

Why New Zealand must consider restricting alcohol sponsorship of broadcast sports as part of a wider law reform

November 2 2022, by Tim Chambers, Joseph Boden, Matthew Hobbs and Nicholas Bowden



Credit: AI-generated image ([disclaimer](#))

For those concerned about the public health impacts of alcohol, the government's recent [policy announcement](#) was perhaps a little "glass half empty" to be cause for outright celebration.

As Justice Minister Kiri Allan [outlined](#), the government's review of alcohol laws will start by implementing only one of the reforms proposed in Green MP [Chlöe Swarbrick's](#) Sale and Supply of Alcohol (Harm Minimisation) Amendment Bill.

That reform will remove a legal appeal process that the [alcohol industry](#) has used to hinder or exclude community input into decisions around alcohol availability. But the government would not commit to the second wing of the private member's bill, to remove alcohol sponsorship of broadcast (mainly professional) [sports](#).

We hope the government will address this key issue. Because behind Swarbrick's bill are some unpalatable truths: alcohol is a leading cause of [cancer](#), [mental illness](#), [suicide](#), [child brain damage](#) and many [social harms](#). In Aotearoa, alcohol contributes to an [estimated 800 deaths](#) each year and costs the economy about [NZ\\$7.85 billion](#).

Here we outline the case for both changing the appeals process and restricting alcohol sponsorship of broadcast sports.

The case for removing appeals

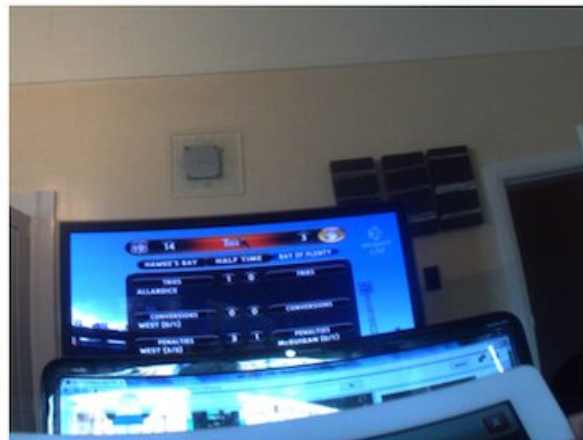
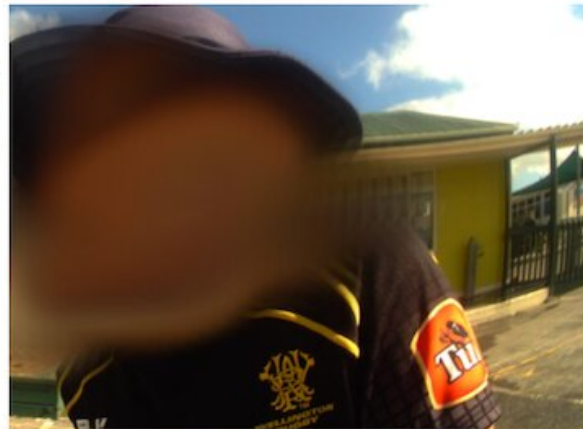
Under existing legislation, local councils can develop Local Alcohol Policies (LAPs) to allow [community involvement](#) in deciding how alcohol should be sold in their areas.

LAPs can specify the number (if any) and location of new alcohol outlets, as well as the hours and conditions (such as storefront advertising) of sale.

However, large companies often block LAPs using their right of appeal. The country's two major supermarket companies have [appealed 86% of LAPs](#), while bottle stores have appealed 72% of them.

These appeals have resulted in many councils abandoning or watering down their policies. Seven years and [NZ\\$1 million later](#), Auckland council is still without an LAP—along with Wellington, Christchurch and Hamilton.

Thus, community attempts to influence the location and density of alcohol outlets have been rendered ineffective. This makes the government's commitment to even the playing field a welcome announcement.



Alcohol outlets in Wellington City, showing the highest availability (darkest colour) compared to the least availability (lightest colour). Author provided

The case for changing alcohol sponsorship

The bill also adopted recommendations from two government-initiated reviews, by the [Law Commission in 2010](#) and the [Ministerial Forum on Advertising and Sponsorship](#) in 2014, to place restrictions on alcohol sponsorship of sport.

Sports sponsorship is the primary driver of children's exposure to alcohol marketing in Aotearoa. A New Zealand study called Kids' Cam, where children wore automated cameras over four days, found children were exposed to alcohol marketing via [sports sponsorship 1.4 times per day](#) on average. Māori and Pacific children are exposed to [four or five times more alcohol sponsorship](#) than New Zealand European children.

Alcohol marketing, including sponsorship, increases the [risk of children drinking](#) at earlier ages, drinking more once they start and drinking more hazardously. As such, alcohol marketing is considered [a causal factor](#) for alcohol consumption. Put simply, alcohol marketing drives consumption.

Alcohol sponsorship is a small part of revenue

Opponents commonly suggest that sponsorship restrictions will destroy community sport and affect the financial viability of professional sport. But these arguments don't bear close scrutiny.

Firstly, the bill is designed to restrict broadcast sports only. Many community sports should not feel any direct impacts of restrictions.

Secondly, the total value of all alcohol sponsorship of sport, including community sports, was [NZ\\$21 million](#) in 2014. This equates to [less than 1%](#) of all revenue generated by sports and recreation in Aotearoa.

As of September 2022, Sport New Zealand had no updated information

of any kind on the value of alcohol sponsorship or sponsorship in general. Despite this, the organization recently advised the minister for sport and recreation, Grant Robertson, that a sponsorship ban "would have a profound impact on the ability of some organizations to continue to provide sport and recreation opportunities".

The Sport New Zealand advice contained no figures to support this statement. It also referred to revenue that would not be impacted by the bill (sponsorship of clubrooms, for example). In the past, Robertson and some of his cabinet colleagues voted in favor of various bills proposing more restrictive measures on alcohol marketing than the current member's bill.

Sponsorship can be replaced

The sponsorship revenue from the alcohol industry could be replaced by an increase in the existing alcohol levy by around two cents per beer.

A two-cent levy increase assumes no other sponsors would replace alcohol sponsors. However, when tobacco sponsorship changed in the early 1990s through a sponsorship replacement program, [around 50% of all tobacco sponsorship](#) was replaced immediately.

The range and number of industries sponsoring sports have increased since the 1990s. Globally, the alcohol industry contributes [only 2.1% of all sports sponsorship revenue](#).

Available evidence in Aotearoa suggests a similar contribution. Only three of the top ten national sports organizations (rugby, cricket and golf) have an alcohol sponsor. In each case, the alcohol sponsor is not a principal sponsor, suggesting its relative contribution is smaller than that of other companies.

Time for evidence-based policy

While some sports organizations may struggle with losing *any* sponsorship revenue, the claims that community or professional sports would fold is not supported by the available evidence.

By contrast, there are decades of longitudinal evidence demonstrating the harms of [alcohol marketing](#), including sponsorship. The body of evidence has led the World Health Organization (WHO) to [classify restrictions on marketing](#) as one of the three best policies to reduce alcohol-related harm.

There is limited evidence to support the argument that sports organizations will suffer unduly, particularly when considered in the context of an appropriate and modest increase in an existing alcohol levy.

Looking ahead, [further action is also required](#) to decrease the affordability of alcohol (through a minimum unit price or tax), reduce its availability (through reduced outlets and hours of operation) and introduce more comprehensive marketing restrictions, particularly online.

But the proposed restrictions outlined in the Sale and Supply of Alcohol (Harm Minimisation) Amendment Bill are a good start to alcohol reform in Aotearoa. If the government wants to tackle alcohol-related harm, restricting [alcohol](#) sponsorship of broadcast sport is an evidence-based policy response to the country's most harmful drug.

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