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THE DIFFICULTY OF RE-REGULATION *Lessons from New Zealand*

By Lise Gervais and Pamela Erickson

New Zealand's alcohol history is one of regulation, de-regulation and attempts at re-regulation. It illustrates the need to change regulations very carefully to determine whether the change will likely cause greater harm. It also illustrates that changing back will likely encounter strong business opposition and why that happens.

A relatively small country, New Zealand has a land mass similar to Colorado and a population about the size of Norway or Ireland. Per capita consumption of alcohol is also similar to Norway and Ireland-- a little more than the US, according to the World Health Organization's country profiles. In New Zealand alcohol is a factor in 30% of fatal road accidents and "a significant proportion of police work involves alcohol related incidents," according to New Zealand Police Department.

This example is similar to the United Kingdom's deregulation and current problems with alcohol as illustrated in our [report](#) and [update](#).

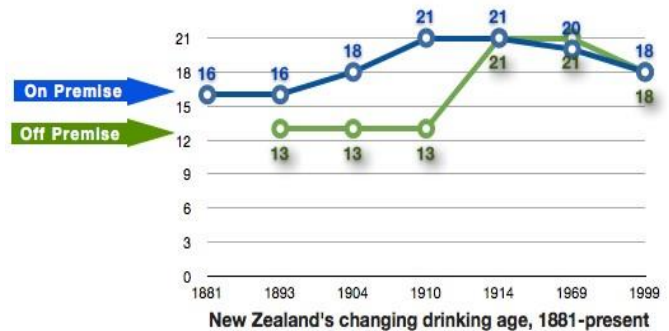
Since the 1840's, New Zealand has regulated the sale of alcohol, and has had a temperance movement for almost as long. During World War I, when it was seen as a waste of resources, alcohol could not be sold after 6pm. Liquor licenses were difficult to obtain and the few licensed venues became very large. The unintended consequences were "beer barns"--dirty, crowded places where men went after work to participate in the "6 o'clock swill".

The "6pm last call" endured for 50 years and was seen as a way to avoid an outright ban on the sale of alcohol. New Zealanders voted in referendums on alcohol--a choice of either

prohibition, continuance of the status quo, or state control--twenty-six times between 1911 and 1987. Prohibition came close to passing a number of times.

Some speculate that the "6 o'clock swill" established the culture of binge drinking for generations. After 50 years of it, New Zealanders voted in 1967 to allow alcohol to be sold until 10 pm.

While wrangling between wet and dry factions continued, major changes came in the late 1980's. Licenses became easier to get and outlets rose from 1,000 in 1969 to 14,000 in 2010. Changes allowed alcohol to be purchased in grocery stores. Bars were allowed to stay open all night. The drinking age was changed to 18. Once under national control, alcohol regulation was handed over to local jurisdictions.



Source: Te Ara - The Encyclopedia of New Zealand, <http://www.teara.govt.nz/en>

When drinking rates started going up, especially among youth, there were calls to re-regulate. New Zealand's independent government entity, the Law Commission, reviews, reforms and helps develop laws. That body made a number of recommendations in 2008 including bringing back 20 as the drinking age, raising the cost of alcohol through increased taxes, limiting sponsorship and

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advertising, and reducing the number of hours alcohol is served. While most were rejected, Parliament did approve requiring bars to close between 4 am and 8 am, not allowing intoxicated persons to be served, prohibiting convenience stores from selling liquor, and requiring a host to get permission from a parent to serve alcohol to their under 18 child-- which can be done by email or text.

Binge drinking, once primarily an activity of young men, has become common among young women. Sweet, pre-mixed beverages which appeal to young drinkers' tastes are inexpensive at about \$2 a bottle and can be legally purchased by 18-year-olds. Pre-loading, or drinking cheaper store-bought drinks before going out, is common.

Every weekend some patrons of bars become patients in emergency rooms, straining medical professionals and law enforcement. From 2006-2011, alcohol-fueled hospital admissions in New Zealand grew by 18%. A study in the city of Christchurch found that on Saturday nights, 25% of patients in the emergency department had alcohol-related medical conditions. Friday and Sunday had the next highest, 14% and 8%, respectively. During weekdays, the rate generally dropped to less than 5%. Christchurch is attempting to adopt more limited closing hours for bars and shops, but is encountering opposition.

Last December the Land Transport Act went into effect, lowering the blood alcohol level for driving under the influence from 80mg to 50mg. This brings New Zealand's limit in line with many other countries and the World Health Organization's recommendations. In anticipation of strict enforcement including police checkpoints and stops for even minor speeding infractions, bars stocked up on lower alcohol beer, and free water was made available for patrons. For drivers under 20 the limit is still zero as it has been since 2011. This is seen as a step in the right direction towards decreasing teen driving fatalities.

In May of this year the New Zealand Medical Association (NZMA) came out with a report aimed at policy makers and healthcare professionals, outlining 10 recommendations for ways to reduce alcohol-related injuries and illnesses. "Reducing Alcohol Harm" calls for more spending on screening and intervention, and for programs geared towards pregnant women to prevent Fetal Alcohol Syndrome. The NZMA would like to see alcohol treatment expanded, further enforcement of drunk driving laws, and trade agreements that take health outcomes into account. They indicated support for healthcare

professionals who recommend limits on outlet density and trading hours and they would like the minimum age to be raised from 18, back to 20.

This example illustrates the difficult task of finding the right balance of public health and business needs. New Zealand went from very strict alcohol rules to much greater leniency in a short period of time. One of the reasons re-regulation is so difficult is that the greatly loosened laws can bring a lot of new business opportunities. Those who invested in the new business opportunities naturally fear losing their profits and possibly, their livelihood. However, when a "course correction" is needed, it is important to work with the impacted licensees. Some of the fears may be unwarranted; and, it may be possible to find solutions that will not devastate businesses. Sometimes a loosened regulation only helps a few businesses and change can actually help "level the playing field for all licensees."

As former alcohol regulator Pamela Erickson notes, "I have always found that most licensees want to be good operators. I was sometimes surprised to find that people would accept stricter regulation once they understood the purpose and that there would be fair and even enforcement."

WHO Country Reports:

http://www.who.int/substance_abuse/publications/global_alcohol_report/profiles/nzl.pdf?ua=1

<http://www.police.govt.nz/advice/drugs-and-alcohol/alcohol-laws-and-penalties>

Paul Christoffel. 'Liquor laws', Te Ara - the Encyclopedia of New Zealand, updated 12-Jul-13

<http://www.TeAra.govt.nz/en/liquor-laws>

Jock Phillips. 'Alcohol', Te Ara - the Encyclopedia of New Zealand, updated 18-Mar-15

<http://www.TeAra.govt.nz/en/alcohol/page-1%5D>

http://www.espad.org/uploads/espad_reports/2007/the_2007_espad_report-full_091006.pdf

Not Beersies ad campaign:

http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=11371914

Be The Artist, Not the Canvas ad campaign:

<https://vimeo.com/76275090>

New Zealand Medical Association recommendations:

<http://www.nzma.org.nz/advocacy/advocacy-issues/reducing-alcohol-related-harm>

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