



# Alcohol Reform Bill

## Submission to the Justice & Electoral Select Committee

**The New Zealand Automobile Association Incorporated**  
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Clerk of the Committee  
Justice and Electoral Committee Select Committee  
Select Committee Office  
Parliament Buildings  
WELLINGTON

Dear Sir/Madam

**Submission to the  
JUSTICE and ELECTORAL SELECT COMMITTEE  
on the  
ALCOHOL REFORM BILL**

**Introduction**

1. This submission is from the New Zealand Automobile Association (NZAA). We wish to appear before the Committee to speak to our submission. Our contact details are:

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2. The NZAA is an incorporated society with 1.3 million Members. It represents the interests of road users who collectively pay over \$2 billion in taxes each year through fuel excise, road user charges, registration fees, ACC levies, and GST. The NZAA's advocacy and policy work mainly focuses on protecting the freedom of choice and rights of motorists, keeping the cost of motoring fair and reasonable, and enhancing the safety of all road users.
3. Alcohol is a factor in a significant proportion of road crashes, affecting both the cost of motoring through ACC and the personal safety of motorists. Alcohol is also a significant factor in vehicle crime and roadside vehicle damage. Thus the AA has an interest in the proposals in the Bill to change the legislative regime around access to alcohol. The AA thanks the Committee for the opportunity to make a submission on this important Bill.

## **Purpose**

4. In that the Bill contains a range of measures to reduce wider alcohol related harm, **the AA supports the overall intent of the Bill** as it is likely to reduce alcohol related crashes and alcohol-related vehicle crime and damage. This is a large and wide-ranging Bill; NZAA restricts its comments to those aspects of the Bill that affect road safety. We note, however, that as this Bill will affect road safety, so too do road safety initiatives (alcohol enforcement) affect wider alcohol outcomes and that these need to be considered in an integrated whole of Government way rather than separately.
5. The AA supports the Bill's objectives to:
  - Reduce excessive drinking by young people (young people are overrepresented in road crashes)
  - Reduce alcohol related harm, including road crashes
  - Support safe and responsible sale, supply and consumption
  - Improve community input to licensing decisions
  - Improve the alcohol licensing system.

## **Specific Issues**

### **Increase prices by raising taxes, not by raising alcohol industry profits**

6. The international literature is clear that the price mechanism the most effective way to reduce harmful alcohol use. This is because the greatest harm comes from those that use large quantities of low cost alcohol (heavy drinkers and the young), who are both very price sensitive and more affected by a tax increase, while those that drink moderately are both less price sensitive and less affected by shifts in price because they use lower quantities. Combined with the low cost recovery rate of current levels of taxes that leave both the general taxpayer and road users out of pocket (ACC charges, alcohol enforcement as well as personal injury), **the AA considers that the greatest omission from this Bill is a failure to increase taxes on alcohol.**

### **Set taxes to recover costs to taxpayers**

7. **The AA considers that as a principle alcohol taxes, like road user taxes, should fully recover costs associated with the use of that product.** The Bill

notes that the direct costs to the taxpayer of alcohol related harm could be \$1,200 M pa. It is not clear if this includes the costs in the transport area of Police enforcement, health and ACC costs as well as the costs of addiction treatment and rehabilitation and of installing alcohol interlocks to protect innocent users from those unfortunates addicted to alcohol who continue to drive.

8. **The AA urges the Select Committee to recommend that the guiding policy for taxes on alcohol be set to, over time, recover the costs to society, and dedicated to protecting people against the negative outcomes of alcohol use.** The AA prefers increased tax (which can be directed towards covering the costs of alcohol related harm) over other methods of raising the price (minimum prices, reducing suppliers) that may simply provide increased profit to alcohol suppliers and thus are likely to be re-injected into the alcohol industry.

#### **Dedicate fines to reducing alcohol harm**

9. **The AA also urges the Committee to dedicate the net fines money collected from alcohol related offences (or a portion of this) towards to alcohol and drug harm prevention and treatment, including roadside testing facilities, assessment, treatment and rehabilitation.** AA surveys show that this would be extremely popular with the public as hypothecation of traffic fines to road safety activities is supported by 93% of AA Members.
10. **The AA urges the Committee to ensure the Bill coordinates funding for alcohol and drug prevention and treatment from all affected agencies that have an interest in alcohol and drug treatment (e.g. NZTA, ACC, Health, WINZ, CYFS).**
11. **The AA recommends the Committee provide for significantly expanded funding (sixfold) to make early alcohol and drug intervention (assessment, education, rehabilitation and treatment) as Court options and that the system of Court drug and alcohol workers is taken nationwide.** Currently less than 5% of drink drivers are referred to alcohol treatment programmes by the Courts. This failure to fix problem drivers is tragically evidenced in the number of repeat drink drivers involved in fatal crashes, many of which involve innocent members of the public. It is further evidenced by our drink drive statistics which

show that of the 30,000 plus drivers caught over the BAC limit each year, 1 in 5 have previous drink drive convictions. Research shows that the first time a driver is caught, they will have driven drunk hundreds of times.

12. **The AA urges that the Committee ensure the Bill provides for greater education and support for judges** about relative risk of different levels of alcohol on drink driving, the effectiveness of different penalties and the availability of evaluation, education, rehabilitation and addiction treatment options for drink and/or drug driving offenders.
13. **The AA urges the Committee to ensure that additional funding is provided for safe alternative transport options where this is likely to reduce drink- and/ or drug-impaired driving** and ensure evaluation of these services takes account of the road safety benefits of removing drink drivers from the road.

#### Open Containers in Cars

14. **The AA strongly recommends that the Committee take this opportunity to ban open alcohol containers in cars.** It is cheaper to buy alcohol at an off-licence, but young people do not always have access to a suitable location to drink. Some towns have a serious issue with young drivers driving car loads of passengers that are drinking, throwing containers out the car windows and causing other harm, as well as creating a road safety risk. Police can currently do little if the driver is not drunk. The AA contends that a ban on open alcohol containers in cars would be a significant step to addressing these issues. We would suggest that the Police should be able to seize alcohol and vessels of those flouting this ban. Quite simply alcohol and cars should be separated.

#### Advertising to include road safety

15. **The AA considers that liquor advertising should include warnings about the drinking and driving risks** and prohibit advertising that tacitly or overtly promotes drinking and driving (e.g. to venues accessed by car).

#### Alcohol Interlocks Compulsory, No Stand-Down and Provide Treatment

16. International research shows alcohol interlocks are the most effective method of preventing offenders from further drink driving and thereby at protecting the innocent public. The most effective alcohol interlock regimes make interlocks compulsory, rather than optional for repeat and high BAC offenders.

17. **The AA strongly urges that there should be no stand down period following a drink drive conviction.** Research shows the majority of offenders continue to drive after having their licence removed, and expose the public to continued danger. The sooner the interlock is fitted, the sooner the public are protected.
18. Finally, interlocks are best supported by interventions to reduce reoffending. There are inadequate levels of assessment in New Zealand; as noted previously Courts are ordering only a fraction of the necessary alcohol assessments, in part because judges are aware there is inadequate funding for treatment and rehabilitation. Again **the AA strongly urges the Committee to consider increasing taxes and dedicating the increase, and/ or fines monies, towards increasing the levels of assessment, treatment and rehabilitation.**

### Cross Agency Data Linking

19. **The AA recommends that the Bill enable cross-agency data linking to enable a whole of government approach to alcohol related harm,** and better understanding of linkages e.g. between alcohol and harm such as the effect on work, families, children, injuries and road crashes. Thus WINZ, CYFS, ACC, Police, Social Development, Health, mental health services (alcohol addiction or psychosis, depression), NZTA and Transport. For example, if Police identify a recidivist drink driver, this should be a point of entry to assess if there are alcohol related issues for the individual. Alcohol dependence that affects a person's driving could also interfere with their work, or affect their children's health and safety.
20. Similarly where Health agencies identify an alcohol addiction problem, they should be required to assess the person's driving licence and advise the person about road safety risks and options for alternative transport. Health authorities currently do not automatically connect the road safety implications of data they receive. Again it is 'someone else's problem' once the person drives off from the health facility even though the health outcomes of drink driving are very serious.
21. By identifying the wider issues at the point of detection, it facilitates early interventions, for example ensuring children are safe. We note that Clause 280 requires some agencies to work together to monitor a licensing regime, but this

needs to be extended both to cover wider alcohol harm to families and to target measures to reduce road crashes.

### **Other drugs and multiple dependencies**

**22. The AA considers there would be considerable value in addressing alcohol and drug harm issues together and that this could be achieved in the Bill in many places by extending the wording to cover “alcohol and other drugs”.**

There is a strong interaction between alcohol use and other drug use, including interactions with medication. The Bill as written limits itself very strictly to alcohol use alone, rather than the wider issue of alcohol and other drug issues such as multiple dependencies. The ESR study analysed blood samples of 1049 deceased drivers and detected alcohol and/ or drugs in 485 of them. Of those with alcohol detected, 72% also had other drugs detected. The issue of poly drugging (taking drugs with alcohol) is severe in New Zealand and the Bill is an opportunity to break the silo approach to drugs and alcohol.

### **Comments on clauses**

#### **Part 1: Preliminary Matters**

**23. The AA considers that to have a liquor licence issued or renewed, in addition to the other matters listed, the licensing authority should have to have regard to the existence or provision of safe forms of transport from the site for patrons who have consumed alcohol (Clause 7).**

#### **Part 2: Ages of purchase**

**24. International research is clear that increasing the drinking age from 18 to 20 improves road safety for young drivers. The AA is not aware of any specific evidence about the effect of the Bill’s proposed split purchase age on road safety (clauses 9 and 10). A split purchase age by its nature is likely to:**

- reduce travel to licensed premises from young drinkers who have been pre-loading
- increase travel from licensed premises after drinking
- reduce young drivers’ alcohol consumption (possibly reduce easy access to lower cost alcohol and thus effectively increase the price)
- reduce young suppliers of alcohol to under-18 drinkers.

25. We make the following observations:

- Emergency services report that alcohol related injuries currently occur prior to midnight as a result of 'pre-loading' prior to arriving at licensed premises, and the split age would reduce preloading.
- The split age effectively increases the price of alcohol for 18-20 year olds; international evidence shows price increases are an effective strategy for reducing drink driving.
- Raising the age of purchase at an off-licence will make it more difficult for very underage drinkers to obtain alcohol, by removing potential suppliers from schools (the tranche of 18-year olds in Year 13). There is evidence that young people drink larger quantities and in a more harmful way when they are supplied by other young people than when supplied by parents.
- Currently underage drinking is common at 14 or 15, which affects many who are also drivers. Raising the off-licence purchase age moves further apart the legal ages of unrestricted drinking and the age of gaining a driver licence, enabling the learning of these two skills separately.
- These effects may potentially be offset by an increase in young people driving after drinking at licensed premises, particularly if these young people carry passengers. The AA urges tighter requirements on licensed premises to control young people driving after drinking, given the zero BAC for under-20s.

26. **Without taking a position on matters other than road safety, overall the AA concludes that the net effect on road safety of the split purchase age is likely to be beneficial.** This measure will be reinforced by the Land Transport (Road Safety and Other Matters) Act reducing the BAC limit to zero for drivers under age 20.

27. **The AA considers there must be tighter verification of age for remote purchase of alcohol.** Noting the dramatic (and projected) increase in web-based transactions will undermine the alcohol off-licence purchase age, given the ease of purchasing alcohol online. A simple tick box stating the purchaser is old enough is not adequate; remote sellers should have the same stringent proof of age requirements as they do on site. The Bill requires remote sellers (clause 60) to "take reasonable steps to verify that the buyer is not under the legal purchase



age”; a tick box on a website does not achieve this. Further, there is little or no high profile enforcement of underage remote purchasing.

## Parts 3 and 4

### Road Safety Implications of Licences

28. **The AA considers that licensing authorities should also be required to consider the road safety impact of granting licences** (Clauses 94-106, and 131). Specifically, the licensing authority should take into account the crash history and projected effect on road safety of granting (or removing) the licence.
29. **Also the licensing authority should have to take into account the existence or provision of safe forms of transport home for the clients of the potential licensee.**
30. **We also recommend that local authorities, in preparing a local alcohol policy, should also be required to consult with the Ministry of Transport in particular on the local alcohol related crash statistics (Clauses 78 and 79).**
31. **The AA recommends that operationally, the Committee increase requirements for managers of licensed premises to have regard to road safety e.g. greater compliance with the requirement to not serve patrons that are intoxicated (e.g. Clause 191).**
32. **Further it is extremely important that licensees and managers should have greater responsibility for preventing intoxicated patrons from driving when they are over the legal alcohol limit for driving, and for actively arranging for, or providing, safe alternative transport or arranging a place to stay until they are either safe to drive or have safe alternative transport.** Information about safe forms of transport should be posted in a place that is easily seen by patrons as they enter.
33. **The AA considers that to in considering whether to grant or renew a licence, the licensing authority should take into consideration whether safe transport home exists or will be provided by the licensee. Host responsibility should include actively assisting patrons who are clearly unsafe to drive to arrange safe transport home or nearby accommodation. Currently hosts are only required to**

provide information when asked; this does not adequately protect the general public from drink drivers or the patrons themselves.

34. We note the second bullet in Clause 44 should read for *sale at* off-licensed premises.

## Part 5 Enforcement

35. **The AA supports the tighter controls on advertising and promotion of alcohol** (Clause 220). The AA would support an inclusion in the restrictions on the promotion and advertising of alcohol any promotion that undermines road safety objectives. This should be included in “irresponsible promotion”.

36. Where Police successfully prosecute a drink-driving charge, and have evidence that drink driver was clearly intoxicated on leaving a licensed establishment, the AA considers the Committee could investigate the merits and practicality of imposing “**chain of responsibility**” **penalties to signal to licensees the importance of assisting intoxicated patrons to use safe transport** (along the lines of Clauses 230 to 236).

37. **It would assist the enforcement of much of the Bill if clear definitions and guidelines for assessing “responsible manner”, “irresponsible promotion” or “intoxicated” were provided for Police, licensees and managers.** The AA supports Clause 224 (4) which provides clear guidance for parents/ guardians.

38. The Department of Internal Affairs, Police and NZTA have good data matching systems for identity documents and driver licences. **The Committee should investigate whether there are systems or technologies or data integration that could assist licensees validate a proof of age document.** Better integration with licensees, the front line of enforcement of proof of age, would positively contribute to achieving each agency’s outcomes (reduced need for Police, improved road safety and reduced social harm).

39. When Police close premises due to serious disorder (Clause 248 and 249), this is a highly risky situation for road safety with aggressive, intoxicated persons all departing at the same time. **Police should, when closing premises under**

**volatile circumstances, be required to take every precaution to ensure that intoxicated patrons do not then drive.** This would be an appropriate time for Police to breath test such patrons that they suspect may be over the legal drink drive limit and to remove their vehicle keys or otherwise ensure they are using safe transport.

**40. The AA supports the move to enact cancellation of liquor licences for licensees that are repeat offenders** (Clauses 273-279).

### **Part 8 Other Matters**

41. Clause 384 requires licensees display information about ethanol content and harmful effects at point of sale. This should include warnings about drink driving and also alternative safe transport available.

### **Density of Liquor Outlets**

**42. The AA supports these proposed measures to limit outlet density on road safety grounds.** The AA has seen a careful analysis of liquor outlets in Auckland that appears to show that reducing the density of liquor outlets has a positive effect on road safety. This may be through reduced availability, but also limiting outlets reduces competition and thus may possibly lead to increased prices; hence reducing harm through a price effect. It may also support a more careful analysis of restrictions on opening hours.

43. However, we note that limiting outlet densities raises prices effectively by granting monopoly rights to, and higher profits for, existing outlets. The AA considers it would be more effective to implement the price effect through higher (more equitable) taxes on alcohol, which has the side benefits of reducing the burden on the general taxpayer and motorists and providing funding to offset the costs of alcohol related harm on the community.

### **Trading Hours and the One Way Door**

**44. The AA has not seen any data that relates closing hours, or the one way door system (Clause 105) to road safety impacts, but would like to see this analysis done.** We note the lowest hourly social cost of crashes is at 4am and 5am on the Crash Analysis System. It is likely that the current 4am closing time coincides with a time when there is little other traffic on the road. **The AA is unclear as to**

how a one way door system would affect road safety, but suspect that it would reduce travel of intoxicated patrons between outlets, and hence would have a positive effect.

### **Sale of Alcohol at Petrol Stations**

45. The AA continues to support a prohibition on sale of alcohol at petrol stations (Clause 38). However we note that many petrol stations are now selling groceries and many grocery chains are also now selling petrol. **The AA considers it would be useful to have a clarification in the legislation that specifies the primary function of the business as either a petrol station or a grocery, based on the amount of turnover of groceries versus fuel.**

### **Exemptions for Police and Fire Service Bars**

46. The AA queries the continuation of the historical anomaly (clause 14) that exempts Police and the fire service. Fire service staff, for example, do not know when they will be called to attend an emergency at speed, so it is an anomaly that these bars are exempt from standard requirements. It would be useful for the Committee to query the road safety and other issues surrounding these exemptions and investigate a transition to a standard regulated approach for service of alcohol at these premises.

### **Manage the licensing regime by regulation not legislation**

47. **The AA considers that many of the more technical considerations in this Bill should be dealt with by regulation rather than the more cumbersome legislative process.** This would speed up changes to the industry and enable it to keep up with modern processes.

### **Conclusion**

48. **Overall the AA is supportive of the general thrust of the Bill and most of the measures aimed at reducing alcohol related harm and thus reducing road crashes, ACC costs and other imposts on our Members.** The Ministry of Transport notes that in 2007-2009, 388 people died as a result of drink driving, of which 175 (45%) were not the drink driver (and nearly 17 times the number of fatalities were injured). The total social cost of alcohol in road crashes is nearly \$900m per year.

49. It is extremely important that the Committee consider very carefully at every Part how to make this Bill take road safety issues into account, which it currently does not do very explicitly or effectively. Careful rewording will reduce this needless tragedy, trauma and bloodshed, not only to drinkers themselves but also to significant numbers of innocent victims and their families. If the Committee does this effectively, the reward will be having hundreds of people a year walking around alive and uninjured.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mike Noon', written in a cursive style.

**Mike Noon**  
**General Manager Motoring Affairs**