

Justice Committee

Sale and Supply of Alcohol (Improving Regulation) Amendment Bill

May 2026

# Excellence and equity in the provision of mental healthcare

### ABOUT THE ROYAL AUSTRALIAN AND NEW ZEALAND COLLEGE OF PSYCHIATRISTS

The RANZCP is the peak body representing psychiatrists in Australia and Aotearoa New Zealand. We are a binational college that trains doctors to become medical specialists in psychiatry. We support and enhance clinical practice, advocate for people affected by mental illness and addiction, and advise governments on matters related to mental health and addiction care.

We represent over 9000 members, including more than 6,500 qualified psychiatrists and 2,500 trainees. Our training, policy, and advocacy work is led by expert committees of psychiatrists and subject-matter experts with academic, clinical, and service-delivery experience in mental health and addiction.

This submission is made jointly by the RANZCP NZ National Office (Tū Te Akaaka Roa) and the Faculty of Addiction Psychiatry – New Zealand (FADD NZ). Together, we represent psychiatrists working across Aotearoa New Zealand in addiction, general adult, child and adolescent, youth, forensic, and old age psychiatry – clinicians who see, daily, the downstream harms of alcohol on individuals, whānau, and communities. We submit jointly because the links between alcohol policy and mental health outcomes are direct, well-evidenced, and of profound concern to our membership.

### EXECUTIVE SUMMARY

Tū Te Akaaka Roa and FADD NZ welcome the Bill's tightened requirements for alcohol delivery services and support their retention. However, the Bill taken will increase the availability of alcohol in ways likely to increase consumption and harm, with disproportionate impacts on Māori, Pacific peoples, young people, and those experiencing mental health and addiction challenges.

We are not opposed to regulatory modernisation. We oppose expanding the number and types of outlets and normalising alcohol in new social settings without corresponding investment in education and adequate safeguards for vulnerable populations. We request the following targeted amendments:

- Retain robust community participation rights, including the ability for any person to object to a licence regardless of proximity to premises.
- Retain the 2023 amendment to section 133, allowing DLCs to decline licence renewals inconsistent with a Local Alcohol Policy.
- Remove or closely regulate provisions allowing barbers and hairdressers to serve alcohol without a licence.
- Accompany any expansion of restaurant off-licences and club on-licences with strong harm minimisation conditions and licence fees reflecting true social costs.
- Strengthen age verification and intoxication assessment for alcohol delivery and extend these requirements to all online alcohol vendors, not only rapid delivery operators.
- Prohibit buy-now-pay-later and deferred payment services for alcohol purchases.
- Increase off-licence fees for supermarkets and direct revenue to addiction treatment and alcohol education.
- Fund a national alcohol education programme co-designed with tāngata whai ora and Māori, addressing binge drinking culture and building alcohol literacy.
- Require a formal review clause within three years, centring the voices of those most impacted, reported to the Health Committee and inclusive of Māori-specific outcome data.

### THE PSYCHIATRIC AND PUBLIC HEALTH CONTEXT

#### Alcohol and mental health

Alcohol is a causal factor in more than 200 health conditions and is consistently implicated in acute mental health presentations including psychosis, severe depression, suicidality, and family violence. Higher availability is directly associated with higher consumption at both individual and population levels. For those already experiencing mental health challenges, even low-level increases in access can have outsized consequences.

#### The New Zealand picture and inequitable geography of supply

One in eight New Zealand adults reports moderate or high-risk alcohol use (NZHS 2021–23). Māori and people in the most deprived communities are consistently overrepresented in harm statistics and mental health and addiction service contacts — Māori are twice as likely to die from an alcohol-related cause as non-Māori. Critically, there are five times more alcohol outlets per capita in the most deprived neighbourhoods than the least deprived. Provisions that increase licensed premises will not distribute evenly; on past evidence they will concentrate in already over-served, high-deprivation areas. The Bill introduces no proximity restrictions for new outlets relative to schools, kura, marae, or addiction treatment services.

Also of concern is the use of buy-now-pay-later services such as Afterpay at off-licences. Making an addictive substance available on credit in high-deprivation communities compounds alcohol harm with debt and entrenches poverty.

#### Binge drinking culture and the need for alcohol education

Aotearoa has a well-documented culture of heavy, episodic drinking. Blackout drinking is normalised particularly among rangatahi; one in four young people purchasing alcohol report almost never being asked for ID. We are not legislating in a jurisdiction where harm is exceptional. Increasing the number of outlets, normalising alcohol in new settings, and reducing community voices in licensing will, in this environment, lead to more addiction, more acute mental health presentations, and more death. The Bill's conspicuous absence of any investment in alcohol education makes this worse. Regulatory reform that increases access without corresponding education and harm reduction literacy is deeply irresponsible. Any education initiative must be co-designed with tāngata whai ora, survivors of alcohol-related harm, and community leaders from the populations that bear the greatest burden — effective harm reduction is not done to communities, it is developed with them.

#### Alcohol, family harm, and intergenerational violence

More New Zealanders are harmed by others' drinking than by their own. Wāhine Māori are disproportionately affected. Children who grow up in households where alcohol is misused face increased risks of mental health disorders, educational disruption, and their own later alcohol use disorders — a direct intergenerational pathway. Longitudinal NZ data show alcohol use disorder predicts suicidal ideation across the life course. He Ara Oranga named intergenerational trauma and family violence as central drivers of Aotearoa's mental health burden. Alcohol is a primary fuel for both.

#### Te Tiriti o Waitangi

Any changes to alcohol regulation must be assessed against the Crown's obligations to actively protect Māori health. The Bill, by restricting who can object to licensing decisions and removing the DLC's power

to decline renewals inconsistent with LAPs, will structurally deepen the exclusion of Māori from decisions that disproportionately affect Māori communities. Any review must centre the voices of those most impacted and include Māori-specific outcome data.

### **SPECIFIC PROVISIONS AND RECOMMENDED AMENDMENTS**

#### **Community participation in licensing decisions**

Limiting objections to those within one kilometre of the proposed premises or within the same territorial authority is an arbitrary and culturally inappropriate threshold. Whānau, hapū, and iwi do not organise within 1,000-metre circles. Their relationships to whenua and collective responsibility for community wellbeing span towns, regions, and entire rohe. An iwi holding legitimate responsibility for a community's health may have no legal standing to object under this Bill because their marae or offices sit beyond an arbitrary map boundary. Likewise, public health services, mental health providers, kaupapa Māori organisations, and lived experience collectives — among the most credible voices in licensing decisions — will frequently be excluded. The Bill simultaneously weakens LAPs and restricts who can contest new licences, compounding the harm in communities least able to absorb it.

#### **Recommended amendments:**

- Replace the 1km threshold with a broader test of genuine connection or interest, including whakapapa and iwi relationships, service provider catchment, and demonstrated experience of alcohol harm in the community.
- Explicitly recognise hapū and iwi standing to object within their rohe regardless of the location of their offices or marae.
- Retain the ability for any person with a genuine interest in the amenity or good order of a locality to object, consistent with the intent of the Sale and Supply of Alcohol Act 2012.
- Retain Local Alcohol Policy tools to limit licence numbers and ensure DLC discretion to decline renewals is not further constrained.

#### **Removing the ability to decline licence renewals**

The reinstatement of pre-2023 section 133 prohibits DLCs from declining licence renewals on the basis of inconsistency with a Local Alcohol Policy — reversing the Community Participation Amendment Act 2023, which was only fully implemented in 2024. The practical consequence is that alcohol outlets become effectively permanent regardless of what surrounding communities decide. Combined with the restriction on who can object to new licences, this locks in the current inequitable distribution of outlets and guarantees its expansion. We consider this one of the most harmful provisions in the Bill, removing a key accountability mechanism at exactly the moment communities — particularly high-deprivation Māori communities — most need it.

#### **Recommended amendments:**

- Retain the 2023 amendment to section 133 as a fundamental safeguard for community-led alcohol harm reduction.
- If any modification is considered, ensure it is narrowly scoped with explicit LAP consistency protections and a right of community input.
- Require that premises renewed despite LAP inconsistency be subject to mandatory conditions reviewed within two years.

### **Supermarkets and the normalisation of alcohol retail**

Supermarkets are the single largest off-licence category in New Zealand. Alcohol is placed at eye level alongside family groceries and integrated into loyalty schemes — presented as a routine household item rather than a drug requiring careful consideration. The Bill's amendment to section 114 allows zero-alcohol products to be displayed and promoted within supermarkets' and grocery stores' designated alcohol areas. While we do not oppose zero-alcohol products, expanding what is promoted in an already-prominent alcohol zone extends the footprint of alcohol marketing in environments that children cannot avoid. Supermarkets are significantly under-regulated relative to the harm they contribute to lower prices, longer hours, and minimal ID verification in practice, making them a primary driver of consumption among young people and people with alcohol use disorder.

#### **Recommended amendments:**

- Require DLCs to assess the social cost of supermarket off-licences at renewal, including outlet density, school proximity, and host responsibility compliance history.
- Introduce mandatory volumetric limits per transaction at supermarket off-licences.
- Require physical separation of alcohol display areas from the main pedestrian flow and from non-alcoholic beverage displays.
- Increase off-licence fees for supermarkets and large grocery retailers proportionate to their alcohol retail volume and social cost burden, with revenue directed to addiction treatment and education.

### **Restaurants, clubs, barbers, and hairdressers**

Allowing restaurants to apply for off-licences will materially increase off-licence density with associated risks of family violence and acute intoxication in surrounding communities. Allowing clubs to hold on licences opens previously contained environments to unrestricted public access. Both changes should, if retained, require full community notification and objection processes and strong host responsibility conditions. The provision allowing barbers and hairdressers to serve alcohol without a licence should be removed entirely or subject to a simplified licence with mandatory responsible service training — it sets a precedent that alcohol can be served in everyday settings without any accountability framework, with no mechanism for harm monitoring.

### **Extended trading hours for televised events**

Extended trading hours are consistently associated with increased harm including assault and family violence. The definition of 'significant televised event' is undefined, creating a broad executive mechanism. We recommend it be defined in legislation with parliamentary scrutiny, accompanied by mandatory enhanced host responsibility and public reporting of harm indicators.

### **Alcohol delivery**

We welcome stronger rules for rapid delivery services but note a critical gap: the new verification requirements apply only to operators delivering within two hours. Slower delivery services remain entirely unregulated, creating obvious arbitrage. We recommend extending verification requirements to all remote-supply alcohol services, requiring annual compliance reporting, and prohibiting buy-now-pay-later payment methods across all delivery platforms.

### THE NEED FOR A HEALTH LENS ON REGULATORY REFORM

The object of the Sale and Supply of Alcohol Act 2012 is to minimise harm from alcohol. This Bill is framed primarily as an economic and regulatory simplification measure. When regulatory reform is assessed against the goal of removing barriers to business, the harm minimisation object risks being subordinated.

Alcohol education must not be treated as a separate and optional policy question. We call on the Committee to recommend that any passage of this Bill be accompanied by a funded national alcohol education programme, co-designed with tāngata whai ora, Māori and Pacific communities, and survivors of alcohol-related harm — targeting binge drinking culture and building alcohol literacy across the population.

We urge the Committee to:

- Commission a Health Impact Assessment of the Bill, examining effects on Māori health equity, rangatahi, high-deprivation communities, and demand for mental health and addiction services.
- Require a proximity analysis showing the projected distribution of new licensed premises relative to schools, kura, marae, and addiction services.
- Engage Manatū Hauora and the Ministry of Justice jointly in regulatory impact analysis of the Bill's health provisions.
- Include a formal three-year review clause reported to the Health Committee as well as the Justice Committee, inclusive of Māori-specific outcome data and centring the voices of those most impacted.

### CONCLUSION

Tū Te Akaaka Roa and FADD NZ are committed to working constructively with the Government on alcohol regulation that is fair, efficient, and genuinely protective of community health. We acknowledge the provisions of this Bill that represent genuine improvements.

However, the weight of evidence compels us to name clearly what this Bill, in its current form, will do. It will increase the number of outlets in communities that are already over-served and under-resourced. It will normalise alcohol consumption in new settings. It will reduce the ability of communities — particularly Māori communities — to have a say in decisions about alcohol in their neighbourhoods. And it will do all of this without investment in education, harm reduction, or the addiction services that will absorb the downstream cost.

More accessibility to alcohol will mean more addiction, more family harm, more intergenerational trauma, and more rangatahi presenting to emergency departments in crisis. We urge the Committee to take that seriously and to consider the targeted amendments outlined above. We welcome the opportunity to appear before the Committee to speak to this submission.

Ngā mihi,

Associate Professor Dr Hiran Thabrew, Chair of Tū Te Akaaka Roa and Dr Jeremy McMinn, Chair of the Faculty of Addiction Psychiatry, Royal Australian and New Zealand College of Psychiatrists