

Submission from **The Brewers Guild of New Zealand** on the Law Commission document “Alcohol in Our Lives - An Issues Paper on the Reform of New Zealand Liquor Laws”

## **BACKGROUND:**

The Brewers Guild of New Zealand (2006 Incorporated) was instigated primarily to support and give a collective voice to the burgeoning number of local breweries in New Zealand. A key strength of the Brewers Guild is that membership is open to every brewery in New Zealand and each brewery, regardless of size, has equal voice and ownership of The Brewers Guild.

The Brewers Guild represents a significant evolution of the brewing industry in New Zealand and aims to support and represent a healthy, vibrant, diverse and socially responsible local brewing industry.

At present there are over 50 breweries that are members of the Brewers Guild of New Zealand.

This submission is based on the Brewers Guild of New Zealand policy “**Safe, Sensible, Sustainable - Social Alcohol Policy of the Brewers Guild of New Zealand**”

*‘Safe, Sensible, Sustainable’ is the Brewers Guild of New Zealand alcohol policy statement that commits all Guild members to work together to tackle social issues around alcohol and, at the same time, build a healthy, vibrant and diverse local brewing industry.*

## **Safe, Sensible, Sustainable**

### **Social Alcohol Policy of the Brewers Guild of New Zealand**

The Brewers Guild commits to supporting clear goals and actions that promote sensible drinking and reduce antisocial behaviour and harm that alcohol can cause. At the same time The Brewers Guild aims to ensure that people are able to enjoy alcohol safely and responsibly and that they benefit from a diverse and vibrant local brewing industry. The Brewers Guild is committed to consulting and interacting in a positive

manner with policy makers and organisations involved with social issues around alcohol.

The Brewers Guild is committed to encouraging individual brewery actions, social opinion and government policies that:

1. Support the enforcement of policy aimed at illegal and irresponsible behaviour associated with alcohol
2. Focus policy, support and information on those most at risk from harm associated with use, misuse and abuse of alcohol
3. Support initiatives and policy that creates an environment which promotes sensible drinking
4. Promote and encourage a healthy, vibrant and diverse local brewing industry

## **SUBMISSION:**

The following submission follows the structure and questions in the “Questions for the Public” section of the document “Alcohol in Our Lives – A Summary of the Law Commission’s Issues Paper on the Reform of New Zealand’s Liquor Laws”

### **The Harm:**

The Brewers Guild of New Zealand is committed to encouraging individual brewery actions, social opinion and government policy that focus policy, support and information on those most at risk from harm associated with alcohol:

(Question 2) The Brewers Guild encourages drinking in moderation but does not believe that drunkenness in public should be an automatic offence. There are many examples where an intoxicated individual may be in a public space for legitimate and sensible reasons that may include, for example, walking home or waiting for a taxi etc.

However, The Brewers Guild supports clear goals and actions that promote sensible drinking and reduce antisocial behaviour and harm that alcohol use, misuse and abuse can cause. As such, The Brewers Guild strongly considers that antisocial behaviour by any individual in public as a result of intoxication (Question 3) is unacceptable and that police resources should be used in an effectively strong manner to discourage any individual’s antisocial behaviour.

## **Object of the Law:**

(Question 6) The Brewers Guild of New Zealand supports the enforcement of policy aimed at illegal and irresponsible behaviour associated with alcohol. The Brewers Guild believes that the current laws associated with On-licence and Off-licence premises are adequate and should continue to be rigorously enforced. However, The Brewers Guild believes that in recent years individual responsibility has been given inadequate weight.

As mentioned above (The Harm), The Brewers Guild strongly considers that antisocial behaviour by any individual in public as a result of intoxication is unacceptable. The Brewers Guild believes that there must be greater individual responsibility for antisocial behaviour in public. The Brewers Guild would support effectively strong measures to encourage individual responsibility.

(Question 16) The Brewers Guild recommends that it should be an offence for anyone other than a parent or guardian to supply alcohol to someone under the purchase age.

(Question 18) The Brewers Guild of New Zealand aims to promote and encourage a healthy, vibrant and diverse local brewing industry. The Brewers Guild does not specifically consider that the sale of alcohol in supermarkets and grocers is at odds with this aim. However, The Brewers Guild considers that, specifically, the price minimisation associated with these outlets does not encourage a healthy, vibrant and diverse brewing industry. Moreover, the Brewers Guild believe that limiting advertising of alcohol pricing in the broad-based media of television, newspaper and radio may to some extent alleviate over-competitive pricing and price cutting.

## **Demand Reduction:**

The Brewers Guild is broadly in support of the sorts of policies that will make a difference in reducing the harm of alcohol consumption. We believe this is best achieved in a sustainable way by altering drinking culture away from simply drinking for the consumption of alcohol (and ultimate intoxication) towards consumption that is based on quality and the enjoyment and social benefits associated with alcohol products consumed in a safe and socially acceptable manner.

In this respect, The Brewers Guild wishes to voice concerns over the issue of demand reduction through broad-brush application of tax or alcohol excise

(Question 19) The Brewers Guild understands that there is a relationship between price and consumption volume. However, The Brewers Guild believes that using a broad-brushed approach to increase price through taxation (Question 21) will have a long-term detrimental effect on the maturity of the drinking culture in New Zealand.

The Brewers Guild are concerned that although an across-the-board increase in alcohol pricing may reduce consumption volume, it is also highly likely to drive consumers towards the consumption of mass-produced alcohol products with lower production costs and economies of scale.

We suggest that this will almost certainly result in a negative change in drinking habits and culture as product quality becomes of reduced importance and consumer choice is driven increasingly by the alcohol to price ratio.

The Brewers Guild, as a brewers' organisation whose members are dominated by micro-breweries, largely pride themselves on the production of "high-end" products using labour-intensive and ingredient-costly methods. It is the nature of the microbrewery industry that business focus is on quality rather than quantity and outlet pricing is almost always higher than that of large volume producers and multinational competitors.

Microbreweries seldom have economies of scale but instead produce high-value, high-cost product designed for enjoyment in small volumes and often in association with sensible drinking culture such as enjoyment with food.

In this respect, The Brewers Guild believes that a "broad brush" approach to alcohol tax will inadvertently harm a burgeoning micro-brewery industry. The micro-brewery industry (whose members dominate the Brewers Guild of New Zealand) is rapidly establishing itself as a healthy, vibrant and diverse local brewing industry with a strong social responsibility. These attributes should be encouraged in the alcohol industry.

(Question 22) The Brewers Guild supports initiatives and policy that encourages safe and sensible drinking and, as such, The Brewers Guild believe that restriction on alcohol marketing especially in the "broad distribution" mediums of television, radio and newspaper will to some extent alleviate problems associated with alcohol being used as a "loss leader" or attractant for consumers.

### **Problem Limitation:**

The Brewers Guild of New Zealand supports the enforcement of policy aimed at illegal and irresponsible behaviour associated with alcohol.

(Question 24, 25, 26) The Brewers Guild believes that current liquor laws relating to On-licence and Off-licence sales are adequate, and should continue to be rigorously enforced. However, The Brewers Guild believes that in recent years individual responsibility has been given inadequate weight within alcohol legislation.

As previously outlined, The Brewers Guild strongly considers that antisocial behaviour by any individual in public as a result of intoxication is unacceptable. The Brewers Guild believes that there must be greater individual responsibility for

antisocial behaviour in public. The Brewers Guild would support effectively strong measures to encourage individual responsibility.

(Question 30) The Brewers Guild does not believe that drunkenness in public should automatically be an offence as there are many examples where an intoxicated individual may be in a public space for legitimate and sensible reasons which may include, for example, walking home or waiting for a taxi etc.

However, The Brewers Guild strongly considers that antisocial behaviour by any individual in public as a result of intoxication is unacceptable and that police resources should be used in an effectively strong manner to discourage any individual's antisocial behaviour.

Submission ends.

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