



The Distilled Spirits Association of New Zealand

Submission to the Waimakariri District Council on its Draft Local Alcohol Policy

June 2013

Introduction

The Distilled Spirits Association of New Zealand (DSANZ) is the national trade organisation representing New Zealand's leading producers, distributors, brand owners, importers and exporters of premium spirits and spirit-based drinks.

DSANZ members are Bacardi New Zealand Holdings Ltd, Beam Inc, Brown-Forman, Diageo, Hancocks, Independent Liquor, Lion, Moet-Hennessy, Pernod Ricard New Zealand and The Rum Company (NZ). In addition we have three associate members who are Anchor Ethanol, EuroVintage and Federal*Geo.

Together DSANZ represents over 98% of spirit industry interests in New Zealand.

DSANZ has a direct interest in the development of Local Alcohol Policies (LAPs) as we believe through LAPs, combined with other properly planned and supported interventions, Territorial Authorities have the opportunity to help reduce the harm caused by excessive alcohol consumption.

DSANZ would like to appear before the Council to speak about this submission. We would welcome any further discussion the Waimakariri District Council might have about the contents of this document.



Robert Brewer
Chief Executive
Distilled Spirits Association of New Zealand Inc
PO Box 10612
Wellington
(04) 4738054
Email rbrewer@distillers.co.nz

Summary Comments

- 1) DSANZ is supportive of the high level intent of Council to develop measures to reduce the harm caused by excessive or inappropriate consumption of alcohol. As an industry the alcohol sector is also committed to helping reduce such harm.
- 2) Our belief is that harm minimisation will only be achieved through a long term evidence-based programme combining good policies and regulations with targeted educational interventions aimed at understanding and then changing harmful drinking behaviours. On this latter point we would point out that the alcohol industry represented by DSANZ, New Zealand Winegrowers and the Brewers' Association of Australia and New Zealand have jointly developed a harm minimisation programme called The Tomorrow Project. At the core of this project is a programme called *Cheers!*
- 3) *Cheers!* aims to understand the drivers that lead to excessive drinking and its associated negative outcomes and then address these through a range of activities and programmes. We invite the Council to view *Cheers!* online at www.cheers.org.nz.
- 4) The Tomorrow Project would be happy to share with Council the research and thinking behind its approach to harm minimisation and to jointly seek ways of working together to promote a moderate drinking culture.
- 5) Although we understand and support Council's intent with regards LAPs we would point out that alcohol consumption is caused by a complex array of socio-cultural factors including age, gender, social status, ethnicity, perceptions related to the impact of heavy drinking and so on. Under the weight of these multi-level factors DSANZ believes that regulating outlet density, hours of operation and access to venues, by itself, will not necessarily have the generational impact needed to change our drinking behaviour.
- 6) This is not to say that the draft LAP will not have some impact but what is not clear is what this impact might be and whether it will reduce harmful drinking (i.e. will reduced opening hours change the behaviour of those who want to drink to excess? Probably only to the extent of how, where and perhaps when they source their drinks to support their behaviour).
- 7) We would also point out that the Council's proposed restriction for RTDs (to 5% ABV or less) under proposed special licence provisions needs to be seen in context of the recent adoption by the spirit industry of a voluntary code for RTDs (attached as Appendix 1) which limits the strength of RTDs to a maximum of 7% ABV and two standard drinks.
- 8) This significant industry undertaking will effectively mean 48.5% of the current RTD market will be reformulated or removed from the market with the aim being to have the bulk of non-compliant product through retail outlets by Christmas this year.

- 9) In addition we would point out that to single out one specific type of alcoholic beverage when there is no evidence such a move is effective in terms of harm minimisation (analogous to asking for all Toyota's to be removed from the road to reduce the road toll) is both unnecessary and inequitable. Based on this and the move by industry to reduce the alcohol content of RTDs across all brands and types, DSANZ asks that Council remove the direct reference to RTDs from its special licence provisions.
- 10) Lastly DSANZ believes that whatever the final outcome of the Council's proposed LAP, that its provisions for on and off licences should apply equitably and consistently across all licence types and categories.

Drinking Moderately for Enjoyment and Drinking to Excess – The Critical Tension

- 11) The Waimakariri District Council is seeking to better address the tension that exists between drinking in moderation and drinking to excess. It is doing this through the development of a LAP which, under the provisions of the Sale and Supply of Alcohol Act, gives it the ability to alter licence arrangements to, in this case, manage the perceived harm caused by excessive or inappropriate drinking behaviour.
- 12) DSANZ would firstly point out that the majority of drinkers do so enjoyably, safely and in moderation and that any regulatory intervention must take this into account.
- 13) Secondly we believe that regulating through means such as an LAP will not, by itself, necessarily reduce harmful drinking. We strongly believe that an integrated approach which links well thought out and introduced regulatory interventions with targeted educative/behaviour modifying programmes is necessary to properly address drinking issues.
- 14) This is because excessive drinking is caused by a complex array of factors that intermingle into a socio-cultural set of drivers which are impacted by age, gender, social status, ethnicity, perceptions related to the impact of heavy drinking and so on. DSANZ urges Council to take these factors into account when developing policies designed to reduce or manage harmful drinking.
- 15) To illustrate the complex nature of the tension that exists between drinking for enjoyment and drinking to excess we examine briefly the drivers that underpin youth-related drinking patterns.

Youth and Drinking

- 16) Internationally, problem drinking among young people is an acknowledged concern.
- 17) Evidence suggests that an overlapping of poor socio-emotional control^{1 2 3} combined with social pressure and changing social structures⁴ (such as the impact of peer influence and parents) contribute to increases in problem drinking pattern among youth.
- 18) The International Centre for Alcohol Policies⁵ (ICAP) has identified that one of the strongest single factors in predicting negative drinking patterns and consequences in youth is having unrealistic personal expectancies of drinking (e.g. thinking that only positive consequences

¹ Dahl, R (2004). Adolescent brain development: A period of vulnerabilities and opportunities. *Annals of New York Academy of Science*, 1021, 1-22.

² Steinberg, L (2007). Risk taking in adolescence: New perspectives from brain and behavioural science. *Current Directions in Psychological Science*. 16, 55-59.

³ Steinberg, L (2008). A social neuroscience perspective on adolescent risk-taking. *Developmental Review*, 28, 78-106.

⁴ Roche, A.M., Bywood, P.T., Borlagdan, J., Lunnay, B., Freeman, T., Lawton, L., Tovell, A. & Nicholas, R. (2007). *Young People and Alcohol: The Role of Cultural Influences*. National Centre for Education and Training on Addiction. Adelaide.

⁵ International Centre for Alcohol Policies (ICAP) Washington D.C. www.icap.org.

will come from heavy drinking). In this same review ICAP also identified factors that provided some protection against negative drinking patterns including:

- a) **Family** – good communication with parents and positive family support structures
- b) **Religion/spirituality** – appears to serve as a protective factor against problem drinking in high school and university
- c) **Strong social network** – is a positive factor against heavy drinking and drinking problems, especially in stressful situations
- d) **Accurate perception of peer norms** – young people’s perception of how their peers drink appears influential on their own drinking patterns
- e) **Responsible drinking skills** – evidence suggests that learning to moderate drinking behaviour through early intervention or through programmes of activities (e.g. have a designated driver) changes overall behaviour over time

19) Additionally the Chief Medical Officers of England, Wales and Northern Ireland⁶ have also outlined some issues to be considered in relation to alcohol consumption by youth. These include:

- a) Early onset of drinking is shown to be linked to the development of alcohol abuse and dependence
- b) The establishment of family standards, rules and parental monitoring has been shown to be important in delaying early adolescent alcohol consumption
- c) Children who begin consuming alcohol below the age of 13 drink more frequently and are more likely to drink to intoxication and to develop alcohol dependence in later life

20) This snapshot of information illustrates some of the complexities associated with achieving changes in drinking behaviour – and how regulatory intervention alone will fall short of achieving sustainable reductions in drinking harm. As we have already stated in paragraph (13) above, however, we believe an integrated approach across a continuum of regulatory and educational interventions would have positive impacts on drinking culture.

21) We further believe that to develop effective programmes that change drinking behaviour all key participants in the sector including industry, retailers, central government agencies and local government need to be involved.

22) The discussion above also serves to highlight that applying strictures on drinkers by limiting access and supply (through LAPs, pricing, taxation, reducing advertising and promotion and so on) may impact alcohol consumption but not necessarily impact the behaviours that underpin problem drinking in the first place. In other words alcohol consumption might fall but harmful drinking may not.

⁶ Guidance on the consumption of alcohol by children and young people, 2009. A report by the Chief Medical officer UK Government.

- 23) This also holds true when considering the types of alcohol currently available. Ready-to-drink spirit-based beverages (RTDs) are often cited as being a cause of our so-called binge drinking culture when there is no evidence to support this.
- 24) Evidence suggests that drinkers under the age of 35 purchase product based on two key determinants – alcoholic strength and price⁷ not on alcoholic type and that they substitute their choice of alcohol actively to meet these two requirements. Based on this DSANZ has recently developed and promulgated a voluntary code for RTDs to limit the alcoholic strength of the product.
- 25) The code has been carefully developed to reduce the alcohol content of RTDs but not to the extent where rank substitution takes place as this can lead to other issues with drinkers substituting to other higher strength products.⁸
- 26) We attach a copy of the code as Appendix 1 for the Council's attention.
- 27) We also note that Council has specifically singled out RTDs under its proposed special licencing provisions. We believe this is both inequitable and unnecessary and analogous to, say, removing all Toyota's from the road in an attempt to reduce the road toll.
- 28) As we have stated above, the drivers underpinning excessive drinking are complex and not related to any one product but to a range of factors which need to be addressed in an integrated fashion. To list one specific product type with this context in mind is inappropriate.
- 29) We would therefore ask Council to remove specific reference to RTDs from its proposed special licence provision. As an alternative approach we would welcome your adoption of the key elements of our voluntary code as attached below.

Measuring Success

- 30) It is unclear from Council published documents as to how it will measure the success or otherwise of the proposed LAP.
- 31) DSANZ urges Council to develop and communicate such measures and, in doing so, recommends that it defines in real terms what it means by harmful drinking and how it sees the LAP positively impacting this.

⁷ Curia Market Research Limited, 2010

⁸ Curia Market Research Limited, 2010

Harmonisation and Equity Arrangements

- 32) As a principle DSANZ believes that LAPs across Territorial Authority boundaries need to be properly harmonised to prevent confusion or issues with geographical substitution.
- 33) We ask Council to inform stakeholders as to how it will ensure that the development of its LAP will be co-ordinated with those of neighbouring Territorial Authorities.
- 34) We also believe, that whatever the final outturn of the Council's proposed LAP, that its provisions for on and off licences should apply equitably and consistently across all licence types and categories.

Appendix 1



Voluntary Industry Code for RTDs

We, the members of the Distilled Spirits Association of New Zealand, have developed the following Voluntary Industry Code for ready to drink beverages and have committed to abide by the details hereunder.

Ready to drink beverages (commonly referred to as “RTDs”) have been part of the New Zealand beverage landscape for many decades. They offer a convenient beverage format providing consistent pre-measured amounts of alcohol, as measured by standard drinks. This, together with clear labelling information about alcohol content, can assist consumers to more accurately measure their alcohol intake.

New Zealand’s leading producers and marketers of ready to drink beverages recognise that RTDs can be a beverage popular with younger consumers. Therefore, extra special attention is required in the product development and marketing. Furthermore, New Zealand’s leading producers and marketers of ready to drink beverages are united in implementing a voluntary set of steps to better ensure these beverages are enjoyed within the ‘norm’ of responsible alcohol consumption in New Zealand.

Definition:

For the purposes of this VIC, an RTD is defined as:

- i. *a spirit-based alcoholic beverage mixed/diluted to an Alcohol by Volume (abv) range of 4% up to 14% (above which products become liqueurs as per S73,75 of the Customs & Excise Act 1996); and*
- ii. *sold in a primary package intended for single serve (i.e. in a vessel with contents of 500mls or less).*

The members of the DSANZ commit to do the following:

1. Limit the production and/or distribution of RTDs to a maximum alcohol strength of 7% ABV and a maximum of two standard drinks per single serve container to all licensed premises in New Zealand.
2. Not produce RTDs containing energy supplements with greater caffeine-equivalence than cola products as set out in Standard 1.3.1 “Food Additives” of

the Australia New Zealand Food Standards Code, which limits the amount of added caffeine in these products to a maximum of 145 mg/L. Nor, will we market/promote the effects of caffeine in any products that meet this commitment.

3. Ensure that the number of standard drinks in each container is clearly visible and displayed on both primary and secondary packaging.
4. Ensure that RTDs are marketed in accordance with the *Code for the Advertising & Promotion of Alcohol* and *Section 237 of the Sale & Supply of Alcohol Act 2012* so they do not have specific appeal to, nor are targeted at, those below legal purchasing age (LPA).
5. Advertise only in media channels or engage in sponsorship where the audience is at least 75% LPA and above.
6. Pro-actively work to improve the drinking culture in New Zealand and help minimise harmful consumption, through industry funded initiatives, such as *The Tomorrow Project* (www.cheers.org.nz).
7. Work with our retail customers to encourage compliance with this code taking due note of all relevant legal constraints (such as those defined by the Commerce Act 1986).

RTDs which do not comply with the above commitments will be progressively removed from the manufacturing and distribution process from March 2013 with the intention that they no longer be supplied into the retail network from the end of September 2013 onwards.

DSANZ Members:

Bacardi New Zealand Holdings Ltd
Beam Inc
Brown-Forman
Diageo
Hancocks
Independent Liquor
Lion
Moet-Hennessy
Pernod Ricard New Zealand
The Rum Company (NZ)