

# CHiLD POVERTY ACTION GROUP

**Child Poverty Action Group**

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## ***Submission:***

### ***Alcohol in our Lives***

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](http://www.cpag.org.nz).

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## Background

[1] The misuse of alcohol costs (including social costs) New Zealand up to \$5.3 billion annually and around \$700 million each year in direct expenditure. Police report that 31% of all reported crime and 33% of violent crime is alcohol-related. A recent study of attendances at an Auckland hospital's emergency department found that 35% of all injury cases were liquor-related and that consuming alcohol led to an increased risk of an accident by a factor of 2.8. Moreover, alcohol is a contributing factor in up to 80% of reported domestic violence cases.

[2] This submission will focus on the impact of alcohol on young people. In particular, CPAG is concerned about the concentration of alcohol outlets in low-income areas, and effects of alcohol advertising and marketing on young people. We observe in passing the effects of alcohol on children has been given little attention in the Commission's report.

[3] In New Zealand one child in six under the age of 15 is being raised in poverty,<sup>1</sup> potentially limiting their development. Alcohol is, as the Commission notes, "a toxic substance," and is particularly damaging to young people. CPAG submits there needs to be greater restrictions on the availability of alcohol, thereby limiting the role which alcohol plays in perpetuating the cycle of poverty.

[4] In New Zealand there is a marked social gradient with respect to the availability of alcohol, with low-income areas having much greater access to alcohol than higher income areas. The number of outlets per 10,000 population were at least 2.76 times greater among the most deprived fifth of urban neighbourhoods compared to the least deprived fifth. Conversely, a high-income neighbourhood (a census mesh block) is three times more likely not to have an alcohol outlet within an 800m radius of its centre.<sup>2</sup>

[5] Cohen et al, 2006, found that the more widely-available alcohol is in a community, the more of it will be consumed.<sup>3</sup> 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.<sup>4</sup> The lower cost of liquor tends to drive higher consumption. When heavy drinking is socially acceptable, as signalled by high concentrations of liquor outlets, heavy drinking in turn contributes to reduced neighbourhood safety: roads and footpaths become less safe, and rates of motor vehicle fatalities and other accidental injuries increase.

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<sup>1</sup> Ministry of Social Development, (2009). *Household incomes in New Zealand: trends in indicators of inequality and hardship 1982 to 2008*. Wellington, Ministry of Social Development.

<sup>2</sup> Pearce, J., Day, P., Witten, K. (2008) Neighbourhood Provision of Food and Alcohol Retailing and Social Deprivation in Urban New Zealand. *Urban policy and Research*, 26(2), 213-227.

<sup>3</sup> 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.

<sup>4</sup> 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.

Whether or not they consume alcohol, people living in poorer urban areas with numerous outlets are more likely to suffer alcohol-related violence and accidents.

*“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.”<sup>5</sup>*

[6] While the easy availability of alcohol may be good for consumers, low-income communities recognise the harm it does. Savage & Coursey (2007) note that young residents at a 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.<sup>6</sup> 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, for example, has repeatedly refused to limit its number of liquor outlets, despite having a clear mandate to do so.<sup>7</sup>

[7] Childhood (including the antenatal period) is ideal for optimal growth and development; however children are also vulnerable to the effects of alcohol on their neighbourhood. Recent consultation with children as part of a Health Impact Assessment focussed on Inner Manukau City highlighted the safety concerns that children associate with being around adults influenced by alcohol. Comments included:

“It will be like noisy, really noisy, public, everything is public and too dangerous because heaps of drunk people are there.”

*Q: WHAT SORT OF THINGS DO YOU THINK WILL THERE NEED TO BE TO MAKE IT GOOD TO LIVE AROUND THERE?*

“Play games...Less bars, but like more security.”

[8] There are long-term benefits associated with delaying alcohol exposure among adolescents. The longitudinal Dunedin Multidisciplinary Health and Development study conducted over 32 years has recently revealed that “50% of adolescents exposed to alcohol and illicit drugs prior to age 15 had no conduct-problem history,

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<sup>5</sup> Wechsler, Lee, Hall, Wagenaar, & Lee, 2002, note 4.

<sup>6</sup> Savage, J & Coursey, M (2007) *Bars are booming* New Zealand Herald, Sunday, July 01, 2007

<sup>7</sup> 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.

yet were still at an increased risk for adult substance dependence, herpes infection, early pregnancy, and crime.”<sup>8</sup>

[9] New Zealand research has shown that for young (14 year-old) heavy drinkers, coming from a disadvantaged background was a noticeable risk factor.<sup>9</sup> Till now, 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. We therefore welcome the Commission’s exploration of policies that directly address the availability, price, and marketing of alcohol.

## **Response to Commission’s questions**

### **Harm**

[10] Access to alcohol is clearly related to consumption and consequent harm. CPAG is generally not qualified to assess whether the risks of alcohol are sufficiently well recognised by the public. However, even if it were – as, for example, the risks of smoking are – the question is whether this would change behaviour. The evidence from smoking is mixed, with one of the major deterrents to smoking being tax-induced cost. We return to this point later.

[11] There is little doubt that drinking to excess is socially acceptable. While the focus tends largely to be on young people, they are simply absorbing the messages their parents, social peers and media give them. In other words, this is a broader problem than young people alone. While the law cannot change societal attitudes, it can change behavioural parameters (outlets location, hours, etc), and send a powerful signal that certain behaviours will not be tolerated. Due to the higher levels of alcohol outlets, children in low-income areas are especially vulnerable to the effects of excess alcohol consumption, including domestic violence, street violence, and traffic accidents. For this reason CPAG supports the changes set out below.

### **Supply**

[12] We support the strengthening of the Liquor Licensing Authority, including increasing its budget and widening its powers so as to enable it to minimise alcohol-related harm. In particular, the Authority should be able to take the number of alcohol outlets in an area into account when deciding whether or not to grant a license, and place strict limits on new alcohol outlet licences, particularly in residential areas. In addition, the Authority should be able to reduce/revoke some existing licenses in neighbourhoods with excess street corner off-license outlets.

[13] Similarly, CPAG supports the proposal of a local alcohol policy, with the proviso that it is approved by the relevant territorial local authority *only after public*

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<sup>8</sup> Odgers, C., Avshalom, C., Nagin, D., Piquero, A., Slutske, W., Milne, B., Dickson, N., Poulton, R., and Moffit, T. (2008) . Is it Important to Prevent Early Exposure to Drugs and Alcohol Among Adolescents? *Psychological Science* 19:10.

<sup>9</sup> Ministry of Health. (2002a). Child youth health status report. Wellington: Ministry of Health.

*consultation*. At present local communities have little say about the number of liquor licences granted in their area. CPAG also supports having license fees that reflect the damage done to communities, and submit that a portion of the fees should go to the relevant District Health Board to offset some of the cost of treating alcohol-related injuries.

[14] Prosecute vendors who supply alcohol to underage youth and revoke their licenses permanently. At present the supply of liquor to minors appears to be treated lightly relative to the possible harm that may arise.

### **Outlets and trading hours**

[15] We do not support the extension of the sale of liquor to outlets such as dairies and petrol stations. We do, however, favour the restriction of trading hours, especially in residential areas. The industry has mounted powerful opposition to attempts by territorial local authorities to restrict opening hours (most recently the Auckland City Council), however there has been little merit in the arguments put forward, and we submit that public safety must be the primary focus when deciding trading hours.

### **Drinking age**

[16] CPAG urges the Commission give serious consideration to raising the drinking age to 20 for both on and off licences. We accept that young people who want to drink will always find a way, but raising the drinking age also raises the age of illicit drinking, and is thus likely to reduce the amount consumed by young teens. It is evident that alcohol poses a danger to young people, and harm minimisation must be the policy goal.

### **Demand management**

[17] Pricing is one way to manage demand for alcohol. In theory, for young people in particular, more expensive liquor should lead to reduced consumption. The World Health Organisation has found that alcohol taxes are a “highly cost-effective for reducing rates of alcohol related problems” and “in countries with high levels of hazardous drinking, taxation is likely to be a more cost-effective means of reducing alcohol related problems than other policies”.<sup>10</sup>

[18] Presently there are anomalies in the way alcohol is taxed and we submit that in the event of legislative change, alcohol excise tax be regularised across all liquor types. Beverages should be taxed on the alcohol content so as to minimise the substitution of one type of liquor for another which is taxed at a lesser rate.

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<sup>10</sup> World Health Organisation (2007). WHO Expert Committee on Problems Related to Consumption of Alcohol – Second Report. World Health Organisation, Geneva.

[19] We further submit that the additional money be used to offset some of the fiscal impact of alcohol-related harm. Similarly, we support the suggestion of a reduction in the tax paid on low-alcohol (2.5% or less) beverages.

### **Advertising and marketing**

[20] The section on advertising and marketing of alcohol is the most disappointing section in the Commission's otherwise excellent report. CPAG does not agree that the present system is working well – clearly it is not – or that the regulation of alcohol advertising should be left to the industry.

[21] As noted in the report, Land Transport New Zealand has recently closed off submissions on road safety. LTNZ's discussion document considered strengthened measures against drink driving, but they, too, were unwilling to act on advertising. This is an abdication of responsibility by the Crown. Young people are very susceptible to alcohol marketing. Further, alcohol is a toxic substance which, as the report makes clear, is more damaging to young people than adults. We submit that the present self-regulation is not working well, and that alcohol advertising needs to be further restricted, especially television advertising. If we can do it with cigarettes there is no obvious reason it can't be done with alcohol – alcohol, too, is a poison. Presently the government spends a great deal of money on social marketing campaigns urging people not to drink and drive, yet the targets of these ads also see advertising showing impliedly heavy alcohol consumption as hip and sexy. The evidence from crime statistics and hospital admissions noted above make it clear which side is winning.

[22] It is clear from the medical work done by our members that fetal alcohol syndrome is a significant, largely ignored problem, and particularly affects children and young people's long-term development. CPAG strongly submits that, as with cigarettes, all alcoholic beverages should carry warnings against consumption by women at any stage of pregnancy.

### **Problem limitation**

[23] The measures suggested here are the band aids when all else has failed. None address the heart of the problem, and few work in practice to actually reduce alcohol consumption. However, CPAG does support the reduction in the BAC level from the present 0.08 mg per ml to 0.05 mg, in line with most other countries, and zero for drivers 20 and under, and professional drivers such as couriers and truck drivers.