



The Regulatory Environment

The New Zealand alcohol sector is more heavily regulated than most other countries in the world. As well as the regulations that most businesses must comply with there are a range of other relevant pieces of legislation governing our operation which include the:

Alcohol Advisory Council Act
Alcoholism and Drug Addiction Act
Armed Forces Discipline Act
Auckland Domain Act
Auctioneers Act
Broadcasting Act
Civil Aviation Act
Commerce Act
Corrections Act
Customs and Excise Act
Defence Act
Electoral Act
Electricity Industry Reform Act
Fair Trading Act
Food Act
Gambling Act
Health Act
Hotel Association of New Zealand Act
Innkeepers Act
Local Electoral Act
Local Government (Rating) Act
Maori Community Development Act
Misuse of Drugs Amendment Act
New Zealand Railways Corporation Act
Policing Act
Private Security Personnel and Private Investigators Act
Public Audit Act
Racing Act
Referenda (Postal Voting) Act
Reserves Act
Residential Tenancies Act
Search and Surveillance Act
Shop Trading Hours Act
Smoke-free Environments Act

However by far the most recent and most influential piece of legislation affecting the way any importer, manufacturer, distributor wholesaler, retailer or consumer of alcoholic beverages must act is the Sale and Supply of Alcohol Act 2012 (SSAA). This Act, for the first time, has as its Object a direct reference to being established to reduce or minimise the harm caused by the *excessive or inappropriate consumption of alcohol*.

Spirits New Zealand wholeheartedly supports the view that harmful consumption of alcohol must be minimised. We believe this can only be achieved by the creation of a moderate drinking culture. In this context we support the intent of SSAA.

As with any complex piece of legislation it will take time for the true impact of the SSAA to become apparent. For example the SSAA, among other things, has empowered local councils to develop 'Local Alcohol Policies' (LAPs).

LAPs will give councils the ability to develop alcohol licences that, in their view, better reflect community expectations with regards matters such as hours of operation, numbers and locations of on and off licences and a range of so-called discretionary provisions. There is considerable debate currently being held throughout New Zealand as to the benefit and appropriateness of LAPs.

Spirits New Zealand believes that, by themselves, LAPs will not effectively impact the behaviours underpinning harmful or excessive drinking and will not substantively aid in the creation of a moderate drinking culture. This is because altering the opening hours of a bar or bottle store, or restricting where they can be situated will not mean individuals intent on drinking to harm will stop doing so – they will merely change their purchasing behaviour to suit the new environment.

Our View

The development of LAPs is just an example of what we call excessive supply-side regulation – as evidenced by the list of Acts above. Our view is that to truly create a moderate drinking culture there needs to be an integration of good regulation with well-evidenced, targeted educational interventions that look to understand then change the behaviours that underpin excessive consumption.

Self-Regulation

The alcohol sector and Spirits New Zealand members in particular have also shown that self-regulation does work to promote appropriate commercial behaviours for the benefit of consumers. For example all members comply with the Advertising Standards Authority's codes of practice.

These voluntary codes are some of the toughest – and most successful – in the world. It is a self-regulated system that is working to ensure that advertising of alcohol is appropriate based on agreed standards.

Additionally the members of Spirits New Zealand have created a voluntary code relating to the manufacture of ready-to-drink spirit-based beverages (RTDs). This code came into force on 1 October 2013 and, among other things, has limited the alcohol content by volume (ABV) in RTDs to a maximum of 7% or two standard drinks.

This means that many RTDs now on the market have an ABV similar or less than a number of other categories of alcohol for sale in supermarkets, bars and bottle stores.