

# **SUBMISSION**

By

**NATIONAL ASSOCIATION OF RETAIL GROCERS  
AND SUPERMARKETS OF NEW ZEALAND  
(INCORPORATED)**

To the

**MINISTER OF JUSTICE**

On the

**REVIEW OF THE SALE OF LIQUOR AND  
LIQUOR ENFORCEMENT ISSUES**

18 November 2005

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**Review of Sale of Liquor and Liquor Enforcement Issues**  
**NARGON Submission**  
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**1. Introduction**

The National Association of Retail Grocers and Supermarkets of New Zealand Incorporated (NARGON) welcomes the invitation by the Minister of Justice to submit on the review of sale of liquor and liquor enforcement issues. NARGON regularly takes the opportunity to comment on this issue, given the effect sale of liquor can have on our sector.

NARGON represents the interests of approximately 40% of the food retailing industry in New Zealand. The approximately 500 retail members of NARGON are owner-operators of retail food warehouses, supermarkets and grocery/convenience stores. In the main, retail members of NARGON are aligned to a banner/advertising group of stores such as Pak 'N Save, New World, Write Price, Four Square, Supervalu, Fresh Choice or Price Cutter. Many of NARGON's retail members are the owners of smaller stores.

NARGON also has a number of associate members who are major suppliers of products and services to the retail members of NARGON.

**2. Specific Comments**

**Part B – Liquor Offence Issues**

NARGON agrees with the proposal to extend the scope of the definition of infringement offences in section 162A of the Act to include the offence of making false representation to licensees under section 172.

We believe that this extension will be a deterrent to young people using fake IDs as they will have an infringement fine imposed at the time of the offence which is likely to have more impact than the threat of future legal prosecution.

We also agree with the proposal to disable or change old licences as these would then no longer be in circulation for use as fake identification. We would suggest that on receipt of a new licence the old one is required to be returned to the licensing authority, however we are unable to comment on the practicality of this.

**Part C – General Sale of Liquor Act Issues**

- *Types of premises eligible for off-licences*

We believe there should be a level playing field when it comes to deciding who is entitled to sell liquor.

If the principal business of any store is the sale of food or groceries then the store should be entitled to sell liquor on the same basis that supermarkets and grocery stores are.

Furthermore we do not see why there should be a distinction between the sale of spirits and the sale of wine and beer. It would be discriminatory to allow different types of liquor to be sold in different types of food stores.

NARGON believes that where the principal business of a store is the sale of food or groceries they should be able to sell all types of liquor. We do not believe that the selling of spirits in any store type will contribute to alcohol abuse as alcohol is readily available for purchase in liquor stores already.

Over the years the owners of supermarkets and grocery stores have proven themselves as responsible individuals and have shown they have good systems in place to prevent the purchase of liquor by under age customers.

- *Service Stations*

We do not believe section 36 should be amended to prevent off-licences being operated within a certain distance from service stations.

Many of our members have in recent years begun to establish fuel offerings in conjunction with their supermarkets. These supermarkets, all of which sell liquor, are situated next to or have the fuel station sited in their carparks. These fuel stations are all run as separate businesses and do not sell liquor in their own right. There is also a concern that any other food stores which may be located nearby service stations would also be affected.

NARGON is concerned that if changed, this amendment would severely affect many of its members who would need to relinquish their off-licence. This would not only affect the owners of these businesses, who would lose the associated revenue, but the thousands of customers who frequent the supermarkets. These customers would then be required to make another stop at another shop to purchase the beer and wine normally purchased with their groceries.

We do not believe that by extending the prohibition to nearby businesses the incidence of drunk driving will be reduced. Off-licences sell liquor in unopened containers for consumption off the premises. Customers are therefore less likely to have consumed alcohol or to drive drunk than those leaving an on-licence premises where they will certainly have been drinking.

NARGON strongly recommends that this proposal does not go ahead as we do not see any link between prohibiting the grant of off-licences to service stations or nearby food stores and a reduction in liquor abuse.

- *Section 130*

NARGON agrees with the proposal to remove the requirement of advising the LLA of changes in managers as this would reduce the costs currently associated with giving notice.

- *Sections 14, 37 and 60 of the Sale of Liquor Act*

NARGON would oppose the recommendation that the above sections are altered to allow conditions to be imposed relating to the area of the licensed premises. We believe that once a licence is granted the business owner should have full discretion on the placement and size of the liquor display. Similarly there should be no requirement imposed when a store goes through an increase or reduction in floor size as the principal business is still the same and the positioning of the liquor within the store will not change this.

Imposing these types of conditions could severely impact the operation of the business and would add no value for the customers.