



# **REVIEW OF THE REGULATION OF ALCOHOL ADVERTISING**

**October 2006**

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**Prepared by the Distilled Spirits Association of New Zealand  
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## INTRODUCTION

The Distilled Spirits Association is the national trade organisation representing New Zealand's leading producers and marketers of premium spirits (e.g. Brandy, Whisky, Rum, Gin, Vodka) and liqueurs.

The Association's members include: Anchor Ethanol Limited, Bacardi Martini Asia Pacific Ltd, Brown Forman Beverages Worldwide, Diageo (New Zealand) Ltd, Federal\*Geo, Heaven Hill Distilleries NZ Ltd, Lion Nathan Wines and Spirits Ltd, Maxxium NZ Ltd, Pernod Ricard New Zealand Limited, The Rum Company (New Zealand) Ltd, and Vintage Wines and Spirits Ltd.

The Association welcomes this opportunity to contribute to the *Review of the Regulation of Alcohol Advertising*.

It is noted that individual Association members may additionally forward their own views separately.

## TERMS OF REFERENCE

The Review proposes to examine various aspects relating to alcohol advertising and promotions.

In particular, the Review has adopted a broad definition of advertising and will take a wide-ranging view of alcohol advertising in New Zealand, encompassing issues such as promotions, newer marketing techniques and some aspects of alcohol sponsorship.

This submission follows the question format as presented in the "Information for Stakeholders" document. Responses have been provided only where they are relevant to the Association.

## GENERAL QUESTIONS ABOUT ALCOHOL ADVERTISING

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### **1. In your view, what is the role of alcohol advertising in New Zealand? Is this role changing?**

The drinks business operates in an extremely competitive environment, making the ability to advertise and promote brands to adult audiences absolutely critical to marketers. Advertising is also subject to a strict set of controls and is only ever directed to adults.

Advertisements provide important information, which enables consumers to make choices. This forms an imperative commercial right, which is protected by the New Zealand Bill of Rights Act and important other competition considerations. The suggestion by some groups to curtail or further restrict alcohol advertising rights or sponsorships and their placement, would severely affect both existing and new industry players.

Drinks advertisements are not designed to increase total per capita alcohol consumption nor are they are directed or targeted towards minors.

Instead, the role of advertising is to help raise awareness, create interest and maintain the profile of a brand with consumers and to persuade them to buy that particular brand, while not increasing sales of competitors or the total amount of alcohol consumed.

**2. Are there potential benefits and harms from alcohol advertising that are not identified in this paper?**

Assertions exist that brand advertising causes harm, however, this has not been supported by any robust or scientific evidence. To date, no empirical research has been published or peer reviewed that clearly demonstrates that advertising causes non-drinkers to drink or that advertising causes irresponsible consumption by some individuals. Any so-called “harm” is, therefore, overstated or exaggerated.

**3. What role do you consider alcohol advertising plays in shaping attitudes towards drinking in New Zealand?**

It is widely acknowledged that there are many complex and multifaceted social factors that influence people’s attitudes, choices and behaviour in relation to drinking. Interspersed throughout New Zealand’s drinking culture are factors such as peer pressure, youthful inexperience, a feeling that alcohol beverages are the ‘forbidden fruit’ and are therefore enticing, over confidence and youth wanting to appear “grown-up”.

New Zealand research shows that parents, older siblings and friends are the most influential factors in young people’s attitudes and decisions about drinking. This is reflected in the Alcohol Advisory Council’s (ALAC) current “Culture change” strategy and campaign (noting “it is not alcohol use per se that is the problem - rather, it is the way it is consumed”), which sensibly recognises that changing behaviours and helping to shape people’s beliefs (especially amongst youth), requires education, raising awareness and positive parental influences.

It is noteworthy that the same New Zealand-based research shows that more than 70% of the youths who do drink, obtain alcohol primarily through non-commercial supply sources such as family, friends and other adults<sup>1</sup>. Regrettably, consumption sometimes takes place without proper parental or adult supervision.

Appreciating these significant influences on attitudes is far more important than the reliance, by some, on simplistic correlations, which conveniently demonise advertising. Alcohol advertising seeks only to keep a brand in the public eye so that its name remains familiar and its image strong amongst consumers. Importantly, advertising does not cause drinking or its abuse.

**4. What is your view of the overall amount of alcohol advertising in New Zealand?**

See response to Question 10

**5. Are there aspects of alcohol advertising that you are concerned about? Why?**

See response to Question 7

**6. Which aspects of the regulation of alcohol advertising do you feel are working well, and which aspects do you feel could be improved?**

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<sup>1</sup> ALAC (2003) Youth and Alcohol 2003 ALAC Youth Drinking Monitor

There is a view amongst some anti-alcohol campaigners that advertising self-regulation does not work, with some claiming “it is very ambitious”<sup>2</sup> for industry to run a self-regulatory regime. However, to date empirical evidence to support this mantra has not been provided.

To the contrary, the industry – advertisers, media companies and agencies – not just advertisers have actively and successfully policed itself to meet community expectations for more than 14 years. It would also seem that those who believe the self regulation system does not work have either failed with some or all of their complaints or have a view that industry is incapable of policing itself (cannot be trusted) and that government or quasi-government regulation is the only option.

The Association firmly favours retaining and assuming responsibility for disciplining its own affairs through voluntary codes of practice and other processes. Further, the Association believes that self-regulation is an important tool, which delivers high standards of responsible advertising and promotions, is well run, effective and successful, and should long continue.

Many overseas markets, which have similar drinking and cultural patterns to New Zealand, espouse and embrace industry alcohol advertising self-regulatory practices. Self regulation is commonplace in many countries including those New Zealand likes to often compare itself against, like Australia, the United Kingdom, Ireland and the United States. Self-regulation is successful and works well in New Zealand and has done for more than 14 years now.

**7. Are there aspects of alcohol advertising that are currently not regulated or are, in your view, not adequately regulated? Can you suggest how these might be regulated effectively?**

Mainstream forms of media advertising and promotions, in particular broadcast television, has experienced a significant decline in the amount and value of advertisements placed since 2003 [read in conjunction with detailed response in Question 12].

In contrast, marketing and promotions have become more popular in new and innovative audio visual media like the Internet (e.g. websites, on-line TV, blogs, chat rooms and forums, video sharing etc), in-store video and on mobile phones (e.g. video and texting).

Whilst the majority of local brand and corporate websites are in full compliance with the self-regulatory regime, it is noted that some new media vehicles and their materials (especially those distributed by individuals or those sourced from overseas) are often beyond guidelines set by the industry and are, therefore, impractical and difficult to control. It is also common practice for members of the Association to have all their consumer promotional materials vetted by the LAPS adjudicator, even though this is not a current requirement.

Notwithstanding this, it is recognised that the current code of advertising practice could be usefully extended to reflect the emergence of new and unregulated media to remove any inappropriate material, especially those originating and executed within New Zealand territorial boundaries. Where this is not possible, perhaps ISPs and telecommunication companies could be

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<sup>2</sup> New Zealand Herald 21/1/06

encouraged to withdraw or block offending materials, however, remaining mindful of the difficult practical and technical problems inherent with this.

**8. Do you think there is currently the right balance between the right to freedom of expression and the potential benefits of alcohol advertising, and the potential harms?**

Yes.

**9. The overarching principle of the Code for Advertising Liquor (and all advertising regulation in New Zealand) is the principle of social responsibility that states, “all advertisements should be prepared with a due sense of social responsibility to consumers and to society”. What do you think “social responsibility” means in the context of alcohol advertising?**

Advertisers follow clearly defined principles and practices as prescribed by the Code for Advertising Liquor – co-developed with community input.

Such voluntary behaviour is part of industry members’ wider concept of social responsibility, which is an obligation that is borne both collectively and individually.

The unspoken doctrine can best be described as behaving positively, in accord and within prevailing community attitudes, norms and expectations. Moreover, industry is sensitive and responsive to new and developing societal changes. This means adhering not only to the letter of the Code, but also to its spirit of intent.

Advertising never encourages the irresponsible consumption of alcohol by minors and clearly there is no commercial advantage for advertisers to be operating outside of or against accepted social norms.

The five yearly review of the self-regulatory code is also aimed at ensuring the codes retain an up to date standard for social responsibility and remain in line with social thinking.

## **THEMED QUESTIONS**

### **PLACEMENT OF ADVERTISEMENTS**

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**10. Do you think problems exist with the overall amount of alcohol advertising in New Zealand? If so, what solutions do you suggest?**

Liquor advertisements are part of the promotional mix that has appeared in broadcast and other media for well over a decade. The amount of advertising and its placement has been carried out responsibly and without any adverse consequences.

According to Nielsen Media Research, total drinks advertising expenditure in all media (by rate card) for the period since the Hardie Boys review, fell by 21% (from an estimated inflation-adjusted \$52 million in 2002 to \$41m in calendar year 2005) while per capita alcohol consumption rose by 7%.

## Alcohol Advertising Expenditure (Total Media)

December Year	Actual \$Million	Inflation adjusted (Dec 05 base) \$Million	02 vs. 05 % Change
2002	48.4	52.1	
2003	51.7	54.8	
2004	41.0	42.3	
2005	41.1	41.1	-21%

Source: Nielsen Media Research

## Alcohol Consumption Per Capita

December Year	Litres Per Capita	02 vs. 05 % Change
2002	6.86	
2003	6.85	
2004	7.16	
2005	7.34	7%

Source: Statistics New Zealand

In other words, despite the substantial decrease in advertising expenditure and volume total per capita, alcohol consumption has increased. It is interesting to note that comparing this trend with overseas markets where there is no advertising, per capita consumption has not generally declined. As commented upon earlier, these figures reinforce the point that advertising only serves to influence consumer choice of brands and impact market share.

To reiterate an important point, according to numerous international, official and private surveys, the most powerful factors shaping young people's beliefs and attitudes about drinking are cultural, parental and peer influences. In fact, there is no compelling evidence of a causal link between the amount of advertising and either drinking patterns among young people or rates of abuse. Alcohol advertising by volume or by placement does not cause drinking or abuse.

Interestingly, very few Ready to Drink (RTD) (a drink containing the equivalent amount of alcohol as a standard serving of wine or beer) brands or wine brands are promoted in the media, especially mainstream television. Meantime, both product categories have grown popular in volume terms across all genders, age and socio-economic groups. According to Statistics NZ<sup>3</sup> both categories have recorded growth at rates greater than 10% per annum despite advertisements very rarely appearing. In fact, Liquor Advertising Pre-vetting System (LAPS) adjudicators<sup>4</sup> approved only 36 RTD advertisements in 2005, one less than for wine compared with 211 for beer.

### 11. What do you think about the placement of alcohol advertising in the New Zealand environment?

<sup>3</sup> Statistics NZ Alcohol Available for Consumption Dec 2005

<sup>4</sup> LAPS report 2005

See response to Question 12

**12. Do you think problems exist with the placement of alcohol advertising in New Zealand? If so, what solutions do you suggest?**

**Watershed Time – Leave at 2030 hours**

As part of the wider discussion concerning the placement of advertising, there remain calls to shift the commencement time of adults only television alcohol advertising from 2030 hours to a later time slot (as suggested by the sponsor of the Sale of Liquor Youth Alcohol Harm Reduction Bill and others).

This simplistic suggestion ignores the timing of popular programming like *Cheers*, *Coronation Street*, *Shortland Street*, *East Enders* and various food and cooking shows, which commence from 1930 hours and all regularly portray drinking and pub scenes – normal and accepted behaviour in New Zealand. It would, therefore, be inconsistent to show such programming whilst restricting alcohol brand advertisements that comply with very strict guidelines, that are presented in a socially responsible manner and have similar content and themes.

Further, any restrictions to the watershed time could have detrimental effects and be overly burdensome, particularly for broadcasters and their shareholders (both private and state) in terms of revenue and investment in programming that is funded solely by advertising.

It is also noted that in Australia, 2030 hours is also the start time for brand advertisements on television.

With the increasing ability to obtain programming on demand and the popularity of recording programmes for viewing at another time, the whole watershed concept may progressively become anomalous and redundant.

The placement of alcohol advertisements from the watershed period of 2030 hours has been carried out responsibly and without any adverse consequences. And the greatest influence on our beliefs, attitudes, behaviour and television viewing habits can and should be controlled by parents and guardians.

## **SPONSORSHIP**

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**13. What do you think about the current level and nature of alcohol sponsorship in New Zealand?**

Sponsorships are a form of commercial free speech and, as such, are an important part of marketing. Typically, sponsorships include the promotion of the corporate sponsor's name and event with logos, signage and other messages.

Many sponsorship arrangements are based around specific interests, usually, but not exclusively, sport, which is perfectly compatible with a healthy lifestyle. And a number of major New Zealand arts, cultural, musical and other not for profit community celebrations or events are also heavily reliant on sponsorships offered by drinks industry members. And according to the Hon

Trevor Mallard “it is impossible to host major events these days without enormous financial contributions from large sponsors.”<sup>5</sup>

Sponsorships are entered into for a host of reasons, including helping to reinforce the brand attributes of the company or to raise awareness at corporate and community level. Some sponsorships are also used to proactively promote responsible drinking behaviours.

Aligning a brand or company name with an event or organisation helps to encourage or promote the event or organisation, which can contribute to the cultural and economic future of New Zealand. This point is reinforced by the Government, which recently said “New Zealand needs to stay in step with international commercial realities if we are to be seen on the world stage as a country which can successfully host major events, and enjoy the many economic benefits which flow from these events.”<sup>6</sup>

#### **14. Do you think there are problems with alcohol sponsorship? If so, what solutions do you suggest?**

Alcohol sponsorship advertising and sponsorship credits have been allowed in all media, including television, for many years with little or no significant problems.

As with brand advertising, drinks companies have had an exemplary record of responsible sponsorship promotions. All have been executed within the spirit and letter of the voluntary codes of practice. No sponsorships employ heroes of the young or deliberately encourage the irresponsible or abusive use of any alcohol beverage by individuals, including minors or non-drinkers. There is no research evidence that shows sponsorships and their promotions cause non-drinkers to drink or to abuse alcohol beverages.

Calls by some groups and individuals for restrictions or bans on the advertising of drinks company sponsorships or on the sponsorship themselves, is unnecessary and could create a significant and uncertain future for many high-profile international and local sports, arts and community events.

It has been estimated that some \$60-80 million nationwide of sponsorship support has already been lost to sports, events and communities as a result of the downturn in the gaming industry, largely brought about by the limits imposed on gaming machines<sup>7</sup>. Some estimates<sup>8</sup> put drinks company sponsorships at around \$150million and if yet another significant source of financial funding were to be banned or seriously restricted, the responsibility may well fall on the Government, its agencies and taxpayers to make up the loss.

Financial losses would be far reaching and extend to retailers, wholesalers, advertising agencies, broadcasters, media owners and recipients, many of whom may rely on the sponsorship promotions as part of their business. Combined with an impending sluggish economy any new restrictions or a ban on sponsorships or their advertising could have significant implications for many people and their organisations.

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<sup>5</sup> The Independent 20/9/06

<sup>6</sup> NZ Government media statement “Proposed ambush marketing bill explained” 6/9/06

<sup>7</sup> Manawatu Standard 18/1/06

<sup>8</sup> Sponsorship Profile 28/2/06

The current level of alcohol sponsorship advertising is appropriate. It works responsibly and the industry knows of no specific problems. Those who propose bans or severe restrictions on sports sponsorship have yet to provide evidential data that these forms of brand promotion cause alcohol abuse or underage drinking.

## **NAMING, PACKAGING AND MERCHANDISING, AND POINT-OF-SALE MATERIAL**

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### **15. What do you think about the naming, packaging and merchandising of alcohol and point-of-sale material?**

The Advertising Code of practice currently prohibits advertising that does not comply with the requirements as set out in the National Guidelines on the Naming, Packaging and Merchandising of Alcoholic Beverages.

The Guidelines are an excellent example of industry responsibility and its proactive ability to self regulate and respond to new concerns.

It is noted that packaging or merchandising issues are not advertising per se, however, this review presents a timely opportunity to explore the merits of a more formal or specialised monitoring and enforcement structure to support the regime.

### **16. Do you think problems exist with the naming, packaging and merchandising of alcohol and point-of-sale material? If so, what solutions do you suggest?**

See 15 above. As a solution, jurisdiction over actual packaging or merchandising issues might best be conferred to an expanded ASA or to a similar, but independent body that is able to regulate and enforce the guidelines.

Underpinning this initiative, it is noted that industry members in the United Kingdom and Australia (two markets with similar drinking patterns to New Zealand), support and are developing a “retailer alert scheme” whereby retailers are asked not to stock or to stop selling products in breach of the guidelines until they have been appropriately amended.

This initiative, subject to competition authority approval and under consideration by industry members, would provide a third-party enforcement structure against transgressors. Additionally, such proactive publicity would “shame” the offender and ensure withdrawal and or compliance.

Further, a pre-launch advisory or approval system could be established along the lines of the Liquor Advertising Pre-vetting System and an independent complaints body could also be established.

To maximise current resources, the existing LAPS/ASA/ASCB infrastructure and complaints system could be extended, but with personnel specifically responsible for packaging and merchandising issues.

Point of sale advertising is also an important part of marketing. Promotions are held for a variety of reasons, including showcasing a new brand or product, increasing consumer awareness of a product and to provide special offers to customers.

Retailers, both on and off licencees, have clear legal obligations under the Sale of Liquor Act. The law already and adequately forbids the encouragement of excessive or irresponsible consumption and this includes the way in which alcohol is promoted at point of sale. As a good business practice many retailers already work within the spirit of the code.

Producer-generated point of sale material for alcohol is already subject to the advertising code of practice and the public is further safeguarded from any inappropriate materials.

## **NEWER TYPES OF ADVERTISING, AND LIQUOR-BRANDED MERCHANDISE**

**17. Do you think particular problems are associated with newer forms of advertising (e.g., texting, the Internet, competitions) or the regulation of them? If so, what solutions do you suggest?**

See response to Question 7

**18. What do you think about liquor-branded merchandise (e.g., clothing, bags)?**

Alcohol branded merchandise is another tool to reinforce a brand name with a consumer.

Common alcohol branded merchandise may include an item of clothing, e.g. a hat or t-shirt, bags, posters, glassware, aprons, wine knives and so forth. In many circumstances, branded merchandise is not always produced by or supplied for sale by brand owners. And these items are often sold outside of licensed premises.

Merchandise is generally gifted to adults or is imported or purchased by an individual. No responsible company gifts or sells branded merchandise to minors. Moreover, it is not illegal for parents or guardians to pass on a gift or a purchased item to their children.

Because an individual owns a piece of alcohol branded merchandise this does not mean that this causes non-drinkers to drink or to abuse alcohol. The Association is not aware of any significant local issues or problems arising from liquor branded merchandise. And whilst it remains legal to sell alcohol beverages, the status quo on branded merchandise should continue.

**19. Do you think problems exist with liquor-branded merchandise? If so, what solutions do you suggest?**

See response to Question 18

## **CONTENT OF ADVERTISEMENTS**

**20. What do you think about the content of alcohol advertisements?**

Industry members are fully committed and responsible to the very strict self-regulatory processes already in place and abide by the Advertising Standards Authority (ASA) Code for Advertising of Liquor (the Code).

The voluntary Code governs the content of advertisements. The Code includes key provisions that prohibit, for example, the targeting of minors, encouragement of excessive drinking, implications that alcohol ensures social or sexual success, and depictions of alcohol consumption in unsafe situations, such as, drinking and driving.

The frequency of advertisements is also regulated to not exceed six minutes per hour, and no more than two advertisements are permitted in a single commercial break. In practice, only one liquor advertisement is screened per half hour. All of these requirements are regularly updated and are in alignment with stated public health goals.

Importantly, all relevant brand marketers, media companies and advertising agency staff are regularly alerted to and trained in the requirements under the Code. Consequently, there is a high institutional knowledge about the kinds of actions that are required to ensure the content of advertisements comply with the Code of practice.

#### **Pre-vetting of Advertisements – Efficient and effective**

Another key component of the self-regulatory system is the requirement that all advertisements be approved through the Liquor Advertising Pre-vetting System (LAPS) established in November 1993.

An independent adjudicator works with advertisers and their creative agencies in the pre-production stage of the advertisement, and if any issues are identified the advertisement is subsequently reworked or amended.

It is noted that this pre-vetting approach has been adapted by several international jurisdictions.

Furthermore, before any advertising material is printed or broadcast, media companies conduct their own rigorous scrutiny. For example, before commercials are aired on television, they are subject to the Television Commercial Approval Bureau's (TVCAB) own strict set of in-house rules – another effective level of industry self-regulation.

The Code, in conjunction with the LAPS process and scrutiny by the TVCAB, provides three layers ensuring the content of advertisements are appropriate and in compliance with the Code of practice.

#### **21. Do you think problems exist with the content of alcohol advertisements? If so, what solutions do you suggest?**

No.

#### **COMPLAINTS**

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#### **22. Are you familiar with the process for making complaints about advertisements?**

Yes. Information is readily available and is open to all interested parties.

**23. Have you used the complaints process in regard to alcohol advertisements? How did you find the process?**

Yes. Processes and outcomes were timely and fair.

**24. Do you see any problems with the complaints system and/or the complaints-based nature of the regulatory system? If so, what solutions do you suggest?**

**Complaints and Appeals – Minimal and process works well**

Under the self-regulatory system there is the independent Advertising Standards Complaints Board and the Advertising Standards Complaints Appeals Board and these complaint processes are the same for all advertising complaints and are regularly promoted to the public.

Both complaint structures include input from lay members and public health group representatives.

There have been some examples of inappropriate advertising, largely because a handful of companies have not fully understood their responsibilities. But these are the exception to the rule.

Industry members, advertisers, agencies and the media as a whole, continue to make strenuous efforts to improve what is already an impressive compliance record.

Industry members know that contraventions will be punished by timely withdrawal from the media. Additionally, the forced redesign of advertising, wastage of resources and risk of damaged reputations provide strong and effective deterrents.

For transparency and public confidence, all advertising complaints made by the public are published along with all decisions. Figures for calendar 2005 show there had been 461 decisions given by the Advertising Standards Complaints Board. Of these just 10 or a mere 2.1% were upheld against liquor companies.

Another way of looking at the figures tells us that an overwhelming 96% of all alcohol advertisements cause no problems.

Overall, there is a low rate of complaint or concern with broadcast liquor advertising from the public. This low complaint rate even includes duplicated complaints by dedicated watchdogs, so it is excellent evidence to reinforce the fact that people are largely relaxed and unconcerned with drinks advertising. This style of advertising is simply not in the public consciousness, because it is not new, or a subject that evokes strong negative feelings.

## **REVIEWS**

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**25. How and when do you think the regulation of alcohol advertising should be reviewed?**

The current review of alcohol advertising follows on from a number of major and technical investigations since the 1990s, including the:

- 1991 Alcohol Advertising Code Review
- 1993 Broadcasting Act Amendment
- 1994 ALAC Conference
- 1994 Potter Review
- 1998 Barker Review
- 2003 Hardie Boys Review

All reviews to date have been exhaustive, detailed, independent and have received Ministerial endorsement.

Importantly, none of the reviews have found any credible evidence warranting a ban or the curtailment of advertisements, nor have they found any proof that advertising causes alcohol abuse, causes increased access to alcohol by minors, increased alcohol consumption or excessive alcohol consumption amongst consumers.

On this basis, there appears no need for unscheduled or ad-hoc reviews. The current arrangement for 5 yearly reviews is sufficient and should be maintained.

## **ANYTHING ELSE?**

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### **26. Please note down any further comments you may have.**

#### **Health Warnings in Advertisements - Unjustified**

The need to inform consumers of the potential risks connected with the irresponsible consumption of any alcohol beverage is supported. However, the desire by some for warnings to be placed in advertisements is not considered the most appropriate way to communicate the risks of excessive drinking with consumers.

The moderate and responsible consumption of alcohol beverages is not in itself the cause of any significant health problems for the majority of consumers. In fact, there is increasing evidence and acknowledgement, both in New Zealand and from overseas, that low to moderate alcohol consumption is related to a variety of health benefits, such as decreased risk of ischemic stroke, diabetes, gallstones disease and coronary heart disease. The majority of New Zealanders drink responsibly and do not have problems with their drinking.

It is clear that irresponsible consumption of any beverage type may cause problems. However, many proponents make the mistake of believing any level of drinking is dangerous causing illness and death. This is simply not so.

People who drink beer, wine and spirits already know and understand the dangers of excessive consumption (which presumably would be the basis of any warning included in an advertisement). Simplistic health warnings are therefore unlikely to provide the public with any new or worthwhile information, particularly given that warnings that contradict people's everyday experiences lose all credibility.

Based on the US experience of health warnings on container packaging, there is little or no evidence that the messages have a significant impact on abusers' behaviour, and it appears the label information is largely ignored. These were similar grounds for the recent Australia New

Zealand Food Standards Authority rejection of an Australian application for warning statements on alcohol beverages<sup>9</sup>. This is likely to be the same for health warnings in advertisements.

Should the health warning in advertisements proposal move beyond the conceptual stage, good public policy needs to reflect the fact that the majority of adults, who choose to drink, do so responsibly. It would also be necessary to ensure guidance was provided as to what level of consumption was actually potentially harmful and information given which spells out the cause of alcohol related problems played by complicated biological, psychological, and societal factors. Moreover, under free speech provisions, and to provide a balanced view, details of the proven health benefits of moderate consumption would also need to be communicated in a similar format.

It is likely that the tiny minority of the population who abuse alcohol will not, or cannot, change their behaviour or risky consumption patterns as a result of any or proposed health warnings in advertisements.

Any mandatory health warning messages in advertisements is strongly opposed on the grounds that they are inappropriate and untargeted. Other measures, including 'sensible drinking messages' and 'standard drinks information', as developed in conjunction with industry and endorsed by the Alcohol Advisory Council, can be more effective in educating consumers about moderate and responsible consumption.

### **Need for Rigorous Study of Impacts of Options Beyond the Status Quo**

Any departures from the current status quo of industry self-regulation under a voluntary code of alcohol advertising practice is likely to impose significant costs on industry members, including advertisers, advertising agencies and media outlets.

In the event that the review process recommends new initiatives or major changes to the Government, the Association strongly insists on a thorough and detailed analysis of the options and the likely impacts, including the disadvantages and cost burden on industry.

Further, the Steering Group is no doubt conscious of the general Government approach to regulation. In particular, the group would be well aware of the Review of Regulatory Frameworks (led by the Minister of Commerce and for Small Business) and the function of the inter-departmental Quality Regulation Taskforce. The regulations review has a strong focus on quality regulations that promotes economic growth and business confidence. This should also be an important consideration for the Steering Group.

## **CONCLUSION & RECOMMENDATIONS**

The current industry initiated, self-regulatory regime, especially the ASA body and the code of practice for liquor advertising, works extremely well protecting the public from potential harm caused by inappropriate advertising and should continue in its present form.

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<sup>9</sup> Food Standards Australia New Zealand: Application A359 - Labelling of alcoholic beverages with a warning statement

Advertisers, agencies and the media follow clearly defined principles and practices and are capable of ensuring their advertising and promotions achieves high voluntary compliance, pays due regard to the community, operates effectively and poses no costs to Government.

Extensions to the Code to incorporate and reflect new and emerging media techniques and packaging guidelines under an independent self-regulatory structure could be usefully considered as a set of overall improvements.

Health warnings in advertisements should be rejected.

The Association is available to meet with the Steering Group and provide any specialist knowledge or insights as required.

**Distilled Spirits Association of New Zealand**