



**Submission to the
Law Commission
on the**

**Alcohol in our Lives Discussion Document on the reform of
New Zealand's liquor laws**

30 October 2009

Introduction

1. This submission is from the Tourism Industry Association New Zealand (TIA), located in Wellington. If you wish to contact us regarding this submission, please telephone Simon Wallace, TIA Policy Manager on 04 494 1842 or 0272 489 375 or e-mail him at simon.wallace@tiaz.org.nz
2. This paper begins by providing some background for the Law Commission about the tourism industry and TIA. The Association has limited its comments to the aspects of the Law Commission's paper that are most relevant to the tourism sector. TIA also offers its support and endorsement to the submissions made by the Hospitality Association of New Zealand (HANZ) and the New Zealand Hotel Council (NZHC), both of whom are members of TIA.

Background on the Tourism Industry

A bedrock of New Zealand's economy

3. Tourism is a major contributor to the New Zealand economy that will always be here – and won't easily go offshore. Tourism takes the lead in promoting New Zealand to the world. Thanks to our 100% Pure positioning, New Zealand is recognised as one of the most beautiful, unspoiled and scenic places on earth. 100% Pure signifies pride in our country, pride in our people and culture, and pride in the unique environment and experiences that New Zealand offers.
4. The brand positioning built by a vibrant tourism industry has become an important source of national confidence and identity and a front window for "Brand New Zealand". Indeed, the clean, green, pure offer that is synonymous with New Zealand tourism has been widely adopted and used to promote New Zealand exports in a range of other industries as well.
5. If New Zealand Inc. is to continue to prosper, to attract investment and to raise its position in OECD rankings, then it is vital that the tourism industry, and the positive image it projects, remain strong.

Delivering Value

6. Below is a snapshot of the economic value provided by tourism to the New Zealand economy.
 - Tourism contributes just over 9% of gross domestic product (GDP) as well as directly and indirectly employing nearly one in ten New Zealanders.
 - Tourism in New Zealand is a \$50 million per day industry. The New Zealand tourism industry delivers \$24 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributes another \$26 million in economic activity every day.

- Tourism expenditure reached \$21.7 billion for the year ended March 2009. This represents 16.4% of New Zealand's foreign exchange earnings, with tourism second only to dairy as the country's largest export industry.
- Importantly, and despite more challenging times in the past 12 months, tourism remains one of New Zealand's largest foreign exchange earners and its contribution is felt at national, regional and local levels.

About Us

7. TIA has been the lead association that represents the interests of about 1700 tourism businesses in NZ since the Association was first established in 1955. The businesses TIA represent cover a range of tourism-related activities – hospitality, transport, accommodation, adventure and activities, attractions and retail, as well as related tourism services.
8. The primary role of TIA is to be the voice of the tourism industry. This includes working for members on advocacy, policy, communication, events and membership and business services. The TIA team is based in Wellington and led by Chief Executive, Tim Cossar.

Tourism Forecasts 2009-2015

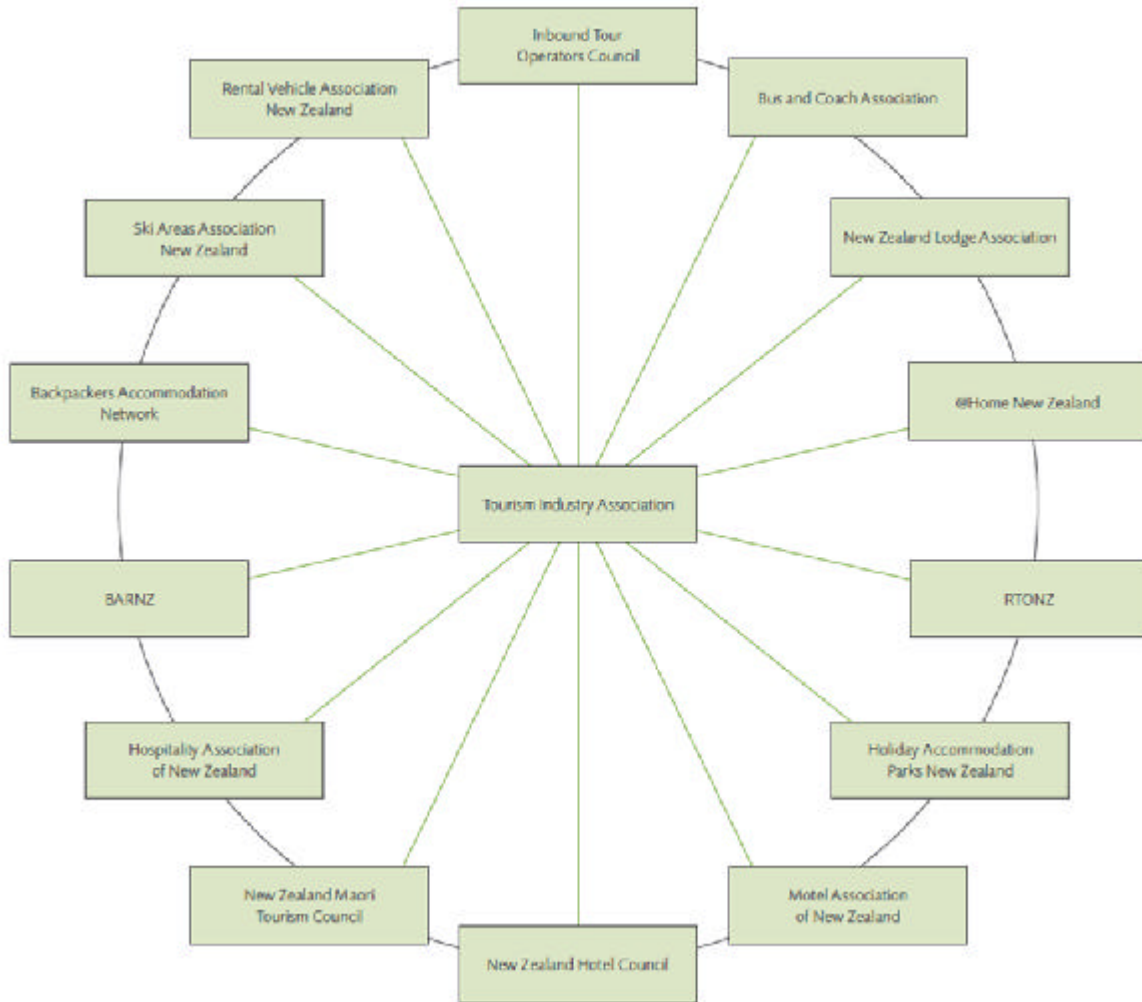
International visitors

9. The tourism forecasts (international visitors) for the period from now until 2015 have been largely influenced by the global economic recession while the outbreak of influenza A (H1N1 or swine flu) has created extra uncertainty for the short-term outlook. The forecast for the next 6-12 months shows falls in most major markets, although this is partially offset by short-haul growth out of the Australia market. The outlook for New Zealand to 2015 includes:
 - A fall in visitor arrivals of 4.2% in 2009 and a slight recovery in 2010 with growth of 2.5%.
 - A strong rebound in 2011 with visitor arrivals up 6.5% driven by global economic recovery and the Rugby World Cup in the latter part of 2011.
 - A gradual return to growth out to 2015 with annual growth of about 3.5%.

Domestic visitors

10. The recession continues to influence the travel patterns of domestic visitors as well. With less New Zealanders travelling overseas, there has been a temporary increase in domestic travel activity in 2009-10 and this has been positive for the tourism industry in the short-term.

Main Industry Associations in the Tourism Industry



Comment

11. TIA welcomes the opportunity to comment on the Law Commission's *Alcohol in our Lives* discussion document. This is an excellent document and analysis of New Zealand's liquor laws and drinking behaviours. While TIA generally supports a more liberal approach to the sale and supply of liquor, as adopted by HANZ, the Association acknowledges the harms caused by excessive alcohol consumption. We believe, however, that education and culture change is more likely to drive positive change than a system heavy in regulation.
12. In order for New Zealand to offer itself as a modern, friendly and visitor-focused destination, it is essential that the country's liquor laws support the needs of

visitors. While this does not suggest that liquor needs to be available for sale and consumption 24 hours a day, it does mean that the industry supports liquor laws that allow visitors to buy and consume alcohol when they need it.

13. Over the next few years, New Zealand will also be hosting a number of major international events that reinforce the country's reputation as a vibrant and exciting destination for international visitors. As well as the Rugby World Cup in 2011, New Zealand will host the World Rowing Championships in 2010 and the Cricket World Cup in 2015. To meet the needs of these visitors, New Zealand must not return to prescriptive, pre-1989 liquor laws.
14. As noted by HANZ, the backpacker market is a high value segment for the tourism industry. More than 50,000 of these backpackers visiting New Zealand are in the 18 to 20 age group. Many of these are young people on gap years between secondary and tertiary education while some, particularly from Asia, are here to study full-time. If New Zealand was to earn a reputation as a country where these people could not buy a drink they may find another destination to visit.
15. The regional dimension and need for a seamless visitor experience is also a factor when considering a review of liquor laws. Tourism activity no longer occurs only in the traditionally well-known visitor regions like Auckland, Rotorua, Christchurch and Queenstown. For this reason, TIA would be reluctant to support regulation or legislation that allowed certain areas more liberal trading laws than others. By the same token, the Association also thinks there needs to be more consistency in the way current laws are applied around the country, especially with regard to penalties and enforcement. This may require a commitment to better resourcing from the police and local councils.
16. As noted in paragraph 11, TIA understands that there are serious drinking problems in New Zealand and accepts that alcohol abuse can often be caused by visitors, particularly domestic visitors travelling around the country to so-called summer "hotspots". The Association, therefore, has no tolerance for tourism operators who flout liquor laws either by breaching hours of operation or behaving irresponsibly in encouraging excessive alcohol consumption or serving intoxicated patrons.
17. TIA supports the NZHC in saying there needs to be "a greater focus on alcohol harm minimisation at all levels of hospitality training". Many larger hotel chains in New Zealand educate their staff on the protocols around serving alcohol, but a wider opportunity exists to include consistent messaging about the impact of alcohol misuse on customers and employees as well as the positive effects that responsible and moderate drinking can have. As an industry association, we would be happy to promote responsible alcohol messages to our members through the range of communication tools we have.

Conclusion

18. TIA re-iterates its support for the submissions made by HANZ and the NZHC. As an industry that relies on both domestic and international visitors for its livelihood, we support progressive liquor laws that permit people to have a drink when and where they choose. The Association accepts the responsibility that goes with this position and believes it has a role to educate its members on best practice in both the sale and supply of liquor. Like HANZ, however, TIA does not think wholesale changes to liquor legislation would on their own result in improvements to New Zealand's drinking culture. A range of responses is needed that includes education, treatment, rehabilitation and better enforcement.

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30 October 2009