

Submission

by

**THE
NEW ZEALAND
INITIATIVE**

to the Justice Committee

on the

**Sale and Supply of Alcohol (Improving Alcohol Regulation)
Amendment Bill**

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Prepared by:

Dr Eric Crampton, Chief Economist
The New Zealand Initiative
PO Box 10147
Wellington 6143
eric.crampton@nzinitiative.org.nz

1. INTRODUCTION AND SUMMARY

1.1 Introduction

- 1.1.1 This submission on the Sale and Supply of Alcohol (Improving Alcohol Regulation) Amendment Bill is made by The New Zealand Initiative (the **Initiative**), a Wellington-based think tank supported primarily by major New Zealand businesses. In combination, our members employ more than 150,000 people.
- 1.1.2 The Initiative undertakes research that contributes to the development of sound public policies in New Zealand, advocating for a competitive, open, and dynamic economy and a free, prosperous, fair, and cohesive society.
- 1.1.3 The Initiative's members span the breadth of the New Zealand economy. The views expressed in this submission are those of the author rather than the Initiative's members.
- 1.1.4 We support the role of the Sale and Supply of Alcohol Act 2012 in ensuring that alcohol is sold and supplied responsibly. Licensing can help ensure that alcohol is supplied by suitable people, from suitable premises, under conditions that reduce risks associated with irresponsible sale or supply. Licensing is also well-suited to dealing with licensees who sell to minors, sell to intoxicated people, repeatedly breach licence conditions, or otherwise fail to meet the standards expected of responsible suppliers.
- 1.1.5 However, licensing is not well-suited to addressing every harm associated with alcohol, including many of those harms listed in the Act. Some of the most serious harms attributed to alcohol are likely to be better addressed primarily through more targeted tools, with licensing playing at most a supporting role where a clear causal pathway can be shown. Where the problem is repeat alcohol-related offending, offender-focused interventions are likely to be better targeted than general restrictions on licensed premises. Where the problem is disorderly conduct, direct enforcement of disorder and public-order laws may be more cost-effective than broad restrictions on trading hours or outlet location. Where the problem is fetal alcohol spectrum disorder, targeted prevention, diagnosis, support, and treatment measures are much more closely connected to the harm than controls on the placement of beer and wine displays or restrictions on ordinary licensed premises.
- 1.1.6 The Bill's general policy statement recognises that alcohol regulation should strike a balance between minimising the potential for alcohol-related harm and avoiding unnecessary constraints on legitimate businesses. It also recognises that the sale and supply of alcohol provide economic and social benefits, while also contributing to social and health harm. That framing is appropriate. But the Bill should go further in ensuring that licensing decisions, official reports, objections, conditions, and local alcohol policy processes are directed toward cost-effective harm reduction.
- 1.1.7 The Act should not be treated as the only or default instrument for reducing every harm associated with alcohol. The Act should focus on the harms that can reasonably and cost-effectively be reduced through controls on sale and supply. Other harms should be addressed through better-targeted measures.

1.2 Overall position on the Bill

- 1.2.1 We support several of the Bill's proposed amendments.
- 1.2.2 Allowing hairdressers and barbers to supply small amounts of alcohol to customers without a licence, provided the safeguards in the Bill are met, is modest and proportionate. It recognises that a single small drink supplied incidentally to a low-risk personal service is not the kind of activity that should require a full alcohol licence.
- 1.2.3 Allowing producer tasting rooms to charge for samples and extending the existing cellar-door model beyond wineries is a sensible recognition of the growth of craft producers.

We similarly support allowing zero-alcohol drinks to count where low-alcohol drinks are currently required, and support allowing supermarkets and grocery stores to display and promote zero-alcohol alternatives in alcohol areas.

1.2.4 We also support the proposal to give applicants a right of reply to objections. The Bill would allow applicants to respond to objections within 15 working days after receiving them. That is a welcome improvement in procedural fairness.

1.2.5 But the Bill does not yet address the larger structural problem in alcohol licensing: the current system allows objections, official reports, and the threat of hearings to impose substantial costs on applicants. Those costs can give Police, Medical Officers of Health, inspectors, or objectors practical leverage to secure “voluntary” conditions that may never have been imposed by a District Licensing Committee if tested on their merits. That is not a good basis for regulation.

1.3 **Main Recommendations**

1.3.1 The existence of alcohol-related harm does not, by itself, show that licensing restrictions are the best response. The relevant question is whether a licensing measure is likely to reduce the specific harm at issue, and whether it can do so at lower cost than other available tools. If it can, it also needs to demonstrate that the benefits from harm-avoidance exceed the cost of the restriction.

1.3.2 This matters because many licensing measures impose costs broadly while only weakly targeting the relevant harm. Restrictions on trading hours, outlet density, supermarket display rules, or licence renewals may affect many low-risk consumers and responsible businesses. They may also affect community events, hospitality, tourism, nightlife, and consumer convenience. Those costs should be counted.

1.3.3 Availability theory holds that alcohol-related harms are affected by alcohol availability. If alcohol is harder to acquire, some consumption will be deterred by inconvenience. And some of that consumption might have led to harms. Unfortunately, making alcohol less available also imposes costs on those who would consume responsibly. Measures better targeted at harms should be preferred, if available.

1.3.4 The Act should ensure responsible sale and supply. It should not make harmless or low-risk consumption the easiest thing to regulate.

1.3.5 We recommend that the Committee amend the Bill, or recommend further government work, to ensure that licensing under the Act is evidence-based, proportionate, and cost-effective.

1.3.6 We particularly recommend that the committee:

(a) Insert a proportionality and cost-effectiveness principle into the Act, requiring decision-makers to consider whether a proposed refusal, condition, local alcohol policy provision, or other licensing restriction is likely to reduce alcohol-related harm in a way that is proportionate to the costs imposed.

(b) Clarify that licensing tools should focus on harms reasonably connected to sale and supply, rather than being used as a substitute for more direct interventions better suited to other harms.

(c) Extend the Bill’s right of reply to official reports from Police, inspectors, and Medical Officers of Health, not only to objections from members of the public.

(d) Require official reports seeking refusal or additional conditions to state the statutory ground relied on, the evidence supporting that ground, the condition sought, and why the condition is reasonably necessary and proportionate.

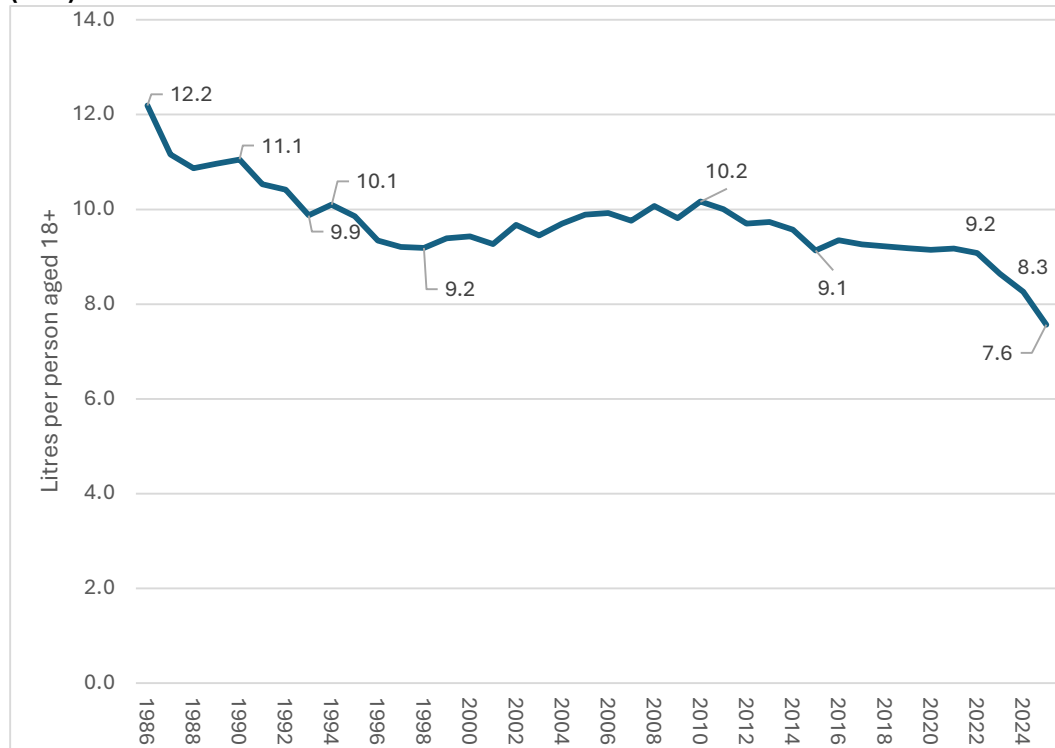
- (e) Tighten the grounds on which renewals may be opposed, so that renewal opposition is primarily tied to the premises' conduct, suitability, compliance history, breaches, warnings, enforcement history, or material changes since the previous grant or renewal.
- (f) Provide a filtering mechanism for irrelevant, unsupported, or insufficiently particularised objections and reports, so that applicants are not forced into costly hearings over matters that could not properly justify refusal or additional conditions.
- (g) Allow statements of support as well as objections, so that decision-makers can consider the views of those who value the amenity, convenience, competition, and consumer choice provided by licensed premises.
- (h) Strengthen protections against competitor or proxy objections, including disclosure of funding, drafting assistance, coordination, or other support from trade competitors or persons with a material financial interest in competing licensed premises.
- (i) Create a genuinely low-risk pathway for small community events, including series of events such as theatre productions where alcohol sales are ancillary, low volume, supervised, and unlikely to create material risk.
- (j) Ensure the rapid-delivery provisions remain confined to genuinely rapid delivery services and do not become a back-door restriction on ordinary online alcohol purchases by adults. If Parliament addresses any enforcement gap, any enforcement mechanism should remain confined to genuinely rapid delivery services.
- (k) Require regular evaluation of the Bill's low-risk liberalising reforms, especially the hairdresser and barber provision, with a view to extending similar exemptions to analogous low-risk personal services if evidence shows no material harm.
- (l) Encourage complementary measures outside the Act, including targeted FASD work funded by the alcohol levy, offender-focused alcohol abstinence programmes such as South Dakota's 24/7 Sobriety model, and direct enforcement of disorderly behaviour laws where street disorder is the relevant harm.

2 RELEVANT CONTEXT: Alcohol use, alcohol availability, and concentration of harm

2.1 Alcohol availability and hazardous drinking have fallen

- 2.1.1 Alcohol consumption and harmful alcohol consumption have been in substantial long-term decline. Policy should not be set on an assumption that alcohol use and hazardous drinking are increasing.
- 2.1.2 Figure 1, below, provides the number of litres of alcohol available for consumption per person aged 18+. In 1986, over 12 litres were available per capita. In 2012, 9.7 litres were available. In 2025, the figure dropped to 7.6 litres. It represents about a 38 percent decline since 1986, and about a 22 percent decline since 2012. These data measure alcohol made available to the domestic market rather than actual consumption and exclude some sources such as home production. But they are nevertheless consistent with a sustained shift toward lower overall alcohol availability.

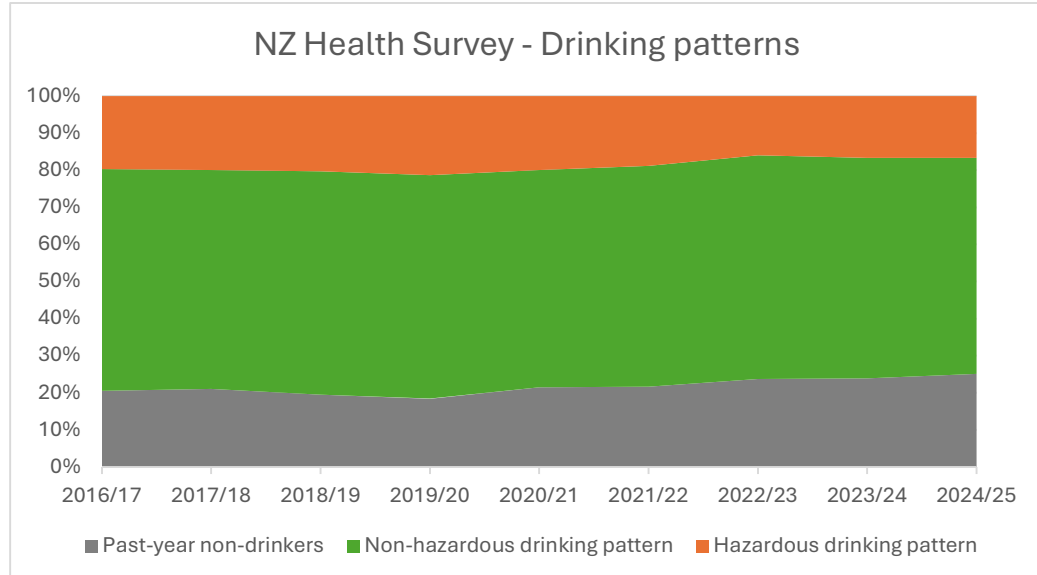
Figure 1: Litres of alcohol available for consumption, per person aged 18+, Annual (Dec).



SOURCE: STATISTICS NEW ZEALAND, ALCOHOL AVAILABLE FOR CONSUMPTION

2.1.3 The New Zealand Health Survey tells a similar story. From 2019/20 to 2024/25, the proportion of adults reporting non-drinking rose from 18.4 percent to 25.1 percent. The proportion reporting a drinking pattern considered non-hazardous declined from 60.3 percent to 58.3 percent. And, the proportion reporting a drinking pattern considered hazardous declined from 21.3 percent to 16.6 percent. Abstinence increased considerably, hazardous drinking decreased considerably, and moderate drinking declined somewhat.

Figure 2: Abstinence, non-hazardous, and hazardous drinking, NZ Health Survey.



- 2.1.4 Among past-year drinkers, the share whose drinking pattern was non-hazardous increased from about 74 percent in 2019/20 to about 78 percent in 2024/25.
- 2.1.5 The Act's object is not to maximise abstinence at the expense of safe and responsible consumption. Population-level policies, combined with other global trends, may be reducing both harmful and low-risk consumption. A stronger focus on harmful drinking may be more appropriate.
- 2.2 Specific harms require targeted solutions**
- 2.2.1 The NZIER report prepared for the Ministry of Health estimated the total societal cost of alcohol harms in 2023 at approximately \$9.1 billion, with over half of that estimate, \$4.8 billion, attributed to fetal alcohol spectrum disorder. The same report estimated \$1.2 billion due to alcohol use disorder and \$3.1 billion due to non-disordered alcohol use.¹
- 2.2.2 Those figures are often used to support broad alcohol regulation. But their composition should also discipline the choice of policy tools.
- 2.2.3 FASD is a serious harm. But it is not well targeted by controls on the location of beer and wine sections in supermarkets, general restrictions on bottle-shop placement, or marginal changes in the ordinary hours of bars and bottle stores. The relevant risk is drinking during pregnancy, particularly drinking at levels associated with elevated risk to fetal development. That risk is much more closely connected to health-system interventions, pregnancy-specific advice, screening, family support, diagnosis, treatment, and other targeted measures than to broad controls on the general drinking environment.
- 2.2.4 Similarly, a person whose repeated offending is closely connected to intoxication may be better reached through offender-focused abstinence and monitoring requirements than through generalised limits on alcohol availability for everyone. The same also applies to public disorder. Where the problem is disorderly behaviour, intimidation, violence, or nuisance in public places, direct enforcement of public-order laws and better-targeted policing may be more cost-effective than imposing broad restrictions on compliant licensees and low-risk patrons.
- 2.3 Greater targeting is warranted**
- 2.3.1 Population-level alcohol restrictions can sometimes be justified. But their justification depends on the margin affected, the expected harm reduction, and the costs imposed.
- 2.3.2 A measure that affects all consumers or all licensed premises may be cost-effective if the targeted harm is widespread, if the measure is likely to reduce that harm materially, and if the cost imposed on low-risk consumers and compliant businesses is modest relative to the benefits achieved. But where the relevant harm is concentrated in a relatively narrow group, a broad licensing restriction can be a poor match.
- 2.3.3 The decline in hazardous drinking and heavy episodic drinking should encourage a more targeted regulatory approach.

¹ New Zealand Institute of Economic Research, *Costs of alcohol harms in New Zealand: Updating the evidence with recent research*, report to the Ministry of Health, March 2024. See also relevant discussion with the report's primary author, Sarah Hogan, on the New Zealand Initiative's podcast series at <https://www.nzinitiative.org.nz/reports-and-media/podcasts/podcast-unpacking-new-zealands-9-billion-alcohol-cost/>

- 2.3.4 The Act's licensing tools operate mainly through controls on sale and supply. They are well-suited to questions such as:
- (a) whether the applicant is suitable;
 - (b) whether the premises has appropriate systems;
 - (c) whether staff and managers are properly trained;
 - (d) whether alcohol is being sold to minors or intoxicated persons;
 - (e) whether licence conditions are being breached;
 - (f) whether particular premises are causing amenity or good-order problems; and
 - (g) whether a licence should be suspended, cancelled, varied, or renewed in light of actual conduct.
- 2.3.5 They are less well-suited to harms whose causal pathway does not run principally through the sale and supply decisions of a particular licensee.
- 2.3.6 The Act should therefore focus more tightly on responsible sale and supply, and on premises-specific or licensee-specific risks. Where other tools are better targeted to the relevant harm, licensing restrictions should not be used as a substitute.
- 2.4 That concern is especially important where the restriction is only weakly connected to the harm. For example, a restriction on the placement of zero-alcohol alternatives in supermarkets may have little connection to FASD, repeat drink-driving, or public disorder. A broad objection to a bottle store merely because children might walk past it is, at most, tenuously connected to any actual harm.

3 THE ACT'S OBJECT AND THE LIMITS OF LICENSING

- 3.1 The Act's object should be applied proportionately.
- 3.1.1 Section 4 of the Sale and Supply of Alcohol Act provides that the object of the Act is that the sale, supply, and consumption of alcohol should be undertaken safely and responsibly, and that the harm caused by excessive or inappropriate consumption of alcohol should be minimised.
- 3.1.2 Those two limbs should be read together. The Act is not simply an instrument for minimising alcohol availability. It is an Act regulating the sale and supply of alcohol so that sale, supply, and consumption occur safely and responsibly, while reducing harm from excessive or inappropriate consumption.
- 3.1.3 That distinction matters. A licensing restriction should not be justified merely because alcohol is associated with some harm somewhere. The relevant question should be whether the particular licensing measure is likely to reduce the particular harm at issue, in that particular context, in a way that is proportionate and cost-effective.
- 3.1.4 The Supreme Court's decision in *Woolworths New Zealand Ltd v Auckland Council*² already points in this direction. The Court recognised that the safe-and-responsible limb and the harm-minimisation limb are not simply opposites, and that restrictions can be unreasonable where they are disproportionate having regard to their likely effect on safe and responsible consumption and harm minimisation.
- 3.1.5 The Bill should make that discipline more explicit.
- 3.2 **Licensing is useful, but limited**
- 3.2.1 Licensing is well-suited to ensuring responsible sale and supply. It is the right tool for assessing whether applicants are suitable, whether premises have proper systems, whether managers and staff are appropriately trained, whether alcohol is being sold to

² *Woolworths New Zealand Ltd v Auckland Council* [2023] NZSC 45.

minors or intoxicated persons, and whether licence holders are complying with their obligations.

3.2.2 It is also appropriate for licensing bodies to impose conditions where those conditions address risks connected to a particular applicant, premises, or operating model.

3.2.3 But licensing is a blunt instrument for many harms associated with alcohol. As set out in Section 2, some serious harms are better addressed by health, justice, enforcement, or levy-funded interventions that are more closely targeted to the causal pathway. Licensing should not be used as a substitute for those tools merely because the Act contains a broad definition of alcohol-related harm.

3.2.4 The Act should therefore focus on what licensing can do well: responsible sale and supply, premises-specific risks, and accountability for irresponsible licensees.

3.3 **Generic availability arguments are not enough**

3.3.1 In licensing hearings and local alcohol policy processes, restrictions are often supported by broad claims about alcohol availability.

3.3.2 A proposed condition, refusal, or restriction should be assessed against the actual margin it affects. Decision-makers should ask whether the measure is likely to change behaviour in a way that reduces identifiable harm. They should also ask whether the same harm could be addressed more directly or at lower overall cost.

3.3.3 This is especially important where restrictions impose costs on low-risk drinkers, responsible businesses, community events, local amenity, or consumer choice. Those costs are real and should be weighed. A restriction is not justified simply because it is capable of being described as harm-reducing.

3.4 **Recommended statutory principle**

3.4.1 We suggest that the Bill insert a proportionality and cost-effectiveness principle applying to licensing decisions, licence conditions, renewals, official reports, and local alcohol policy processes.

3.4.2 One possible formulation is:

“In exercising powers under this Act, a licensing authority, licensing committee, territorial authority, constable, inspector, or Medical Officer of Health must have regard to whether any proposed refusal, condition, restriction, or policy is likely to reduce alcohol-related harm in a way that is reasonable, proportionate, and cost-effective, taking into account:

- a) the nature and likelihood of the harm;
- b) the causal connection between the proposed measure and the harm;
- c) whether the measure is directed to sale and supply risks that can properly be addressed under this Act;
- d) the availability of less restrictive or more targeted measures;
- e) the costs imposed on safe and responsible consumers, compliant businesses, and community activity; and
- f) any evidence about the expected effectiveness of the measure.”

3.4.3 The precise wording can be refined. The important point is that the Act should require decision-makers to consider effectiveness, targeting, and cost. Alcohol-related harm is serious enough to warrant well-matched tools. Licensing should be used where it is the right tool, not simply because it is the available tool.

4 PROBLEMS IN THE CURRENT FRAMEWORK

4.1 The Bill improves objection processes, but does not address undue leverage.

4.1.1 The Bill makes useful changes to objections. It narrows who may object to certain licence-related applications and gives applicants a right of reply to objections. Those are welcome improvements. The Bill's explanatory note describes the changes as ensuring objections come from local communities and allowing applicants a right of reply.

4.1.2 But the most important practical source of leverage in the licensing system is not always an objection from a member of the public. It is often opposition, or potential opposition, from Police, inspectors, or Medical Officers of Health.

4.1.3 Under the current Act, Police, Medical Officers of Health, and inspectors have statutory roles in considering licence applications. Police and Medical Officers of Health must inquire into applications and, if they have matters in opposition, file a report with the licensing committee within 15 working days. The same structure applies in substance to renewals and other licence processes.

4.1.4 Those reporting roles are important. Police and Medical Officers of Health should be able to raise genuine problems. And inspectors' knowledge is critical in licence renewals. But because opposition can force a matter into a hearing, official reports can impose substantial costs on applicants. That can give reporting agencies practical leverage to secure conditions that may not have been imposed had the matter been tested by a licensing committee.

4.2 "Voluntary" conditions can become a form of untested regulation

4.2.1 The problem is not simply that official agencies may oppose applications. The problem is the bargaining environment created by that opposition.

4.2.2 If Police, an inspector, or a Medical Officer of Health indicates opposition to an application or renewal, the applicant may face delay, uncertainty, legal costs, time away from business, and the risk of an adverse decision. For many applicants, especially smaller businesses, it may be cheaper to accept a proposed condition than to contest it.

4.2.3 A condition may therefore be accepted not because it is necessary, proportionate, or supported by evidence, but because fighting it costs more than living with it.

4.2.4 In 2017, ARLA warned Police and health officials to stop trying to effect a de facto change to Wellington's local alcohol policy through systematic objections to licences.³ Not all licensees have the resource to appeal DLC decisions to ARLA. And the threat to impose cost on applicants by objecting to applications can be sufficient to ensure 'voluntary' concessions in licence applications and renewals.

4.2.5 Licensing conditions can then ratchet up venue by venue. This can allow de facto changes in local alcohol policy to occur through individual licensing pressure rather than through the more transparent local alcohol policy process. It also creates high variance across districts, depending on the approach taken by the particular officer assigned to alcohol licensing.

³ See discussion in Michael Cropp. 2017. "Wellington police and health warned by alcohol authority". Radio New Zealand, 2 May. Available at <https://www.rnz.co.nz/news/national/329896/wellington-police-and-health-warned-by-alcohol-authority>.

4.3 **Official reports should be more tightly particularised**

4.3.1 Official reports seeking refusal, additional conditions, or opposition to renewal should be required to specify:

- (a) the statutory ground relied on;
- (b) the facts or evidence supporting that ground;
- (c) the condition sought, if any;
- (d) the reason the condition is said to be necessary;
- (e) why a less restrictive condition would not be sufficient;
- (f) and how the proposed condition is expected to reduce harm in the particular circumstances of the premises.

4.3.2 This requirement would not prevent Police, inspectors, or Medical Officers of Health from raising genuine concerns. It would improve the quality of decision-making and reduce the ability to impose costs through generalised opposition.

4.3.3 A generic assertion that alcohol availability contributes to harm should not be enough. If a reporting agency seeks a condition, it should explain the relevant risk, the link between that risk and the premises, and why the proposed condition is a proportionate response.

4.4 **Renewal opposition should be focused on conduct and material change**

4.4.1 Renewal applications deserve particular care. A new licence application may raise questions about the proposed premises, applicant suitability, location, systems, layout, and likely operation. But a renewal concerns an existing licence holder who has already been permitted to operate. If the premises has operated responsibly, renewal should not become an opportunity to relitigate broad policy questions.

4.4.2 For renewals, opposition should be primarily tied to:

- (a) the conduct of the premises;
- (b) the suitability of the licensee;
- (c) compliance history;
- (d) breaches, warnings, enforcement action, or complaints;
- (e) whether systems, staff, and training remain adequate;
- (f) material changes in the premises or operation since the last grant or renewal;
- (g) or material changes in the immediate environment of the premises.

4.4.3 General arguments about overall outlet numbers, broad alcohol availability, or a reporting agency's preference for different local settings should be addressed through local alcohol policy processes, not by pressuring individual licensees at renewal.

4.4.4 The Bill already recognises that renewals should not simply be refused because of inconsistency with a local alcohol policy. It reinstates a version of section 133 under which a licensing body must not take account of inconsistency between a relevant LAP and the renewal itself, though it may impose conditions where renewal without those conditions would be inconsistent with the policy. That approach should be complemented by clearer limits on renewal opposition through official reports.

4.5 The right of reply should apply to official reports

- 4.5.1 The Bill provides a right of reply to objections. That is welcome, but incomplete. The same principle should apply to official reports from Police, inspectors, and Medical Officers of Health.
- 4.5.2 Applicants should have a clear statutory right to respond in writing to any official report that opposes an application or seeks additional conditions. The response period should be sufficient to allow an applicant to gather evidence, respond to factual claims, and address any proposed conditions.
- 4.5.3 The applicant's response should then be expressly included among the materials the licensing committee or Authority must consider.
- 4.5.4 This is basic procedural fairness. If an official report can impose substantial costs on an applicant, or substantially change the conditions under which a business operates, the applicant should have a clear right to answer it.

4.6 Licensing committees should have stronger early filtering powers

- 4.6.1 Licensing committees should be able to filter out matters that cannot properly justify refusal or additional conditions. The Act should provide a clear early power to strike out, or decline to consider, any ground in an objection or official report that is:
 - (a) outside the statutory criteria;
 - (b) insufficiently particularised;
 - (c) unsupported by any evidence;
 - (d) based only on trade competition;
 - (e) based only on generalised opposition to alcohol availability;
 - (f) or incapable of justifying the relief sought.
- 4.6.2 Without such a filtering power, applicants may be forced to incur hearing costs to answer matters that should never have proceeded. That cost can itself drive acceptance of "voluntary" conditions.
- 4.6.3 A filtering power would not prevent genuine community participation. It would improve it by focusing hearings on matters that are relevant, evidenced, and capable of affecting the decision.

4.7 Costs should be available in exceptional cases

- 4.7.1 The Committee should consider a targeted costs power. Costs should not be used to chill genuine public participation. But official reporting agencies are not ordinary members of the public. Where an official agency files a report opposing an application, withdraws late, or seeks conditions that are substantially more restrictive than anything the committee finds reasonably necessary, there should be recognition of the cost imposed on the applicant.
- 4.7.2 A costs power could be limited to exceptional cases, including those in which opposition is materially unsupported by evidence; opposition is withdrawn late without good reason; a report seeks conditions outside the statutory criteria; a report seeks conditions substantially more restrictive than the committee considers reasonably necessary; or, an agency has failed to particularise its case despite being asked to do so.

- 4.7.3 Even if costs were rarely awarded, the existence of such a power would encourage better-quality reports and reduce the leverage created by unsupported opposition.
- 4.8 **“Voluntary” conditions should be recorded transparently**
- 4.8.1 Where conditions are agreed after official opposition or threatened opposition, the basis for the condition should be recorded.
- 4.8.2 The licensing file should record which agency sought the condition; the concern said to justify the condition; whether the applicant agreed to the condition; whether the applicant disputed that the condition was necessary; and whether the licensing committee accepted that the condition was reasonably necessary and proportionate.
- 4.8.3 Negotiated resolution would be more transparent. The more transparent process would help avoid creeping, untested changes in licensing policy through individual settlements. It would also provide better evidence of the extent of this practice.
- 4.9 **The process should hear support as well as opposition**
- 4.9.1 The licensing process is structured around objections. That is understandable, but it creates an asymmetry.
- 4.9.2 A new or renewed licence may provide benefits to local residents and businesses. It may improve convenience, competition, hospitality, consumer choice, local amenity, or the viability of a community venue. Those benefits are not irrelevant to good regulation, especially where the Act’s object includes safe and responsible sale, supply, and consumption rather than simply minimising availability.
- 4.9.3 The Act should allow local residents and businesses to file statements of support as well as objections. Licensing committees should not be required to count heads, and support should not override statutory criteria. But decision-makers should be able to consider the full pattern of local views, not only opposition.
- 4.9.4 This would also improve neutrality. Public-facing guidance and government-supported participation should explain how to participate in the licensing process, not only how to object.⁴
- 4.10 **Competitor and proxy objections should be more tightly controlled**
- 4.10.1 The Act already recognises that trade competitors should not be able to use alcohol licensing to block competition. Trade competitors are restricted from objecting where the objection relates to trade competition, and surrogate objections assisted by trade competitors are also restricted.
- 4.10.2 But opposition can be organised or funded through proxies, related parties, family members, landlords, associated businesses, or other persons with a material financial interest in a competing licensed premises. It may be difficult for an applicant to prove the connection without better disclosure requirements.
- 4.10.3 The Act should therefore require objectors to disclose whether they have received funding, drafting assistance, organisational assistance, coordination, or other material

⁴ For examples of official guidance in how to craft objections that satisfy the requirements of DLCs, see Health Promotion resource store, “Objecting to a licence to sell or supply alcohol”. <https://order.healthpromotion.govt.nz/products/objecting-to-a-licence-to-sell-or-supply-alcohol> . Councils also often provide assistance. For example, Kapiti Coast’s guidance is available here: <https://www.kapiticoast.govt.nz/services/business-licences-and-permits/hospitality-licensing/alcohol-licences/objecting-to-a-liquor-licence>

support from a trade competitor; a person with a material financial interest in a competing licensed premises; a landlord of a competing licensed premises; a related company, trust, or associated person; or any person acting on behalf of such a party.

- 4.10.4 Where such assistance exists, the licensing committee should be able to strike out the objection unless satisfied that the objection is genuinely unrelated to trade competition.
- 4.10.5 Genuine community objections would proceed. But disclosures would reduce the risk that the licensing system is used for anti-competitive purposes.

5 SPECIFIC IMPROVEMENTS TO THE BILL

5.1 Hairdressers and barbers

- 5.1.1 We support allowing hairdressers and barbers to supply small amounts of alcohol without a licence, subject to conditions. The proposal is sensible and proportionate. A single small drink supplied incidentally to a haircut or grooming service is not the kind of activity that should require a full alcohol licence. We here suggest minor improvements.
- 5.1.2 The Bill should clarify age-checking defences. The Departmental Disclosure Statement notes that the new infringement offence does not include the usual defences for people sighting approved evidence-of-age documents when selling or supplying alcohol on licensed premises, although a person served with an infringement notice may dispute it with Police. While section 241 of the Act may provide a reasonable-belief defence in relation to the general offence of supplying alcohol to a minor, the new section 12A infringement pathway should be made clear.⁵ Businesses should not face avoidable uncertainty where they have taken reasonable steps to ensure a customer is not a minor.
- 5.1.3 The requirement that the full name of the person on duty be displayed prominently inside the premises should be reconsidered. The purpose of accountability can be achieved without requiring the prominent display of a staff member's full legal name. A less intrusive requirement, such as the display of the person's first name and role, or maintenance of an internal duty record available for inspection, would be more proportionate.
- 5.1.4 Section 12A(4) defines a serving of qualifying alcohol in terms of the volume of (a) mead or wine, (b) beer, or (c) spirits. The intention is surely to avoid ambiguities if standard drinks were the measure and wine were being supplied. But the definition may have the unintended effect of preventing pre-mixed spirit-based drinks. We suggest adding a catch-all definition at the end of the list: '(d) and, in any other case, no more than X standard drinks.' Alcohol content of mead, wine, beer and spirits can vary. Item (d) would set a cap on the strength of provided beverages while also allowing other beverages not listed, so long as they did not exceed the specified number of standard drinks. We suggest that 1.6 standard drinks should be the allowed limit, as a 330 mL craft beer at 6% alcohol by volume is 1.6 standard drinks.
- 5.1.5 The provision should be reviewed after a fixed period of perhaps two or three years. If the exemption proves low-risk, Parliament should consider extending the same logic to similar low-risk services such as beauty salons, spas, and similar appointment-based services where a single small drink is incidental to the service.

⁵ Ministry of Justice, *Departmental Disclosure Statement: Sale and Supply of Alcohol (Improving Alcohol Regulation) Amendment Bill*, 16 March 2026, p. 8.

5.2 **Rapid delivery**

5.2.1 The scope of the rapid delivery regime as drafted seems sensible. But we do not recommend expanding the rapid-delivery provision into a general remote-sales regime. New section 59A is directed to rapid delivery, defined as delivery or attempted delivery within two hours of sale. If the Committee considers that enforcement of Section 59A should be strengthened, any enforcement mechanism should remain confined to genuinely rapid delivery services. It should not impose universal attended-delivery, signature-on-delivery, or online identity-verification requirements on ordinary scheduled alcohol deliveries to adult purchasers. Doing so would substantially burden delivery-based orders by adults who work normal office hours.

5.3 **Zero-alcohol and low-alcohol options**

5.3.1 Allowing zero-alcohol options to count where low-alcohol drinks are currently required can make a great deal of sense. If a venue or event specialises in wine, low-alcohol offerings can be difficult to source and low-alcohol beer is out of place. Allowing zero-alcohol substitutions can assist. And requiring low-alcohol options while making it more difficult to promote zero-alcohol substitutes is not coherent.

5.3.2 The Committee should ensure that the provisions are drafted consistently across the Act, so that zero-alcohol beer, wine, mead, spirits alternatives, and mixed-drink alternatives are treated coherently where they serve the same substitution function.

5.4 **Special licences and low-risk community events.**

5.4.1 The Bill would replace much of the existing special-licence criteria with a requirement for licensing committees to assess and classify the risk of alcohol-related harm in accordance with regulations, and to have regard to that risk and other prescribed matters. It would also provide for regulations prescribing matters to be considered, risk-classification criteria, and conditions that may or must be imposed.

5.4.2 A risk-based framework is sensible but the Bill should provide clearer direction for genuinely low-risk community events.

5.4.3 Small community groups can face disproportionate costs in obtaining special licences. A local theatre group selling wine during intermission across several performances is not comparable to a large music festival, a higher-risk late-night event, or an alcohol-centred commercial event. The volume sold may be small, the event may be seated and supervised, the audience may be known, and alcohol sales may be ancillary to the main activity.

5.4.4 The Act should provide, or require regulations to provide, a low-risk community-series pathway. That pathway should include:

- (a) A presumption that repeated performances of the same production at the same venue can be treated as a single series of events;
- (b) Simplified application requirements;
- (c) Reduced or capped fees;
- (d) Paper-based approval where risk is low and agencies do not oppose;
- (e) Standard conditions proportionate to the event;
- (f) Free water and provision of non-alcoholic options;
- (g) No automatic requirement for meal-style food where snack food or no food requirement would be more appropriate.

5.4.5 Meal requirements can be nonsensical for small theatre productions, short performances, art openings, club events, and similar community events where alcohol is incidental. Conditions should be matched to risk.

5.4.6 The Committee should not leave this entirely to regulations. The Bill should include a clear statutory direction that low-risk community events and low-risk series of events are to be treated proportionately.

5.5 **Delegated legislation and consultation**

5.5.1 The Bill relies heavily on delegated legislation for the special-licence risk framework. The Departmental Disclosure Statement notes that the Ministry of Justice will consult the creative and cultural sectors, territorial authorities, district licensing committees, and regulatory agencies in developing that secondary legislation.

5.5.2 That consultation will be important, but primary legislation should set the basic principles. At minimum, the Bill should require the special-licence regulations to provide for:

- (a) Risk classifications that distinguish genuinely low-risk community events from higher-risk events;
- (b) Proportionate conditions;
- (c) Simplified processes for low-risk events;
- (d) Timely decisions;
- (e) Consistent treatment of series of events;
- (f) Consideration of compliance costs as well as harm risks.

5.6 **A review clause should be added**

5.6.1 Several of the Bill's reforms are modest experiments in more proportionate regulation. The Act should require review of those reforms after a fixed period. Any review after two or three years would allow Parliament to extend successful low-risk reforms and revisit any that prove problematic.

6 **Complementary measures outside the Act**

6.1 **Licensing cannot carry the whole burden of alcohol policy**

6.1.1 The Act's tools are mainly licensing tools. They can regulate who may sell alcohol, from what premises, at what times, under what conditions, and with what accountability for irresponsible sale or supply. Those tools are important. But many alcohol-related harms arise through pathways that are only weakly connected to the licensing decision for a particular premises.

6.1.2 When licensing is asked to consider harms better addressed through other tools, regulation becomes less targeted. Restrictions on hours, outlet location, density, special licences, supermarket displays, or licence renewals can impose broad costs on low-risk drinkers, responsible businesses, and community activity while doing relatively little to reduce the relevant harm.

6.1.3 Fetal alcohol spectrum disorder is a clear example of a harm that is poorly suited to general licensing controls but well-suited to targeted intervention. The Government's FASD Action Plan 2025–2028⁶ is a better-matched instrument. It is a cross-agency plan to reduce harm from FASD, with actions focused on prevention, diagnosis, support, and

⁶ Ministry of Health, *Fetal Alcohol Spectrum Disorder Action Plan: 2025–2028*, Wellington: Ministry of Health, 2025.

system capability. The Government has also announced alcohol-levy investment in FASD, including community-based assessment, diagnosis, early intervention support, expansion of the “Nurture the Future Within” prevention campaign, and continuation of Te Iho Tātai-ā-Rongo support work.⁷

6.1.4 The Committee should encourage continuation and rigorous evaluation of such targeted measures. If FASD is a major component of alcohol-related harm, then FASD-specific interventions should be assessed, funded where effective, and expanded where they provide good value. The Committee should recommend that levy-funded measures be regularly assessed for cost-effectiveness. Where levy-funded targeted interventions can reduce harm more directly than licensing restrictions, those interventions should be preferred.

6.2 Repeat alcohol-related offending should be addressed directly

6.2.1 Repeat alcohol-related offending is another area where targeted measures are likely to be more cost-effective than broad licensing restrictions.

6.2.2 South Dakota’s 24/7 Sobriety programme is a useful example. It requires people arrested for or convicted of alcohol-involved offences to take twice-daily breath tests or wear continuous alcohol-monitoring bracelets. Those who test positive or skip tests are immediately subject to swift, certain, but modest sanctions, typically a day or two in jail.

6.2.3 RAND’s evaluation found that the programme was associated with a 12 percent reduction in repeat drink-driving arrests and a 9 percent reduction in domestic violence arrests at the county level. RAND also emphasises the importance of studying whether the model can work outside South Dakota, including in different rural and urban contexts.⁸

6.2.4 Policy implementation in New Zealand could vary. But the principle is important: where repeated offending is alcohol-related and the relevant individuals are identifiable, offender-focused abstinence and monitoring can be much more targeted than general restrictions on alcohol availability. Implementation here should focus on the *certainty* of *near-immediate* but *very short* sanctions. The certainty of rapid consequences can assist people on no-alcohol conditions in saying no to friends insisting on a night out.

6.2.5 I recall alcohol and crime expert Mark Kleiman discussing this work at a NZ Drug Foundation event in Wellington over a decade ago. He noted that some Hawaii offenders subject to similar no-alcohol conditions *requested* to be kept on monitoring after their probation period had ended, to assist them in staying on the straight and narrow.

6.3 Public disorder should be addressed through public-order tools where appropriate

6.3.1 The Act’s definition of harm includes disorderly behaviour. But disorderly behaviour is already addressed directly in Section 3 of the Summary Offences Act 1981.

6.3.2 Where a particular licensed premises contributes to disorder, the licensing system should respond. A venue that repeatedly serves intoxicated patrons, fails to manage its

⁷ Hon Matt Doocey, “Alcohol levy funds new investment in FASD”, Beehive, 9 September 2025.

⁸ See discussion and a compilation of research available from the RAND Corporation at <https://www.rand.org/education-employment-infrastructure/projects/24-7.html>. Particularly note Kilmer, B, N Nicosia et al. 2013. “Efficacy of frequent monitoring with swift, certain, and modest sanctions for violations: Insights from South Dakota’s 24/7 Sobriety Project.” *American Journal of Public Health* (January). Available at <https://ajph.aphapublications.org/doi/full/10.2105/AJPH.2012.300989>

patrons, or creates amenity and good-order problems should face appropriate licence consequences.

- 6.3.3 But where the problem is general street disorder, intimidation, nuisance, or violence, the better response may be direct public-order enforcement, targeted policing, transport management, or other public-safety measures. Those tools can be aimed at the conduct causing the harm.
- 6.3.4 Failure to use those tools results in community pressure on the licensing system as next available option. There is a risk of perverse incentives. If public disorder is not addressed directly, pressure can shift to licensing restrictions that reduce nightlife rather than address the conduct causing the disorder. That may simplify enforcement, but it is not necessarily cost-effective harm reduction.
- 6.3.5 Licensing restrictions operate indirectly, imposing costs on patrons and businesses that are not causing the disorder. That does not mean licensing should never be used. It means that licensing should not be the default substitute for direct enforcement.
- 6.3.6 The Act should therefore require licensing bodies and reporting agencies to consider whether a proposed licensing condition is actually the best available tool for the harm at issue.
- 6.3.7 Alcohol policy evaluation should not ask only whether a licensing restriction could plausibly reduce some harm. It should ask whether that licensing restriction is more cost-effective than alternatives. This matters because licensing restrictions often look attractive when their costs are not fully counted. A restriction may be cheap for the Crown to impose but costly for consumers, businesses, community groups, and local amenity. Those costs should not disappear from the analysis simply because they are borne privately.

7 Conclusion

- 7.1 The Bill makes several useful modest improvements. We support its general direction where it removes unnecessary barriers to low-risk activity, improves procedural fairness, and recognises that alcohol regulation should not impose unnecessary costs on responsible businesses and consumers. But the Bill should go further.
- 7.2 The central problem is not that the Act has no role in reducing harm. It does. The central problem is that the Act is too often treated as the preferred tool. Licensing is then asked to address harms that are better addressed by health, justice, enforcement, or levy-funded interventions. That approach is unlikely to be cost-effective.
- 7.3 The Act should ensure responsible sale and supply. It should deal firmly with unsuitable applicants, irresponsible licensees, sales to minors, sales to intoxicated persons, and premises that create real amenity or good-order problems. Those are licensing problems.
- 7.4 But public disorder, FASD, and repeat alcohol-related offending may often be better addressed by other tools. Where those tools are better targeted, licensing should not be used as a substitute.
- 7.5 The Bill should therefore be strengthened in three main ways.
 - 7.5.1 First, the Act should include an explicit proportionality and cost-effectiveness principle. Licensing decisions, conditions, official reports, renewals, and local alcohol policy processes should consider whether the proposed measure is likely to reduce the

relevant harm, whether the measure is targeted to sale and supply risks, whether a less restrictive or more direct tool is available, and what costs are imposed on low-risk consumers, compliant businesses, and community activity.

- 7.5.2 Second, the Bill should address the leverage created by official reports and potential opposition. Police, inspectors, and Medical Officers of Health have important roles. But their reports should be particularised, evidence-based, and proportionate. Applicants should have a clear right of reply. Renewal opposition should focus on conduct, suitability, compliance history, and material change, not on general attempts to re-make local alcohol policy one venue at a time.
- 7.5.3 Third, the Bill's specific reforms should be implemented in a way that preserves their low-risk focus. The hairdresser and barber exemption should be evaluated and potentially extended to analogous low-risk services if it proves harmless. Rapid-delivery provisions should not become a back-door restriction on ordinary online alcohol purchases by adults. Special-licence reforms should include a genuinely light-touch pathway for low-risk community events.
- 7.6 Alcohol-related harm is serious. But serious harm still requires well-matched tools. Licensing should be used where licensing is the right tool. It should not be used simply because it is the easiest tool to reach for.