nightclubs contributing billions of dollars to the economy. (*Law Commission 2009*).

**Table 2: Auckland's hospitality sector, March 2010 to March 2011**

	To March 2011	Per centage of region total	Per centage of national sector	Growth 2010 to 2011	
				Auckland	NZ
<b>Gross Domestic Product (GDP): \$ millions</b>	\$745	1.1%	37.4%	1.5%	-1.9%
<b>Employment</b>	27,073	3.8%	33.7%	1.9%	-0.8%
<b>Business units</b>	3,433	2.1%	34.7%	6.2%	2.2%

**Source: Auckland Annual Economic Profile; Infometrics Ltd**

The table above shows that between March 2010 and March 2011:

- The hospitality sector generated \$745 million in economic output in Auckland
- The sector contributed 1.1 per cent to the region's economic output
- Auckland's hospitality sector economic output grew by 1.5 per cent compared with a decline of 1.9 per cent nationally.

New Zealand Tourism Research Institute (2007) [Food & beverage service sector productivity](#)

Reynolds, D. (1998) Productivity analysis in the on-site food service segment. Cornell Hotel and Restaurant Administration Quarterly

**Fiction**

•Many bars, nightclubs and pubs are not obeying the Sale of Liquor Act

**Fact**

•Since the 1999 law change there has been a reduction in recorded offences against the act involving licensed premises

Bar owners and staff have a legal responsibility to keep intoxicated people out of their premises and to not serve intoxicated patrons. The onus is on them to comply with the responsibilities and conditions of their license and they face significant penalties if they fail to do so.

The vast majority of licensees are compliant and responsible providers of alcohol who understand the repercussions of the law and work constructively with local authorities and police.

This is reinforced by the very small number of problems compared to the number of licences and the size of the hospitality sector, and the amount of business transacted around the country every week.

The Liquor Licensing Authorities Annual Report to June 2012 shows a 23 per cent decrease in the number of enforcement proceedings received over the year; down from 1006 to 778.

Three liquor licences were cancelled in the year to June 2012 compared with four for the 12-months prior and 281 licenses suspended compared with 306 the year earlier.

In 2011, 6,971 licensing inspections were carried out across Auckland resulting in 55 suspensions or cancellations of licenses, less than one per cent of the establishments inspected.

## Appendix: Regulations and obligations of license holders

### Current requirements

Every liquor licence and renewal application must have a certificate that the proposed use of the premises meets requirements of the **Resource Management Act** and the **Building Code**, including, where applicable, access and facilities for mobility impaired persons.

The site also requires a **Fire Safety & Evacuation Procedure** and a registration of the premises and compliance with **Food Hygiene and Safety** regulations.

Every person acting as a crowd controller must either hold a **Crowd Control Certificate of Approval** or **licence** to do so.

When deciding whether or not to grant an application, consideration must be given to:

- the general suitability of the applicant
- the days and the hours proposed to sell alcohol
- the areas of the premises, if any, that should be designated as restricted or supervised areas in respect of minors
- the steps proposed to be taken by the applicant to ensure that the requirements of this Act in relation to the sale of alcohol to prohibited persons (minors and intoxicated persons) are observed
- Proposals relating to the sale and supply of low and non-alcoholic refreshments and food
- Assistance with, or information about, alternative forms of transport from the licensed premises
- “any [licensing] matters” dealt with in any report made by the District Licensing Inspector, police or Public Health

On granting an application the Licensing Authority or Agency may impose conditions relating to any of the following matters:

- the days and the hours during which alcohol may be sold with different conditions able to be imposed in respect of different parts of the premises. The Licensing Authority or District Licensing Agency, as the case may be, may have regard to the site of the premises in relation to neighbouring land use.
- the provision of food
- the sale and supply of low-alcohol beverages
- the provision of assistance with or information about alternative forms of transport from the licensed premises
- any other matter aimed at promoting the responsible consumption of liquor
- steps to be taken by the licensee to ensure that the provisions of this Act relating to the sale of liquor to prohibited persons are observed
- the designation of the whole or any part or parts of the premises as a restricted or supervised area
- conditions prescribing the people or kinds of person to whom alcohol may be sold or supplied – except for Human Rights reasons

**From June 2013****All of the above and:**

In deciding whether to issue a licence, the licensing authority or the licensing committee concerned must have regard to the following matters:

- the object of the Act & whether granting the licence is likely to increase alcohol related harm, including such factors as crime, damage, death, disease, disorderly behaviour, illness, or injury, directly or indirectly caused, or directly or indirectly contributed to, by the excessive or inappropriate consumption of alcohol,
- the design and layout of the premises,
- whether the amenity and good order of the locality would be likely to be reduced to more than a minor extent by the effects of the issue of the licence, including the extent to which, and ways in which the locality in which the premises are situated are pleasant and agreeable including current and possible future noise levels, nuisance and vandalism and the number of premises for which licences of the kind concerned are already held and the extent to which land near the premises concerned is used and the general desirability of the issue of the licence,
- whether the applicant has appropriate systems, staff, and training to comply with the law.

On granting an application the Licensing Authority or Committee concerned may issue a licence subject to conditions of any or all of the following kinds:

- conditions prescribing steps to be taken by the licensee to ensure that sale or supply of alcohol to prohibited persons are observed,
- conditions prescribing steps to be taken by the licensee relating to the management of the premises concerned are observed,
- conditions prescribing the people or kinds of person to whom alcohol may be sold or supplied – except for Human Rights reasons,
- conditions imposing one-way door restrictions,
- Drinking water to be freely available to customers while the premises are open for business.

## Drinking at home more dangerous than drinking in bars

[SALLY KIDSON](#) Last updated 12:59 02/09/2013

Nelsonians drinking at home are more likely to need an ambulance than those drinking in pubs and bars, new research shows.

In a project being piloted in the top of the South Island, St John Ambulance and ACC have recorded the number of ambulance callouts involving people who have been drinking.

The two organisations were surprised at the comparatively high number of alcohol-related callouts to people in their own homes.

Of the 269 callouts in the Nelson Bays district in the six months from December 2012 to June this year, 132 were to private homes, 53 to public places, 16 to bars, and 56 to injuries on roads.

St John district operations manager James McMeekin said the high number of alcohol-related callouts to people who had injured themselves at home was a "big surprise".

He said people injured themselves in various ways at home, including tripping over items, burning themselves, and cutting themselves on glass doors or windows.

The severity of accidents ranged from minor to serious but most were probably in the moderate range.

Mr McMeekin said there could be "a complacency suggesting that it was OK to drink at home" compared with drinking in public.

"There possibly is a mindset with the public that they believe it to be safe to drink at home."

The data had provided other surprises, including that quite a lot of older people were affected, including those aged 65 to 75-plus.

It was not surprising that the biggest age group requiring care was the 15 to 24 group, Mr McMeekin said. St John attended 49 callouts in the six-month period involving those aged 15 to 19, and another 49 involving those aged 20 to 24.

Geographically, Nelson city, with 147 callouts, was the busiest area, followed by Richmond with 66. Most callouts were in the evening or early morning.

Mr McMeekin said the busiest time was between 1am and 2am on Sundays.

January, unsurprisingly, was the busiest time for alcohol-related callouts, with more than 50 of the 269 incidents recorded during that month.

He was concerned about the impact that alcohol consumption was having on the ambulance service.

"Too often our staff have to deal with the aftermath of binge drinking, the consequences of which are often severe."

To record the data, ambulance staff noted whether the patient was obviously intoxicated. If there were no obvious signs of intoxication, the patient was asked if he or she had drunk alcohol in the preceding six hours.

The data in the survey was recorded anonymously.

ACC community injury prevention consultant Mark Preston-Thomas said people often assumed that alcohol-related harm was largely associated with young people and bars.

The data would be used to build an accurate picture of alcohol-related harm in the region, and to help local injury prevention projects and the development of local alcohol plans.

"We know that alcohol is a contributing factor to many injuries. The project will help us quantify the extent of injuries locally that involve alcohol and lead to an ambulance being called."

Mr Preston-Thomas said the data would give authorities a much clearer idea of how bad the problem was, who was affected, and where and when. "Then it gives us the opportunity to do something about it based on real data."

The idea for the study came from a group of people wanting to work together to make a difference in the community, who saw a need for accurate data, he said.

The trial, which also covers the West Coast and Marlborough, is continuing. It is hoped that it will eventually be rolled out nationally.

- © Fairfax NZ News

## Community Survey of Tauranga and Christchurch

Do you believe that a one-way door will assist in reducing alcohol related issues?

Answer Options	Tauranga WBOP		Christchurch		TOTAL	
Yes	14.3%	112	12.3%	238	12.9%	350
No	74.4%	581	77.1%	1487	76.3%	2068
Maybe	11.3%	88	10.6%	204	10.8%	292
<i>answered question</i>		<b>781</b>	<b>1929</b>		<b>2710</b>	

Would the proposed one-way door have negative impacts on your habits of going out?

Answer Options	Tauranga WBOP		Christchurch		TOTAL	
Yes	52.7%	403	74.0%	1430	67.9%	1833
No	34.1%	261	16.1%	312	21.2%	573
Maybe	13.2%	101	9.9%	191	10.8%	292
<i>answered question</i>		<b>765</b>	<b>1933</b>		<b>2698</b>	

Would a one-way door make you go out earlier?

Answer Options	Tauranga WBOP		Christchurch		TOTAL	
Yes	16.1%	123	27.8%	536	24.5%	659
No	66.1%	506	72.2%	1391	70.5%	1897
Maybe	17.8%	136	0.0%	0	5.1%	136
<i>answered question</i>		<b>765</b>	<b>1927</b>		<b>2692</b>	

If you could not get into a bar by closing time, would you be likely to...

Answer Options	Tauranga WBOP		Christchurch		TOTAL	
Go home	31.4%	233	26.7%	517	28.0%	750
Go to a mate's house	22.0%	163	33.9%	655	30.6%	818
Stay around the bar areas	24.4%	181	29.7%	574	28.2%	755
Drink in a public space	16.5%	122	9.7%	188	11.6%	310
Other (please specify)	5.7%	42	0.0%	0	1.6%	42
<i>answered question</i>		<b>741</b>	<b>1934</b>		<b>2675</b>	

Would having a one-way door at midnight make you drink less?

Answer Options	Tauranga WBOP		Christchurch		TOTAL	
Yes	4.7%	35	3.8%	82	4.0%	117
No	83.4%	619	76.8%	1657	78.5%	2276
Maybe	6.6%	49	7.6%	164	7.3%	213
Other (please specify)	5.3%	39	11.8%	254	10.1%	293
<i>answered question</i>		<b>742</b>	<b>2157</b>		<b>2899</b>	



# Submission Form Draft Local Alcohol Policy

## How do I make a submission?

You can return this form to Council by:

POST	EMAIL	FAX
Chief Executive Waitomo District Council PO Box 434 TE KUITI 3941	waitomodc@waitomo.govt.nz (email submissions must include all the information requested on this form)	(07) 878 7771

Waitomo District Council  
**COPY**  
Date: 16/09/2013  
Doc #: 315681  
File #: 350/001A

Remember consultation closes on Friday 13 September 2013

Submission Period: Tuesday 13 August 2013 - Friday 13 September 2013

Hearing Date(s): Tuesday 24 September 2013

### Have Your Say (enter submission here)

Name: BART HOERA

Address: 99 B Awakino Rd Te Kuiti  
PO Box 66 Te Kuiti

Phone: 021 025 68144

Yes, I wish to speak in support of my submission at the hearing.

No, I do not wish to speak in support of my submission.

- In support of 2 way door policy
  - discretionary ie event taking place
  - history of the premises → conditional on licence.
  - Club wording different to on licence (3.0h vs 5.0h)
    - parity
- Agree to 2.00AM close
- Definitions - new premises - new building vs existing building
  - ~~new~~ but existing building with new licence.

Waitomo District Council  
**RETURN TO FILE**  
Date: 13 SEP 2013  
Doc #:  
File #:

If you need to use extra pages, include your name on each page and attach them to this form.  
Please note: Please note that all submissions will be made available to the public, subject to the provisions of the Local Government Official Information and Meetings Act 1987.

www.waitomo.govt.nz, Email enquiries@waitomo.govt.nz, Website www.waitomo.govt.nz

**Michelle Higgle**

---

**From:** Hilary and Don Karaitiana [hilsanddon@clear.net.nz]  
**Sent:** Friday, 13 September 2013 10:25 p.m.  
**To:** WebMail  
**Subject:** LAP SUBMISSION

**Attachments:** Submission%20Form%20LAP.pdf; Social Sector Trial Submission to the Waitomo District Council LAP.rtf



Submission%2 Social Sector  
m%20LAP.pdf rial Submission.

Kia Ora,

Please find attached Submission for the LAP.

Regards  
Hilary Karaitiana

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**Remember consultation closes on Friday 13 September 2013**

**Submission Period:** Tuesday 13 August 2013 - Friday 13 September 2013

**Hearing Date(s):** Tuesday 24 September 2013

### Have Your Say (enter submission here)

Name:

Address:

Phone:

Yes, I wish to speak in support of my submission at the hearing.

No, I do not wish to speak in support of my submission.

Kia Ora

Please find attached submission on behalf of the Waitomo Social Sector Trials

Nga mihi  
Hilary

***If you need to use extra pages, include your name on each page and attach them to this form.***

*Please note: Please note that all submissions will be made available to the public, subject to the provisions of the Local Government Official Information and Meetings Act 1987.*

### ***Background***

Waitomo is a Social Sector Trial. The Social Sector Trials (SST) are a collaborative project of the Ministry of Social Development, Justice, Education and Health and the New Zealand Police which commenced in March 2011. The SST focus on improving outcomes that reflect the needs of the community. In the Waitomo District, the SST is focussed on improving outcomes for young people aged 12-18. The outcomes we are seeking to achieve are:

- Reducing truancy rates
- Reducing offending by young people
- Reducing levels of alcohol and other drug use by young people
- Increasing the number of young people participating in education, training and employment

Two and a half years into the project, we are acutely aware of the negative impact that alcohol has on our young people, our families and our community. We see little benefit to any of these stakeholder groups; we believe the only winners are the alcohol industry. We therefore ask you to give more weight to the opinions of community stakeholders in considering the views of those providing submissions.

### ***Introduction***

Thank you for the opportunity to provide input into the Waitomo District Local Alcohol Policy (LAP).

The SST note that Territorial authorities are not required to have a LAP, we positively acknowledge the Waitomo District Council (WDC) for utilising the new powers available to TLA's to better manage the sale and supply of alcohol in its district through the development of a LAP. Local knowledge is critical in understanding both the issues and the solutions and a plan that can both reduce current and prevent future alcohol-related harm is a much needed tool for the Waitomo District.

The SST is in general supportive of the LAP. We make the following comments and suggestions in regard to the ***Draft Waitomo District Council Local Alcohol Policy 2013 (and policy guidance document)*** to increase the ability of the policy to reduce alcohol-related harm in the Waitomo district.

#### ***1.1 Background and Objectives of the Sale and Supply of Alcohol Act 2012***

Bullet point three refers to the requirement of the TLA to consult with the Police, licensing inspectors and Medical Officers of Health. The provisional policy prepared should also be developed based on consultation feedback. Whilst the consultation survey was undertaken earlier, we are unclear as to what issues were identified and communicated

back to the community and also if and how these views were incorporated into the draft policy. This is an important part of the process along with good information to understand what the issues are locally.

### 3.0 *Specific Policies – on licences*

The Social Sector Trials has less issue with on-licences in the district as our experience is that the behaviour and standards required of an on-licence premise is generally significantly higher than the drinking culture in private homes and at parties. By default, the harm experienced by young people would be reduced if drinking occurred on an on-licence premise. We do not believe that there are problem premises locally however there could be greater control over new premises as there are currently enough options to drink locally.

f) Trading hours for on-licence premises are loose and allow licensees to operate the same on a Monday or Tuesday as they do on a Friday or Saturday. The SST believes that there is a difference and that availability as such should be reduced to 10pm Sunday to Wednesday and 1am Thursday to Saturday. This could prevent a premise become a nightclub every day of the week.

h) The SST strongly support and commend Waitomo DC for use of one-way door restrictions as a tool for reducing alcohol-related harm

### 4.0 *Specific policies for off-licence premises*

e) The SST strongly urges Waitomo District Council to cap the number of off-licence premises. “We have an issue when in a small district; we have approximately 18 on-licences, 11 off-licence and 13 club licences. If we compare it to the number of grocery stores that sell meat and vegetables, we need to ask ourselves where do our priorities sit? And why should we be surprised when children have no food at school. There is no need for more off-licence premises in our district and we disagree with a no capping policy.

f) The hours governing maximum trading hours for off-licence premises in this policy are too generous. There is no need for alcohol to be available at 7.00am in the morning.

I am aware of people already under the influence of alcohol walking back to their Te Kuiti homes at 8.00am in the morning with a box of alcohol under their arm while I head to work. This is poor role modeling for those students walking to school and could be addressed through this policy.

Early opening hours allow all night drinking to continue into the day as they wait for stores to open.

The SST recommends a 10am restriction on opening; this would help people to sleep it off and send a stronger message around moderation by reducing the availability.

The closing hour also exceeds the maximum trading hours that local licensees are applying currently. Off-licence premises are generally closed by 9pm. This policy should continue with 9pm as the upper limit without allowing room for premises to increase their hours. It is highly likely that due to the competitive nature of the industry that if one premise decided to operate later, they would all return to the later closing time. This can be prevented by adjusting the closing time in the LAP back to 9pm .

#### ***5.0 Specific Policies – Club Licence***

f) As with on-licence premises, trading hours for club licensed premises are loose and allow clubs to operate the same on a Monday or Tuesday as they do on a Friday or Saturday. The SST believes that there is a difference and that availability as such should be reduced to 11pm Sunday to Wednesday and 1am Thursday to Saturday. This could prevent a premise become a nightclub every day of the week.

#### ***6.0 Specific Policies – Special Licences***

e) Bullet points one and two appear in contrast with each other. 24 events within one calendar year is excessive (one a fortnight), this should require the applicant to apply for an on, off or special licence. The SST suggest that this is reduced to 10, particularly if the applicant is not an on/off or club licence holder as special licence events have limited monitoring in place currently and applicants are often less experienced in managing alcohol related harm.

In closing, the evidence is very clear, the more alcohol is made available, the more hazardous levels of alcohol will be consumed and the greater the harm. The Law Commission review says that “regulating the physical availability of alcohol through restrictions on time, place and density of outlets” is one of the “major policy levers available to reduce alcohol-related harm” The SST encourages the WDC to focus change in these areas.

Thank you again for the opportunity to be heard.