

CHiLD POVERTY ACTION GROUP

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Chairperson: Russell Fairbrother

C/- Secretariat, Social Services Committee,

Parliament House,

Wellington

Submission

Sale of Liquor (Objections to Applications)

Amendment Bill 2008

We thank you for the opportunity to participate in this consultation on the Sale of Liquor (Objections to Applications) Amendment Bill.

Child Poverty Action Group formed in 1994 because of profound concern that poverty among families is endemic in Aotearoa-New Zealand and becoming increasingly intractable. The aim of our organisation is the development and promotion of better policies for children and young people.

Child Poverty Action Group comprises a group of academics and workers in the fields dedicated to achieving better outcomes for children. We represent a wide network, and our backgrounders and monographs are widely read and distributed. Our reports *Left*

behind: How social and income inequalities damage our children (2008) and *Our children: The priority for policy* (2001 & 2003) can be found with other background material at our web site www.cpag.org.nz.

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We wish to be heard in support of this submission.

[1] Child Poverty Action Group (CPAG) encourages the committee to consider the beneficial outcomes this legislation could have on families and their children. This bill seeks to amend the Sale of Liquor Act 1989 to make wider provision for objections to applications for on-licences and off-licences. It allows any person to object to an application if they can provide evidence of adverse impact on them. It requires an applicant to carry out an evaluation of the social impacts on the community, if the licence were to be granted. The bill also provides for the Licencing Authority to take additional matters into account where an application is opposed.

[2] Our recent investigations into poverty levels in New Zealand suggest that one child in five under the age of 15 is being raised in poverty,¹ and one effect of poverty is limiting children's development. Another effect of poverty is disempowering the citizen's voice, and our concern is that while this Amendment allows any person to object to an application for an on- or off-licence, the objector is required to provide evidence of adverse impact on the objector if the application were to be granted. The sale of liquor, and the location of liquor sales outlets, impact adversely on children directly and indirectly, yet children do not have the ability or the resources to provide evidence of that adverse impact.

[3] In the section on Social Hazards in *Left Behind*, Dale and Wynd draw on recent research to state that: "Alcohol is New Zealand's most widely-used drug. Its negative health effects are well documented. More action is needed to stem its availability and thereby limit the role which alcohol plays in perpetuating the cycle of poverty."² Cohen et al, 2006, found that the more widely-available alcohol is in a community, the more of it will be consumed.³ The role of government is critical. While policies such as alcohol taxes and drinking age have been shown to influence drinking patterns, research by Wechsler, Lee, Hall, Wagenaar, & Lee (2002) has shown that where liquor outlets are concentrated, competition causes prices to be lower, and the total cost of drinking will also be lower, because of factors such as lower travel costs and travel time.⁴ The lower cost of liquor tends to drive higher consumption.

¹ St John, S., & Wynd, D. (eds) (2007). *Left Behind: How social and income inequalities damage New Zealand Children*. Auckland, Child Poverty Action Group.

² Dale, M.C. & Wynd, D. "Social Hazards", in St John, S., & Wynd, D. (eds) (2007). *Left Behind: How social and income inequalities damage New Zealand Children*. Auckland, Child Poverty Action Group, pp. 125-6.

³ Cohen, D., Ghosh-Dastidar, B., Scribner, R., Miu, A., Scott, M., Robinson, P., et al. (2006). Alcohol outlets, gonorrhoea, and the Los Angeles civil unrest: A longitudinal analysis. *Social Science & Medicine*, 62(12), 3062-3071.

⁴ Wechsler, H., Lee, J., Hall, J., Wagenaar, A., & Lee, H. (2002). Secondhand effects of student alcohol use reported by neighbors of colleges: The role of alcohol outlets. *Social Science & Medicine*, 55(3), pp. 425-35.

[4] It has been argued that easy availability of alcohol is good for consumers, but low-income communities recognise the harm it does. Savage & Coursey (2007) note that young residents at a recent youth hikoi in Clendon protested about the number of bottle stores in the area. They also point out that hand in hand with the rise in loan shark outlets and gambling premises, the number of liquor outlets in Manukau City has increased from 61 in 1990 to 185 in 2006.⁵ Residents in low-income suburbs are increasingly aware that the central issue is one of access, hence the call to regulate the number of liquor outlets. Manukau City Council has repeatedly refused to limit its number of liquor outlets, despite having a clear mandate to do so,⁶ yet: *“Disadvantaged neighbors may be less able to prevent the granting of licenses to sell alcohol. This may be part of a vicious circle: lower socioeconomic status ... may result in more alcohol outlets, more alcohol outlets may lead to more secondhand effects, and more secondhand effects may contribute to decreased real estate values and still lower socioeconomic status.”* (Wechsler, Lee, Hall, Wagenaar, & Lee, 2002).

[5] When heavy drinking is socially acceptable, as signalled by high concentrations of liquor outlets, heavy drinking in turn contributes to the deterioration of the neighbourhood: roads and footpaths become less safe, and rates of motor vehicle fatalities and other accidental injuries increase. The evidence of Wechsler, Lee, Hall, Wagenaar, & Lee (2002) suggests that the alcohol industry targets disadvantaged communities in the USA. Whether or not they consume alcohol, people living in poorer urban areas with numerous outlets are likely to suffer the resulting higher levels of harm from others' alcohol consumption.

[6] Local research has shown that for young (14 year-old) heavy drinkers, coming from a disadvantaged background was a noticeable risk factor.⁷ Yet rather than developing and implementing policies that control the availability, price, and marketing of alcohol, government strategies have focussed on individual behaviour, and placed the onus on communities to demand policies such as raising excise taxes, raising the drinking age, or reinstating licensing trusts that restrict the number of outlets and make a financial contribution back to the local community. U.S. research has shown that these result in a significant decrease in deaths from motor vehicle accidents and violence related to alcohol use (Wechsler, Lee, Hall, Wagenaar, & Lee, 2002).

[7] Evidence of the adverse impact of high numbers of liquor outlets in a community has already been gathered and published by researchers in New Zealand and overseas. As the Amendment is currently worded, it places a cruel and unnecessary burden on individual communities by requiring them to provide their own specific and local evidence when such general evidence has already been gathered.

[8] Strictly limiting licenses for new outlets, and phasing out existing licenses, are ways of reducing alcohol outlets. While we suggest some changes (below) to the Amendment, CPAG thanks the Honourable George Hawkins for proposing this Bill.

⁵ Savage, J., & Coursey, M. (2007). Bars are booming. New Zealand Herald, Sunday, July 01, 2007.

⁶ Alcohol Health Watch. (2004). South Auckland residents call time on number of liquor outlets. Alcohol Health Watch, <http://www.ahw.co.nz/newsletter/41/newsletterno41.pdf>.; Ministry of Health. (2004b). Planning for the sale of alcohol. Wellington: Ministry of Health, p. 14.

⁷ Ministry of Health. (2002a). Child youth health status report. Wellington: Ministry of Health.

**CPAG submits the following responses to the Sale of Liquor
(Objections to Applications) Amendment Bill 2008:**

- 1) *Clause 4, new Section 9A, and Clause 8 new Section 31A* to be inserted into the principal Act requiring an applicant for an on- or off-licence to carry out an evaluation of the social impacts on the community if the licence were to be granted. These new Sections need to be altered to state that the evaluation must be conducted by an independent party and must involve consultation with the community.
- 2) *Clause 5 and Clause 9:* As the community likely to object will have few resources, rather than increasing the time period in which objections may be lodged from 10 working days to 20 working days, the time period needs to be 30 working days.
- 3) *Clause 5 and Clause 9:* CPAG is concerned that as the Amendment is currently worded, objections from local communities require evidence of adverse impact to prevent the establishment of on- and off- licences. Disadvantaged and vulnerable communities are unlikely to have the ability or the resources to collect evidence of the likely adverse impact of on- and off- licences for the sale of liquor.
- 4) *Clause 5 and Clause 9:* As we have demonstrated, evidence of the adverse impact of high numbers of liquor outlets in a community has already been gathered and published by researchers in New Zealand and overseas. It is unnecessary for individual communities to provide their own specific and local evidence when such general evidence has already been gathered.
- 5) *Clause 5 and Clause 9:* It is inequitable and unreasonable to put the burden of evidence of harm on those parties who will be adversely affected by an externality such as granting of an on- or off- licence for the sale of liquor.