

2 February 2023

Committee Secretariat  
Justice Committee  
Parliament Buildings  
Wellington

By email: [justice.submissions@parliament.govt.nz](mailto:justice.submissions@parliament.govt.nz)

Tēnā koe,

**Submission regarding the Sale and Supply of Alcohol (Community Participation) Amendment Bill**

Thank you for the opportunity to comment on the Sale and Supply of Alcohol (Community Participation) Amendment Bill (the Bill).

PGF Group is a Charitable Trust that operates nationally to provide gambling harm minimisation and prevention services. Our services are delivered under contract to Te Whatu Ora and funded from the gambling levy.

An overview of our submission points is provided below:

1. The Bill is an important first step in minimising the barriers to adopting Local Alcohol Policies (LAPs) and to ensure they are more effective once they are in force; thereby, serving as a more efficient tool for communities to reduce alcohol harm in their area.
2. PGF Group supports the Bill which aims to improve communities' ability to influence alcohol regulation in their area by making targeted changes to the alcohol licensing process provided for in the Sale and Supply of Alcohol Act 2012 (The Act).
3. For some time now the Act has not performed as intended. Communities have had minimal impact if any in alcohol licencing decision-making and this has resulted in a saturation of licenced premises in many of our poorest neighbourhoods.
4. The Bill will make targeted changes to the licensing process set out in the Act across a number of key areas. Existing barriers to community participation in alcohol licencing decisions will be removed, and district licensing hearings will be conducted so that they are fair and more accessible.
5. The area of most interest to PGF Group includes changes to how local alcohol policies (LAPs) are adopted and applied such as the removal of the appeals process. The

objective of LAPs is to empower communities to address local issues concerning alcohol.<sup>1</sup> Removing the right of appeal is focused on giving local authorities greater control over alcohol regulation. Currently, parties (those with a vested commercial interest such as supermarkets) can appeal against a provisional LAP preventing it from coming into force and District Licensing Committees (DLCs) can issue licences even if they are inconsistent with the LAP.

6. The Ministry of Justice reports that the appeal process is an anomaly when compared with similar regulatory systems. The Gambling Act 2003 for example, mandates territorial authorities to develop Class 4 venue policies which specify whether and where Class 4 venues may be established. This includes restrictions on the number of Electronic Gaming Machines (EGMs) and whether or not a policy should contain a relocation or club merger provision. Like LAPs, a special consultative procedure is used but there is no appeals mechanism against Class 4 venue policies.<sup>2</sup>
7. PGF Group submit that removing the appeals process against any element of a Local Alcohol Policy will give local authorities greater control over alcohol regulation and present an opportunity to broaden the jurisdiction of LAPs to allow for better interactions with those Class 4 gambling venues that sell alcohol.
8. Many Class 4 gambling venues (e.g. those that are taverns) must hold an appropriate licence for the sale and supply of alcohol and the reverse is that s67(1)(k) of the Gambling Act 2003 states that a Class 4 venue cannot have gambling as its primary activity.
9. District Licensing Committees have at times refused the renewal of alcohol tavern licences where the main activity of the premises has been found to be gambling. Similarly, the Gambling Commission has upheld a number of decisions not to renew Class 4 venue licences; a point in case is GC25/12 (Whiskey Jacks).
10. Each time an alcohol licence is refused EGMs are removed. This is a positive outcome for communities as a significant majority of these Class 4 venues that sell alcohol are located in areas of high social deprivation. Once EGMs go, they cannot be re-issued unless a council's Class 4 venues policy changes i.e. a council revokes a cap or sinking lid policy provision.

In conclusion, PGF Group's view is that without appeals, there is an opportunity for LAPs to make clear the criteria to be considered for alcohol licence renewal of those Class 4 gambling

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<sup>1</sup> s78 Sale and Supply of Alcohol Act 2012. *Territorial Authorities must have regard to matters such as the District Plan, the demography of its residents and the overall health indicators of its residents when developing its local alcohol policy.*

<sup>2</sup> Ministry of Justice. Supplementary Analysis Report: Sale and Supply of Alcohol (Community Participation) Amendment Bill. November 2022

venues selling alcohol. Because of the increased risks involved in premises that sell alcohol and have EGMs, we strongly advocate for LAPs to include restrictions that reduce that risk (e.g. less hours) than premises that do not have EGMs. This will also help ensure the Class 4 venue is not used primarily for operating EGMs.

PGF Group thanks you again for this opportunity to advocate for stronger legislative links between alcohol and Class 4 gambling in LAPs.

Please contact us if you have questions related to this submission.

Ngā mihi nui,



Sandra Geange  
Acting Chief Executive Officer and Board Chair  
PGF Group