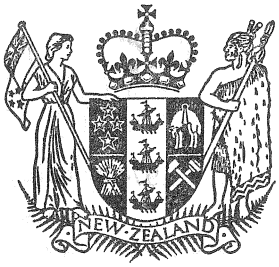

THE SALE OF LIQUOR IN NEW ZEALAND

REPORT OF THE ROYAL COMMISSION OF INQUIRY

BY AUTHORITY:
A. R. SHEARER, GOVERNMENT PRINTER, WELLINGTON, NEW ZEALAND—1974
Price $2.30

1974

ROYAL COMMISSION TO INQUIRE INTO AND REPORT UPON THE SALE OF LIQUOR IN NEW ZEALAND

Chairman

ALAN AYLMER COATES, Esquire, S.M.

Members

ELISABETH JOAN HARPER

The Honourable JOHN MATHISON

MARGARET RITA NOLAN

Secretary

T. G. ROBINSON

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Royal Commission to Inquire Into and Report Upon the Sale of Liquor in New Zealand

---

ELIZABETH THE SECOND, by the Grace of God, of the United Kingdom, New Zealand, and Her Other Realms and Territories, Queen, Head of the Commonwealth, Defender of the Faith:

To Our Trusty and Well-beloved ALAN AYLMER COATES, Esquire, of Auckland, Stipendiary Magistrate, ELISABETH JOAN HARPER, of Lower Hutt, married woman, the Honourable JOHN MATHISON, of Christchurch, former Minister of the Crown, and MARGARET RITA NOLAN, of Wellington, widow:

GREETING:

WHEREAS We have deemed it expedient that a Commission shall issue for the purpose of assisting the Government in a review of the Sale of Liquor Act 1962, the Licensing Act 1908, and the Licensing Trusts Act 1949 and of assisting Parliament to enact a body of law relating to the sale of alcoholic liquor in New Zealand that will be in harmony with the current social and cultural needs of the community:

NOW KNOW YE that We, reposing trust and confidence in your integrity, knowledge, and ability, do hereby nominate, constitute, and appoint you, the said

ALAN AYLMER COATES,
ELISABETH JOAN HARPER,
The Honourable JOHN MATHISON, and
MARGARET RITA NOLAN

to be a Commission to receive representations upon, inquire into, and report upon the law relating to the sale, supply, and consumption of alcoholic liquor in New Zealand (including the provisions of the said Acts relating to the taking of polls and to the administrative regulation of the liquor industry) having regard to—

1. Anomalies, anachronisms, and deficiencies in the present law:

2. Changes in New Zealand society and in public attitudes towards alcoholic liquor and the manner, circumstances, and times of its sale, supply, and consumption, since the appointment of the Royal Commission on Licensing in 1945, and to present trends in public opinion relating thereto:

3. The habits, requirements, and wishes of the people of New Zealand with respect to the purchase and consumption of alcoholic liquor:

4. The desirability of discouraging the abuse of alcoholic liquor while facilitating its temperate use by persons who wish to consume it.

And We do hereby appoint you the said

ALAN AYLMER COATES

to be Chairman of the said Commission:

And for the better enabling you to carry these presents into effect you are hereby authorised and empowered to make and conduct any inquiry under these presents in such manner and at such time and place as you think expedient, with power to adjourn from time to time and place to place as you think fit, and so that these presents shall continue in force and any such inquiry may at any time and place be resumed although not regularly adjourned from time to time or from place to place:

And you are hereby strictly charged and directed that you shall not at any time publish or otherwise disclose, save to His Excellency the Governor-General, in pursuance of these presents or by His Excellency's direction, the contents of any report so made or to be made by you, or any evidence or information obtained by you in the exercise of the powers hereby conferred on you, except such evidence or information as is received in the course of a sitting open to the public:

And it is hereby declared that the powers hereby conferred shall be exerciseable notwithstanding the absence at any time of any one of the members hereby appointed so long as the Chairman, or a member deputed by the Chairman to act in his stead, and two other members are present and concur in the exercise of the powers:

And We do further ordain that you have liberty to report your proceedings and findings under this Our Commission from time to time if you shall judge it expedient to do so:

And, using all due diligence, you are required to report to His Excellency the Governor-General in writing under your hands, not later than the 31st day of December 1973, your findings and opinions on the matters aforesaid, together with such recommendations as you think fit to make in respect thereof:

And, lastly, it is hereby declared that these presents are issued under the authority of the Letters Patent of His Late Majesty King George the Fifth, dated the 11th day of May 1917, and under the authority of and subject to the provisions of the Commissions of Inquiry Act 1908, and with the advice and consent of the Executive Council of New Zealand.

In witness whereof We have caused this Our Commission to be issued and the Seal of New Zealand to be hereunto affixed at Wellington this 23rd day of July 1973.

Witness Our Right Trusty and Well-beloved Cousin, Sir Edward Denis Blundell, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, Knight Commander of Our Most Excellent Order of the British Empire, Governor-General and Commander-in-Chief in and over New Zealand.

DENIS BLUNDELL, Governor-General.

By His Excellency's Command—

NORMAN KIRK, Prime Minister.

Approved in Council—

P. G. MILLEN, Clerk of the Executive Council.

Extending the Time Within Which the Royal Commission to Inquire Into and Report Upon the Sale of Liquor in New Zealand May Report

---

ELIZABETH THE SECOND, by the Grace of God, of the United Kingdom, New Zealand, and Her Other Realms and Territories, Queen, Head of the Commonwealth, Defender of the Faith:

To Our Trusty and Well-beloved ALAN AYLMER COATES, Esquire, of Auckland, Stipendiary Magistrate; ELISABETH JOAN HARPER, of Lower Hutt, married woman; the Honourable JOHN MATHISON, of Christchurch, former Minister of the Crown; and MARGARET RITA NOLAN, of Wellington, widow:

GREETING:

WHEREAS by Our Warrant dated the 23rd day of July 1973* We nominated, constituted, and appointed you, the said Alan Aylmer Coates, Elisabeth Joan Harper, the Honourable John Mathison, and Margaret Rita Nolan, to be a Commission to receive representations upon, inquire into, and report upon the law relating to the sale, supply, and consumption of alcoholic liquor in New Zealand:

And whereas by Our said Warrant the said Commission was required to report to His Excellency the Governor-General, not later than the 31st day of December 1973, its findings and opinions on the matters aforesaid, together with such recommendations as it might think fit to make in respect thereto:

And whereas it is expedient that the time for so reporting should be extended as hereinafter provided:

Now, therefore, We do hereby extend until the 31st day of May 1974, the time within which the said Commission is so required to report without prejudice to the liberty conferred on it by Our said Warrant to report its proceedings and findings from time to time if it should judge it expedient so to do:

And We do hereby confirm Our said Warrant and the Commission thereby constituted save as modified by these presents.

And it is hereby declared that these presents are issued under the authority of the Letters Patent of His Late Majesty King George the Fifth, dated the 11th day of May 1917, and under the authority of and subject to the provisions of the Commissions of Inquiry Act 1908, and with the advice and consent of the Executive Council of New Zealand.

In witness whereof We have caused these presents to be issued and the Seal of New Zealand to be hereunto affixed at Wellington this 23rd day of October 1973.

Witness Our Right Trusty and Well-beloved Cousin, Sir Edward Denis Blundell, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, Knight Commander of Our Most Excellent Order of the British Empire, Governor-General and Commander-in-Chief in and over New Zealand.

DENIS BLUNDELL, Governor-General.

By His Excellency's Command—

NORMAN KIRK, Prime Minister.

Approved in Council—

P. G. MILLEN, Clerk of the Executive Council.

**Gazette*, 1973, p. 1411

Further Extending the Time Within Which the Royal Commission to Inquire Into and Report Upon the Sale of Liquor in New Zealand May Report

---

ELIZABETH THE SECOND, by the Grace of God, Queen of New Zealand and Her Other Realms and Territories, Head of the Commonwealth, Defender of the Faith:

To Our Trusty and Well-beloved ALAN AYLMER COATES, Esquire, of Auckland, Stipendiary Magistrate; ELISABETH JOAN HARPER, of Lower Hutt, married woman; the Honourable JOHN MATHISON, of Christchurch, former Minister of the Crown; and MARGARET RITA NOLAN, of Wellington, widow:

GREETING:

WHEREAS by Our Warrant dated the 23rd day of July 1973* We nominated, constituted, and appointed you, the said Alan Aylmer Coates, Elisabeth Joan Harper, the Honourable John Mathison, and Margaret Rita Nolan, to be a Commission to receive representations upon, inquire into, and report upon the law relating to the sale, supply, and consumption of alcoholic liquor in New Zealand:

And whereas by Our said Warrant the said Commission was required to report to His Excellency the Governor-General, not later than the 31st day of December 1973, its findings and opinions on the matters aforesaid, together with such recommendations as it might think fit to make in respect thereto:

And whereas by Our further Warrant dated the 23rd day of October 1973† the time within which the said Commission was so required to report was extended until the 31st day of May 1974:

And whereas it is expedient that the time for so reporting should be further extended as hereinafter provided:

Now, therefore, We do hereby extend until the 30th day of November 1974, the time within which the said Commission is so required to report without prejudice to the liberty conferred on it by Our first-mentioned said Warrant to report its proceedings and findings from time to time if it should judge it expedient so to do:

And We do hereby confirm Our said Warrants and the Commission thereby constituted save as modified by these presents.

And it is hereby declared that these presents are issued under the authority of the Letters Patent of His Late Majesty King

George the Fifth, dated the 11th day of May 1917, and under the authority of and subject to the provisions of the Commissions of Inquiry Act 1908, and with the advice and consent of the Executive Council of New Zealand.

In witness whereof We have caused these presents to be issued and the Seal of New Zealand to be hereunto affixed at Wellington this 20th day of May 1974:

Witness Our Right Trusty and Well-beloved Cousin, Sir Edward Denis Blundell, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, Knight Grand Cross of Our Royal Victorian Order, Knight Commander of Our Most Excellent Order of the British Empire, Governor-General and Commander-in-Chief in and over New Zealand.

DENIS BLUNDELL, Governor-General.

By His Excellency's Command—

NORMAN KIRK, Prime Minister.

Approved in Council—

P. G. MILLEN, Clerk of the Executive Council.

*_Gazette_, 1973, p. 1411
†_Gazette_, 1973, p. 2047

To His Excellency, Sir Edward Denis Blundell, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Knight Grand Cross of the Royal Victorian Order, Knight Commander of the Most Excellent Order of the British Empire, Governor-General and Commander-in-Chief in and over New Zealand.

MAY IT PLEASE YOUR EXCELLENCY

We, the undersigned Commissioners, appointed by Warrant dated the 23rd day of July 1973, have the honour to submit to Your Excellency our report under the following terms of reference:

"To inquire into, and report upon the law relating to the sale, supply, and consumption of alcoholic liquor in New Zealand (including the provisions of the Sale of Liquor Act 1962, the Licensing Act 1908, and the Licensing Trusts Act 1949, relating to the taking of polls and to the administrative regulation of the liquor industry) having regard to—

1. Anomalies, anachronisms, and deficiencies in the present law:
2. Changes in New Zealand society and in public attitudes towards alcoholic liquor and the manner, circumstances, and times of its sale, supply, and consumption, since the appointment of the Royal Commission on Licensing in 1945, and to present trends in public opinion relating thereto:
3. The habits, requirements, and wishes of the people of New Zealand with respect to the purchase and consumption of alcoholic liquor:
4. The desirability of discouraging the abuse of alcoholic liquor while facilitating its temperate use by persons who wish to consume it."

We were originally required to present our report by the 31st day of December 1973 but this date was extended by Your Excellency initially to the 31st day of May 1974 and later to the 30th day of November 1974.

We have previously submitted two interim reports, the first dated the 11th day of September 1973 relating to an application for the granting of a special exemption to enable hotels and taverns in and near the City of Christchurch to remain open until midnight and on Sundays during the Xth British Commonwealth Games, and the second dated the 28th day of March 1974 relating to the

exceptional position of the Tawa area (part of a "no licence" district) of the Johnsonville special area and making recommendations regarding the taking of polls in the Tawa area.

We have the honour to be Your Excellency's most obedient servants.

ALAN AYLMER COATES, Chairman.
ELISABETH JOAN HARPER, Member.
JOHN MATHISON, Member.
MARGARET RITA NOLAN, Member.

Dated at Wellington this 20th day of November 1974.

ERRATUM

Page 141, paragraph 387, third line from end of paragraph: *For* "of the sale", *read* "for the sale".

Part I PROCEDURE, SUBMISSIONS, AND PUBLIC SITTINGS OF THE COMMISSION

1. The appointment of the commission, the description of its terms of reference and the procedure to be followed at public sittings were all given wide publicity both before and at the time when the commission commenced work. It was stressed on many occasions that we would welcome submissions and information from any interested group of persons, organisations, or individual who wished to be heard. Those who were unable to provide the desired number of copies of a submission were invited to forward whatever number of copies they could supply and were informed that a written submission without any copies would be acceptable. Persons who wanted to express views but could not attend a public sitting were advised to write a letter to the secretary to the commission. Many such letters were received, read, and considered by us.

2. The commission heard a total of 226 submissions from a wide section of the community, including Government departments, the liquor industry, the Licensing Trusts Association, clubs, churches, doctors, university professors, psychologists, grocers, women's organisations, trade unions, and many private individuals. A list of those who made submissions is included as appendix 1 to this report.

3. The following public sittings of the commission were held:

1. At Wellington—in August and September 1973.
2. At Dunedin—in October 1973.
3. At Christchurch—in November 1973.
4. At Auckland—in December 1973.
5. At Wellington, in February, March, and April 1974.

4. Copies of written submissions presented were distributed to interested parties who were allowed, and freely exercised, the privilege of cross-examining witnesses. A full, typewritten record of all evidence adduced at the hearings is available.

5. Two members of the commission have visited Invercargill where they inspected the facilities operated by the Invercargill Licensing Trust. Three members visited Westland where they inspected hotels and had discussions with local residents on topics connected with our inquiry. Members have also inspected hotels and taverns in Christchurch, Auckland, and Wellington.

6. We have had personal discussions with members of the Licensing Control Commission, with senior departmental officers concerning education, social welfare, and other relevant matters with specialists in their own particular field and with other persons who could contribute useful information on topics connected with our inquiry.

7. We express appreciation of the adequate, fair, and helpful coverage of our activities given by the news media. We believe that this coverage generated interest which prompted members of the public to state their views upon issues for determination.

Part II HISTORY OF LEGISLATION FOR THE CONTROL OF LIQUOR IN NEW ZEALAND

8. In order to obtain a better understanding and to make a proper assessment of the habits, requirements, and wishes of the people of New Zealand, with respect to the purchase and consumption of alcoholic liquor, it is helpful to examine the history of legislation in New Zealand designed to control the sale of alcoholic liquor. We are required to consider changes in New Zealand society and in public attitudes that have occurred since the appointment of the Royal Commission on Licensing in 1945. To view the picture in perspective we start by referring to the historical background to the present law.

JUSTICE DEPARTMENT'S HISTORICAL SUMMARY

9. The Department of Justice has given an admirable account of the history of liquor legislation in New Zealand commencing at paragraph 14 on page 6 and continuing to the end of paragraph 45 on page 20 of its first submission. This extract from the Department of Justice's submission reads:

> "It is possible to divide the history of liquor legislation of New Zealand into five phases—a laissez-faire approach from 1840 to 1873, early efforts at regulation from 1873 to 1893, the rising tide of prohibition and restriction from 1893 to 1918, a long stalemate between 1918 and 1948, and a gradual trend towards liberalisation since 1948, extremely cautious at first but much more marked since 1960. To essay contemporary history is rash, but it is tempting to suggest that we may be seeing the beginnings of a new and more mature phase.
>
> "The first Licensing Ordinance was enacted in 1842 and by 1881 when the first comprehensive Licensing Act was passed there was said to be some 49 Acts or Provincial Ordinances already on the statute books dealing with the sale of liquor. This testifies to the early and remarkable propensity of New Zealanders to legislate about liquor. Nevertheless, before 1873 there was little real control. In particular, there were no restrictions on the number of licences that might be granted and virtually no control over the conditions under which liquor was sold.
>
> "During this early period—and indeed to some extent up to the First World War—public drunkenness was far more common in New Zealand than it is today. In Auckland in 1847 there was one conviction

for drunkenness for every eight persons. In 1870 convictions for drunkenness in New Zealand were 16.7 per 1,000 of the population. Subsequent trends are of some interest:

Year	Drunkeness Convictions Per 1,000
1890	9.1
1910	11.7
1920	7.16
1930	4.24
1940	3.62
1950	2.15
1968–70 (av.)	1.57"

"The causes of the amount of drunkenness in the early life of the colony can only be a matter for speculation. The general hardness and discomfort of a pioneering society, the frequent isolation, the masculine and mobile society of bushmen, miners, shearers, and swaggers, the absence of acceptable alternative activities and doubtless the poor quality of much of the liquor, are all likely to have played their part.

"Whatever the causes, the reactions were inevitable. . . . At least twenty years before the New Zealand Alliance for the Suppression of the Liquor Traffic was formally established in 1886 various local temperance and prohibition groups had sprung up. Their campaign took on the fervour of a moral crusade. They drew support from a very wide spectrum of opinion—Protestants who emphasised the sin of drunkenness, agnostics and humanitarians who saw the harm liquor could do and was doing to the Maori people and the working class Europeans, and various women's organisations whose members dreaded the effect of liquor on the home and family. In the space of a few years the temperance and prohibition campaign developed into the greatest populist movement this country has seen.

"It became a political force to be contended with. At elections supporters insisted on putting 'the liquor question' to each and every candidate regardless of party, and gave their support to those who gave the right answer. The Licensing Act 1873, making provision (ineffectual, as it turned out) for local prohibition, was its first achievement. Parliament was no longer able to ignore the liquor issue no matter how much members might wish to do so.

"At no time did the prohibition movement seek the abolition of the liquor trade by legislative fiat. Its continued aim was to secure for the people the right to decide by referendum whether or not the trade was to continue, and at the same time to educate and encourage the people to make the 'right' choice. The immediate significance of this approach was the degree of support it won. Its lasting significance lies in the fact that even today it is often considered axiomatic that on liquor matters the people should have the right of referendum, a right they enjoy in respect of few other matters not directly affecting their pocket as ratepayers.

"A milestone in the temperance campaign was the Licensing Act 1881. This introduced many restrictive provisions perpetuated in successive Licensing Acts up to 1962 and even today its influence can be traced in various provisions. The 1881 Act, enacted against the

background of a pioneering and often rough society, has cast a long shadow. More specifically the Act introduced the policy of preventing the issue of new licences without the sanction of the electors of the area. From 1881 to 1893 no new publicans (i.e. hotel), accommodation, New Zealand wine or bottle licences could be granted in a licensing district without a poll of ratepayers.

"By this time those opposed to the sale of liquor were convinced that time and the people were on their side, and they directed their energies towards securing an effective local option poll. This was achieved in 1893 when provision was made for a triennial poll in licensing districts corresponding to Parliamentary electoral districts on the issues of continuance, reduction and no-licence. The majority required to carry no licence was 60%, and the prohibition forces sought unsuccessfully for many years to have local option and later national prohibition decided by a bare majority, or at least to reduce the majority required to 55%. Nonetheless, the 1893 Act heralded the heyday of the prohibition movement.

"The first electorate to carry no-licence was Clutha in 1895 and by 1910 no fewer than 12 of the 76 European electorates had become dry. Reduction had been carried in many others. The effect was that the number of publicans and accommodation licences decreased from 1719 in 1894 to 1257 in 1910, although the total population had increased considerably.

". . . Virtually all the legislation passed between 1893 and 1918 represented a political compromise between the prohibition party and the licensed trade. But the trend during this period was one of increasing restrictions and bears testimony to the unequal strength of those two parties. Almost the only positive success achieved by the licensed trade during this period was the defeat of the Tied Houses Bill in 1902.

"What seems to have happened essentially is that as the price of staving off prohibition the liquor trade was prepared to make concession after concession and accept restriction upon restriction. This process brought about much of the divorce of liquor facilities from other amenities and from pleasant drinking conditions that for so long characterised the New Zealand scene. The result may not have been entirely displeasing to either side. Sunday trading had been prohibited since 1881 and an exception for bona fide travellers was abolished in 1904. Late night drinking hours were reduced from midnight to 11 p.m. in 1893 and to 10 p.m. in 1910. In the same year the minimum age for drinking was raised from 18 to 21. Barmaids were proscribed by legislation in 1912. Bottle licences were abolished. The Licensing Amendment Act 1910 prohibited the issue of any new publicans licences except in special and limited circumstances and made their removal for any appreciable distance impossible. At about the same time the Government adopted the policy of refusing to grant any new club charters.

"Throughout this period the prohibition movement continued its policy of extinguishing the liquor trade by popular vote. In 1910 the issue of reduction was dropped from the local option poll and a national poll on the issues of continuance and prohibition was provided for. In 1911 more than 55% favoured national prohibition.

But the majority required to carry it was 60%. The local option issue was abolished by the Licensing Amendment Act 1918, which put in its place a national poll in the form which is still used today—a vote on the three issues of continuance, state purchase and control and prohibition. A 50% majority of the total vote was required to carry either state purchase or prohibition. As long as continuance was in force existing no-licence districts were given the opportunity every three years to vote themselves back to the status of an ordinary district by a 60% majority. This requirement, a product of a desire for stability when local option was in force from 1893 to 1918, still governs in the very different conditions that apply today. In December 1919 prohibition failed to secure the necessary overall majority by only 3,263 votes.

"In 1917 the Sale of Liquor Restriction Act, ostensibly introduced and passed to assist the war effort, made provision for 6 o'clock closing. This was made permanent in 1918 and 6 o'clock closing, originally brought in as a temporary measure, endured for 50 years. That it accorded with public opinion for many years is shown by the result of the 1949 referendum on the subject. According to the 1946 Royal Commission it did not affect the revenue of hotels.

"The year 1919 represented the highwater mark of the prohibition movement. Thereafter a peace of exhaustion descended upon the Parliamentary scene and despite the efforts made by Coates and others in the 1920s to modify the law there was no significant legislation touching on liquor between 1918 and 1939. The law was frozen in the form it had then assumed as a resultant of the pressure of trade and temperance. In 1939 an emotional reaction to what were claimed to be extensive abuses associated with the drinking of liquor at dances led Parliament to make even the possession of liquor in or in the vicinity of any dance, except a purely private one, an offence. Long before, dancing and entertainment on licensed premises had been prohibited, as had the playing of even lawful games in hotels. To drink one's own liquor in a restaurant after 6 p.m. had been an offence since 1917. The divorce between the drinking of liquor and other forms of lawful social activities could hardly have been more complete.

"The conditions in which liquor was drunk in hotels were poor. Although the prohibition vote declined after 1919, slowly at first and then more rapidly, the possibility of confiscation of licences without compensation was for some time a real one. In these circumstances licensees could hardly be blamed for refraining from spending money on improving bars and drinking facilities generally. Nor had they much financial incentive to do so. The cancellation of so many licences and the elimination of evening hours must have decreased the overhead of the trade; it did not much diminish the amount of liquor consumed. The amount of beer drunk per head in 1930 (8.3 gallons) was little less than in 1900 (8.7 gallons) and 1910 (9.3 gallons) although interestingly enough the amount of spirits drunk per head had dropped to one third.

"Subsequently the declining vote for prohibition removed its credibility as a threat to the trade's existence. In 1928 the prohibition vote was 40%, in 1935 it was 29%. However the breweries and hotel owning companies preferred to spend their money in mutual rivalry and the buying up of hotels than in improving standards. The elected licensing

committees, which had at least a paper responsibility for the condition of hotels, possessed neither effective power nor the will to improve standards.

"The first really important development, important both in itself and as a shadow of things to come, was the passing of the Invercargill Licensing Trust Act 1944, which introduced the concept of trust control of the sale of liquor—Invercargill, a no-licence district, had carried restoration in 1943. Instead of allowing the liquor trade in that city to revert to private hands, subject to control and supervision by a licensing committee, it was decided to try the experiment of giving the people direct control over the sale of liquor through a trust, originally nominated but after 1950 elected. The profits were to be distributed within the trust area. The Masterton Licensing Trust was set up pursuant to a vote of the people in 1947, and in 1949 the Licensing Trusts Act made permanent provision for the creation of district licensing trusts in former no-licence districts that had carried restoration and whose electors had voted in favour of this form of control. It should be made clear that trust control was regarded as something essentially different from the ordinary forms of regulation. It envisaged control of the liquor trade in a district by a trust elected by the people, instead of through licensing committees and, after 1948, the Licensing Control Commission. In licensing trust districts no licences were granted or were necessary. The trust itself decided what liquor outlets there should be and the supposition was that if their policy did not meet with approval the members of the trust would be removed from office at the next election. The other virtue of trust control was regarded as the removal of the incentive to personal profit that led to abuses.

"From 1910 to 1948 there was no effective provision for the issue of new licences or the removal of existing ones, and no provision at all for the cancelling of unnecessary licences. Given the profound demographic changes that occurred during that period, and indeed since 1881, both in the size of the population and in its distribution, it is not surprising that one of the principal needs seen by the Royal Commission on Licensing set up in 1945 was for a rationalisation of liquor outlets. In some areas there was no competition and thus no incentive to woo customers by improving facilities. In others, there were too many outlets, leading to small returns and hence a lack of capital to finance needed improvements. The temptation to illegal trading was strong. That the resulting evils were real and substantial is plain from a reading of the Commission's report and is epitomised by the drastic nature of the remedy proposed by the majority—the nationalisation of the breweries. This did not commend itself to the Legislature, but it is significant that for the next 15 years successive Parliaments were preoccupied more with the administrative control and regulation of the licensed trade than with the liberalisation of the substantive law. No doubt a natural timidity was strengthened by the overwhelming vote for the retention of 6 o'clock closing recorded in the 1949 poll.

"This is not to denigrate the changes made by the Legislature during the 1948–1960 period. Nonetheless the Licensing Amendment Act 1948, despite its limited aim, marked a turning of the tide and provided a sound basis for subsequent progress. Its most notable feature was the establishment of the Licensing Control Commission. The

Commission was charged with carrying out a nationwide review of existing liquor outlets to determine whether or not they were needed in the particular locality. If they were not the Commission could cancel them and award compensation to the dispossessed owners. Further reviews might be carried out at 10 yearly intervals.

"The 1948 Act broke further new ground with the introduction of site polls. Any 20 or more residents of an area in which it was proposed to authorise a new licence could apply to a Magistrate for the holding of a poll on what may loosely be termed town planning grounds. Thus, an objection could be taken on the ground that the proposed site was in the vicinity of a place of public worship, a hospital or a school, or that it was in a predominantly residential area. In 1953 further provision was made for an area poll to be held on the question of whether a majority of the residents are against the establishment of licensed premises in that area. This poll was not to be conclusive—that, in the words of the then Minister of Justice, would be tantamount to the reintroduction of local option, which the Government was not prepared to entertain—but it was plain that the results could be disregarded by the Commission only in unusual circumstances.

"Also of importance was the power given to the Licensing Control Commission to prescribe minimum standards in respect of licensed premises on the grant of a new licence or the renewal of an existing one.

"Provision was made in the 1948 Act for two new forms of licence to be granted in carefully defined and restricted circumstances—*Tourist-house licences* and *works canteen licences*, the latter intended essentially for isolated public works camps. No works camps licences were issued for a number of years and this form of liquor outlet has never assumed any significance. On the other hand the tourist-house licences, which in essence allowed the sale of liquor to persons staying or dining at an otherwise unlicensed hotel, proved successful. The circumstances in which this licence might be granted were successively liberalised and it is quite freely available nowadays for suitable premises. The tourist-house licence has become a most valuable adjunct to the travel and tourist industry.

"The *wholesale licence* was also dealt with in 1948 and the Licensing Control Commission was permitted to authorise new wholesale licences up to the limit of 1 per 10,000 of population. The significance of the wholesale licence lies in the very inappropriateness of its name. It authorises the sale of liquor in quantities of two gallons or more not only to retailer but to the general public. At about the time of the Second World War many holders of wholesale licences began to cultivate what was called the domestic market, and sales for home consumption became very large. In the years immediately after 1948 the Licensing Control Commission authorised a number of new wholesale licences, but soon came to appreciate the effect these had on the profitability of hotels and it adopted a much more sparing policy. The same is true of offsales by new *chartered clubs*. The power to issue charters to clubs authorising them to sell liquor to members was conferred on the Commission by the 1948 Act. The Commission had the power to limit the charter so as to restrict the sale of liquor to consumption on the premises, and observing the implications of extensive offsales by clubs the Commission habitually exercised this power.

"The aim of the 1948 Act in effecting a redistribution of licences and a substantial improvement in standards met with only moderate success. A number of redundant licences were indeed cancelled or surrendered, and a few new ones granted where there was need for them. It seemed however that the Commission lacked real teeth and the process of cancellation virtually came to a halt when a decision of the Supreme Court very greatly increased what had been adopted as the level of compensation. The path to the establishment of new licenced hotels was (as it still is) difficult and tortuous. In 1960 the problem of maldistribution remained, and the general standard of drinking conditions came under increasing criticism from New Zealanders and increasing ridicule from the less tactful overseas visitors.

"Public dissatisfaction with the slow pace of improvement and with the comparative lack of substantive reform prompted Parliament to set up a Select Committee on Licensing in 1959 under the chairmanship of Mr R. Keeling, M.P. It is impracticable to traverse in any detail the important recommendations of this committee, but they included such proposals as the division of hotels into accommodation hotels and others, the latter paying a percentage licence fee, the introduction of restaurant licences, the extension of hours for the sale of liquor with meals, the sale of liquor in certain classes of sports clubs, and the removal of a number of anomalies and points of friction in regard to such matters as liquor at dances. Most of its recommendations except that relating to liquor in sports clubs have been carried into effect.

"The extensive Licensing Amendment Act 1961, followed by a restatement and further revision of the law in the Sale of Liquor Act 1962, inaugurated the most sweeping and radical review of licences and standards that has occurred in New Zealand.

"Passed in the face of strong opposition from the licensed trade, the 1961 Act provided for the grant of tavern licences (with the privileges of hotels in the matter of selling liquor but without the obligation to provide meals or accommodation). In return the tavern paid an annual licence fee of 3% of the liquor turnover. More significant in the short term, every publican's and accommodation licence was converted automatically into a provisional hotel licence, to be reviewed by the Licensing Control Commission within a period of 6 years. The Commission would decide how much accommodation should be provided and prescribe the standards of accommodation facilities and services. It might authorise a tavern licence if it considered there was no need for accommodation. On compliance with the Commission's requirements, a hotel licence would issue. If the requirements were not satisfied within the time laid down in the Act, the licence would cease to exist. With limited extensions granted by Parliament subsequently, this timetable has been adhered to.

"To complete the general picture we should explain that the 1962 Act introduced a double licence system for hotels, taverns and tourist-houses—a premises licence licensing the premises for the sale of liquor and a keeper's licence authorising the holder to sell liquor on the premises. This had a double object—to link ownership and responsibility at different levels and to permit a licence to sell liquor to be

cancelled for misconduct without penalising the public by delicensing the presmises. The 1962 Act also introduced such apparently esoteric licences as the *special* hotel premises and keeper's licence and the *extended* hotel premises and keeper's licence. To explain these in detail would not be germane to this necessarily brief sketch.

"With the 1960s also came new types of licence—the *restaurant licence* in 1960 (at first limited to 10 for the whole of New Zealand), the *tavern licence* in 1961, and *theatre licence* in 1969, the *airport licence* in 1970 and the *cabaret licence* in 1971. To describe the nature and incidence of these licences would likewise be out of place in a submission of this nature and in any event wearying to the Commission. Nor is it possible to review the numerous minor changes made in successive amendment Acts, which since 1948 have been virtually an annual event. We merely point out at this juncture that the recent proliferation of new forms of licence, without widespread or violent opposition, appears to show a trend by Parliament and the public to accept that the circumstances in which liquor may properly be supplied as an amenity are by no means closed.

"Perhaps the most dramatic change so far as the general public was concerned was the re-introduction of evening hours in hotels, taverns and chartered clubs following the referendum in 1967. However, the increasing trend towards more flexible hours in respect of other types of licences such as restaurant and theatre licences is also worthy of note. At present the overall limitation of hours (with a very special and limited exception in the case of airport licences) is set by the hours for the sale of liquor with meals in hotel dining rooms. The latest hour for this is 11.30 p.m. and all bottles and glasses must be removed from the table by midnight. These hours have been applied not only to restaurants but to the newly created cabaret licences."

MR J. F. JEFFRIES HISTORICAL SUMMARY

10. We are indebted to Mr J. F. Jeffries, Counsel for the New Zealand Liquor Industry Council, for another useful and reliable summary of the history of our liquor laws. As this summary substantially coincided with that presented by the Department of Justice we reproduce it below as an additional helpful record of the historical background to the development of our present liquor laws:

"It is a truism that very little of the present can be understood without recourse to the past for at least a partial explanation of why things are what they are today. If that is true of most subjects, then it is doubly true of liquor legislation. The legislative history of our present law is very much a product of the necessities of fortune, the changing climate of opinion, social pressures, changing incomes and life styles. In fact the history of our liquor laws more than anything else represents a microcosm of New Zealand social history as a whole. As far as it is known the Maoris before European settlement did not brew, ferment or distill alcohol, and certainly they had no laws about it. Abel Tasman and James Cook no doubt had rum aboard their vessels.

"Whalers and fugitives from justice in the early part of the last century most certainly manufactured spirits, often of a raw and dangerous nature, and one of the first things Governor Hobson did was to prohibit the distillation of spirits for drinking. Before the passing in New Zealand of the Liquor Licensing Ordinance of 1842 the New South Wales liquor laws were applied for a time. These gave local Justices the power to issue licences without restriction as to number. Liquor appears to have been freely available, at a price, from grocers' stores. The period of almost unrestricted sale was not successful. The Licensing Ordinance of 1842 did not provide an effective restriction on the number of liquor outlets: neither did it provide for any kind of continuing surveillance of existing licences and conditions for drinking. Notwithstanding the passing of the Licensing Act 1881, the general attitude of the population to the consumption of liquor deteriorated up to the commencement of World War I. The deterioration was reflected in public drunkenness and a consequent rise in convictions. It has become commonplace to trace the rise in number and influence of the prohibitionists with the deterioration in behaviour attributed to the consumption of liquor.

"In the very early days liquor became a useful commodity of the unscrupulous in their dealings with the Maori Chiefs, and the 1847 Sale of Spirits to Natives Ordinance attempted to limit the use of intoxicating liquor by Maoris. The sale of liquor to Maoris was strictly prohibited in most areas of the colony. This discriminatory restriction (albeit passed with the highest of motives) did not prevent the sale of liquor to Maoris, and resulted in them often being sold bad liquor. The 1842 Licensing Ordinance was amended in 1851 by a curious provision which permitted Justices to reduce the number of licences in a particular district, if they thought it 'necessary', by cancelling the licences of the 'least orderly' public houses. It might have been more sensible to allocate licences on a population basis and to require public houses to be conducted in an orderly manner, but whether or not this was feasible is unclear.

"When the General Assembly was established in 1852 by the Constitution Act, one of its first measures was to exempt Parliament Buildings from the general law relating to the sale of liquor. The Licensing Act 1881 was the first comprehensive piece of legislation designed to provide an overall control and regulation of the liquor trade. It provided for a reasonably sophisticated system of licensing those engaged in the manufacture and sale of liquor. One of its main purposes was to restrict the further proliferation of licences. The general attitude of restrictions, with its good and bad side-effects, continued, with the legislature—undoubtedly stimulated by the rising influence of prohibitionists—pulling tighter on the four corners of the net it had brought down on the trade. The introduction of 6 o'clock closing as a war-time measure in World War I was probably the most celebrated single restrictive act.

"From time to time the public gradually, and often imperceptibly, becomes uncertain of its direction and suffers loss of confidence on matters of considerable public importance. The control of liquor is a notable example and this present Royal Commission is a further manifestation of this phenomenon, which because of the nature of alcohol ought to be regarded as a proper response. This uncertainty

often manifests itself in a demand for an objective assessment to be carried out by an impartial body. The liquor industry has been so examined this century on no fewer than five occasions (including this Royal Commission), with each investigation to a greater or lesser extent resulting in legislative changes in our liquor laws. The remainder of the history of our liquor laws up to 1946 can conveniently be placed within the framework of the four previous investigations. The first, second and fourth of these inquiries were carried out by Parliamentary Committees, but the third was a full-scale Royal Commission on licensing under the chairmanship of Sir David Smith, then a distinguished Judge of the Supreme Court. The Royal Commission reported in August 1946. . . . Making allowance for a slight adjustment because of World War II, the inquiries have sat at about 15 to 20 years intervals, namely 1902, 1922, 1945, 1960 and now 1974. The first investigation was carried out by a committee of the Legislative Council in 1902. As already noted, a principal purpose of the then Act had been restriction on the issue of licences. They could be issued only with the sanction of the electors of the licensing district. The Alcoholic Liquors Sale Control Act 1893 provided that the electoral districts should also constitute the licensing districts, and it gave comprehensive power to the voters over liquor licensing. These methods proved all too effective, expecially over the power to issue new licences and with an expanding population this greatly increased the value of existing licences. Following this inquiry, the Licensing Act 1908 was passed. This, together with its numerous amending Acts, contained the major part of the legislation on liquor until its replacement with the current legislation in the Sale of Liquor Act 1962. Following Clutha in 1893, from 1902 onwards the country—not too gradually—dried up in many areas. By 1908 nearly a sixth of the electoral districts had carried no-licence. In 1911 the vote for prohibition exceeded 50 per cent, but at 55.82 per cent fell a little short of the 60 per cent then required for complete victory. The law was changed to require only a 50 per cent majority, and in December 1919 49.7 per cent voted for prohibition—failing to carry the day by only 3263 votes. In this period the employment of barmaids was restricted to those currently engaged in the work, and they were not to grace our bars again until 1961. The minimum drinking age was *raised* from 18 to 21 years. In 1917 the malevolent 6 o'clock closing was introduced, and it remained to haunt us until 1967. In December 1921 a Select Committee of the House of Representatives was established under the chairmanship of Mr F. Hockly M.P. to consider the licensing law. The Hockly Committee, as it was known, brought down quite extensive and far-reaching recommendations on the licensing laws, but they were largely ignored by the legislature. Through the 1920s and 30s the appeal of prohibition gradually, but discernibly, diminished. Only 14.8 per cent voted for national prohibition at the 1972 general election. Such a low percentage now raises questions as to the desirability of putting this issue to the electors every three years as has already been submitted.

"However, to return to the period in question. Throughout this time the number of hotels decreased, and this situation was worsened by the failure of existing licences to reflect truly the population drifts. In 1945, when the successful end of World War II was clearly in sight, the then Labour Government established the Royal Commission on Licensing under the chairmanship of Mr Justice Smith, (later he became Sir

David Smith) with an able complement of members knowledgeable on all aspects of the industry. The Report was presented to the Government on August 27, 1946. The task of even attempting to summarise the recommendations of this Commission is too demanding to undertake. However, it can be said that the principal recommendation of the majority for the acquisition of all breweries and their licences by a public corporation and the establishment of a Liquor Manufacture and Sale Board, together with the issue to the Board of 'bar' licences, were not implemented even by the reasonably militant first Labour Government. The remainder of the account of the legislation is to be found in 1.3, 1.4 and 1.5 of the Council's submissions."

11. From a consideration of these two historical summaries the following factors clearly emerge:

(a) The influence of the Prohibition Movement reached its peak in 1919 when prohibition obtained 49.7 percent of the total votes cast and failed to achieve victory by only 3,263 votes. Since then support for prohibition at the polls has steadily declined so that it must be accepted that a large majority of New Zealanders favour the provision of facilities for the sale and consumption of alcoholic beverages. This is an inescapable fact.

(b) Since it was first established in 1948 and commenced its duties on the 1st June 1949, the Licensing Control Commission has achieved a manifest but necessary improvement in the standard and condition of licensed premises. This has resulted in the provision of much better accommodation and improved facilities for drinking in greater comfort.

(c) Since the last Royal Commission reported in August 1946 successive Parliaments have substantially amended the liquor licensing laws which had remained restrictive and almost unchanged, except for the imposition of more controls, for a period of about 30 years from 1918 to 1948. During the 15 years following the 1946 report, the legislature proceeded with caution until 1961 when it passed the extensive Licensing Amendment Act 1961 which was soon followed by the Sale of Liquor Act 1962. The enactment of this statute marked the commencement of a new era. New types of licences to sell liquor from new outlets have been introduced, the prohibition against dancing and entertainment in hotels and taverns was relaxed, and a cautious trend towards liberalisation has become discernible. A definite indication of this trend was the reintroduction of 10 p.m. closing in hotels, taverns, and chartered clubs following the 1967 referendum which carried by a convincing majority the extended hours proposal.

(d) The voters in a number of districts which had been "dry" for many years have carried by the prescribed three-fifths majority the poll for restoration of facilities for the sale and consumption of alcoholic liquor in their area.

(e) The development of licensing trusts in New Zealand. This important subject is dealt with in detail later in this report.

Part III THE PRESENT LAW

1. ITS PRINCIPLES AND CHARACTERISTICS

12. A brief reference to the present law provides an appropriate starting point for our report. The Department of Justice gave a concise and, we believe, accurate description of the present law—its principles and characteristics—appearing in Part III of its first submission, commencing at page 21. We accept and set out below this extract from the Department of Justice's first submission:

"The principles underlying the Sale of Liquor Act 1962 appear to be these—

1. That alcoholic liquor may not be sold without a licence.
2. (We have omitted item 2 because we consider that without some qualification it could create a misleading impression).
3. That the times during which liquor may be drunk in a public place should be limited. In particular the sale and consumption of liquor on a Sunday is with rare exceptions, prohibited.
4. That the standard and condition of licensed premises should be the subject of close regulation by a public authority.

To these may be added three propositions that were not absolute even in the 1962 Act and that have since been further weakened, but that are still influential—

5. That the privilege of selling liquor, especially for consumption off the premises, carries with it the obligation of providing accommodation and meals to the travelling public or of contributing to the cost of so doing. The licensed accommodation hotel is the subject of special solicitude in the 1962 Act.
6. That liquor facilities should be concentrated in the central or commercial areas of the larger towns rather than in suburban neighbourhoods.
7. That the public consumption of liquor should be a segregated activity—segregated both from other forms of social amenity and from the family unit.

"Broadly, there are two types of licence, those where the sale of liquor is a licensee's principal business, and those where the sale of liquor is or is supposed to be incidental to other amentities provided by the licensee. Those that fall into the first group are wholesale, hotel premises and tavern premises licences, while examples of the latter include tourist-house, theatre and restaurant licences. At first sight it may seem a little strange to suggest that the principal business of a hotelkeeper is the sale of liquor rather than the provision of accommodation. However, looked at from the point of view of the bar and bottle store patron this is in fact the case. His principal purpose in being there is to consume or purchase liquor.

"The task of licensing premises and sellers, determining how many outlets there shall be and where they shall be situated, and regulating the liquor industry generally, is entrusted to the Licensing Control Commission with a subordinate role for licensing committees. There are 21 of these, each with a Magistrate as chairman and 4 other members, being members of and elected by the territorial local authorities of the licensing district.

"The Commission's functions are set out in s. 10 of the Sale of Liquor Act. Principally, they are to determine how many and what types of licence should be authorised in a particular area, and to prescribe minimum standards in respect of the various types of licensed premises. The Commission is assisted by Inspectors of Licensed Premises, and it can also call for reports from the Police and the various local government agencies concerned with public health, fire prevention and public safety and town planning. Neither the Licensing Control Commission nor licensing committees have any jurisdiction over district licensing trusts, but they do exercise control over *suburban* and *local* licensing trusts, which are in fact formed to hold and operate certain licences authorised by the Commission.

"It is important to distinguish clearly between the authorisation of a licence, the grant of an application for a licence, and the issue of a licence. A licence is *authorised* when the Commission decides that a licence of that type is, in the words of the Act, 'necessary or desirable' in a particular area. An application for a licence is *granted* when the Commission is satisfied that the applicant is entitled to the licence. The licence is *issued* when the person entitled to it has complied with all the requirements of the Commission in respect of his premises and facilities. These stages are of particular importance to those who wish to object to the establishment of hotel or tavern premises licences.

"When the Commission has decided to authorise a new hotel and tavern premises licence in a particular area any local authority or 50 or more residents may seek an area poll on the question of whether a majority of the residents are opposed to the establishment of such an outlet in that area. When an application is granted objection may be taken to the site on certain grounds specified in s. 92 of the Act. The Act no longer allows for a poll in respect of a particular site but an appeal can be made to the Town and Country Planning Appeal Board. Only when all rights of objection and appeal have been disposed of can a licence be issued. We emphasise that all these requirements are over and above those of the town planning legislation. The requirements of town planning schemes must be observed and the procedures (including rights of appeal) followed. There are thus many hurdles facing those who wish to see a new hotel or tavern in an area.

"Considerable importance is attached by the Act to the provision of hotel accommodation for the travelling public. This is made particularly clear in s. 75 which sets out the circumstances in which hotel or tavern premises licences may be authorised. In deciding whether or not to issue such a licence in a particular case the Commission must have regard to inter alia 'the requirements of the public in relation to the provision of accommodation in the locality or place', and it is probably not without significance that this factor is listed ahead of the requirements of the public in respect of the

purchase and consumption of liquor. In considering whether to authorise a tavern premises licence the Commission must 'have regard to the effect that the grant of such a licence might have on the business of any hotel premises if the Commission thinks it fair and equitable to do so, having regard to the sales of liquor on the hotel premises, the provision made for accommodation on those premises and all the circumstances of the case', and shall not authorise such a licence unless 'it is of opinion that it is not necessary or desirable that accommodation be provided on the premises to be licensed, and that accommodation is not likely to be required on those premises in the near future.' Finally, to make quite certain that the message has got across subsection (4) states that the Commission's object is to be 'as far as practicable, to secure the provision of reasonable and adequate accommodation, and subject to the provision of such accommodation to secure the provision of reasonable and adequate facilities so that those who wish to do so may drink in reasonable comfort.'

"The presumption is that the provision of reasonable and adequate hotel accommodation is in the public interest (which everyone would accept) and that it is uneconomic to provide this without a subsidy from the sale of liquor (which is by no means necessarily true). A further consequence of this is that tavern-keepers and wholesalers are required to assist in the provision of hotel accommodation by way of contributions to the Licensing Fund, the former by way of a 3% levy on turnover, the latter by payment of a fair price on the grant of the licence representing the Commission's estimate of the goodwill value of the monopoly it confers. By way of explanation it should be said that the Licensing Fund was set up by the Licensing Amendment Act 1948 to receive the payments made as the 'fair price' of new licences issued and to pay out compensation for cancelled licences. Today its principal revenue comes from the two sources mentioned and its primary purpose is to make loans for the provision of new and improved accommodation. Interest on investments is available by way of grant for various purposes, including research and education in the field of alcoholism.

"The Commission has a complete discretion to prescribe minimum standards in respect of each type of licensed premises, and may waive compliance with any such requirement in a particular case. A failure to meet the Commission's standards can (at least theoretically) lead to the suspension or revocation of a licence. Removal of licences from one site to another require the approval of the Commission, and transfers of licences from one person to another require official sanction from the Commission or the licensing committees.

"Controls exist over the persons engaged in the actual conduct of the business, be they licence-holders or managers, and their duties and responsibilities are carefully spelt out in the Act. Most forms of entertainment on licensed premises require a permit, and any variation in the hours of sale to have earlier hours of opening and closing must be approved by the licensing committee.

"In short, the licensed trade's claim that theirs is the most carefully and comprehensively regulated industry in New Zealand is, beyond question, well-founded."

13. As the Department of Justice has been and is responsible for the administration of the Sale of Liquor Act 1962, we regard as important its considered view of the strengths of the present law which is expressed in the following paragraphs of its submission:

> "... We claim that the Sale of Liquor Act 1962 marked a considerable step forward in the direction of consistency, comprehensibility and efficiency.
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> "Many of its virtues lie in its administrative aspects. While the Licensing Control Commission has failed to please everyone, the value of its work has been widely recognised. It has been helped by the carefully devised powers that have been conferred on it to enable it to fulfil its responsibilities. The whole administrative structure of the Act has been successful in achieving a remarkable degree of efficiency and efficacy and avoiding the twin extremes of autocracy on the one hand or impotence on the other.
>
> "The criminal sanctions are clear, consistent and comprehensive. While they may be restrictive of personal liberty and their compass too all-embracing, they do have the virtues of clarity and certainty. If a person takes the trouble to look them up they leave little doubt what is forbidden.
>
> "I have already mentioned the powers given to the Commission to prescribe minimum standards and to withhold the licence until they have been met. This has been valuable in respect of new licences. The results that have been achieved by use of the powers given to the Licensing Control Commission under the transitional provisions of the Act already referred to have been remarkable, although it is only fair to say that without the co-operation of the trade the Commission's path would have been a much harder one. The combined spurs of the drastic legislation of 1961, the firmness tempered with commonsense shown by the Commission, and the enlightened self-interest of the hotel industry has effected what can soberly be called a dramatic improvement in the standard of almost all licensed premises during the past 12 to 15 years. The introduction of evening hours has played its part, but it would be churlish to deny credit to the industry as well as to the Commission for the transformation of drinking premises from the often sub-human conditions of the 1950s to their comfortable and often luxurious state in the 1970s.
>
> "The legislation of the 1960s also saw a welcome introduction of flexibility in two fields. The first was in the hitherto almost inviolable connection between the sale of liquor and the provision of accommodation, and we do not think that the importance of the creation of the tavern premises licence should be minimised. Secondly, the 1962 Act began a process of relaxing the taboo on mixing liquor with dancing and entertainment. While it retained tight control through the requirement of permits it did open a door that had been firmly kept shut for so long."

14. On the other hand the Department of Justice stated its considered view that the present law is seriously wanting in certain respects. In particular it mentioned the multiplicity of licences carefully defining the circumstances in which liquor may

be sold or consumed, resulting in extreme rigidity and the creation of anomalies; the variety of opening and closing hours; the creation of valuable property rights in the hands of a licence holder; and the plethora of polls and objections which can frustrate the establishment of a new hotel or tavern in an area where it is needed.

15. The Department of Justice proceeded in its submission to set out suggested propositions for liberalising the present law. While some witnesses favoured these proposals many were strongly opposed to them. This illustrates the existence in our society of a clear division between those who favour liberalisation of the liquor laws and those who firmly oppose any further relaxation of them. Perhaps a sensible solution is to be found somewhere between these two opposing views.

2. THE NEED FOR CONTROL OF THE SALE AND CONSUMPTION OF ALCOHOLIC LIQUOR

16. Only a very few of the many witnesses who gave evidence before us advocated the abolition of all controls relating to the sale and consumption of liquor. Most of them freely acknowledged the need for retaining some control and regulation in this regard because of the nature and peculiar properties of alcoholic liquor which can have harmful effects if used unwisely or consumed to excess.

17. Intoxicating liquor is unlike most other commodities which are harmless in themselves. Liquor is potentially dangerous and harmful because of its effects. These effects can be devastating to those who are vulnerable to liquor, can result in the commission of crimes or creation of road hazards, and can be the cause of much family strife and human misery. In these circumstances it is necessary to strike a reasonable balance between the restraints required to protect society from drunkenness, abuse, or social mischief and the right of the individual to exercise freedom of choice in a responsible society.

18. Therefore we **recommend** that the sale and consumption of liquor in New Zealand should remain under legislative control.

Part IV THE LICENSING SYSTEM

1. CLASSIFICATION OF LICENCES

19. The Department of Justice advocated that a new and simple classification of licences to sell liquor be substituted for the present system of separate licences contained in the Sale of Liquor Act 1962. It submitted that four basic situations are to be dealt with. These are:

(a) Where the principal purpose of attending particular premises is to procure and consume liquor there;

(b) Where the provision of liquor for consumption on the premises is incidental to the main facility to be provided to patrons;

(c) Where liquor is purchased for consumption off the premises; and

(d) Where liquor is required for some function or occasion.

20. It was suggested that to meet these four cases the law might provide for four types of licence, to be called:

(a) *General Licence*—to relate to present hotel premises and tavern premises and would authorise sales of all kinds of liquor for consumption on or off the premises.

(b) *Ancillary Licence*—to authorise sale of liquor on premises wherein some other amenity is provided, to which the use of liquor is reasonably ancillary, e.g., theatre and restaurant licences.

(c) *Off-sale Licence*—authorising the sale of liquor for consumption away from the premises where it was sold. It was envisaged that this type of licence could apply to grocers' shops, supermarkets, and other outlets in addition to the existing licences—wholesalers and wine resellers.

(d) *Special Licence*—this would supersede the booth licence, but would also be available for such special occasions as reunions, weddings, balls, parties, and other special functions.

21. These proposals were criticised and opposed by the New Zealand Liquor Industry Council and also by the New Zealand Association of Licensing Trusts both of whom supported the existing system of licensing which, according to the evidence

adduced by them, was understood by all parties concerned and had worked satisfactorily. They countered the Department of Justice's criticism that the number of existing licences individually defined caused rigidity and anomalies by asserting that definition and precision which can be readily understood are preferable to simplification possibly resulting in uncertainty.

22. In view of the weight of evidence against the proposals made by the Department of Justice we consider that the present licensing system should be retained, and not be dismantled to make way for an entirely new, untried system. In reaching this decision we are influenced by the following considerations:

(a) The existing types of licences have been accepted and are understood by those who have to deal with them. A licensee and any new applicant should know what the licence authorises him to do. The rights and obligations of the holder of the licence are prescribed and the licence itself is defined so that its purpose and extent are known.

(b) The police are familiar with the existing licences and this facilitates the enforcement of the law.

(c) As to the proposed general licence, we can see no compelling reason for a change. The concept of a premises licence and a keeper's licence for an hotel, a tavern, and a tourist house is now well established and understood. To change the accepted structure for something new might well result in confusion or lack of certainty without any compensating advantage.

(d) The proposed "off-sales" licence could bring about an undesirable proliferation of applications for off-sales licences, and this could place a heavy burden and undue pressures upon the Licensing Control Commission which would have to adjudicate on each application to ensure that proper facilities and adequate standards will be maintained.

(e) The contemplated additional "off-sales" outlets will create greater availability and consequently increased total consumption of liquor, thereby placing at even greater risk the alcoholics and problem drinkers in our society.

(f) The lack of precise statutory definition of licences, their purpose, and extent will leave much to the discretion of the Licensing Control Commission, thus making more onerous its task of granting or refusing applications for licences. If its discretion is too wide the Licensing Control Commission is really being called upon to exercise a legislative function which is the prerogative and the responsibility of Parliament itself.

2. THE LICENSING CONTROL COMMISSION

23. It was freely acknowledged by many witnesses that the Licensing Control Commission has performed its function successfully and well. It has brought about a remarkable improvement in hotel standards generally and in the quality of the facilities provided for accommodation and drinking in greater comfort. We have heard no serious criticism of it but the value of its work has been widely recognised. Its role has become accepted and it continues to give satisfaction in fulfilling its responsibilities. The exercise by the Licensing Control Commission of its powers and duties has become an integral part of our licensing system and in our view the need for this still exists. Its principal functions as set out in section 10 of the Sale of Liquor Act 1962 appear to be adequate.

24. Therefore we **recommend** that the Licensing Control Commission be retained with at least its existing statutory functions and powers.

3. DISTRICT LICENSING COMMITTEES

25. While the Licensing Control Commission is given the task of licensing premises and sellers, determining how many outlets for the sale of liquor there should be and where they shall be located, and generally regulating the liquor industry, licensing committees also have a minor role to fulfil in their respective licensing districts. There are 21 of these licensing committees, each with a magistrate as chairman and 4 other members elected by the territorial local authorities of the particular licensing district. A licensing committee exercises its powers and functions only within its own licensing district and in respect of licensed premises located there.

26. The Licensing Control Commission grants any new premises licence but applications for the keeper's licence in respect of such premises are heard and dealt with by the appropriate licensing committee. If the commission decides it should issue a wholesale licence it shall fix a fair price for such licence and issue a certificate authorising the licensing committee to receive and consider applications for each licence. (Section 113 of the Sale of Liquor Act 1962.)

27. A similar procedure is followed with regard to the grant of a wine resellers licence. (Section 157 (5) of the Sale of Liquor Act 1962.) Under section 52 of the Act where the commission holds a public sitting for the purpose of considering the grant of a new licence in a particular area the licensing committee for that district can appoint one of its members, other than the chairman, to sit with the commission.

28. It is desirable that the district licensing committee should deal with matters where the local knowledge of its members can prove useful.

29. We received a submission from the local authorities in the No. 21 (Southland) Licensing District suggesting—

(a) that licensing committees, if they are to have no real area of responsibility, should be replaced by the stipendiary magistrate who serves as chairman of each committee; or

(b) that licensing committees should have clear-cut and well-defined areas of responsibility within their own district with control over their functions exercised as may be necessary by the Licensing Control Commission and with that body acting more often as an appeal tribunal from decisions of licensing committees.

The submission advocated the latter course.

30. We can see no real difficulty arising from the fact that the powers and functions of licensing committees are not codified as are those of the Licensing Control Commission, particularly when it is found that "throughout the administrative sections of the Sale of Liquor Act 1962 . . .—the powers of the Licensing Committees are specified whenever a committee is empowered to do any act, matter or thing referred to in any particular section." (*Luxford's Liquor Laws of New Zealand*—3rd edition, p. 11.)

31. The submission makes the point that throughout most sections of the Act where authority is given to a committee it is similarly given to the commission which alone can do certain acts that cannot be done by committees. A concurrent jurisdiction vested in a licensing committee as well as in the commission could be an advantage and a convenience in some circumstances.

32. In the absence of any complaint concerning real defects in the existing system of dual control—nationally by the Licensing Control Commission and locally by licensing committees acting in a minor role—we accept that this form of control is working effectively. It is noted that under the provisions of section 12 of the Sale of Liquor Act 1962 the Licensing Control Commission is empowered from time to time to issue to licensing committees any statement setting out its views on the general administration of the Act or on policy matters, or supplying information obtained by the commission.

33. With reasonable co-operation and communication between commission and committees they should be able to work together amicably and effectively. We are not persuaded that there is any real need to alter the existing position. Accordingly we **recommend** that the existing method of control, mainly by the Licensing Control Commission assisted by licensing committees, contained in the Sale of Liquor Act 1962 be retained.

4. SPECIAL ANCILLARY LICENCE

34. While we favour the retention of the existing main structure of the present system of licences we agree with the Department of Justice's submission that it is undesirable and inconvenient to have Parliament amend the law whenever a new type of licence is needed to meet changing circumstances or because such a licence is not specifically available under the existing statute. It is in the area of the special licence which authorises the sale of liquor on a special occasion or for some particular purpose that the unusual or unforeseen situation is most likely to arise. We recall that a number of witnesses emphasised the need to encourage social drinking as something incidental to an acceptable activity or pursuit to be enjoyed with congenial companions who share a common interest. They advocated shifting the emphasis from drinking for the sake of drinking in an hotel or tavern to drinking in a relaxed and friendly atmosphere as part of a meal or of some worth-while leisure pursuit or socially accepted form of relaxation. It was to this sort of drinking that the Department of Justice envisaged its proposed ancillary licence would relate.

35. In an attempt to remedy this situation we propose the introduction of a special ancillary licence to be available where the provision of liquor for consumption on the premises is incidental or ancillary to the main facility to be provided for patrons on those premises. The applicant should establish that none of the other licences specifically mentioned in the Act would meet his reasonable requirements. Having regard to the great variety of circumstances which could conceivably be relied on to justify an application for such a licence it would be necessary to allow the Licensing Control Commission a wide discretion in dealing with such an application. It should be able to grant the licence in a genuine case but to refuse it if the possibility of abuse is detected.

36. We have in mind a number of submissions which were made at our sittings in Auckland. Each of these submissions explained why, in the unusual or special circumstances of the case, a liquor licence could not be obtained under the existing legislation. Particulars of some of these submissions are set out below.

The Fourth Estate Incorporated (The City of Auckland Press Club)

The Fourth Estate is in effect a press club. Membership is restricted by its constitution to those servicing the communications media, a task which continues 24 hours a day. Nearly all of its members work constantly at night and all are likely to do so at any time. A club charter under Part V of the Sale of Liquor

Act 1962 would be useless because, pursuant to section 168 of the Act, a chartered club must be closed for the sale of liquor from 10 p.m. on one day until 9 a.m. on the next day so that the club would be unable to sell liquor during the very period when the members would wish to have it. Consequently they requested that the Licensing Control Commission be empowered to issue a night charter to clubs which:

(a) Are composed of members with a community of interest;
(b) Can satisfy the Licensing Control Commission that their membership is composed wholly or mainly of night workers;
(c) Are not run for profit or gain.

We considered this request to be eminently reasonable and in our view such a club should be able to apply for a charter suitable for its special requirements.

Sale of Liquor with Meals by Caterers and at Social Gatherings where Food is Provided

37. Mr C. A. Burnett carries on business at Ngongotaha, near Rotorua, as a caterer in conjunction with his own reception lounge which is of adequate size and equipped with toilets, coolroom, and other facilities including a catering kitchen. His premises are situated in a well-known tourist district which is visited by large numbers of overseas tourists and also New Zealanders. He has built up a considerable business in providing meals for touring parties and holiday makers. He supplied figures to substantiate this. Most parties call for lunch but some were there for breakfast in the morning or for dinner at night. Bookings for touring parties are made through tourist agents and so a bus load of visitors will arrive for a meal.

He also caters in his lounge for a number of social functions held by local organisations and clubs. Because of the spread of hours during which meals have to be provided to meet the varying times of arrival of touring parties a restaurant licence is not suitable for his requirements. Also he does not wish to serve meals to the general public. Also when catering for parties, weddings, and socials for local organisations he encounters difficulties with the requirement of section 219 of the Sale of Liquor Act 1962 that no charge is to be made to any person for liquor supplied to him other than a charge for admission to the gathering.

Similar submissions were made by other caterers for social gatherings at their reception lounges (Majestic Lounge, Wellington, and "Manhattan", Auckland).

38. Instead of creating another separate type of caterer's licence to meet these cases it would be desirable to have available the more flexible ancillary licence to cover all cases, of which those mentioned above are typical, where the right to sell liquor is merely incidental to the main facility provided for patrons or members in the case of a club or society.

Yugoslav Benevolent Society Incorporated: Auckland

39. This society has its own clubrooms in Auckland. Its membership is limited by its rules to persons of Yugoslav descent and their spouses. The Yugoslav community is a tightly knit family community. Its members still have a keen cultural awareness of the Yugoslav heritage. A strong feature has been and still is the family which extends to all relatives. Many Yugoslavs are engaged in the grape growing and winemaking industries. Their clubroom is a meeting place for families of Yugoslav descent and provides complete family involvement.

40. Functions are held there every Sunday evening in the hall—the Adriatic Ballroom—at which whole families, including young children, attend. They come from homes where wine is traditionally consumed in the presence of the children. It is part of their way of life. They wish to continue the same practice in their clubroom, but have no wish to break the law.

41. This is another unusual case where, because of its special position, the society may be able to satisfy the Licensing Control Commission that it is entitled to an ancillary licence.

42. There will be many other cases in the same category but for different reasons. Accordingly we **recommend** that provision be made for:

(1) An Ancillary Licence which shall authorise the licensee to sell and dispose of liquor for consumption on the premises specified in the licence at any gathering held thereon at which not less than 20 persons normally are or will be present for the purpose of partaking of a meal or refreshments provided for patrons or participating in an activity in which those present share a common interest and of the nature described in the next succeeding subparagraph taking place on such premises, in such circumstances that the consumption of liquor is incidental or ancillary to that purpose.

(2) "Activity" referred to in the preceding subparagraph means: a social, educational, musical, artistic, recreational, or cultural gathering; dancing, entertainment, study, and social intercourse.

(3) The hours during which and the days of the week (including Sunday in appropriate cases) on which liquor may be sold under

this licence shall be fixed by the Licensing Control Commission having regard to the reasonable requirements of the licensee, but only while the licensed premises are actually being used for the specified purpose. The total number of hours during which liquor may be sold in any one week shall not exceed 66.

(4) No such licence shall be issued unless the Licensing Control Commission is satisfied that no other type of licence under the Sale of Liquor Act would suit the applicant's reasonable requirements.

(5) No such licence shall be issued or renewed unless:

(a) The applicant or licensee provides reasonable facilities for the purposes specified in the application or the licence, as the case may be; and both the premises and the facilities provided therein are suitable for those purposes.

(b) The premises are used in good faith and genuinely for the specified purpose.

(6) No proprietary club may apply for an ancillary licence, but this provision shall not apply to a proprietary club whose membership is composed mainly of families and which predominantly caters and provides facilities for family groups so that members of a family can together engage in sports, recreation, entertainment, or cultural activities in pleasant surroundings.

(7) This licence may be suspended or cancelled for any breach of condition or abuse by the licensee.

(8) Such a licence shall not authorise the sale of liquor for consumption off those premises.

Part V ACCOMMODATION

"TRADITIONAL LINK" BETWEEN THE SALE OF LIQUOR AND THE PROVISION OF MEALS AND ACCOMMODATION

Historical

43. From 1842 to 1880 there was no legal limitation upon the number of licences of any description which might be granted in any district. As at 1945, the Royal Commission quoted section 30 of the Licensing Amendment Act 1910, which provided that no new publican's licence (and other types of licences) may be granted except:

> "When a licence has been forfeited or has not been renewed or has otherwise ceased to exist."

One purpose of this limitation of competition in the sale of liquor could well have been to protect those willing to cater for meals and accommodation for the travelling public.

44. The 1945 Royal Commission (page 32) referred to the requirements of the 1908 Act where section 76 provided:

> "That a licence (Publican's) shall not be granted unless the premises have:
>
> (a) A principal entrance separate from and in addition to the bar;
> (b) At least six rooms besides the billiard-room (if any) and the rooms occupied by the applicant's family;
> (c) Sufficient doors and facilities for escape from fire;
> (d) A place of convenience for the use of the public; and
> (e) Where necessary, stabling accommodation for three horses."

For some unaccountable reason a licensing committee of that period had only the power to require that the premises be kept in a sanitary condition and in repair. The question of imposing standards came later.

45. The desirability of setting standards of accommodation was recognised by the 1945 Royal Commission who were farsighted enough to affirm in paragraph 634:

> "It is a relevant consideration that if modern hotels were built more tourists would probably be attracted for longer periods."

This commission could easily paraphrase that sentiment by affirming that even more tourists could be attracted if more suitable hotels or licensed motels are built in the near future.

46. In his concluding address to the commission, Mr J. F. Jeffries, Counsel for the Liquor Industry Council, referred to the historical development of accommodation for the travelling public in England where monasteries had been taken over for that purpose. However, he said:

> "Young, sparsely populated colonies such as Australia and New Zealand found a different solution by taking a commonly, almost universal, used commodity and linking its sale to an obligation."

Conflict in Submissions

47. The Department of Justice, in its first submission, on page 21, sets out four principles underlying the Sale of Liquor Act 1962, then adds:

> "To these may be added three propositions that were not absolute even in the 1962 Act and that have since been further weakened, but are still influential."

The relevant proposition is:

> "That the privilege of selling liquor, especially for consumption off the premises, carries with it the obligation of providing accommodation and meals to the travelling public or of contributing to the cost of so doing. The licensed accommodation hotel is the subject of special solicitude in the 1962 Act."

48. Mr J. F. Jeffries was critical of the Department of Justice references to the obligation of the licensed hotelkeeper to provide meals and accommodation in his cross-examination. In his concluding address he acknowledged that the Department of Justice, at paragraph 30 of the second submission, stated:

> "We accept that our main submission was fairly open to criticism in this area in that we did not sufficiently elaborate our views on the relationship which we saw between the privilege of selling liquor and the obligation of providing accommodation."

49. It is therefore obvious that there has been for about 100 years a link between the sale of liquor and the provision of meals and accommodation for the travelling public. It is also obvious that during the last 10 to 15 years that traditional link has been eroded by the proliferation of outlets, legal and illegal, for the sale of liquor. This, no doubt, reduced the profitability of some hotels and taverns and has resulted in many privately owned concerns now being owned by breweries or other companies.

Department of Justice Views (Summarised)

50. If their specific proposals were adopted, they would continue and perhaps accelerate the process of weakening the link between

the sale of liquor and the provision of accommodation, a process that really began in 1960 and 1961 with the introduction of taverns and licensed restaurants.

> "If a more speedy separation be the consequence of what we see as more sensible liquor laws, we (Department of Justice) would not be at all disturbed."

51. The department referred to the submission presented by Research Marketing Services Ltd. (commissioned by the Liquor Industry Council) which showed that one in nine New Zealanders stay in licensed premises. On the assumption that licensed premises are of a higher standard, should the man who chooses the higher standard of accommodation not be required to pay its full cost?

52. The department did not dispute that the accommodation side of some hotels is not profitable and conceded there may be some special cases where the provision of unprofitable accommodation is in the public interest, but submitted that those cases should not dictate the general policy. "There are other means of achieving the desired end" said the department. Unfortunately for the commission, there was no elaboration of that statement.

53. Finally, the department submitted:

> "Nevertheless, we did not and do not advocate the peremptory breaking of the traditional tie between accommodation and liquor."

Liquor Industry's Submission (Summarised)

54. The community in the past has exacted from those who sell liquor the obligation to support accommodation facilities of a certain standard. Any proliferation of licensed outlets must result in the straining and perhaps eventual breaking down of the link. This issue is not one of economics, but of public facilities and service to the public.

55. The purpose of licensing is to control the supply of liquor; not to restrict competition. As in the case of other licensed commercial and professional activity, licensing provides a system of orderly marketing. All licensing must of necessity limit competition.

56. The standard of accommodation, in return for the privilege of selling liquor, would not be economic but for the financial support received by liquor sales. Referring to the one in nine New Zealanders using licensed premises, this survey was taken over a period of 3 months; the same survey disclosed that 30 percent of New Zealanders used the food services of licensed premises, the provision of which is also a legal obligation in return for the privilege of selling liquor.

57. The Industry affirmed that it was a known fact that New Zealand would not have a tourist industry, but for the quality of its hotels, many of them absorbing very high losses over initial years of operation. This points to the value of the liquor/accommodation link.

Legal Recognition of the Link

58. The 1961 amendment to the Licensing Act recognised the practical development of two classes of licensed premises—those which provided meals and accommodation, and those that did not. The 3 percent levy on gross purchases of liquor imposed on the licensee of a tavern was justified by his being relieved from the obligation of having to provide accommodation for the travelling public.

59. The 1962 Sale of Liquor Act, as the Department of Justice stated in its submissions, had a special solicitude for the licensed accommodation hotel. Section 75 of the Sale of Liquor Act 1962 makes it crystal clear that the traditional link between the sale of liquor and accommodation is a primary consideration when applications for wholesale or retail outlets are received in any district over which the Licensing Control Commission has jurisdiction.

Value of the Link

60. The value of the link was very much in evidence following the review of all hotels which led to the new building era, commencing in 1964. The Licensing Control Commission noted with gratitude that new hotel buildings were springing up all over the country and complimented the two major brewing companies for their contribution to these developments.

61. During this period, major accommodation facilities were built in Auckland and Wellington and were content to rely on tourist-house licences. Both companies, however, are now seeking to change their status to hotel premises licences. This has been overcome in several other cases by the issue of extended premises licences.

62. To quote the Liquor Industry Council submissions (1.3.25):

> "The substantial hotel building boom was only made economical by the potential profitability of the total enterprise which in turn was dependent on the privilege of the sale of liquor."

63. It is a recognised fact that hotels have lost accommodation business to motels, but they are still compelled to maintain services to the travelling public that have become less economic in a period of rising costs. At the same time, profit support from liquor sales has been reduced because many new retail outlets for the sale of liquor have been granted.

64. It is also a recognised fact that tariffs have been increased especially in the medium and upper-priced hotels and that any further proliferation of outlets in competition with hotels will inevitably lead to even higher tariffs.

65. In cross-examination, Mr W. J. C. Thomas, President of the New Zealand Hotel Association, estimated that tariffs for the medium-priced hotels would have to be increased by 50 percent if any further erosion of the traditional link occurred from extra competition in the sale of liquor.

66. Mr Thomas also indicated that his association was greatly concerned about the number of hotels that had been converted to taverns (there are at least 264 taverns licensed) because of the cost of either updating accommodation or providing new accommodation and that many more applications for conversion could be expected. Unfortunately, the low and medium-priced hotels mostly used by New Zealand families, will be most affected, either by increased tariffs or a further loss of room capacity.

The Tourist Industry

67. Overseas visitors, according to the submissions of the Tourist and Publicity Department, increased from 5260 in the year ended March 1946 to 254,644 in the year ended March 1973.

68. Projections are that we can expect 577,400 visitors in 1981–82. Reserve Bank receipts increased from $8.7 million in 1962–63 to $57.4 million in 1972–73 and it is anticipated that receipts in 1981–82 will be in the vicinity of $178 million.

69. Accommodation will be the main problem as the department affirmed that licensed accommodation accounts for by far the greatest proportion of person/nights spent in commercial accommodation. Hotels and motels with restaurants accounted for 72.2 percent in the vacation category and 69.6 percent in the business category. It is not possible, the department said, to distinguish between licensed and unlicensed restaurants in the case of motels, but most would be licensed.

70. Of the 1060 establishments listed by coach tours in the tour programmes analysed in the period October 1969–September 1970, 527, or nearly half, held hotel premises licences, a further 30 percent held tourist-house licences, and 4 percent were premises with licensed restaurants. Eighty-four percent of establishments therefore were licensed to sell liquor to the tourists staying there, and only 16 percent were premises without licensed status. The reasons the tours stay at a particular establishment are the results of the needs and marketing demands of the passengers together with rates and standards of facilities offered.

71. Future accommodation requirements have been assessed by the Tourist Development Council from figures supplied by the department and are as follows:

	1974–76	1977–79	1980–82
For overseas visitors ..	1820	1790	2020
For New Zealanders ..	1300	1500	1700

To meet this demand, which is largely seasonal, incentives in the provision of capital expenditure will be arranged by Government as has been done in the past.

Conclusions

72. It is interesting to note in the Liquor Industry Council submissions that at March 1963 there were 1095 hotel licences and 23 tourist-house licences operating, a total of 1118. As at March 1973 there were 801 hotel licences, 264 tavern licences and 57 tourist-house licences, a total of 1122, an increase of 4 outlets for the sale of liquor, but a reduction of 260 in the hotel or accommodation category.

73. Admittedly, many hotels now converted to taverns would have been unsuitable for accommodation, either because of location or cost of bringing them up to Licensing Control Commission standards.

74. In the light of increased competition and high cost of building new hotels or renovating existing hotels is it any wonder that privately owned hotels have been sold out to breweries or other companies? In spite of that trend, of the 1122 licensed hotels, taverns, and tourist-house licensed premises, the ownership breakdown was as follows when the commission sat:

Brewery owned and managed	184
Other company owned or managed	46
Brewery owned and leased to private operators ..	140
Other company owned and leased to private operators ..	6
Privately owned and operated	746
	1122

75. The last group of 746 hotels and taverns includes some in which a brewery and/or other company have a financial interest, but the conduct of the day-to-day business is in the hands of private operators. This group comprises 79.5 percent of all retail outlets in New Zealand.

76. From newspaper reports, the two major brewery companies have been purchasing more hotels in both islands since the commission commenced sitting. It would appear that several have been leased to the previous owners. The previous owners

apparently have found that it is more profitable to lease their hotels than to invest in the capital expenditure necessary to keep hotels up to standards laid down by the Licensing Control Commission.

77. In July 1963 there were 48 permanent charter clubs and 129 renewable charter clubs. As at July 1973 there were 245 such clubs. In other words, the number of renewable charter clubs have almost doubled while the hotels, taverns, and tourist-house licences have remained at about the same number.

78. The competition in the sale of liquor experienced by hotels and taverns through the proliferation of chartered clubs must be enormous and has already seriously eroded any safeguards implicit in the liquor/accommodation link. It is reasonable to assume that if this situation is permitted to continue, tariffs in the lower- and medium-priced hotels must increase substantially and that more hotels will be offered to brewery companies and other company interests.

79. If "neighbourhood" taverns are to be encouraged, and all submissions were adamant that they would be desirable, then the economic viability will have to be seriously considered. The traditional link will be involved to the extent of the 3 percent levy and some kind of safeguard will have to be arranged, particularly if such taverns are to be privately or trust owned, to avoid unfair competition from clubs or other outlets not obliged to meet standards in the provision of amenities for the general public. The alternative would be brewery-owned taverns as an outlet for the products of the brewery concerned.

80. In general, unless hotels and taverns are given a greater degree of protection from unfair trading from the granting of outlets for the sale of liquor than they have had since 1962, the legal obligation to provide facilities for meals and accommodation and other facilities for the general public should be withdrawn. No other industry is expected to provide amenities for the general public. There seems no justification in equity for continuing to impose uneconomic conditions on hotels and taverns without some form of reciprocity.

81. The commission has been advised that there are other ways of achieving the desirable combination of the privilege of selling liquor and the acceptance of providing meals, accommodation, and other amenities to standards prescribed by the Licensing Control Commission, but no "other ways" have been outlined to the commission.

82. That in the absence of a suitable and acceptable alternative, we **recommend** the retention of the traditional liquor/accommodation link.

Part VI ALCOHOLISM AND DRUNKENNESS

1. ALCOHOLISM

Introduction

83. While this Royal Commission's terms of reference exclude direct consideration of alcoholism at the same time ". . . it is unreal to divorce questions of the sale or consumption of liquor from the social evils to which it gives rise." (See Department of Justice Submission No. 18.)

84. The commission believes that it has the responsibility for humanitarian reasons alone to emphasise to the people of New Zealand the insidious problem of alcoholism as it affects the health of individuals and in some degree the whole pattern of the country's social and economic well-being.

Definition of Alcoholism

85. Despite the many research studies in other countries, and the initial steps that have been taken in New Zealand, no one has come up with a precise and informed definition of what alcoholism is, its causes, and (apart from the amelioration resulting from total abstinence) its cure.

86. The World Health Organisation (WHO) defines alcoholism as "any form of drinking which in its extent goes beyond the traditional and customary dietary use of the ordinary compliance with the social drinking customs of the whole community concerned irrespective of etiological factors leading to such behaviour, and irrespective also of the extent to which such etiological factors are dependent upon heredity, constitution or required psychopathological and metabolic influences."

87. WHO defines alcoholics as "those excessive drinkers whose dependence on alcohol has attained such a degree that it shows a noticeable mental disturbance or an interference with their bodily and mental health, their interpersonal relations, and their smooth social and economic functioning, or who show the predominal signs of such development".

88. Although these definitions lack precision, there is no doubt, alcoholism is a disease directly related to the excessive ingestion of alcohol.

89. The New Zealand Alcoholism and Drug Addiction Act (1966) defines an alcoholic by stating: "Alcoholic means a person

whose persistent and excessive indulgence in alcoholic liquor is causing or is likely to cause serious injury to the health or is a source of harm, suffering, or serious annoyance to others or renders him incapable of properly managing himself or his affairs."

90. Dr E. M. Jellinek, M.D., D.SC., a world expert on alcohol problems, classified alcoholism in five general types:

(a) Purely psychological—for the relief of bodily and emotional pain—not dependent.
(b) Disturbance in the nervous system—and/or gastric complication—not dependent.
(c) A combination of both (a) and (b) with loss of control on drinking and dependence.
(d) Inability to abstain from alcohol.
(e) Periodic drinking with long periods between bouts.

(Ref. Page 335, *World Dialogue on Alcohol and Drug Dependance.* E. D. Whitney.)

91. It is an indication of the changing attitude towards alcoholism (and perhaps its growing prevalence) that the report of the 1945 Royal Commission on Licensing, while dealing with the mischiefs of liquor consumption, made no general observations on the subject apart from recording the decrease in deaths due to alcoholism in the period 1927 to 1942. Although there is a divergence of views on whether increasing the ready availability of alcohol because of increased outlets and disposable incomes of consumers, plus liberalisation of licensing laws, adds to this social disease, it is the view of the commission that legislative provisions for licensing the liquor industry must keep this possibility steadily in mind. In reaching this view we acknowledge the competence of those expert witnesses who consider that increased availability of liquor does not markedly affect the incidence of alcoholism in the community. We believe that regard must be held for the attitude of the segment of sincere citizens who have strong feelings that alcoholism can in some people be contained by licensing laws.

92. At the same time there is a danger that a public indifference to the health hazards of excess alcohol consumption militates against the desirability for Government to provide sufficient finance to maintain continuing research studies on alcoholism, its causes and remedies. The basic type of research that is being done at Massey and Otago Universities, by Professor J. R. McCreary, Professor of Social Work of Victoria University, and by the National Society of Alcoholism and Drug Dependence New Zealand (Inc.) and others is, because of lack of finance, inadequate for the requirements of a modern affluent society, which New Zealand is.

Alcohol and its Effects

93. Alcohol has been used by mankind since the beginning of recorded history. Historians have suggested that the fermentation of honey was the first type of alcohol known to man.

94. In early civilisations it is contended that it might have been safer to drink fermented beverages in preference to polluted water which contributed to dysentery, worm infection, and other diseases.

95. Breweries existed in Egypt nearly 6000 years ago. The process of distillation was evolved around A.D. 800 (Berton Bouche) and by 1900 all the forms of alcohol now known had been discovered, tried, and appraised.

96. We have noted the lack of evidence during our hearings on the characteristics of alcohol.

97. The Liquor Industry Council in its final address referred to a passage from the Erroll report at page 34 which contains a modern and neutral account of the properties of alcohol.

> "Alcohol, when taken orally, is rapidly and completely absorbed in the gastro-intestinal tract. The alcohol passes directly through the stomach wall into the blood stream in which it is distributed uniformly throughout the body. Intoxication is caused by that part of the absorbed alcohol which is carried by the blood stream to the brain. The rate at which the alcohol is absorbed into the blood stream depends on several factors, including the amount and type of beverages consumed and the quantity of food in the stomach. Alcohol exerts its most significant effects through the central nervous system. It produces a general sedation or depression of neural activity. Thus, intoxication is revealed by the impaired activity of the organs of the body controlled by the brain. The short term psychological effects of progressive increases in dosage are well known. In appropriate settings, alcohol can lessen inhibitions and induce a feeling of euphoria. For many, alcohol relieves tension, nervousness and anxiety. On the other hand, the elevated mood usually induced by alcohol will frequently give way to a general lack of emotional control."

98. Valuable evidence was given by Professor R. D. Batt, M.SC., PH.D.(N.Z.), D.PHIL.(OXON), F.R.I.C., F.N.Z.I.C., Professor of Biochemistry, Massey University, Palmerston North. He receives assistance from a research grant from the licensing fund. Pertinent extracts are in the second paragraph, page 5, of Dr Batt's submission (No. 172) he says: "Ethanol (alcohol), in moderation, in a balanced diet is unlikely to promote the ill effects which could be predicted for people who have less than satisfactory diets." On page 6 he says "Most individuals have no way of estimating the effect on blood alcohol levels of, say, drinking 2 jugs of beer in 1 hour before an evening meal". On page 10 he has this to say, ". . . it seems clear that most people oxidise ethanol at approximately the same rate and the continuing use of ethanol in the diet

does not necessarily lead to an acquired increase in the ability to metabolise ethanol . . ." "Accordingly, it is possible to predict reasonably accurately, the rate at which blood alcohol level may decrease with time."

99. The sort of information that Professor Batt wants popularised is stated in appendix 2.3 of his submission:

"*Equivalence of Drinks in Ethanol Content*

2 jugs of beer (2.8 w/v): 56 grams of ethanol
56 grams of ethanol is contained in
10 7 fl oz glasses of 2.8 w/v beer
9 "nips" (N.Z.) of spirits
6 "nips" (U.K.) of spirits
6.5 2 fl oz sherries (15.2 m.v.)

Ingested quickly before a meal, 56 g of ethanol is likely to give a blood alcohol level, in approximately an hour, of near 100 percent mg."

100. The Medical Research Council's Standing Committee on the Non Medical Use of Drugs (No. 66) said to us in Dunedin:

> "Very little work has yet been undertaken in New Zealand which can adequately demonstrate either the degree of alcoholism or the extent of problem drinking. Some small studies have been attempted (for example, Taylor (1973) and Morton (1973)), that have considered small segments of this problem, but so far we have gauged the effect of alcohol on New Zealand society only in the most general terms."

101. Professor R. D. Batt in his submission (No. 172) has this to say:

> "It is claimed that much more effort should be directed to the development of educational programmes concerning the normal dietary use of ethanol. The priority accorded such programmes should be high:
>
> (a) if it can be clearly demonstrated that the number of people in the community who consume ethanol is high; and
> (b) if some of the ill-effects of ethanol use could be offset by the ready availability of guidelines on how ethanol may be included in the diet without distorting a desirable nutritional balance."

102. The Medical Association of New Zealand (No. 193) and many others who appeared during the hearings referred to the importance of the closer association of food with alcohol as a means of reducing its deleterious effects.

103. We have been told that the danger of a person increasing his intake can, over a period of years, also increase the risk of being dependent on alcohol to assuage the problems and pressures of modern life. It is not generally known that while alcohol relieves tensions, anxieties, and inhibitions immediately, over the longer span it acts as a "continuous narcotic depressant".

104. The concomitant mischiefs that follow from alcohol's ability to relieve anxieties and inhibitions, particularly among younger drinkers, are manifested in petty crime, assaults, unwanted pregnancies, venereal disease, prostitution, road fatalities, and other antisocial behaviour, and diseases of the central nervous system. In the case of a heavy drinker, brain damage occurs.

105. The lack of documented research is commented on elsewhere. One thing is certain that there is no agreement yet reached on the causes of alcoholism. To quote from a report of the NSAD monograph No. 1, page 6: *Study of Alcoholic Patients at Queen Mary Hospital Hanmer Springs N.Z. 1969–70.*

> "At present there is no general agreement about the aetiology of alcoholism. Too much depends upon the attitudes and orientation of researchers than upon any objective analysis they may make of a variety of facts relating to alcoholism. Siegler *et al.* (1968) review no less than eight models to which people order their data on alcoholics. The first regards alcoholics as constitutionally and socially ineffective, the second as having been punished for moral inadequacy, the third as not having learned the rules of drinking, the fourth as having defective body chemistry, the fifth as oral personalities, the sixth as products of poor family relationships, the seventh as the result of progressive physical deterioration caused from drink, and the eighth as people with metabolic deficiencies of a possible genetic origin."

106. Similarly no acceptable research studies have been done on the relationship of crime to alcohol consumption in New Zealand. Although it is accepted that crimes "due to insecurity, maladjustment, and deviations of the individual" would still take place if there was no alcohol consumption it seems evident that because alcohol releases inhibitions, the "dutch courage" which alcohol induces can facilitate the earlier commission of crimes of impulse.

Alcoholism and the Maori and Polynesian

107. The Maori section of the National Council of Churches in its submission (No. 207) expressed its deep concern about the rate of alcoholism in the Maori population. They believe that Maori women are now drinking as heavily as the men.

108. We consulted with the Secretary of Maori and Island Affairs Department, Mr J. M. McEwen, whose comments we feel are relevant, "The fact of the matter is that we have no really reliable statistics on the use of alcohol by Maoris or other Polynesians. I would expect that there are tremendous variations from one community to another and that the only way to obtain a satisfactory

picture would be to have sample surveys done over a very wide geographical area ranging from isolated Maori communities to the central areas of large cities."

109. The Polynesian population of New Zealand, as distinct from the indigenous population, clearly have great difficulty in adjusting to the drinking patterns of New Zealand life.

110. Family groups and single people from the Pacific Islands immigrating to New Zealand have many problems fitting in to a new life style. While progress is being made it is obvious that the availability of liquor is not in every way a desirable social amenity for these immigrants. The general position is discussed elsewhere and while at this stage there is no substantial evidence of the growth of alcoholism among the Polynesian sector the latent possibility is there as a threat to their health and problems of integration. So much so that we have considered the provision of additional basic information to those people migrating to New Zealand and before they leave their home areas, on the properties of liquor, and dangers of over indulgence in alcohol. Lack of experience in New Zealand's drinking habits makes those people vulnerable to the mischiefs associated with liquor.

111. The strong community ties of their home environment are lacking in New Zealand and drinking on licensed premises is the social environment to which they turn. The relatively higher incomes they earn in New Zealand, too, often are spent in hotel bars with resulting intemperance and other social problems arising.

Treatment and Rehabilitation

112. New Zealand has become increasingly aware of the need for organised treatment of alcoholics and in 1966 passed the Alcoholism and Drug Addiction Act which provides legal sanction for detention and treatment of alcoholics.

113. Treatment of acute alcoholics is done in hospitals to begin with so that the patient is brought to physical health before being directed to specialists in the field of alcoholism. Apart from hospitals, commendable treatment is being given by non-medical groups such as National Society on Alcohol and Drug Dependence, Alcoholics Anonymous, Salvation Army's "Bridge" Programme, and clinics for drug dependence.

114. Hospital boards throughout New Zealand maintain 397 hospital beds designated for the treatment of alcoholism. Most of these are located in psychiatric hospitals. These are:

Auckland			
Carrington Hospital	1 ward	59 beds	
Kingseat Hospital	2 wards	44 + 31	134
Waikato—Nil			
Wellington			
Porirua Hospital	1 ward	54 beds	54
Nelson			
Ngawhatu Hospital	Section of ward	4 beds	4
Hanmer			
Queen Mary Hospital ..	2 wards	63 + 54	117
Christchurch			
Sunnyside Hospital	1 ward	30 beds	30
Dunedin			
Cherry Farm Hospital ..	1 ward	(M) 50	
	Section of ward	(F) 5 beds	55
Wakari Hospital .. .. (assessment only)		3	3
			397

Data provided by Dr S. W. P. Mirams, Director, Division of Mental Health, Department of Health.

115. As a matter of interest we give details pertaining to Queen Mary Hospital.

116. Queen Mary Hospital was built in 1916 as a general medical and convalescent centre for returned servicemen. Subsequently it became a neurosis centre. Then in 1962 it assumed the additional function of a treatment centre for alcoholics. As such it received more alcoholics than any other single institution in New Zealand and made the treatment of alcoholism its speciality. Without exception those admitted came without the need for a compulsory order from a magistrate. They were, from observation, from an occupational group higher in the socio-economic scale than those from other hospitals.

Occupational Groups of Queen Mary Hospital Alcoholic Patients and a Combined Sample from Other Hospitals (1968)

	Queen Mary Hospital %	Other Hospital %
Professional and technical ..	7	3
Executive and administrative ..	10	4
Farmers	7	3
Clerical	14	4
Skilled	25	20
Sales and service	16	18
Semi-skilled and unskilled ..	16	37
Others	5	11
	100	100
	N=94	N=94

Data provided by Dr S. W. P. Mirams, Director, Division of ental Health, Department of Health.

117. According to the Department of Health's annual report, during the year ended 31 March 1973 the Salvation Army's "Bridge" Programme in Wellington for the detoxification of alcoholics was gazetted as an institution under the Alcoholism and Drug Addiction Act (1966) and began the admission of patients.

118. The following table gives the admissions by hospitals or by institutions under the Alcoholism and Drug Addiction Act (1966) for the years 1971 and 1972:

	Voluntary Applications for Committal		Compulsory Committal		Total	
	1972	1971	1972	1971	1972	1971
Oakley	38	33	64	39	102	72
Kingseat	39	48	44	26	83	74
Tokanui	10	7	7	7	17	14
Porirua	15	25	29	22	44	47
Sunnyside	15	16	17	7	32	24
Cherry Farm	18	27	20	17	38	44
Total	135	156	181	118	316	275
Rotoroa	51	74	13	11	64	85
The Bridge	12	..	3	..	15	..
	198	230	197	129	395	360

Source: Report of the Department of Health for the year ended 31 March 1973.

119. Another agency which provides services for the problem drinker and the alcoholic is the National Society on Alcoholism and Drug Dependence (Inc.) (NSAD). It is a voluntary agency working as a community service organisation whose dominion executive and branch executives throughout the country are made up of volunteer businessmen, doctors, clergymen, and social workers.

120. Alcohol and drug dependence centres operate in Auckland, Dunedin, Christchurch, Hamilton, and Palmerston North with the national headquarters in Wellington. Each regional centre is in the full sense a branch of the national headquarters which funds the regional centres. A full time, trained staff, selected because of their experience in helping people and families that are trying to cope with alcohol and drug problems, is maintained at all regional centres. During the year ended 31 March 1973 NSAD conducted 10 132 interviews with people who have themselves a drinking problem or are associated with alcoholics. Alcoholic cases being treated during the same year by the Society totalled 1911.

121. The NSAD claims (and this was supported by competent international authorities) that at present the only satisfactory control over alcoholism is total abstinence from the consumption of liquor by the addict. This view oversimplifies a more complex situation. Mr Peter Priest, on behalf of the Division of Behaviour Analysis, N.Z. Psychological Society (No. 109), gave details of studies which "demonstrates that under appropriate conditions, alcoholics can learn to control their consumption of alcohol". His conclusions are that "the available scientific evidence suggests that abstinence is not the only possible satisfactory outcome for the alcoholic". There would be great improvement in treatment and rehabilitation if alcoholics or potential alcoholics could be assisted at an early stage. Alcoholics need to be made to realise that initially, they and only they, have the potential for putting things right in themselves.

122. We have been told repeatedly that it is unlikely that altering the drinking hours and the availability of liquor will make any difference to the alcoholic. We accept Dr E. Geiringer's statement in his submission (No. 34) that "The increase in alcoholism cannot be reduced by manipulating drinking hours or the number or nature of liquor outlets". What we have not been told is how this would alter the alcoholics' insecurity, immaturity, or personality structure. Research has not so far come up with any convincing results which indicate a common physical or biochemical imbalance in all alcoholics.

123. While the cause of alcoholism in any individual has not yet been established, research studies in New Zealand continue on a small scale.

124. In submission No. 66, the Medical Research Council's Standing Committee on the non-medical Use of Drugs on page 3 of their submission say:

> "Recognising that the excessive consumption of alcohol is an important social problem in New Zealand, a longitudinal epidemiological study in some depth should be undertaken to help understand and perhaps counter some of the adverse medico-social effects of alcohol. Only when the phenomenon of alcohol in New Zealand is understood at all levels will we be in a position to adequately consider effective possibilities for improvement. Epidemiological research would be the principal area of research in which New Zealand could make a major if not unique contribution to the advancement of understanding in this field. With its island situation and well documented and essentially captive population, relatively easy follow-up is assured, and this type of research could produce worthwhile results in the long-term prevention of problem drinking, particularly as the techniques and methods of studies of this type have already been carefully elaborated abroad."

They say that

> "Present indications are that progressive future research into alcoholism will be multi-disciplinary in nature and for this reason alone (although there are others), research into the biochemical causes of alcoholism should not be neglected in New Zealand although New Zealand laboratories are considerably less well placed to undertake such work than is the case with major laboratories abroad."

125. Research into alcohol has been encouraged in the studies o the Department of Scientific and Industrial Research on analysing blood samples. Small projects are also being conducted at Kingseat Hospital Research Foundation in co-operation with the Department of Psychology of the University of Auckland.

126. The expansion of research work in the field of alcohol has been hampered mainly because of the shortage of qualified investigators and a shortage of funds.

127. Section 21 of the Act makes provision for any net profits paid into the Licensing Fund to be applied with the consent of the Minister, to, among other things, "defraying or subsidising the costs incurred by any body of persons in scientific research into the use of liquor, or in the education of the public in the dangers of the abuse of liquor". It was not until 1967 that the first application for assistance under this section was received by the Licensing Control Commission. Since then the following grants have been made:

1. To the Medical Research Council of New Zealand for research on alcohol patterns in the New Zealand community:

1968	$6,940
1969	$8,360
1970	$9,760

2. To the National Society on Alcoholism in New Zealand (Inc.) for a public education programme:

1970	$41,000
1971	$27,500

3. To the National Society on Alcoholism in New Zealand (Inc.) for the salary of the Director of Clinical Services:

1971	$10,500
1972	$11,250
1973	$12,500

4. To Massey University for a programme of biochemical research to be undertaken by Professor R. D. Batt:

1972	$10,000
1973	$10,000
1974	$10,000

5. To Massey University College for the purchase of a gas chronatograph in connection with Professor Batt's research:

1972	$7,500

6. To National Society on Alcoholism and Drug Dependence Inc. for the provision of core facilities:

1972	$38,950
1973	$56,200

7. To National Society on Alcoholism and Drug Dependence Inc. for bridging finance for administration expenses:

1973	$17,423

8. To National Society on Alcoholism and Drug Dependence Inc. for overall 1973–74 programme:

1973	$142,600

128. From the information which this commission has received it seems that there will be practically no money available for distribution from the fund for the next 2 or 3 years.

129. Father P. Cahill (No. 74) recommends inpatient clinics where people who have been arrested for drunk in charge or any form of drunkenness or disturbance caused by alcohol be sent:

> ". . . I believe that these people should be sent to an Inpatient clinic where they are given intensive education on Alcohol for at least a fortnight. Yes we can all get up in arms about our rights and freedom but no one can give back a life lost because of the effect of alcohol, or a maimed body, or a broken marriage, or unhappy scared children. Most of these people are good citizens who have closed their eyes to the damage alcohol is doing to their lives, but with a short period of thought and education they could come to see the necessity of using alcohol in a reasonable manner . . ."

130. In cross-examination Father Cahill agreed that a course of night-time lectures 2 or 3 evenings a week would be useful.

131. There is an ad hoc co-ordinating committee on alcoholism convened by the Department of Health which includes representatives of the Salvation Army, Alcoholics Anonymous, the National Society on Alcoholism and Drug Dependence, the Royal College of General Practitioners Otago Medical School, the Department of Justice, and the Department of Social Welfare. This body serves as a forum for the interchange of ideas between the various voluntary agencies and Government departments associated with the treatment of alcoholism.

132. Mr J. H. C. Larsen, counsel assisting the commission, in his final address pointed out:

"The formation of clinics for out-patient treatment for those with alcoholic problems has been suggested from time to time during the hearings. This would require a programme by a National Authority or body with power in the Courts to compel attendance at clinics over a period whenever alcohol was thought to be a factor in an offence including offences obviously against the Transport Act. This is comparable with the way in which periodic detention is now administered and could be a most useful way of improving attitudes, and like other treatments could be an alternative to punishment."

133. Dr N. D. Walker (No. 153) reports from ex-patients at the Mahu Convention at Sunnyside in 1973, that the home environment where lack of love and care is evident and people are subject to social and vocational pressures plus the cheapness and easy availability of alcohol are among the chief reasons patients resorted to alcohol. Steps suggested by these patients to help solve the alcohol problems refer mainly to more education on the effects of liquor, higher price of liquor and more treatment clinics independent from hospitals. However, Dr Walker states that clinics for alcoholics should be situated close to general hospitals.

134. In cross-examination Drs W. S. Alexander and M. D. Matich, on behalf of the Medical Association of New Zealand (No. 193), support the separation of treatment centres for alcoholics from mental hospitals.

"Our view at the present time would be strongly that the sick alcoholic, that is an alcoholic that has any indication of physical illness requires to be thoroughly investigated first and there is no mental hospital in New Zealand that has adequate diagnostic facilities so it is a general hospital problem in the first instance. If they would be better and their rehabilitation would be greatly assisted by a period of rehabilitation among a group of people with comparable problems and so on and I am thinking more particularly of the Hanmer situation. . . . I would have to say from practical observation" a completely separate unit "seems to be productive of better results."

Dr Matich adds:

"We have officially opposed the closing of Hanmer for this particular purpose."

135. Dr E. B. Reilly (No. 78) recommends that "prompt and serious consideration be given to the planning for funds for workers who could help" the dependants of the alcoholics.

General Observations

136. Alcoholism is not a notifiable disease, and apart from well informed estimates, we have had no authoritative evidence of the numbers in the New Zealand community at present suffering from alcoholism. There is a wide variation in the estimated figures

supplied by expert witnesses. These vary from 20,000 to 50,000 of the New Zealand population. Sir Charles Burns estimates that 1 percent of the population suffers from it. This estimate is fairly comparable with the position which exists in other countries. It does not, however, give the full picture of the number of relatives, dependents, hospital staff, welfare workers, employers, etc., who are adversely affected by the alcoholic's disease.

137. There are many alcohol dependent persons in all levels of society who function in varying degrees of effectiveness in spite of a high alcohol consumption. Some heavy drinkers show little obvious functional impairment for long periods of time, but ultimately become a liability to society. They are responsible for many road deaths and injuries and some are involved in acts of violence and aggression. They create problems and misery for their families and dependents, and their productivity, due to absenteeism, is frequently below par. Employers should be alert to recognise early symptoms of alcoholism in employees so that assistance can be given before their work efficiency suffers.

138. It is not intended in this chapter to deal with the overall subject of education in the use of alcohol but rather to draw attention to a need for more specialised education not only among alcoholics undergoing treatment but also in the understanding of their problems by families of alcoholics, their employers, police, and hospital and social workers. Similarly, research as a prerequisite to adequate education on alcohol use, has been covered elsewhere in this report. Suffice to say that as a segment of a total alcohol research programme perhaps the more urgent need is for higher priority in the research field into the social disease of alcoholism and its existence and acceptance by the community as a public health problem. Statistically, alcohol related diseases are placed third as a cause of death in New Zealand after heart and cancer diseases.

Conclusion

139. The findings from studies on alcoholics by the National Society on Alcoholism are appropriate to this section of the report as they emphasise the outcome of confused multiple standards within the community. The findings are:

(a) Alcoholics tend to have parents who object to their drinking at an early age, and if parental objection does not prevent drinking altogether it may do more harm than good by making an issue of alcohol and presenting it as a forbidden fruit.

(b) A number of alcoholics report early drinking that takes place away from parents and outside the home.

(c) Alcoholic drinkers and heavy drinkers have their first drink at a later age than moderate drinkers.

(d) There is a higher rate of drunkenness and associated problems by drinkers from "dry" families.

140. Returning then to our opening observation that while alcoholism as such is outside the terms of reference of this Royal Commission, it is a disease of growing community concern, directly resulting from excess alcohol consumption. Any action that can mitigate the serious social and other consequences of the disease is of primary importance.

141. We **recommend:**

(1) That alcoholic treatment centres should preferably be located in or near general hospitals rather than be part of mental institutions.

(2) That hospitals with specialist departments for treatment of alcoholics provide outpatient clinics as well as extra-mural services for alcoholics and their dependents.

(3) That extensive and frequent surveys should be conducted on alcoholism in New Zealand.

(4) The intensification and expansion of medical and scientific research projects relating to alcohol.

(5) That liberal research grants should be made to selected specialists in the medical and non-medical fields for overseas studies on alcohol and its related problems.

2. DRUNKENNESS

142. The many submissions we have heard lead us to the conclusion that whilst the majority of the New Zealand community desires a more liberal and open approach to the sale and consumption of alcohol, the country, as a whole, is deeply concerned about the effect alcohol abuse is having on the New Zealand community. We do not find these two views contradictory or incompatible, but rather a reflection from within the community for a desired change in attitude towards liquor.

143. We approach with some caution the view submitted to us that public drunkenness was far more common in early times than it is today. We can take little comfort from the statistics which show a fall in the conviction rate for public drunkenness. In 1870 convictions for drunkenness in New Zealand were 16.7 per 1000 of the population. Subsequent trends were:

Year	Drunkenness convictions per 1000
1890	9.1
1910	11.7
1920	7.16
1930	4.24
1940	3.62
1950	2.15
1968–70 (average)	1.57

144. The definitions of intoxication and drunkenness and helpless drunkenness as given in the Police Offences Act are as follows:

(a) A person is in a state of intoxication when, through the recent consumption of alcoholic liquor, control of his mental and body faculties has become impaired.

(b) A person is in a state of drunkenness, when, through the recent consumption of intoxicating liquor, he has become incapable of controlling his normal mental and bodily faculties.

(c) A person is in a state of helpless drunkenness when, through the recent consumption of liquor, he has become incapable of exercising any of his mental or physical faculties.

145. From our inquiries we find a diversity of responses to the problem of drunkenness which, we believe, reflects the community's ambivalent attitude towards alcohol. Today there is a greater permissiveness and tolerance towards individual drunkenness than there was 30 years ago. There is much evidence from the medical profession, the liquor industry, social workers, and church and community groups that increasing numbers of young people have accepted our general attitude towards liquor and are over imbibing. We heard evidence to the effect that numbers of parents prefer the devil they know to the devil they don't know and are generally relieved that their young prefer to get "high" on alcohol than to get "high" on drugs. This would appear to be a common parental reaction throughout the western world at least.

146. An area of urgent concern is the situation of Pacific Islanders who come here ill-equipped to handle New Zealanders' approach to alcohol. From our inquiries we are left in no doubt that alcohol is having a disastrous effect on the self-esteem, economic well being, and general morale of numbers of Pacific Island people. And an inability to cope with liquor in our cultural context often unhappily results in their first experience of New Zealand justice and law enforcement.

147. Maoris moving from a rural to an urban area sometimes find themselves in similar situations. But these matters will be dealt with more fully elsewhere.

148. The drinking pattern has changed. People are drinking more. There are more liberal attitudes towards women drinking. Less liquor is being drunk in hotels and taverns and more is being drunk in homes and at private gatherings such as clubs—both chartered and unchartered. We are a heavily motorised society and people do not usually walk to the pub or the party; they go by car or public transport. A good deal of concern has been expressed to us about young people drinking in parked cars, at unsupervised private parties, and on beaches and such like places.

149. So it is against this diverse background we have attempted to assess the situation.

150. We do not believe we can take much comfort as to public sobriety from a declining conviction rate for public drunkenness. We think the truth of the matter can be more accurately ascertained from the information set out below.

151. Surveys produced by the Police Department in their submissions, whilst not purporting to prove that liquor causes crime do demonstrate that the greatest volume of police work occurs following the closing hours of hotels and taverns particularly on Thursday, Friday, and Saturday nights. These would also be the hours when private gatherings would be at their height.

152. The Police Department's figures for crimes and offences involving liquor and liquor licensing since 1960 are shown in appendix V.

153. The Transport Department's submissions show that in 1972, the last year for which complete statistics are available, there were 1310 accidents out of a total of 14 654 in which alcohol was identified as a contributing factor. This represents 8.9 percent of the total. The peak hour for these accidents was 10–11 p.m. when 19 percent of the total was recorded. This is the hour in which only 7 percent of the country's total road accidents occurred. In the 7-hour period 8 p.m.–3 a.m. 70 percent of all alcohol related accidents occurred. By far the worst day for these accidents was Saturday, followed by Sunday (the early morning hours when people are travelling after a Saturday night out), Friday, and Thursday.

154. We think it would be fair to say that, in general, we do not detect within the community at large a deep concern with drunkenness *per se*; but that the community's concern is largely with the consequences of drunkenness, its effects on family life, road safety, incidents of violence and other forms of crime.

155. We believe that, in general, the individual New Zealander does not condone drunkenness, but accepts it. Given the pressures of a drinking culture it appears that people have accepted that which they feel incapable of changing.

156. In our view a far greater degree of responsibility for public sobriety must be taken by the community at large; by the individual drinker, and by those who sell or otherwise dispense alcoholic liquor. Punitive action on the part of the police is not a cure for public insobriety. Whilst the ultimate responsibility for enforcing the laws regarding alcohol must remain in the hands of the Police, we do not believe it to be either in the public interest or indeed to be even practicable to expect the Police to accept the major burden in this area of enforcement when in fact this is the responsibility of the community as a whole.

Part VII THE DESIRABILITY OF DISCOURAGING THE ABUSE OF ALCOHOLIC LIQUOR WHILE FACILITATING ITS TEMPERATE USE BY PERSONS WHO WISH TO CONSUME IT

157. This is mentioned in the warrant of our appointment as a specific issue to be investigated and reported upon. It opens up a wide field embracing many considerations concerning which a substantial volume of evidence has been presented to us. Some of the matters to which this evidence relates will be dealt with more fully under other headings in this report but we desire now to consider this topic in a general way before we proceed to report on relevant specific issues.

1. THE DESIRABILITY OF DISCOURAGING THE ABUSE OF ALCOHOLIC LIQUOR

158. It is not only desirable but also essential to discourage the abuse of alcoholic liquor because of its harmful effects upon both individuals and society. We recall the conclusion reached by the Royal Commission on Licensing which reported in 1946 set out in paragraph 15 on page 21 of its report. That paragraph reads:

> "On the whole of the evidence, we conclude that moderate drinking of the kind described by Professor D'Ath is not physiologically harmful to any material extent to the majority of normal adults. On the other hand, drinking, even with moderation, may insidiously create a craving for itself which will overcome self-control, injure health, and make the consumer a drunkard. Its power to do this and to cause the misery and degradation associated with drunkenness has induced civilised communities to treat alcoholic liquor as an article of human consumption with dangerous possibilities, and, therefore, as an article which requires control both in consumption and in trade in the interest of the individual and of society."

159. We believe that the views there expressed are still valid and apply with equal force today.

160. On the evidence adduced we certainly have in our community an alcoholic liquor abuse problem of considerable proportions.

161. It arises mainly from excessive and irresponsible drinking by both men and women, and particularly those under the age of 25 years whose behaviour while affected by liquor has aroused so

much concern. The existence of this problem is manifested by the number of road accidents resulting in death or injury in which excessive drinking was at least a contributory cause, the commission of crimes where the consumption of too much liquor was a contributing factor, wilful damage to property, disorderly behaviour, disrupted family life, marital discord leading all too frequently to the breakdown of the marriage with its adverse effects on the family, and the increasing number of sufferers from alcoholism or alcohol related problems.

162. While the problem of abuse is real and cannot be ignored, to find a ready remedy or a successful solution is most difficult. Some advocate as the ultimate solution the total prohibition of the sale of alcoholic liquor. However, experience has shown that prohibition does not work. It creates new ills as numerous and as great as those which it was meant to cure. This was clearly demonstrated in the United States of America where its experiment with prohibition was soon abolished. Many witnesses representing responsible sections of the community, including churches, the Salvation Army and other religious groups, opposed any relaxation of existing restrictions or further liberalisation of the present liquor laws because of the harm and human misery which result from the abuse of liquor. This attitude, however, conflicts strongly with the views advanced by other responsible citizens who advocate the very opposite course. It is necessary now to consider the case for those who wish to consume liquor in moderation and with a proper sense of responsibility.

2. FACILITATING THE TEMPERATE USE OF ALCOHOLIC LIQUOR BY THOSE WHO WISH TO CONSUME IT

163. There can be no doubt that many New Zealanders—indeed, we think from the whole of the evidence adduced, a substantial majority of them—wish to consume liquor in a sensible and reasonable manner. We must accept the wish of the majority of electors expressed at the general licensing poll taken at each general election of members of Parliament held during the past 45 years. The New Zealand Liquor Industry Council set out in section 5, at paragraph 5.2.1 of its submission (No. 175) a table recording the results of the General Licensing Poll, expressed in percentages of total votes cast, during the period from 1946 to 1972. This table is reproduced below.

Year	National Continuance percent	State Purchase and Control percent	Prohibition percent
1946	54.02	20.18	25.80
1949	62.02	12.77	25.21
1954	61.86	15.11	23.03
1957	63.22	14.03	22.75
1960	66.04	11.95	22.00
1963	66.80	13.29	19.91
1966	68.51	14.82	16.66
1969	68.35	18.34	13.31
1972	67.54	17.68	14.78

These figures show that the electorate has consistently accorded convincing support for continuance.

164. Most people regard alcoholic liquor as an integral part of our social life. It is a "social lubricant" which facilitates social concourse. It is accepted as essential for hospitality, and is freely used by many people in their own homes. If taken in moderation it is not harmful to normal adults but enables them to relate better to others, by suppressing inhibitions and inducing a feeling of well-being. It is our belief from the information available that the great majority of those who wish to consume alcoholic liquor drink in moderation and in a responsible way. It is the minority whose excessive and irresponsible drinking causes trouble and concern. It is the behaviour of this minority which necessitates continued controls over the sale of alcoholic liquor.

165. While there is an undeniable need to discourage the abuse of alcoholic liquor there is equally a requirement that the rights, privileges, and wishes of the majority, most of whom exercise moderation and responsibility in consuming liquor, should be protected. The aim must be to strike a reasonable balance between controls which will restrict as effectively as possible the harmful activities of those with a propensity to misuse alcohol and the freedom of mature adults, who wish to consume liquor sensibly and in moderation, to do so without undue restraints. We have endeavoured to achieve this balance in the framing of our proposals.

3. RESEARCH AND EDUCATION

166. Many witnesses who gave evidence before us on the problems arising from the abuse of alcoholic liquor stated that it is better to erect a fence at the top of the cliff than to have an ambulance waiting at the bottom to pick up the pieces after the victim has fallen. All will agree with this statement but it is most difficult to determine what sort of fence to erect at the top of the cliff. The most promising suggestion which was endorsed by a

great many witnesses, including The National Society on Alcoholism and Drug Dependence, was the planning and implementation of a broad programme of research and education in the field of alcoholic dependency and alcohol related problems. Greatly increased research is essential in order to obtain critically needed, additional knowledge. We heard evidence from Professor R. D. Batt, M.SC., PH.D.(N.Z.), M.A., D.PHIL.(OXON.), F.R.I.C., F.N.Z.I.C., Professor of Biochemistry at Massey University, Palmerston North, who is engaged on some research relating to the use and abuse of alcoholic liquor in New Zealand. Professor Batt submitted that further research in this field should be encouraged and promoted. Further evidence as to the great urgent need for such research was given by the Medical Research Council Standing Committee at Dunedin. The additional knowledge to be gained from this research will be needed to expand effectively the associated programme of comprehensive education for which we found a large measure of general support.

167. A major aim of this educational programme will be the prevention of problem drinking. This will involve for some, radical changes in their social attitudes. To be effective this educational process must place honest factual information on the use and abuse of alcoholic liquor fairly and without bias before all the people to enable each person who is interested to decide on a proper knowledge of the facts what his or her attitude towards liquor is to be. In this way each individual should be able to make a considered choice either to abstain or to drink in moderation with knowledge of the dangers of excessive and irresponsible drinking. If it is to succeed this education must be directed into the home for the guidance of both parent and child as well as into the schools where it can be taught to the child as part of the training for daily living. It should be designed for and presented to the whole community if any significant change of attitude is to be achieved. It is our belief, based on the evidence which we have heard, that a marked change in community attitudes towards the consumption of liquor will be needed to combat effectively the problem of abuse.

168. Professor R. D. Batt in his submission (No. 172) summarised his views as follows:

"1. In view of the large intake of ethanol (alcohol) by a high proportion of the population of New Zealand, special emphasis should be placed on the development and introduction of educational programmes on the temperate use of ethanol in the diet.

2. To assist the development of such programmes, legislation should be considered which would require the clear and informative

labelling of all bottles and containers in which alcoholic liquor is sold, specifying the ethanol content on a weight to volume basis in metric terms.

3. Research programmes should be encouraged and promoted:

(a) to provide more information on the relationship of ethanol intake to blood alcohol levels in humans, and

(b) to develop further instrumentation which enables changes in blood alcohol levels to be monitored readily under different conditions, so that an individual may have a better personal appreciation of what these levels might be."

169. We accept these views of Professor Batt as being both relevant and helpful to the programmes of research and education which we recommend in this part of our report.

170. We do not attempt to formulate any syllabus or to give details of the proposed educational programme. We leave these matters to be dealt with by those who have the necessary qualifications and specialised knowledge. What we do envisage is an impartial presentation of the facts concerning alcohol, its properties and effects, with a fair assessment of the pleasures and advantages to be derived from its temperate use in circumstances acceptable to society, and an equally fair but honest description of the dangers and consequences of its abuse. The first aim is to make available as soon as possible factual information on which individual judgments can be based. The second and equally desirable aim is to bring about a change in social attitudes towards the consumption of alcoholic liquor with, it is hoped, an improved and more responsible pattern of behaviour. This will take time and sustained effort.

171. The National Society on Alcoholism and Drug Dependence New Zealand Incorporated advocated in its submission (No. 28) on page 23 a national alcohol policy to be based on these factors:

(a) Reducing the emotionalism associated with alcohol.

(b) Clarifying the distinction between acceptable drinking and unacceptable drinking.

(c) Discouraging drinking for its own sake and encouraging the integration of drinking with other activities.

(d) Assisting young people to adapt themselves realistically to a predominantly "drinking" society.

(e) Giving special endorsement to the idea of drinking with food.

172. With respect we consider that these factors should be included and emphasised in the proposed educational programme.

Also they could well be adopted as guiding principles by the Alcoholic Liquor Advisory Council which is referred to in the the next section of this report.

173. The New Zealand Liquor Industry Council presented evidence by Miss Frances Suzan King-Hall, of London, England, who is a practising consultant in public health. She is well qualified and experienced in this profession. In her submission (No. 208) she dealt at length with "alcohol associated problems", and emphasised the difficulty of determining, in the absence of further necessary data, the full extent of these problems and in finding a ready means of dealing effectively with them. She referred to the fact that the United States Department of Health, Education, and Welfare has only just begun to get fully under way on such a project. Its first step was to up-grade the National Institute of Alcohol Abuse and Alcoholism by making it one of the department's major sections. It is the institute's intention to work out new programmes in alcohol education which can be tested for effectiveness. Miss King-Hall continued—

> "Educational techniques to help achieve this still need developing but initially the two major aims will be to present honest factual information about the drug, alcohol, its positive and negative effects. and secondly to clarify personal responsibilities and values, as a basis for fostering healthy attitudes and responsible behaviour towards the use of alcohol."

She advocated the establishment of a standing consultative committee to deal with the vexed question of alcohol associated problems. The New Zealand Liquor Industry Council, National Society on Alcoholism and Drug Dependence New Zealand Incorporated, and a number of other responsible witnesses supported this proposal which commends itself to us.

174. Therefore we support the principle of establishing such a standing committee which we suggest could be named The Alcoholic Liquor Advisory Council. We now deal with the composition and main functions of the proposed council.

4. THE ALCOHOLIC LIQUOR ADVISORY COUNCIL

(a) *Composition*

175. It is essential that the members of the council should be carefully chosen to ensure that they are well qualified and sufficiently experienced to carry out their task.

176. Membership should consist of leaders (men and women) from various fields such as—medicine, social welfare, education,

health, community work, public relations, news media, entertainment, liquor industry, trade union, religion, the National Youth Council, and the National Society on Alcoholism and Drug Dependence New Zealand Incorporated. This would provide a fair representation of relevant sections of society, while the combination of such varied skills and special knowledge should produce a competent authority which would inspire public confidence in its activities. We think the representatives of the medical profession should include a specialist in the field of alcoholism and alcohol problems and also a psychiatrist with clinical experience. The membership should be large enough to cover the field of activities but not so large as to become unwieldy.

177. The appointments should be made by the Governor-General on the recommendation of the Executive Council.

(b) *Main Functions*

178. It is envisaged that the Alcoholic Liquor Advisory Council will concern itself with all aspects of alcoholism and alcohol problems, will initiate and co-ordinate necessary research projects, disseminate to the Government departments concerned and other organisations working in this field all helpful information resulting from research, and also will organise and undertake, with the assistance of the appropriate authorities, a comprehensive programme of education of the nature described in this report.

179. It will also make recommendations as to the treatment of persons suffering from alcoholism or alcohol associated illness. It should be authorised to recommend the granting of proper financial assistance to such persons and their dependents.

180. "The term 'alcohol problem' as used in this report refers both to any controversy or disagreement about beverage alcohol use or non-use, and to any drinking behaviour that is defined or experienced as a problem. Thus it includes both the difficulties that persons get into by drinking, and society's efforts to cope with these difficulties." (See Alcohol Problems—*A Report to the Nation*—by the Co-operative Commission on the Study of Alcoholism—prepared by Thomas F. A. Plaut, at page 4.)

181. It is hoped that the council will be able to introduce a co-ordinated national policy towards alcohol problems and gradually bring about changes in New Zealand drinking patterns. It is to be hoped, too, that it will be able to offer useful advice and guidance on the treatment of those suffering from alcohol dependence.

182. By proper use of the sources available to it the council may be able to advise the Government from time to time upon changes in trends or in social attitudes which would render desirable an amendment of any part of the sale of liquor legislation. It should report periodically to the appropriate Minister.

(c) *Liquor Advertisements*

183. Considerable criticism has been made of the advertising methods of the liquor industry. Some witnesses advocated that advertisements for sale of liquor should be prohibited. In reply to this criticism the New Zealand Liquor Industry Council stated in its written submission that a "Code of Practice" relating to liquor advertising had been drawn up and now applies to all such advertising. It was circulated to all newspapers, magazines, advertising agents, broadcasting companies, and liquor advertisers on 20 November 1973. The code reads:

"Liquor advertising should not by use of any illustration, or copy content, directly or by innuendo:

(a) Contain any description, claim or comparison which is directly or by implication misleading about the product advertised, or about any other product.

(b) Contain any indication that the product advertised or any ingredient has some special quality or property which cannot be substantiated.

(c) Suggest that liquor is a necessary element in success in life, or an essential part of the pleasure and excitement of living.

(d) Place immoderate or immodest emphasis on romantic situations.

(e) Suggest a relationship between liquor and sex which is capable of being regarded as offensive.

(f) Encourage drinking by young people under the legal age either directly or by implied example through linking liquor with identifiable heroes or heroines of the young.

(g) Suggest drunkenness or the likelihood of drunkenness."

NOTE: It is agreed that all models in liquor advertisements should appear to be clearly over the age of 20.

184. It has been noted that recently there has been an improvement in the standard of liquor advertising. Some of the features to which objection was made have been omitted. It is only fair to give this code a trial in order to ascertain how well it operates.

185. Because of the potentially harmful nature of beverage alcohol some reasonable control over the advertising of it could be

beneficial. The Alcoholic Liquor Advisory Council could supervise liquor advertising and be empowered, if the need should arise, to prohibit the publication of any particular advertisement or type of advertisement to which the council objects on reasonable grounds.

186. We **recommend** the establishment of a council to be called the Alcoholic Liquor Advisory Council to carry out the above-mentioned functions and to implement the research and education programmes advocated in this section.

(d) *Education and Dissemination of Information*

187. It is our opinion that the dissemination of information aimed at individuals alone, will not be sufficient to allow people to exercise an informed choice as to how they will use alcohol in their lives. For example: information about the effects of alcohol will not prepare a youth for the pressures to drink that are likely to be placed on him the first time he gets swept into a public bar with his sporting team. Nor is it likely to be much use to a young girl attending her first office Christmas party. And in a drinking culture such as our own it appears to us to require great caution before beginning to give information in the schools about the dangers of excessive drinking to children who may go home many nights in the week to face a possibly drunken parent and the resulting family tensions. We have been told that teachers are very aware of this latter possibility and are cautious of further burdening youngsters who may already be living with a home situation of excessive drinking. This could possibly mean that much of what is taught in the schools regarding alcohol is largely neutralised because of the teachers quite proper regard for the circumstances of some children's lives.

188. The school should, of course, be reflecting and strengthening the values and attitudes taught in the home. But the ambivalent attitudes to liquor in New Zealand society largely makes this a difficult task. Besides, the initial responsibility for imparting positive attitudes to alcohol resides with the total community, with parents accepting the primary responsibility for their own children. This is not, in our view, an "either/or" situation. It is necessary that the value of moderation in the use of alcohol be seen to be part of the fabric of our society and that parents teach the practical application of that value. We offer the opinion that it has been too easy for our society to say that education in the correct use of alcohol belongs in the school room.

189. It will not be sufficient, it seems to us, for parents to try teaching moderation to their children (and no parent wishes their child to become a drunkard) if the collective pressures of a society are such that this parental teaching is negated. This in itself is a polarising situation and the National Society on Alcoholism and Drug Dependence comments in its submissions that:

> "Action to reduce the emotionalism associated with alcohol use is of particular importance in the learning experiences of young people. It would at least partially counteract the 'forbidden fruit' reaction of many teenagers to alcohol which renders drinking more attractive because it is prohibited although not always effectively or wholeheartedly by the older generation."

190. The existing situation in our society appears to be this: what the majority of people know about alcoholic liquor they have learned largely through their own experiences.

191. Regardless of whatever else needs to be done in the way of alcoholic liquor education we are of the opinion that it is basic to any educational programme that the value of moderation in the use of alcoholic liquor be seen to be part of the fabric of our society.

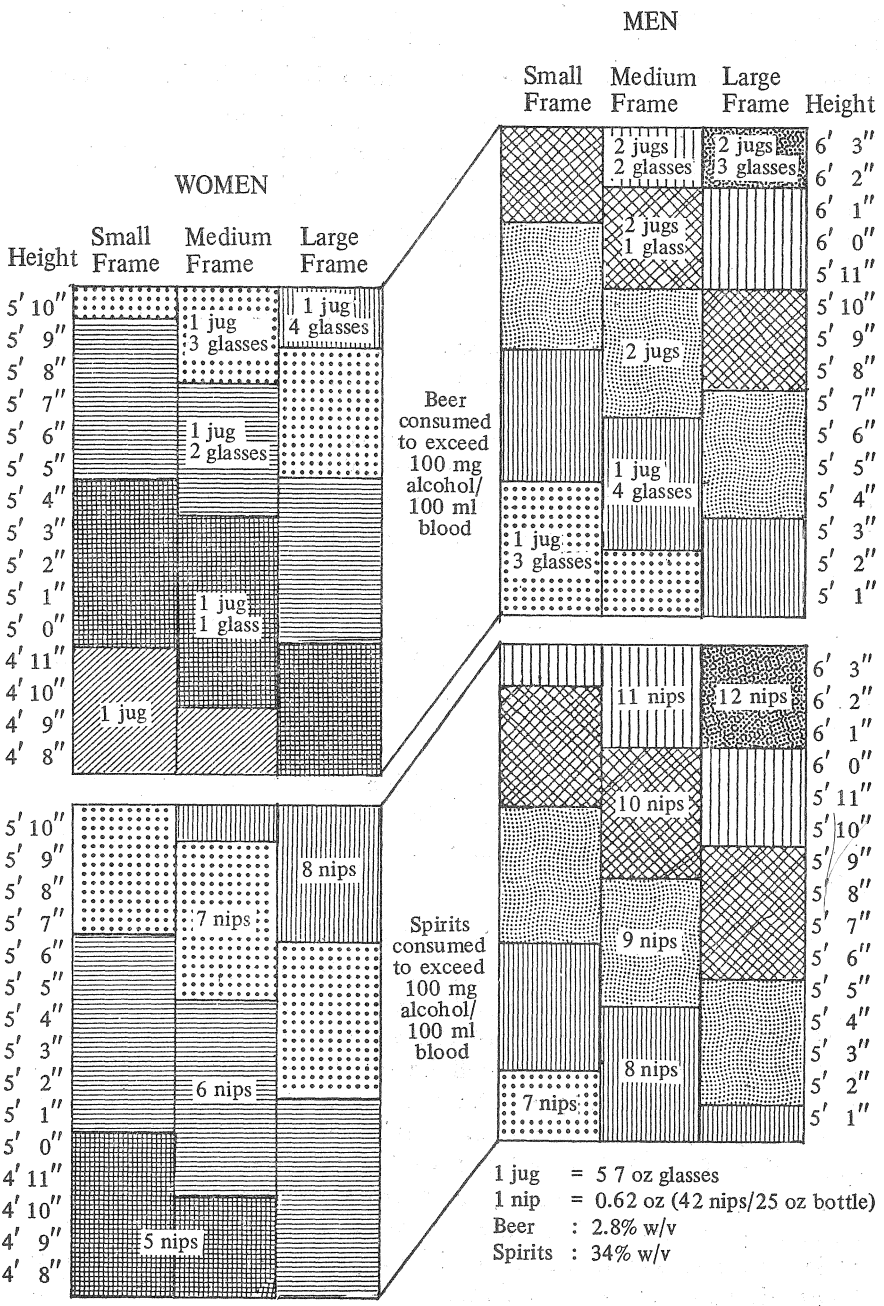
192. Like all the values a society aspires to, it will not be perfectly fulfilled. But it has to be demonstrated by suitable modern methods that collectively we at least take this value seriously.

193. It could not be called positive education in support of moderation only to cite the punitive measures available through the licensing law to restrain those who step outside the boundaries laid down by society.

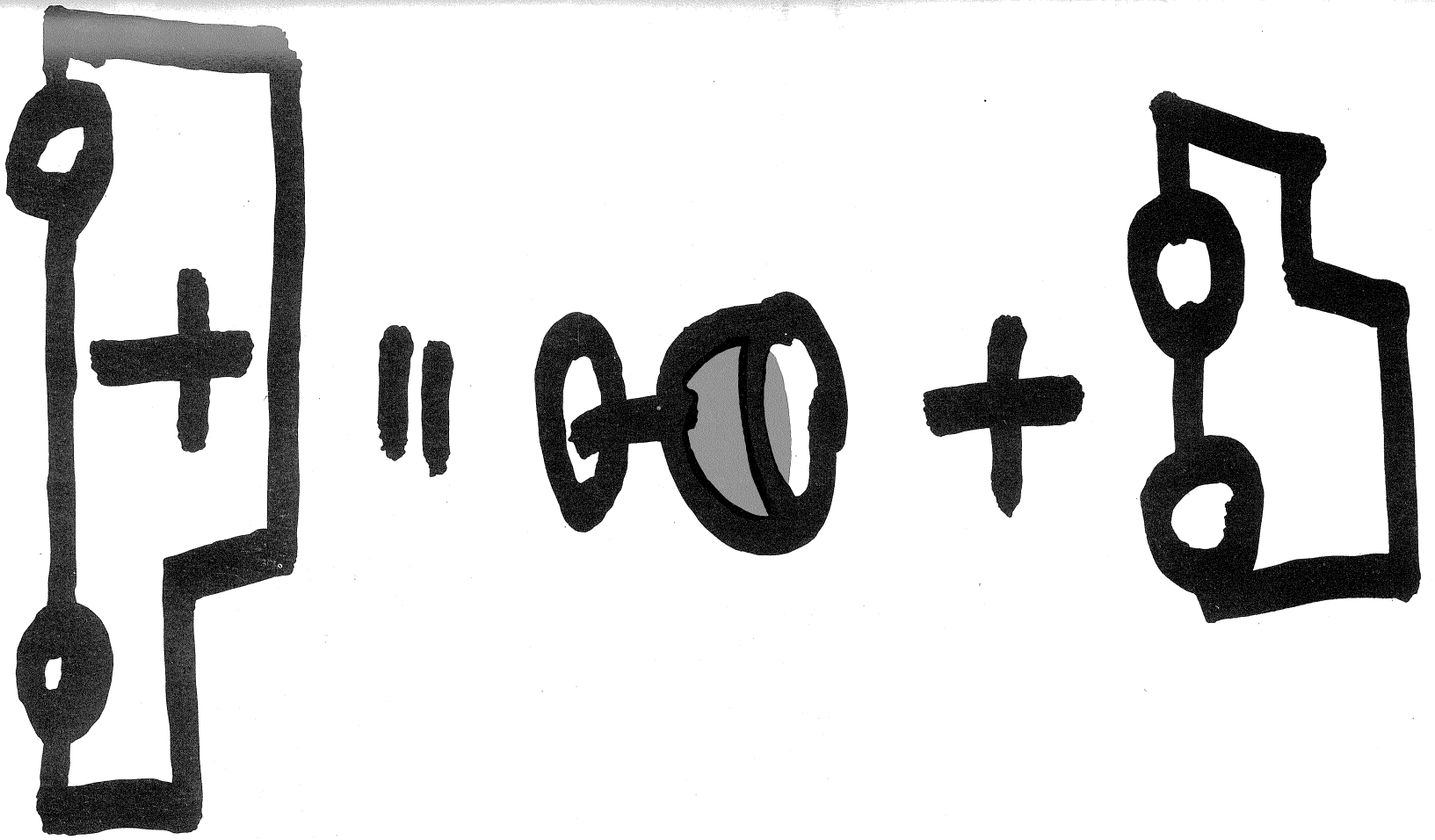
194. Whilst it would be impossible to sift through all the subtle shades of what constitutes moderation for every individual on every occasion—and after all this is primarily an individual's choice—we think that some of the work done by Professor Batt at Massey University could well be employed now to give some useful guidance to people. The section of Professor Batt's work which we had particularly in mind was that relating to the quantities of alcohol as related to body height and build that can safely be consumed by a person driving a car without exceeding the legal blood alcohol level. In a heavily motorised society such as our own this could be a practical point at which to begin demonstrating a national consensus of what moderation means.

195. Professor Batt's graph is reproduced below.

Quantities of alcohol consumed which would be likely to result in blood alcohol levels exceeding 100 mg/100 ml blood



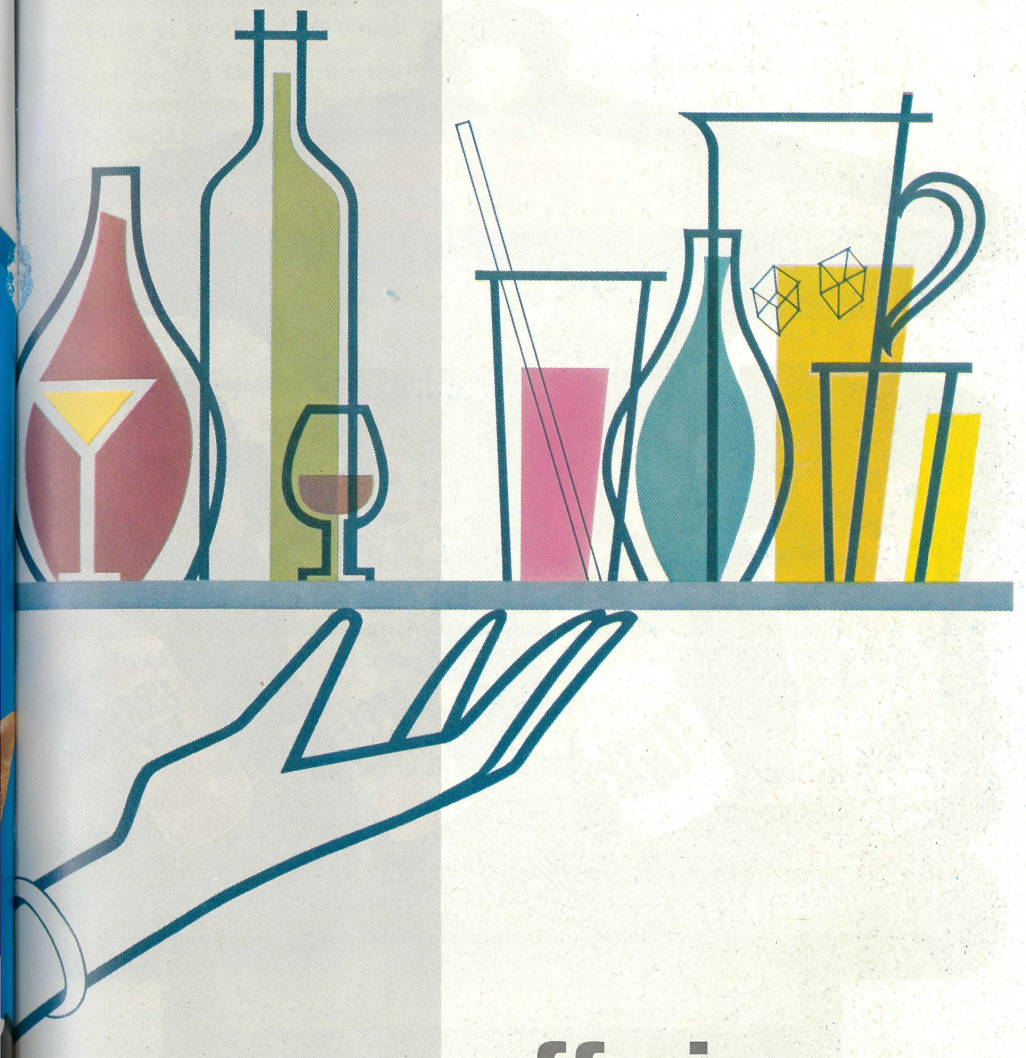
Beer contains 2.8 grams alcohol per 100 millilitres of beer
Spirits contain 34 grams of alcohol per 100 millilitres of spirits



NO thanks I'm driving

SAFETY: A NEW STATE OF MIN

do not insist on alcohol



offering a choice is better living

drink your
favourite beverage

and enjoy good healt

196. We also reproduce between pages 80-81 examples of posters recently used in France in their education programme for moderation in the use of alcohol. These posters were supplied to the National Society on Alcoholism and Drug Dependence by the French Ministry of Health. As can be seen the presentation is simple, positive, and moderate and therefore will not further polarise people on this issue but will facilitate the building of a consensus in favour of the value of moderation which includes abstinence.

197. We can see no reason why some competent body, e.g., the Departments of Health and Education in association with the National Society on Alcoholism and Drug Dependence could not produce similar material in some popular and attractive poster presentation and make it freely available to all liquor outlets, work places, schools, etc. It could be regularly reproduced through the mass media, taking into account that we are a multicultural society and also that Pacific Island Polynesians lack a grasp of the English language.

We **recommend** accordingly.

198. There is at present no national consensus as to what constitutes moderation in the use of alcohol, and we include abstinence as one manifestation of this value.

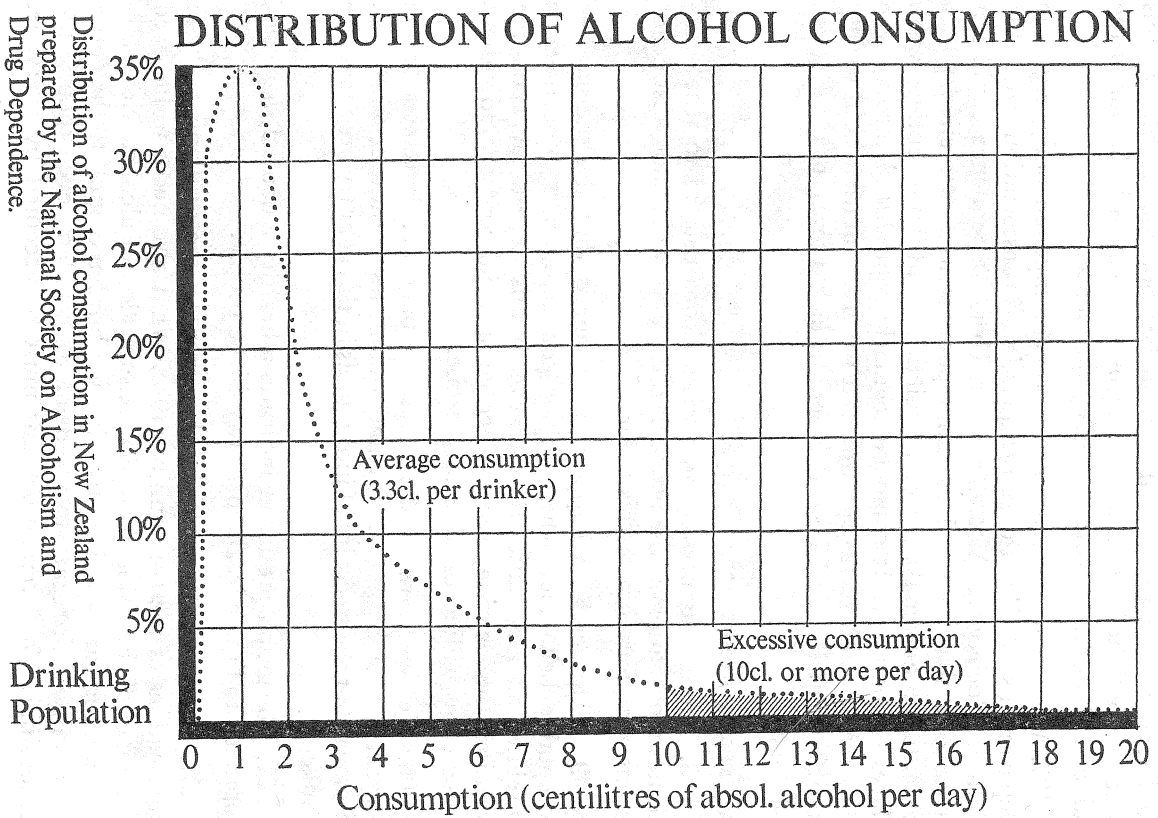
199. What tends to happen at present is that the standard of acceptable behaviour where liquor consumption is concerned, is unrelated to any national consensus but is dependent upon the occasion, the location, and the degree of social controls individuals present are willing or able to exercise.

200. We refer now to the graph on page 82. It relates to the percentages of both drinkers and quantities of liquor consumed. It shows that the majority of individuals in this country are moderate drinkers.

201. The graph produced indicates a healthy balanced, *individual* approach to liquor by the majority of the people.

202. This is not to minimise the extent of the drinking problem *some* sections of the community suffer. What also needs to be faced is the fact of the rising *per capita* consumption of alcohol. Nevertheless, nothing can be gained by adding a burden of guilt to the entire community with regard to the drinking problem, even though the responsibility for overcoming this must be accepted by everyone.

203. The corporate emotionalism associated with alcoholic liquor and which is a heritage from the prohibition controversy, is where we must begin a sustained public education and information programme.


DISTRIBUTION OF ALCOHOL CONSUMPTION
Distribution of alcohol consumption in New Zealand prepared by the National Society on Alcoholism and Drug Dependence.
35%
30%
25%
20%
15%
10%
5%
Drinking Population
Average consumption (3.3cl. per drinker)
Excessive consumption (10cl. or more per day)
0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20
Consumption (centilitres of absol. alcohol per day)

204. We must confess that the great dichotomy between personal and public attitudes to liquor has caused this commission a great deal of anxiety. Because, given these circumstances, how do we assess public opinion? We came to the conclusion that the evidence before us clearly proved that the emotionalism, inherent in the legacy of the "wet" versus "dry" prohibition controversy, still strongly influences publicly expressed attitudes about liquor.

205. In our view this situation is not a question regarding moderation but a controversy based on the polarisation of public attitudes. This polarisation has dominated and coloured the expressed public attitudes regarding liquor for over a century.

206. On the other hand, the evidence before us most surely proves that the majority of people are individually temperate in both their attitudes and their drinking and these are the guidelines this commission has accepted as being the basis of public opinion.

207. Therefore an education and information programme is required to bring the publicly expressed attitudes towards liquor into line with the reasonable views and practices of the majority of the people.

208. This will help establish a demonstrable national consensus in favour of moderation and the social control of liquor can achieve increasing influence.

209. Because education in attitudes is an experiential exercise—not solely confined to the young—this will be largely dependent upon the social controls that the people are willing and able to exercise. This in turn will largely depend upon the information people have about liquor and its effects and the support they receive from some recognisable and sensible national consensus.

210. We would be failing in our duty if we did not emphasise that in our view this desirable change will not happen overnight. Several experts assured us that it could be a generation or more before measurable change emerges. This may well be true. But on the other hand, as public expression of views regarding liquor do not equate with the majority of privately held views, change may occur more rapidly. Whatever it is to be, any positive change will require a sustained effort. It is our belief that the proposed Alcoholic Liquor Advisory Council will be the body most able to advise Government as to what is happening and what is required to be done.

211. Also, we would not wish to give the impression that education in the moderate use of alcohol is as simple as we have perhaps made it sound. There are many levels that will require research

before more action can be taken. All that we have attempted to do in this section of the report is to isolate what, in our view, is the major source of emotional conflict so that work can be begun to allow people to publicly express a more reasonable stance than is allowed in the present situation where a person is still more or less stereotyped as either "one of the boys" or as a "wet blanket".

212. What is also required is some movement towards the centre by those who take up positions at both extremes. It would be insufficient that those who drink recognise abstinence as a manifestation of moderation. Those who favour abstinence will also need to recognise that for others moderation means the consumption of reasonable amounts of alcoholic liquor.

Part VIII. FINANCING THE ACTIVITIES OF THE ALCOHOLIC LIQUOR ADVISORY COUNCIL

213. It will be obvious that the council will require substantial funds to enable it properly to carry out all of its functions. Indeed it could not work effectively without having ample moneys readily available. Therefore we must consider how its proposed activities are to be financed. We approach this question by reminding everyone that the council would not be needed at all were it not for the harm, misery, and degradation caused by the abuse of alcoholic liquor by some members of our society who are vulnerable to it. These ills derive directly from the nature and effects of alcohol. Therefore it seems to be unassailable logic that those who, for their own reasons, manufacture, sell, or consume this potentially dangerous commodity, beverage alcohol, should bear the cost of remedying or reducing the ravages which it causes. This is just another application of the principle that the user pays. It would be unjust to ask taxpayers who abstain from using alcoholic liquor to contribute towards the cost of this enterprise which is necessitated by the abuse of alcoholic liquor by those who drink it immoderately, irresponsibly, or through compulsion caused by dependence upon it.

214. During the public hearing the New Zealand Liquor Industry Council strongly submitted that some chartered clubs were selling so much liquor that they were in effect trading as "*de facto* taverns". It was alleged that by so doing these chartered clubs were trading in competition with licensed hotels and taverns on unequal and inequitable terms because the clubs were not required to pay the 3 percent tax which is charged on the purchase price of all liquor purchased by taverns. This tax was imposed because taverns have been relieved from the obligation to provide accommodation for travellers but hotels are still required to provide accommodation and meals. This 3 percent tax is payable as the annual licence fee in respect of the tavernkeeper's licence. (See section 286A of the Sale of Liquor Act 1962.) The proceeds of this tavern tax are paid into the Licensing Fund referred to in section 17 of the Sale of Liquor Act 1962.

215. Money belonging to the Licensing Fund and available for investment may be transferred by the Licensing Control Commission to the State Advances Corporation of New Zealand

to be held by the corporation in a separate account called the Hotel Investment Account. Holders of hotel or tourist-house premises licences may apply to the State Advances Corporation for advances from this fund for the improvement, alteration, or rebuilding of such premises which provide accommodation.

216. In reply to the claim of the New Zealand Liquor Industry Council, the New Zealand Association of Chartered Clubs distinguished chartered clubs from taverns by pointing out that the tavernkeeper had to pay the tavern tax because he had been relieved from the former obligation to provide accommodation whereas chartered clubs had never been obliged to provide accommodation. Therefore, it was argued, chartered clubs should not be called upon to contribute to the Licensing Fund which was established to assist those still liable to provide accommodation for the public, when the clubs were not, and never had been, so liable. This argument is attractive and might prevail if the money from the proposed 3 percent on the purchase price of liquor bought by chartered clubs was destined for the Hotel Investment Account from which it could be advanced to provide accommodation in hotels or tourist houses, but it is not tenable where the purpose of the tax is to help in defraying the cost of remedying the harmful effects of the inherently dangerous commodity, alcoholic liquor, which chartered clubs deal in and sell in large quanitities to their members.

217. Evidence produced has satisfied us that some chartered clubs do sell liquor on such a scale that they can fairly be described as "*de facto* taverns" as alleged by the New Zealand Liquor Industry Council.

218. According to the figures produced at the hearing these particular chartered clubs have received from the sale of liquor annual amounts of considerable magnitude. It cannot be denied that the financial position of a chartered club is appreciably enhanced by the proceeds of sale of liquor to its members. The rapidity with which some clubs have acquired very substantial and valuable assets is a fair indication of this.

219. The New Zealand Liquor Industry Council further contended that the 3 percent tavern tax should be paid on all liquor purchased by a district licensing trust for sale in its taverns. A district trust has complete control over the establishment and operation of all hotels and taverns in its area. It is not subject to control by the Licensing Control Commission and there is no licensing committee exercising jurisdiction in a district trust area. A district trust holds no licences to sell liquor because it owns and controls all the liquor outlets, except chartered clubs and any

licensed restaurants not operated by the trust itself. The Liquor Industry Council contended that district trusts enjoyed a trading advantage over private enterprise and also over local and suburban trusts because only district trusts do not have to pay the 3 percent tavern fee. In reply the district trusts stressed that they were responsible for building or establishing all hotels, which have to provide accommodation, in their respective areas. But so are suburban trusts similarly responsible for setting up hotels with accommodation in their suburban areas.

220. The issue upon which the above-mentioned arguments were advanced was whether district trusts should have to pay the 3 percent annual fee on the purchase price of all liquor sold by taverns in the trusts' areas as a contribution to the Licensing Fund for the provision of hotel accommodation. We have an entirely different reason for favouring payment by district trusts of an annual amount equivalent to the 3 percent tavern fee. In our proposal the moneys thus obtained would not be used for the provision of accommodation but for setting up and maintaining a fund to cover the expenditure of the Alcoholic Liquor Advisory Council which must necessarily be made in carrying out its many and varied activities. It would be anomalous and unfair if district trusts were to be exempted from such a levy when local trusts and suburban trusts are now required to pay 3 percent of the purchase price of all liquor sold by them in their taverns, being their contribution to the Licensing Fund.

221. We do not overlook that district trusts which under this proposal will pay the 3 percent tavern tax will not have the right to borrow from the Hotel Investment Account for the provision of accommodation. However, all of the district trusts are now well established and they have not hitherto made use of this fund, preferring to borrow money elsewhere rather than to contribute to the Licensing Fund. It is not unreasonable to assume that what they have done in the past they will continue to do in the future.

222. We are proposing that so far only chartered clubs and district trusts should be required to pay a levy in order to establish and maintain a fund out of which moneys will be available as needed to finance the operations or activities of the Alcoholic Liquor Advisory Council. We have excluded from our proposal the following types of licensed liquor outlets for the reasons given below:

(a) *Hotels and Tourist Houses*—because they are required by law to provide accommodation.

(b) *Taverns*—because they already pay the 3 percent annual tavern fee which goes into the Licensing Fund to help in the provision of accommodation.

(c) *Restaurants*—because in licensed restaurants liquor is sold for consumption as part of a meal. This is a socially desirable practice which tends to encourage drinking in moderation and with the taking of food.

(d) *Wine Resellers*—because they are licensed to sell New Zealand wines. We do not wish to discourage a developing local industry.

223. We have not yet mentioned the licensed wholesaler who sells liquor strictly as a wholesaler to other licence holders, but who can also sell and deliver liquor in quantities of not less than 2 gallons to any person at any one time. Many individual citizens purchase from wholesalers liquor in quantities of not less than 2 gallons at any one time for their private use. So widespread has this custom become that the domestic trade forms a substantial part of the business of most holders of a wholesale licence. In this way a very large quantity of liquor is sold by the wholesaler direct to the consumer. No levy equivalent to the 3 percent tavern fee is made on liquor thus sold direct to the consumer. This liquor is as potentially harmful as any other liquor and should therefore bear the proposed 3 percent levy to be used in combating the damaging effects of beverage alcohol. We think that there is a strong case for imposing this levy on the cost price to the wholesaler of all liquor sold by him direct to the consumer.

224. The chartered clubs, taverns in district trust areas, and the domestic sales part of the wholesaler's trade are outlets through which large quantities of alcoholic liquor are sold during the period of 1 year. None of them at present pays the 3 percent tavern fee which is payable by taverns operated by private enterprise, or by local or suburban trusts. We can see no valid reason why they should not pay the equivalent of the present 3 percent tavern fee as a contribution to the research, education, and treatment fund necessary to support the work of the proposed Alcoholic Liquor Advisory Council. If this were done it would bring about greater equality in trading because the chartered clubs and district trusts would no longer enjoy a trading advantage over taverns generally.

225. We **recommend:**

(1) That the money required to pay for all the activities of the Alcoholic Liquor Advisory Council be obtained by imposing a levy or tax of 3 percent on the gross amount paid or payable for all liquor (other than liquor sold by the licensee to other licensees) purchased for the chartered club or any sports club which may hereafter obtain a licence to sell liquor, or tavern operated by a district licensing trust in its own area during the "licence period" as defined in section 286A of the Sale of Liquor Act 1962.

(2) That early consideration be given to the imposition of a similar levy for the same purposes on the gross purchase price paid by licensed wholesalers for all liquor sold by them direct to the consumer during each licensing period. We refrain from making a recommendation to this effect only because we have heard no argument from the licensed wholesalers or their counsel regarding this proposal. In fairness to them we should not make a positive recommendation without allowing them the opportunity of being heard.

(3) That the fee payable for the club's charter or a renewal thereof shall be a sum equal to 3 percent of purchases of liquor for the club during the licensing period. The provisions of section 286A shall apply as if the club were a tavern for the purposes of that section.

(4) That in the case of a tavern operated by a district trust in its area the 3 percent levy on purchases for the tavern shall be payable as though it were the fee payable for the tavern-keeper's licence or a renewal thereof as provided for in section 286A of the Sale of Liquor Act 1962. The provisions of that section should apply with the necessary modifications.

(5) All moneys received from this 3 percent levy or tax shall be paid into the Licensing Fund Account but they shall not be transferred to the State Advances Corporation of New Zealand to be held in the Hotel Investment Account. These moneys shall be paid out of the Licensing Fund Account as and when the Minister shall direct for the use and benefit of the Alcoholic Liquor Advisory Council.

(6) If our recommendation for the introduction of the ancillary licence previously suggested in this report is adopted, then we consider that the above-mentioned 3 percent levy or tax should be imposed on all liquor purchased for sale under any ancillary licence unless the Licensing Control Commission in its discretion sees fit to exempt the holder of such licence from payment of that levy or tax. If, as recommended later in this report, a licence should be authorised to enable a university union to sell liquor on the university campus, then the above-mentioned 3 percent levy or tax should be imposed on purchases of liquor for sale under such a licence. We recommend accordingly.

(7) If the proposed levies fail to yield sufficient moneys for the purposes of the Alcoholic Liquor Advisory Council then we would recommend the imposition of a sufficient tax on all liquor for sale in New Zealand before it leaves the premises where it is brewed or manufactured in New Zealand, or, if imported, on its arrival in New Zealand.

Part IX SPECIAL ISSUES FOR DETERMINATION

226. We proceed now to consider important specific issues which have necessarily arisen from our inquiries. These issues have been the subject of many submissions and we have heard a great deal of evidence concerning them.

1. SHOULD SUPERMARKETS, GROCERY STORES, AND OTHER RETAIL SHOPS BE LICENSED TO SELL LIQUOR FOR CONSUMPTION OFF THE PREMISES?

227. This particular issue was first raised in the early submission of the Department of Justice which suggested that as a convenience to the public licences should be granted to supermarkets, grocery shops, dairies, and possibly other suitable retail shops allowing them to sell liquor for consumption off the premises. This suggestion was supported by a number of persons either in submissions presented at the hearing or in letters addressed to the commission. Far more, however, strongly opposed it. These included representatives of various churches, the Salvation Army, the New Zealand Alliance, women's organisations, and many responsible but concerned individuals. Many expressed the view that "the sale and availablity of liquor should be reduced rather than increased, since increased sales mean increased social problems".

228. A carefully prepared and very impressive submission was presented by the National Council of Women of New Zealand. The executive officers of this large organisation who appeared in support of the submission explained that the executive had sent out to all branches a long questionnaire on relevant issues. Members of each branch had the opportunity of discussing these issues and most sent to the national executive their replies to the questionnaire. These replies were collated and studied. From information thus obtained the submission was prepared. On the question as to whether members favoured additional retail outlets for liquor such as dairies, groceries, and "take-away" food bars this response was given in the written submission:

> "There is no support whatever for sale of liquor through dairies and food bars, and the majority are also against the sale through groceries. However, there is a significant minority which feels that groceries (and supermarkets) should be able to sell liquor—as they already do in certain cases."

We were impressed by this view presented by an important organisation which is fairly representative of a large section of the women of New Zealand.

229. Representatives of the Wellington Shop Employees Union gave evidence against the proposal. The membership and award coverage of this union comprises all retail shops in the Wellington Industrial District, except wine shops. They were strongly opposed to supermarkets or other established food retailers being given the right to sell liquor because of the responsibilities which this would place on staff under the licensing laws, and the difficulty of exercising proper control by young, often inexperienced, and rapidly changing staff.

230. The main submission in support of the proposal was made on behalf of the New Zealand Wholesale Grocery Distributors Federation which sought the right for grocer shops and supermarkets to retail New Zealand wines and beer. Witnesses were called to give evidence in support. A petition purporting to have been signed by 10,111 persons whose signatures were obtained in approximately 90 stores throughout the country was presented in support of their case. We must be cautious in determining what weight should be given to such a petition because of lack of knowledge as to how the signatures were obtained and as to whether the signatories genuinely supported the cause.

231. A similar submission was made on behalf of Foodtown Supermarkets Ltd. at Auckland. This submission stressed the convenience of "one stop shopping". The New Zealand Public Service Association supported the licensing of grocers and supermarkets to sell liquor. The police offered no objection to this proposal, mainly because they had experienced little difficulty in law enforcement in respect of bottle stores or other outlets from which liquor may be sold for consumption off the premises.

232. However, any extension of "off sales" outlets was strongly opposed by the New Zealand Liquor Industry Council, the New Zealand Association of Licensing Trusts, and the Wine Resellers Association, all of whom foresaw difficulties arising from inadequate supervision and control of sales of liquor from such outlets. Other criticisms were the mass display techniques which have a psychological effect, tending to encourage people to make unplanned or impulsive purchases thereby further increasing volume sales. Further factors mentioned were the aggressive sales tactics adopted in supermarkets where the operation is based on "specials" or goods offered at low price, with little, if any, profit, in order to stimulate sales. Everything is geared to first attracting the customer and then pursuing turnover and volume sales.

233. Another point which impressed us was made by Miss J. V. Fowler, Director of the Alcohol and Drug Dependence Centre of Auckland, who dealt with the question of women with alcohol problems and the availability of liquor. Her point was that because such a woman could so easily purchase liquor in complete anonymity at a supermarket she would be at greater risk. She expressed the view that it would not be in the interests of persons of either sex at risk to have ready access to alcohol at the grocery store or supermarket.

234. On 11 February 1974 Dr James G. Rankin, M.B., F.R.A.C.P., Director and Head of Medicine, Addiction Research Foundation Clinical Institute; Associate Professor Medicine, University of Toronto, delivered in Christchurch, the Sir Charles Burns lecture of the National Society on Alcoholism and Drug Dependence. At pages 27 and 28 of the typed record of his lecture Dr Rankin has stated:

> "While acknowledging that in any society there is a small proportion who will become alcohol dependent due to disturbed emotions and behaviour, societies do not appear to be becoming sicker mentally or socially and therefore drinking more, rather are the rising levels of alcohol consumption the causes of these ills. Unfortunately such a view is unpleasant, unpalatable and typically rejected because it really has implications for those of us who consider ourselves sensible with regard to alcohol use, and is contrary to the view of a major economic force in society, the liquor industry and those who profit economically and otherwise from its strength and growth.
>
> "However, if our per capita consumption in Australia and New Zealand continues to rise, then it may ultimately reach that of France of 45 litres of absolute alcohol per year. In France, about 50 percent of all hospital beds are occupied by patients suffering from alcohol-related diseases which account for 40 percent of the health costs. This dilemma must be faced and a choice made with regard to possible solutions."

235. He said that 100 ml of absolute alcohol was contained in 9 oz of spirits, 21 oz of wine, or 72 oz of beer. Consumption at or over 100 ml was described as "hazardous" because there was a significant increase in drinkers developing cirrhosis of the liver.

236. Near the end of his lecture, at page 39 in paragraph marked 6 of the typed record, Dr Rankin reinforces the point made in these words:

> "You (i.e. New Zealanders) must recognise that the rising consumption of alcohol in N.Z. is out of control. Currently there are no restraining forces. You must decide whether to accept this fact and try and prevent further rises per capita consumption with its attendant consequences or ignore this fact and behave like an ostrich."

237. We reproduce below a table setting out *per capita* consumption of alcoholic beverages and ranking in order of magnitude for 29 countries. This table was produced to us by the New Zealand Liquor Industry Council:

Table 9

PER CAPITA CONSUMPTION OF ALCOHOLIC BEVERAGES AND RANKING IN ORDER OF MAGNITUDE FOR 29 COUNTRIES

(All Consumption Figures in Imperial Gallons)

1970

Country	Total Absolute Alcohol Consumed *Per Capita*	*Per Capita* Consumption			Ranking of Country by Consumption of Beverage Type		
		Beer	Wine	Spirits	Beer	Wine	Spirits
	gallons	gallons as consumed					
France	3.79	9.09	23.54	1.28	18	2	10
Italy	3.04	2.49	24.64	0.93	27	1	17
Spain	2.66	8.47	13.53	1.55	19	4	5
West Germany ..	2.65	31.05	3.72	1.63	1	13	2
Switzerland ..	2.36	17.18	9.22	1.03	10	5	15
Luxembourg ..	2.24	27.94	8.14	1.05	4	8	14
Hungary	2.23	13.07	8.29	1.48	14	7	6
Austria ..	2.22	21.71	6.84	0.78	9	9	21
Portugal ..	2.07	2.93	15.95	0.03	26	3	29
Czechoslovakia ..	2.00	30.78	3.21	1.30	2	15	9
Belgium	1.83	29.00	3.19	0.73	3	16	22
Australia ..	1.82	27.08	2.00	0.58	5	17	26
Yugoslavia ..	1.64	5.83	5.92	1.60	24	10	3
New Zealand ..	1.63	25.28	1.20	0.58	6	21	27
Denmark ..	1.50	23.87	1.30	0.70	7	19	23
Canada	1.45	16.36	0.91	1.20	11	24	11
United States ..	1.41	15.40	1.09	1.58	12	23	4
Romania ..	1.39	4.82	5.08	1.33	25	11	8
Bulgaria ..	1.32	7.70	4.25	1.05	21	12	13
Sweden	1.27	12.67	1.41	1.45	15	18	7
Japan	1.23	6.29	3.61	0.78	23	14	20
Netherlands ..	1.22	12.63	1.13	1.13	16	22	12
Poland	1.19	6.91	1.23	1.75	22	20	1
England ..	1.12	22.24	0.82	0.50	8	26	28
Ireland	1.10	14.76	0.35	0.80	13	29	19
Greece	1.06	2.07	8.80	0.65*	29	6	25
Finland	0.99	10.74	0.90	1.00	17	25	16
Norway	0.80	8.09	0.51	0.85	20	28	18
Israel	0.46	2.29	0.78	0.65	28	27	24
Average	1.71	14.44	5.57	1.03			

*Estimate.

Source: Produktschap Voor Gedistilleerde Dranken (Dutch Distillers Association). *Per capita* consumption of spirits in this publication is expressed in terms of absolute alcohol, while beer and wine are shown in terms of gallons as consumed. For consistency, the *per capita* consumption of spirits was converted to gallons as consumed as well, at an average strength of 40 percent alcohol by volume.

238. According to this table the New Zealand *per capita* consumption of liquor per year in 1970 was: beer 25.28 gallons, wine 1.20 gallons, spirits 0.58 gallons. With regard to beer consumption New Zealand is ranked sixth in order of magnitude for these 29 countries. This situation gives no ground for complacency.

239. The foregoing table gives the *per capita* consumption based on the whole population of New Zealand. It is appropriate and interesting to compare the above-mentioned figures with those supplied to us by the New Zealand Government Statistician relating to the apparent consumption of beer, wine, and spirits per head of the adult population of New Zealand, and also per head of the population aged 18 years and over. These figures are based on the period, 1945–1971 (census years). Particulars are set out below:

Apparent Consumption of Beer, Wine, and Spirits per Head of Adult Population[1] *1945–1901 (Census Years)*

Census Year	1945	1951	1956	1961	1966	1971
Beer (gallons)	24.8	29.6	36.0	37.3	40.7	45.2
Wine (gallons)	0.4	0.7	..[2]	..[2]	1.2	2.5
Spirits (proof gallons) ..	0.2	0.7	0.8	0.7	0.8	0.8

[1]Population age 20 years and over at the census.
[2]Reliable apparent consumption data not available.

Apparent Consumption of Beer, Wine, and Spirits per Head of Population Aged 18 Years and Over 1945–1971 (Census Years)

Census Year	1945	1951	1956	1961	1966	1971
Beer (gallons)	23.6	28.3	34.6	35.6	38.3	42.6
Wine (gallons)	0.4	0.7	..[1]	..[1]	1.1	2.4
Spirits (proof gallons) ..	0.2	0.7	0.8	0.7	0.8	0.7

[1]Reliable apparent consumption data not available.

240. We understand that the apparent consumption of beer in New Zealand has doubled in the last 20 years and that in the same period the apparent consumption of wine has increased four-fold.

241. We find that the weight of evidence is against allowing the sale of liquor from additional retail outlets such as supermarkets, grocery shops, and dairies. We are not satisfied that the evidence has established a compelling demand for these additional facilities. We are influenced, however, by the real possibility that, by licensing these further outlets and thus making beverage alcohol more readily available, an increase in the already high *per capita* consumption will result to the detriment of those at risk.

242. Therefore we **recommend** that at this time there should be no change in the existing law to allow supermarkets, grocery shops, or other non-specialist retail outlets to sell liquor for consumption off the premises.

2. SHOULD THE DRINKING AGE BE LOWERED TO 18 YEARS?

243. This was a controversial issue on which the views expressed for and against were fairly evenly divided. Representatives of churches, religious organisations, the Salvation Army, and many

ERRATUM—In heading of first table in para. 239, *for* "1901" *read* "1971".

concerned individuals were unequivocally opposed to the lowering of the age at which young people should be allowed to drink in hotels and taverns below the existing limit of 20 years. The police viewpoint is:

> "The Police do not favour a lowering of the age at which persons can drink in hotel bars unless the means of applying this law are improved. At present many persons under 20 drink in hotels. This is evidenced by the fact that over 3,500 minors were charged in 1973 for being found in bars. Both Police and hotel staff encounter difficulty with this area of the law. . . . It is considered that if the age were lowered to 18 years without an improvement in the means of applying the law, a greater number of 15 to 17 year olds would enter bars. It is understood this is the pattern in South Australia where the age was reduced from 21 to 18 years in 1971."

244. The Ministry of Transport in its submission presented by a senior traffic engineer (research) said regarding the minimum drinking age:

> "At present the age of experimental drinking often coincides with the age of early driving experience. Any change to this situation would have wide social effects which would need to be very carefully evaluated. Until this is completed, retention of the present limit or at most a slight relaxation is favoured."

245. Again we refer to the submission presented by the National Council of Women of New Zealand. At page 7 of its first submission, No. 53, under the heading "Age Limit and Proof of Age" the submission reads:

> "There is division of opinion as to whether or not the drinking age should remain at 20 years. There is a very slight majority in favour of retaining the present drinking age, and one nationally organised society would like to see the age restored to 21 years. Support for the lowering of the age to 18 is often linked to the assumption that the voting age will be lowered to 18. In other words, it is felt by many that voting and drinking ages should be the same. The sort of thinking that supports lowering of the drinking age is exemplified by the following quote from a Branch:
>
> > 'With the change in law now allowing entertainment in bars it has made bars the only places that young people can hear their type of Band etc., and reduced other forms of entertainment in the community. This has increased the underage drinkers, and it is now debatable whether the teenager is not better off in a bar under a certain amount of supervision than out and around in cars.'
>
> "Many members consider that identification cards should be carried by people up to the age of 25 years. Some think that such an obligation would represent an infringement of personal rights, but the carrying of identification cards is accepted in other spheres, and could, in our opinion, be regarded as an aid in the enforcement of existing laws."

246. Other submissions opposed the lowering of the drinking age for a variety of reasons which included the following:

(a) The need to protect from the risk of alcohol abuse young people under 20 years of age who, because of immaturity or lack of experience and their state of physical development, are more vulnerable to the injurious effects of alcohol.

(b) The number of persons under 20 years of age who have developed alcohol problems has already increased. The lowering of the drinking age to 18 years will aggravate this situation.

(c) It will increase the road toll of traffic accidents causing death or injury and will make worse the prevailing drinking driving problem.

(d) It could lead to an increase in crimes committed by persons under 20 years of age while affected by liquor.

247. While fears based on these considerations are genuine and quite understandable we must comment that definite, tangible evidence to prove that these dire consequences will result has not been produced. It is appropriate in this regard to mention the following extract from the Ministry of Transport's submission (No. 195) on page 4:

> "Because of the incomplete state of knowledge of both the drinking driver problem and its control, it is difficult to make many positive recommendations in the context of the terms of reference of the Commission. The approach in the rest of this submission will therefore be to identify and comment on what the Ministry considers to be important road safety issues under the following four headings:
>
> (i) Increased availability of alcohol.
> (ii) Siting of Hotels and taverns.
> (iii) Hotel and tavern operation.
> (iv) Minimum drinking age.
>
> Because of the present state of knowledge there appears to be strong grounds for a conservative approach until more research has been conducted."

248. The Department of Internal Affairs made submissions (see submission No. 26) through its chief executive officer and its youth activities officer who gave evidence in support of the submission. This submission points out in paragraph 4.2 on page 3 that the only legal restrictions on drinking by young people relate to their drinking in hotels, other licensed premises, and public places. They can, and do, drink elsewhere without breaking the law. Many parents not only allow but encourage their children to drink in their own homes and they also consume liquor in the homes of their friends at parties and other private social functions. In paragraph 4.3 on page 3 the Department of Internal Affairs states:

"It is understandable why young people feel they are confronted with a, to them, seemingly ambiguous and indefensible double standard. Drinking, *per se*, is perceived by youth as a social act and in part as an assumption of adult status. Many are probably permitted by their parents to drink in private, yet the law does not countenance their drinking in licensed premises."

249. This department considers it preferable that young people be given the opportunity to drink in moderation in properly controlled and supervised licensed premises, rather than be obliged by default to engage in furtive drinking where liquor ceases to be a social amenity and can become an end in itself.

250. Therefore its submission is that the drinking age be lowered to 18 years. It also favours the adoption and legal recognition of a system of age declaration for young people.

251. The National Society on Alcoholism and Drug Dependence also supports the lowering of the age for public drinking to 18 years. It makes the point that in New Zealand and also in other countries adults as a general rule adopt two different attitudes towards drinking by young people. They adopt a private attitude, generally expressed towards their own children, which is permissive. They appear to adopt a public attitude which is negative and as such reflects the double standards which exist in so many situations towards alcohol in the community.

252. The Department of Justice also strongly advocated that the age at which people may drink in licensed premises should be lowered, and expressed the belief that the problem of under-age drinking would be greatly diminished if the minimum age were reduced to 18 years. We quote the following extract from the Department of Justice's submission (No. 18) appearing in paragraphs 82 and 83 on page 46:

"If the licensing law is to reflect what people in fact do then we consider there is a strong case for lowering the drinking age (by which, of course, is meant the age at which people may drink on licensed premises). While it may be an exaggeration to say that most people in the 18–20 age group drink on licensed premises we nevertheless have reason to believe that a considerable proportion do, and the numbers are increasing. Those convicted of being in a bar, purchasing liquor or giving false information in each of the last 5 years for which statistics are available were—

1967	1 794
1968	2 333
1969	2 602
1970	2 744
1971	3 456

Moreover for every minor caught many must escape detection. Whatever these figures show they do indicate that the present law does not deter. The facilities for dancing and entertainment now featured in many hotels and taverns must provide almost overwhelming temptation to many young people.

"Thus, the effect of the present law is to keep out those whose respect for the law will not allow them to break it, while failing to deter many of the less responsible. In other words, it is precisely the more mature and responsible people, those least likely to abuse the privilege to drink, who are most affected by the present law."

253. Many other witnesses gave evidence or made submissions in favour of lowering the age for drinking in hotels to 18 years. At the conclusion of the hearings we had formed a definite impression that there is considerable support in the community for lowering to 18 years the age at which persons may lawfully purchase and consume liquor in licensed premises.

254. Experience has shown that many young men and women, aged 18 and 19 years, persist in drinking in hotels and taverns. The number of prosecutions for this offence speaks for itself. It is reasonable to assume that the number of those detected and prosecuted would comprise only a small proportion of all underage drinkers. The difficulty of enforcing the present law is quite apparent. That it has been so persistently broken and ignored gives rise to the contention that it lacks the support of public opinion, particularly the opinion of that section of society to which it applies.

255. In endeavouring to reach a realistic decision on this controversial issue we are influenced by two considerations which demand attention. The first is that Parliament has granted to persons who have attained the age of 18 years the right to vote at local body elections. Furthermore both the Government and the Opposition in Parliament have expressed in writing their intention to reduce to 18 years the age at which a person is entitled to vote for the election of members of Parliament. If persons who have attained the age of 18 years are entrusted with the privilege and responsibility of voting at Parliamentary and local body elections it would be quite illogical to deny them the right lawfully to drink in licensed premises. The second of these two considerations is that in England, Scotland, and in some states at least in Australia the legal age for public drinking is 18 years. We cannot accept that the 18-year-old New Zealander is less mature or responsible than his or her English, Scottish, or Australian counterpart.

256. After considering all relevant factors we conclude that the law should be amended to reduce from 20 years to 18 years the age at which persons may lawfully purchase and consume liquor in licensed premises. We make a **recommendation** accordingly.

3. PROOF OF AGE AND IDENTIFICATION

257. We have heard much about the difficulties which face both the police and bar staff in dealing with under-age drinkers in hotels and taverns. The Hotel Association has introduced a form of declaration which a person who is suspected of being under the minimum drinking age can be asked to sign so that his or her true age can be ascertained. However, the signing of such a declaration does not exonerate the licensee or barman if liquor is sold to a minor. Also false information can easily be given in the declaration without any chance of checking its accuracy.

258. Many of those who opposed the lowering of the drinking age emphasised that if the age were to be reduced to 18 years then teenagers in the 15 to 17 years old age group would enter hotel bars and procure liquor, just as the 18 and 19 year old group has been and is now doing. Without doubt the problem of the consumption of liquor by minors has been and still is a matter for serious concern. As an attempt to cope more effectively with this problem many witnesses have advocated the introduction of some means of establishing the age and identity of a young person who elects to drink in a hotel or tavern. It has been suggested that the best means of achieving this end would be the production on request of an identity card, a sample of which was supplied by one witness who had used it himself in Hawaii. On his card are recorded particulars of the name, address, and date of birth of the bearer who can be identified by means of a small photograph which appears on the identification card. Most witnesses who were invited to comment on the use of such an identification card in hotel and tavern bars supported the proposal. Among them was a representative of a university students association and also the spokesman for the Auckland Civil Liberties Council Incorporated. A few expressed disapproval in case it should be regarded as an infringement of personal freedom. This objection can be met by pointing out that photographs and personal details appear on every passport. This is accepted without any question or objection.

259. We consider that this proposal has much to commend it. The police favour it and so do those in the liquor industry who are concerned all the time in their daily work with the problem of drinking by minors in licensed premises. The production of such a card would establish the age and identity of the bearer and so spare him or her any embarrassment or argument. The bar staff and the police could accept it without question. This would afford to bar staff a much greater measure of protection from prosecution on a charge of serving a minor with liquor. A person who has attained the age of 18 years should be able to apply to

the appropriate Government department—say the Post Office or the Registrar of Births, for such an identification card on which would be recorded this person's date of birth. The addition of the photograph should cause little difficulty. It is invariably obtained for a passport at a modest price. A person would not be compelled to obtain an identification card. It would be entirely optional. If, however, a youthful looking person who is suspected of being under 18 years of age does not produce an identification card when requested to do so on licensed premises he or she would not be served with liquor and could be instructed to leave the premises. This should assist greatly in preventing young persons under the age of 18 years from drinking in hotel or tavern bars.

260. We **recommend:**

(1) The introduction of an identity card bearing the full name of the person to whom it relates, together with a certified record of his or her date of birth and a photograph of that person for identification purposes. This identity card should be obtainable on application by the person concerned at the office of the appropriate Government department on payment of a small fee to cover the cost of producing the card and of reasonable administrative charges.

(2) Any person appearing to be under the age of 18 years who purchases or attempts to purchase liquor in any hotel, tavern, or other licensed premises may be requested to produce an identity card to prove his or her age and identification. If a motor driver's licence on which appears a photograph of the person to whom it belongs should be introduced this could be accepted in lieu of an identity card. If such a person does not produce an identity card or motor driver's licence as evidence of age and identification he or she should not be served with liquor but should be asked to leave the premises.

261. The police have submitted in paragraph 14.4 on pages 10 and 11 of their submission, No. 194, a suggested draft of the desired amendment of the Sale of Liquor Act 1962 to give effect to this proposal.

262. This suggested draft amendment appears as appendix No. III to this report.

4. POKER MACHINES IN CLUBS

263. One submission advocated the introduction of poker machines into clubs in New Zealand because it was submitted the operation of such machines had proved so profitable to clubs

in New South Wales with the result that members had derived substantial benefits. It was suggested that similar profits could result to clubs with corresponding benefits to their members, if these gambling machines were introduced here.

264. It is illegal to operate these machines in New Zealand, and with good reason. By using these machines too many people can become compulsive gamblers with disastrous consequences not only to themselves but also to their dependents.

265. This submission received no support from any other witness who gave evidence before us. It is significant that, as far as we are aware, no other Australian state has followed the example of New South Wales in allowing the widespread operation of poker machines. For manifest and sound reasons these machines are not wanted in New Zealand.

266. We have no hesitation in rejecting this submission. Accordingly we **recommend** that the existing prohibition against the operation of poker machines in New Zealand be continued.

Part X PERMITTED HOURS FOR THE SALE OF LIQUOR ON LICENSED PREMISES

1. THE PRESENT LAW

267. Under the present law the hours during which the licensee is authorised to sell and dispose of liquor on the premises to which his licence relates are as follows:

(a) *Hotelkeeper's Licence* (see section 60 of the Sale of Liquor Act 1962)

268. (i) To any person, for consumption on or off the premises, at any time between 11 o'clock in the morning and 10 o'clock in the evening on any day other than Sunday, Good Friday, and Christmas Day (see section 71 of the Sale of Liquor Act 1962); and

(ii) To any person, who is a lodger, or an employee of the licensee, living on the premises for consumption on or off the premises, at any time on any day; and

(iii) To any person actually partaking of a substantial meal in any room or place (other than a bar) used for dining, for consumption by that person as part of the meal, at any time between the hours of 9 o'clock in the morning and 11.30 o'clock at night on any day.

(b) *Special Hotelkeeper's Licence and Extended Hotelkeeper's Licence*

269. The same hours as those specified for the hotelkeeper's licence also apply to sales in the bar premises and in the house premises respectively under a special hotelkeeper's licence, and to sales on the hotel premises and on the extended premises under an extended hotelkeeper's licence.

(c) *Tourist-house Keeper's Licence* (see section 63 of the Sale of Liquor Act 1962)

270. (i) To any person who is for the time being a lodger, or an employee of the licensee, living on the premises, for the consumption on or off the premises, at any time on any day; and

(ii) To any person actually partaking of a substantial meal in any room or place (other than a bar) used for dining, for consumption by that person as part of the meal, at any time between the hours of 9 o'clock in the morning and 11.30 o'clock at night on any day.

(d) *Tavernkeeper's Licence* (see section 64 of the Sale of Liquor Act 1962)

271. To any person, for consumption on or off the premises, at any time between the hours of 11 o'clock in the morning and 10 o'clock in the evening on any day other than Sunday, Good Friday, and Christmas Day.

(e) *Usual Hours and Variations of Usual Hours for Sale of Liquor*

272. Under the provisions of section 221A of the Sale of Liquor Act 1962, "usual hours" for hotel and tavern premises are:

(i) Opening time: 11 o'clock in the morning, and

(ii) Closing time: 10 o'clock in the evening on any day other than Sunday, Good Friday, and Christmas Day.

273. This section empowers the Licensing Committee from time to time, if it is satisfied that it is in the public interest to do so, to make an order fixing hours other than the usual hours for the opening or closing of any hotel or tavern premises for the sale of liquor to the public. Such an order may make provision for any one or more of the following, namely:

(i) The closing of the premises before the usual closing hour;

(ii) The opening of the premises before the usual opening hour;

(iii) The opening of the premises after the usual opening hour;

(iv) The closing of the premises for any period or periods during the day.

No such order shall provide for the keeping open of the premises for the sale of liquor to the public for more than 11 hours on any day.

274. The significant points are that under section 221A, the Licensing Committee has no power to order the closing of the hotel or tavern premises *after* the usual hour of closing, nor to extend the opening time beyond 11 hours on any day.

(f) *Chartered Clubs*

275. Pursuant to the provision of section 168 of the Sale of Liquor Act 1962, every chartered club shall be closed for the sale of liquor:

(i) On Sunday, Good Friday, and Christmas Day; and

(ii) From 10 o'clock in the evening on every other day, until 9 o'clock in the morning of the next day, or if that day is Sunday, Good Friday, or Christmas Day, until 9 o'clock in the morning of the next day on which the club is not required to be closed.

276. The club shall not be kept open for the sale of liquor for more than 11 hours on any day.

(g) *Special Dining Permit for Hotel, Tourist-house, or Chartered Club*

277. Under the provisions of section 215 of the Sale of Liquor Act 1962 the Licensing Control Commission may at any time in its discretion grant to the holder of any hotelkeeper's licence or tourist-house keeper's licence a special dining permit for the hotel premises (including the house premises under a special hotelkeeper's licence or the hotel premises under an extended hotelkeeper's licence) or, as the case may be, the tourist-house premises, conducted under the licence. The commission may similarly grant to any chartered club a special dining permit for the club premises.

278. Where any special dining permit is in force, any person who partakes of a substantial meal on the premises may, in accordance with the terms of the permit, be sold or supplied with liquor in any lounge or lounge bar before and after the meal as may be fixed by the commission but not later than 11.30 p.m. on any day. Liquor supplied within that time must be consumed within 30 minutes immediately after the expiry of that time.

279. This accords with the closing time of 11.30 p.m. prescribed for a licensed restaurant. (See section 65 of the Sale of Liquor Act 1962.) Every bottle or container must be removed by 12 o'clock at night in a licensed restaurant.

2. THE CASES FOR AND AGAINST EXTENDED HOURS DURING WHICH LIQUOR MAY BE SOLD ON LICENSED PREMISES

280. In 1967 at a referendum the New Zealand electors voted in favour of closing of hotels at 10 p.m. by a majority of 64 percent. The New Zealand Liquor Industry Council, the New Zealand Licensing Trusts Association, the New Zealand Association of Chartered Clubs, and many individuals advocated a further extension of trading hours in hotels and taverns. On the other hand the New Zealand Temperance Alliance, churches, religious organisations, including the Salvation Army and many individuals strongly opposed any extension of such trading hours. The grounds of opposition were mainly that an extension of hours would bring about an increase in the consumption of alcohol with resulting detriment to individuals and society. Also opposed to extension of hours is the New Zealand Federated Hotel, Hospital, Restaurant, and Related Trades Industrial Association of Workers, whose submission (No. 108) was presented by its National Secretary, Mr L. N. Short.

281. The National Council of Women of New Zealand stated in its submission that the majority of its members did not want any

extension of present hours of drinking permitted in hotels. A minority would be in favour of extending the hours on Saturday until 11 p.m. and about the same number are in favour of extension until midnight. This support is influenced by the possibility that traffic congestion and risk would be lessened if the patrons of licensed premises and Saturday night entertainment were homeward bound at different times. In this regard it is appropriate to refer to the following extract from submission (No. 195) from the Ministry of Transport at page 7:

> "If drinking hours were to be extended it seems reasonable to assume that there would be fewer impaired drivers on the road between 10 p.m. and 11 p.m. and more at a later time. In most areas traffic volumes are much lighter after 11 p.m. (Saturday excepted) which means the chances of conflict with other vehicles or pedestrians would be less. Provided there is no major increase in alcohol consumption therefore it is unlikely that there would be a significant increase in accidents. If consumption was to increase the consequences would be more difficult to assess."

282. It is significant that, according to table 1 contained in the submission of the Ministry of Transport, the greatest number of accidents involving alcohol for any hour of the day occurs between 10 p.m. and 11 p.m., and more of these accidents take place on Friday, Saturday, and Sunday than on other days of the week.

283. The submission of New Zealand Police (No. 194) contains the results of two separate surveys. (See page 12 and appendices 1, 2, and 3.) These demonstrate that the greatest volume of police work occurs during the hours following the closing of hotels. Appendix 1 indicates that the highest number of calls to the operations centre at Auckland in October 1972 was received after closing of hotels with a peak being reached at 11 p.m. Appendix 2 indicates that the busiest times for inward telephone calls to the police are in the hours following the closing of hotels on Thursday to Saturday nights inclusive. Appendix 3 is based only on calls which actually required the attention of a police patrol. The graph indicates that the greatest number of telephone calls requiring the attendance of a police patrol occurs during the hours after 10 p.m. on Thursday to Saturday nights inclusive.

284. On the topic of general extension of hours the Police submission in paragraphs 17.1, 17.2, and 17.3 on page 13 reads:

> "17.1 Many opinions on this topic have been expressed to the Royal Commission. It has become noticeable that the leisurely pace of drinking which followed the introduction of 10 p.m. closing has, in some areas, disappeared with the passage of time. Indeed, drinking habits in some hotels resemble those of the 6 p.m. closing era. The Police believe there should be no general extension of hours for hotels

but that the opportunity for hotels to extend their hours on certain occasions should be provided. For instance, an extension of hours to midnight might be granted on particular public holidays or at certain times of the year. This would enable an hotel to apply for approval to remain open until midnight on the day in question. This approval could be applicable for a specified period; e.g. all Friday and Saturday nights between Christmas and the end of January.

17.2 Local conditions and the conduct of patrons would be important factors in the granting of an extension. For this reason the local Licensing Committee might be the appropriate body to give approval. The Police would seek the right both to be heard in respect of any application and the right to apply for the cancellation of the extension if the behaviour of patrons or any other valid reasons made this course necessary. It is envisaged that the approval would apply only to the one specified period, e.g. approval to open on Anzac Day in 1974 would be applicable only for that year and a fresh application would be required for 1975. Similarly, permission to open on every Friday and Saturday between Christmas 1974 and the end of January 1975 would be applicable only for that period with a fresh application having to be made the following year. These restrictions would provide an additional means of control on the use of the provisions.

17.3 Many persons have suggested that coffee and food should be provided in bars towards closing time. Many patrons who would most benefit from the consumption of coffee or food would probably be reluctant to avail themselves of these facilities. A better idea might be to provide coffee and food but to allow patrons to remain on the premises after 10.15 p.m. to partake of these. This suggestion could be implemented on a restricted basis initially. If successful it would be helpful in reducing the effects of liquor and would also serve to assist in a more orderly dispersal from the hotel. Under the proposal, the sale of liquor would still cease at 10 p.m. with all bottles and other vessels being cleared from the bar by 10.30 p.m. Patrons would then be permitted to remain on the premises until 11.30 p.m. or 12 midnight and during this time non alcoholic drinks such as coffee and tea and also food would be available. If the bar were one where entertainment was provided this could be continued until the time persons were required to leave the premises (i.e. 11.30 p.m. or 12 midnight)."

285. In support of its submission for extended hours the New Zealand Liquor Industry Council adduced evidence by Mr M. D. Jurgeleit, the Wellington Manager of Research Marketing Services Ltd., which carried out three research projects for the council. The first of these was in 1968, the second in 1972, and the third in October 1973 for the purpose of preparing the council's submission to this Royal Commission. In the course of his evidence Mr Jurgeleit produced his company's written report on these research projects. At page 29 of this report it states:

"In the survey this Company conducted the following year (1968), 86% expressed satisfaction with the recently changed hours by indicating their preference for retaining 10 p.m. closing rather than further extending drinking hours. 9% were in favour of extension. Between

1968 and 1972 the topic of extending hours at the week-end alone became a topical issue. The following table shows the attitude of New Zealanders to this particular subject:

"*Table XVI—Percentage of New Zealand Adults Who Want an Extension of Hours for Hotels on the Evening Specified*

Day of Week	1972 %	1973 %
Monday to Wednesday	not measured	13
Thursday	not measured	17
Friday	39	38
Saturday	49	53
Some form of extension	50	54
Same hours or reduction	50	46

Cf. Table 28 Section 2.7.4. N.Z.L.I.C. Submission.

"It is clear that public opinion in favour of further liberalisation has gained considerable momentum since 1968 to the point that a clear majority in favour of the proposition of limited extended hours now exists throughout the country. The detailed statistics also show that only 11% of the population favour a return to 6.00 p.m. closing whereas the figure in 1968 was 14%.

2.15 There is wide regional variation in the wish for later closing as is shown in the following figures.

"*Table XVII—Percentage of New Zealand Adults in Favour of Some Form of Limited Later Closing as Proposed in Table XVI*

Area	Percent in Favour of Some Form of Later Closing 1973
All areas	54
Auckland Urban	51
Wellington Urban	65
Christchurch Urban	65
Auckland Provincial	50
Wellington Provincial	48
South Island Provincial	58

2.16 Those respondents who agreed to the extension were then asked to indicate their preference for the closing time for those nights on which they wanted an extension. Their replies provided the following information.

"*Table XVIII—Closing Time Preferred by Those New Zealand Adults in Favour of Later Closing on each Specified Night (1973 Survey Only)*

Closing time	Oct 1973 Sat	Fri	Thur	Other
11 p.m.	18	28	41	38
12 p.m.	63	54	34	32
After 12 p.m.	19	18	25	29
Based on those requiring extensions on each specified night	729 53% of sample	518 38% of sample	231 17% of sample	178 13% of sample

Cf. Table 29. Section 2.7.4. N.Z.L.I.C. Submission shows the same information but with data expressed as a percentage of the 748 respondents (54% of the sample) requiring some extension of hours irrespective of night.

Table XVI showed that Friday and Saturday nights would be the most popular choice for extended hours and Table XVIII shows that midnight would be the most popular extended closing time."

286. In its submission (No. 175) the New Zealand Liquor Industry Council set out in paragraph 2.7.4 the following:

"Opinions on the preferred closing time are quoted only from the survey of October 1973, because the sample was asked a fuller question, relating to all days of the week. Results refer only to those people who were in favour of some kind of trading hours extension, that is to 54% of the sample:

"*Table 29—N.Z.L.I.C.*

In Favour of Closing At	% of People by Day of Week			
	Mon-Wed	Thur	Fri	Sat
11 p.m.	9	13	19	18
Midnight	8	10	38	62
After midnight ..	7	8	12	18
Total after 10 p.m. ..	24	31	69	98

Public opinion has moved in favour of extension of hotel trading hours in the 16 months between the two surveys. Clearly also, demand for such extension focuses mainly upon Saturday and, to some extent, on Friday, with emphasis upon midnight closing, rather than earlier or later than midnight. Current trading patterns, to which reference has been made earlier in this submission, indicate that these survey results strongly derive from current practice. There is little demand for early-week extension of hours, just as there is little early-week patronage at the present time."

287. In deciding how much reliance should be placed on the results of such research projects we must bear in mind their possible shortcomings or deficiences which could lead to an inaccurate or misleading conclusion. However, these conclusions on the wishes of the people as to extension of trading hours are consistent with the views given by many witnesses who appeared before us. Therefore we feel justified in accepting them as a fair indication of what a representative section of the people is supporting.

288. It is apparent from the divergent views which we have mentioned above that while an extension of trading hours on Friday and particularly Saturday nights is widely supported many responsible people hold the contrary opinion and have expressed concern regarding the proposal. In these circumstances we have endeavoured to find a reasonable compromise between these opposing views.

3. OUR CONCLUSIONS

289. The New Zealand Liquor Industry Council acknowledged that not all hotels are suitably designed or appointed to serve the late night customer and therefore it was of the opinion that these extensions should not be mandatory but should be available to licensees who may wish to take advantage of them on application to the local licensing committees by a procedure similar to that currently obtaining for applications to vary trading hours. (See section 221A of the Sale of Liquor Act 1962.)

This would mean that an application for an extension of trading hours would be heard by the local Licensing Committee at a public sitting of which public notice shall be given and at which all interested parties shall be entitled to be heard. In determining whether it is in the public interest to make an order for extended hours the committee shall have regard to the requirements of the public and to such other matters as it considers relevant. Any applicant or any holder of a hotelkeeper's or tavernkeeper's licence to whose premises the committee's decision relates and who appeared at the hearing or any local authority that appeared at the hearing, if dissatisfied with the committee's decision, may appeal to the Licensing Control Commission.

290. We agree that extensions of hours should not be mandatory but an application for an extension should be left to the discretion of licensees so that those who wish to apply may do so.

291. We consider that such a procedure should be followed for any application for extension of trading hours in hotels and taverns. We emphasise, however, that notice of such an application must be given the police so that they shall have the right to be heard on the hearing of the application. Also the police should have the right to apply at any time for cancellation of the extension if the unruly or objectionable behaviour of patrons, lack of proper control by the licensee, undue noise, nuisance to neighbours, or other valid reasons should render this desirable in the public interest. The Licensing Committee should be expressly empowered at any time to cancel or revoke an order granting extension of hours on any of these grounds. The Licensing Committee should also be empowered to increase opening hours beyond 11 hours per day when granting extended hours. It already has power to order closing of hotel and tavern premises for any period during usual hours but not to grant an increase beyond 11 hours per day if it should wish to do so.

292. Where an application for extended hours is made by a district licensing trust it should be dealt with by the Magistrate

exercising jurisdiction in that district at a public hearing so that objectors who had given notice of objection can be heard.

293. We **recommend** that any extension of trading hours be confined to the following:

(1) On Friday night (except Good Friday and where Christmas Day falls on a Friday), closing time may be extended to not later than 11 p.m. Fifteen minutes drinking up time to be allowed.

(2) On Saturday night (except where Christmas Day falls on a Saturday), closing time may be extended to not later than 11.30 p.m. Fifteen minutes drinking up time to be allowed.

(3) New Year's Eve—closing time may be extended until not later than 12 midnight—with thirty minutes to be allowed for drinking up time (i.e., patrons must be off the premises by 12.30 a.m.).

294. The reason we recommend midnight on New Year's Eve is that if patrons remain on licensed premises to consume liquor purchased before midnight, they will not be on the streets adding to the general turmoil when midnight strikes. It is thought that this could be in the public interest and also might assist police and traffic authorities.

4. EXTENSION OF HOURS FOR CHARTERED CLUBS

295. Any chartered club should have the right to apply to the local Licensing Committee for an extension of hours similar to those available to hotels and taverns. We **recommend** accordingly.

5. BOTTLE STORES ON HOTEL OR TAVERN PREMISES

296. The New Zealand Liquor Industry Council submitted that bottle stores being part of hotel or tavern premises should be permitted to remain open until half an hour after the extended closing time. The point was made that hotel bottle stores are very busy between 9.30 and 10 p.m. on a Saturday night and that it is not uncommon for a bottle store to take half of its entire Saturday revenue in this final 30 minutes trading. It was felt that closing of bottle stores at the same time as bars tends to encourage the making of hasty off-premises purchases resulting in over buying. We are not impressed by this suggestion. Indeed, persons who have spent the whole evening in the bar and remain there for an extra hour or hour and a half, because of later closing, are likely to make even more unwise

off-premises purchases, as they would have an extra 30 minutes after later closing time within which to visit the bottle store. Also one of the problems referred to by police and traffic officers is that many persons buy large quantities of liquor when leaving the hotel or tavern and consume it in cars or on the streets to the annoyance and danger of other citizens. If patrons are allowed extra time for drinking on the premises they should not need to purchase further liquor for consumption off the premises. Those who wish to buy liquor to take away have ample opportunity of doing so before 10 p.m. We see no valid reason for extending the hours of bottle stores. Therefore, we **recommend** that bottle stores in hotels or taverns which may have extended hours should close at 10 p.m. as they already do.

6. PUBLIC HOLIDAYS

297. The New Zealand Liquor Industry Council also submitted that if trading hours were extended at the week's end they should also be extended on days preceding public holidays. We are not satisfied that there is a real demand for this extension nor that it would be desirable in the public interest, particularly when extension of trading is, as we have shown, such a contentious issue. In any case, most of our public holidays have been "Mondayised" so that the day preceding those holidays would be Sunday when extended hours could not apply unless Sunday trading were introduced. We do not recommend any extension of hours on the day preceding a public holiday.

7. SPECIAL DINING PERMIT FOR HOTELS, TOURIST-HOUSES, OR CHARTERED CLUBS

298. We have already referred to section 215 of the Sale of Liquor Act 1962 which enables the Licensing Control Commission to grant to the holder of any hotelkeeper's licence or tourist-house keeper's licence, or to any chartered club a special dining permit under which any person who partakes of a substantial meal on those premises may be served with liquor in any lounge or lounge bar before and after the meal but not later than 11.30 p.m. with 30 minutes drinking up time after that. The New Zealand Liquor Industry Council in paragraph 2.7.10 of its submission refers to the market research surveys findings as to how, where, and when people have been dining out. In table 30 on page 50 it sets out the results as follows:

Dined out at least once in last 3 months in:	Percent of Affirmative Replies		
	June 1968	June 1972	October 1973
Hotel dining room	19	24	30
Licensed restaurants	15	25	29
Hotel bar	Not measured	6	9

299. The submission continues—"Obviously, more New Zealanders are dining out than formerly. There are no statistics on frequency, but revenue figures from many hotels suggest that the practice is increasing. Dinner in an hotel or restaurant is no longer confined to special occasions, such as birthdays and wedding anniversaries, particularly in Wellington and Auckland, where there are more attractive hotel and other licensed restaurants than elsewhere. More and more restaurant patrons dine late and it is not uncommon for patrons to arrive for dinner after 10 p.m., a trend which follows closely overseas practice—at an accelerating pace. Section 215 of the Sale of Liquor Act authorises the Licensing Control Commission to grant to an hotelkeeper, among others, a special dining permit allowing liquor to be served to "any person who is on those premises for the purpose of partaking of a substantial meal" until 11.30 p.m. and its consumption until midnight. The council believes that, in the past decade, these time restrictions have fallen far behind demand to dine and dance until a much later hour; and recommends that section 215 of the Sale of Liquor Act be amended to permit the sale of liquor, under the same circumstances, until 1.30 a.m. and its consumption until 2 a.m."

300. Partaking of liquor with adequate food has been advocated as desirable by many witnesses. It should therefore be encouraged particularly when the evidence shows that it is a developing trend.

301. Accordingly we uphold this submission and **recommend** that section 215 of the Sale of Liquor Act 1962 be amended by extending the hour specified from 11.30 p.m. until 1.30 a.m. with an additional 30 minutes until 2 a.m. for consumption of liquor sold or supplied within the prescribed time.

8. EXTENSION OF HOURS FOR LICENSED RESTAURANTS AND CABARETS

302. Because a restaurant licence and also a cabaret licence authorises the licensee to sell liquor on the licensed premises until 11.30 p.m., with an extra 30 minutes until 12 o'clock at night for consumption, it will be only fair to allow a similar extension of

hours to the holder of a restaurant licence and the holder of a cabaret licence respectively. Therefore we **recommend** that the permitted hour for the sale or supply of liquor in a licensed restaurant or in a licensed cabaret, as the case may be, be extended from 11.30 o'clock at night until 1.30 o'clock in the morning, with the extra 30 minutes allowed until 2 o'clock in the morning for consuming liquor supplied within the prescribed time.

9. ALTERATION OF USUAL OPENING HOUR FOR CABARETS

303. Section 65c (1) of the Sale of Liquor Act 1962 provides that a cabaret licence shall authorise the licensee to sell and dispose of liquor for consumption on the premises specified in the licence at any time between the hours of 6 p.m. and 11.30 p.m. on any day except Sunday and Good Friday. Before granting such a licence the Licensing Control Commission is, according to section 65c (2) (b) of the Sale of Liquor Act 1962, to be satisfied that the sale and disposal of liquor on the premises will be ancillary to the provision of facilities for dancing and of entertainment.

304. Our attention has been drawn to an eye-catching advertisement which appeared in a recent issue of a city daily newspaper inviting patrons to call at a named licensed cabaret for a drink "after work". This advertisement referred to "a cocktail at six" and mentioned that there is no cover charge until 7.30. The cabaret is advertised for 9.30. If this advertisement means what it says then one can draw a reasonable inference that liquor will be available for sale and consumption at 6 p.m. which is $1\frac{1}{2}$ hours before the cover charge is made and $3\frac{1}{2}$ hours before the cabaret show starts at 9.30 p.m. The disposal of liquor in such circumstances would not appear to be "ancillary to the provision of facilities for dancing and of entertainment". A cabaret licence is not intended to permit tavern style trading.

305. It was stressed by several witnesses who gave evidence supporting later closing for cabarets that the trend is towards a later start of cabaret shows. Therefore it seems to us that there is little likelihood of genuine cabaret entertainment starting before 8 p.m. A cabaret licence is not the same as a restaurant licence.

306. In order to avoid possible abuse and to give effect to the real intent of the cabaret licence, we **recommend** that a cabaret licence shall authorise the licensee to sell liquor for consumption on the premises specified in the licence at any time between the hours of 7.30 o'clock in the evening of one day (except Sunday and Good Friday) and 1.30 o'clock in the morning of the following day.

10. EXTENSION OF HOURS FOR THEATRE LICENCES

(a) *Evening Hours*

307. Under the present law a theatre licence authorises the licensee to sell and dispose of liquor for consumption on the premises between the hours of 7 p.m. and 10 p.m. on any day (except Sunday and Good Friday) when the theatre is open to the public for the purpose of attending an entertainment of the permitted sort. Evidence has been given by present licensees to the effect that these hours are insufficient for normal requirements. It was submitted that the opening hour should be 6 p.m.—the same as for a licensed restaurant—so that persons who will be attending the entertainment can have an evening meal, with liquor served, before the show starts. It was also submitted that 10 p.m. is too early for most entertainments to finish. After the show patrons like to gather socially and discuss the performance. They seek the right to purchase liquor while so doing.

308. This seems to be a reasonable request and we can see little, if any, harm resulting from the desired extension. Accordingly, we **recommend** that the hours for the sale of liquor under a theatre licence be extended to authorise such sales at any time between 6 p.m. and 1 hour after the conclusion of the entertainment or 10 p.m., whichever is the later, but not later than 12 o'clock at night.

(b) *Matinee Hours*

309. Another question for consideration is whether liquor should be sold pursuant to a theatre licence during a matinee showing of a live performance in the theatre named in the licence. This right was sought by the Auckland Theatre Trust Board when making its submission. The police did not oppose the extension of the evening hours during which liquor could be sold under this licence from 6 p.m. until 1 hour after the conclusion of the entertainment or until 10 p.m., whichever is the later, but not after 12 o'clock (midnight). No complaints were made to us regarding the operation of this licence. The police have not encountered enforcement problems arising under this type of licence. We believe that the Auckland Theatre Trust Board is controlled by responsible persons. A similar comment can also be made regarding the management of the Downstage Theatre in Wellington which also holds a theatre licence. We can see no real objection to the holder of a theatre licence being permitted to sell liquor under that licence for consumption on the premises during a matinee or afternoon performance of a live show. One possible objection that does occur to us is that children may be present in numbers at some matinees but they are unlikely to be

detrimentally affected because of the location of the bar and the control exercised over it. A drink before, during, or after a matinee performance is ancillary to the main reason for attending a live performance at a theatre. The consumption of liquor in moderation as incidental to a main activity is generally acceptable. In any case there is little difference between an afternoon and an evening performance. If liquor can be sold at one why not at the other?

310. We **recommend** that the holder of a theatre licence be permitted to sell liquor for consumption on the licensed premises during the period from 1.30 o'clock to 4.30 o'clock in the afternoon or half an hour after the conclusion of the entertainment whichever is the later, but not later than 5.30 p.m., on any day, except Sunday or Good Friday, on which the theatre is open to the public for the purpose of attending a matinee at which entertainment of the kind specified in section 65A (2) (a) is being held. Because matinees are held only occasionally and not at regular times it should be a condition of the licence that the licensee shall notify the local police at least 24 hours before the matinee is due to commence that such matinee is to be held.

311. It is noted that any alteration of hours under a theatre licence will involve a consequential amendment of the penal provisions contained in sections 249 (4A) and 253 (2A) of the Act.

Part XI SUNDAY TRADING

1. THE CASES FOR AND AGAINST SUNDAY TRADING

312. This was a most controversial subject upon which there is clearly a sharp division of opinion in our society. While many of those who made submissions supported Sunday trading we think that more people strongly opposed it even if the permitted hours were to be limited. Neither the Police nor the Ministry of Transport favoured Sunday trading. In their submission (No. 194) the Police say at page 14:

> "The Police are not enthusiastic with the proposal that hotels should be permitted to open to sell liquor on Sundays. If the Royal Commission sees fit to recommend Sunday opening, it is suggested that this should be for limited hours only—e.g., 12 noon to 3 p.m. and 6 p.m. to 8 p.m. It is conceded that a principal reason for opposition to Sunday opening from the Police point of view stems from the association between hotels and the volume of police work. Appendices 1, 2 and 3 . . . provide confirmation of this statement. Generally, many complaints are received on Saturday night and during the early hours of Sunday mornings and these entail a continuation of enquiries on Sundays. The fact that hotels are required to be closed on Sundays does serve to reduce the volume of ordinary work and therefore assists in allowing members to cope with the overflow of enquiries from the previous night. As mentioned, this question has been approached principally from the aspect of enforcement."

313. The Ministry of Transport's submission (No. 195) says this at page 7 paragraph 2.2:

> "*The Introduction of Sunday Trading:* There seems little doubt that if Sunday trading was to be introduced more liquor would be consumed on that day even though a proportion of people would merely divert from their own private surroundings to hotels and taverns. It is also probable that consumption on other days would not be greatly reduced. If this proves to be the case then there is likely to be an increase in accidents and on traffic safety grounds the move would not be recommended."

314. The National Council of Women of New Zealand stated in its first submission (No. 53) at page 6:

> "There is practically no support within our ranks for the sale of liquor on Sundays."

Also at page 7 the following paragraph 3.4 appears:

> "If drinking hours were to be extended to include Sundays, presumably some moderate drinkers would be happily accommodated: for those who have formed the pattern of drinking for the sake of drinking the opportunity thus created could be disastrous, particularly for wives and families on limited budgets."

315. Also opposing Sunday trading was the New Zealand Federated Hotels, Hospital, Restaurant, and Related Trade Industrial Association of Workers. Naturally the hotel workers wish to have Sundays free so that they can spend some time with their families. They work until late at night on every day except Sunday, and if our recommendation for extension of hours for Friday and Saturday nights is adopted, their position will be even worse. It was pointed out that those who wish to drink on Sunday have ample opportunity now of purchasing supplies on Saturday or having them delivered to their homes before the weekend.

316. The Churches, religious organisations, the Salvation Army, the New Zealand Temperance Alliance, and many individuals also opposed Sunday trading for a variety of reasons. We gained the firm impression that many people still regard Sunday as being traditionally a non-trading day which should not be changed, possibly to the detriment of the community, by allowing hotels and taverns to open for the sale of liquor to the public. This view is borne out by the report of Research Marketing Services Limited which was presented in evidence by the New Zealand Liquor Industry Council. In paragraph 2.17 on page 31 it states:

> "Each of the three surveys canvassed the attitude of the New Zealand public to the issue of whether or not hotels should be allowed to serve liquor on Sundays. Table XIX gives a breakdown by age groups and by geographical areas of residence of the people in favour of Sunday trading.

Table XIX—Percentage of New Zealand Adults in Favour of Sunday Trading

Group	1968	1972	1973
Total	24	35	36
Males	30	45	46
Females	17	24	26
20/29	28	48	45
30/39	28	39	40
40/49	28	36	40
50+	16	23	24
Area			
Auckland Urban	23	41	43
Wellington Urban	36	44	53
Christchurch Urban	23	40	35
Auckland Provincial	19	27	32
Wellington Provincial	23	32	28
South Island Provincial	21	29	30

The outstanding feature of the statistics is that 64% of New Zealanders are opposed to Sunday trading in hotels at all. However, the proportion of New Zealanders in favour is increasing. If this trend continues several groups (notably 'males', '20/29' year olds and the residents of the two main urban areas in the country) will have a majority in favour of Sunday trading within the reasonably near future."

317. We must conclude therefore that on the evidence available to us the majority of New Zealanders at the present time are against the opening of hotels and taverns on Sunday for the sale of liquor to the public. Even if the opponents of Sunday trading are not in the majority they nevertheless form a significant group whose views should not be ignored. Consequently we are constrained to **recommend** that hotels and taverns should not be permitted to open for the sale of liquor to the public on Sundays.

318. In any case we consider that the issue of Sunday trading in hotels and taverns is sufficiently important to warrant the taking of a referendum so that the people may decide whether or not Sunday trading, even in a limited form, should be introduced. A referendum was held in 1967 to decide whether or not the closing time should be altered from 6 p.m. to 10 p.m. We consider that the Sunday trading issue is at least of equal, if not greater importance so that before the law in this regard is changed the people should be given the opportunity to express their views at a poll to decide this question.

2. SUNDAY TRADING BY CHARTERED CLUBS

319. As some chartered clubs are in substantial competition with hotels and taverns it would be unfair to allow them the right to sell liquor to members on Sunday while denying to hotels and taverns the similar right to sell liquor to the public. There was evidence to the effect that some chartered clubs are little used in the weekend because members prefer to spend their leisure time elsewhere. Another consideration is that a married man should spend Sunday with his wife and children and not be encouraged to visit a club on his own for the purpose of drinking. Consequently, we are not satisfied that there is any pressing need for a chartered club to have a permit to sell liquor on Sunday, especially when the hotels and taverns, which are patronised by the public, are required to be closed on that day.

3. SHOULD SPORTS CLUBS BE ENTITLED TO SELL LIQUOR TO MEMBERS ON SUNDAY?

320. We are well aware that our recommendation against Sunday trading in general creates a real problem for sports clubs which are interested in obtaining the right to sell and supply liquor on Sunday to their members for consumption on the club premises. Our society has approved and accepted the holding of sporting events and fixtures on Sunday. A large proportion of our population is engaged in Sunday sport of some kind. Those who work during the week are obliged to pursue their sporting activities in the weekend and often on Sunday. Many

members of sports clubs would like to be able to purchase and consume liquor as ancilliary to engaging in the sport of their choice on Sunday.

321. While Sunday trading generally is not permitted it would be unreasonable and unfair to allow all sports clubs the right to apply for a permit to sell liquor to members on Sunday. This would apply particularly to clubs which have a large membership of juniors who are under the age of 18 years, or which lack the facilities for the proper storing and serving of liquor. We have heard complaints that many young people are introduced to drinking liquor and also consume it without restraint and in excessive quantities in sports clubs where no adequate supervision exists. It should be stated quite clearly that no sports club which has not provided the necessary facilities or does not exercise effective control so as to ensure responsible behaviour by all its members can expect to be entrusted with the right to sell liquor to its members. If those in charge of any club permit through the consumption of liquor on club premises, unruly, noisy, or offensive behaviour which causes annoyance or disturbance to others they demonstrate their unworthiness to hold a licence to sell liquor and should not be permitted to do so.

322. The criteria necessary to enable any sports club to obtain a licence to sell liquor to its members for consumption on the club premises must surely include the following:

(a) Suitable premises of the standard required to comply with the local bylaws and the health regulations in which proper and adequate facilities can be provided for storing and serving liquor so that it can be consumed in comfort.

(b) Proper and effective control by the executive committee of the club over the secure storage, serving, and consumption of liquor in the club premises to ensure that all the provisions of the Sale of Liquor Act are complied with, and that no person under the legal drinking age is served with or permitted to consume alcoholic liquor.

(c) The maintenance of responsible and decorous behaviour by members and permitted visitors at all times.

4. GOLF CLUBS AND BOWLING CLUBS

323. From submissions made by The New Zealand Golf Association (Incorporated) (No. 2) and the New Zealand Bowling Association (No. 10) we are satisfied that the above-mentioned criteria can be met by the golf clubs and the bowling clubs represented by these two national associations. These clubs are well established, have their own golf courses and bowling greens with proper buildings and amenities. Their membership is comprised

mainly of adults who are mature, responsible citizens, and their committees can be expected with good reason to exercise adequate supervision and control.

324. For many years the golf clubs and the bowling clubs have been pressing for the right to sell liquor to members for consumption on the club premises so that they can enjoy this facility as part of their sporting activities. As a result of representations made by them in 1960 to the Licensing Committee of the House of Representatives, whose chairman was Mr R. A. Keeling, M.P., that committee made favourable recommendations which at page 75 included the following:

> "(1) A new type of club charter, to be known by some such name as a sports club charter, should be provided for.
>
> (2) This type of charter should be issued by the Commission to any golf or bowling club that asks for it if the Commission is satisfied that the club premises provide facilities of a proper standard for the supply and consumption of liquor.
>
> (3) In the meantime this charter should be available only to golf and bowling clubs, for a number of reasons that apply with varying degrees of force to the different types of sports clubs. It is generally true that golf and bowling clubs closely resemble the chartered clubs that are an accepted feature of our social life. Many of them have substantial buildings on their own property with full facilities for members. Quite commonly they provide substantial meals. Their members, too, tend to be relatively more senior than those of most other clubs and these members are likely to continue their membership for a longer period. These facts are themselves good guarantees that the privileges we are recommending will not be abused."

325. With respect we endorse these recommendations by the above-mentioned parliamentary committee. So far Parliament has not acted on these recommendations but as we consider them still to be valid we again respectfully draw Parliament's attention to them.

326. The representatives of the golf clubs and of the bowling clubs who appeared before us laid particular stress upon the point that, because so many important club tournaments are played on Sundays, a charter or licence which did not authorise the sale or supply of liquor on Sundays would be of little use to the clubs.

327. After careful consideration we have decided that golf clubs and bowling clubs are in a special category which calls for special measures. It is appropriate to mention that the New Zealand Liquor Industry Council expressed a similar view in paragraph 1.2.11 of its submission where it says:

> "Sporting Clubs with proper amenities, having as members mature men and women, such as bowling clubs and golf clubs are in a different category from those of young people in tennis clubs, rugby and soccer clubs and the like."

The points already made justify, in our view, this special treatment. As these clubs have been striving for so long for the right to dispense liquor to their members for consumption on the club premises, and as they have been able to present a convincing and meritorious case in favour of their submission, it is only reasonable and just that their case should now be dealt with. We make the further point that, because so many members of golf clubs and bowling clubs are mature, responsible persons of good judgment they can be expected to exercise themselves desirable social control over drinking in club premises.

5. OUR CONCLUSION

328. While Sunday trading in hotels, taverns, and chartered clubs is not permitted we consider that sports clubs generally should not be given the right to sell liquor to members on Sunday for consumption on club premises. However, because of the special circumstances to which we have referred, we accept that golf clubs and bowling clubs have established a special case for consideration. It is significant that New Zealand Police do not oppose the selling of liquor on Sunday by golf clubs and bowling clubs. (See Police submission No. 194, paragraph 9.5 on page 8.)

329. Accordingly we **recommend:**

(1) That the Licensing Control Commission be given power to grant to any golf club or bowling club a permit to sell and dispose of liquor to its members and permitted visitors for consumption on the club's premises during such period as the commission may fix between the hours of 11 a.m. and 7 p.m. on Sunday.

(2) This permit should be issued only if the club premises meet the requirements of the commission, and if the commission is satisfied that the committee or responsible officers of the club will exercise proper control and supervision over the storage, sale, and consumption of liquor on the club's premises.

(3) The commission may attach to the issue of this permit such conditions as it may think fit.

(4) "Permitted visitors" means visitors allowed in strict accordance with the club's rules and includes persons who are members of another golf or bowling club, as the case may be, and are visiting the particular club in order to take part in a golf or bowling match which is being played there.

(5) While liquor is being sold under this permit any police officer or constable may enter and inspect the premises.

(6) This permit may be suspended or cancelled at any time for good cause by the commission on its own motion or on the application of the police, the local authority, or inspector appointed by the commission.

Part XII LICENSING TRUSTS

1. HISTORY AND DEVELOPMENT OF LICENSING TRUSTS

330. In order to obtain a proper understanding of the development of Licensing Trusts and the place which they now occupy in our community it is necessary to consider their growth against the historical background from which they emerged. These aspects have been well summarised in the New Zealand Liquor Industry Council's submission (No. 175) in section 3, subsection 2, commencing in paragraph 3.2.3 on page 18.

331. This is a lengthy extract but it should be quoted in full in order to preserve its continuity and sense:

> "In 1944 Parliament legislated for Trust Control of the former Invercargill no-licence district when it passed the Invercargill Licensing Trust Act 1944. This Act was not passed in response to the wishes of the electors as shown at any poll. There was no such poll and, indeed, the Invercargill City Council had rejected the original proposal when it was made by a local promotion committee. Trust Control also solved the difficult problem of who should receive the licences. Cabinet, after considering all matters including the experience of local control in Renmark, Australia and Carlisle (England), went ahead with the Trust scheme. The Act provided for the sale of liquor and related amenities to be controlled by a six-man Trust Board. Originally, three members were appointed by the Government and three by local bodies. Subsequently, this was changed to provide for all members to be elected by the residents of the Trust district. The Act also provided for the distribution of profits made by the Trust for public purposes within the Southland Land District.
>
> "The Invercargill Licensing Trust had only just commenced its operations when the 1945 Royal Commission commenced its inquiry. The majority report of that Royal Commission recommended in Paragraph 1558:
>
> 'The creation by Statute of a standard form of constitution for a new type of licensee—namely, a Local Trust for a licensing district; but the Trust would not function without a prior decision by the electors of the Licensing District that they, by a bare majority, desired the Trust to operate. We contemplate that if the electors desired a Trust, all additional licences authorised for disposal in a licensing district would be first offered to a Trust.'
>
> Later (in Paragraph 1618) the Royal Commission said:
>
> 'If the Trust is formed to acquire only a new or additional licence or licences in its district, it cannot reasonably ask for the sole control of all sales of liquor in its district. There will be many other licensees dealing with wholesale merchants. In those circumstances it would

not be fair to invest in a Local Trust, formed to control only one or a few licences in competition with many other licensees, the right to take over the sale of all the liquor in the licensing district.'

"An important aspect of the recommendation of the 1945 Royal Commission was that the control of sites should not be in the hands of the Trust alone but of the Local Licensing Committee (this being prior to the constitution of the Licensing Control Commission). In other words, the Trust was not to be given a completely free hand in the creation and situation of a licence. The Royal Commission envisaged the independent authority taking into account objections by residents, whether on town planning principles or any other basis, with respect to a particular site (Paragraph 1615). The 1945 Royal Commission also envisaged the distribution of the profits of the Trust within the Trust area. The 1945 Royal Commission's strong endorsement of Trust Control was a leading factor in its subsequent acceptance by residents of former no-licence districts at successive Trust polls. Later these submissions will look at the reasons which weighed with both the 1945 Royal Commission and with the electors since and compare the actual performance of Trusts with the hopes of those who started them.

"Masterton voted for restoration in 1946 soon after the completion of the Royal Commission's Report on August 27, 1946. Further legislation was required before the vote of the electors could be put into effect. The Government polled the former no-licence district on whether or not the ordinary system of private licences or Trust Control was desired. The district was divided into three areas for the purpose of the poll and the largest of these three, Masterton, chose Trust Control. Parliament then passed the Masterton Licensing Trust Act which set up the Masterton Licensing Trust.

"In 1949 Parliament passed the Licensing Trusts Act to set up general legislation covering all future districts which, having carried restoration, then opted for Trust Control. This Act provided for an Order-in-Council declaring such a district to be a Licensing Trust district for the purposes of the Act, and constitution of a Trust to conduct hotels and sell liquor. The Act provided for the election of members of the Trust, although there is still provision in the Act for the appointment of a member by the Government where a Trust's bank overdraft is Government guaranteed or where Government funds have been advanced to the Trust. Under Section 26 of the Act, the functions of the Trust are to:

'Provide accommodation and other facilities for the travelling public within the Trust district, to establish and maintain hotels and suitable places within the district for the sale or supply of refreshments, to sell and supply . . . liquor within the district and establish and maintain premises for that purpose, and to do all such other acts and things as may in the opinion of the Trust be necessary or desirable having regard to the general purposes of this Act.'

"A District Trust (which is a Trust that controls liquor outlets for the whole of what was a 'no-licence' district) is given by the Act specific powers to establish and maintain hotels in the Trust district. It is also given powers to take land for its purposes under the Public Works Act by proclamation. It is not under the jurisdiction of a Licensing Committee (there is none for the

district) nor under that of the Licensing Control Commission. In a District Trust the only licences that are not under the control of the Trust are Restaurant Licences and Chartered Clubs. Licences or charters for these facilities are issued by the Licensing Control Commission in the ordinary way. The 1949 Act set up the first two District Trusts that operate under the provisions of the Act. These are the Ashburton and the Geraldine Licensing Trusts. In 1954 Clutha, Mataura and Porirua voted for restoration and subsequently for Trust Control. Oamaru voted wet in 1960 and Trust Control also was carried. King Country was the only former dry district to choose private licences. In all others District Trusts were set up under the provisions of the 1949 Act. No further District Trusts were established after 1963. This was the result of the Licensing Amendment Act of that year, which is referred to later.

"The 1949 Act, in addition to providing for District Trusts in former no-licence districts, makes provision for the granting of licences authorised by the Licensing Control Commission to Local Trusts in respect of particular premises. Section 46 covers the procedure where the Licensing Control Commission has reviewed the needs of an area and decided that a new licence should be authorised. The Section provides for a Local Trust to hold that particular licence under the jurisdiction of the Licensing Control Commission. A local authority initially may apply on behalf of a Local Trust to be formed for the licence authorised by the Commission. The licence is finally held by the Local Trust under the normal jurisdiction of a Licensing Committee in exactly the same way as a private licence.

"The Licensing Control Commission is empowered to direct a poll of local electors on whether or not the new authorisation should be granted to a Local Trust. Such a Trust is not limited to the holding of one licence only. If, however, the Trust fails to make any progress in taking up the authorisation, the Commission will withdraw the preference and make available the authorisation for a private applicant.

"The first Local Trust established in New Zealand was the Mt. Wellington Licensing Trust, constituted in 1952. This Trust was formed to take up the authorisation of a Publican's Licence by the Licensing Control Commission for the Mt. Wellington area. In 1958 the Hornby Licensing Trust was set up as a Local Trust and built and opened a new hotel in 1964. Other Local Trusts presently operating in New Zealand are those for Cheviot, Birkenhead, Wainuiomata, Rimutaka, Stokes Valley, Otara, Parakai, Papatoetoe, Orewa, Hawarden and Te Kauwhata. However, in many other areas, although the public opted for a Local Trust, the necessary practical impetus was not to be found at a later stage and the Trust, accordingly, forfeited the authorisation which, in most cases, was taken up by private enterprise. The local electors who voted for Trust Control did not realise that something more than the vote was required to obtain a site, prepare plans, arrange finance for the development, and do all the other necessary things to achieve what had been chosen. In concluding this explanation of the background and distinction between the District Trust and the Local Trust, the Industry emphasises that the latter is in exactly the same

position as private enterprise, being subject to the jurisdiction of the Licensing Control Commission and Licensing Committee for the district. That jurisdiction does not extend to the former.

"The third type of Trust is the Suburban Trust, which was constituted in the 1963 Licensing Amendment Act. Between 1949 and 1963, after restoration had been carried in a former no-licence district and after Trust Control of licences had been chosen, a District Trust was set up to control the whole of the former no-licence district. In 1963 Parliament decided to change the legislation to better suit the individual needs of the remaining no-licence districts, all of which were situated in the Auckland and Wellington Metropolitan areas. The Minister of Justice, Mr J. R. Hanan, during the debate on the then Licensing Amendment Bill, gave as the Government's reason for making the change:

> 'That in such an area there may be no need for accommodation and that the District Trust, when its members were elected, had no sanction and no incentive to provide accommodation that might not be required there in any case; therefore, such District Trusts would, in effect, operate taverns.
>
> 'Originally, the whole concept of the District Trust was that there should be a community project whereby all the profits from the liquor could be applied firstly, to ensure higher standards of accommodation and, secondly, for distribution within that community.
>
> 'That has worked very well in many District Trust areas throughout New Zealand. There is no question that in the original concept the profits from taverns support the provision of accommodation, but such an argument is not so effectively applicable to a sector of a metropolitan area and that was the reason for introducing the Bill.' (337 N.Z.P.D. 2707).

Mr Hanan went on to note that the Bill provided that residents could demand an Area Poll on whether or not they wanted an hotel in their particular area. He noted that this right did not exist under the jurisdiction of a District Trust.

"Earlier the Minister had noted another advantage of the then Bill when he said (at Page 2425):

> 'Every hotel in the Auckland and Wellington metropolitan areas would be under the jurisdiction of the Licensing Control Commission which, of course, has the global and primary responsibility of seeing to the accommodation needs of the entire community.'

"The result was the creation of the third type of Trust, the Suburban Trust, which is given a preference for the new licences authorised following a review by the Licensing Control Commission of the former no-licence district. The concept is that there will be greater community of interest in smaller Suburban Trusts in the two cities than there would be in a larger District Trust. The Suburban Trust is much akin to the Local Trust and is subject to Licensing Control Commission control. The limited area in which a Suburban Trust may apply for licences is determined by the Licensing Control Commission."

332. The foregoing description of the history and development of licensing trusts is supported by the submission (No. 182) of the New Zealand Licensing Trusts Association in Part II under the heading "The Emergence of Trust Control."

333. The New Zealand Liquor Industry Council proceeded to examine in its submissions the main reasons why trust control obtained the approval of a majority of the 1945 Royal Commission. The three main reasons given were:

(a) The removal of the profit motive from the sale of liquor because the profit motive was considered to be the basic cause of much that was bad in the liquor trade before 1945.

(b) The profits from the sale of liquor would be returned to the local community, providing good hotels, hygienic and comfortable drinking conditions, and other desirable facilities.

(c) Competition tending to increase sales would be eliminated because all hotels would be run by the trust.

334. The liquor industry submitted that an examination of the record of the established district licensing trusts does not show the improvement anticipated by the supporters of trust control. It does show, according to the submission, that the services provided by these trusts are not of better quality than those of private enterprise, and that the control exercised by trusts on the sale of liquor has not been discernibly different from that of private enterprise. It claims, too, that the profit motive has not been eliminated by trusts who are concerned to produce the profits needed to provide the facilities and benefits expected by the local community. The trusts, just like private enterprise, must make their operations pay in order to secure the survival of their enterprise.

335. On the other hand the submission of the New Zealand Licensing Trusts' Association supported by the evidence of its witnesses presented a picture of laudable progress and commendable achievement flowing from difficult beginnings due to lack of ready capital. While several witnesses were critical of some aspects of trust control and expressed their disenchantment with certain actions of their district trust, many more favoured trust control of the sale of liquor. In most cases where local polls have been taken on the issue between private enterprise and trust control the majority has favoured trust control. The number of licensing trusts, district, suburban, and local, now actively operating affords convincing proof of their acceptance by local electors. They now play a substantial and important part in the control and management of liquor outlets throughout the country. It is reasonable to assume that as more outlets become authorised in developing suburban communities the licensing trusts will acquire their share of them.

336. It is clear that private enterprise is in competition with licensing trusts in some developing areas, particularly those adjacent to urban Auckland and urban Wellington. We see no harm in this because fair but keen competition is beneficial to the consumer in many ways. It was also pleasing to note from some of the evidence that this rivalry has not displaced reasonable co-operation in certain respects between private enterprise and the licensing trusts. This was acknowledged by representatives of each side. Amicable co-operation for their mutual benefit is desirable as long as it takes place under conditions where the influences of competition can work fairly for the benefit of the public.

337. A sensitive topic upon which we received submissions from some licensing trusts who were directly affected, was whether private enterprise should be able either:

(a) to obtain a licence for any new liquor outlet authorised by the Licensing Control Commission in a suburban trust area; or

(b) to remove an existing licence which had become redundant in its previous location into a suburban trust area.

It was argued for the licensing trusts that any intrusion by private enterprise into an area in which a poll had been carried for the setting up of a suburban trust would defeat the expressed will of the residents to have all liquor outlets in that area under trust control. The licensing trusts were concerned because the Licensing Control Commission had granted an application for removal of a wholesale licence from an inner area of Wellington City to Johnsonville in the suburban trust area of the Johnsonville Licensing Trust which had unsuccessfully opposed the application.

338. We have been spared the need to express our view on the foregoing argument because Parliament has passed on 6 April 1974, the Sale of Liquor Amendment Act 1974 and the Licensing Amendment Act 1974 which deal with this very topic.

339. It should be recorded, however, that Mr J. F. Jeffries, leading counsel for the New Zealand Liquor Industry Council, said in his closing address:

> "The Council . . . takes this opportunity of recording before this Royal Commission its strong objection to the action on the part of the Government in making such a fundamental move against the interests of the licensed industry before this Royal Commission has reported its findings to the Government. It has by-passed this Commission and complicated an already difficult task."

2. THE LICENSING AMENDMENT ACT 1974 AND THE SALE OF LIQUOR AMENDMENT ACT 1974

340. Section 4 of the Licensing Amendment Act 1974 provides that where the electors of the district have carried by not less than three-fifths majority a proposal for the restoration of licences, a poll of electors residing in the former no-licence district shall be held as soon as practicable on the question whether all licences that may be authorised as a result of the review by the Licensing Control Commission should be offered to suburban trusts.

341. Section 3 of the Sale of Liquor Amendment Act 1974 gives to a suburban trust a preferential right to apply for any licence authorised in its area.

342. As a result of these two amendments a suburban trust now has a preferential right to apply for all hotel, tavern, tourist-house, or wholesale licences to be authorised on a first review of the area by the Licensing Control Commission following restoration of licences, and also a preferential right to apply for any further hotel, tavern, tourist-house, or wholesale licence that may be authorised in its area. If the trust does apply within the specified time it can obtain each licence for which it applies if it conforms to the commission's standards and complies with its requirements.

343. Section 8 of the Sale of Liquor Amendment Act 1974 requires that where an application is made for removal of an existing licence into a suburban trust area the applicant shall serve on the trust a copy of the application. The trust may within a specified time object to the removal by filing with the secretary to the Licensing Control Commission notice of its objection.

344. The application shall not be granted in the face of any such objection unless the commission is satisfied that:

(a) the business of the trust will not be detrimentally affected by the removal of the licence into its area; or

(b) there are special circumstances that justify the granting of the application.

345. Section 9 of the Sale of Liquor Amendment Act 1974 enables an application to be made to the Licensing Control Commission by 50 or more persons who are electors residing in the area into which it is proposed to remove any existing licence for the taking of a poll for ascertaining:

(a) whether a majority of the electors residing in the area desire that such a licence or an additional licence of that type be not issued in the area. If it is not wanted the

removal normally will not be granted unless there are special circumstances that make it desirable in the public interest that such a licence should be issued;

(b) whether if a licence of the type proposed to be removed or an additional licence of that type, as the case may require, is issued in the area, a majority of the electors residing in the area desire that it be issued to a local trust.

346. The commission may decline to direct the taking of a trust poll if it is satisfied, that certain specified grounds exist.

347. If, however, the trust poll is held and the trust proposal is carried then the local trust will have a preferential right to apply for the additional licence.

348. These recent amendments which are clearly in favour of suburban and local trusts give them much of the protection against outside competition that is enjoyed by the district licensing trusts which control all hotel, tavern, and wholesale premises in their respective areas. This effectively answers, we think, the submissions by the Waitakere Licensing Trust and the Portage Licensing Trust each of which is a suburban trust, that it should be given the status of a district trust.

3. SUBMISSIONS BY JOHNSONVILLE LICENSING TRUST (196) AND BY MANUKAU CITY COUNCIL (165)

349. These two submissions were prepared before the above-mentioned amending Acts came into force. Consequently a number of matters specifically dealt with in each of these submissions have now been covered by these recent amendments of the law. For example, suburban trusts now have prior rights to licences authorised for their areas, and they can object to the removal of existing hotel, tavern, tourist-house, or wholesale licences into their areas, and in the face of that objection the removal shall not be granted unless the Licensing Control Commission is satisfied that the removal will not detrimentally effect this trust's business, or special circumstances justify the removal. Also if a suburban trust is set up following polls carrying restoration and trust control, that suburban trust has preferential rights to apply for all or any licences authorised by the commission for its area. In addition the repeal by section 5 of the Sale of Liquor Amendment Act 1974 of section 91 (6) of the principal Act places suburban trusts and local trusts on the same footing as all other applicants as to the time within which the commission's requirements are to be complied with following the grant of a licence.

350. As Parliament has so recently expressed its will in passing these two amending Acts there is no need for us to consider further any matters which were under examination by Parliament during the passage of this amending legislation.

4. SHOULD SUBURBAN TRUSTS, E.G., WAITAKERE AND PORTAGE LICENSING TRUSTS, BE ENABLED TO CHANGE THEIR STATUS TO THAT OF DISTRICT TRUSTS?

351. The suggestion that legislation should be enacted to change the status of the Waitakere Licensing Trust and the Portage Licensing Trust to that of a district trust raises an important question with far-reaching consequences.

352. While we can appreciate the natural desire of the members of a suburban trust to enjoy the advantages and privileges of a district trust we are not satisfied that such a change can be justified on broad considerations of public interest. It is necessary to remember that the first two district trusts (Invercargill and Masterton) established in New Zealand was each created by its own separate statute, the former in 1944 and the latter in 1947. The Licensing Control Commission was not introduced until 1948 and neither the legislators nor members of the public had any real experience of the commission's operations when the Licensing Trusts Act 1949 was passed. As other districts carried restoration they acquired under this statute, which had a general application, the same status as the Invercargill and Masterton district trusts had previously acquired under its own special Act. Another factor was that these later district trusts, such as Ashburton, Geraldine, Clutha, Mataura, and Oamaru, related to areas unaffected by urban influences and could operate within the district's own boundaries without serious interference with neighbouring localities.

353. By 1963 the remaining no-licence districts were all situated in the metropolitan areas of Wellington and Auckland. By this time the Licensing Control Commission had embarked on one of its tasks, namely effecting a better and fairer distribution of licences throughout the country. Because these remaining no-licence areas were in populous districts forming part of a metropolitan area it was realised that care was necessary in deciding how many new liquor outlets could be needed and where they should be located so as to achieve a reasonable and rational distribution of licences whether already existing or newly granted. The appropriate authority to perform this function was the Licensing Control Commission. As a district trust was free of any control by the Licensing Control Commission and could decide for itself the number and

location of liquor outlets in its area it was decided to set up the suburban licensing trust. This was a new concept somewhere between a district trust and a local trust and designed to meet this changed situation.

354. While it may be a great advantage to those responsible for establishing and operating liquor outlets in a suburban trust area to be able to decide for themselves, without any restraint or direction by the Licensing Control Commission, as to the number and location of such outlets, we suggest that it is equally important to protect the interests of those who reside or carry on business in adjacent and neighbouring areas. It seems to be quite anomalous that one part, or even several parts, of metropolitan Wellington or Auckland should be exempted from control by the Licensing Control Commission while the rest of those two metropolitan areas, and indeed most of New Zealand, are subject to its control. Surely we have enough problems already in the large city areas due to parochialism! Why create more?

355. Another consideration is that in both the Waitakere and the Portage suburban trust areas the Licensing Control Commission has held the first review and has authorised the issue of licences for each of them. In each case some liquor outlets are already operating or about to operate. We fail to see why, when the first difficulties have been overcome and this stage has already been reached, the need to shed the control of the commission is so great that a special amendment of the law is sought.

356. If this amendment were made it is reasonable to assume that other suburban licensing trusts, both existing and future, would rely on this precedent to seek the same treatment. This could lead to the replacement of the suburban licensing trust, which was designed to meet the special requiremens of these "dry" urban districts becoming "wet", being replaced by the district licensing trust which normally relates to a self-contained district without interference with others, but which we think would be quite inappropriate in these circumstances.

357. Another factor to be considered is that the members of a suburban licensing trust are no doubt aware that district licensing trusts at present do not pay the 3 percent tavern tax which is paid by the licensees of taverns owned by private enterprise, by suburban licensing trusts or by local licensing trusts. Also district trusts do not pay a fair price for a wholesale licence but suburban trusts do. These monetary advantages at present enjoyed by district trusts would appear attractive to those less fortunate. However, these particular attractions will disappear if Parliament accepts our recommendation that district trusts should pay 3 percent of the

price of tavern purchases towards the funds required by the Alcoholic Liquor Advisory Council, and that early consideration be given to imposing a similar tax or levy for the same purpose on the purchases of wholesale licencees for their domestic sales. If such a levy should be imposed on all other wholesale licensees in common fairness it should apply also to wholesale outlets operated by district licensing trusts.

358. We do not overlook that suburban licensing trusts encounter many difficulties and problems in securing suitable sites and establishing necessary premises and facilities, but it is fair to comment that similar difficulties and problems confront most others who are concerned with starting a new enterprise requiring adequate land and buildings in an urban or suburban area.

359. Senior counsel for the New Zealand Licensing Trusts' Association conceded that the association felt that the Licensing Control Commission had done a difficult job well. It had even felt that suburban trusts should remain under this commission because, unlike district trusts, they had already been under the commission, and this had worked reasonably well. It was conceded, too, that district trust areas can be clearly separated and do not affect adjacent areas but suburban trusts are not quite in the same situation. Therefore the association does not support the submission for change of status of suburban trusts.

360. For the reasons which we have given we are unable to recommend that the status of these two, or any other, suburban licensing trusts be changed to that of district licensing trusts.

5. SHOULD THE LICENSING CONTROL COMMISSION EXERCISE JURISDICTION IN DISTRICT LICENSING TRUSTS' AREAS?

361. The New Zealand Liquor Industry Council in its submission (No. 175) stated in paragraph 3.2.22 that in its opinion district licensing trusts should be included within the jurisdiction of the Licensing Control Commission. The commission should be able to exercise its ordinary powers of supervision as well as those which normally would be exercised by a district licensing committee. It pointed out that this submission was in accordance with the original proposal of the 1945 Royal Commission. It referred to the modern trend to provide the individual with protection of his rights against a powerful authority that may act against his interests. A pertinent example quoted is the accountability of local authorities to the Town and Country Planning Appeal Board in respect of decisions relating to the local authorities

district planning schemes. The expert appeal authority plays an important role, especially where a local authority itself has an interest in a particular planning matter it is called upon to decide. Reference was made to the following passage from the judgment of Sir Alfred North, President of the Court of Appeal, in *Wellington City Corporation* v. *Cowie and others* (1971) N.Z.L.R. 1089 at page 1093:

> "While then I can understand the impatience of those wishing to advance a scheme to the stage when it becomes an operative scheme, I must not lose sight of the fact that it is the business of the Court to ensure that legislation such as this does not become a weapon in the hands of a council which enables it to ignore the rights of its own citizens."

362. It was submitted that a district trust in all cases has such an interest in matters that it is called on to decide and therefore should be accountable to a higher expert authority, the Licensing Control Commission. The liquor industry described as fallacious the principle on which it was originally decided that, because a district trust representing the community, as it did, would of its own accord properly carry out all the functions of a controlling authority, no supervision by the Licensing Control Commission was needed. That principle ignores the fact that legitimate rights of citizens can be over-ridden by a trust in the name of the best interests of the community. The principle also runs contrary to the rights of individuals elsewhere in New Zealand who object to the inclusion of licensed facilities in their area. They are entitled to express their views in an area poll under section 81 of the Sale of Liquor Act 1962. No area poll is required in a district trust area.

363. These are impressive arguments which require due consideration. It was acknowledged by senior counsel for the New Zealand Licensing Trusts' Association that the question of accountability to a higher authority is recognised as being a very real issue. He suggested that on examination it would be found that district trusts are indeed accountable to more higher authorities, and in a much closer way, than are most local bodies. In support of this suggestion he made the following points:

(a) In securing suitable sites a district trust has to comply with the provisions of the local authority's district scheme, with its zoning requirements. Any departure from the provisions of the district scheme or any application for conditional use allows objectors to be heard and all interested parties have rights to appeal to the Town and Country Planning Appeal Board.

(b) When the zoning problem has been solved, as soon as the trust intends to establish a facility it must, under section 34 of its Act, advertise giving details, and section 92 (5) of the Sale of Liquor Act 1962 applies—giving residents within a radius of one-quarter of a mile the right to object against the proposal to the Town and Country Planning Appeal Board on certain specified grounds.

(c) If the proposed outlet is other than a bottle shop or an hotel the consent of the Minister of Justice is required. "He is almost certain (the underlining is ours for emphasis) to refer the matter to the licensing inspectors to determine whether accommodation of an adequate standard has been provided in the district and whether the outlet is really needed."

At this stage we comment that here is an obvious weakness. Is there any certainty that the Minister will refer the matter to licensing inspectors? If he does will the licensing inspectors attached to the Licensing Control Commission, which has no jurisdiction in the trust district, be able to get full co-operation or to exercise their proper functions? Will the standards laid down by the Licensing Control Commission be accepted by the district trust or will the Minister withhold his consent until they are accepted? Clearly many questions can arise and many doubts must exist. In any case why should a Minister, with his multifarious duties to perform, have to be concerned with matters which could better be dealt with by a special body set up for that very purpose?

(d) If borrowing, except by way of bank overdraft, is involved the consent of the Minister of Finance is required. This would involve inquiries by Treasury officials.

(e) Each district trust is required to make an annual report on its activities. This report and audited accounts are tabled in the House of Representatives.

364. We are not satisfied that these contentions really answer the criticisms made in the submission of the New Zealand Liquor Industry Council.

365. A most important consideration is that one part of the liquor industry is exempt from the most desirable control and supervision that applies to the remainder. When it is remembered that the district trusts of Invercargill, Mataura, Clutha, Oamaru, Geraldine, and Ashburton together comprise a substantial part of the whole of the South Island, and that Masterton and Porirua district trusts contain between them a significant area and population in the North Island, we have one set of rules applying to these

district trust areas, which form a considerable part of the country, and another set of rules applying to the rest of New Zealand including the facilities operated by suburban trusts and local trusts.

366. We must agree with the submission of the New Zealand Liquor Industry Council that this situation is anomalous and undesirable, and should be corrected. It is appropriate to set out here the view expressed by the Licensing Control Commission which, in its first report in 1950 said:

> "The Licensing Control Commission has no jurisdiction over these Trusts or the areas they control, except with regard to the grant of club charters. It has no voice as to the number or location of Publican's Licences, or the type or the standard of premises where liquor may be sold; nor the standards of accommodation or services to be provided in such premises for the travelling public; nor the amount or nature of bar space provided for the public; nor upon other matters which ordinarily come under the control of the Commission or Licensing Committees. Nor has the Commission any power to authorise wholesale licences in Trust areas.
>
> Any substantial departure from standards of accommodation and services prescribed by the Commission for new or existing hotels outside the above areas, any failure to provide accommodation by establishing hotels for the sale of liquor only, any failure to provide good buildings and comfortable and hygienic conditions when hotels outside the Trust area are called upon by the Commission to do so, may lead to entirely different conditions existing in adjoining localities. The Commission believes this would not be in the interest of the country as a whole. The situation calls for consideration of the question as to whether these statutory Licensing Trusts should continue to be excluded from the jurisdiction of the Commission."

367. We accept that these comments are as pertinent now as they were then. To illustrate this, it was drawn to our attention that early this year a district fire prevention officer in the South Island reported that in general discussion with representatives of two named district trusts in the South Island they intimated that, on their interpretation, the fire code laid down for general application by the Licensing Control Commission does not apply to premises in their district trust areas over which the commission has no jurisdiction. We find this most disturbing because the purpose of the fire code is to protect the lives of guests in hotel premises everywhere. Whether or not this interpretation was justified is not the point. The disturbing feature is that such a claim could be made on so vital a matter. We assert without hesitation that this fire code must apply throughout New Zealand.

368. There should be no doubt whatever that the fire code imposed by the Licensing Control Commission for the protection of human life should apply to all hotels in New Zealand whether controlled by private enterprise or by district or other trusts.

Similarly the standards and conditions for buildings and amenities adopted by the Licensing Control Commission should be observed throughout the whole country. Surely this is in the public interest.

369. We readily accept that some district licensing trusts have done an excellent job and can fairly claim a performance which is both meritorious and commendable. No criticism is made against them, or indeed against any district trust. We are merely pointing out the anomalies and undesirable consequences which can arise from divided control in the liquor industry as a whole. It has been found that suburban trusts and also local trusts have worked satisfactorily under the jurisdiction of the Licensing Control Commission. We cannot discover any valid reason why its jurisdiction should not be extended to include district trusts which would still retain exclusive control and management of all of their own liquor outlets. This would achieve uniformity of control and supervision over all the outlets for the sale of liquor throughout New Zealand. We are concerned to ensure that not only should all new facilities comply with the standards and requirements set by the Licensing Control Commission but also that the future maintenance of existing premises should be in accordance with those same standards and requirements. After all the Licensing Control Commission already grants and renews club charters and issues restaurant licences in district trust areas. Also we think it preferable that district trusts should furnish their annual reports to the Licensing Control Commission with its specialised knowledge of the liquor industry than to a busy Minister of Justice who has so many other duties to perform and little time or opportunity to undertake this supervising function.

370. Accordingly we **recommend** that the jurisdiction of the Licensing Control Commission should be extended to enable it to exercise its ordinary powers of supervision and to carry out its normal statutory functions in all district licensing trusts' areas with of course proper safeguards to preserve and protect existing preferential rights of the trusts. If this were done district trusts would be brought into line with suburban trusts and local trusts thus diminishing, if not eliminating, any desire by suburban trusts to seek a change of status to that of a district trust. Also certain inequalities which hitherto have favoured district trusts and so have invited criticism would disappear.

6. REVISION OF THE LAW RELATING TO LICENSING TRUSTS

371. We have had complaints about the complexity of the laws relating to licensing trusts. We must agree that these complaints are justified. The present unsatisfactory position would seem to be the

outcome of the haphazard way in which this branch of the law has developed. It started with the creation of the Invercargill Licensing Trust by the enactment of the Invercargill Licensing Trust Act 1944 now replaced by the Invercargill Licensing Trust Act 1950. This was followed by the Masterton Licensing Trust Act 1947 establishing the Masterton Licensing Trust. This Act was reprinted in 1969. These two statutes are still in force but have been amended from time to time. As already mentioned these two licensing trusts were formed and their powers were conferred before the Licensing Control Commission was constituted in 1948. In 1949 the Licensing Trusts Act made permanent provision for the creation of district licensing trusts in former no-licence districts whose electors had or thereafter carried restoration and favoured trust control.

372. The law was materially amended in 1963 when, for all practicable purposes, no further district trusts were considered necessary but suburban trusts were introduced. Provision had previously been made for the establishment of a local trust for obtaining a licence for particular premises.

373. No licences have been issued in district trust areas because all outlets are controlled by the trust with neither a district licensing committee nor the Licensing Control Commission having jurisdiction in those areas. Consequently whenever the Licensing Control Commission has been empowered to issue a new type of licence under the Sale of Liquor Act 1962 an amendment has been required to the Invercargill Licensing Act 1950, the Masterton Licensing Trusts Act 1947, and the Licensing Trust Act 1949 to enable the district trusts affected by those respective acts to operate a similar liquor outlet which is deemed to be premises in respect of which such a licence is in force. This process is both cumbersome and confusing. It could be overcome, we suggest, if our recommendation is accepted that the Licensing Control Commission should have jurisdiction in a district trust area. Then the trust would be able to apply for the desired licence and the commission could issue it in the name of the trust.

374. It seems to us that a fresh approach should be made by repealing the various Acts now relating to licensing trusts and replacing them by a single statute which applies to all licensing trusts and confers on the Licensing Control Commission supervising and controlling powers over the activities of all licensing trusts. The powers, functions, and rights of each type of trust could be set out in such an Act which also could contain proper safeguards to preserve and protect the existing rights and privileges of the trusts. We **recommend** such legislative action.

7. PROVISION FOR ALTERING THE AREA OF A LICENSING TRUST

375. In its submission (No. 182) the New Zealand Licensing Trusts' Association suggested that provision should be made for altering the area of a licensing trust by Order-in-Council. It quoted the case of the Invercargill Licensing Trust where boundary changes in its district should coincide with changes made from time to time in the boundaries of Invercargill City. There is a need for adjustment of boundaries on occasions and the suggested provision could serve to avoid a multiplicity of trusts. The association also stated that with the consent of a trust, or the electors of the area, provision for amalgamation of trust areas could be desirable.

376. The above-mentioned submission was made before the Licensing Amendment Act 1974 came into force on 6 April 1974. The situation is now covered to some extent by the provisions of section 5 of this Act which permit the amalgamation of the whole or any part of any former no-licence district with the area of an existing suburban trust. However, these provisions do not relate to district trusts nor do they specifically authorise alterations of boundaries of existing suburban trusts or the amalgamation of one existing suburban trust with another such trust. Therefore the association's suggestion seems to be a reasonable one and accordingly we **recommend** that provision be made for altering by Order-in-Council the area of a licensing trust and for the amalgamation of trust areas, wholly or in part, whenever this may be necessary.

8. FINANCIAL ASSISTANCE TO NEWLY FORMED TRUSTS

377. We have heard much from a number of witnesses concerning the difficulties which face newly formed licensing trusts in embarking on the formidable task of securing suitable sites and erecting the necessary buildings and facilities which must be completed before any return is received from the sale of liquor.

378. Although these difficulties are real the submission of the New Zealand Licensing Trusts' Association frankly states at page 87:

> "This (finance) has been a major stumbling block in the past, but is not so significant to-day. It does not appear to be stopping any worthwhile proposition proceeding once a suitable site is secured. Nevertheless, it is worth noting that a new trust has to borrow 105% of what it needs, i.e. 100% of the cost of land acquisition, erection of

buildings, furnishing and stock, plus something like 5% to cover preliminary fees, administrative expenses and interest. On the other hand, district and established Trusts have considerable capital resources."

379. The association's submission continues on page 88 as follows:

"To assist in raising its finance a new Trust has the possibility of a local body guarantee, or of a guarantee from the Government, coupled with an appointment (of a Government nominee) to the Trust board—help from the Government has not been forthcoming for many years. Because emerging Trusts do not meet the equity requirements they cannot obtain assistance from the State Advances Corporation from the fund built up from the levying of tavern tax."

The association makes three points:

(a) All trusts, for practically all borrowing have to obtain the consent of the Minister of Finance to the raising of a particular loan.

(b) This application for the Minister's consent is processed by Treasury. In practice this can mean severe delay.

(c) Any guarantee of a local body is subject to the approval of the Local Authorities Loans Board and may be made the subject of a poll of ratepayers.

380. Although these safeguards have been imposed for good reasons in practice they cause considerable frustration to a trust board which is most anxious to commence operations. It is noted that the association's submission includes this acknowledgment:

"Indeed new trusts have a great deal to thank the breweries of New Zealand for, in enabling at the critical early stages immediate financial problems to be solved on which they might otherwise founder."

381. It was emphasised that the acquisition of sites is a matter of vital concern. In order to assist in this important regard the association's submission advocates that the local body for the district should be empowered at its discretion:

(a) To advance to or guarantee for a trust a sum of up to $50,000 without the consent of the Local Authorities Loans Board; and

(b) to set aside or acquire without compulsion areas of land for the purpose of erecting thereon licensed premises and to sell this land to a licensing trust for this purpose if required within a suggested period of 4 years. If not required by a trust the local body could then sell the land to any successful applicant for a licence for that site. If the land should not be sold for the erection of licensed premises then the local body could sell to anyone who wishes to acquire it, or use the land itself for any permitted purpose.

382. In his closing address senior counsel for the Licensing Trusts' Association intimated that on reflection the suggestion of an advance or guarantee of up to $50,000 without the loan board's consent was not so necessary and may be more objectionable than the suggestion set out under (b) above. He submitted that the latter carried its own protection to the local body in the value of the land.

383. As this is a matter involving the expenditure by a local authority of public moneys we prefer not to make any recommendation, even if we were competent to do so. However, we appreciate that the problems associated with the acquisition of sites and erection of facilities are very real for any new trust. Therefore we have dealt with this matter at some length in the hope that a reasonable solution may be found as a result of sensible co-operation between the interested local authorities and Government both of whom will be concerned to ensure that the trust can succeed in its enterprise.

9. SHOULD LICENSING TRUSTS HAVE POWER TO ESTABLISH FACILITIES OTHER THAN THOSE PRIMARILY DESIGNED FOR THE PROVISION OF HOTEL ACCOMMODATION AND THE SALE OF LIQUOR?

384. This question was raised by the Birkenhead Licensing Trust in its submission (No. 161). It was submitted that in built up, newly settled areas, in particular, community facilities provided by local authorities and voluntary groups fall sadly behind the actual provision of essential services such as roads, water supply, sewerage, etc. Consequently the quality of life in these emerging communities suffers as compared with older established areas.

385. The Birkenhead Licensing Trust believes in the community centre concept and has prepared advanced plans in this field, but has been advised by the Secretary for Justice that under the present law licensing trusts have no power to establish facilities other than those primarily designed for the provision of hotel accommodation and the sale of liquor.

386. The Birkenhead Licensing Trust believes that in some areas liquor outlets should be associated with a wide variety of activities not usually associated with the sale of liquor. It considers that, trusts should be allowed, if they wish, to organise and administer such facilities. Therefore it suggests an amendment of sections 26 and 44 of the Licensing Trusts Act 1949 the combined effect of which is to prevent a licensing trust from doing what is envisaged in this submission.

387. While this submission was motivated by the best of intentions for the purpose of achieving a laudable objective the proposal requires careful examination. The proposed extension of the statutory powers of all licensing trusts could lead to unexpected but quite serious consequences. There are many licensing trusts throughout the country and the number may well increase as additional licences are authorised. Each trust has its own board and what one board may regard as a desirable activity or development for its community may not find favour in other areas. Where does one draw the line on the range of activities which a trust can organise and carry out? The essential purpose for which all licensing trusts were established is to be found in the provisions of section 26 of the Licensing Trusts Act 1949 which sets out the functions and powers of the trust. This essential purpose is "to establish and maintain hotels and suitable places within the district of the sale or supply of refreshments, to sell and supply . . . liquor within the district and establish and maintain premises for that purpose. . . ."

388. This in itself is a major undertaking which can make heavy demands on the time and energies of members of the board. It would be unwise to extend their activities into matters not essentially connected with their major task.

389. Section 44 of the Licensing Trusts Act 1949 authorises the distribution of profits arising from operations of the trust for certain specified community purposes. These provisions are sufficient to give the trust a wide choice of suitable local or community causes worthy of its financial support. There is, we suggest, a vast difference between the trust making a cash donation out of its net profits to such a cause and the trust itself planning, constructing, operating, and maintaining facilities which are not directly connected with the purposes for which it was formed. Indeed if the trust should become over-committed financially in such a project the result could prove disastrous and defeat the very purpose for which it was formed. Its primary concern is, and must always be, the establishment, operation, and maintenance of hotels, taverns, and proper facilities for the provision of accommodation and the sale of liquor in the district. Nothing else should distract attention from or stand in the way of the proper performance by the trust of its primary function.

390. The provision of a community centre or other community facility, not related to the sale of liquor, is properly the concern of the local authority for the district which has the necessary powers to finance and control such a project in the best interests of the residents.

391. Therefore, we do not recommend that licensing trusts be given power to establish facilities other than those primarily designed for the provision of hotel accommodation and the sale of liquor.

10. MEETINGS OF LICENSING TRUSTS—SHOULD THEY BE OPEN TO MEMBERS OF THE PUBLIC?

392. We received complaints from some witnesses that the people residing in trust areas were often unaware of important decisions made and activities undertaken by the trust because its meetings were not open to the public. One witness alleged that a particular trust, which shall not be named, would not hear a resident's complaint that minors had been served with liquor because this was a matter to be dealt with by the trust's manager to whom the complaint should have been made. Whether or not this allegation could be substantiated we do not know. We mention it only to illustrate that by not having their meetings open to the public, members of a trust expose themselves to the criticism that they are acting in secret or not in the best interests of those whom they were elected to serve.

393. On the other hand we had evidence that some trusts took pains to keep the public informed as to the business transacted at meetings of the trust. It would seem that when members of the public are not permitted to attend meetings how much information is made available to the residents depends entirely on the policy of the particular trust.

394. We understand that the Licensing Trusts Act 1949 contains no requirement that meetings of a trust shall be open to the public. Section 21 of that Act provides as follows:

> "Subject to the provisions of this Act and of any Order in Council or regulations under this Act, the Trust may from time to time regulate the meetings, proceedings, and general conduct of the business of the Trust **in such manner as it thinks fit.**" (The bold type is ours for the purpose of emphasis.)

395. When this topic was under consideration at the hearing it was pointed out that much of the business of a trust is of a highly confidential nature and could not be discussed in public without damaging the interests of the trust. While in many instances this claim may be valid it is, we think, desirable that a trust, as a local body representing the community on whose behalf it owns and operates valuable business assets, should hold periodically open meetings at which the public may attend.

396. We see no compelling reason why trusts should be excluded from the normal requirement that all local bodies should conduct

their "business at meetings which are open to the public," subject, of course, to the right to go into committee whenever necessary to deal with matters of a confidential or sensitive nature. If for any reason unknown to us this course should not be feasible, then we think that trusts should at least hold an annual meeting at which the activities of the trust should be open for public discussion. This course was suggested by counsel for the New Zealand Licensing Trusts' Association in his closing address to this commission. It is a sound principle that those who are elected by the community to operate an enterprise on its behalf should shun secrecy and conduct its affairs whenever possible at meetings that are open to members of the public who thus can be fully and fairly informed as to its activities.

397. Unless there is some valid objection to this course we **recommend** that it be followed by licensing trusts.

11. LICENSING TRUSTS AND SOCIAL ISSUES

398. The Licensing Trusts Association did not make submissions upon the many social factors this commission had to consider with regard to the sale and consumption of liquor.

399. We appreciate that the trusts were faced with a range of complicated administrative and legal matters they wished to bring before the commission. Nevertheless, with their community orientation we think they could have brought valuable light to bear on many of the difficulties facing this commission and we regret that they did not do so.

Part XIII LICENSING POLLS

1. POLL TO DETERMINE THE ISSUES OF NATIONAL CONTINUANCE, STATE PURCHASE AND CONTROL AND NATIONAL PROHIBITION

400. Under the existing law the question of the retention of licences for the manufacture and sale of liquor in New Zealand continues to be the subject of a triennial referendum at each general election for the return of members of Parliament, provided that a period of more than 2 years has elapsed between polls. At each such poll, called the Licensing Poll, the electors must vote for one of the following three issues:

(a) *National Continuance*—which means that trade in alcoholic liquor should be continued in New Zealand under the provisions of the Sale of Liquor Act 1962.

(b) *State Purchase and Control*—which means that the Government shall acquire, purchase, and take over the properties and businesses of all manufacturers and sellers of alcoholic liquor in New Zealand, paying full compensation.

(c) *National Prohibition*—which means that all licences then existing shall lapse on their expiry date and shall not be renewed, and no new licences would be granted. Thus the manufacture and sale of liquor in New Zealand would cease, and no compensation would be paid.

401. A bare majority determines the issue. At each of the nine successive polls held in the period between 1946 and 1972 the electors have consistently supported continuance by substantial majorities. We have already given in paragraph 163 of this report the results of these licensing polls expressed in percentages of votes cast. We now set out the results of these successive licensing polls by giving the numbers of votes cast in favour of each issue.

	National Continuance	State Purchase and Control	Prohibition
1946	542 681	202 664	249 162
1949	660 573	135 982	268 567
1951	..	..	..
1954	672 754	164 380	250 460
1957	723 059	160 483	260 132
1960	765 952	138 644	255 157
1963	791 767	157 581	235 959
1966	817 760	176 946	198 859
1969	903 962	242 499	176 055
1972	931 778	244 003	203 792

402. The New Zealand Liquor Industry Council submitted that these results speak for themselves, giving a clear answer that these issues are dead and no useful purpose is served by perpetuating the triennial licensing poll. We found considerable support for this view from a number of other witnesses. Some witnesses saw the recurring licensing polls as a means of maintaining reasonable standards in the liquor trade and keeping licensees up to the mark in managing and controlling their licensed premises. We comment that these ends can be attained by the supervision and control which is now being exercised by the Licensing Control Commission and district licensing committees which receive reports from police, the fire service, and health inspectors before granting annual renewals of licences.

403. We were impressed by the submission of the Secretary for Justice (No. 18) concerning the triennial liquor poll. It states at page 44, paragraph 78:

> "At least since the Second World War public opinion has, we believe, increasingly recognised that in its present form the triennial liquor referendum is unsatisfactory and anachronistic. Its result has for 40 years or more been a foregone conclusion. Indeed, the most that can be said for it is that it is of some utility in providing for a general expression of public sentiment."

404. The submission of the Secretary for Justice advocates the abolition of the triennial licensing poll on two cogent arguments. The first of these is that no Government—or public opinion—would relish the thought of facing up to the consequences which would follow if State purchase and control were carried. One such consequence would be the payment of a colossal sum—a conservative estimate would be $400 million—either immediately or over a period out of public funds. Any Government would have no difficulty in finding more essential, more socially desirable, and more rewarding purposes on which to spend such a vast amount.

405. The second of these arguments is that a major object of recent liquor laws has been to encourage the liquor industry to attain and maintain good standards of premises, services and drinking facilities. The licensed trade would naturally be reluctant to spend lavishly in carrying out improvements or erecting new hotels if a plausible threat of public acquisition (whether in the guise of national trust control or otherwise) were hanging over its head. Any long period of uncertainty could cause a deterioration rather than an improvement of licensed premises and drinking facilities.

406. It is difficult to fault either of these two arguments. Another factor which must be considered is that the existing licensing trusts as a group have already invested many millions of dollars in providing hotels and facilities for the sale of liquor in their districts or areas. Are all these to be purchased and taken over if State control is carried, or are they to be closed, without compensation, if prohibition were to be carried? The answers must be obvious.

407. Therefore we consider that there is a strong case for the abolition of the existing triennial licensing poll because it is no longer serving any really useful purpose which can justify its substantial cost in public expenditure recurring every 3 years.

408. If it should be thought that, because the electors have had the right to vote at the triennial licensing poll for so many years, they should not lose this right without having an opportunity to express their views on the question at a poll, then we would suggest that the issue of whether the triennial licensing poll is to be continued or abolished should be decided by a referendum.

409. If the issue of national prohibition is to be retained then it would be both fair and reasonable to provide for the payment of proper compensation if prohibition should be carried. Many millions of dollars are invested in breweries, hotels, taverns, and other licensed premises which provide facilities for the sale of liquor in New Zealand. This was not the position when this issue of national prohibition was first introduced many years ago when New Zealand was far less settled and developed than it is today. To perpetuate the idea formed so long ago, when emotions were running high and prohibition was widely supported, that no compensation should be paid if prohibition were to be carried would seem now to be as unwarranted as it is unjust.

2. TRUST CONTROL AS AN ALTERNATIVE TO THE ISSUE OF STATE PURCHASE AND CONTROL

410. In that part of its submission relating to the triennial licensing poll the New Zealand Licensing Trusts' Association stated that national prohibition has had decreasing support while the issue of State purchase and control has been supported by only a minority of the population. On the other hand polls on the trusts proposals show a significant and increasingly popular support throughout the country. Therefore the Licensing Trusts Association submitted that the question of State purchase and control should no longer be put but suggested that in its place should be posed the question as to whether the electors preferred trust control. The

submission acknowledges that State purchase and control relates to the national situation, and not the local situation as does the trust option, and concedes therefore that the issues are not quite the same. Nevertheless, the association proceeded to develop this theme in its submission which stated at page 76:

> "What we advocate is that at each national election the voters in any dry area, or area where the issue of a new licence or licences is likely, should vote for or against licences in that particular area, and for or against the trust control of those licences. It is logical that voters in other areas should also be given the opportunity to vote for or against trust control in their electorates, as a principle, even if this would not have effect for some considerable time, and only when licences voluntarily become available. This, however, is not so urgent or important and may for technical reasons be more difficult to implement."

411. This submission continued—at the bottom of page 76 and extending on to the top of page 77—in these words:

> "If the State Purchase question is dispensed with, as suggested by us, then even if the prohibition issue is continued the real alternative to private enterprise is before the voters."

412. We are aware, from the cross-examination of witnesses and evidence given during the public sittings of this commission, that there is considerable opposition to the proposal that trust control be substituted for the issue of State purchase and control as an alternative to private enterprise. Therefore, we have considered it with the utmost care before expressing any views upon it. At first glance it appears to be an attractive proposition to those who oppose the interests held and the control exercised at the present time by private enterprise in the liquor industry. However, it needs to be examined with care and fully thought through in order to ascertain whether it will in fact work in practice.

413. As the Licensing Trusts' Association has acknowledged, the whole concept of a licensing trust is based on its application to the local scene. District trusts and suburban trusts were set up specifically to establish and operate liquor outlets in their particular districts or areas, as the case may be. A trust's powers and functions can be exercised only in its own particular and defined area. The distribution of available net profits is authorised only for the benefit of its own community. The same provisions apply to a local trust which is formed to hold a licence or licences in respect of particular premises. As its name signifies it is essentially local in character. The New Zealand Licensing Trusts' Association has been described to us as a loosely knit group composed of individual licensing trusts each of which operates in its own defined area. This concept

based on purely local considerations is hardly appropriate as a base on which to found a national policy for the manufacture and sale of liquor in New Zealand.

414. Most existing trusts were formed when former "no-licence" areas voted for restoration of licences. Consequently they have had the field to themselves in their own areas and have established their own liquor outlets with little, if any, real interference from private enterprise within their area. Indeed the recently enacted amendments of the law have still further strengthened the position of suburban licensing trusts against intrusion by private enterprise into their areas. They now have preferential rights to licences authorised for their areas. District trusts have always had control in their districts to the exclusion of private enterprise. If trust control on a national basis is ever to be realised it will mean that many more licensing trusts will have to be established to take over the many licences and licensed premises now operated by private enterprise in numerous areas throughout the country where no licensing trust now exists. If these outlets are to be acquired by voluntary negotiation (as the Licensing Trusts Association advocates) it will take very many years, far beyond the foreseeable future, for the objective of trust control on a national basis to be achieved, if it ever is.

415. If all the breweries and licensed premises now owned and operated by private enterprise are to be acquired compulsorily (which the Licensing Trusts' Association does not advocate) then the payment of adequate compensation must inevitably arise.

416. Whether the acquisition by trusts of all these existing assets owned by private enterprise is effected voluntarily or compulsorily, the acquiring trust in each case will have to find either the agreed purchase price or full compensation, as the case may be. How and where is this large amount of money to be found? We doubt whether any existing trust would have sufficient resources to enable it to accomplish this. Most trusts, particularly the new ones, have severe financial problems in establishing the facilities which they are obliged to provide in their present areas without extending their activities into an enlarged area and purchasing additional licensed premises from private enterprise. If a new local trust were to be formed for the purpose of acquiring a particular outlet or outlets operated by private enterprise it would in all probability have to borrow money to enable it to complete the deal.

417. If the process of acquisition by licensing trusts of premises and facilities for the sale of liquor operated by private enterprise is to be protracted, so that the acquiring trust can accumulate sufficient

funds for the purpose, then a present decision by the electors in the particular area in favour of trust control will be of little, if any, value. So long a period may elapse between the vote on the principle and the positive action to give effect to the vote that in the meantime circumstances may have entirely changed. For example, many of the original electors may die or leave the district before the principle for which they voted can be carried into effect. New arrivals may think and vote differently. There could even be a change of policy on the part of the trust board itself. Membership of the board may change at any election. A change in membership can result in a change of policy, particularly if the electors change their ideas.

418. If the triennial licensing poll should be continued, and if the suggested trust option is to be submitted to the electors every three years as an alternative to State Purchase and control or to continuance under private enterprise, some strange situations could result. Because the submission does not make clear a number of points it is necessary to ask whether every elector in New Zealand is to have the right to vote for or against trust control in his or her electorate, or whether this right is to be available only to those electors who do not already have trust control in their electorates, i.e., in "wet" areas served by private enterprise. If the former should be the case, then a majority of electors in some districts which have been under trust control for many years may reject that form of control and vote for private enterprise. If the latter should be the case, then the electors in an existing "wet" area may favour trust control at one election but reverse their decision at a later poll occurring before trust control has become a reality in their district. In either case the result could be a chaotic situation which would benefit nobody. Experience has already shown that continued uncertainty as to the outcome of periodic polls stifles improvement and leads to a deterioration in standards and services.

419. In reply to the question raised as to whether there was evidence of real agitation or demand for trust control in "wet" areas, senior counsel for the Licensing Trusts' Association, in his final address said on this topic:

> ". . . because of the evidence generally of preference for the trust option . . . it was felt by the Association it could not be ignored. Frankly, the Association itself was in genuine difficulties, as was this Commission, in knowing what could be done about it. It may now be conceded that it is not a matter the Association wishes to press, and can, if it arises, be left to be dealt with if and when real concern is shown in local areas by sufficient people."

420. We understand that one of the arguments used to justify trust control in preference to private enterprise is the need to break the

monopoly in the liquor industry which, it is alleged, is now held by two large and important brewery companies. Trust control is seen as the best means of achieving this end. From lack of precise information upon all relevant facts we express no views on this argument but merely comment that, if a monopoly does exist now as alleged, it is possible to replace one monopoly by another which may prove to be equally unacceptable. Only time will tell.

421. We have said sufficient to indicate why we consider this proposal to be impracticable. It is fraught with so many difficulties and imponderable factors that the electors could not fairly be expected to give a positive, reliable, and final decision. Before people can vote intelligently on such a proposal they should have a good idea of how much money will need to be found in order to implement it and where this money is likely to come from.

422. In our view it would be much better to allow the development of licensing trusts, which have a purely local significance, to proceed gradually in an orderly manner. By so doing the trusts can demonstrate their worth by their performance and the people can make a better judgment based on a longer experience of licensing trusts in operation. After all it is results rather than ideas, which count. Also the continuance, and possibly growth, of competition between private enterprise and the licensing trusts should prove beneficial to the public and act as a safeguard against any deterioration in the standard of premises and services. While the established licensing trusts are performing a useful service in fulfilling the purposes for which they were designed it would be unwise to jeopardise this steady progress by enlarging their operations and straining their resources to the extent necessary to achieve a national takeover of all outlets for the sale of liquor.

423. We are constrained to conclude that trust control on a national basis cannot, at this time and in existing circumstances, be accepted as a feasible alternative to the issue of State purchase and control. Therefore we are unable to recommend this proposal.

3. LOCAL RESTORATION POLL

424. Every 3 years, at the time of the general election of members of Parliament, the remaining "no-licence" districts have a chance to carry restoration and allow licences into their areas. The present "wet" districts have no converse option to vote licences out of their districts. The majority required to carry restoration is three-fifths or 60 percent.

425. The submission of the Secretary for Justice criticised this poll because:

(a) As with other types of licensing polls, it attaches peculiar importance to liquor; and

(b) It is undemocratic because it enables say 41 percent of the voters to dictate to the other 59 percent.

426. While this submission did not go as far as advocating the abolition of the restoration poll it did state that a strong case exists for allowing the majority to decide the issue.

427. The Liquor Industry Council held a different view. It stated in paragraph 2.4.11:

> "A 60% majority preserves a proper balance of the status quo against the forces of change. . . . Those who seek change should have to present a case of sufficient persuasiveness to convince more than a simple majority."

428. Of these two conflicting views we prefer that advanced by the New Zealand Liquor Industry Council because it recognises the principle that those who seek change should satisfy a substantial majority that change is necessary and desirable. We are also influenced by the fact that those former no-licence districts which have carried restoration did so by a three-fifths majority. It would seem unfair to change the rules before the contest has been completed.

429. The evidence did not establish any real demand for the abolition of the restoration poll. Many former "no-licence" districts have now carried restoration, so that only a few of them still remain. In 1946 there were 11 no-licence districts. Now there are four. If recent experience can be taken as a guide it seems reasonable to expect that these remaining districts will carry restoration before long. As these are all in the suburbs of either Wellington or Auckland many anomalies will be removed if they do carry restoration and so allow to be eliminated the few remaining "dry" districts which are almost surrounded by "wet" districts in these two important metropolitan areas. We **recommend** that the restoration poll be retained and that the required majority remain at three-fifths.

Part XIV CLUBS

1. INTERPRETATION

430. Section 162 of the Sale of Liquor Act interprets the basis upon which club charters may be issued as follows:

> "In this part of this Act, unless the context otherwise requires, the term 'Club' means any voluntary association of persons (whether incorporated or not) combined for promoting the common object of private social intercourse, convenience and comfort, or for the promoting the sport of big-game fishing, and providing its own liquor, and not for purposes of gain."

Definition

431. (a) Section 166 defines the conditions that must be observed before a charter can be granted.

(b) The granting of such charters is the responsibility of the Licensing Control Commission.

Comment

432. (a) The difficulty in defining the term "club" has long been recognised. This is evident by the use of the phrase "providing its own liquor" which, strictly speaking, would be impossible for any club unless it was in the brewing business. This emphasis on liquor is, we suggest, unfortunate and has led to the provision of liquor as one of the important, if not the most important, functions of chartered clubs.

(b) It has been suggested that a social danger exists (some would affirm that it already exists) that a club will, to use a phrase in the submissions of the Secretary for Justice, "take on the character of a co-operative tavern, revenue from the sale of liquor assuming a dominant place, and drinking tending to become the main activity."

(c) If there is a social danger, and we think there could be, on giving emphasis to the provision of liquor in a club in the interpretation, then a new interpretation should be sought. The commission's attention was drawn to Halsbury's Laws of England, 3rd edition, volume 5, at page 252, which sets out an interpretation of a club as follows:

> "A club may be defined as a society of persons associated together for social intercourse, for the promotion of politics, sport, art, science, or literature, or for any purpose except the acquisition of gain. The association must be private and have some element of

permanence. The purpose of social intercourse may be combined with any other purpose subject to the exception mentioned. The acquisition of gain does not destroy the nature of the club if it is merely incidental to its proper purpose."

(d) The adoption of this interpretation would not preclude the issue of a charter or licence to sell liquor by the Licensing Control Commission where the applicant club observed the prescribed conditions. Such an interpretation emphasises that the right to sell liquor is dissociated from gain or profit and that liquor should be a pleasant adjunct to the central activity of a club. We **recommend** that serious consideration be given to the adoption of the above interpretation in section 162 of the Act.

Licensing Control Commission's Powers

433. (a) Although the Licensing Control Commission has no doubt developed a formula in dealing with applications for club charters there is, apart from authorising the sale of liquor, very little in the legislation indicating the criteria it should follow in deciding whether or not to grant a charter. There is also failure in the legislation to indicate precisely the conditions that must be fulfilled before a charter can be obtained. Whereas the Licensing Control Commission is expected to take cognisance of the economic effects on existing retail and wholesale outlets before granting an additional licence it was until the 1971 amendment precluded from that responsibility when invited to grant a club charter.

(b) As the volume of some chartered clubs in the sale of liquor greatly exceeds that of many taverns, it is right that the Licensing Control Commission should be required to take cognisance of the economic effects in the area of the proposed chartered club before granting a charter. We **recommend** that, in conjunction with the Licensing Control Commission, the criteria to be used, the conditions to be observed and the economic effects in the area of a proposed chartered club be even more clearly indicated in the legislation.

2. CHARTERED CLUBS

434. (a) We were informed by counsel representing chartered clubs that there were 292 chartered clubs in New Zealand as at 30 June 1973. The total estimated membership was 264 552, giving an average membership for each club of 906. The value of club buildings and properties was stated at almost $35 million and total club assets were close to $42 million.

(b) A summary of financial and membership statistics of listed chartered clubs was presented to the commission which revealed in

many cases bar sales as high as over $300,000 per annum, and one over $500,000. These statistics suggest that the Licensing Control Commission should re-examine the main activities of some clubs which, on the surface, appear to place the sale of liquor as the principal or central activity of the clubs concerned. We **recommend** that this be done.

Brief History of Chartered Clubs

435. (a) Prior to 1881 licensing legislation being passed, there were several clubs established in New Zealand. These clubs were granted charters virtually as of right. Similar charters were granted by the colonial secretary until 1908. As at that time, 48 charters were in operation. These charters have become known as "permanent" charters and do not require to be renewed under present legislation.

(b) No further charters were issued until after the passing of the Licensing Amendment Act 1948. Since then, 245 charters have been granted, of which 219 authorise the sale of liquor to members for consumption only on the premises, the remaining 26 have "off sales" rights. "Off sales" rights would appear to have been granted only where the Licensing Control Commission considered normal sales outlets were inadequate. All charters granted since 1948 are known as "renewable".

Size of Chartered Clubs

436. (a) Apart from the legal limitation of a minimum of 50 members before a charter can be granted, there is no reference in legislation to the size of club membership. That there is every justification for limiting membership, which would determine the size of clubs, is recognised by many who made submissions, including the chartered clubs themselves.

(b) The Secretary for Justice, in his submissions, had this to say:

> "The larger the club the more difficult it must be to preserve the personal element and spirit of club life, and we recoil from the concept of some of the huge Leagues clubs in New South Wales. We therefore suggest that a fairly modest maximum membership should be prescribed for future clubs."

(c) The submissions of the New Zealand Licensing Trusts Association, recognising the strong element of competition from chartered clubs, urge that new clubs should not obtain a charter unless:

> "1a Except in the case of R.S.A. clubs, or other exceptional circumstances, the club has operated for a minimum of two years without a charter;

"1b The membership is limited to a number not exceeding 500. Likewise, we feel that the membership of clubs which do not now exceed 500 should be limited to that figure."

Liquor Industry Council Submission (Summarised)

437. (a) The word "charter" is deleted in this context as the competition comes from legal and illegal club drinking. This has been more in evidence in the last 10 or 15 years.

(b) The present law does not allow the Licensing Control Commission to consider the economic effect on established outlets; in that respect there is an anomaly which requires revision.

(c) In the last 10 years the numbers of renewable licences have almost doubled while the hotels, taverns, and tourist house licences have remained the same at about 1200.

(d) A chartered club has not had to pay for the charter when it was granted and pays no tax on profits accruing through trading. It has a choice of trading hours, although limited to 11 hours daily, from 9 a.m. to 10 p.m.

(e) Chartered clubs have no obligation to meet tavern fees and have no obligation to provide amenities for the general public.

(f) That clubs, if they lose their identity as bona fide clubs and become in effect rivals, can undercut hotel and tavern prices, which would ultimately be to the detriment of the public at large through loss of services and amenities. This the commission thinks, summarises the situation that has arisen through the inability of the Licensing Control Commission to control the size of clubs and keep membership down to modest proportions. Members of the Licensing Control Commission have stated, that in respect of at least one club, that if it were to close down for any reason whatsoever three new taverns would be required in that district. The commission agrees with the sentiments expressed in the supplementary submissions of the Secretary for Justice when he said:

"Generally we think that the only useful approach to the problem posed by clubs is for the Licensing Control Commission to have and to exercise fairly extensive powers to ensure that the clubs to which it grants charters and clubs already holding charters, are and remain true social clubs existing to promote the common interests of their members and providing liquor strictly as an incidental to the satisfaction of their common interests."

This, in the opinion of the commission, would regulate the growth of membership and size of club premises. The Chartered Clubs' Association representatives recommend, for future clubs,

a maximum of 2000 members; the Licensing Trusts' Association recommend 500; the Licensing Control Commission considers a maximum of 1500 members as being reasonable. We **recommend** the maximum number of members for any future club, or any existing club that has less, be 1500, but the Licensing Control Commission should be empowered in its discretion to allow an increase of membership to such figure as it shall think fit having regard to any special circumstances, for example, to enable wives of members to become members.

3. SPORTS CLUBS

438. (a) The Keeling Report of 1960, recommended a new type of club charter to be called "A Sports Club Charter" which the Licensing Control Commission could issue to golf and bowling clubs whose "club premises provide facilities of a proper standard for the supply (presumably meaning sale) and consumption of liquor." One of the reasons advanced in support of this recommendation was that the members of such clubs tend to be "relatively more senior" than those of most other clubs and those members are likely to continue their membership for a longer period.

(b) The terms and conditions of a charter should be determined by the Licensing Control Commission and should be renewable annually except where an adverse report from the police has been lodged with the Licensing Control commission.

(c) It was further recommended that the sale of liquor "should be restricted to members and their duly authorised guests". "That the hours for the sale of liquor should be from 11 a.m. to 2 p.m. and 4 p.m. to 6 p.m. including Sundays." That such a charter "should not confer the right on a club to sell liquor for consumption off the premises". This commission **recommends** that golf and bowling clubs be licensed on a restricted basis, conditions and hours of sale to be determined by the Licensing Control Commission.

N.B. The above recommendation is based on the principle that, particularly, in respect to hours of sale, there should be some flexibility to meet the requirements of individual clubs who may be granted a licence.

Sunday Trading for Golf and Bowling Clubs

439. It is appreciated that giving legal recognition for even limited trading on Sundays would be a radical departure from present practice, but we do not regard that as being socially harmful. On the contrary, it would in many cases be legalising what has been going on for many years, and could possibly reduce the socially

harmful effects of the "locker system" and even reduce the amount of liquor consumed. In fact, we would agree with the Keeling Committee's Report where it recommends:

> "A club which is granted such a charter should abandon the locker system forthwith."

Other Sports Clubs

440. (a) There is no doubt that widespread drinking in sports clubs pavilions has been in evidence for many years and we would affirm that this practice is on the increase. Consequently, the problem of licensing sports clubs will have to be tackled, and the sooner the better. The evidence indicates that many young people get their first taste of alcohol in sports club pavilions.

(b) Section 219 is frequently used by sports clubs as a legal method of dispensing liquor at sports club functions and it is to the credit of the New Zealand Rugby Football Union that in their submissions they indicate what has been going on so far as serving liquor to young people is concerned. There is every reason to believe that the same practice operates in other sports.

(c) The New Zealand Rugby Football Union, in their submissions, relate on page 7, sections 29 and 30, that 18- and 19-year-olds are served liquor at social gatherings, and that some clubs seek parents' consent to that practice. Two points should be emphasised here. One is that those behind the bar will have as much difficulty as barmen in hotels and taverns in determining the age of those who desire to be served. The other point illustrates an inherent weakness in section 219 in relation to sports clubs in that it has no provision as to the age of those attending functions where liquor is served.

We **recommend** that provision be made to prevent under-age drinking at any sports club gathering or social function unless the minor is accompanied by a parent, guardian, or spouse aged not less than 18 years.

(d) It would appear that sports clubs have not been interested in applying for charters in the normal way, although this may be due to the existence of doubt as to whether sports clubs fall within the meaning of the term "club" appearing in section 162 of the Sale of Liquor Act 1962 which refers to "the common object of private social intercourse, convenience, and comfort" but not sport, except that of "big-game fishing". What they appear to want is an extension to section 219 to permit them to sell liquor according to the requirements of members and guests at social functions, at semi-formal social events, after-match get-togethers, and informal social events, including Sundays.

(e) The commission was impressed with the submissions of the Liquor Industry Council on the subject of licences for sports clubs. That council readily recognised the changes that have occurred in the case of more leisure time being available and, with the increased affluence in our society, the demand for increased amenities, including alcohol, in clubs of all kinds. The commission affirms that this demand will continue to grow, that it should be acknowledged and met, and that it would be better to have it controlled by some type of licensing.

(f) The commission agrees with the sentiments expressed in the Liquor Industry Council submission where it makes the point (3.1.25):

> "If the liquor laws are to be a true reflection of the real social needs and requirements of society for the supply and purchase of alcohol, then it is reasonably clear that sporting clubs which meet required standards should be able to sell liquor legally."

(g) The council, in the same section of its submissions, analyses the terms as to hours and days of the week liquor should be sold which, of course, would be appropriate to each applicant club, and determined by the Licensing Control Commission (or the district licensing committees). The council, affirms, and we agree, that the vast majority of sportsmen and women would use the facilities on Saturdays and Sundays and, in these circumstances, the Council states:

> "It seems to the Industry unrealistic to suggest the licensing or authorising of sports clubs to sell liquor without giving to such clubs the right also to open their bars for sale on one of the two busiest days of their trading week."

The council further states:

> "If Sunday trading is not permitted with authorisation for a sports club to sell liquor, then the licence might just as well not be created, or else further law breaking will be induced."

This the commission considers is the central issue in the problem of licensing sports clubs but it must be viewed as an integral part of the whole problem of Sunday trading in alcoholic beverages. We **recommend** that sports clubs, whose premises measure up to required standards and who give suitable guarantees for responsible administration for the sale of liquor, be permitted to apply for a licence for on-sales only, except on Sundays for the reasons given in paragraphs numbered 320, 321, 322, and 328 of this report. We further **recommend** that the Licensing Control Commission or district licensing committees, who would act on guidelines laid down by the former, be authorised to issue such licences under conditions, preferably those listed in the police submissions on pages 6–8, which are set out in appendix No. IV attached to this report.

(h) The Liquor Industry Council and also the New Zealand Licensing Trusts Association were quite rightly concerned at the prospect of increased competition from the licensing of sports clubs and further chartered clubs. That such clubs are in direct competition with hotels there can be no doubt. It should be emphasised that hotels have a legal obligation to provide amenities for the general public and this cannot be done unless hotels are reasonably profitable in their operations. Proliferation of licences would have serious effects in the services provided by hotels in the matter of food and accommodation provided up to a standard laid down by the Licensing Control Commission. Taverns are released from that obligation only on condition they pay 3 percent on gross purchases of liquor to assist in the accommodation for the travelling public.

We **recommend,** therefore, as we did for new charter licences, that cognisance of the economic effects on established outlets be taken before licences for sports clubs are issued.

4. PROPRIETARY CLUBS

441. Three submissions were received in Auckland urging that the legislation be amended to licence clubs which are conducted, with a restricted membership, for private gain. We **recommend** that no such licences be authorised.

5. FAMILY CLUBS

442. There are a few clubs operating that cater for families interested in relaxation, culture, entertainment, or sport, and provided they are not run for private gain, and the sale of liquor is purely ancillary to the main purpose of such clubs we **recommend,** subject to requirements and standards laid down by the Licensing Control Commission, that licences be issued on application.

6. SUPERVISION

443. We **recommend** that all clubs, chartered or otherwise, should be under the supervision of the police. We agree with police submissions (9.4k) "Police to have same powers as those possessed under the Act in respect to hotels." Incidentally, in cross examination, the representatives of golf and bowling clubs agreed that this supervision was acceptable. We think it is highly desirable.

7. LEVY ON CLUBS

444. In another section of this report, the desirability of establishing an alcoholic liquor advisory council on a permanent basis is recommended. Contributions to the cost of this council's operation should be made by all licensed or chartered clubs, and it is **recommended** that a levy of 3 percent on purchases of liquor be paid into a special account for this purpose. In order to avoid evasion of the 3 percent levy, all liquor required should be ordered in the name of the club concerned.

8. MEMBERSHIP OF SPORTS CLUBS

445. Some restrictions should be placed on maximum membership of clubs. This, of course, will vary between country and urban clubs, but membership, we **recommend,** should not exceed 1000 for any club. However, the Licensing Control Commission, having regard to the objects of any club, or its close proximity to an hotel or tavern, should have the power to vary the maximum suggested in this recommendation.

9. GUESTS AND HONORARY MEMBERS

446. As clubs are organised mainly for the comfort and convenience of members, guests and honorary members should only be permitted on rare occasions to licensed club premises. They should not be permitted to purchase liquor. The Licensing Control Commission should lay strong emphasis on these restrictions before giving approval to the rules of licensed clubs. We **recommend** accordingly.

10. GRANT OF CLUB CHARTERS BEFORE THE CLUB PREMISES ARE ERECTED OR COMPLETED

447. At the present time the Licensing Control Commission will not grant a charter to a club unless it is satisfied that the requirements of section 166 (1) of the Sale of Liquor Act 1962 have been complied with. This has the effect of requiring that a club already has suitable premises and facilities for its purposes before it applies for a charter. The Licensing Control Commission has stated that "without an indication whether or not a charter would be available to the club there would be difficulties in planning and financing costly building operations". (See an application by *Grammar Club (Inc.)*—Decision of Licensing Control Commission given at Wellington on 12 May 1972.)

448. The chartered clubs in their submission (No. 209) emphasised that knowing whether a charter will be granted is important to the planning, design, and building of club premises. Such knowledge would be an important factor in arranging finance for a building project. Accordingly the chartered clubs submitted that:

> "section 166 (1) should be amended so as to authorise the Commission to grant a charter which will be issued on compliance with plans and proposals approved by it. This suggestion is precisely the course that is sanctioned in relation to hotel and tavern premises licences in section 92 (1)."

They pointed out that any amendment along the lines suggested would require to be prefaced by the words "Notwithstanding anything to the contrary in section 162" in order to overcome the point that "club" there, and therefore in the following provisions, is defined in the present tense.

449. This impresses us as being a reasonable submission which should be upheld.

450. Therefore we **recommend** that section 166 (1) of the Sale of Liquor Act 1962 should be amended accordingly.

11. USE OF PREMISES TO WHICH A CLUB CHARTER, CABARET OR ANCILLARY LICENCE RELATES WHEN BAR IS REQUIRED TO BE CLOSED

Definition of "Bar"

451. The submission of the chartered clubs raised for our consideration the effect which the decision of the Court of Appeal in *Pickens* v. *Franssen* (1964) N.Z.L.R. 806, has upon the full use and enjoyment of club premises. In that case the court decided that in common parlance a room used as a bar for some periods of the day is a bar for the rest of the day (and Sundays) for the purpose of the Sale of Liquor Act 1962. The chartered clubs submitted that, because of this decision, "Clubs have been placed in a position whereby they are prevented from using their resources to full advantage. Since a "bar" covers the entire area used for the consumption of alcohol, clubs are unable to use barrooms for other purposes before or after licensed hours. 'Other purposes' include seminars, dancing, cards, indoor bowls and relaxation generally." They emphasised that, because of the need to economise on building costs whenever possible, the premises of many clubs had been designed for dual or multi-purpose use. It was submitted therefore that "the legitimate object of sections

such as section 250 where the term "bar" is employed may be achieved by the inclusion of a special definition which defines a bar for the purposes of those times when the club is required to be closed for the sale of liquor".

452. A similar submission was made on behalf of holders of cabaret licences. It occurs to us that the same situation could arise for the holder of an ancillary licence which we have recommended earlier in this report.

453. Provided that there is no attempt to circumvent the liquor laws, we can seen no reason why club, cabaret, or similar premises should not be fully used for the benefit of members or patrons, as the case may be.

454. Therefore we **recommend** that if in premises licensed under a club charter, cabaret licence, or ancillary licence the servery area of the "bar" is effectively closed off by say metal grills or wooden panels, and substantial slides or doors are used to remove any visual reminder of the bar's presence, the rest of those premises may lawfully be used for other purposes during the hours when such licensed premises are required to be closed for the sale and consumption of liquor.

455. The chartered clubs gave the following suggested definition to meet this situation:

> " 'Bar' in relation to a chartered club, and in relation to those times when the club is required to be closed for the sale of liquor or is required under its rules to be closed for the sale of liquor, means that part of the club premises customarily used for the storage, sale or supply of liquor, provided that that area is divided from the remainder of the premises by procedures approved in writing by the Commission."

12. ELECTION OF NEW MEMBERS OF CHARTERED CLUBS

456. Mr J. McK. Geddes, an Auckland barrister and solicitor who presented the submission on behalf of the Auckland Theatre Trust Board, wrote to the commission on 10 September 1974 a letter stating his concern at the wording of section 166 (2) (c) of the Sale of Liquor Act 1962 which reads:

> "After the first constitution of the club new ordinary members shall be elected by existing ordinary members, according to rules prescribed for the purpose:"

457. He contends that this subsection is unnecessarily restrictive and if the Licensing Control Commission construes it strictly the commission would not permit the admission of new members by a

special subcommittee of the club appointed for this purpose. He mentions as an example a well known, long established and most reputable club in Auckland, which has not obtained a charter for which it may be regarded as ineligible because it admits new members only after special investigation by a membership subcommittee and approval by the elected committee of ordinary members. He points out how much secretarial work and consequent expense is needed in a club with a large membership to carry out the cumbersome procedure of an election of new members by all the existing members. He suggests that this may be one other anomaly, anachronism or deficiency in the present law.

458. While the matter raised by Mr Geddes may well warrant investigation, we are not able at this late stage to seek the views of interested parties, particularly the Licensing Control Commission, and to consider fully the implications of a suitable amendment to the existing subsection 166 (2) (c). However, in deference to the submission made by Mr Geddes in this regard, we suggest that his proposal be referred to the Licensing Control Commission for its consideration and report.

Part XV RESTAURANTS

1. LICENSED RESTAURANTS

459. Before 1917 the consumption and sale of liquor in restaurants was not unlawful. In 1917 section 11 of the Sale of Liquor Restriction Act prohibited the consumption of liquor in a restaurant at any time when licensed premises were required to be closed. This remained in force until 1960.

460. The Royal Commission on Licensing suggested in 1945 that restaurants should be given a licence on a trial basis and the results noted. The recommendation of the 1945 commission was as follows:

> "We think that drinking may tend to occupy a less important place in the mind of the public if light liquors can be served in restaurants, of adequate size and sufficient staff which provide a substantial meal, the liquor being served as an accompaniment of the meal."

461. Subsequently the Licensing Control Commission suggested in several of its reports to Parliament that liquor be served in restaurants.

462. A parliamentary select committee set up in 1957 to examine the conditions in the wine industry, recommended that approved restaurants be licensed to sell only New Zealand light table wines with substantial meals but no amendment to the law was made.

463. The committee which sat under the chairmanship of Mr R. A. Keeling in 1960 reported that it had heard enough evidence which reflected reasonably well public opinion in favour of the sale of liquor with meals in restaurants.

464. The churches, the New Zealand Alliance, the licensing trusts, and the liquor trade opposed this. The hotels requested the same hours as restaurants if those were licensed because at the time they were only allowed to serve liquor with a meal to casual diners until 8 p.m.

465. The alliance and the churches requested a referendum before the restaurant licence was permitted. Their main objections are summarised in the Keeling report as follows:

"1. It would increase the number of outlets for the sale of liquor and the amount consumed.
"2. It would conflict with the 6 p.m. closing.
"3. It would make law enforcement more difficult.
"4. It would be impossible to prevent abuses."

466. The Keeling Committee recommended:

"(1) That Parliament should amend the law to permit approved restaurants to supply liquor with a substantial meal during permitted hours.
"(2) That if no-licence districts are retained, the law be altered so that licences for liquor with meals may be granted to approved restaurants in those districts.
"(3) That the Licensing Control Commission be entrusted with the power to decide where, when, to whom, and on what terms and conditions licences for liquor with meals shall be issued to restaurants.
"(4) That, in the case of restaurants, the term "liquor" should mean and include malted liquor and light table wines but should not include fortified wines, spirits, or liqueurs.
"(5) That it should be a condition of every restaurant licence that the licensee shall stock New Zealand wine and New Zealand unfermented grape juice and shall specify them on any wine list.
"(6) That the permitted hours for the sale of liquor in licensed restaurants should be from 12 noon to 2.30 p.m. and from 6 p.m. to 11.30 p.m. with consumption allowed up to 3 p.m. and midnight respectively:
"(7) That no liquor should be sold on Sundays or Good Friday."

467. The Licensing Amendment Act 1960 established licensed restaurants in New Zealand for the first time, limiting the number to 10. The restriction as to numbers was later removed. The Keeling Committee did not recommend the licensing of " . . . what might be termed ordinary restaurants to sell liquor" as there was no evidence that there was any real demand for it.

468. It is pertinent to quote the following extract from the Licensed Restaurant Association's submission (No. 121).

" . . . The choice of dining was between the grill rooms, hotel dining rooms, and tea rooms, and New Zealanders had been accustomed to a choice of fish and chips, roast meals or the 'pea, pie and pud' type of fare. One only has to reflect on that situation to conclude how spectacularly standards and variety of dining establishments has increased since then, and it would be fair to say that since the introduction of licensing no abuses have arisen in the result. The public have been educated to enjoy a drink with one's meal, and they have earned a respite from the inevitable roast dinner and fish and chips that they had to endure for so long. The past thirteen years have not been plain sailing for restaurateurs who have endured many trials and tribulations in being required to satisfy the Licensing Commission and the Health Authorities that they met the statutory criteria required for a licence. . . . It would be fair comment to say that in New Zealand the Commission has adopted a fairly stringent

approach to the standards imposed on restauranteurs. . . . In the last thirteen years the standards in decor, presentation and variety of eating establishments has as I say increased spectacularly because the public have become more discerning and more selective, and have been educated in civilised eating and drinking habits, and, of course, the trade must respect the wishes of the public in order to survive commercially.

"In summary, therefore, it could be said that the past thirteen years have been indeed sufficient time for us to learn as a country that the introduction of liquor into restaurants has not created any evils, but has satisfied a long needed public demand for wining and dining."

469. Further the Licensed Restaurant Section of the New Zealand Restaurant Association in their submission (No. 121) request more flexibility in the hours of opening. They maintain, for example, that in suburban areas there is no significant demand for lunches in licensed restaurants. They request, therefore, that opening and closing times should be a matter for the decision of the individual restaurateur.

470. Under the Sale of Liquor Act 1962 a restaurant licence authorises the licensee to sell and serve table wine, beer, and stout on the restaurant premises to any person actually partaking of a meal for consumption by that person at any time between the hours of 12 noon and 2.30 in the afternoon and between the hours of 6 p.m. and 11.30 p.m. on any day.

471. A restaurant licence is one of a number of liquor licences which can be authorised under the present Act, each with its own responsibilities, but with varying opening hours. For example, hotel dining rooms open from 9 a.m. to 11.30 p.m.; cabarets from 6 p.m. to 11.30 p.m.; theatres 7 p.m. to 10 p.m.; restaurants 12 noon to 2.30 p.m. and again from 6 p.m. to 11.30 p.m.

472. We see no reason, provided the approval is obtained of the Licensing Control Commission on a grant or of the local licensing committee on a renewal, why licensed restaurants in suburban areas where there is little or no demand for lunches should be required to open between 12 noon and 2.30 p.m.

473. We suggest that the times at which a licensed restaurant shall be open during the prescribed usual hours should be a matter for arrangement between the proprietor and the Licensing Control Commission or the local licensing committee as the case may be.

474. Although sparingly issued at first the number of restaurant licences has steadily increased over the years. There are 108 licensed restaurants in New Zealand of which 40 are located in Auckland.

475. The Sale of Liquor Act was amended in 1965 (see section 217A) to enable the Licensing Control Commission to grant a special permit to restaurants to sell any specified kind or kinds of liquor. If such a permit is in force any person who is on the premises for the purpose of partaking of a meal and who does partake of a meal thereon may be served with liquor for consumption by that person before or as part of the meal. However, an evening meal at a licensed restaurant is incomplete without the facility to enjoy a drink such as a liqueur with coffee after a meal, and this choice should be available to patrons.

476. This is recognised by the provision of section 215 (3) of the Sale of Liquor Act 1962 in the case of hotels, tourist houses, and chartered clubs. Therefore we **recommend** that section 217A be amended so as to allow patrons to be supplied with liquor in a part of the restaurant premises approved for that purpose by the Licensing Control Commission during such time before and after the meal as the commission shall fix.

477. The New Zealand Viticultural Association (No. 201) recommended that licensed restaurants should carry a percentage of New Zealand wines as well as asking that restaurants should be able to sell wine by the glass.

478. They suggest that there is a "demonstrable need for fully licensed premises with a full range of liquors and wines, and sufficient decor and presentation to warrant the expense of dining out", but here again the Restaurant Association would like to see more discretion reposing in the restaurateur, firstly, as to the food he presents, secondly, as to the hours at which he wishes to present it, and thirdly, as to the surroundings in which it is presented.

479. We believe that the restaurateur has ample scope for displaying his initiative while at the same time complying with the reasonable requirements of the Licensing Control Commission. It is in the public interest that proper and acceptable standards should be required and maintained in licensed restaurants. This is the function of the Licensing Control Commission.

480. The New Zealand Wine Council (No. 221) states in its submission that a licence should be immediately available to restaurants which conform with requirements of the Department of Health and local authorities, and that such licences be renewable annually with provision for suspension or cancellation in the event of failure to observe a reasonable standard.

481. Although there is ample provision in the Sale of Liquor Act 1962 for the licensing of qualified restaurants, there is no power to suspend or cancel a restaurant licence if satisfactory standards are not maintained after the licence has been granted. It is desirable that the Licensing Control Commission through the local licensing committee should have such authority.

482. Contrary to the experience of the Keeling Committee we heard several submissions requesting that the "ordinary restaurant" be licensed to sell liquor.

483. The Christian Family Movement (No. 82) for example, considers prices charged in existing licensed restaurants are beyond the average family group.

484. The National Council of Women (No. 53) find that the existing licensed restaurants place undue emphasis on the consumption of alcohol as a status symbol. Mr G. D. Melville-Smith (No. 164) and others observed that if standards of food and facilities are acceptable to the Licensing Control Commission then specialist restaurants should have greater flexibility in the standard of meals presented.

485. We heard many requests for wines served by the glass. We see no reason, other than economic, why this should not be done in a licensed restaurant. Furthermore, in cross-examination the Restaurant Association said that it seems unrealistic that restaurateurs should carry non-fermented New Zealand grape juice when there is no apparent demand for it. However, fruit juice and other non-alcoholic beverages should be available at licensed restaurants.

486. After studying the submissions we **recommend** that:

(1) Subject to the approval of the Licensing Control Commission when the licence is granted but otherwise the local licensing committee, it should not be mandatory for licensed restaurants in suburbs or rural areas to remain open during lunch-hour periods if local demand for the service is insufficient. We suggest that, in order to allow greater flexibility as to opening hours, the times at which a licensed restaurant should open and close within the permitted usual hours should be fixed by arrangement between the licensee and the Licensing Control Commission or licensing committee, as the case may be.

(2) Paragraph (a) of section 110 of the Sale of Liquor Act 1962 be deleted. This amendment is desired by the Licensing Control Commission because of difficulty in applying this consideration in practice. The requirements of the public could be taken into account under subparagraph (e) of section 110 without making this a specific consideration.

(3) The Licensing Control Commission should be given the power to suspend a restaurant licence if standards deteriorate, or changed circumstances render this course desirable. The recently enacted section 11 of the Sale of Liquor Amendment Act 1974 would seem to go some way towards effecting this result. However, we think it desirable that the Licensing Control Commission should be able to act promptly on its own motion against any licensee who has committed a breach of his obligations or responsibilities under a restaurant licence by requiring him to show cause why his licence should not be suspended or cancelled because of this breach. Such a power vested in the Licensing Control Commission would prove an effective sanction to be used in the public interest.

487. We have received complaints that in some licensed restaurants the wine list includes specified New Zealand wines which cannot be supplied when ordered by the customer because they are not in stock.

488. Another complaint is that too few New Zealand wines are listed so that the customer's choice is unnecessarily restricted. Therefore we find some merit in the suggestion that each licensed restaurant should be required to list and supply at least 10 recognised brands of New Zealand wines each of which was made by a different winemaker. Periodic checks should be made by a licensing inspector to ensure that this requirement is being complied with. If failure to comply should continue after a warning from the licensing inspector this would be a ground for suspension or cancellation of the restaurant licence.

Cost of Dining in Licensed Restaurants

489. A number of persons have complained about the high cost of dining in some licensed restaurants, and have suggested that licences should be granted to some restaurants which have less elaborate and expensive facilities and fittings but are otherwise acceptable in the hope that their charges would be more reasonable and within the reach of the ordinary family. Here we are faced with a choice between possibly lower prices and relaxed or diminished standards of amenities. The standards for licensed restaurants set by the Licensing Control Commission were designed to provide good facilities for patrons to dine in comfort. It is eminently desirable that these standards should be preserved. To relax them to any appreciable extent in the hope that prices would be lowered would, we think, be a risky undertaking. From our discussions with members of the Licensing Control Commission we are satisfied that they are well aware of this position and allow as much flexibility in their requirements as is reasonably compatible with the preservation of acceptable standards.

2. UNLICENSED RESTAURANTS

490. The provision which made it an offence to possess or consume liquor in unlicensed restaurants after 6 p.m. was introduced in the 1917 Licensing Act along with the 6 p.m. closing during the First World War.

491. The reason for this provision was to circumvent anyone wishing to purchase a quantity of liquor after the hotels closed at 6 p.m. and take it to a restaurant for consumption.

492. The Licensing Act stayed in that form until 1967 when, because of the introduction of 10 o'clock closing, the logic of the provision disappeared. However, following representations by the Licensed Restaurant Association and other liquor interests the Statutes Revision Committee did not make any amendment at that time.

493. We have had several representations during this commission's sittings from restaurant proprietors as well as individuals to correct this.

494. The Liquor Industry Council did not oppose the bringing and consuming of liquor by patrons in unlicensed restaurants if this commission "considers that a satisfactory degree of control can be achieved whether by requiring a minimum standard of facilities or by any other means".

495. The Police and the Department of Justice have no particular objection to persons bringing their own liquor such as wine and beer to restaurants to consume with their meals.

496. The Licensed Restaurant Association and the Viticultural Association do not approve of patrons being permitted to bring their own liquor to an unlicensed restaurant. In cross examination they maintain that storage facilities do not exist, that there is little or no regard to hygiene, and that patrons would be inclined to take more liquor than is needed. There was no evidence to substantiate these views. Provided satisfactory standards of hygiene are maintained it should be possible for any person lawfully entitled to drink to bring his own liquor into an unlicensed restaurant during the same hours as hotels and taverns are open for the sale of liquor to the public.

497. The National Council of Women expressed a great deal of support for allowing the consumption of wine and beer with ordinary meals in ordinary restaurants. Mr J. R. Milligan (No. 80), the Christian Family Movement (No. 82), recommend that families and other patrons should be entitled to take their own liquor in unlicensed restaurants.

498. Messrs L. J. White and R. J. Borrell (No. 57) conducted a survey of their clientele who wished to be able lawfully to bring their own wine to have with their meals. This survey supported the provision of this facility. Professor D. W. Beaven (No. 157), Calkoen Enterprise (No. 6), Brown's Bay Progressive Association (No. 110) find restaurant licences too restrictive. Dr. N. D. Walker (No. 153), Zonta Club (No. 174), Mr A. B. Layton (No. 170), the Auckland University Students' Association (No. 70), Professor Peter McKellar (No. 213), and several submissions by other individuals agreed that patrons should be allowed to consume their own liquor with a meal in unlicensed restaurants.

499. Grapevine Wines Ltd. (No. 63) have had many inquiries of people who purchase their wine and wish to know where they can take it to be consumed with a meal.

500. Accordingly we **recommend** that section 266 of the Sale of Liquor Act 1962 be amended so that it is not an offence to consume one's own liquor as part of a substantial meal in an unlicensed restaurant during the same hours as hotels and taverns are open for the sale of liquor to the public, provided that the unlicensed restaurant concerned has been approved for that purpose by the chairman of the District Licensing Committee after he has received favourable reports from the Police and the appropriate local authority's health inspector.

Part XVI THE WINE INDUSTRY

1. WINE RESELLER'S LICENCE

Historical

501. This licence was created in 1948 by an amendment to the Licensing Act 1908, for the express purpose of boosting the New Zealand wine industry by providing selling points for the product all over the country.

502. Prior to that the growers were the producers and had to sell their own production primarily to the wholesale trade and hotels. The 1945 Royal Commission specifically stated that they saw no reason to create the bottle licence for the sale of wine, which licence had been abolished many years before.

503. At first, the new reseller's licence was mostly taken up by mixed businesses, principally grocery stores, and it was not difficult to obtain licences from the Licensing Control Commission.

504. The Sale of Liquor Act 1962, as amended in 1965, expanded the legislation governing the wine resellers and the Licensing Control Commission was directed (sections 157–161) that, except in special circumstances, no application for a licence should be granted in respect of premises that are not to be used exclusively for the storage and sale of wine.

505. With the increase in production of quality wine, a keener appreciation of the commercial value of a licence became apparent and some grocery stores holding licences started converting exclusively to the sale of wine. In addition, there developed a trend to purchasing rundown licences often, we have been told, at inflated prices, and the holder then seeking a transfer to a more attractive site.

506. The applications for reviews by the Licensing Control Commission increased and when the Licensing Control Commission issued certificates on the need for new licences in any area there were embarrassing numbers of applicants equally qualified (in terms of section 157A) to licensing committees for the granting of licences.

507. As the Liquor Industry Council observed: "All these features indicated that the New Zealand Wine Reseller's licence has become and still is a very desirable licence to hold from a commercial viewpoint."

Variations in Quantities that Could be Sold

508. Prior to 1955 the minimum quantity of New Zealand wine that could be sold by a wine reseller was 2 gallons. Later, this was reduced to 1 reputed quart in the case of table wine, and a half gallon in the case of dessert wine. In 1957 the quantity was reduced to 1 quart for both types of wine and, subsequently, to 1 pint of all wines.

Number and Allocation of Licences

509. (a) We have it on the authority of the Liquor Industry Council that "The resellers of New Zealand wine comprise the single largest group of licences under the Sale of Liquor Act after hotel-premises licences. As at March 1973, there were some 322 wine reseller's licences in existence licensed to sell New Zealand wine in quantities from 1 pint bottles upwards".

(b) In the cross-examination of Mr T. J. Dunleavy, representing the New Zealand Wine Council, it was disclosed that there were 366 New Zealand Wine Reseller's licences in existence, of which 64 were held by wholesale merchants and trusts and the remaining 302 licences were divided up as follows—Private ownership 199; large winemakers 42; small winemakers 61, and of the 199 under private ownership he said: "I can only think of 16 which are held by what might be called liquor interests, wine and spirit firms."

System of Allocating Licences

510. (a) Under section 157 of the Sale of Liquor Act, as amended in 1965, it is the Licensing Control Commission's responsibility, after a review and public hearing, to determine whether the issue of any such licence is necessary or desirable.

(b) Having made its determination in the affirmative, it issues a certificate authorising the licensing committee concerned to receive and consider applications for such a licence. The commission, for the guidance of a committee, specifies in the certificate the locality or area and any standards defined by it in terms of section 157.

(c) The licensing committee receiving the certificate has to arrange that public notice be given of its intention to consider applications for a licence. Provision is made for objectors to be heard.

(d) It is competent for any applicant for a licence to request a review of an area and, unless the Licensing Control Commission considers that insufficient time has elapsed since the last review, which is normally held about every 3 years, then a review is held

and the same procedure outlined above is followed. That is the only ground upon which the Licensing Control Commission can refuse an application for a public hearing.

Practical Effects of the System

511. (a) Allusion has been made to the popularity of this type of licence and the large number of applications and appeals from the decisions of licensing committees to the commission. There are two aspects of this type of licence that have given concern to both applicants and the Licensing Control Commission.

(i) The large number of applicants for a new licence must prove that suitable premises in a desirable part of an area are available (which are usually rented by the applicants and could be rented for as long as 12 months pending the decision of a committee and subsequent appeals to the Licensing Control Commission) The cost in the aggregate has not been estimated but it must be enormous.

(ii) The Licensing Control Commission has been concerned for a number of years about the pressure on the time of unpaid members of licensing committees handling applications, and the time spent by members of the Licensing Control Commission in hearing appeals by unsuccessful applicants.

(b) In the annual report to Parliament for the year ended 31 March 1969, the commission had this to say: "The Commission has received applications from 207 persons or firms as to the necessity and desirability of new wine reseller's licences throughout the country. Although some of these remain to be heard only 28 new licences were granted . . . mostly in suburban or secondary centres. But just as one queue of applicants is dealt with another forms. Already another 56 have lined up."

(c) In the annual report 1973, the commission comments: "During the last year we have seen up to 14 applicants come forward for one licence. In such cases the members of the licensing committee concerned . . . are obliged to conduct what can be lengthy hearings. The committee has to make a very difficult decision based on fine distinctions . . . and then it is almost common form for the disappointed applicants, or some of them to appeal to the commission."

(d) Again, in the 1973 report, the commission had this to say: "We must be frank to say that we sometimes feel that the work generated by these licences under the present law is a great burden upon the commission's time which sometimes tends to clog or delay

the work of the commission in other directions. The commission is constantly being asked to hold reviews under section 157 to determine whether new licenses should be authorised." In spite of the obvious frustrations experienced, the commission modestly asked that the matter should "be considered by " Parliament.

Some Suggested Improvements

512 (a) As far as we could ascertain, no unsuccessful applicant for a licence came forward either to complain about the complexity of the procedure or the cost of making an application.

The New Zealand Wine Council suggested that a reseller's licence should be the subject of an application to a licensing committee against the simple requirement that the committee take into account the factor of public convenience measured against existing facilities and their situation in determining whether new licences are to be allowed. There would be provision for an appeal to the Licensing Control Commission against the refusal of a grant, but not otherwise.

(b) Mr J. K. Buck, Wine Merchant, Wellington, advanced the view that changes in the legislation governing licences should be made. He made the point, in connection with wine reseller's licences, that the licensing committee when considering the grant of a new licence must have regard, as in section 157B (3), to:

(i) The situation, standard, and suitability of the premises or proposed premises;
(ii) The number of winemakers whose wine is proposed to be sold by the applicant if a licence is granted:
(iii) Any other business that will be conducted on the premises;
(iv) Such other considerations as the committee thinks fit to take into account.

He emphasised that no specific mention is made in that subsection or in any section of the ability of an applicant for a licence. Later, in cross-examination by Mr Jeffries, Mr Buck conceded that particularly during the last 12 months the ability of an applicant had been taken into consideration by licensing committees when granting new licences.

This, in our opinion, is a very important consideration as a wine reseller is frequently consulted by customers on the type of wine that should be purchased. Unless he has the ability to advise he is not rendering service to patrons.

Consequently, we **recommend** that ability or merit should be a specified condition in the Act to which attention should be given when committees have to determine the suitability of applicants.

(c) This question of suitability in relation to an applicant for a licence can be over estimated unless a committee can get some guarantee that the successful applicant will continue to operate the licence. A licence is quite a valuable commodity which can be transferred for a worth-while consideration.

Mr Buck affirmed: "I consider that any system attempting to take merit into account would at least be an improvement on the present one." The commission concurs with that sentiment.

(d) Now that the Licensing Control Commission has fully reviewed all areas several times, and normally reviews every 3 years or so, there does not appear to be justification for so many requests from persons or firms for additional reviews to determine the need or desirability for new licences.

This, in our opinion, should only be considered at the discretion of the commission and we **recommend** accordingly.

(e) When a new licence is granted the successful applicant, having measured up to the standards required, could be given a reasonable time, to be specified by the committee, to implement the grant of a licence. Failure to do so would mean the forfeiture of the grant of a licence and fresh applications would be invited.

(f) We **recommend** that having regard to the "fine distinctions" between applicants upon which a licensing committee has to make a decision in granting a licence, no appeal against the decision of the licensing committee shall be allowed except on a question of law and in that case the appeal shall be made to the Administrative Division of the Supreme Court.

Proposed Extensions to Licences

513. (a) The Wine Resellers' Association, and others, submitted that there is now a place for what they called a New Zealand liquor licence to replace the New Zealand wine licence. This, they claimed, would include the right to sell all New Zealand liquors, including ales and spirits.

It was submitted that members of the association have had numerous requests from customers for the purchase of beer and spirits and that it would be a great convenience and in the public interest. It was argued that this new type of licence "would promote local industry".

(b) The Liquor Industry Council opposed this proposal on two grounds:

(i) The winemaking industry had made it clear that it has not yet attained the stage at which it no longer needs either promotion or protection. The proposal would run counter

to the main purpose for which the wine reseller's licence was introduced. The proposed extension would eventually and inevitably lead to a wine reseller becoming a bottle store.

(ii) No other New Zealand liquor needs promotion and protection in the way the wine industry does.

The members of this commission agree with the views expressed in opposition to the proposed extension of this type of licence and **recommends** that the wine reseller's licence be retained in its present form. We add, however, that this recommendation is not meant to preclude the holder of a wine reseller's licence from applying for a wine cafe licence proposed in the next section of this report as an extension of his existing licence.

Wine Resellers and Imported Wines

514. Independent Wines Ltd. submitted that "The original concept pertaining to the issue of Wine Reseller's licences is, in the Company's view, no longer valid. The range of competition among wines available to the public and the competition between wine growers has now reached the stage where the industry is sophisticated to an extent as should enable it to compete on an equal basis with overseas wines".

515. This submission was supported by many holders of New Zealand wine resellers' licences. The company further submitted: "It is our view that the public interest could be better served by the introduction of a much wider authority to sell alcoholic liquor such as beer and spirits as well as wines".

516. There was very little evidence from the general public in support of what is claimed by the interested parties that there is a public demand for imported wines to be sold in New Zealand wine resellers' shops and, consequently, we are of the opinion that the sale of imported wines in such places, particularly cheap wines, would have a detrimental effect on the sale of New Zealand wines. We do not recommend that those holding New Zealand wine resellers' licences be permitted to stock, display, or sell imported wines.

Aggregation of Licences

517. (a) We have already set out the distribution among persons and firms of the 366 licences now in existence. Although there was no evidence submitted concerning undue aggregation of licences, the New Zealand Wine Resellers' Association drew our attention to the situation in Auckland where there are 69 licences operating and they suggested that there was a tendency on the part of large winemakers to monopolise a number of wine reselling outlets.

The association affirmed "that some of the larger wine makers have made strenuous efforts in recent years to obtain more and more of their own outlets throughout the country".

As at July 1973 there were, according to the association, 69 wine resellers in Auckland and their ownership could be broken down as follows:

Trust ownership	1
Wholesale ownership or control	26
Winemaker ownership or control	22
Independent ownership	20
	69

The association feared that the aggregation of resellers' licences would lead to monopolistic situations to the detriment of the independent wine resellers.

(b) Until 1971 it would have been comparatively easy for aggregation of licences to occur under section 159 where aggregation did not have to be specifically considered in the transfer of licences and, if aggregation did occur, it was in the period from 1948 until the amendment was made to section 159 in 1971.

(c) Provided the conditions in section 129 were observed, and there were no serious objections raised to an application for the transfer of a licence, the chairman of a licensing committee, or the committee, had no option but to grant the application.

(d) Section 12 (5) of the Sale of Liquor Amendment Act (No. 2) 1971 states: "If it appears to the Chairman of the Licensing Committee at any time, whether or not he has convened a meeting of the Licensing Committee under section 132 of this Act, and whether during any such meeting or not, that the granting of the application might result in an *undue* aggregation of control, whether direct or indirect, of business conducted under wine resellers' licences, in the hands of any one person or body corporate or any one group of persons or bodies corporate, *he shall decline to deal with the application* and shall refer it, with the accompanying documents and all notices of objection to the Commission for determination".

There is provision for an appeal by an unsuccessful applicant to the Supreme Court.

It would appear, therefore, that the possibility of undue aggregation is no longer an issue, that the fears of independent resellers are not likely to materialise and, consequently there is no need for this commission to make any recommendation on this matter.

2. WINE CAFE

518. The New Zealand wine licence which preceded the wine bar licence was introduced in the 1881 Licensing Act. Only three of these wine bars (one each in Auckland, Hawera, and Wanganui) are now operating. No new wine bar licences can be granted except in substitution for any such licence now in force. Nor can the existing licences be removed to other premises. The licensee of the wine bar is authorised to sell New Zealand wine by the glass or bottle, only in quantities not exceeding 2 gallons for consumption on the licensed premises between 9 a.m. and 9 p.m.

519. However, the introduction of the wine reseller's licence in 1948 was seen as making redundant what was then the New Zealand wine licence. The New Zealand wine licence was renamed the wine bar licence, of which as mentioned above, only three remain in operation.

520. While acknowledging the desirability of encouraging the continued growth of the New Zealand wine industry, apart from sales through licensed restaurants, hotels, and taverns, there are no outlets for increasing numbers of New Zealand citizens who appreciate or wish to enjoy good wine with light food, to purchase New Zealand wine by the glass, in an atmosphere conducive to relaxed and pleasant sociability. In recent years New Zealand's locally produced light table wines have improved markedly in quality and in variety, but there does not exist any satisfactory marketing facility for the sale of these wines by the glass similar to the production and sale of beer.

521. Submissions have been presented seeking a more sophisticated type of wine bar which, to avoid confusion in name and because it more aptly describes the intention of this recommendation, we refer to as "wine cafes". The submissions supporting this type of social amenity emphasise the serving by the glass or bottle of mainly local table wines with alcoholic content of not more than 20 percent proof in attractively small intimate surroundings where food is also available. Preferably wine cafes should be capable of serving approximately 50 to 60 patrons with both wine and food for consumption at tables on the premises. The establishments would be similar to the licensed restaurant, but the meals would not be so large, as food would be subsidiary to the enjoyment of wine. No "off sales" should be permitted, nor would minors be allowed on the premises, and there should be no entertainment permitted.

522. New Zealand as a nation ranks sixth amongst the world's drinking nations for consumption of beer. One of the reasons for this may be the lack of acceptable choice for other types of alcoholic liquor.

523. The growing popularity of wine is an indication of the changing tastes of New Zealand people. The production and consumption figures for New Zealand wines are as follows:

Annual Wine Production

(000 gallons)

1945*	1960	1965	1970	1971
357	918	1 781	4 294	5 295

*The Report of the Royal Commission on Licensing.

(*Source:* Department of Statistics.)

Apparent Wine Consumption Per Head of New Zealand Population

(In gallons)

1945	1960	1965	1970	1971
0.27	0.4	0.6	1.2	1.5

(*Source:* Department of Statistics.)

524. Mr T. A. Fromont (submission No. 52) thought that this type of wine licence should not be issued to wine makers or breweries. Also to avoid undue aggregation no more than one licence should be authorised for issue to one person or one company. We agree with these views. The diversification of licence holders would obviate the more stereo-type of retail outlet that is sometimes provided by large companies.

525. We see an advantage in this type of retail outlet for the sale of New Zealand wines with food, in that it would diversify existing outlets and help reduce the congestion and mischiefs that arise from many of New Zealand's large beer drinking establishments.

526. In its counsel's final address to the Royal Commission the Liquor Industry Council expressed these views:

> "That . . . this is not the type of licence which should be introduced in the absence of any evidence *from the general public* (as opposed to promoters) that this type of facility is desired.
>
> . . . licensing wine bars of this type would in effect be licensing cheaper restaurants to sell wine. In fact if wine bars are permitted we doubt whether the laws logically should stop short of licensing for the purposes of sale of wine all small restaurants including coffee bars. Such an extension has not even been argued for and in my submission would not be in the public interest."

527. The commission is satisfied, however, from the whole tenor of the public submissions that there is a sector of the public favouring more acceptable drinking patterns and that this can be achieved by diversification of liquor outlets away from the more limited choice of the large public facilities.

528. Most of the requests we heard for such an amenity emphasised the need for attractive places, "not large barn like taverns", with the availability of light snacks similar to those available in continental cafes. We were assured in cross-examination that New Zealand wine production is sufficient to supply such outlets.

529. There have been many complaints about the size of existing drinking facilities in New Zealand. Taking into consideration these matters, we envisage wine cafes to serve New Zealand light wines as well as New Zealand non-fermented grape juice by the glass with light meals or snacks and served at tables. Such wine cafes to cater for up to 60 persons or in special circumstances such additional numbers as the Licensing Control Commission shall determine. The premises to satisfy the Licensing Control Commission, health, and fire codes in all their requirements.

530. Holders of a wine reseller's licence or a restaurant licence as well as any other applicant should be afforded the opportunity to apply for such a licence as an extension of the existing licence. We think this is desirable because these licensees are knowledgable about wines and have established premises.

531. It is suggested that the permitted hours for the sale of wine under this licence be 9 a.m. to 9 p.m. daily (except Sunday, Good Friday, and Christmas Day).

532. Accordingly we **recommend:**

(1) That such a wine cafe licence be introduced.
(2) There should be no off-sales permitted.
(3) Minors not to be allowed on wine cafe premises.
(4) No entertainment should be permitted in the wine cafe.
(5) The holder of a wine-reseller's licence or a restaurant licence as well as any other applicant may apply for a wine cafe licence as an extension of his existing licence.

3. WINE BAR OR GARDEN AT VINEYARD

533. Some winemakers sought the right to establish a wine bar or wine garden at the vineyard where the occupier makes his own wine so that patrons could sit in pleasant surroundings in which they could purchase and consume by the glass the winemaker's own produce. We can see no real objection to this proposal provided that the facilities comply with the requirements of the district licensing committee and the local authority and that proper control is exercised in order to maintain desirable standards of comfort and behaviour.

534. Accordingly we **recommend** the introduction of a permit to be issued by the district licensing committee on the application of the holder of a winemaker's licence authorising such licensee to

sell by the glass for consumption on the premises specified in the permit, wine manufactured by him pursuant to his licence. The permitted hours shall be those fixed by the committee between 10 a.m. and 7 p.m. on any day, except Sundays, Good Friday, and Christmas Day.

535. No such application shall be granted unless the Committee is satisfied that:

(a) All wine to be sold under the permit will be served in a suitable wine bar fitted with tables and chairs and situated in garden surroundings so that all patrons may be seated to drink their wine in comfort.
(b) The facilities to be provided will comply with the local authority bylaws and all health requirements.
(c) The local police offer no objection to the issuing of the permit.

536. This permit may be suspended or revoked by the licensing committee for due cause shown.

537. It is envisaged that a minor accompanied by a parent guardian or spouse aged 18 years or more shall be allowed into such wine bar or garden and to consume but not to purchase wine.

4. WINE CLUB LICENCE SUBMISSION BY CHATEAU PUBLISHING LTD.

538. Chateau Publishing Ltd. is a privately owned company engaged at present solely in the production and publication of *Accolade*, an independent magazine covering the spectrum of better living in New Zealand, with emphasis on food and wine. Its submission, which was well prepared and presented in a very attractive form, advocated the establishment and operation of a wine club as an extension of its existing service in order to encourage an intelligent use of wine. To quote from the submission:

> "We are, then, simply asking the Commission to consider ways of changing the legislation to allow a reputable organisation to operate a Wine Club provided it can prove that it has the expertise, the integrity and the interest of the New Zealand public at heart."

539. Chateau Publishing Ltd. is concerned primarily with publishing and selling a magazine. If it should operate a wine club that activity would be an extension of its main business. We have already recommended against granting licences to proprietary clubs and we see no reason to alter that view. In any case this submission was the only one in which such a licence was suggested. Therefore we are not satisfied that there is any need or demand for this type of licence.

Part XVII ENTERTAINMENT AND FAMILY LOUNGE ON LICENSED PREMISES

1. ENTERTAINMENT

540. With the extension of closing hours in 1967 and the provision of entertainment on licensed premises, hotel bars have become competitive with other social outlets for an evening's entertainment.

541. Before 10 p.m. closing, entertainment on licensed premises was mainly confined to dancing in licensed restaurants. However, after 10 p.m. closing there developed a demand for the additional amenity of entertainment during legal drinking hours.

542. This demand for music and other forms of diversion from drinking was so apparent that the liquor industry soon complied with the wishes of patrons. In their submission they mentioned to us that there is more demand for entertainment than they are capable of supplying.

543. Because it provides regular employment for entertainers, the liquor industry has been largely responsible for the upgrading of entertainment in hotel bars from the amateur to the professional status. According to the Liquor Industry Council's submission (No. 175) the annual entertainment bill for 126 hotels, belonging to a cross section of members of the Hotel Association of New Zealand was $1,052,000. In fact " . . . in some cases more than a quarter of the entire revenue of the bar in which musical entertainment takes place" is spent on entertainment for patrons.

544. Those who sincerely oppose the drinking of alcohol generally extended their opposition to entertainment in the belief that it is a device to encourage young bar patrons.

545. The Maori Section of the National Council of Churches (No. 207) maintained that entertainment in drinking places was to the detriment of the spiritual, moral, and physical well-being of young people.

546. The Seventh Day Adventists (No. 101) see entertainment as an inducement to consume alcohol.

547. On the other hand, during a visit to the West Coast members of this commission were told by a publican that in his view entertainment was not conducive to more drinking. On two Friday nights when entertainment was provided by special permit and closing time was 12 p.m. he had taken only $9 more than he would have normally, when his bar closed at 10 p.m.

548. However, a clear indication of the popularity and type of entertainment demanded in hotel bars is obvious from the following two tables from the Research Marketing Services Ltd. report supporting the Liquor Industry Council's submission.

"*Percentage of New Zealand Adults Who Considered That Hotels and Taverns Should Provide Bar Entertainment*

Question	Answer	Total Percent
Do you think hotels/taverns should provide entertainment in bars or lounge bars?	Yes	81
	No	17
	Don't Know	3

"*Percentage of New Zealanders by Age Group and Hotel Patronage who Consider Entertainment Should be Provided by Hotels and Taverns in Bars*

Group	Proportion Answering Yes Percent
20/29	90
30/39	87
40/49	80
50+	71
Patronised hotel public bar last month	85
Patronised lounge bar last month ..	88

". . . The 1,205 respondents who wanted entertainment were then asked which form of entertainment they preferred. 94% asked for live artists, 61% dancing and 25% housie or bingo. 4% suggested background music . . ."

(*Source:* Page 28—A Research Marketing Services Ltd. report.)

549. A number of other submissions strongly supported entertainment in hotel bars. One, Wilson Neill Ltd. (No. 69), submitted that "the present restrictions should be abolished and that Hotels, Taverns and Licensed Restaurants should be able to provide the sort of entertainment that the clientele require and support provided it is within the normal law".

550. Suggestions have been made to improve the facilities for entertainers, as well as closing the bars during performances. Improvement of facilities, we feel, is a matter between the parties involved. While the closing of the bars may be an advantage to the artists and the patrons we realise that in some circumstances it may be impracticable. Consequently we make no recommendations as to the closing of the bars during entertainment as a general practice. However, in some cases the closing of the bars while an artist is performing could be both possible and desirable.

551. The cover charge made by some hotels has come under criticism by several people who appeared during our hearings. Nevertheless, we accept the views of the liquor industry who say

that generally patrons are prepared to "pay for entertainment providing they receive value for money". It was brought to our notice that in order to avoid embarrassment or inconvenience patrons staying in hotels or tourist-house premises and who wish to dine on the premises should be made aware of the cover charge and of the time after which it will be imposed if entertainment is provided in the restaurant or dining room on the licensed premises.

552. Having weighed the evidence presented to us and having regard to the preponderance of opinion in favour of more diversified entertainment, we **recommend** that the Sale of Liquor Act be amended so that more flexibility is given to allow more variety of live entertainment in licensed premises.

"Music" as Entertainment

553. The Licensing Control Commission in its 1974 report to Parliament mentioned that it lacked the power to impose controls on the noise level of loud music amplified by electronic equipment because section 202 of the Sale of Liquor Act 1962 uses the words "live entertainment (other than music and lawful games)". Section 220 of the Act empowers the commission to exempt the holder of the hotelkeeper's licence from any of the provisions of section 202 prohibiting dancing and entertainment. Because section 202 excludes music from entertainment which is thereby prohibited, music is now permissible and, therefore, does not require a permit under section 220. Consequently the commission cannot issue a permit restricting the noise level of music in bars.

554. To remedy this situation we **recommend** that section 202 be amended by omitting the word "music" where it appears in that section.

2. FAMILY LOUNGE

555. As in most other areas relating to alcohol consumption we have heard divergent views as to whether minors accompanied by adults should be permitted access to licensed premises.

556. When airport licences were authorised in 1969 there was no provision for excluding minors from these particular licensed premises with no apparent harm resulting.

557. It is clear to us that the medical fraternity as well as the welfare people see some good in allowing young people accompanied by their parents on licensed premises. Dr Fraser McDonald emphasised the conflicting attitudes which parents have about liquor. Bearing this in mind he says "I would very much like to

see some change in the liquor facilities so that the mother and her children are able to accompany her husband if they wish, to hotels . . . There would need to be marked changes in the facilities provided at hotels, such as compulsory provision of coffee, tea, soft drinks, snacks, and very pleasant surroundings aimed at family recreation in which one of the factors was that alcohol was available at this place where the family had recreation. I think it is ridiculous that a mother with young children doing her shopping cannot go into a hotel and have a drink and a little snack if she wishes. The presence of children has a most powerful influence in restricting the drug use of alcohol. Even if it is not the parents of the children themselves, I think that strong social sanctions would be directed against heavily intoxicated drinkers by many parents in the room if their children were there and they did not want them to see it."

558. We believe that "the strong social sanctions" with regard to behaviour is the important factor in Dr McDonald's statement.

559. The Department of Justice (No. 18), page 37.7, seems to think on these same lines. "Abuse of liquor is less likely to occur when drinking is done in family groups. Not merely parents but others tend to behave in a more temperate and seemly fashion when children may be present."

560. In the liquor industry survey we are told that 54 percent supported the access of minors to bars serving meals, and 68 percent approved the access of minors to bars when accompanied by an adult whether or not meals are served.

561. In their submission the Liquor Industry Council considered:

> "This large proportion presumably includes many people who would support the idea of access under the stated condition by children of any age. This point is supported by a study of answers to this series of questions by persons in the sample who were married and had children living at home, that is by 51% of the sample. Fifty-eight percent favoured access by minors to hotel bars where meals are served, including 18 percent who would permit entry by children under 18. The corresponding figures for people with no children at home were 50 percent and 12 percent respectively. As to access by accompanied minors, 73 percent of people who were married with children at home were in favour, including 38 percent who would permit entry by children under 18. The corresponding figures for the non-parent group were 63 percent and 32 percent.
>
> It is clear that in this respect, as in most others, the New Zealand attitude is close to the British. The transplantation of the family from the home environment, where many youngsters are gently and moderately introduced to alcohol under parental supervision, to the hotel environment is perfectly acceptable to most New Zealanders and,

in particular, to those who have most at stake, that is, to people with young families. The Council sees in these results yet further confirmation that most New Zealanders see hotels in much the same light as did the Erroll Committee—as social venues, not as drinking dens, as places not of corruption but for relaxation."

562. We were interested in the National Council of Women's submission (No. 197) which stated that "the general opinion of their national affiliates is that minors drinking with parents and friends with the possibility of supervision and control is a better way to start drinking (if they feel they must) than the conditions of public bars."

563. Several submissions mentioned that in the proper environment they had no objection to minors with parents in licensed premises, e.g., Mrs F. Gandy, Eden Association Football Club, Auckland University Association, J. P. McGovern, Feminine Forum, Messrs Booth and Dorrington, S. J. Jones, H. J. Bryant, Christian Family Movement, M. M. Bond, Kingfisher Club, A. B. Layton, New Plymouth Yacht Club, Zonta Club, Licensing Trust Association, and the Department of Internal Affairs.

564. We also heard a variety of reservations against *carte blanche* approval such as the time of the evening, children other than children of hotel guests, should be permitted on licensed premises.

565. The Police Department's submission (No. 194) on this subject states:

"The Police do not support the proposition that children should be permitted entry to any bar in a hotel. It is considered that many bars would be unsuitable for children.

However, there would be no objection to children accompanying a parent or an adult to certain specified bars on licensed premises. The type of bar envisaged is one in a hotel at a beach or other resort where adequate playing facilities are provided. The decor or facilities provided in such a bar should be of a good standard and subject to approval by the Licensing Control Commission."

566. On the other side of the picture we heard the Seventh Day Adventists, North Island, the Wellington Association of Baptist Churches, the Church of Christ, the Interchurch Council on Public Affairs, a co-ordinating body of 10 nationally organised churches, speak very strongly against children on licensed premises. The Maori Section of the National Council of Churches had two minds about it. They admitted that there is some merit in the idea of family lounges although they were worried that it could pressure the young to drink.

567. Mrs Marjorie Best (No. 154) added 800 signatures to her submission which did not support the liberalisation for family drinking. They proposed that this commission should recommend the formation of a "National Parent's Protection Society", so that responsible parents can make a united stand against proposals that would be detrimental to the physical and moral welfare of their young. It was claimed that the law is being made for the benefit of adults only, without any consideration of the effects on adolescents.

568. This submission was not developed by calling supporting evidence from witnesses and consequently its contents could not be tested by cross-examination. In any case it is difficult to see how we could recommend the formation of the suggested society by any justifiable amendment of the Sale of Liquor Act. Therefore, we can make no recommendation concerning it.

569. In cross-examination the Licensed Hotel Managers' Committee was requested, through its chairman, Major General Sir W. G. Gentry, to comment on the following possibilities:

(a) Allowing children to accompany their parents in a specified lounge bar or in a beer garden; and

(b) Allowing an under-age person to be served with liquor if accompanied by an adult.

570. The Licensed Hotel Managers' Committee's unanimous views were:

> "With regard to (a) above, the Committee considers that in hotels and taverns as they exist today, it is not practicable to specify a house bar for this purpose because the space does not exist in the great majority of hotels and taverns at the times when it is likely to be required. Behaviour patterns and difficulties of control are unfortunately important factors also as far as bars and beer gardens are concerned. The Committee was therefore not in favour of this proposal.
>
> With regard to (b) members pointed out that it was not uncommon now for an under-age drinker to keep away from the barman and to get an adult to buy his drinks. They also said that in some areas young people even of 14 or 15 years of age waited outside bottle stores for a complacent adult who would buy liquor for them.
>
> Although this second point is not strictly relevant, it does indicate what some young people and some adults are prepared to do. The Committee is of the opinion that if the proposal were implemented it would be abused and also that the problem of the control of the under-age drinkers would be even more difficult than it is now. Members were therefore opposed to the proposal."

571. While we accept these views we consider that some licensees may be prepared to provide such a lounge area for families where

liquor is consumed and in that case they could be given the opportunity to apply to the Licensing Control Commission for the appropriate permit.

572. Although we must consider the views of those people in our community who are objecting to families in a drinking environment, those views must be weighed with the other relevant evidence for determining social trends.

573. We quote here this statement from the Erroll report:

> "We cannot accept the argument that to expose children to an environment in which people are drinking is bad in itself regardless of the conditions and circumstances in which that drinking is taking place. Where the conditions are right we do not see why a child should not visit a public house or any other form of licensed premises with a bar in the company of his family. It is better in our views that they should come to see drinking in the right conditions as simply an incidental part of normal social activity as it is indeed, for the vast majority of people in this country."

574. We **recommend** on the basis of what we have heard that: In premises which comply with the requirements of the Licensing Committee and the Licensing Control Commission minors accompanied by a parent, guardian, or spouse aged 18 years or more may be admitted in specified areas of licensed premises approved for this particular purpose, where a variety of beverages including non-alcoholic drinks are available. In such a case the licensee should display in a prominent place a notice that a family lounge area is available on the premises.

Children of Guests in House Bars Before and After Meals

575. The Licensed Hotel Managers' Committee raised an interesting question which deserves consideration. The committee makes this submission:

> "At the present time it is illegal for the children of lodgers or bona fide diners to be taken into a house bar before or after dinner at a time when parents may be having a drink or perhaps coffee. In actual practice some hotels allow this to be done and a liberal view appears to be taken of the practice. The Committee therefore requests that legal provision be made for the parents or guardians, who are either lodgers in the hotel or bona fide diners, to be allowed to take their children with them in to a house bar during the period of one hour before a dining room or restaurant opens and an hour after it closes."

576. This seems an eminently sensible submission and we therefore **recommend** that effect be given to it.

577. This provision allowing parents or guardians, who are either lodgers in the hotel or bona fide diners, to take their children with them in to a house or lounge bar during the period of 1 hour before a dining room or restaurant opens and 1 hour after it closes should, also, apply to licensed tourist houses and chartered clubs where the same situation exists.

578. If a special dining permit has been granted for a particular hotel, tourist house, or chartered club, pursuant to the provisions of section 215 of the Sale of Liquor Act 1962, then the period before or after the meal which can lawfully be spent in the specified lounge bar or part of the premises specified in the dining permit must correspond with the terms and conditions of that permit.

3. MINORS ON LICENSED PREMISES

579. From submissions made to us, by letters received and by our own enquiries we are of the opinion that this is a phenomenon of some considerable proportion. We did not receive a lot of evidence that minors are drinking to excess in public licensed premises —indeed, it was commented on several times that on the whole minors on licensed premises are well behaved. Possibly, we would surmise, because they are breaking the law in being there, and they do not wish to draw attention to themselves. Some witnesses who are parents of teenagers told us that they knew their under-age children were going into hotels and taverns. Some thought this preferable to their young drinking at private parties, or in parked cars, or in other unsupervised places. Others felt that though they would have preferred their children not to visit licensed premises that there was little they could do about it. This is not to criticise either the parents or their teenage children but merely to report the current situation. For whatever reason it is a sorry state of affairs when responsible parents and good, eager young people are caught in these social pressures which are in defiance of the law.

580. Whilst there would be young people who do not offend against the law in this way we ourselves are persuaded that the figures given in the Police crime offences statistics represent a mere fraction of the numbers of minors frequenting licensed premises.

581. In the absence of any real sociological research we can only report the variety of views put to us.

582. The Department of Internal Affairs in their submissions quoted from an American source *Society, Culture and Drinking Patterns,* edited by David J. Pittman and Charles R. Snyder.

> "Teenage drinking appears to be most adequately understood as a social act, as a mechanism of identification, by which many teenagers attempt to relate themselves, however prematurely, to the adult

world. Drinking is one of the available mechanisms by which the drinker may say to himself and others, 'I am a man' or 'I am one of the crowd'. This is possible because a segment of the cultural tradition to which he is likely to be exposed has defined drinking in this way. Such a cultural definition permits teenage drinking to become an improvised 'rite de passage', a dissolver of teenage status and an introduction into the life of an adult."

This Department believed that these conclusions may validly be applied to N.Z. youth.

583. We agree with this view. The rising expectations of young people in an affluent society, their exposure through the mass media to what may be described as a sophisticated international lifestyle, and the enticement of the entertainment now often provided by hotels and taverns makes it apparent that a minimum drinking age on public licensed premises has been largely unenforceable. We have a good deal of sympathy with the young. As one witness before us said "Most of the youth agencies which seek to provide entertainment for young people cannot effectively compete with commercially provided entertainment". It was said to us that the liquor industry had in fact siphoned off all the popular bands and entertainers and the pub was the only place where a person could go to hear these performances.

584. Several witnesses emphasised the loneliness of a lot of young people living in the cities. Others spoke of the growing subculture of young people on the move—often Maori and other Polynesian youth. It is apparent that possibly most young people prefer the unorganised use of leisure time available in places like pubs and so-called "drop in centres" to the more organised atmosphere at the traditional youth club.

585. We are in no doubt that many 16- and 17-year olds are frequenting licensed premises. And possibly there will be more girls than boys in this age group. With the artifices available today many girls have no difficulty in looking several years older than they actually are, a fact commented on by many witnesses. One licensee described to us what he called "a biological problem". The natural tendency for a young man to have a girl friend a year or two younger than himself. He went on to say "whatever minimum age is chosen is certain to bring in a considerable group of girls a few years below that age".

586. In their submissions the Auckland University Students Association Inc. said:

"Since the advent of television in the early nineteen sixties, most rural areas have suffered a collapse in social amenities. The picture theatre, formerly the centre of the young adult group, has completely

disappeared, leaving school, and currently for those over twenty, the local pub. This lack of a normal progression of social centres plays a large part in creating the rural boredom among the young which hastens the drift to the bright lights of the cities."

587. We would add that there are certain elements here that can be applied with equal validity to numbers of suburbs surrounding the large urban areas.

588. We ascertained that almost 40 percent of young people aged 16 years have left school. Obviously most of them will be out at work and beginning to take their place in society as young working adults.

589. We ask ourselves these questions:
In our society where can a young person with limited social and economic means go to meet a cross-section of people?
Where can a young person go to experience the atmosphere engendered by a wide variety of people?

590. We had to admit that in general, the pub would normally fill this role for it is here there is an uncritical acceptance of everyone independent of any other sort of affiliation.

591. One witness said "It is the only place you can freely gather to join together or do anything in terms of freedom. It is the free focal point. That is not the best environment yet, but it is valuable, and it is a free focal point to this community."

592. So we must answer these questions:

(a) If it is fulfilling a valuable social function would it be in the interests of the community as a whole if everyone regardless of age had access to public licensed premises?

(b) If it is going to help people identify with a community and feel more at home there, then the answer must be yes. On the other hand, given our drinking orientation and the dangers inherent in introducing very young people to this traditional scene then the answer must be no.

(c) Is there some alternative way of incorporating the best features of the pub with the temperate and social use of alcohol and the whole range of people who make up the New Zealand community?

593. From the submissions we have received it is clear that few people wish to see minors and children given access to the traditional public bar scene. On the other hand it is evident that many people favour some sort of social establishment providing refreshment for the family as a whole.

594. We would respectfully draw attention to the fact that if legislation is brought down to lower the minimum drinking age and bring in identity cards, there may well be a grave social effect upon those young now frequenting licensed premises who will not in future be able to get in. The practice of nursing possibly only one drink whilst listening to a popular band may be far less harmful than some of the less controlled alternatives they may have to resort to.

Part XVIII THE MARAE COMMUNITY LICENCE

595. Mr W. Herewini, J.P., made submissions for the establishment of a marae community licence to help meet special Maori and Pacific Island Polynesian needs.

596. In his submission No. 220 he said:

> "Licensed premises on maraes or in community centres would provide a place where Maoris and Pacific Island Polynesians and their guests (including non-Maoris) could purchase and drink liquor and at the same time gather to enjoy fellowship and aroha in the congenial atmosphere of their homeground."

He went on to say that:

> "Such a step would also be seen as an attempt to use or employ something in the Maori community which has always been there—kinship which is a vital part of the custom and tradition of the Maori—or indeed of any race. This whanaungatanga would foster healthy community attitudes to liquor consumption and would encourage the development and maintenance of social standards at a higher level in the community and among the Maori people generally."

Whanaungatanga was described to us as a state of being a relative or blood relation but more commonly was interpreted as being brotherly love, fellowship or as a family tie.

597. A significant social factor over the last 30 years has been the vast Maori migration from rural to urban areas. Whilst this is true of New Zealand as a whole it has particular significance for Maoris who have found their identity and support within close kinship groups. Non-Maori society is structured for the nuclear family situation particularly in urban areas.

598. The *New Zealand Official Yearbook 1973* says this:

> "Of the 227,414 Maoris at the 1971 Census, 213,472 were in the North Island. Most Maoris used to live in rural communities. A marked change has, however, taken place during and since the war as a result of employment conditions. As late as the 1936 Census only 8,249 Maoris (10 per cent) dwelt in cities, boroughs, or independent town districts. By the 1971 Census the comparative figure was 132,970 (58.5 per cent); the largest concentration is in Southern Auckland urban area, where 20,675 Maoris were enumerated in 1971.
>
> "The Maori population, which until recently was not greatly affected by external migration, is a much younger population than the non-Maori."

A sense of community is very important to Maori and Pacific Island Polynesians. The Maori section of the National Council of Churches in their supplementary submissions at 4.1 said:

> ". . . we are close to a crisis in Maori drinking because of major breakdowns in Maori community patterns. Maoris who migrate to urban areas are entering into a highly competitive society and are gradually being compelled to depart from their Maoritanga, the basic drive shifting from that of being a vital part of the extended kinship group to that of competing with one's neighbour, and conforming to the rest of urban society."

599. At this point we note the results of two surveys of Maori drinking carried out in 1969 at Rotorua and Tikitiki by Mr David Simpson, M.A., then research fellow in medical sociology, medical unit, Wellington Hospital. The results of these surveys were presented to the fourth school of alcoholism studies at Massey University in January 1970. The surveys show that "drinking was most likely to occur at an hotel or tavern for both samples, with home drinking running a poor second as a drinking location. In Rotorua, clubs were increasingly popular especially among married males." The survey carried out by Research Marketing for the Liquor Industry Council and submitted to us in evidence tended to confirm this view that while the country as a whole is doing more of its drinking at home the biggest percentage of Maoris are still preferring to gather together in the hotel or tavern.

600. The Maori section of the National Council of Churches in opposing any further liberalisation of the liquor laws and in voicing their concern for Maoris and Pacific Island Polynesians caught up in a drinking culture said this at 8.2 of their supplementary submissions: "The evidence both statistical and practical, Police Department included, point to liquor as being 'the straw that breaks the camels back', i.e., a largely unfavourable factor in the so-called Polynesian adjustment problem".

601. The National Society on Alcoholism and Drug Dependence in answer to a question said: "There is no specific problem in relation to Maori people . . . We find that we have quite a number of (Maori) people, particularly with the urban drift, and the tendency with pressures, to have to give expression in an urban situation rather than in the care and concern of the marae. We are having increasing numbers of Maori people but there are not any figures or numbers that may be recorded."

602. The view of the Department of Maori and Island Affairs is that liquor is a contributing problem, but not the major problem of Maori and Pacific Island Polynesians.

603. On the evidence we have received from these and other witnesses and after careful reflection we concur with the view that in general alcohol problems among Maori and Pacific Island Polynesians are a contributing rather than a major problem. This is not to say that we dismiss these alcohol problems lightly. Rather it is to put the situation in what we see as being the correct perspective.

604. The Maori search for identity today was described to us as a "renaissance"—a strengthening of interest in their cultural heritage. We understand the growing interest in the establishment of urban maraes to be an indication of this, and an attempt to realise, in the urban situation, something of the traditional culture and values.

605. In his submissions Mr Herewini said that there were:

> "Some important financial implications of what is basically a social concept. Possession of a marae community licence would mean the introduction into a marae or community centre structure of a commercial factor. This would enable finance to be provided for improvement of Maori or Pacific Island Polynesian marae or community facilities and for the realisation of local social objectives.
>
> "For example, profits from liquor sales could be used to carry out work on marae buildings which, in some areas, have fallen into disrepair, and also to provide for their continuing maintenance. Such revenue could also prove of not inconsiderable significance as a means of raising funds for construction of new or any additional buildings on the marae, such as meeting houses, dining rooms, kitchen facilities and ablution amenities. While Government subsidy is available for such projects, although within fairly circumscribed limits and priorities, the burden must naturally, and as is only right, fall upon the local people for the provision of such facilities."

606. He went on to say that Maoris and Pacific Island Polynesians are represented to a disproportionate extent in the lower socio-economic groups and are often not in a good position to make substantial financial contributions to projects which nonetheless they see as being desirable. The revenue from a marae community licence would in fact be a form of self help.

607. We **recommend** this licence be made available to maraes who may wish to apply for it. The licensing of maraes would allow liquor to be sold and consumed within the cultural context of Maoritanga.

608. The Maori's traditional respect for the marae, its controls and its sanctions would be important factors in the social control of alcohol in which the country as a whole is sadly lacking.

609. Elsewhere in this report we discuss the part social controls play in education. We had this particularly in mind when examining the case for recommending this licence. It appears to us that

where in the community there are particular strengths in social controls these have a useful part to play in educating for the temperate use of alcohol. We believe that by and large this strength is present on the marae which is the focus for the Maori community.

610. It is not envisaged that this licence will operate quite like a tavern licence or a chartered club licence, both of which are derived from European culture. The marae community licence would operate in terms of Maori culture and as such must be seen against the background of traditional Maori values and its strong emphasis on a sense of community.

611. We see this licence available to both the rural and the urban marae. It would be applied for to the Licensing Control Commission by the Maori trustees of the marae after consultation with the people. The marae community licence would be held by the Maori trustees.

612. The hours of sale would be stipulated when applying for the licence, and would be within those hours for general trading applying to such licences as the hotel and tavern licence. A permit for extension outside of those hours to meet the needs of a special Maori gathering or occasion could be applied for to the local licensing committee or in a district trust area to the local magistrate.

613. A marae community licence would be granted by the Licensing Control Commission when the commission was satisfied that the following conditions had been met:

(a) That facilities for the storage, sale, and consumption of liquor are adequate having regard to the life style of the people.

(b) That the normal health and fire requirements are complied with.

(c) That a favourable report is obtained from the Department of Maori and Island Affairs in consultation with the Police Department.

The Maori trustees would be responsible for the operation of the licence and would be responsible to the people for any profits made from the sale of liquor. These profits are to be used for the upgrading or maintenance of present marae facilities, the establishment of new amenities or other social, cultural, educational, or recreational objectives.

614. That Maori wardens be empowered to close the bar in the event of a disturbance after consultation with the trustees. That in the event of a serious disturbance the Maori wardens in consultation with the trustees be empowered to call in the police.

615. During hours of sale it will be permissible for entertainment to be carried on. This will include dancing, singing (whether by performers or by those assembled), and eating.

616. Persons who are of legal drinking age and are bona fide guests of members of the marae are permitted to purchase and consume liquor.

617. There would be no off sales rights attached to the marae community licence.

618. The licence is to be renewed annually on application to the district licensing committee and upon receipt by that body of a favourable report from the licensing inspector and from the Department of Maori and Island Affairs in consultation with the Police Department.

619. This licence may be suspended and revoked for due cause.

Part XIX TOWN PLANNING AS IT AFFECTS THE LOCATION AND OPERATION OF LICENSED PREMISES

1. SUBMISSIONS BY TOWN PLANNERS

620. Because hotels and taverns from their very nature arouse controversy and objection it is important to consider the application of the principles of town planning to the location and operation of these licensed premises. Town planning is very much a specialist's field and we were fortunate to hear evidence from three well qualified and experienced planners at our sitting in Auckland where rapid development and expansion are focusing attention on the need for proper town planning. One of these witnesses, Mr S. F. Havill, who is sociologist/planner with the firm of Auckland Planning Consultants, was appearing at the request of the Auckland Planning Group, which is an informal association of over 100 members including professional planners, students, and planning officers throughout the Auckland Province. He pointed out, however, that in his submission he was expressing his personal views. He developed the theme of "Pubs as Social Centres" defining "social centre" as the focus of social activity in a community or neighbourhood.

621. Mr Havill's opening sentence reads:

> "An understanding of the private and communal demands of hotel patrons is essential for any discussion on the meaning and purpose of hotel planning, especially in view of the apparent change in the function of pubs from merely selling liquor to something approaching a social centre for the community. However, both the direction and implications of this change are at present largely unknown factors. This changing function of hotels requires a revaluation of old data and much needed further research into changing trends."

This is but another indication of the need for further research to which we have previously referred in this report.

622. Mr Havill asserted:

> "One of the tasks lying ahead is the accumulation of sufficient knowledge to enable pubs to be built that will function in such a way as to serve the communities' needs. At its heart, they should be concerned with people; serving their needs and wants, having the ability to enhance their comfort and convenience and the knowledge to devise an acceptable social and physical framework for human activity. . . . In today's urban society people don't conform to a

universal pattern and their attitudes to where they drink, what they drink, who they drink with, the type of surroundings they appreciate, and whether they or specific sections of the public require entertainment or quietness, will also vary in accordance with the different and specialised way of life of the individual. There is a need to survey existing pubs so as to establish the type of function they fulfil and the type of people that they satisfy and as well to find where dissatisfaction exists and to identify needs which are not being met."

The witness claimed that this lack of information has meant that the present hotel system has failed to adapt to changing trends in our society. He sees the need for much more research which is required to update the system. He does state, however, that:

"some form of pub range is essential ranging from small neighbourhood pubs to community taverns (to be located in the larger commercial centres), to city pubs to super pubs (the large barn-like outlets designed for mass drinking). They all have their specific role to play."

623. The next witness was Mr L. A. O'Donnell who has been engaged in the town planning field since 1956 and is the chief planning officer employed by an important local authority controlling a large district. He pointed out that in the older and well established parts of Auckland, commercial development exists in ribbon form along main traffic arteries and these are in many instances being redeveloped or expanded to meet present day requirements. He expressed the view that new hotels and taverns should be located wherever possible in these centres because:

(a) They will strengthen and add to the interest and vitality of those centres.
(b) Generally there is maximum accessibility to these centres which normally are being served by public transport.
(c) The undesirable impact that an hotel or tavern can have on residential development will be minimised.

When it is not possible or desirable to locate an hotel or tavern in a commercial centre the local authority may make a change to its district scheme to provide for commercial (licensed hotel) zones.

624. Mr O'Donnell also dealt with the vexed question of the provision of offstreet parking outside hotels and taverns. On this topic he said:

"Accepting a ratio of 2.5 persons per car and assuming an average occupancy of 8 square feet per person in lounge and stand-up bar space available to patrons, 50 car parking spaces would be required per 1,000 square feet of customer space."

He referred to an article by Malcom Douglass appearing in *Road Research Bulletin* 15/2 published in 1973 in which it is stated that from Christchurch data a parking demand of 70 car spaces per 1000

square feet of floor space would be required to achieve 80 percent satisfaction for licensed hotels. This places licensed premises far ahead of any other type of building mentioned in the table relating to car parking demand by land use.

625. He favours an increase and diversity in the retail outlets for the sale of liquor, adding however, that this may increase the problems of licensing control but would provide greater convenience to the public in reducing travel and possible congestion of traffic at existing wholesale facilities. He also sees the need for more research. He stated that there are some avenues of investigation that could yield substantial benefit in mitigating some of the problems associated with liquor. Also he considered that a wide range of suitably qualified people should be involved in the many facets requiring attention.

626. The third witness was Mr R. J. P. Davies, who holds qualifications in architecture and in town planning from the University of Auckland and is practising as a planning consultant. His submissions were related to the inter-relationship between town planning and liquor consumption. He referred to the general purpose of planning by quoting from section 18 of the Town and Country Planning Act 1953 the following extract:

> ". . . the development of the area to which it relates . . . in such a way as will most effectively tend to promote and safeguard the health, safety, and convenience and the economic and general welfare of its inhabitants, and the amenities of every part of the area."

He stated that:

> "it is generally accepted that it is in the general welfare of the inhabitants of an area that there should be facilities for drinking. The planner's problem is 'where, and under what conditions'."

627. He lists the main "incompatibilities of pubs with other land uses" as follows:

(a) Noise.
(b) Traffic generation.
(c) Community acceptability.

628. (a) *Noise:* It is clear that pubs are noisy places. Conviviality engendered by liquor results in high levels of vocal noise. Recent developments in entertainment in pubs has also resulted in substantial increase in noise and at a different frequency. Also noise caused by boisterous revelry and high-revving motors leaving pubs has an effect beyond the immediate confines of the site. While planners can control the internal noise by "performance standards" the noise external to the site is "more difficult to control and means that close consideration must be given to the characteristics of the neighbourhood in relation to the main access to the site".

(b) *Traffic generation:* According to this evidence "hotels are substantial generators of traffic". Consequently they generate a parking demand of about 70 spaces per 1000 square feet of floor area, "the highest generation of any surveyed land use. As a consequence planning authorities through the country are increasing their requirements for parking associated with pubs." At this stage the witness made the following point:

> "The illogical nature of this situation is transparent: on the one hand there is the chilling documentation on the relationship between liquor consumption and traffic accidents and on the other the increasing demands to provide more attractive and convenient amenities for drinking drivers. The solution is equally apparent. If driving and drinking don't mix, then it is wrong to provide large car parks associated with hotels. This, in turn, suggests that there is a need to provide different types of facilities."

(c) *Community acceptability:* On this topic Mr Davies stated in his submission:

> "There is general hostility towards pubs. They are considered to be a social necessity provided they are located somewhere else. This hostility is caused in part by real objections related to noise and traffic, and in part to a more subjective and emotional reaction to hotels being 'dens of iniquity and vice'.
>
> "Community attitudes will change slowly and only as hotels themselves show through their performance that old prejudices are no longer relevant."

2. NEED FOR MORE UNIFORMITY IN REQUIREMENTS BY LOCAL AUTHORITIES AS TO LICENSED PREMISES

629. We had complaints that by-laws and town-planning requirements affecting licensed premises varied from place to place. It would simplify matters if more uniformity could be achieved by local authorities throughout the country in by-laws, regulations, and town-planning requirements affecting licensed premises.

630. We thought it advisable for the purpose of the record to set out the salient features of the submissions made by these three town planners because their evidence is relevant to a consideration of the part which hotels should play in the life of the community and also of the factors to be taken into account in deciding on their location. Furthermore this evidence does reinforce the recommendations which we have already made as to the establishment of the alcoholic liquor advisory council and as to the need for further research as a prerequisite to effective action.

3. LICENSED PREMISES—MAJOR LOCATION FACTORS

631. In addition to the above-mentioned evidence we received a helpful written submission from Mr G. A. Town, Director of Town

and Country Planning, Ministry of Works and Development, as well as oral evidence in support of it. It is pertinent to quote the following passage from his written submission:

"The town planner, when considering a proposal for the establishment of a licensed premises or when selecting a site for such a use, is faced with a number of location factors, the most important of which are:

(a) Accessibility of the site—ease of access (both pedestrian and vehicular) from the surrounding and nearby residential areas.
(b) Traffic implications—degree of traffic generation, likely traffic hazards, and traffic congestion.
(c) Amenity considerations—the impact of the use in terms of its effect on the amenities of local residents, and on the amenities of the community within which the site is located.

"Accessibility and traffic implications are factors which are closely related. Clearly from the traffic point of view the most acceptable location policy should aim to ensure that licensed premises are as accessible as possible for potential customers. Nowadays this usually means good access from residential areas.

"A site which is easily accessible from residential areas, not only represents convenience from the customer's point of view but also minimises the total amount of traffic generated and the length of vehicle trips.

"The local shopping and community centre is generally the most acceptable location for suburban licensed premises. Such a centre should be one of the natural focal points for the community and is normally easily accessible for pedestrians and vheicles. There are also locations associated with areas of special interest, such as sites adjacent to open space reserves, water sports centres and historic centres which are focal points and which may benefit from a licensed premises facility without giving rise to undue traffic and amenity problems."

632. What Mr Town has said is so obviously sound and makes such good sense that we readily **recommend** its acceptance as a reliable guide for determining the suitable location of new licensed premises in a suburban area.

633. Mr Town made the point that many of the suburban areas of our cities and towns do not have easy access to licensed premises. The present distribution is one of relatively large outlets which serve a number of residential communities. He advocates "a more dispersed distribution of small licensed premises". These he considers "would not only be more convenient for customers and more acceptable from the traffic and road safety point of view, but would also be less disruptive in terms of the amenities of local residents. Small licensed premises may not eliminate problems such as late-night noise nuisance but the degree of disruption is likely to be at least correspondingly less in smaller than in larger units". Here again is a cogent argument in favour of the neighbourhood tavern type of licensed premises.

634. While asserting that small, well dispersed licensed premises appear to have distinct road safety amenity and social advantages, he concedes that there will be a certain demand for some larger units, e.g., where entertainment facilities are required. This coincides with Mr Havill's view that there should be a range of licensed premises to meet the differing demands of customers. Mr Town agrees with the opinion held by the other town planning witnesses that the most acceptable location for these larger units is within the larger suburban centres or in central city locations.

635. Mr Town's submission is:

> "that taking all factors into consideration, including provision for as wide a range of choice as possible, it is likely that a distribution of relatively small local licensed premises combined with some more centrally situated larger units would be a desirable emerging pattern for urban areas."

We regard this submission as sound and therefore we uphold it.

4. CAR PARKING AT HOTELS AND TAVERNS

636. It seems anomalous to provide vast car parks in the grounds of hotels and taverns for the use of customers some of whom will return to their cars affected by liquor and in that state will drive the motor vehicle on the road possibly to the danger of others. Many witnesses have expressed misgivings concerning this anomalous situation which, on the face of it, is difficult to support when there is so much public concern at the hazards created by those who drive after drinking. Yet responsible and well-qualified witnesses have given evidence in support of this seemingly lavish provision of parking space at hotels and taverns recently built.

637. The picture which emerges from such evidence is that the demand for car parking space at hotels and taverns undoubtedly exists and therefore must be met. According to this evidence it is the general habit of most New Zealanders who own motorcars to use them even for the shortest journey. They would rather drive than walk, and indeed do so. We are in the main a mobile society and consistently use our motor vehicles even when we could and should walk. Another factor is that these new liquor outlets are limited in number and as a rule are a considerable distance apart. This encourages the car owner to use it when visiting the hotel or tavern. Also many hotels provide entertainment for which they acquire a reputation which attracts customers even from a distance.

638. If customers insist on driving to licensed premises in a motor vehicle, and many of them do, that vehicle must be parked while the driver is in the hotel. Mr Town, in his evidence as a town planner, said this:

> "It is not considered desirable however to restrict the provision of off-street parking for licensed premises as a means of combating the drinking/driving problem. Restriction of car parking is not likely to encourage the customer to leave the car at home. More likely such action would give rise to hazardous and indiscriminate parking nearby and may result in overloading those competing licensed premises which have parking facilities."

639. On this topic the representative of the Ministry of Transport who gave evidence said:

> "The real issue however is whether, at the country's present stage of evolution, with almost complete reliance on private cars, it is possible to discourage this means of transport. There appear to be no practical ways of preventing clients using their cars to travel to and from taverns. This being the case the ministry considers that it is better to provide parking off the street rather than on it. On-street parking along major traffic routes aggravates congestion and causes other traffic hazards. In residential areas it leads to numerous complaints from residents."

640. While this situation continues the town planners have little option but to require the developer of an hotel or tavern site to make adequate provision for parking off the street the large number of motor vehicles the use of which will be generated by those licensed premises.

641. Finally the Police had this to say concerning the size of hotel car parks:

> "It has been suggested that the mere provision of car parks adjacent to hotels serves as an encouragement for persons to travel to hotels by motor vehicles. This may be true in some cases but it is considered that public attitudes to driving after drinking are a more important factor. In cities where car parks are frequently unavailable, persons still drive to hotels and park in the streets (often some distance from the hotel itself). This department doubts whether the absence of car parks will prevent persons from driving to hotels. In fact, their absence could lead to greater traffic problems with more cars being parked on nearby streets."

642. From the foregoing evidence it seems clear that the big off-street car parks at licensed premises are the lesser of two evils. One of the main arguments advanced for the neighbourhood tavern is its restricted size, with consequentially smaller car park, and its location which will encourage residents to walk to it. If our suggestion of a community cafe should be implemented, this too, should diminish the car parking problem.

643. One witness who is a qualified architect and town planner and is practising as a planning consultant suggested as a parking control measure the provision of an automatic exit barrier which could be activated only by a sober driver (e.g., by breathing into a breathaliser). We have no evidence as to whether such a device is actually available or whether it could be installed and operated as a practical and economical proposition. Much more information, including the results of proper tests, will be needed before the merits of such a device can be really assessed.

644. Another useful suggestion came from the Police who said at pages 3 and 4 in paragraph 4.4 of their submission:

> "One positive step to deter persons from driving after drinking would be to alter the requirement for implementing the breath test procedure. At present an officer must possess 'good cause to suspect' a driver has either an excessive amount of alcohol in his blood or that he has committed one of a number of related offences. It is considered that this should be altered to allow a traffic officer or constable to administer a breath test if he has 'good cause to suspect a driver of a motor vehicle has been drinking liquor'. Such an amendment might be considered unduly restrictive in some quarters. However, it is believed that the alteration would serve to discourage many drivers from using their vehicles after they had been drinking."

645. We consider that this suggested alteration to the relevant provision of the Transport Act has much merit. A driver who deliberately drives his car to licensed premises and parks it there while he is drinking knows the risk which he runs if he consumes too much liquor before driving or attempting to drive his car away. So great and widespread is the public concern at the dangers of driving after excessive drinking that some measure to curb this reprehensible practice is warranted. As the best interests of the community must be the predominant, indeed the deciding factor, we **recommend** this worth-while suggestion be referred to the Parliamentary Select Committee on Road Safety for most favourable consideration.

Part XX DIFFICULTIES AND DELAYS INVOLVED IN GRANTING OF NEW LICENCES FOR HOTELS, TOURIST-HOUSE, AND TAVERN PREMISES AND NEW WHOLESALE LICENCES

1. PROCEDURE FOR THE AUTHORISING OF NEW LICENCES

646. We heard much evidence from a number of witnesses, including the New Zealand Licensing Trusts Association, the New Zealand Liquor Industry Council and town planners, concerning problems encountered in carrying out the procedure to be followed in the granting of new licences for hotel, tourist-house, and tavern premises and also new wholesale licences. This procedure is laid down in Part III of the Sale of Liquor Act 1962, particularly in sections 74 to 92 (both inclusive).

647. A good and accurate summary of this procedure is contained in submission No. 178 by Mr G. A. Town, Director of Town and Country Planning, Ministry of Works and Development. It would be convenient to include in this report the summary referred to which reads as follows:

"*Section 74 to 92 of the Sale of Liquor Act*

The procedure by which the Licensing Control Commission considers whether or not new licences should be issued appears long and complicated. Although there may have once been good reasons for this, I doubt that this is still the case.

There is at least one step in this process which is unnecessary. The unnecessary step is the provision under section 92 of the Sale of Liquor Act 1962 and the corresponding section of the Licensing Trusts Act for objections to the Town and Country Planning Appeal Board against the grant of a hotel or tavern premises licence. The reasons why this step is unnecessary may best be understood by considering the process by which new licences are granted.

Steps by Which a New Licence May be Granted

Step 1. The Commission conducts a review and after a public enquiry it may define an area within which the licence may be granted. The local authority can be represented at the enquiry and should be able to give guidance as to the area or areas suitable for licensed premises.

Step 2. The Commission gives notice of intention to call applications and the local authority or the residents may request a poll on the issue of a licence and the local authority may request a poll on whether the licence should be held by a trust. The local authority could use its right to request a poll if it considered that it needed to test public opinion.

Step 3. When any requests for polls and any subsequent polls have been determined the Commission may invite applications for a licence.

Step 4. The Commission then holds a public hearing to consider any applications for a licence.

Step 5. The Commission may grant a licence and any person may object to the Town and Country Planning Appeal Board on the grounds that the site is in the immediate vicinity of a place of public worship, hospital, or school; or that the objector will be adversely affected.

The board then holds a public enquiry and is required to give regard to the provisions of the district scheme and a number of other factors relating to planning. In the case of the removal of licences the process is essentially the same."

648. It is important to remember that both the Licensing Control Commission and the Town and Country Planning Appeal Board, each with its own statutory powers and functions, have a part to play in determining the siting of these new premises. In this regard the New Zealand Liquor Industry Council said in paragraph 2.5.9. on page 38 of its submission:

"The Town and Country Planning Appeal Board is involved in these issues not only under the Town and Country Planning Act but also because of the special rights of appeal to it (but on Town Planning issues only) under the Sale of Liquor Act (and the Licensing Trusts Acts) . . . The Board's precise stance must vary somewhat with the section under which an appeal is brought, but it has consistently held that its concern is with planning issues and these alone, for there is ample opportunity provided under the Sale of Liquor Act to canvass other issues before the Licensing Control Commission.

(Paragraph 2.5.10) Therefore where the Licensing Control Commission has duly determined that new premises are needed in a particular area, the Board will generally accept that determination as evidence that the public interest requires that planning provision be made within the area designated by the Licensing Control Commission for the type of premises which it has authorised. It is, therefore, usually premature to seek any special planning approval in advance of a determination by the Licensing Control Commission."

649. The choice of a suitable site is the key to most of the planning problems. To quote again from the submission of the New Zealand Liquor Industry Council at page 38:

"By this is meant a site which can be presented as being a fair balance between the needs of the industry to produce a commercially viable business, and the desire of the rest of the community to enjoy the facilities which the industry provides without harming unduly other facilities which it also prizes."

2. EXAMINATION OF THIS PROCEDURE WITH A VIEW TO SHORTENING OR SIMPLIFYING IT

650. Bearing in mind the above-mentioned factors we now examine whether this procedure can be shortened or simplified. Experienced town planners and others favour the abolition of the right of objection to the Town and Country Planning Appeal Board on the ground that it is an unnecessary duplication. Mr L. A. O'Donnell, Chief Planning Officer for an important county council, submitted that this right of objection appeared "to be an unnecessary duplication as similar procedures are required under the Town and Country Planning Act".

651. Mr G. A. Town develops his submission on this aspect in more detail. We quote from page 2 of his submission:

> "It is this right of objection to the Town and Country Planning Appeal Board which is unnecessary. The reason why it is unnecessary is that no one can establish a tavern or hotel without planning approval. Referring back to what I called step 3 the Commission in practice does not invite applications for a licence until potential applicants have had an opportunity of obtaining planning permission from the local authority.
>
> "If there is an operative district scheme, prepared under the Town and Country Planning Act 1953, hotels and taverns may be a predominant or a conditional use in any zone or they may not be allowed at all. Before the scheme became operative the residents, any organisation associated for any purpose of public benefit or utility, the Minister of Works and Development and in some cases other local authorities all had the opportunity of objecting to the local body and appealing to the Town and Country Planning Appeal Board in respect of the provisions made for hotels or taverns in any zone and the zoning of any land.
>
> "It is difficult to imagine circumstances in which the board, by holding a public enquiry, could be presented with reasons for not allowing a hotel or tavern that could not have been advanced by objectors at any earlier stage. Nor is it likely that any of the factors that the board should have regard to, have not already been considered by the council with any objector having the opportunity of taking them up in an appeal to the Board."

652. Later in his submission Mr Town emphasised that this right of objection to the Town and Country Planning Appeal Board causes needless duplication of hearings with considerable additional expense to all parties involved. The situation is likely to raise false hopes in the minds of objectors and, when these hopes are shattered, shake their faith in the appeal procedure which could thus be brought into disrepute. Also it virtually amounts to the board having to deal with an appeal against its own previous decision.

653. The New Zealand Liquor Industry Council made its submission on this matter in paragraph 5.4.13 at page 11 in these terms:

> "The Council considers this right to objection to the Board to be anomalous. The Board makes its decision on town planning principles. However, the successful applicant, well before he has got to this stage, has complied with standard town planning requirements. Either the land on which the hotel or tavern is to be built is a 'dominant use' under the local body's district scheme, or else a successful application has been made for a 'conditional use' to the appropriate local authority. In this latter case, the persons given rights under Section 92(5) can object and take their objection to the Town and Country Planning Appeal Board by way of appeal. The Industry appreciates that the procedures through which a private applicant must go to obtain a new licence are complicated and expensive because that is a consequence of protecting individuals' rights. It respects and makes no complaint of this aspect of the law, other than where such protection is duplicated as it is in respect of town planning requirements. The procedure of Section 92(5) was introduced when the 'Site Poll' was abolished. As a form of protection, it has been made anachronistic by the recent development of town planning practices and procedures which have a heavy emphasis on protecting the individual. The Council recommends, for these reasons, that Section 92(5) to (13) be repealed."

654. These are persuasive arguments which convince us that the right of objection conferred under section 92 of the Sale of Liquor Act 1962 is an unnecessary duplication which should not be retained. Therefore we **recommend** that subsections (5) to (13)—both inclusive—of section 92 of the Sale of Liquor Act 1962 be repealed.

655. With regard to this new licence procedure, the New Zealand Liquor Industry Council made a further submission intended to ease the burden which now lies on the private applicant. This submission (paragraph 5.4.14 on pages 11 and 12) is set out below:

> "The Industry has made clear that it does not object to the complicated procedures imposed on a private applicant who seeks a new Wholesale, Hotel or Tavern Premises Licence. However, it does suggest that the hurdles might be rearranged without denigrating from the rights of those who desire local no-licence or Trust Control. At present, the Licensing Control Commission will have completed its public inquiry, authorised such licence or licences as it considers necessary, and specified the general area location and the standards which must be complied with before it gives public notice calling for applications for those licences. Only then must a local authority or 50 electors make application for an area no-licence poll or a local authority make application for a Trust Poll. If either or both of such applications are granted and either poll is carried, that usually bars any further progress by the private applicant. That applicant will by this stage have spent substantial time and effort and will have incurred

considerable expenses in preparation, satisfying town planning procedures and on professional fees. A large part of this loss could be avoided if both the Area Poll and the Trust Poll procedures were incorporated into the Section 74 review that the Licensing Control Commission holds. The Council recommends that the law be amended to provide that at the time that the Licensing Control Commission gives public notice of its intention to hold such a review, as to whether or not a new licence is required, those persons or local authorities given rights to ask for an area no-licence poll or a Trust Poll be required to exercise their rights at that stage. If no such notice is received by the Licensing Control Commission within a specified period after it has given public notice of the forthcoming review, those wanting area, no-licence or a Local Trust would have their opportunity to request the appropriate polls. Such a rearrangement in procedures would have the advantage of allowing private applicants to learn of the degree of opposition to their proposals at the time the review commences and to better assess the chances of success and whether it is worthwhile for them to proceed. It would also have the further advantage, first of giving the Licensing Control Commission at the time that it commences its review a more complete picture of public reaction to any new licence and, secondly, of telescoping procedures by encompassing in one hearing what is now covered by two, with all the consequential delay. The industry submits that there is no hardship or inconvenience to those with rights to seek polls by asking them to exercise their rights at an earlier stage."

656. This submission seems to us to be reasonable and justified. Accordingly we **recommend** its adoption.

3. AREA POLL

657. Under section 80 of the Sale of Liquor Act 1962 if the Licensing Control Commission is of opinion that it should authorise the issue of a new hotel or tavern premises licence in a particular area it shall cause public notice to be given of its intention to invite applications for such a licence unless objections are filed within 30 days after the first publication of the notice. This notice must specify the locality or area within which the licence is proposed to be authorised and contain sufficient brief details of any actual or minimum standards fixed by the commission to indicate the general nature of the accommodation, services, or other facilities to be provided.

658. Under section 81 of the Act the local authority of any district, or any two or more local authorities of adjoining districts, or any 50 or more persons residing in such district or districts who are qualified electors may apply in writing to the commission to take a poll for the purpose of ascertaining whether a majority of the electors residing in the area desire that the licence be not granted in the area.

659. Section 82 gives any of the above-mentioned local authorities the right to apply for a poll to be taken in order to ascertain whether, if such licence is granted, the electors residing in the area desire that the licence be issued to a local trust.

660. Section 83 provides that on any application under section 81 or section 82 the Licensing Control Commission may hold an inquiry, take evidence, and, if it is of the opinion that the application is made in good faith and that a poll should be taken, direct that the poll be taken.

661. If the poll is authorised by the commission both the licensing and the trust proposals shall be dealt with together.

662. This is the poll referred to in step 2 of Mr G. A. Town's submission which we have previously mentioned. It is commonly referred to as the area poll. Some persons have submitted to us that in order to simplify the procedure for authorising the issue of new premises licences and to avoid delay, the area poll should be abolished. Also, some see it as an obstacle to the establishment of the neighbourhood tavern. The New Zealand Licensing Trusts Association in its submission advocated the abolition of the area poll but the retention of the right to object to the Town and Country Planning Appeal Board under the provisions of section 92 of the Sale of Liquor Act. On the other hand the New Zealand Liquor Industry Council supported the retention of the area poll but favoured the abolition of the right of objection under section 92 of the Act. It may be significant that district licensing trusts are not subject to the jurisdiction of the Licensing Control Commission and therefore are not affected by the area poll provisions, a fact which has been strongly criticised by the liquor industry.

663. In advocating the retention of the area poll counsel for the New Zealand Liquor Industry Council made the following points:

(a) For many years the community has had the right to ask for an area poll. The withdrawal of this public right relating to such a controversial subject as liquor, in respect of which there is much public concern, can be expected to cause annoyance and engender suspicion.

(b) The attitude of suburban residents towards neighbourhood taverns is changing and consequently there is likely to be in future a trend for area polls to endorse the establishment of such taverns provided that all aspects of each proposal are carefully explained to the residents.

(c) The result of the poll is not absolute: section 85 of the Act directs that in special circumstances the commission may still invite applications for a new licence despite the unfavourable result of the poll. Indeed, it has done so in an appropriate case.

664. We accept these reasons which, we think, are well founded. We feel that the withdrawal of the right to apply for a poll to decide on whether a new hotel or tavern premises licence is wanted by the residents of an area and, if so, whether it should be under trust or trade control would arouse justifiable resentment.

665. Therefore we **recommend** the retention of the area poll.

4. POSTAL BALLOTS FOR AREA AND TRUST POLLS

666. Experience has shown that a substantial percentage of electors who are entitled to vote at area polls and trust proposal polls fail to do so. The New Zealand Liquor Industry Council proposed and submitted that as a possible means of overcoming the low turnout at both area and trust polls specific statutory provision should be made for these polls to be taken by postal ballot. This proposal aroused no comment or criticism from any other interested party so that apparently no objection is taken to it. Postal ballots have been authorised at various polls in an attempt to persuade more electors to vote. We see no reason why it should not be tried in this case.

667. Therefore we **recommend** that consideration be given to amending section 84 of the Sale of Liquor Act 1962 by specifically empowering the Licensing Control Commission to direct that the poll therein mentioned be taken by postal ballot.

Part XXI TOURIST-HOUSES

1. CONVERSION OF TOURIST-HOUSE PREMISES LICENCE TO HOTEL PREMISES LICENCE

668. Licensed tourist-houses provide accommodation and meals to the travelling public and are authorised to sell and dispose of liquor for consumption on or off the licensed premises by resident guests and for consumption as part of a meal by dining guests. They do not offer public bar service or indeed any bar service except to guests who are staying or dining in the house. "For this reason they do not have to run the gauntlet of trust and area polls nor the long review procedures of section 74 of the Act. However, they meet the same high standards for accommodation as do hotels." (See closing speech of counsel for the New Zealand liquor industry at page 134.)

669. It is acknowledged by the liquor industry that tourist-house licensees have been badly hit by increasing costs, particularly in wages and by the limits to their tariffs that travellers are prepared to pay for accommodation. For this reason the New Zealand Liquor Industry Council recommends that "in recognition of their accommodation responsibilities a tourist-house be permitted to convert to a full hotel premises licence (including where applicable an extended or a special hotel premises licence) subject to satisfying certain statutory conditions".

670. Mr R. W. Tennent, a director of Flag Motor Inns of Australia and New Zealand and a proprietor with his wife of Devon Motor Lodge, New Plymouth, made a submission in which he sought, amongst other things, this right to convert a tourist-house premises licence into an hotel premises licence. This right does not exist under the present law. A similar right was sought at our first sitting in Wellington on behalf of the proprietors of the James Cook Hotel in that city.

671. We consider that where the holder of a tourist-house premises licence has provided at considerable expense accommodation of a standard acceptable to the Licensing Control Commission that tribunal should have the power to convert the present licence into an hotel premises licence if it considers that such a licence is necessary or desirable in the area.

672. What we envisage is this:

Subject to the rights of residents or affected local authorities to object to the proposed conversion on town planning grounds and to call for an area poll in accordance with the provisions of section 81 of the Sale of Liquor Act 1962, a tourist-house licensee should be entitled to convert his licence to an hotel premises licence if he satisfies the Licensing Control Commission at a public hearing of which due notice has been given that facilities for the sale of liquor to the public are necessary or desirable in his area and that his premises are or will be suitable for this purpose. Having already provided the accommodation of a standard which is or can be made acceptable to the commission he would not have to compete with other applicants including trusts. This would give him a preference but he would still have to comply with the normal standards and requirements set by the commission.

673. Accordingly we **recommend** that legislative effect be given to this proposal.

2. SALE OF LIQUOR TO PERSONS ATTENDING A CONFERENCE OR SOCIAL FUNCTION HELD IN A SPECIAL CONFERENCE ROOM WHICH IS PART OF A TOURIST-HOUSE

674. Mr R. W. Tennent submitted that where the tourist-house premises include lounges and/or conference rooms the licence should be extended to allow use of these rooms as "private bars" permitting the sale of liquor to non-house guests without providing a "substantial meal". He stated that the larger accommodation houses have substantial luxurious lounges and conference rooms and provide entertainment. He claimed that these lounges and conference rooms would be ideal "private bars" in which the prices charged for liquor would prevent them from becoming "public bars".

675. We do not favour this submission. What is contemplated by it is to allow sales of liquor to the public or sections of the public which is the proper function of the licensed hotel. If this submission were granted it would entirely alter the essential character of the tourist-house premises licence which is obtained far more easily and more readily than is an hotel premises licence. Any holder of a tourist-house premises licence would be aware of this and it could well have influenced him in applying for that type of licence rather than an hotel premises licence. Furthermore, the interests of neighbouring occupiers and residents must be considered, as must also the opportunities for abuse.

676. We consider that if the holder of a tourist-house licence wishes to carry on the business of an hotelkeeper this aim could be best achieved by applying to convert the tourist-house premises licence into an hotel premises licence. Our recommendation in this regard has opened the way for such an application with the provision of proper safeguards for those who might be adversely affected.

677. In any case, the holder of a tourist-house keeper's licence can obtain a permit under section 217 (1A) of the Sale of Liquor Act 1962 authorising him to supply liquor to persons attending a social gathering on the premises.

678. Accordingly we do not recommend any extension of the tourist-house premises licence.

Part XXII TOURIST AND PUBLICITY DEPARTMENT'S SUBMISSION

1. INTRODUCTORY

679. This department, through its General Manager, made submissions which are worthy of consideration. Some interesting observations appear in the following extract from the Department's submission at page 9:

> "In 1945 when the Department made submissions to the Royal Commission on Licensing, there were severe shortages of good quality licensed accommodation, no facilities for liquor in restaurants, no possibility of passengers on rail services drinking anything stronger than water and no chance to meet one's fellow man in a public bar after 6 p.m. (except at risk). Since then the opportunities for the traveller, whether from abroad or within New Zealand to take liquor in a relaxed and reasonable manner in licensed premises have undergone an overwhelming change.
>
> "In evaluating the results of these cumulative improvements the Department has noted no complaints of any significance from overseas visitors that they have found our liquor laws unreasonably restrictive. The recommendations we have made are the result of our observations of facilities which are available in many countries abroad and with which New Zealanders travelling in overseas countries have become familiar. Over the last five years 620,000 overseas visits have been made by New Zealanders and understandably their experience of liquor facilities there has influenced attitudes to what they feel can reasonably be expected in their own country.
>
> "In framing our recommendations the Department has, therefore, considered the reasonable needs of New Zealanders travelling within their own country, as well as those of visitors from abroad."

We proceed now to consider some of these recommendations.

2. TOURIST-HOUSES IN RESORT AREAS WHERE THERE IS NO HOTEL OR TAVERN. SHOULD THEY BE PERMITTED TO SELL LIQUOR TO THE PUBLIC?

680. The Tourist and Publicity Department states at page 6 of its submission (No. 190):

> "Some difficulty can arise with a tourist house licence in high quality establishments in attractive situations, in resort areas as they are unable to serve drinks to casual visitors unless they are also supplied with a meal or accommodation. Overseas visitors in particular find this anomalous and it would be desirable to permit the sale of liquor to casual guests in special cases where the establishment is of high standard and has adequate facilities to provide this service."

681. We think that the points to be emphasised are that the premises are of high standard and have adequate facilities to provide the desired service. If the tourist-house is located in a resort area which attracts visitors and there is no licensed hotel or tavern readily accessible to them, this is another important factor to be taken into account. This factor relates to the needs of the travelling public in that area. To meet this special situation we **recommend** that provision be made for the Licensing Control Commission to grant a permit to sell liquor to the public during hours to be specified by the commission to the holder of a tourist-house keeper's licence who satisfies the commission that:

(a) The tourist-house is situated in a resort area which attracts visitors so that facilities for the sale of liquor to the public are necessary or desirable.

(b) No licensed hotel or tavern is located in the neighbourhood so that no other licensee will be adversely affected by the granting of the permit.

(c) The premises are of high standard and have adequate facilities to provide the desired service.

3. DOMESTIC AIR SERVICES SHOULD BE LICENSED TO SELL LIQUOR TO PASSENGERS ON FLIGHTS

682. Liquor is now available to travellers on inter-island ships, some rail services, and international flights. The two major operators of domestic air services are seeking the right to serve liquor on some flights, as is generally done overseas. The representative of National Airways Corporation who appeared before us deposed that it was not intended to serve liquor on all internal flights, but on the longer flights, particularly those carrying visitors to scenic resorts. He stated that the serving of liquor would not interfere with the present light refreshment service provided on main route flights. He made it clear that at all times the serving of liquor during flight would be at the discretion of the captain of the aircraft. No objection was advanced to this suggested licence.

683. Accordingly we **recommend** that the Licensing Control Commission be authorised to issue to an acceptable operator of an internal airline a licence to sell liquor to passengers travelling on specific flights within New Zealand on any day of the week, including Sunday. It should be a condition of such licence that the serving of liquor at any time should be at the discretion of the captain in command of the aircraft.

4. SHOULD THE HOLDER OF AN AIRPORT LICENCE BE AUTHORISED TO SELL LIQUOR ON SUNDAYS?

684. Although the right to sell liquor on Sundays under an airport licence was sought by two holders of such licences and is supported by the Tourist and Publicity Department, this matter is connected with the broad issue of Sunday trading which has been discussed elsewhere in this report. In view of our recommendation on the whole question of Sunday trading we cannot fairly and logically recommend that airport bars be permitted to open for the sale of liquor on Sundays.

685. Another factor which influences our decision is that if airport bars were opened for business on Sundays it would be impossible to limit sales of liquor to passengers travelling by air and to exclude the general public. With hotels and taverns closed it is only reasonable to expect that those intent on securing liquor would invade the airport bars to the detriment of the travelling public.

686. Therefore we are unable to recommend that airport bars be permitted to open for the sale of liquor on Sundays.

5. NOISE FROM HOTEL BARS

687. According to the Tourist and Publicity Department some visitors have complained about the noise coming from hotel bar areas. This arises more often with older hotels as in most newer hotels care has been taken in the initial planning to provide for adequate separation of public bar and accommodation areas. The department comments that it is essential that this be done to ensure that guests are accommodated in reasonable comfort. With this we entirely agree.

688. This question of noise emanating from hotel and tavern bar areas has caused us considerable concern. While it is realised that it is difficult in the older hotels to prevent noise from the bars disturbing guests in the house, nevertheless, we remind hotel licensees that their obligation to provide suitable accommodation for guests is equally important as their right to sell liquor. We suggest that complaints as to noise from hotel or tavern bars, or in the streets outside these places, resulting from the consumption of liquor on these premises, should be passed on to the police who can report the fact to the chairman of the district licensing committee. Repeated reports of this nature should be sufficient grounds for suspension of the keeper's licence.

689. While on the question of noise it should be mentioned that the Hotel Workers Union is also concerned about the adverse effect of undue noise in bars on the health of its members. When the vocal noise of the bar is generally increased by the noise of some forms of entertainment amplified by a loudspeaker the general din becomes deafening. Something must be done to reduce this noise to a more acceptable level. The union secretary suggested the installation of a sound recording device which would cause a warning signal to be given when the noise level reached 80 decibels. This seems to be a practical and sensible suggestion of which we approve.

690. With the introduction of the entertainment in bars—particularly of the popular band variety and the electronic equipment—came the problems of increasing noise which have now reached hazardous levels in some bars. Many witnesses—including some young ones—brought this matter to our attention.

691. One licensee told members of the commission that on the entertainment nights in his bar he limited the time any one staff member had to spend working in that level of noise.

692. The Hotel Workers Union in their submission said:

> "Customers who don't like it can, of course, leave and go elsewhere, and do, but the bar staff cannot, they are there for the whole of the period. The Health Department claim that 90 decibels is a limit, anything over that is injurious to the hearing and will cause deafness. We have asked the Department to take readings of noise levels at various hotels throughout the country, with a view to having the level of noise reduced if it reaches hearing hazard level—90 decibels. In most cases the levels have been exceeded but apparently the Health Department has no power at all regarding reducing noise levels. In most cases, they reply, after testing, that they recommend the wearing of individual "ear defenders", "ear muffs" and "ear plugs", but they cannot tell us how the bar staff will be able to hear the customers orders. We would therefore request that consideration be given to a reduction in the safe noise level to no more than 80 decibels and that volume controls be under the control of the Hotel Manager for whom they are working. This is an ever increasing hazard and something must be done to protect the hearing of staff."

693. We were also told that very loud music contributed to the "jumpiness" in a bar and as such obviously contains for some people an element of riotousness.

694. In a recent issue of *Flashlight* the magazine of the New Zealand Hotel Workers Union we were interested to note that one publican, in response to complaints about noise levels, installed a decibel counter that flashed a red light in front of the band when a given noise level was exceeded.

695. This appeals to us as a very sensible solution to the problem and therefore we **recommend**:

(a) That legislative provision be made under the Sale of Liquor Act for the maximum noise level of entertainment in bars to be set at 80 decibels.

(b) That publicans install and control decibel counters in such a position that an entertainer can be aware when he has exceeded the legal limit of 80 decibels of sound.

Control of Noise Problems in Hotels and Taverns

696. With regard to the noise in bars it is interesting to note the submission of the Department of Health on this point.

> "The Municipal Corporations Act 1954 and the Counties Act 1956, authorise local authorities to make bylaws for several purposes such as the control and construction of buildings, nuisances, and so on, and more recently in a 1972 amendment to control noise. The building bylaw can require the use of materials to diminish the emission of noise from the building.
>
> Often, when proposals are announced as to the siting of a new tavern or hotel objections are made on the grounds that the users of the licensed premises will create a great deal of noise. Music—often amplified by electronic equipment—and singing—and generally noisy behaviour, both on and off the premises, are associated with such premises. It is suggested that, when plans and specifications of proposed premises are being examined—both by the Licensing Control Commission and the local authority—the construction should make proper provision to attenuate the noise that may be created within the building: ample sound insulation should be required.
>
> Although the present legislation is fairly widely drawn and could be construed as providing adequate powers for the Licensing Control Commission to impose such conditions as may be necessary adequately to control noise it is suggested that express provision should be made for such control to be imposed, and that local authority health inspectors should be empowered to ensure that the conditions are complied with."

697. These seem to be sensible suggestions and as they are made by the Public Health Division of the Department of Health we **recommend** that they be implemented.

6. MINIMUM AGE AT WHICH FEMALES MAY BE EMPLOYED IN BARS OF LICENSED PREMISES

698. The Tourist and Publicity Department points out that the minimum age at which females can be employed in bar areas in hotels is now 25 years. (See section 192 of the Sale of Liquor Act 1962.) The minimum age for males employed in such areas is

generally 20 years if serving liquor but can be 18 years if he is performing in any musical entertainment. It is submitted that the same minimum age should apply to both male and female employees.

699. A similar submission was made by the New Zealand Liquor Industry Council which advocated the minimum age for the employment of barmaids should be the same as that for drinking on licensed premises. The council also asked for the repeal of section 193 of the Act, which prohibits females (other than certain relations of the licensee) from working in a bar after 11 p.m., because it is out of step with the times and is a limitation of employment opportunity for females.

700. We agree with both of these submissions. Accordingly we **recommend:**

(1) That section 192 of the Sale of Liquor Act 1962 be amended by reducing to 18 years the minimum age for the employment of barmen and barmaids; and

(2) That section 193 of the Act, prohibiting the employment of females in any bar after 11 p.m., be repealed.

7. RETURNS OF ROOM OCCUPANCY FROM LICENSED ACCOMMODATION HOUSES TO THE LICENSING CONTROL COMMISSION

701. Licensees are required to send in annual returns of room occupancy and other information to the Licensing Control Commission. From the occupancy data the Tourist and Publicity Department compiles an annual publication, *New Zealand Accommodation Inventory and Room Occupancy Rates.* This shows average occupancies for groups of hotels in main centres and tourist areas. The published information is of great value for tourist planning purposes both to Government agencies and the industry.

702. There are some short coverages and it would be desirable, if possible, to have the information on a quarterly rather than an annual basis.

703. The department therefore put forward the following suggestions:

(a) Accommodation houses with restaurant licences to submit occupancy returns to the Licensing Control Commission on the same basis as hotels and motels with a hotel premises licence or a tourist-house licence.

(b) District licensing trusts to submit returns as is the case with local and suburban trusts.

(c) Retiring licensees to be required to complete returns to date before a change of ownership is approved.

(d) Information to be provided to the Licensing Control Commission on a quarterly instead of an annual basis.

704. If it should be possible without causing too much trouble or difficulty, we **recommend** that effect be given to these suggestions.

Part XXIII CONDUCT, CONTROL, AND PUBLIC ORDER ON LICENSED PREMISES

1. CONDUCT IN HOTELS AND TAVERNS

705. We find it impossible not to generalise when discussing conduct in public liquor facilities because so many things have to be taken into consideration: the size of the bars, the people attracted to any given facility, the standard of management and staff, the area where the facility is located, and the numbers of other outlets available in that area. For example: conduct in a rural pub where everybody knows one another will not present the problems inherent in the anonymity of a large urban or suburban tavern.

(a) *General Conduct*

706. Contrary to what appears to be the popular view, we have to report that conduct on licensed premises is mainly orderly. There were many more complaints submitted to this commission about the large size of some bars, noisy entertainment, cover charges, etc., than there were complaints of misconduct by the patrons.

707. In a drinking population of 1 million people the majority are temperate both in their drinking habits and in their behaviour on licensed premises. On the other hand, as we have stated elsewhere, there are people in the community with a serious drinking problem and Professor Batt says that while he does not know what the figure would be there may be as many as 200,000 people in the community who are drinking far too much, to the extent that there are going to be lasting effects in their drinking. Professor Batt went on to say that "the million in the population is going to include a lot of people who drink very moderately and they are balanced out by the people at the other end of the scale who drink far too much. . . ." We accept that this is a fair description of the range of people catered for in public licensed facilities.

708. It would appear that there has been something of a shift in the public attitude towards licensed premises. Whilst a proportion of the public still view hotels and taverns as purely drinking places, increasing numbers of people view these establishments as centres of social intercourse. We believe this is an attitude to be encouraged.

(b) *Unlawful Behaviour*

709. Both management and the Hotel Workers Union expressed concern about an increase in violence on licensed premises. The national secretary of this union in answer to a question as to how often bar staff were threatened with violence, said: ". . . there would not be a week go by we don't get a report that somebody has been injured or hospitalised. . . ." The Liquor Industry Council in their submission said "The most difficult problem confronting the Liquor Industry at this point is an increase in violence". The Liquor Industry Council went on to say that there appears to be a new form of riotous behaviour developing which seems to have anti-social behaviour as its major cause and in which liquor has some part. They gave as examples New Year's Eve and Festival Week in Wellington.

710. Evidence was also given of mobile groups descending upon hotels and of hotels being invaded by groups in search of excitement. The Liquor Industry Council cited incidents of this nature having occurred at the Waiotapu Hotel, on the shores of the Hokianga Harbour, at the Chateau Tongariro, and in the Manawatu.

711. Some South Island hotels have also experienced some difficulties in this area over the holiday periods when patrons have resented being moved out of bars at 10.15 p.m. and into the streets with nothing to do. At both Queenstown and Wanaka there were incidents of riotous behaviour.

712. One specific area which is potentially troublesome for management and bar staff is in the delicate area of ascertaining the age of a patron where it was suspected he or she might be a minor. Instances of this resulting in unlawful behaviour were given to us and it appears that this matter is often cause of embarrassment to patrons, police, management, and staff.

713. There appears to be within the community a small minority who view licensed premises as a place to go to cause trouble. This is usually but not necessarily associated with overconsumption of alcohol.

714. Other potentially troublesome areas can be the return of patrons to licensed premises after they have been requested to leave and the lawful requirement to get patrons off licensed premises at the end of drinking up time at 10.15 p.m.

(c) *Sale of Spirits in Jugs*

715. We consider the sale of spirits in beer jugs to be a practice of grave consequence. It appears this particular practice originated with 10 o'clock closing when an evening out at an hotel became

popular with couples. A hotel manager told us that women rarely drink draught beer and that a man who was consuming a jug of beer would purchase two or three drinks of his wife's choice in a jug to save repeated trips back to the bar.

716. We can understand and indeed sympathise with a patron who finds it tedious to maybe have to fight his way back to the bar or else exercise patience waiting for service in order to buy his wife or partner another drink. But in this instance we think a reasonable drinking standard is better served if these drinks are purchased in the traditional glass.

717. This jug method of purchasing drinks is popular with the young, and one Auckland proprietor with a large Polynesian clientele told us spirits were regularly sold across his bar in this way. This hotel was often the scene of some disturbance requiring police intervention.

718. A popular drink is half a jug of Bacardi topped up with coke. The national secretary of the Hotel Workers Union, Mr Les Short, told us in his submission that sometimes the mixture was half a jug of Bacardi topped up with draught beer. The price is in the vicinity of $2.

719. The Liquor Industry Council told us they had no knowledge of this latter drink.

720. These jugs are usually, but not always, shared among a group. We think this practice has immediate implications affecting conduct in bars. Also, a group of people hastening to finish off a jug of this nature before closing time would be a danger to themselves and other people if they were driving home.

721. The Liquor Industry Council undertook to take this matter up with its members in the New Zealand Hotel Association and subsequently reported to the commission that an instruction was being issued to members to stop the sale of spirits by the jug.

722. We were glad to accept this assurance. However, as this practice is not confined exclusively to the premises of members of the New Zealand Hotel Association but is much more widespread we recommend legislative action to make it an offence for spirits to be sold in beer jugs.

723. Some hotels report that they have no trouble with spirits purchased in this way and obviously a lot of people find it a pleasant and convenient way of buying their drinks. On the other hand some hotels refuse to sell spirits in jugs. Our judgment is that this practice is so open to abuse and so undoubtedly profitable to the licensee for the practice to need to be discouraged. Therefore we **recommend** that it be an offence to sell or purchase spirits for consumption on the premises otherwise than by the standard spirits glass.

(d) *Overconsumption in Hotel and Tavern Bars*

724. This has traditionally been a problem and is one which is still causing concern particularly in association with a trend towards violence. Submissions made to us also indicate a growth of resentment towards proper authority exercised by either management or staff and also the police.

725. As we have discussed elsewhere the community tends to be more concerned with the effects of drunkenness than with drunkenness *per se*, and the social controls that operate, particularly in the public bars of New Zealand, tend to reinforce the view that a person has the right to drink too much provided he or she does not harm or otherwise annoy other people. This high level of social tolerance of what should constitute unacceptable behaviour places great strain upon management and staff who are legally responsible for the maintenance of sobriety, law, and order.

726. We heard of instances where unlawful behaviour was the result of management and staff either refusing to sell to intoxicated patrons, or requesting intoxicated patrons to leave. In some instances these situations have resulted in altercations involving many innocent people and, in one instance quoted to us, of a melee involving more than 100 people. Both managers and bar staff have been physically assaulted and are often verbally abused for refusing to sell liquor to intoxicated persons.

727. Given these circumstances it would be a very human reaction on the part of the management and staff to sometimes turn a blind eye in the hope that the intoxicated patron will either go to sleep, be taken home by his friends, or at least not start anything until he or she is outside. Incidents outside hotels and taverns and in car parks and adjoining taxi ranks are familiar to the police.

(e) *Supervision by Police of Hotel and Tavern Bars and of Other Licensed Premises*

728. Cross-examined by counsel assisting the commission (Mr J. H. C. Larsen) the police witness in answer to a question relating to police ability to cope with the present licensing situation including clubs, minors, etc., said:

> "In some areas they (the Police) are clearly coping. That is in some areas of the country. In another area we are at full extent to cope with it and at times we are not coping."

729. For reference purposes we attach, as appendix V to this report, an extract from the police crime and offences statistics covering the period from 1960–73.

730. The witness went on to say that it was because the police were not coping in some areas that they were emphasising the need to place greater responsibilities on the licensee or manager.

731. In their submissions the police said they considered the maximum penalties prescribed for most offences in the Sale of Liquor Act 1962 to be inadequate and not providing a sufficient deterrent. They contended that inflation alone would justify the doubling of penalties for most of the offences contained in Part XII of the Act, and pointed out that in other fields (e.g., section 7 of the Summary Proceedings Act 1957) maximum penalties have been substantially increased in recent years.

732. As we have stated before, we do not believe it to be in the public interest or even practicable to replace individual and corporate responsibility on licensed premises with what would need to be ever increasing police surveillance.

733. On the other hand we believe there is room at present for closer scrutiny of licensed premises by the police because public regard for the law relating to certain areas of licensing is generally low.

734. One witness before this commission said:

> "On numerous occasions I have seen barmen rightly refuse liquor to those they suspect are under legal age and on a few occasions I have seen police approach young people, question them, and if apparently not satisfied, request them to leave the premises despite the fact that their dress and demeanour has been impeccable. I wish the same enforcement by barmen, management and police could be applied to Secs. 244 and 245 of the Sale of Liquor Act which relate to the sale and supply of liquor to intoxicated persons. One so often sees press reports of fines imposed on minors, whose names are rarely suppressed, yet I cannot recall reading of a charge under Secs. 244 and 245 . . . a practise which occurs everyday, many times a day in most bars. Do we call this double standards?"

735. The Police said in their submissions, paragraph 22.1 that:

> " . . . the licensee or manager is regarded by the Police as a crucial factor in the conduct of premises licensed under the Act. The standard of an hotel with regard to compliance with the Sale of Liquor Act (or indeed generally) can be related directly to the standard of the licensee or manager."

736. They went on to say the police considered that greater responsibility should be placed upon a licensee or manager and suggested that automatic suspension of a licence or manager's certificate should take place if a licensee or manager incurred, within a 12 months' period, four convictions for any offence contained within section 238, or Part XII of the Act. They suggested the suspension should remain operative for 1 year.

737. While we appreciate the reasons for this suggestion by the police that the keeper's licence or manager's certificate, as the case may be, should be automatically suspended for four convictions within 12 months in respect of any of the specified offences, we must nevertheless remember that such an automatic suspension of licence or certificate can, and often does, cause serious hardship and sometimes plain injustice without giving to the affected party the opportunity of being heard in his own defence. This is a well recognised objection to an automatic penalty. In any case we are not satisfied that the police could not adequately deal with such a situation under the provisions of the existing law. Under section 213 of the Sale of Liquor Act 1962 the Licensing Committee on the application of any member of the police, may cancel, or suspend for any period not exceeding 12 months, any licence other than an hotel, tourist house, or tavern premises licence, on any one or more of the grounds specified in subsection (1) of this section. Among these grounds are:

(i) That the licensee has failed to conduct the licensed premises in a proper manner, or has allowed them to be frequented by disorderly or disreputable persons.

(ii) That drunkenness or riotous or disorderly conduct is allowed on the licensed premises.

(iii) That the licensee has been convicted of any offence against the Sale of Liquor Act 1962 or the Licensing Act 1908, or has committed a breach of any conditions of his licence.

738. Section 214 of the Sale of Liquor Act 1962 makes similar provision for the cancellation or suspension of any manager's certificate.

739. The advantage of the procedure prescribed in sections 213 and 214 is that the licensee or manager is given notice to appear before the Licensing Committee to show a cause why his licence or certificate should not be cancelled or suspended. In other words he is given the opportunity of being heard and stating his case before any order can be made to his detriment. This, we think, is preferable to an arbitrary suspension of licence or certificate regardless of the circumstances of the case.

740. In all the circumstances we consider that the suggested automatic suspension of licence or certificate is too drastic. Also, as we have pointed out, the desired result can be achieved by fairer means under the existing law. Therefore we do not favour the automatic suspension of the keeper's licence or manager's certificate in the circumstances suggested by the police.

741. It is stating the obvious to say that the major problem of conduct and control in bars is primarily caused by drunkenness, the effect of which is sometimes violent and anti-social behaviour. Therefore the primary responsibility must rest upon the individual who drinks too much and upon the licensee or manager who sells him for gain the means of intoxication and upon the bar staff who would normally serve it.

742. Whilst attitudes are certainly changing it is still true to say that the bar scene is geared to cope with our deplorable social tolerance of overconsumption of alcohol. A tightening of the system of control while not being the total answer, is an essential part of bringing about an improvement.

743. The police suggested that relevant penalties should be increased. With this suggestion we agree and our recommendation for a substantial increase in penalties for offences under the Sale of Liquor Act 1962 is made later in this report.

744. However, we must take into account the fact that the licensee or manager and his staff are themselves often the victims of circumstances. For example, where there is a maldistribution of licences, a common situation in this country, an hotelier may have a clientele whose numbers stretch the resources of the premises to the limit. Also with the high mobility of New Zealand people a particular hotel or tavern may become the popular drinking establishment, particularly on Friday nights and Saturdays, for people from a number of other areas. This may also overtax the resources of the premises. Add to this an unruly minority and we have to accept that the lot of those who serve alcohol to the public is not always an easy one.

745. But the central issue is still the degree of responsibility to be accepted by both the individual drinker and the licensee and his staff.

746. Neither the Liquor Industry Council nor the licensing trusts asked to be relieved from their present responsibilities under the Act regarding control on licensed premises. Indeed, these responsibilities were fairly acknowledged. However, both these organisations made submissions relating to unlawful behaviour and suggested amendments to the law to assist in coping with this problem.

747. The Licensing Trusts Association suggest the creation of a new offence relating to assault on bar staff. They submit that while existing penalties for assaults are theoretically quite severe there is need for legislation to draw a clear distinction between types of assault: e.g., a case of assault involving two neighbours outside the door of one of them; and an assault on a member of the bar staff. The trusts contend that where an incident of this nature occurs on

licensed premises it has an element of riotousness; and then they went on to say "whether occurring on licensed premises or not, if it is related to discipline within the licensed premises, it must potentially undermine the discipline and standards of management within licensed premises". Amplification of this latter statement was given in cross-examination when an incident was described to us of a manager being attacked outside his premises by a group of persons ejected for unlawful behaviour.

748. Taking into consideration the many factors involved in these matters, it appears to us that here there is a certain element of wanting to have things both ways; that is, to continue to sell the present quantities of liquor and at the same time to expect the law to provide protection from the consequences. Licensees and staff already have adequate powers to control behaviour on licensed premises and we do not favour the creation of a special offence of assault on licensees or staff.

749. Not only the many submissions and letters we have received but also common knowledge tells us that many people are drinking far too much—on licensed premises and elsewhere. It is likely that licensees and their staff are as culturally conditioned to over-consumption as are other New Zealanders. Nor can we overlook the fact of profitability—although in the long run this may be somewhat questionable considering the amount of harm sometimes done to persons, premises, and fittings and also the likely siphoning off of patrons into private clubs and other establishments when they become disenchanted with bad or uncongenial drinking facilities; also the natural tendency of staff to leave and look elsewhere for a job.

750. Obviously it is not possible to tell with any degree of accuracy how an individual will react when he or she has had too much to drink. It is not always possible either, to tell the drink which is going to tip the scales between sobriety and insobriety.

751. It is a question of balance, and the yardstick by which this will be measured on public licensed premises will be the standard set by the licensee and his staff. For what has to be most jealously protected is the temperate citizen's right to take a drink on licensed premises without being overcontrolled on the one hand or subjected by others to drunkenness or worse behaviour on the other. We do not think this right would be in jeopardy, but in fact it would be enhanced, if firmer legislative controls were imposed upon management and staff and also upon the offending patron.

752. We think that if the licensee or manager is to accept a greater degree of responsibility he must have adequate means to do so.

753. On the one hand there would be grave dangers of abuse if licensees were given *carte blanche* "to permit refusal or admission to, or service in a public bar without giving reasons". (Submission by the Liquor Industry Council.) On the other hand it is only reasonable that the licensee should have the right to control those bent on causing trouble either for other patrons or for the staff. It is this unruly element alone that the industry wishes further powers to restrain.

754. The Hotel Workers Union and the Police Department would like section 188 (5) of the Sale of Liquor Act to be amended.

755. There are occasions when persons have been lawfully asked to leave licensed premises and have refused to go. Often these situations have resulted in unlawful behaviour involving innocent patrons, staff and management, and the police. On other occasions persons have been asked to leave and then immediately returned to the premises by another entrance to drink in a different bar.

756. We shall deal with this subject in more detail in a later section of this report.

2. MAINTENANCE OF CONTROL AND PUBLIC ORDER IN HOTEL BARS

(a) *Introduction*

757. Because of recent disturbing happenings resulting in injuries to persons or damage to property, this topic has been freely discussed in the news media and by concerned individuals while public attention has been focused on problems of behaviour in hotel bars. The gravest concern has been expressed about the violence which has erupted in hotel bars or on the streets outside them resulting all too frequently in vicious, inexcusable assaults causing injury.

758. While it is difficult to identify all the causes of this reprehensible behaviour some factors usually present are clearly discernible. These include the following:

(i) Large bars usually crowded with people, making supervision and control more difficult.
(ii) The insobreity of the offender who often is fighting drunk.
(iii) Beer bottles are often used as weapons.
(iv) The large proportion of Pacific Islanders involved, particularly in Auckland.
(v) In many cases the assaults and fights take place away from the hotels after they have closed.

759. It is only item (iv) above on which we feel obliged to enlarge. One newspaper recently stated that "Drinking Pacific Islanders pose one of the country's biggest anti-social problems". From what we have seen and heard, and according to information obtained in our discussions with experienced licensees, this claim could well be valid. In Auckland in particular, where so many Pacific Islanders are living, this problem is known to exist. We make it perfectly clear that what we say here is not meant in any way to be a criticism of Pacific Islanders, nor do we place on them the blame for the unfortunate consequences which flow from the consumption of liquor by some of them who are not accustomed to it or its harmful effects and have no real knowledge of how to handle it properly. The truth is that they are unable to cope with the rapid change from a non-drinking society in their homeland to the sophisticated drinking culture in New Zealand. This requires a difficult adjustment for which they are quite unprepared. They are attracted by our hotels and taverns to which they have, like all others, unrestricted access, they earn far more money here than they did at home and spend too much of this money on the readily available liquor, often with disastrous consequences to themselves and others. This is not fair to them or to us. The problem does exist and it would be folly to ignore it.

760. However, the solution is not easy to find. We did consider the possibility of providing a course of instruction by qualified persons for prospective immigrants before they leave their homeland. This would enable them to obtain beforehand some knowledge of our way of life and of the conditions which they are likely to encounter here. We were reminded, however, of the great difficulty of instructing people on how to adapt to a society which is completely strange to them or to cope with a way of life of which they have had no experience.

761. Another possibility is careful instruction concerning their new way of life and patient guidance starting as soon as the newcomers arrive in New Zealand, by concerned and competent persons who could gain their confidence and respect. Leaders among their own people who have successfully settled in New Zealand could be valuable helpers in this process of education which must necessarily include how to use liquor in moderation without abusing it.

762. A combination of both the above-mentioned possibilities might be worth trying.

763. While we have insufficient evidence or reliable knowledge on which to make any positive recommendation which might help to solve this social problem, we must draw attention to its existence and to the need to find, if possible, a solution for it.

(b) *Duties and Responsibilities of Licensees and Managers*

764. The duties and responsibilities of licensees and managers are set out in sections 182 to 187 of the Sale of Liquor Act 1962. Under the provisions of section 185 where the licensee conducts the business himself "he shall for all the purposes of this Act be responsible for the conduct of the business". Where the licensee appoints a manager to conduct the business on his behalf the licensee "shall take all reasonable care to select a manager who will conduct the business in a proper and efficient manner and will comply fully with the provisions of this Act, and shall take all reasonable steps to ensure that the business is so conducted".

765. Also the manager shall be responsible for the conduct of the business. These provisions clearly place upon the licensee, or the manager if one is appointed, the responsibility for the proper conduct of the business.

766. Section 187 provides that on any hotel or tavern premises for which a licence is in force there shall be one or more public bars and there may be private or other bars. The licensee or manager conducting the business shall keep the licensed premises open for the sale of liquor during the hours when he is authorised by the licence to sell liquor to the public. He shall not without reasonable cause refuse to admit any person to a public bar, or to supply liquor to any person in a public bar, unless he believes the person to be under the legal drinking age. He may, however, refuse to admit to a public bar:

(i) "Any person who by reason of previous drunkenness or excessive drinking, of violent, quarrelsome, insulting, or disorderly conduct, has been warned by him or by some person acting with his authority not to enter on the premises.

(ii) Any person whose presence on the premises would render the licensee or manager liable to a penalty under this Act." (See section 188 (1)).

767. The licensee or manager may refuse to admit any person to any part of the premises other than a public bar, but such refusal must not be on the grounds only of race, colour, nationality, or the beliefs or opinions of that person.

768. The licensee or manager may order to leave the licensed premises any person who:

(i) Is intoxicated; or

(ii) Is violent, quarrelsome, insulting, or disorderly; or

(iii) Has previously been warned not to enter on the premises; or

(iv) Is a person whose presence on the premises would render the licensee or manager liable to a penalty under this Act. (Section 188 (3)).

769. The licensee, manager, or any employee of the licensee may refuse to sell or serve liquor to any person if he has reasonable cause to believe that the person is intoxicated, has on previous occasions been violent, quarrelsome, insulting, or disorderly or in the opinion of the licensee, manager, or employee, should not, in the interests of his own welfare or the welfare of his family, be supplied with liquor or, as the case may be with more liquor than he has already had. (Section 188 (4)). Legal opinions differ on whether the record of drunkenness, or violent or quarrelsome behaviour must be in respect of the premises from which the licensee wishes to exclude the person concerned.

(c) *Should the law be amended to permit a licensee to refuse service in the public bar as he can do in other bars?*

770. In view of recent episodes of riotous or disorderly behaviour and violence which have occurred on licensed premises the New Zealand Liquor Industry Council submitted that the right of the licensee to refuse service without giving reasons in all areas but the public bar should now be extended to include the public bar. It was contended that this amendment would make a constructive contribution to the maintenance of public order in bars. We are mindful of the need to preserve the traditional right of the citizen to be served with liquor in a public bar. This right, however, must be weighed with the equally important right of each citizen to drink in a public bar without fear of physical injury or molestation, and with the right of the bar staff to work in safety with reasonable protection against personal injury. In the prevailing climate of unpredictable violence and disorderly or irresponsible behaviour we believe that the safety and protection of ordinary people must be the predominant consideration.

771. Therefore we **recommend** as an acceptable compromise that section 188 (1) of the Sale of Liquor Act 1962 be amended by adding after subparagraph (b) thereof the following subparagraph:

"(c) Any person who the licensee or manager has reasonable grounds to believe is likely to cause or to incite any other person to cause injury to any person or damage to any property on the licensed premises."

(d) *Removal from Licensed Premises of any person who enters after having been refused admission or who refuses to leave after having been lawfully ordered to do so.*

772. Section 188 (5) of the Act provides that "every person commits an offence against this Act who:

(a) Having been refused admission under subsection (1) of the section enters on the premises; or
(b) Having been ordered to leave the premises under subsection (3) of this section fails or refuses to comply with that order

and any such person may be removed from the licensed premises, by force if necessary."

773. The police may be requested to remove or assist in removing such a person from the licensed premises.

774. In this regard submission No. 194 by the New Zealand Police states:

> "A power to arrest under this section (188) would be helpful to the Police for enforcement purposes. In fact, it was the operation of the section which gave rise to the criticism by the Secretary of the New Zealand Hotel Workers Union in his submissions to the Royal Commission."

Referring to the offence created by section 188 (5) of the Act the police pointed out that this offence does not carry a power of arrest and should a person continue to return to the licensed premises he could not be arrested. Police have experienced trouble in this respect from some hotel patrons who "are not generally of docile temperament". Therefore, according to the Police submission the present section 188 (5) of the Sale of Liquor Act 1962 should be replaced by the following suggested provision:

> "It is suggested that the present section 188 (5) should be substituted by the following:
>
> 'Every person commits an offence against this Act and is liable on summary conviction to imprisonment for a term not exceeding three months or to a fine not exceeding $200 who—
>
> (a) Having been refused admission under subsection (1) of this section, enters on the premises; or
> (b) Having been ordered to leave the premises under subsection (3) of this section, fails or refuses to comply with the order; or
> (c) Having been refused admission under subsection (1) of this section or having been ordered to leave the premises under subsection (3) of this section, enters on or attempts to enter on the premises within one week without the consent of the licensee or manager—and any such person may be removed from the licensed premises, by force if necessary.'

"This new subsection would give greater power to the Police and Hotel Management over persons who continually return to the hotel after having caused trouble in one way or another. The penalty would give a power of arrest to the Police by virtue of it being an offence punishable by imprisonment and would be identical with that prescribed for trespassers in section 3, Trespass Act 1968."

775. This appears to be a worth-while suggestion which should assist the maintenance of order on licensed premises and facilitate the handling of awkward situations by the police.

776. We **recommend** that section 188 (5) of the Sale of Liquor Act 1962 be amended accordingly.

(e) *The Employment of Security Guards in Hotels and Taverns*

777. This is a topic to which much publicity has been given. We have heard from hotelkeepers, managers, and others connected with the liquor industry in New Zealand that the employment of security guards is essential for the protection of patrons, staff, and hotel property. The bar staff, it is claimed, are fully occupied in serving customers and have neither the time nor the opportunity to supervise and check the behaviour of troublesome customers. We were told that it is often unsafe for a barman to refuse to serve a customer whom he thought may have had too much to drink or to attempt to remove a troublesome or intoxicated person from the bar. In relieving the bar staff of this unpleasant and even dangerous task the security guards have proved their worth. Also they have assisted materially in maintaining order and reasonable behaviour in the bars.

778. This, however, is only one side of the picture. On the other side are the number of prosecutions for assault which have been brought recently against security personnel, and the adverse criticism and comments made by certain magistrates who were disturbed at what they had heard in the cases before the court. Some of this criticism was directed at the unsuitability of some security men for the work which they were called upon to undertake, the inability of some of them to communicate with people because of lack of understanding of the English language, and the manifestly defective or insufficient training for their work which calls for the exercise of considerable tact, another quality which was found to be lacking.

779. As the evidence of witnesses experienced in the liquor industry has been that security guards are necessary for the protection of customers, staff, and also property on licenced premises and are rendering a useful service, we consider that it would be unwise and too drastic to banish them from hotels and taverns.

However, their activities must be strictly supervised and controlled. This is clearly the responsibility of the licensee who must carry it out because, as we have already stated, he is responsible for the conduct of the business. Indeed, the nature of the control and the standard of conduct in any licensed premises depends primarily upon the calibre and effectiveness of the licensee. This point is clearly made in the Police submission. He, or any employee of his, may refuse to sell, supply, or serve liquor to any person who has obviously had enough and in the interests of his own or his family's welfare should not consume more. If this right was more frequently exercised there would be fewer inebriated persons found in hotel bars. It is essential that either the licensee himself or someone authorised by him should supervise the sales and the consumption of liquor on the premises. If the bar staff are too busy or not concerned to do this the licensee must find someone else who can discharge the task properly and according to law. One of the reasons for which, under section 213 of the Sale of Liquor Act 1962, a keeper's licence may be suspended or cancelled is "that drunkenness or riotous or disorderly conduct is allowed on the premises". The point we wish to emphasise is that if the licensee exercises firm and effective control there is less likelihood of trouble, and so, less work for the security guards. If, on the other hand, the control of the licensee is lax the whole situation deteriorates. If the licensee wishes to keep his licence and his job he should see that this does not happen. It is really the obligation of the licensee to ensure that any security guards who are employed on the premises which he controls perform their tasks properly and without breaking the law.

780. We do consider that security guards should be selected with greater care and discernment. Experience has shown that some of those employed in this capacity were not really suitable for the job. In our view any person who is to be employed as a security guard on licensed premises should fulfil the following essential requirements:

(i) He should have an adequate knowledge and understanding of the English language so that he can communicate properly with customers.

(ii) If he is to be on duty in an hotel or tavern where a substantial proportion of the patrons are Polynesians he should have knowledge of their ways and preferably be able to speak their language.

(iii) He should be suitably and adequately trained to enable him properly to perform his duties before he commences work.

(iv) He should possess commonsense and tact as well as brawn.

(v) Before he is employed he should be approved by the police as a fit and proper person for the job.

781. If it should prove necessary to have some form of licensing or registration system in order to ensure that these conditions are fulfilled, then such a system should be introduced. We **recommend** accordingly.

782. We would add that we consider it undesirable that security personnel should wear uniforms which resemble or are similar to those worn by the existing services, such as the police, traffic officers, and members of the armed services. Security personnel have no official status and should not be wearing uniforms which could give the impression that they have official standing.

(f) *Proposal to close hotel and tavern bars for one hour between 6 p.m. and 8 p.m. for a break from drinking*

783. When giving evidence at the hearing Mr George Mazuran, who is well known in the wine industry, advocated that hotel and tavern bars should be closed for a sufficient length of time to encourage customers to go home for the evening meal. This would enable the whole family to partake of their meal together and might help to avoid domestic strife caused by the father arriving home late for his meal and affected by liquor. Recently a police inspector at Auckland suggested that hotels and taverns should be required to close for one hour between 6 p.m. and 8 p.m. in order to break the pattern of non-stop drinking which, in his opinion, has contributed materially to the outbreaks of violence and disorder which have occurred in the streets of the city. Much publicity has been given to this suggestion which, we understand, has found considerable support. Therefore we shall now examine this proposal.

784. Unfortunately, it was not debated in any depth at the hearing so that we have very little evidence and no argument between interested parties on which to base an opinion. At first glance this seems to be an attractive suggestion which might assist in reducing the rash of violence and disorder in public places which has caused many people to become genuinely alarmed for their safety. Upon reflection, however, a number of possible objections come to mind. First, the closing of the bars as suggested would be a marked break from the established and long-standing practice and could seriously affect not only the habits but also the convenience of many moderate drinkers who could therefore be expected to resent it. Hundreds, if not thousands, of workers appreciate their drink after work. It is convenient for them to call at their favourite drinking place, have a few drinks with their friends and proceed on their way without interfering with anyone. Is it fair and reasonable to deprive them of this pleasure which they no doubt regard as their right? It is by no means certain that most New Zealanders would favour this

proposal. It is far more likely that a great number of them would bitterly resent it. If it should prove to be an unpopular innovation difficulties will arise in enforcing it.

785. Secondly, according to many witnesses we are still suffering in this country from the evils of the much criticised "6 o'clock swill" which caused so much trouble because drinkers became habituated to consuming as much liquor as possible without food in the short period available before closing time at 6 p.m. If bars should be closed at or about 6 p.m. there is a real danger that many would revert to the old pattern. It was mainly to break that pattern that 10 o'clock closing was voted in by a substantial majority of the electors. Very cogent reasons would be necessary to justify the taking of such a risk.

786. Thirdly, whether the closing of bars as suggested would actually result in most drinkers going to their homes for the evening meal and in a significant reduction in the consumption of alcoholic liquor is purely a matter of speculation. We are not aware of any proof that the desired results will occur or are even likely to occur. It could happen that many drinkers, instead of going home, would purchase more liquor to take away from the hotel and consume it in the streets or other public places while they wait for the bars to reopen. This would exacerbate the problem of drunkenness and consequent disturbances in public places.

787. Fourthly, drinking patterns are not constant or uniform throughout the country, while problems which cause concern in one place may not be experienced in others. This demonstrates how difficult it is to control behavioural problems by legislation which must apply to and effect all places and all people throughout the country.

788. We have said sufficient to indicate that more study and more information, from which reliable inferences may be drawn, are required before a positive recommendation could be made with confidence on the suggestion that all hotels should close for one hour between 6 p.m. and 8 p.m. When considered calmly and dispassionately this proposal does not seem quite as attractive as it does at first glance. One must acknowledge the risk that it may create more troubles than it solves. All we can say with assurance is that this suggested change in the long-existing practice should be approached with caution. It could, perhaps, be tried out in a particular area as an experiment from which more reliable conclusions could be drawn.

(g) *Large Bars—Disadvantages and Difficulties of Control*

789. There were many adverse comments on the large size of some bars, and coupled with the many submissions we received

requesting the establishment of smaller bars and neighbourhood taverns we can conclude that the large drinking establishment is not favoured by the public generally.

790. Some found them aesthetically unacceptable. Others said they were impersonal and therefore lacked a sense of intimacy. There was the question of large facilities requiring what is popularly described as "acres of car park" and its attendant problems of drinking and driving.

791. We will deal with the drinking driving problem elsewhere. We mention it here only to show the relationship between large drinking facilities and large numbers of cars.

792. The Medical Association of New Zealand in their submissions said "There is considerable disapproval of the increasing growth of taverns with huge parking places which can accommodate 300–400 cars. The bigger the concentration of drinkers in one place the greater is thought to be the risk of disorder. . . . "

793. The Police Department in their submissions said "A large bar containing hundreds of patrons presents considerable enforcement problems for both police and hotel management. For example, the task of identifying persons present on the premises in breach of the Act becomes more difficult. Also in the event of a disturbance taking place the object of removing those arrested becomes more hazardous due to the size of the bar and the numbers present. This latter problem has been alleviated to some extent by the employment of security guards in some hotels."

794. The Hotel Workers' Union and some managers have told us of their difficulties in controlling standards of sobriety and conduct in these large bars. Owing to their impersonal nature, a high level of social control is unlikely to operate making the job of both management and staff more difficult.

795. Also there appears to be some link between the drinking environment and the abuse of liquor and therefore the establishment of possibly hazardous drinking patterns in these large bars is not in the public interest. Dangerous situations can develop in bars where, because of inadequate control, there is encouragement to drink too much.

796. The noise level created by several hundred drinkers, often accompanied by loud music, is not generally accepted as the appropriate setting for social concourse; although some younger drinkers might favour this type of atmosphere.

797. For numbers of people a choice of liquor facilities is not available within a reasonable distance.

798. With the best goodwill in the world, management and staff in these large bars cannot provide a "mine host" atmosphere. Particularly at peak periods there is no possibility of bar staff providing several hundred patrons with the personal attention which would enhance the quality of the establishment and which can be a strong factor in social control.

799. It would not be unfair to say at this juncture that at these peak times a licensee cannot provide hospitality, he can only provide liquor facilities. The many submissions we have received on this subject and the changing public attitude lead us to the opinion that increasing numbers of people want more than drinking facilities; they want a more traditional hospitality from public licensed premises.

800. It is true that some of the existing situation of centralised liquor facilities and the often resulting big bars is caused by such difficulties as getting suitable sites, meeting the town planning requirements, and the pressures generated by overcrowding. On the other hand costs can be cut by centralising liquor facilities because it means that the core facilities of a liquor outlet (i.e., refrigeration units, storage, staff, etc.) need only minor alterations to cope with an increase in bar size. Our present drinking system of pouring pressurised beer from tanks through hoses, into jugs to many hundreds of drinkers may well be the epitome of industrial efficiency but it does not necessarily follow that this is in the public interest—whether in an outlet operated by either trust or trade. Certainly it is the antithesis of a hospitality industry.

801. Smaller bars would allow for a degree of control not possible at present in some facilities which cater—particularly at peak periods—for possibly hundreds of drinkers. We are thinking here, not only of effective control by management but also the social controls that can operate. It seems pointless to us to consider education in the moderate use of alcohol and not provide the physical environment and structures necessary to make this a viable proposition.

802. Our drinking facilities must support the value of moderation, and large bars, in our opinion, cannot do this.

803. It can undoubtedly be argued that smaller bars in peak periods will aggravate the present situation. This would be so, it seems to us, if the quality of service and the degree of control by management was undesirably low. But when a bar is full, it *is* full, regardless of size, and management has all the necessary powers for limiting the numbers of customers.

804. If a picture theatre, for example, has a capacity house, intending patrons accept the fact and find an alternative. Similar attitudes with regard to admission to licensed premises need to be encouraged, and if necessary, enforced by the law.

805. The large bars had their origins in the latter days of 6 o'clock closing when additional bar space became necessary to cope with the pressures of trade between 5 and 6 p.m. The continuing affluence and therefore increase in discretionary disposable income of New Zealand society at this time undoubtedly played an influential part in this.

806. With the advent of 10 o'clock closing many hotels and taverns especially in the downtown metropolitan areas found themselves obliged to keep their bars open—with the resulting operating costs—and a dearth of customers because most people had gone home to the suburbs. It was at this point that entertainment was introduced and was enthusiastically received by the public. This was taken up by an increasing number of hotels and taverns and the public was quick to respond. More large bars were authorised to cope with the increasing demands made on some facilities providing popular entertainment.

807. Ten o'clock closing and the introduction of entertainment made hotels and taverns popular as a place to go for an evening out. Consequently it was considered quite acceptable for women to frequent licensed premises in a way that would not have been considered in the days of 6 o'clock closing.

808. It needs to be pointed out here that in the main the large bars are entertainment bars not public bars. Indeed the trend appears to be to make public bars comparatively small and the entertainment bars larger. Public bar prices for liquor, which are controlled by the Price Tribunal differ from those prices paid as a general rule in lounge and other bars.

809. It is also interesting to note that the larger bars are generally operated by companies or licensing trusts employing managers, not by individual licensees.

810. There is no doubt in our minds that advertising has had some part to play in the saga of the large bar. The opening of a new liquor outlet or the appearance of a popular entertainer may be very widely advertised. This is bound to ensure that some—particularly young people—will travel possibly considerable distances to widely publicised entertainment.

811. The very large size of at least some bars has allowed the engagement of highly popular entertainers to ensure a maximum number of customers.

812. This could be an ever expanding exercise of more popula forms of entertainment, more customers, and an increasing an apparently justifiable pressure for more bar space.

813. A contributing reason for some large bars has been th presence of licensed facilities on the outskirts of "dry" areas. Thes outlets not only have to cope with their own residents, but wit people from the "dry" areas, as well as drinkers from other area who happen to like drinking in a particular pub.

814. The problems relating to large bars are recognised by th Licensing Control Commission which stated in its latest report t Parliament for the year ended 31 March 1974 at page 4 under th heading of "Neighbourhood Taverns" the following passage:

> "For years this Commission has been expressing its desire to se more of these taverns to serve residential areas. Despite the continua frustrations encountered, we still hope for smaller and more numerou taverns in such areas, each designed to provide pleasant facilities fc the residents of a relatively small area."

815. Later under the same heading but at page 6 the Licensin Control Commission said this:

> "The owners then have a real problem (relating to overcrowding and are likely to beseech us to sanction additions to the bar area. The may be able to put up a formidable case in the short run. The rea cure is speedy completion of the other neighbouring taverns, but th may not be practicable for some time.
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> "A similar position can arise when a tavern in a growing area finc itself overcrowded. The owner sees salvation as lying in the enlargemer of his bar area. He is not likely to be soothed by the answer that th real remedy is a review of the whole locality and possibly th authorisation of another (and newer) tavern nearby to draw away h surplus customers. We are at present planning to review certain area for this purpose as time permits.
>
> "We record this because applications for enlarged bar areas ar coming before us and we forsee other such applications. We strive t be resistant to overlarge bar areas and in particular to large individua bars. We nevertheless face real difficulties in meeting practical problem consistently with this approach."

816. We have cogent evidence as to the disadvantages of larg bars and of the problems of behaviour and control which the cause. These disadvantages and problems are widely recognised b the Licensing Control Commission, the Police, the liquor industr itself, and a substantial number of those who patronise them. Thi raises the question of what effective steps can or should be take in order to remedy this situation. If the size of the bar area and c individual bars is to be restricted two further questions are posed The first is what is the optimum size of bar area or individual bar which should be accepted and specified? The second is how th size restriction is to be enforced?

817. At this stage in the preparation of our report it became apparent that a genuine divergence of views exists between one member who favours statutory control of the size of bars, and the three other members of this commission who are opposed to such statutory control. Therefore the views which are now to be expressed regarding large bars are those of the majority. The views of the member who dissents on this topic will be set out in her separate statement which will appear at the end of this report.

818. The majority view is that it is neither practicable nor desirable to attempt to regulate by statute the size of bar space permissible in all hotels and taverns. A statutory limitation as to size would impose an inflexible restriction which could not be varied to meet a particular case or special circumstances. One cannot possibly foresee every contingency which is likely to arise so that a maximum bar area prescribed by statute would exclude from consideration many imponderable factors which are bound to arise from time to time. Also if the maximum size of the bar is laid down by statute any variation, even for the best of reasons, would require an amendment of the Act.

819. Our view is influenced, too, by the consideration that, according to the evidence of town planners, there should be a variety and range of licensed facilities sufficient to meet the varying demands of the public. It must be conceded that in a large hotel or tavern located in a populous area a correspondingly large bar space is needed to accommodate the patrons, particularly where entertainment is provided. To limit unduly the size of such a bar would be unrealistic and no doubt contrary to the wishes of most of those who patronise it. A control of this sort would be both unacceptable and unwarranted.

820. A discernible public reaction against large bars should exert a significant influence upon restricting the size of new bar areas or reducing the size of existing bars. No commercial enterprise can afford to ignore the known wishes or demands of its customers who can show their disapproval by withdrawing their patronage. Those who prefer large and lively bars where entertainment is normally provided will patronise such places. Those who prefer drinking in the more intimate atmosphere of smaller bars, without noisy entertainment, will patronise the licensed premises which cater for their tastes. That the liquor industry is aware of this is demonstrated by the variety and differing sizes to be found in the hotels and taverns recently erected or modernised. In our view it is better to allow the natural development of this trend, supervised and encouraged by the Licensing Control Commission, than to impose by statute an arbitrary and rigid restriction on the size of

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bar areas in all licensed premises. It is for the members of the public to make their wishes known concerning the type and size of the liquor facilities which they desire. If they approve they bestow their patronage, if they disapprove they can go elsewhere. These possibilities should be abundantly clear to an enlightened liquor industry. It should soon "get the message" as to what is appreciated and what is not wanted. It is in its own best interests to do so, and to act accordingly.

Part XXIV NEIGHBOURHOOD TAVERN AND COMMUNITY CAFE LICENCE

1. NEIGHBOURHOOD TAVERN

821. It is abundantly clear from the evidence that the concept of the neighbourhood tavern receives general approbation and widespread support. Various reasons for this support have been advanced by different advocates of the proposal. Some see such a tavern as the focal point of community life in the area, others favour it because it would be within walking distance of the homes of the patrons so that no large car park would be needed, and yet others prefer the smaller and more intimate bars to the huge, impersonal "booze barns" which have aroused so much adverse criticism. A further real advantage is that the smaller, compact bar area is far easier to supervise and control. We are left in no doubt that the neighbourhood tavern would be acceptable to many people.

822. It is the policy of the Licensing Control Commission to promote the provision of neighbourhood taverns when authorising new tavern licences and approving plans of proposed buildings. Unfortunately, however, the realisation of the neighbourhood tavern is difficult to achieve for a number of reasons, among which are the following:

(a) The difficulty in obtaining a suitable site, particularly in an established settled area.

(b) The need to comply with the requirements of the local authority's district town planning scheme. Ideally the site should be close to a residential area to enable the nearby residents to derive full advantage from it. This can lead to zoning difficulties under the town planning scheme.

(c) The high capital cost of acquiring the land and erecting the tavern coupled with the restricted area of the building and consequent reduction in space for the accommodation of customers could make the venture economically unsound. No one can reasonably be expected to establish and operate an enterprise which is not economically viable. Therefore a critical decision is necessary in determining what floor area within the building is needed for the desired purpose.

(d) The exercise by residents in the locality of their rights of objection to the proposal. A successful objection could frustrate the whole scheme. At best the hearing of all objections and appeals can cause unpredictable delay. It does happen that the electors of a dry area carry by the required majority a poll for restoration but subsequently, when an area poll is held to determine whether a licence is to be authorised within a particular area, the residents in that area will vote against the licence. Human nature being what it is, many persons will favour the establishment of a liquor outlet reasonably handy to where they live but not so close as to become a possible nuisance to them.

823. Thus the road leading to the completion of a neighbourhood tavern can be long, uncertain, and strewn with difficulties. Nevertheless, this concept is favoured by many people, is supported by the Licensing Control Commission, and clearly has much to commend it, if for no other reason than as an acceptable alternative to the much criticised "booze barn" where trouble is frequent and effective control almost impossible to achieve. Therefore we support the concept of the neighbourhood tavern and **recommend** that the Licensing Control Commission's policy favouring the establishment of this type of liquor outlet should be encouraged.

824. We realise, however, that in order to bring about a real improvement in drinking patterns it will be necessary to have a sufficient number of neighbourhood taverns strategically placed throughout suburban residential areas so that the concentration of large numbers of drinkers in a big hotel or tavern can be broken down and dispersed between a number of smaller taverns where better control by the licensee and his staff, reinforced by the social influences which can operate there, may hopefully eliminate or at least reduce some of the existing problems. All this will take time. It is for this reason that we suggest the idea of the community cafe in the hope that people will become aware of the advantages to be derived from socialising with friends and neighbours in a small place within walking distance of home where liquor can be consumed with food and in moderation without the ever present risk of being involved in a fight or brawl.

825. It is thought that the community cafe, which will not be dependent entirely on profits derived from the sale of liquor and will be smaller than even a neighbourhood tavern, will be more easily established at a lower cost and arouse less opposition from nearby residents. It seems reasonable, therefore, to expect that this type of outlet can be developed more readily and quickly than the neighbourhood tavern. If this expectation should be realised they should

be available for use by the public well before a sufficient number of neighbourhood taverns can become operational. While we cannot make any recommendation concerning the community cafe, because this idea was not the subject of any evidence or argument during our public sittings, we do suggest that it would be worth consideration and study.

2. COMMUNITY CAFE LICENCE

826. Having listened carefully to what the people have been saying, and taking into account the views of the experts in fields of liquor licensing, education, health, alcoholism, etc., we are suggesting for fuller study and more detailed consideration a new concept which we have called the "community cafe licence" in an attempt to integrate the needs of the people, as they have been expounded to us and according to the views of the experts.

827. Possibly the most consistent theme running through the evidence before this commission has been the desire for the establishment of what has been popularly called the "neighbourhood tavern". We endorse the concept of neighbourliness, but have decided for the purpose of this concept to reject the word "tavern" as it has emotive connotations for numbers of people and because taverns are, in a sense, synonomous with the old drinking patterns and certainly the New Zealand drinking scene to which we are seeking an improvement. We decided that "community cafe" most accurately describes the concept which emerges from all that we have heard.

828. We envisage community cafes being situated largely in suburban areas—perhaps, but not necessarily, within a local shopping mall.

829. The community cafe would be an establishment more like a coffee house which sold liquor than like a tavern that sold food. In order that liquor be kept in an ancillary position, we envisage that the sales of liquor would be controlled in the following ways:

(1) That it be mandatory for the licensee to provide say twice as much space for the serving of food and non-alcoholic refreshments as he provides for the serving of liquor.
(2) That the maximum dimensions of the bar counter and liquor servery area be restricted as directed by the Licensing Control Commission.
(3) That the customer usage space be restricted to the maximum allowed by the Licensing Control Commission. A maximum of 500 square feet is suggested. This would mean a cafe's maximum number of customers would be restricted to between 50–60 people.

(4) That the sale of beer be confined to pint bottles and cans. All beer to be opened at the bar when purchased. Wines and spirits to be sold in the customary glass.
(5) No sales of any type of alcoholic liquor by the jug would be permitted.
(6) Only sit-down drinking to be permitted.
(7) That there be no "off-sales".

830. We are well aware that liquor is an easily marketable commodity but this enterprise could only be a modest one because of its controlled nature.

831. Non-alcoholic beverages as well as food would have to be sold so that it would, for example, be as easy to purchase a milk shake in the community cafe as it would be to purchase a beer.

832. In fact, because we propose that the community cafe be open to all members of the community—children and young people as well as adults—the licensee will have to provide a range of refreshments which will appeal to everyone.

833. Many witnesses, including all the members of the medical profession who appeared before us, spoke of the desirability of food being consumed along with alcohol. Because of the modest nature of the community cafe a licensee would have to make a profitable venture from the sale of food in order to make this an economically viable business. We contemplate that licensees of community cafes must provide for sale a variety of foods of at least the "snack" type and a range of non-alcoholic drinks including soft drinks, tea, and coffee.

834. As can be seen, we are envisaging the community cafe as a refreshment place catering for all tastes. It is more akin to a modest eating house than to more traditional licensed premises. We would not recommend restricting the types of food the community cafe might care to sell. If an enterprising licensee wished to develop a portion of his business making and selling for example, pizza pies or birthday cakes or pastries, or specialties for parties then we think he should be permitted to do so. It seems to us that this could lead to a great diversification of establishments where liquor is sold but where the primary accent is placed on food.

835. We see this very much as an enterprise which would appeal to a man and his wife. We think it important that preference should be given to an applicant who intends to conduct the business personally on his own account. Also there should be suitable safeguards against the aggregation of community cafe licences in order to avoid the concentration of control of these businesses in the hands

of one individual or a few persons. A protective provision similar to that relating to a pharmacy under section 2 (2) of the Pharmacy Act 1970 could possibly be applied to a community cafe.

836. This would also help to ensure that the licensee had, as it were, a stake in the community he was serving.

837. It would be important that the old evil of the "tied house" situation be discouraged from rearing its head in some new form.

838. We cannot emphasise too strongly that because the sale of liquor in this country (as in some others) has become very big business indeed there is no reason why it need remain that way. This country is not short of people of sufficient enterprise to run the country's coffee houses or local dairies and the community cafes we are envisaging are of a similar scale and modesty of operation.

839. This concept of the cafe licence with a controlled throughput of liquor and a system of licensing that is somewhat different from the past will also provide some control as to the monetary value that can be placed on liquor licences. In our view this would be desirable.

840. We also consider that the holder of a cafe licence should pay the 3 percent accommodation tax on gross purchases of liquor for sale in the cafe.

841. The hours for the sale of liquor in the community cafe would be the same as those for hotels and taverns. This is not to say that the community cafe may not open outside of these hours, but that liquor may be sold only within the stipulated hours. To limit the opening or closing of these establishments to licensing hours would deprive the licensee of the opportunity of carrying on with his normal business of selling food while licensed premises are required by law to be closed.

842. Outside of licensed hours the bar should be securely closed off from the remainder of the premises and the normal health and fire requirements for similar premises should be met.

843. Entertainment should not be permitted in the community cafe.

Considerations Which Have Influenced the Proposal of the Community Cafe

844. The Licensing Control Commission in their decision No. 1121 say at No. 6:

> "We propose to say a word or two about the bar space likely to be authorised or accepted in premises. The ideal is, as the Commission has held for some years past, to provide for what are commonly called neighbourhood taverns in suitable residential areas. We would sooner

see a greater number of smaller taverns of this kind than a few very large ones. The Commission is well aware from its past experience that this ideal is extremely difficult of realisation. Nevertheless, that is the ideal to be aimed at. It is inevitable when seeking to set up such a pattern of licences that all the new premises will not go into operation at the same time. Their completion may well be spread over a period of years. In the meantime, when one is opened, it is likely to be inundated with residents of areas which it was not really intended to serve but who are driven there in the meantime because provision has yet to be made in their own areas. In the short run this can easily lead to anguished requests for permission to add to bar areas and increase the size of such taverns in order to cope with overcrowding which, it is hoped, would be relieved once other taverns came into existence in neighbouring localities. We explain this because we do not want over-sized premises trying to exploit a temporary shortage of premises in other parts of the city.

"We would wish to see ultimately a number of small taverns in residential areas serving persons within a fairly restricted radius. As has often been said before, the ideal may well be premises so situated that residents can walk to their 'local'. Unfortunately we have to realise the difficulty of persuading many New Zealanders to walk more than a very short distance so long as they have access to a motor vehicle. The use of such vehicles in turn requires provision for a considerable number of off-street parking spaces which requires additional land and capital. The existence of extensive parking areas in turn encourages the use of motor vehicles, even by people who can reasonably walk. The extent to which parking space is required is not a matter over which we have control. It is controlled by the authorities concerned with town planning and they generally fix their requirements in proportion to the customer bar service of the establishment. This is another reason why we are not looking for unduly large premises in most areas."

845. In their decision No. 1128 the Licensing Control Commission also says:

"The 'Rovers Return' type of outlet, however desirable is unlikely to be practicable in New Zealand. To meet the needs of the Auckland West area, and avoid hopeless overcrowding of premises, would call for very many such outlets. The elimination of any car parking facilities at all would not be accepted and could not be expected. The problems of finding suitable sites and building premises, meeting the most elementary town planning requirements, and then running such premises on a reasonably economic basis would, we believe, be formidable."

846. We would like to discuss the pertinent points made here by the Licensing Control Commission in the light of our concept of the community cafe licence.

847. The community cafe would be, in one sense, a minor tier of the licensing system. It is a new type of social establishment and begins to remove from our social structure the concept of liquor as something "special". In the community cafe it would be as easy to

purchase a loaf of bread as it would be to buy a beer. For this reason we think that cafe licences should be subject to the same rights of objection as exist for licenced restaurants.

848. We agree with the Licensing Control Commission that the establishment of the "Rovers Return" type of outlet would not be practicable in New Zealand. We believe that this conclusion must be accepted, for to think otherwise would be quite unrealistic in the conditions prevailing in New Zealand.

849. We believe that by controlling the throughput of liquor and emphasising the sale of food in the community cafe, liquor can be made available in the neighbourhood situation where people want it whilst allowing the licensee to make a good portion of his income from the sale of varieties of food. From limited inquiries we have been able to make it appears that the traditional liquor outlets with bars which highlight food with liquor ancillary to this have found the enterprise a profitable one.

850. We can see no reason why some existing coffee houses or tearooms or similar food or catering establishments which meet the criteria laid down and satisfy the requirements of the Licensing Control Commission as to standards could not apply for a community cafe licence. We think that this would be highly desirable. For one of the major purposes of this exercise could be defeated if there was undue delay in establishing sufficient numbers of community cafes in as many areas as possible. If there were too few of them they would, in the words of the Licensing Control Commission, when speaking of small neighbourhood taverns:

> " . . . be inundated with residents of areas which (they) were not intended to serve, but who are driven there in the meantime because provision has yet to be made in their own areas."

851. We believe that if this was allowed to happen we would risk seeing the continuation of the old drinking patterns from which we want to break. It would certainly add nothing positive to the creation of new ones.

852. The strong feelings being presently engendered by acts of violence and other forms of unlawful behaviour in association with liquor points to the need for some type of radical reform now of liquor licensing before we again get to the point of polarising the whole community on this issue and clouding it anew with more emotion. Whilst we admit that this new licence we are proposing will undoubtedly create some controversy we have been motivated not only by the existing situation but by the need to take a longer term view. Indeed several expert witnesses spoke of it needing a generation to effect real change. It is our belief that if we cannot

achieve this change now with 3 million people we will be less likely to do so in the future when the population is even greater and the old system of licensing and the old attitudes to liquor are probably even more firmly entrenched than they are at present.

853. The question raised by the Licensing Control Commission with regard to drinking facilities and car parking can be largely overcome in this concept of the cafe licence because, at most, these establishments would hold only 50–60 people. Further on in this section of the report we deal more fully with the question of the cafe licence and drinking and driving.

854. We have heard many submissions and received many letters from groups and individuals expressing concern that any further liberalisation of the liquor laws will lead to even more harmful effects upon the community. We acknowledge the depth and sincerity of this concern and have given the matter very careful consideration.

855. Many of the experts in the field of alcohol-related problems have told us that the answers to these problems do not lie in legislative sanctions but in *changing* people's *attitudes*. If a person wants to drink immoderately, legal sanctions alone will not stop this. It seems to us that the more positive way of giving expression to the concern felt in the community regarding the abuse of alcohol is to develop those social institutions where liquor can be placed in its correct ancillary position as our society's accepted social lubricant, and where social controls as well as legislative controls will operate.

856. Therefore the basic question appears to be: What type of social institution in liquor licensing is best going to serve the needs of an egalitarian society and assist the development of the social control of alcohol?

Education and the Community Cafe

857. In discussing the need for education in the temperate use of alcohol, we were keenly aware of the distinction which needed to be made between the dissemination of information and education. Education is the development of the individual as a whole person which means that it is a participatory, experiential, on-going exercise. Therefore, whilst we agree that the community needs a great deal more information about the effects of alcohol, nothing we have either heard or read in studies done here or eslewhere has convinced us that this in itself is more than a portion of the answer.

858. A responsible society will provide all relevant information to its citizens to help them make a free choice as to how they will use alcohol in their lives. But regardless of this, this freedom of

choice must be severely restricted in a society such as ours when attitudes towards alcohol and overconsumption are ambivalent to say the least.

859. So we come back again to those social institutions and structures which will reinforce sociable and reasonable attitudes towards alcohol.

Social Control and the Community Cafe

860. Social control operates best among people who know and respect one another. As we envisage it, community cafes would be established in suburban areas and would therefore cater for a largely residential clientele, i.e., people who live in the neighbourhood. Because these cafes will be small and neighbourly, and therefore more human, we would be developing (among other things) a communal educational resource for the correct use of alcohol.

861. It might well be argued that size and neighbourliness alone are no certain criteria for deducing a desirable degree of social control. In some neighbourhoods this may in fact be the case, but as we have pointed out elsewhere, in our society drunkenness, whilst not being approved, is accepted, largely we believe because the individual feels powerless to do anything else about it.

862. By allowing the establishment of liquor outlets that are small and directly related to the immediate community, we believe we would be providing the best possible structure at this time through which the people can most effectively exercise their choice in terms of social control. With the size of present licensed public facilities the individual has little or no choice as to the social controls that operate except to "vote with his feet". This can only give rise to a greater exclusiveness as to drinking places and this is not in the best interests of an egalitarian society, a point that the Liquor Industry Council strongly made to us in their submissions.

Drinking, Driving, and the Community Cafe

863. The Ministry of Transport in their submissions told us " . . . there is absolutely no doubt that alcohol is the most significant known human factor in traffic accidents". They went on to say that alcohol is a factor in at least 50 percent of all fatal road accidents.

864. The question of alcohol-related road accidents was brought to this commission's attention by perhaps a majority of witnesses. There is no need for us to further elaborate the concern felt by the community at large regarding this question because it is already widely known.

865. The Ministry of Transport went on to say that "The objective of any traffic safety approach to the alcohol problem is to minimise the time spent on the public roads by alcohol-impaired road users".

866. It appears to be generally true that a person who had over imbibed would be more likely to have an accident if he had to travel 1 mile home along a major traffic artery than if he had to travel 1 mile home along ordinary suburban roads. This point was reaffirmed for commission members when visiting a somewhat remote area of the country: we were told by a senior police officer that although the area was renowned for its drinking, road accidents involving alcohol were not a major problem because of the quiet nature of the roads.

867. There is a significant connection between overconsumption of alcohol, the density of traffic flow, and road accidents.

868. The present tendency to centralise drinking facilities and thereby require people to drive to get a drink cannot but aggravate the situation, and indeed at peak trading hours in large taverns and hotels to create major traffic flows of their own.

869. Our concept of the community cafe is that it would serve a community of a maximum of 500 people.

870. It would be situated in a suburban area, strictly limited in size, and away from major traffic flows. This would cut down the distances people have to travel to licensed premises and it would provide greater numbers of people with the choice of driving or walking. At the moment, for many people, this choice is largely non-existent.

Minors to be Allowed Access to Community Cafes but Not to Purchase or Consume Liquor There

871. We consider that the community cafe should be open to all the community with those under legal drinking age allowed neither to purchase nor to consume liquor. We think that at the present time it would be going far enough to allow minors and other children access to the community cafe. However, as what we are advocating is only the beginning of a new type of social establishment we think the Alcoholic Liquor Advisory Council could observe trends here and, when appropriate, recommend the changes in the law they think desirable.

872. We have heard sufficient evidence in this commission to be well aware of parental concern about the apparent ease with which under-age children can purchase liquor. We do not see this as being

a major problem within the community cafe because these establishments will be quite small and easily supervised by a responsible licensee and there will be no off-sales. On the other hand, we do not think the community cafe will de-glamourise liquor overnight.

873. By allowing the whole family access to the community cafe we think this would provide parents with the opportunity to teach positive values and attitudes regarding alcohol *which will be reinforced by the community* through the social controls which are allowed to operate in the community cafes.

874. In his submission No. 136, Dr Fraser MacDonald said:

"I think we need to somehow encourage more normal learning habits in the young. I think the young are given very defective teaching as far as alcohol consumption is concerned, summed up in the two conflicting attitudes which parents usually have about liquor which I think are very confusing to young children. On the one hand they say that it is very bad to get drunk and you must not be a drunkard and all the rest of it and then on the other hand while not saying anything to the children about it, very often the only time that they see their parents laughing and joking and appearing to have a wonderful time is when they are almost totally intoxicated at a party once a month or when they stagger home from the hotel in a most unpleasant state as far as childish eyes are concerned so on the one hand they are being told don't drink but on the other hand they are being told the only way to get pleasure from this dreadful world is to go out and get intoxicated.

"So bearing this in mind I would very much like to see some change in the liquor facilities so that a mother and her children are able to accompany her husband if they wish to hotels. Now, this would mean there would need to be some marked changes, I would hope, in the facilities provided at hotels, such as the compulsory provision of coffee, tea, soft drinks, snacks, and very pleasant surroundings aimed at family recreation in which one of the factors was that alcohol was also available at this place where the family had recreation. Now, I know that this seems perhaps to be swinging the pendulum back, but I don't think it has ever been tried in any sort of controlled fashion in decent facilities where a mother and her children can go with their father to have a pleasant family outing. I think this would also help to discourage excessive male drunkenness which of course, is one major factor in road accidents—this is entirely a male disease and I think it is because of this male drunkenness, heavy male drunkenness and this almost encouragement to male drunkenness with the structure of hotels as they are at present and the active exclusion of women. I think it is ridiculous that a mother with young children doing her shopping cannot go into a hotel and have a drink and have a light snack if she wishes.

"I think she should be able to do this. I think also the presence of children has a most powerful influence in restricting the drug use of alcohol, or the overdose of alcohol. Even if it is not the parents of the children themselves I think that strong social sanctions would be directed against heavily intoxicated drinkers by many parents in the room if their children were there and they did not want them to see it and I think this heavy social sanction is most important."

875. It may well be that in opening the community cafe to everyone it will provide opportunities for free social concourse in which the whole family may join and in so doing also provide a more balanced atmosphere which will help restrict the drug use of alcohol and help eliminate this "special" character that alcohol has in our society.

876. We think it would defeat part of the purpose of this proposal if minors were allowed entry to the community cafe only when accompanied by a parent or guardian. We think it must be recognised that very large numbers of 15, 16, and 17-year-olds are enjoying a social life of their own independent of their parents. Some witnesses have asserted that in the present circumstances, a minimum age of entry to public licensed premises is largely unenforceable and that very many young people are breaking the law.

877. We do not think that the community cafe will be a panacea for the problems of young people. What it will provide is a free social establishment where the young can experience themselves as part of the larger community.

878. If we restrict minors right of entry to the community cafe we are again putting an unhealthy stress upon alcohol and minimising the beneficial effects of socialising. It would also be to overlook the valid point made by the Auckland University Students' Association which we quoted earlier, that there has been a collapse in social amenities over recent years.

879. The N.S.A.D. in their submission said:

> "Young New Zealanders are prepared for participation in most adult roles. For example teenagers are not allowed to drive without ample instruction and testing of that instruction from adults. Yet there is generally no preparation of young men and women for their imminent exposure to a drinking culture where they will be confronted with many decisions about whether or not to drink and how to drink.
>
> "The present combination of laws, rules, and practices—the practices often in violation of existing laws—seems deliberately designed to prevent any sensible preparation of young people for responsible participation in an adult society where most drink."

880. It seems eminently reasonable that if we wish to educate young people in the correct social use of alcohol then those social facilities will have to be provided in order to make this possible.

Children

881. We can see no reason why, in the community cafe, two adults could not sit at one table drinking beer while a couple of children eat ice cream at the next table without coming to any harm.

882. We can see a great deal of merit in the sort of social establishment which could, for example, allow a couple to take their young children with them while they enjoyed a drink or two in the community cafe. The facts of life in our society are that what is most likely to happen in present circumstances, is that the wife will be at home with the children whilst the husband has his drinks possibly after work. One witness told us that many wives have no relief from the tedium of suburbia and that often the marital relationship cannot cope when a husband returns home after being absent and drinking.

883. Whilst we would acknowledge that there are certainly some dangers of abuse here we believe that when we balance out the situations that now exist of a largely masculine oriented drinking pattern and strained marital relationships because of a husband being absent and drinking, in the long run more good than harm can come from providing controlled situations where parents can go out for a drink accompanied by their children.

884. Once again we emphasise the importance of providing a choice for people. At present the opportunities for parents to take their children on to licensed premises whilst they have a drink do not really exist outside the licensed restaurant situation. There would be far more occasions in the lives of the average husband and wife when they might like to go and have a drink together than there would be occasions when they would take their family out to dine in a licensed restaurant.

885. It is our opinion that anything which helps eliminate the divisive effects of alcohol within the community must in the long run be in the public interest. Not least of all because it would cut down the emotionalism associated with this commodity. The N.S.A.D. in their submissions on this point said:

> "There is clear evidence from much well based overseas research that cultural attitudes towards alcohol which are based in emotionalism provide a remarkably prolific nutrient bed for the nurturing of alcoholic problems."

Elderly and Disabled

886. We would also suggest that when examining the proposed premises for a community cafe the Licensing Control Commission keep in mind the needs of elderly or disabled residents, who for various reasons can find their social life very confining. The whole community should be able to share in the social life of the community cafe if they so wish.

The Police and the Community Cafe

887. In their submissions (No. 194) the Police Department said that they preferred small bars. We are well aware that if this new licence should be introduced the Police Department will incur extra duties.

888. As we have quoted elsewhere in the report, the police are already finding some licensing situations more than they can cope with and in other areas they are at full stretch.

889. We had the Police Department very much in mind when considering the community cafe licence. For all the reasons which we have outlined in this particular section of the report we believe that this licence can help ameliorate the present situation for we have attempted to put together the desirable ingredients for social drinking and a greater degree of social control.

Conclusion

890. The suggested community cafe licence was not a specific issue on which evidence was adduced and argument was developed by any of the major parties at any stage during the public sittings of this commission. It was after the conclusion of the hearings and while we were deliberating concerning the preparation of our report that this new concept emerged as an important consideration which might help to bring about some change in the existing patterns of drinking, and in people's attitudes towards the consumption of liquor. Although direct evidence to support the introduction of the community cafe licence may be lacking, it has been developed in this report as a concept which we consider is worth proper investigation and further study.

891. We appreciate that, because it was not presented or argued as a serious issue at the hearings, those who oppose it may still wish to have an opportunity of presenting their objections. Also we agree that further reliable information is needed in order to establish whether or not the proposal is economically feasible. It would be futile to introduce a licence which would not attract suitable applicants because the venture would be unlikely to prove profitable. Finally, because it is a novel proposal which has not been previously tried in New Zealand, as far as we are aware, ordinary prudence demands that it be studied in depth before it is implemented.

892. If, as we have recommended, the Alcoholic Liquor Advisory Council should be established it seems to us that it would be the appropriate authority to undertake the full study of the proposed community cafe licence and, in the light of information thus obtained, to decide whether such a licence should be introduced. It seems to us that this concept has much to commend it and certainly warrants further serious consideration.

Part XXV DRINKING AND DRIVING

893. We were told before we started this public inquiry that we need not undertake an "in depth" study of the problem of drinking and driving because this topic was constantly under review by the Parliamentary Select Committee on Road Safety which is able to obtain assistance from the Road Safety Research Council. Also the law relating to this subject is contained in the Transport Act and not in the Sale of Liquor Act. Therefore this subject arises only incidentally in our investigation. However, the frequency with which it was mentioned at our hearings is an indication of the widespread concern and disquiet which exists in this regard. It was only to be expected that, because of prevailing anxiety, many witnesses would refer to the road toll of deaths and injuries and to the extent to which the consumption of liquor was a contributing factor. This proved to be the case. The Police and Ministry of Transport also made references to the drinking and driving problem in their evidence, but because it was only one of the many topics which they had to cover it was not practicable to develop it as a major theme. It will suffice to say that the problem is well known but the answers to it are not easy to find.

894. The recently established Road Safety Research Council is investigating the cause and prevention of accidents, but not exclusively those that involve alcohol. The Ministry of Transport, medical experts, psychologists, and other specialists are engaged in studies and research in an attempt to provide some of the answers. The New Zealand Liquor Industry Council states in paragraph 4.4.8 on page 12 in section 4 of its submissions:

> "On behalf of the industry, the New Zealand Liquor Industry Council has tried to help. It has provided road safety films, sponsored advertising, helped with children's road safety quizzes and helped the development of the New Zealand Defensive Driving Council. This programme of driver education is endorsed by the Ministry of Transport, community organisations, youth groups, schools, and various sections of industry, including insurance companies."

895. We are inclined to agree with the New Zealand Liquor Industry Council's view that "there is a need . . . for better co-ordination and co-operation among all the agencies involved. Such elements as urban planning, zoning, roading, the location of community amenities, enforcement, road traffic law, driver behaviour, as well as alcohol usage, all need separate and collective study if an effective policy is to be adopted."

896. Despite the best efforts of all these agencies there still remains the problem of community attitudes. This was noted by the Parliamentary Road Safety Committee in its recent report in which it stated:

> "It seems that people who support charities, abhor social violence, uphold the law and try to live as good citizens are prepared to accept totally anti-social behaviour on the road without criticism or social stigma."

897. We realise that the drinking and driving problem is a part only of the broader issue of road safety which is engaging the attention of persons better informed and more competent than we are to deal with the many facets involved. A wide ranging inquiry covering such an extensive field as ours, is not able to deal effectively with the problem of drinking and driving which requires study in depth by persons specially qualified for the task.

898. Therefore we refrain from drawing any conclusions or making any recommendation on this topic.

Part XXVI ANOMALIES AND SUGGESTED AMENDMENTS TO THE PRESENT LAW

1. CHRISTCHURCH TOWN HALL

899. The Christchurch Town Hall Board of Management pointed to an apparent anomaly in that the Christchurch Town Hall, with its two theatres, is not able to serve from its licensed premises the patrons of the auditorium as its licence covers only the patrons of the James Hay Theatre. Apparently, legislation is necessary to enable one licensed facility to serve two separate theatres enclosed in the same building. If this is correct, then such an amendment is desirable to cover the particular situation which exists at the Christchurch Town Hall. As the liquor facility which serves the James Hay Theatre is situated midway between the entrance to that theatre and the entrance to the auditorium it is in full view of the patrons who use each of these entrances. When patrons from the James Hay Theatre can be served with liquor while those from the much larger auditorium cannot lawfully be sold liquor a most embarrassing and illogical situation arises. It is to correct this that the amendment is **recommended.**

900. If the ancillary licence which we have suggested is introduced it may meet the requirements of the Christchurch Town Hall Board of Management. However, in case it should be found that the proposed ancillary licence will not be available to the board, then the suggested amendment should be enacted. The New Zealand Liquor Industry Council has acknowledged that such an amendment is desirable.

2. LIQUOR FACILITY FOR THE UNIVERSITY UNION ON THE CAMPUS OF A UNIVERSITY

901. A well prepared submission was presented on behalf of the students and the academic and administrative staff of the Victoria University of Wellington seeking an amendment of the law to allow liquor to be sold on campus on similar lines to those provided by legislation in New South Wales. The submission referred to the State's Liquor (Amendment) Act 1973 which provides for the sale of liquor in universities and colleges of advanced education.

902. The arguments advanced in support of this submission are summarised on page 11 of the typed submission as follows:

"A licence to sell liquor in the University Union would enable us to provide a facility which could be used at some time by every one of the 7,000 members of the University Community. We believe that such a facility would not become any more overcrowded than similar facilities in the city. The University considers that it would be far better for students, men and women, to be able to drink in a controlled, civilised atmosphere. This would reduce their excursions into the city to less favourable environments, reduce the time away from their studies, assist in forming their social graces and their adjustment to liquor in the social situation. This proposal has the added advantage of staff participation and better contact between them and their students. A bar on campus, controlled by the University Council, through the University Union Management Committee, would also be subject to the internal control of the students themselves. The facilities that we propose to use are of a standard equal to the best of the public and private bars in the city. They are facilities that are available now and for which no large profits are sought. We should expect that any changes in the law would require us to accept certain standards of facilities and controls. We believe we should achieve these standards.

"There are an increasing number of University Unions overseas providing licenced facilities on campus. *The Bulletin* of the Association of College Unions International of June 1973 gives the results of a 1973 Survey of 429 University Unions in the United States. These surveys show that fewer than 30% of Unions providing licensed facilities reported any problems of discipline or abuse and those that did arise were minor. Some respondents said that there were actually fewer problems than previously."

903. We were favourably impressed by this submission which we consider should be supported. We are hopeful that universities will be regarded as eligible for the proposed ancillary licence because we view this as a typical case where such a licence should be granted. If our hopes should prove to be justified then no further amendment would be needed to authorise the grant of a licence of the kind envisaged by this submission. If, however, it should be determined that an ancillary licence should not be granted to a university or college of advanced education then we would **recommend** that provisions similar to those contained in the New South Wales Liquor (Amendment) Act 1973 authorising the sale of liquor at universities or colleges of advanced education be enacted to apply to similar institutions in New Zealand, with, of course, the usual obligations imposed by the Sale of Liquor Act 1962 on the holders of hotelkeepers' licences and tavernkeepers' licences.

3. ANNUAL INSPECTION AND REPORT ON LICENSED PREMISES

904. Under this heading the following two matters arise for consideration:

(a) *Who should inspect and report to the Licensing Control Commission or the licensing committee as to whether licensed premises comply with health and sanitary requirements?*

905. The Department of Health in its submission No. 35 submitted that licensed premises, particularly hotels and taverns, "are subjected to over inspection". It is suggested, therefore, that the annual inspection by the local authority "is no longer necessary or needed", and that "the Sale of Liquor Act be suitably amended where appropriate to omit reference to 'any inspector within the meaning of section 2 of the Health Act 1956' ".

906. This submission has aroused criticism and opposition by the Institute of New Zealand Health Inspectors Incorporated, the sole association of health inspectors employed in New Zealand by local government (approximately 80 percent) and central government (approximately 20 percent). According to its national secretary who gave evidence, its membership is just over 350 and this represents approximately three-quarters of the inspectors currently employed in New Zealand. The secretary stated that since the passage of the Health Act 1920, the same year in which the institute was incorporated, its members have been responsible for the inspection of licensed premises and for reporting thereon either to the licensing committee for the area concerned or to the Licensing Control Commission. He referred to a Directive No. 16, issued by the Licensing Control Commission in 1955, in which, he claimed, the commission "recognised that the health inspector with his knowledge of building science, general sanitation, and food science was best fitted to carry out inspections of licensed premises and report thereon to the licensing authority, be it the licensing committee or the Licensing Control Commission. In carrying out his function the health inspector only extends the duties he has in respect of other premises providing accommodation for the public which do not hold licences to sell alcoholic liquor."

907. After considering these submissions we conclude that the existing system of inspecting and reporting on licensed premises by health inspectors employed by the local authority should be retained for the following reasons:

(i) No criticism of the quality of the work, knowledge, or skill of these health inspectors has been advanced. The existing system seems to have operated satisfactorily.

(ii) The licensing committee must have evidence with respect to the sanitary condition of the licensed premises when considering a renewal of the licences.

(iii) Because of his local experience and intimate knowledge of the licensed premises in his area the local authority's health inspector is well equipped to carry out this function.

(iv) Adequate periodic inspections to ensure that the licensed premises are maintained to an acceptable standard are in the public interest and these inspections can be more readily made by the man on the spot.

908. There need be no duplication of effort if reasonable co-operation exists between the Department of Health and the local authorities. This should not be difficult to achieve between responsible officers of public bodies.

909. It should be mentioned here that two submissions, the first by certain local bodies in the No. 21 Licensing District and the second by the New Zealand Liquor Industry Council, mentioned that at present there is in practice an unsatisfactory duplication of responsiblities between the Health Department and the local bodies where the actions of one cut across those of the other. These are administrative details which should be capable of adjustment by consultation between those concerned, without any need to amend the law.

910. We **recommend** that consultation should take place between representatives of the Department of Health and of the Institute of New Zealand Health Inspectors Incorporated in order to examine and, where unsatisfactory or unnecessary duplication of responsibilities does exist, to rationalise the existing practice.

911. The Department of Health suggested that these inspections could with advantage be made quarterly instead of annually. We think that half-yearly inspections would be a reasonable compromise. If an inspection revealed any matters requiring urgent attention between annual meetings of the licensing committee these could be reported to the chairman of the committee.

(b) *Alteration of date by which reports by police and others should be filed with the licensing committee before its annual meeting*

912. Section 125 of the Sale of Liquor Act 1962 provides that the police, medical officer of health, or health inspector, and a member of the fire service shall each file their respective reports with the clerk of the licensing committee on or before 31 May in each year in readiness for its annual meeting. The New Zealand Liquor Industry Council submitted that these reports should be in the hands of the district licensing committee and of the holder of the keeper's licence by 31 March in each year. This would give to the holder of the

keeper's licence a reasonable opportunity of ascertaining what requisitions have been made in respect of the licensed premises and of carrying out any work necessary to comply with those requisitions.

This would help to avoid delay in the renewal of the licence and should prove more satisfactory to the licensing committee.

913. Therefore we **recommend** that section 125 of the Sale of Liquor Act 1962 be amended to provide that reports by the police, health, and fire authorities on the conduct and condition of the licensed premises be in the hands of the district licensing committee and of the holder of the keeper's licence on or before 31 March in each year.

(c) *Police suggestion as to altering method of annual reporting on licensed premises in order to save time and expense*

914. We have received from the New Zealand Police National Headquarters a letter setting out particulars of a proposal by Police designed to reduce the work entailed in making annual reports in respect of renewal of licences. A copy of this letter appears below.

"*Sale of Liquor Act Police Reports and Renewal of Licences*

1. A suggestion has been received recently with respect to the reports submitted by the Police before the annual renewal of licences and charters under the Act takes place. Attached are copies of reports used by the Police.

2. There are approximately 1500 licences and charters in New Zealand and the Police are required to submit reports by virtue of Section 125 (1) and Section 208 (a) and (b), Sale of Liquor Act.

3. Section 125 (1) provides as follows:
"It shall be the duty of the Police to report to the Clerk of the Licensing Committee, on or before the 31st day of May in every year, on the conduct of the licensee under any such licence, and on the manner in which he has discharged his responsibilities under this Act."

4. Section 208 (a) and (b) provides as follows:
"It shall be the function of the Police from time to time—
(a) To report to the Licensing Committee, or as the case may require, to the Commission on any application for the grant, renewal, transfer, or removal of any licence:
(b) To report to the Licensing Committee or, as the case may require, to the Commission, on the conduct of any licensee and the manner in which he carries on his business for the purposes of this Act, and on the character and reputation of any applicant or licensee and on his fitness to hold or to continue to hold a licence or to have his licence renewed."

5. A consequence of these provisions is that the Police are required to submit 1,500 reports annually. The majority of these reports are merely

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5. A consequence of these provisions is that the Police are required to submit 1,500 reports annually. The majority of these reports are merely

negative and it has been the experience of the Police that overwhelming evidence is required to effect renewal of a licence under the Act.

6. It is suggested that the wastage of time and paper could be removed if the Police forwarded a schedule of the licences due for renewal to the appropriate authority (i.e. the Licensing Control Commission or the Licensing Committee). The schedule could be accompanied by advice to the effect that the Commission or Committee intends to renew the licences referred to in the schedule unless the Police have any objection. For example, the wording could be along the following lines:

> "Unless you wished to report, the Commission/Committee will assume that you have no objection to the renewal of these licences."

7. It is suggested that the following amendments should be made to the Act to give effect to this proposal;

Section 125 (1):

The following words to be added to the subsection:

> "When the circumstances of the Licensing Committee so require or where there is a report specifically requested by the Licensing Committee."

Section 208 (a) and (b):

To be amended by adding the following words to each paragraph:

> "Where there is a specific request from the Licensing Committee or, as the case may require, from the Commission for such a report."

8. This matter has been discussed by Senior Sergeant Brannigan of the Police Headquarters Research Section with the Secretary of the Licensing Control Commission and with the Secretary of the Wellington Licensing Committee. I understand both secretaries have discussed the suggestion with their respective Chairmen. Both Chairmen agreed with the proposal in principle.

9. A teleprinter message to all police districts was forwarded to ascertain the views of chairmen of other Licensing Committees throughout the country. I enclose a schedule summarising the replies received to date. The schedule indicates that the only chairman with reservations is Mr. Pledger S.M. who is acting as chairman in the absence of Mr. Rosen S.M. Mr. Pledger's S.M. opposition contains some reservations and I am enclosing copies of his views on the proposal.

10. As mentioned, this proposal has been made only recently. Therefore, it was not included in this Department's general submissions to the Royal Commission. In the event of it being too late for consideration by the Royal Commission, arrangements can be made for this Department to submit it direct to the Secretary for Justice."

"District	Opinion of Chairman on Proposal
Whangarei..	.. In favour of proposal.
Auckland ..	.. Deputy Chairman in favour. But has reservations (copy of message attached)
Hamilton ..	.. In favour of proposal
Gisborne ..	.. In favour of proposal
New Plymouth	.. In favour of proposal
Wanganui ..	.. In favour of proposal
Palmerston North	.. In favour of proposal
Wellington..	.. In favour of proposal
Nelson ..	.. In favour of proposal
Christchurch	.. In favour of proposal
Dunedin ..	.. In favour of proposal
Invercargill	.. In favour of proposal"

915. Although this proposal was not presented before the conclusion of our public sittings it is so generally supported in principle by those directly concerned with renewal of licences and is obviously designed to save police time and also considerable expense, we **recommend** its adoption.

4. BOUNDARIES OF LICENSED PREMISES

916. The New Zealand Liquor Industry Council drew our attention to certain anomalies in the current legislation. We quote its submission on this matter. (See paragraphs 5.4.2. and 5.4.3. on page 7 in section 5 of its submission No. 175.)

"Section 284 (1) of the Act requires Licensing Committees to define all licensed premises in their respective districts. The practice of the various Committees has differed on whether the 'licensed premises' comprise the buildings alone, or the buildings together with all the land including parking areas. The general practice has been to exclude all but the buildings, although plans submitted show the boundaries of the land on which 'licensed premises' are situated. It is in respect of the buildings alone that the controls required and provided for in the Act are necessary. The Industry accordingly recommends that Section 284 (1) be amended to make it clear that only the buildings and not the land on which they stand are the 'licensed premises'.

"The provisions in the Act give rise to a further problem of definition of what can be 'licensed premises'. The law is uncertain as to whether or not the whole of 'licensed premises' must be situated on land that is within one continuous boundary. Some interpret the Act, and in particular Sections 79 and 284 as prohibiting any separate part of licensed premises from being on land, the boundary of which is not contiguous to the boundary of the land on which the rest of the licensed premises stand. A practical example that arises is where a hotel or tavern has been able to purchase only land that is near to, but not contiguous to, the hotel property. In one example, the two pieces of land were separated by a vehicular entranceway owned by another party. The hotel wished to erect a wholesale department on the nearby land where it was most convenient to customers. If the boundaries of the

land were contiguous to the hotel property boundaries, an application could be made to erect the wholesale department on the land, but if the two pieces of land were separated, it is doubtful whether the Licensing Control Commission would have power to allow such an application. The law, which in any event requires clarification, should be amended to permit one part of the licensed premises to be on land situated very near but not necessarily contiguous to, the remainder. The provision will give flexibility only to the extent that it is necessary by reason of the difficulties faced by the Industry in acquiring land that is contiguous to licensed premises, particularly in downtown areas. The Council recommends that if its proposal is agreed to, the amendment emphasise that the Licensing Control Commission agree to the separation of land only where the two pieces of land are situated very proximate to each other, and where it has not been reasonably practicable to obtain contiguous land."

917. A similar submission dealing with section 284 of the Sale of Liquor Act 1962 was made by Western Park Tavern Limited which operates the Western Park Tavern at Tinakori Road, Wellington. (See submission No. 223.) It stated that:

> "From enquiries that have been made it appears that there have been different principles adopted by Licensing Committees throughout the country when dealing with applications to include further land within the definition of licensed premises. In some cases further land is not permitted to be included unless it has a boundary contiguous to a boundary of the existing licensed premises. In other cases land without a contiguous boundary has been allowed to be included."

This submission also referred to the decision of the Supreme Court in *Hibernian Properties Limited* v. *Licensing Control Commission* (A. 32/72 Timaru Registry). It submitted that the law as stated in this decision is too restrictive.

918. We appreciate the difficulty of obtaining contiguous land for the extension of existing premises in an urban area where additional space is often not available. Therefore the second of the above-mentioned amendments would seem to be justified. Accordingly we **recommend** that the law be amended to permit one part of the licensed premises to be on land situated very near but not necessarily contiguous to the remainder. Such amendment should emphasise that the Licensing Control Commission will authorise the separation of land only where the two pieces of land concerned are situated very proximate to each other, and where it has not been reasonably practicable to obtain contiguous land.

919. We have some doubt about the suggestion that section 284 (1) should be amended to ensure that only the buildings and not the land on which they stand are the "licensed premises". If the land is to be excluded entirely, how will this affect a beer garden where liquor is sold and consumed but which is entirely in the open and is not

part of any building? Surely such a beer garden must be part of the "licensed premises". We can see some reasons for excluding from the "licensed premises" surrounding lawns, gardens or beautified areas, and car parks, particularly the latter because if a car park is included as part of the "licensed premises" any children or teenagers under the legal drinking age remaining in a motor vehicle parked in the car park, or even walking across the car park to or from that vehicle, could be breaking the law by being on licensed premises.

920. Another consideration must be how the suggested amendment will fit in consistently with other provisions of section 284. Subsection (2), for example, reads as follows:

> "The Licensing Committee may from time to time, by certificate, redefine any licensed premises by excluding therefrom *any land* . . . or by including therein *any land* . . ."

Why exclude or include land if it is not part of the "licensed premises?"

921. It seems to us that these matters need to be considered by the legal advisers of the New Zealand Liquor Industry Council and by the Department of Justice before the suggested alteration of the law is proceeded with. Until these doubts have been resolved we should not, and do not, make any recommendation on this suggestion.

5. TEMPORARY LICENCE IN CASE OF FIRE

922. Section 288 of the Sale of Liquor Act 1962 provides that, if any licensed premises become unfit for the carrying on of the business therein by reason of fire, tempest, or other calamity or because of any repairs, alterations, additions, or rebuilding, the chairman of the licensing committee may if he thinks fit authorise the carrying on of the business in some "neighbouring premises" for such period as he thinks fit. The use of the words "neighbouring premises" has caused difficulty. It has been held that "neighbouring premises" means nearby or adjacent premises and so precludes the temporary premises from being erected on the defined licensed premises. There seems to be no good reason why the temporary premises should not be erected on the same piece of land as the old defined licensed premises whenever this is possible. We **recommend** that section 288 be amended by inserting after the words "authorise the carrying on of the business" the words "on the same premises or".

6. INCENTIVE SCHEMES AND BONUS PAYMENTS TO THE MANAGER OF AN HOTEL, TAVERN, OR TOURIST-HOUSE

923. Section 200 of the Sale of Liquor Act prohibits any management contract in respect of an hotel, tavern, or tourist-house providing for remuneration by reference to a commission on liquor

sold or otherwise to the business profits. The section first appeared in the Licensing Amendment Act 1948 and followed a specific recommendation of the 1945 Royal Commission. That Royal Commission believed that such payments encouraged attempts to foster excessive consumption of liquor. The industry would now like to provide for incentive bonus schemes as supplementary remuneration for managers, based on the economics and standard of the accommodation and dining aspects of their businesses—without reference at all to liquor sales. Such schemes however might well be caught by the phrase "profits of the business carried on therein" and thus prohibited by section 200. This type of scheme is not in any way contrary to the public interest and the council recommends that section 200 be amended by deleting the words "or to the profits of the business carried on therein".

924. Conditions have changed considerably since this section was enacted in the Licensing Amendment Act 1948. This applies in particular to the standards of accommodation and dining facilities in hotels. It would be in the public interest to encourage the manager of an hotel, tavern, or tourist-house not only to maintain but also to improve such standards by paying him a bonus, in addition to his normal salary, for his initiative and effort in this direction. However, we think that the industry's aim will be achieved by adding a proviso to section 200 instead of altering the existing wording as suggested in the submission. Accordingly we **recommend** that a proviso to the following effect be added to subsection (1) of section 200:

> Provided that nothing contained in this subsection shall prevent the payment to the manager of an hotel, tavern, or tourist-house of a bonus in addition to his normal remuneration as an incentive to him to develop or improve the accommodation and dining aspects of the business of that hotel or tourist-house or the dining aspect of the business of that tavern but such bonus shall not be determined or affected by reference, directly or indirectly, to the amount of liquor sold in the premises.

7. SHOPS ON TAVERN PREMISES

925. We set out below paragraph 5.4.7 of the New Zealand Liquor Industry Council's submission which speaks for itself:

> "Section 292 of the Act permits the Licensing Control Commission to authorise the inclusion of retail shops in hotel or tourist house premises. Such permission is given at the discretion of the Licensing Control Commission, but no shop may be permitted within a bar or opening into a bar. The Industry asks that taverns be added to the category of premises to which this section applies. Modern tavern designs provide areas for shops which at present can only be included

by defining those areas as being outside the licensed premises, even though they may be in the tavern building. A particular problem is experienced with food take-away shops which seek to provide reasonable quality takeaway food for consumption in the bars of licensed premises. The Council wishes to emphasise that it is not its intention to set up fish and chip shops in taverns. Nor, of course, would the Licensing Control Commission permit it to do so. The Council seeks only the opportunity to provide further amenities and in particular food within a tavern complex, subject always to the discretion of the Licensing Control Commission."

926. We can see no real objection to this proposal which could also prove beneficial to customers. Therefore we **recommend** that section 292 of the Sale of Liquor Act 1962 be amended so that its provisons will apply to taverns.

927. When dealing with this section, we mention that in the light of changed conditions since this section was first enacted, there would seem to be little if any need to continue the restriction imposed by subsection 3 (b) of section 292 provided that any door or entrance from the shop giving access to the bar is secured or locked while the licensed premises are required by law to be closed for the sale of liquor. This condition could be imposed by the Licensing Control Commission when it authorises the use of the particular part of the premises for a shop. We can see no real objection to bar patrons having access from the bar to the shop or vice versa while the bar is open for the sale of liquor. Therefore, we **recommend** that subsection 3 (b) of section 292 of the Act be repealed.

8. WHOLESALE LICENCES AND BOND SALES

928. In paragraph 5.4.8 on page 9 of section 5 of its submission the New Zealand Liquor Industry Council drew attention to an anomaly under the existing law which, it considers, should be amended. Certain background information is necessary for a proper understanding of the position, and this information is to be found in paragraphs 5.4.8, 5.4.9, and 5.4.10 of the council's submission. They read as follows:

"Section 67 (2) (a) (i) of the Sale of Liquor Act provides that the holder of a Wholesale Licence may sell or deliver liquor from any bonded warehouse 'to any licensee if the liquor is of a kind that the last-mentioned licensee is entitled to sell under his licence'. Under this provision, the company concerned can open a bond in any Licensing District irrespective of where its licensed premises are situated and sell and deliver liquor from that bond. Such a sale and delivery, however, is restricted by the section 'to any licensee'. This restriction was originally introduced by the Licensing Amendment Act 1955 on the recommendation of the Licensing Control Commission so as to prevent the sale from such a bond to the domestic market. The Commission in its 1955 Annual Report said:

'41. There has been a growing tendency on the part of holders of wholesale licences, particularly those who have no trade with hotel licensees or other wholesalers, to make sales and deliveries of liquor from bond to what is called the domestic market.

'42. If the practice of selling and delivering liquor from bonded warehouses continues to the domestic market with the law unaltered, there is a danger that bonded warehouses may be used as selling and distributing points far distant from wholesale premises licensed for the sale of liquor. In other words, the bonded warehouses could be used to function as further wholesale licensed premises. If this were allowed to spread it would interfere with and upset the proper and equitable distribution of wholesale licences throughout New Zealand.

'43. The Commission does not think that it was ever intended that bonded warehouses should be used in the manner set out in paragraphs 41 and 42 above.

'44. The Commission recommended that the present proviso to Section 80 of the Licensing Act, 1908 be amended by the inclusion therein after the words "any bonded warehouse" of the words "to the holder of a licence under this Act entitled to sell that liquor so delivered from bond". Such an amendment as the Commission suggests will enable wholesalers to make use of the proviso in the only manner the Commission thinks it should be made use of.'

"The Licensing Control Commission was of course referring only to the sale and delivery to the domestic market and its recommendation, which later was adopted by Parliament, was aimed at this type of trading. However, the Industry now contends that the Licensing Control Commission's criticism has similar application to the opening of a bond and selling and delivering from that bond to licensees that deal with the public, such as hotels and taverns. A large part of the business of many wholesale wine and spirit merchants lies in dealing with hotels, taverns and other licensed retailers in the general area in which those wholesale premises are located. When obtaining their wholesale licences those licensees paid a fair price representing the capital value of the licence. That value is of course reduced if a bond, which does not pay a fair price, can be opened at will to supply what the scheme of the Act regards as being the wholesaler's market. The Council considers that there is a loophole in the Act which can allow the sale of spirits and imported liquor from an unrestricted number of bond outlets to licensees and chartered clubs. Such a loophole is contrary to the principle that such sales should be by licensed outlets geographically distributed according to public need by an independent body.

"There is of course nothing in the present law to stop wholesale licensees establishing bond outlets in large numbers in the manner discussed above. The only reason that this has not happened is that licensees have not taken advantage of the anomaly. The Council believes that the anomaly is better removed by legislation than permitted to lie dormant by trade practice, and it recommends that sales by wholesale licensees from bond be restricted 'to any holder of a Wholesale Licence' rather than 'to any licensee'."

929. We **recommend** that sales by wholesale licensees from bond be restricted "to any holder of a wholesale licence" instead of "to any licensee" as at present.

9. FAILURE TO TAKE A WHOLESALE LICENCE

930. In this connection we cannot do better than quote paragraph 5.4.11 on page 10 of section 5 of the submission of the New Zealand Liquor Industry Council. It reads:

> "Wholesale Licences are authorised by the Licensing Control Commission following a public hearing to determine whether a new such licence is necessary or desirable in any area. The licence is then granted to the successful applicant by the local Licensing Committee. Under Section 117 (3) provision is made for the grant of the licence to lapse after six months or such further period allowed by the Licensing Committee. The Committee may then call for fresh applications. The use of the word 'may' gives to the Licensing Committee discretion as to whether or not fresh applications should be sought. Thus, despite the fact that the Licensing Control Commission has found that there is a need for a Wholesale Licence after holding a public inquiry, the Licensing Committee can decide not to proceed to call for fresh applications if it so chooses. The Council's view is that, once the grant has lapsed, the Committee should then be obliged to call for fresh applications, except where it considers there are special circumstances. In that situation the Licensing Committee should ask the Licensing Control Commission to cancel the authorisation. Only that Commission, which is the expert body on the needs of an area for licences and which originally authorised the licence in question, should have power to cancel its own authorisation and then only after a public hearing. The Council submits that this amendment to Section 117 (3) will remove an anomaly in the Act."

931. This is a sensible suggestion which, we think, merits attention. We **recommend** accordingly.

10. LIQUOR CHARGE ACCOUNTS

932. The New Zealand Liquor Industry Council sought an amendment to section 194 of the Act to permit charging of liquor to an account in those house bars and lounge bars in licensed premises that are of a standard approved by the Licensing Control Commission, the licensees then being able to recover the debts thereby incurred by normal legal process if this should become necessary. It was suggested that this would prove a convenience to certain customers.

933. We understand that this section was designed to prevent persons from consuming too much liquor or more liquor than they can afford to pay for. Having regard to existing drinking patterns which often manifest a lack of restraint and moderation, and also bearing in mind the increasing heavy consumption per head of liquor in New Zealand, we do not favour the council's suggestion and therefore do not recommend it.

11. ANOMALY AS TO THE DATE ON WHICH TAVERN FEE BECOMES PAYABLE WHEN: (a) A PROVISIONAL HOTEL PREMISES LICENCE IS CONVERTED TO A TAVERN PREMISES LICENCE; and (b) AN HOTEL PREMISES LICENCE IS CONVERTED TO A TAVERN PREMISES LICENCE

934. The clerk of the Auckland Licensing Committee drew our attention to what would appear to be an anomaly under the present law as to the date on which the tavern fee first becomes payable in each of the following cases:

(a) When a provisional hotel premises licence is converted to a tavern premises licence pursuant to section 308 of the Sale of Liquor Act;

(b) When an hotel premises licence is converted to a tavern premises licence under section 101 of the Act.

935. It was stated in a memorandum submitted to us that in the former case the premises are deemed to be tavern premises, and 14 days after the decision of the Licensing Control Commission to allow the conversion the holder of the hotelkeeper's licence in respect of those premises is required to pay tavernkeeper's fees although the tavern premises licence does not issue until all requirements of the commission have been complied with. (See sections 308 and 286B).

936. However, when an application is made to convert an hotel premises licence into a tavern premises licence the premises do not become a tavern until the commission is satisfied that all its requirements have been met. In the interim period, because it is not a tavern, only the fee of $80 per year for renewal of the hotelkeeper's licence is paid although the period can run into years. This is despite the fact that the licensee is relieved of his traditional obligations to provide accommodation and meals. (See section 7 of the Sale of Liquor Amendment Act (No. 2) 1971). It was submitted that the rule which applies to the conversion of a provisional hotel premises licence to a tavern premises licence should also apply to the conversion of an hotel premises licence to a tavern premises licence. This would mean that in the latter case the tavernkeeper's fee would be payable 14 days after the commission decides to authorise the tavern premises licence, as now happens in the former case.

937. Apart from the desirability of remedying this apparent anomaly, there is a great deal of merit in this submission. As the law now stands the holder of the hotelkeeper's licence is relieved from the obligation to provide accommodation and meals in the premises

as soon as the commission notifies the applicant that it intends to grant him a tavern premises licence. At the same time the commission notifies the applicant of its requirements which must be complied with before the tavern premises licence will be issued. It may take a long time to carry out all work necessary to meet these requirements but during that time the holder of the hotelkeeper's licence enjoys the benefit of being permitted to sell liquor for consumption on or off the premises but is relieved from the traditional obligation to provide accommodation and meals. For this privilege the holder of a tavernkeeper's licence is required to pay an annual renewal fee equivalent to 3 percent of purchases of liquor for the tavern during the licence period.

938. It would seem on the face of it that the present law works unfavourably against the tavernkeepers who pay the prescribed tavern fee and also deprives the Hotel Investment Account of the prescribed contribution, based on 3 percent of the purchases of liquor for the premises. When the holder of the hotelkeeper's licence is virtually trading as a tavernkeeper it seems to be illogical and unfair that he should not have to pay the prescribed tavern fee.

939. We realise that the statutory provisions relating to provisional hotel premises licences appear in Part XV of the Sale of Liquor Act 1962 containing "Transitional Provisions" and that only a few such provisional licences still exist. However, it is the difference in treatment between these two types of licences and the underlying principle which concerns us and which, we think, needs to be examined.

940. Therefore we **recommend** that this matter be fully investigated by the Department of Justice in order to determine whether any valid reasons exist for not applying to the conversion of an hotel premises licence to a tavern premises licence the same rule as applies to the conversion of a provisional hotel premises licence to a tavern premises licence. If no such reasons can be found this anomaly should be rectified.

12. LICENSING CONTROL COMMISSION TO BE EMPOWERED TO REVIEW AN HOTEL PREMISES LICENCE AND, IN AN APPROPRIATE CASE, TO DIRECT THAT THE HOTEL PREMISES LICENCE BE CONVERTED TO A TAVERN PREMISES LICENCE

941. The Licensing Control Commission in its report to Parliament for the year ended 31 March 1973 at page 6 said:

> "Under section 101 the holder of a hotel licence may apply to convert that licence into a tavern premises licence and such applications are not uncommon. We draw attention to the fact that the

commission has no power to review a hotel premises licence and direct that it be converted to a tavern premises licence. There are some hotel premises which are nothing more than de facto taverns but the commission is powerless to change this unless an application is made by the holder of the hotel licence. It might be thought desirable for the commission to have power to initiate conversion. Such premises as we now have in mind provide little accommodation, and that of a minimal standard, do not seek or attract guests and in some cases rarely house anybody except so-called permanent boarders, some of whom assist at times in the running of the bars. Such licensees are exempt from the payment of the tavern fee of 3 per cent based on purchases of liquor and consequently do not contribute to the provision of accommodation either by paying the fee or by providing useful accommodation. In a few cases it may be that the existence of some accommodation is capable of use as a cover if persons are found on the premises out of licensed hours, but that is a matter for the police whose views would doubtless be sought if this subject were under consideration."

942. In order to close this loophole for possible abuse we **recommend** that the Licensing Control Commission be empowered to review a hotel premises licence and, in an appropriate case to direct that it be converted to a tavern premises licence.

13. AIRPORT LICENCE MAY BE HELD AND OPERATED BY THE AUTHORITY CONTROLLING THE AIRPORT

943. Another useful suggestion as to airport licences appears at page 6 of the Licensing Control Commission's report above-mentioned where the commission states:

"Licences are operating at Auckland, Wellington and Christchurch international airports. In each case the facility is farmed out by the Airport Authority to concessionaires. This is unavoidable as the law stands because the licence cannot be granted to the authority which controls the airport. We believe that the purpose of an airport licence is to provide for the needs of air travellers, persons meeting travellers or seeing them off, and other persons whose legitimate business takes them to the airport. We suggest that if a responsible airport authority desires to hold and operate a licence for its airport there may be advantages in such an arrangement. For instance, one would expect the airport authority to be vigilant to ensure that the licence was limited to its intended purpose. We merely draw this situation to notice as deserving some further consideration."

944. The authority controlling Christchurch International Airport made a similar submission and stressed the advantages of the airport authority itself holding the licence for the airport premises.

945. We agree that this situation deserves further consideration as suggested by the Licensing Control Commission.

Part XXVII MISCELLANEOUS SUBMISSIONS AND RECOMMENDATIONS

1. SPECIAL PERMITS FOR EXTENDED HOURS AND FOR SOCIAL GATHERINGS

946. Some witnesses have submitted that the provisions of sections 216, 217, and 218 of the Sale of Liquor Act relating to permits for extended hours or for social gatherings on licensed premises should be amended by substituting "sale" for "supply" of liquor on such occasions. They object to the requirement that no charge shall be made to any person for liquor supplied under the permit other than a charge, or charges, payable for admission to the gathering. The main reasons given in support of this submission were first that those who drank a little paid too much while those who drank a lot paid too little, thus encouraging some to drink too much at the expense of the moderate drinkers, and secondly the supplier of the liquor lost control when he was no longer able to charge for each drink supplied. The majority of those who favoured this submission were licensees and not patrons.

947. We believe that these sections of the Act were enacted in their present form in order to discourage the profit motive from operating so as to increase sales and thereby the consumption of liquor at these social gatherings. This seems to be reasonable and desirable in the general interest of all persons attending the gathering. Also it allows those who organise or are responsible for the running of the gathering to control the quantity of liquor which is available for consumption. Another consideration is that many hosts who invite their friends to such a social gathering prefer to provide liquor refreshment and dislike the idea of invited guests having to pay for each drink supplied. Finally, the present system seems to have worked reasonably well and we have not received any really serious complaint about its operation.

948. Therefore we **recommend** that these particular sections of the Act be retained in their present form.

2. SUBMISSION BY AUCKLAND THEATRE TRUST BOARD MERCURY THEATRE—AUCKLAND

(a) *Extended Hours Permits*

949. It was pointed out in this submission that on every occasion when an extended hours permit is sought an application must be prepared and filed in the Magistrate's Court with a fee of $2. As

they all follow the same form this is considered a waste of time and effort. It was submitted that this might be avoided if one application could be made for a number of such occasions throughout the year. The police did not oppose this submission but suggested that one application could relate to say four functions.

950. This seems to us a reasonable suggestion and we **recommend** that provision be made for one application for an extended hours permit to relate to and include, say, four or even six functions each to be held on a separate occasion within a period of not more than 6 months from the date of the application. It should be a condition of granting such an application that the applicant will give written notice to the officer in charge of the local police station of the date on which each of the functions is to be held. Such notice should be delivered not less than 48 hours before the time of the particular function.

951. We make it clear that the appropriate court filing fee should be payable for each of the occasions for which a permit is sought although they are all included in the one application.

(b) *Right of Management to Close Bars*

952. Consistent with the policy of making the bar subservient to the purposes of the theatre, it was submitted that its management should have authority to close the bar for any period or periods within the hours permitted for the sale of liquor. It was stated that in practice no drink is served while any play is proceeding on the stage. The police agreed with this submission.

953. We **recommend** that the manager of the theatre or the licensee named in the theatre licence be authorised to close the bar for the sale of liquor for such period or periods as he may think fit during the hours permitted for the sale of liquor, and that the Licensing Control Commission be empowered when granting the licence to include such authority as a term of the licence.

3. SUBMISSION OF THE NEW ZEALAND POLICE AS TO

(a) *Drinking Liquor in Public Places*

954. In this regard we quote from submission (No. 194) by the New Zealand Police at paragraphs 20.1, 20.2, 20.3, and 20.4 on pages 15 and 16:

> "Persons drinking liquor from bottles and glasses cause problems to the Police and public. In some areas, in particular, many persons continue to drink beer from bottles after emerging from hotels. The bottles become a potential weapon in the event of a fight commencing and on many occasions have been used in this way during disturbances outside hotels and in other places.

"It is suggested the Police Offences Act 1927 should be amended to cope with this problem; 'Every person commits an offence and is liable to a fine not exceeding $100 who, in any public place or any place immediately adjacent to a public place or on the platform or in the public foyer of any railway station—

(i) Drinks or has in his possession any intoxicating liquor contained in any open bottle, container or other vessel; or

(ii) Supplies or offers any intoxicating liquor contained in any open bottle, container or other vessel to any person for consumption therein.'

" 'Public place' would have a similar meaning to that prescribed in section 2 of the Police Offences Act 1927. However, it is considered that the latter part of the definition in section 2 should be excluded so that the provision applies only to the following places:

" 'Every road, street, footpath, footway, court, alley, and thoroughfare of a public nature.'

"This restricted definition would clearly allow persons to drink liquor in parks, beaches and other places of recreation. Therefore, in effect, the offence could be committed only in public thoroughfares, places immediately adjacent (i.e. shop doorways) and the public platforms and foyers of railway stations. The Police have no wish to inhibit persons engaging in legitimate and healthy recreation and it is believed that most people would seldom, if ever, be disposed to drink liquor in the places mentioned in 20.3"

955. The above-mentioned paragraphs contained in the New Zealand Police submission are supported by the submission made on behalf of the Transport Committee of the Auckland Regional Authority in which stress was laid on the difficulties encountered by its omnibus drivers through drunken behaviour of persons, often drinking liquor from open bottles on its buses, particularly at night after the closing time of hotels and taverns. Both drivers and passengers have been subjected to offensive and disorderly behaviour and also assaults by such persons. Another compelling consideration is the rash of disturbances and violence which has been apparent recently in the streets of Auckland City. For these reasons we are persuaded that this submission by the Police is justified in the public interest.

956. Therefore we **recommend** that the Police Offences Act 1927 be amended as suggested in the above-mentioned passage contained in the submission of the New Zealand Police.

(b) *Penalties for Offences Under the Sale of Liquor Act 1962*

957. Again we quote from the submission (No. 194) of the New Zealand Police at paragraphs 21.1, 21.2, and 21.3 on pages 16 and 17:

"It is considered the maximum penalties prescribed for most offences in the Sale of Liquor Act are inadequate and do not provide a sufficient deterrent. For instance, there has been no alteration to

penalties for offences in Part XII of the Act since it was passed in 1962. Furthermore, the maximum penalties for some offences have not altered since before that date and, in one case, have not changed since 1908. In other fields, for example, section 7 of the Summary Proceedings Act 1957, maximum penalties have been substantially increased in recent years.

"It is contended that inflation alone would justify the doubling of penalties for most of the offences contained in Part XII. In particular, it is suggested that penalties for the following offences should be increased:

Section	*Offence*	*Present Maximum Penalty*	*Suggested Maximum Penalty*
243 (1)	Licensee/Manager selling or supplying liquor to intoxicated person	$100 fine	$400 fine
243 (2)	Person supplies liquor to intoxicated person	$20 fine	$100 fine
244	Licensee/Manager allows person to become drunk	$200 fine	$400 fine
245	Licensee/Manager allows drunken person to remain on premises or allows disorderly conduct, etc., on premises	$100 fine	$400 fine
		In 1908 the penalties were £20 (for first conviction) and £50 (for second conviction)	
249	Licensee/Manager sells or allows consumption of liquor outside authorised hours	$100 fine	$400 fine
		The penalty for this offence in 1948 was £10 (for first conviction), and £50 (second conviction)	
250	Persons unlawfully consuming liquor or on licensed premises after hours	$20 fine	$100 fine
		This penalty has not been altered since 1955	
251	Person unlawfully consuming liquor or found on house premises	$20 fine	$100 fine
252	Persons unlawfully on tavern, extended or bar premises	$20 fine	$100 fine
259	Licensee supplying liquor to minor	$20 fine	$200 fine
259 (2)	Other Person supplying minor	$20 fine	$100 fine
259 (8)	Minor in bar	$50	$100
262	Sales by unlicensed persons	1 month imprisonment or $200 fine or both (first conviction) 3 months imprisonment or $400 fine or both (second conviction)	1 month imprisonment or $500 fine (first conviction) 3 months imprisonment or $1,000 fine (second conviction)
265 (1)	Person controlling dance supplying liquor or permitting consumption of liquor	$40 fine	$200 fine
265 (2)	Person drinking liquor or possessing liquor at dance	$20 fine	$100 fine"

958. We find the reasons given in support of these suggested increases in penalties to be quite convincing. Accordingly we **recommend** that the penalties be increased as suggested above, and be periodically reviewed.

959. Another penalty which we consider should be increased is that provided for in section 291 (4) for altering or making any structural extension to licensed premises without first obtaining the consent in writing of the licensing committee or its chariman or of the Licensing Control Commission or its chairman, as the case may be. Unless the required consents are obtained before any substantial alteration to the premises is made their character can be changed without authority. The deterrent effect of a penalty of $100 is, we think, quite inadequate. We **recommend** that this penalty be increased to the maximum sum of $400.

Other Penalties Under the Sale of Liquor Act 1962

960. Seeing that so long a time has elapsed since penalites under the Act were reviewed and having regard to the effects of inflation we consider that the remaining penalites prescribed by the Sale of Liquor Act 1962 should now be increased to bring them into line with the changed conditions.

(c) *Proof That Premises are Licensed*

961. The Police have drawn attention to section 283 of the Sale of Liquor Act 1962 which provides:

> "Any extract from the register certified by the Clerk to be a true copy or extract, shall be evidence of the matters stated therein."

962. It has been held by the Supreme Court that proof of the premises being licensed must be established directly and by production of an extract from the register as provided in section 283. This means, according to the police, that in every prosecution involving licensed premises the informant should obtain an extract from the register. Proof that premises are licensed is a formality and much time will be wasted and inconvenience caused if this certificate has to be obtained and produced in every case. The police suggested that the following amendment should be made to the Act in order to overcome this difficulty:

> "In any prosecution in respect to premises licensed under this Act, the premises in question shall be deemed to be so licensed until the contrary is proved."

963. As this suggested provision is not likely to prejudice the person charged and will save time and expense we **recommend** that the Act be amended accordingly.

4. HOP BEER

964. The Police made the following submission regarding hop beer:

"Authority to manufacture hop beer is contained in section 73 of the Finance Act 1915 which defines the drink as being 'a fermented beverage containing hops or any extract thereof, and containing not more than *three per cent* of proof spirit'.

"The definition of liquor in section 2, Sale of Liquor Act 1962 reads as follows:

'Any spirits, wine, ale, beer, port, stout, cider, or sherry, or any other fermented, distilled, or spirituous liquor, which on analysis is found to contain more than *2 parts percent* of proof spirit.'

"It is suggested that the two definitions should be rationalised. At present the manufacturer of hop beer commits no offence providing the beverage does not exceed three percent proof spirit. Therefore, if his product contained only 2.99 percent proof spirit he would be within the law. On the other hand an unlicensed retail outlet such as a dairy would commit an offence by selling hop beer if its strength exceeded two percent proof spirit (by virtue of the definition of 'liquor' in the Sale of Liquor Act).

"In 1915 the percentage of proof spirit for hop beer and that for liquor were identical. However, the proof spirit content of liquor has since been reduced to 2% proof spirit. It is considered that the definition of hop beer should be similarly reduced to 2% proof spirit."

965. This appears to be a sound submission and therefore we **recommend** that the definition of "hop beer" be amended by omitting the words "three percent of proof spirit" and substituting the words "two percent of proof spirit".

5. TOTALISATORS ON LICENSED PREMISES

966. Paragraphs 29.1, 29.2, 29.3, and 29.4 on page 23 of the Police submission (No. 194) read:

"A number of totalisators are situated in bars at race courses. Similarly, it is understood that at least one totalisator agency is situated on licensed premises.

"Section 258 of the Act (among other things) creates an offence for a licensee or manager who:

'(b) allows any gambling or betting, other than a casual bet, on the premises.'

"Therefore it would seem that technical offences are being committed with respect to these totalisators. Although there is no objection to totalisators being placed in bars on race courses, this department doubts the wisdom of allowing totalisator agencies on licensed premises which are not on race courses.

"It is suggested the law should be amended to either legalise what has taken place or else clearly prohibit totalisators on licensed premises."

967. We agree with the suggestion that the law should be amended either to legalise what has taken place or clearly to prohibit totalisators on licensed premises. We express no view on which course should be followed because we have heard no evidence concerning this matter.

6. OBTAINING PARTICULARS OF MINORS ON LICENSED PREMISES

968. On pages 21 and 22 of their submission the police made reference to the existing law on this subject and to difficulties which police meet when a young person supplies false particulars. An amendment was suggested to help overcome these difficulties. We make no recommendation on this matter because if our recommendations that the minimum drinking age be reduced to 18 years and that evidence of identification and age must be produced if requested are accepted then the whole of section 259 of the Act would probably be reviewed.

7. AVAILABILITY OF FOOD IN HOTEL AND TAVERN BARS

969. Many witnesses, including the police, stressed the desirability of making food available in hotel and tavern bars for the convenience of patrons and to encourage patrons to partake of food as well as consuming liquor. We have mentioned in a number of sections of this report the advantages of taking food with liquor. These advantages were also emphasised by the representatives of the Medical Association of New Zealand who gave evidence before this commission. There can be no doubt that this practice is widely favoured.

970. Many hotels have made some provision for the sale of food in bars and we regard this as a useful facility which should be encouraged. Because the provision of food in bars is so well supported we consider that both the liquor industry and the licensing trusts should seriously consider providing as soon as possible facilities for the sale of food in all hotel and tavern bars at all times while they are open for the sale of liquor. We believe that such a step would prove both convenient and beneficial to the public.

8. SUBMISSION NO. 215 BY THE EXECUTIVE DIRECTOR OF THE NEW ZEALAND POLICE ASSOCIATION

971. This submission was made on behalf of the New Zealand Police Association, the membership of which was stated to be

approximately 3500 members of the police of the rank of senior sergeant or below, and also the New Zealand Police Officers' Guild with a membership of approximately 130 commissioned officers.

972. The main points made by this submission were:

(a) That in the past a major difficulty has been policing the liquor laws;

(b) That it has been the responsibility of the police to undertake this task which has caused considerable extra work for them;

(c) That the extent of this task and the burden of extra duty which it has placed on the police be considered when recommending changes in the existing law;

(d) That the present ratio of 1 policeman to every 800 persons is still hardly enough to cope with the problem of law enforcement;

(e) That any recommended alteration of the law or system regulating the sale of liquor which requires more supervision from the police could adversely affect the efficiency of the force unless coupled with a recommendation for increase in man power for the police.

973. It is futile to have laws unless they are properly policed and enforced. We accept that policing and enforcing the liquor laws is a major task for the police and that, as the population continues to grow and the number of outlets for the sale of liquor increases, there will be a corresponding increase in the work of the police. It has been suggested by some witnesses connected with the sale of liquor that the supervision of licensed premises and control of the liquor laws should be undertaken by inspectors to be appointed by the Department of Justice. We consider that this proposal is impracticable for the following very good reasons:

(a) The number of inspectors needed for the whole operation would be so great that a virtual army of them would have to be recruited, trained, and dispersed throughout the country. The Department of Justice is certainly not equipped to cope with this situation which would place upon it an entirely new and major role.

(b) The nature of the work involved in policing and enforcing the liquor laws calls for the exercise of tact, physical strength, common sense, and experience. The members of the police force are well fitted for this work because of their special training.

(c) The connection between liquor and crime necessitates that the police should control the licensing and liquor laws.

(d) The public has confidence in the police force and would look to it for protection if a disturbance or violence should erupt on licensed premises or in their environs.

(e) The role of the inspector appointed under the Sale of Liquor Act is to assist the Licensing Control Commission by inspecting and reporting on the condition of licensed premises throughout the country. This is a vastly different function from that of a policeman who is called on to enforce the law in public places and often in delicate or even dangerous situations.

(f) The policing and enforcement of our laws should not be fragmented but should be left to the one officially recognised and publicly accepted law enforcement agency, the police force, which itself is responsible under the law for the manner in which it carries out its functions.

974. We are satisfied, therefore, that the policing and enforcement of the licensing and liquor laws must continue to be carried out by the police.

975. The only sensible and responsible course for us to take is to emphasise what members of the police force through their accredited representative have said in the submission made on their behalf and to draw attention to the need for sufficient manpower in the police force to carry out effectively its essential duties in the interest of the community, including the policing of the licensing and liquor laws.

9. UNDUE AGGREGATION OF WHOLESALE LICENCES

976. We had complaints regarding the concentration of wholesale licences in the hands of powerful companies, their subsidiaries or associates. Some evidence was adduced to support this complaint. We think it is undesirable and contrary to the public interest that too many licences should be held by any one licensee or too much control should be concentrated in the hands of a single company or a small group of licensees. A similar problem was experienced when some existing licensees adopted the practice of buying wine reseller's licences, sometimes at high prices. That situation was met by imposing restrictions on the transfer of wine reseller's licences in order to prevent undue aggregation of such licences or of control of the businesses conducted under them. (See section 12 of the Sale of Liquor Amendment Act (No. 2) 1971).

977. We **recommend** that a similar provision be enacted in order to prevent undue aggregation of wholesale licences or of control of the businesses conducted under such licences.

978. In its report to Parliament for the year ended 31 Mar 1973 the Licensing Control Commission said at page 5:

> "*Wholesale Licences*
>
> "In some parts of New Zealand there appears to be a surfeit wholesale licences which may be brought about by certain licenc becoming concentrated in the hands of hotel- and tavern-owning grou This development in turn makes it more difficult for licensees who ho agencies for brands of liquor, but who are not connected with such group, to sell to retail licensees who form part of such a grou Licensees so affected then look anxiously for means of increasing sal in wholesale quantities to the general public. At the same time mo taverns and hotels offer liquor on wholesale terms, and they a entitled to do this. This, of course, restricts the demand so far as whol salers are concerned. A wholesale licence authorises a true wholesa operation, namely sales to other licensees, but also permits sales to t general public in quantities of not less than 2 gallons. That quanti is covered by 1 dozen reputed quarts of beer. It is natural for holde of licences, which have become surplus where they are, to seek to remo them into other parts of the country. It may then appear that whi the licence could be of real use to facilitate service to other license in the new area, there is no requirement for it for the purpose of sellin to the general public. The Commission has no power to authorise new licence or a removal and to limit the operation to sales to oth licensees. Without pretending to offer a definite solution—for the vie of various interests would have to be obtained and considered befo anything was done—we suggest that consideration be given to whethe or not the commission should be empowered to grant a new whol sale licence or a removal, to be limited to sales to other licensees."

979. This seems to be a reasonable suggestion and we **recommend** that it be carried into effect.

10. PERIOD OF LIMITATION FOR COMMENCEMENT O PROCEEDINGS FOR AN OFFENCE UNDER THE SALE O LIQUOR ACT 1962

980. Section 274 (2) provides that:

> "Every information for an offence against the Act shall be laid withi 3 months from the time when the matter of the information arose."

981. Under the provisions of the Summary Proceedings Act 195 which relates generally to offences punishable on summary convic tion, the information must be laid within 6 months of the tim when the matter of the information arose.

982. We think that the period of 3 months specified in section 27 (2) of the Sale of Liquor Act 1962 is too short and should be in creased to 6 months which will accord with the period of limitatio provided for in the Summary Proceedings Act 1957.

983. Therefore we **recommend** that section 274 (2) of the Sale of Liquor Act 1962 be amended by omitting the figure "3" and substituting for it the figure "6" immediately before the word "months" therein.

11. COURT FEES PAYABLE UNDER THE SALE OF LIQUOR ACT 1962

984. It has been suggested to us that fees payable to the Magistrate's Court in respect of applications under the Sale of Liquor Act 1962 are inadequate and, having been fixed so long ago, are no longer commensurate with the amount of work involved.

985. We consider that it would be appropriate now to review this scale of fees so as to make them more realistic in the light of present conditions.

12. TIPPING

986. It was submitted to us that tipping in New Zealand should be discouraged and that the commission should "strongly endorse the Government policy against tipping, so likely to creep in with foreign visitors and foreign waiters". While we realise the difficulty of legislating against tipping and enforcing any prohibition of it, nevertheless we agree that this practice should be discouraged in New Zealand as far as it is practicable to do so. New Zealanders generally do not favour tipping and the continuance of this attitude is to be commended and encouraged. Therefore we think it is desirable that travel agents and others who have direct contact with overseas visitors should advise them that tipping is not necessary and is not encouraged in this country. We understand that information to this effect is already included in tourist literature which is made available to intended visitors and we agree that this practice should continue.

978. In its report to Parliament for the year ended 31 March 1973 the Licensing Control Commission said at page 5:

"*Wholesale Licences*

"In some parts of New Zealand there appears to be a surfeit of wholesale licences which may be brought about by certain licences becoming concentrated in the hands of hotel- and tavern-owning groups. This development in turn makes it more difficult for licensees who hold agencies for brands of liquor, but who are not connected with such a group, to sell to retail licensees who form part of such a group. Licensees so affected then look anxiously for means of increasing sales in wholesale quantities to the general public. At the same time more taverns and hotels offer liquor on wholesale terms, and they are entitled to do this. This, of course, restricts the demand so far as wholesalers are concerned. A wholesale licence authorises a true wholesale operation, namely sales to other licensees, but also permits sales to the general public in quantities of not less than 2 gallons. That quantity is covered by 1 dozen reputed quarts of beer. It is natural for holders of licences, which have become surplus where they are, to seek to remove them into other parts of the country. It may then appear that while the licence could be of real use to facilitate service to other licensees in the new area, there is no requirement for it for the purpose of selling to the general public. The Commission has no power to authorise a new licence or a removal and to limit the operation to sales to other licensees. Without pretending to offer a definite solution—for the views of various interests would have to be obtained and considered before anything was done—we suggest that consideration be given to whether or not the commission should be empowered to grant a new wholesale licence or a removal, to be limited to sales to other licensees."

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Part XXVIII MINORITY OPINION OF MARGARET RITA NOLAN

Size of Individual Bars

987. In several places in the main body of the report we have emphasised the importance of social control and the provision of those social structures which support moderation in the consumption of alcohol.

988. Clearly, as the size of the bar increases the degree of social control weakens. This, in effect, means that as bar sizes increase, the less control the average drinker has over the drinking environment and therefore the more vulnerable he/she becomes to external influences—e.g., to succumb to the pressure to drink more than would be considered desirable given other circumstances.

989. In my opinion, this is a negation of the principle of responsible freedom. And surely this principle needs to be embodied in our drinking structures as well as in all the other structures of a democratic society?

990. I do not agree with my colleagues that this is a matter which can be left to the discretion of the Licensing Control Commission. It seems to me that it has been clearly demonstrated that the present system has not controlled the size of some bars.

991. I do not believe that there is a case here for any discretion. The first principle which must apply is that which serves the responsible freedom, and therefore the dignity, of the individual drinker, i.e., the social controls. Therefore this cannot be open to negotiation or contingency at all.

992. From private discussions I have had with members of the medical profession and the police, with people working in the field of alcohol abuse and others familiar with the liquor industry itself, it is clear that they consider 250 people the optimum number in an entertainment bar if you want a reasonable standard of social control. On Licensing Control Commission standards this means that the maximum size of a bar should be 2500 sq ft. This is a far cry from some of the bars operating in this country. Undoubtedly the question of staffing smaller bars will be raised as a problem, but I believe that the smaller bars are more likely to attract rather than inhibit, further quality staff to the industry. Therefore, I recommend that the maximum area of customer usage space in individual

bars be set by legislation at 2500 sq ft and that licensees operating larger bars be given a period of grace of up to 2 years to make the necessary adjustments to their premises.

993. The point of divergence between my colleagues' views and mine is somewhat broader than, although it includes, the size of bars on public licensed premises.

994. I direct my comments to the fourth point in our terms of reference: the control of the abuse of alcohol.

995. Whilst the financial aspects of the liquor industry are specifically excluded from our terms of reference, there are some questions that have a significant social impact on the temperate use of liquor in New Zealand.

996. One of the major anomalies I see is that hotels and taverns depend solely on the sale of liquor both to recoup the considerable financial investments made in these outlets, and to make a profit for distribution to shareholders or in the case of trusts, to the community. Also there are the obligations to provide meals and accommodation or pay the 3 percent tavern tax as the case may be.

997. As is shown elsewhere in the report, the *per capita* consumption of alcohol is rising. Therefore, I believe that these questions need to be raised:

(a) How are we to effectively bring under control the rising *per capita* consumption of alcohol whilst the major means of its sale and consumption are through hotels and taverns which are essentially part of a *growth* industry already tied to a considerable cost structure whose only means of cost recoupment is through the sale of liquor?

(b) If, because of present costs, a traditional style drinking facility now requires approximately 3500 sq ft of bar space to be an economically viable proposition, what is to happen in the future if costs (as is likely) continue to rise?

(c) Can liquor ever be considered "ancillary" in our society, when its major outlets for sale and consumption, i.e., hotels and taverns are inextricably tied to this very considerable cost structure, i.e., dependent upon alcohol throughput for profitability?

998. There are several points which need to be made here. It is my opinion that liquor is the most easily marketable commodity and that whilst the sale of liquor is the only means of reimbursement for this industry, that ways will always be found to ensure a profitable return. I do not believe that this state of affairs can be reconciled with the public interest and the temperate use of alcohol because the

costs involved (both capital and running costs) will ensure that the pressure is on to sell more liquor and where possible to reduce costs. This can only be to the detriment of the consumer.

999. In one sense, I believe it is true to say that the *per capita* consumption of alcohol is governed by the cost structure of the industry. On the other hand, it also needs to be said that undoubtedly there is a circular causality here of both cause and effect. But I do not see us making any serious dent in the rising consumption rate of alcohol if we concentrate on the attitudes and practices of people and under-emphasise the social or economic structures which largely condition those attitudes.

1000. This is not a situation which can be remedied by such means as the nationalisation of the means of production. That is a quite separate issue which was not the affair of this commission.

1001. This is a matter of a very large growth industry, both trust and trade, having as its sole source of profitable revenue the sale of a mind-changing drug, beverage alcohol. It relates to its sale and supply, not its means of production.

1002. Several witnesses before the commission, alleged that the trusts had done no better in the control of alcohol abuse than had the trade. Given the questions I have raised above it could not have been otherwise; because, regardless of the control—private enterprise or co-operative trust—alcohol is still the only profitable commodity sold, and the cost structures are similar. Indeed, in their submissions the Licensing Trusts Association told us that in order for a trust to get off the ground they had to borrow 105 percent of the capital cost at ruling interest rates. Given these circumstances, how can a trust honour the philosophy behind the trust legislation which was to put control of liquor sales into the hands of the people and meet the people's needs with regard to alcohol, but not create demands? It seems to me that demand and, therefore, control have already been decided by the cost.

Size of Liquor Facilities

1003. From inquiries made by the commission it appears that approximately 3500 sq ft of bar space is now necessary for a traditional drinking facility to be an economically viable proposition. The question that needs to be asked is this: What happens in the future if costs, as is likely, continue to rise? Authorise even larger outlets? Increase quantities of liquor consumed? Raise prices? I think it is fair to comment at this point that a rise in the price of liquor—particularly beer—has always been a sensitive area for many drinkers.

1004. It is my view that for a variety of reasons the first move should be to set by legislation the maximum customer usage space for overall and individual bar areas and remove all restrictions governing the sale of other goods on any or all parts of licensed premises.

1005. This would mean that the hotel- or tavernkeeper need no longer be, if he so wishes, solely dependant upon the sale of liquor for his reasonable profit.

1006. It would mean a more efficient use of resources and would help avoid some of the situations which can arise where a householder has to travel only a few hundred yards to purchase a drink but a mile or more to buy anything else.

1007. This diversification would also go a considerable way towards alleviating the divisive effects the establishment of liquor facilities tend to have in a community. It is my opinion that when people vote "wet" and then refuse to have a liquor outlet in their neighbourhood, they are not voting against liquor, but against a certain type of liquor outlet.

1008. It could mean the establishment of much smaller outlets for liquor once the cost of recoupment was spread over a number of saleable commodities and it would help breakdown the "special" character that liquor has in this country and which we have mentioned several times elsewhere in the report.

1009. It would allow the individual licensee to compete from a broader base than now exists.

1010. It would create more diverse competition for new licences and it would mean a greater diversity of business in an industry which the Liquor Industry Council described to us as being "a prominent victim of the feast—and—famine situation that prevails generally in all trading in New Zealand" dependant upon peak drinking times for profitability. Apart from anything else this is not an efficient use of very considerable resources.

1011. What also needs to be remembered is the historical significance of the prohibition debate which was undoubtedly a major influence in dividing off the sale of liquor from all other commodities.

1012. We have no alternative but to accept the past and modify that inheritance to fit current needs. This is why I would favour a diversification within the licensing system. It would help keep a continuity with the past and would not be the radical departure from our history as would be the case if the sale of liquor was freely released across the community.

1013. I would not be competent to make any specific recommendations on these particular issues. Obviously, they are matters requiring broad consultation and research. Nevertheless, I believe the principle to be valid and also central to the temperate use of alcohol and the control of its abuse. Therefore I have raised the matter in this report.

1014. I do not wish to disagree with the general tenor of my colleagues' recommendation regarding entertainment on licensed premises. However, I believe there is more that needs to be said to give a broader picture.

1015. As we have stated in the main body of the report the commission heard evidence to the effect that there has been a breakdown in social amenities over recent years. A witness for the Department of Internal Affairs also told the commission that: "Most youth agencies which seek to provide entertainment for young people cannot effectively compete with commercially provided entertainment."

1016. The question which I wish to raise at this point is this: Do we want to build a society where hotels and taverns have what almost amounts to a social monopoly on regular, popular entertainment that is within the price-range of the average person?

1017. This is not to say that hotels and taverns have deliberately set out to do this. Rather, I believe, it is the effect of defective social structures caused mainly by a policy of centralisation which has left many thousands of people living in suburban situations often without social amenities of any significance. It has happened in this country, for example, that in new housing areas one of the first social amenities provided has been a tavern, possibly because drinking liquor in a pub either with or without entertainment is probably the only readily available "on-premises" leisure time activity in this country from which considerable profits can legally be made.

1018. With a rising *per capita* consumption of alcohol I believe we have to look to the necessary social balances which will provide a more human environment for people. Because a defective social structure which may provide liquor facilities in an area but no other significant social amenities is not only unduly emphasising alcohol it is actively encouraging the drug use of alcohol.

1019. Dr Fraser MacDonald in his submission said:

> "I am extremely pleased to see a Commission sitting on this whole matter and really it touches on the whole fabric, really, of New Zealand society in that it also makes it extremely difficult and one is unable really to consider it fully in any sort of narrow, legalistic sense

because really one has to think of all the processes of society which lead to satisfaction or dissatisfaction of its citizens and this is an extremely, almost hopelessly broad field but I feel we must come to grips with this if we are going to make any sense of our liquor legislation.

"It is, I think, fairly obvious that society is not really coping in satisfying its citizens really well so that they are all leading happy and healthy and extremely productive lives when we see the tremendous evidence, which, of course, has been quoted many times of the obvious psychological pain which I think is very relevant to this whole question of alcohol.

"Enormous amount of psychological pain is suffered by, I should say, most members of New Zealand society for varying periods of time during their adult lives and very largely the psychological pain is caused by defective social rewards in that they don't feel that they are happy, satisfied full human beings. . . ."

1020. It is my opinion that moderation in the use of alcohol cannot be achieved without a close scrutiny of our social structures so that the communities in which people live are well balanced providing adequate opportunities for personal fulfillment through work, education, leisure. This is not so at present where the social mainstay of a number of New Zealand communities is by and large the pub.

1021. Because of the accent often placed on liquor facilities—which is a commercial enterprise of some magnitude—other worth-while leisure time activities in an area can fail to get off the ground because they cannot compete with the pub or with the already established social pattern. For example, one witness before the commission in Dunedin told us that in their rural area community activities in the local hall didn't really begin until after the local hotel closed at 10 o'clock. It would be extremely difficult to modify that social pattern. But do we wish to reinforce similar social patterns in other areas by failing to provide balanced alternatives? After all the provision of liquor facilities in an area is not necessarily synonomous with a desirable quality of life. So control of the abuse of alcohol is something which has to be tackled right across the fabric of society. It cannot be done solely within this country's liquor legislation.

1022. Also, we have lost the community focal points of the past. Because of centralisation people may live in one area, work in another, and take their leisure in a variety of places. Other generations found a sense of community and identity in smaller towns and neighbourhoods, in the churches, and, in rural areas, in gatherings which have now gone because of the mechanisation of farming and the drift to the cities.

1023. We have no replacements for these communal focal points. And so "the pub" (and for a section of the community, "the club") have gained increasing social significance.

1024. Those most likely to suffer from all these situations will be the young and those others with fewer socio-economic resources.

1025. There needs to be other focal points in a community to which all people have access, as well as those provided by the local drinking establishment.

ACKNOWLEDGMENTS

As we conclude this report we think it fitting to acknowledge with gratitude the valuable assistance which we have received from all those who have participated actively in our extensive inquiry.

We are particularly grateful for the excellent service rendered by our Secretary, Mr T. G. Robinson, who has done so efficiently and well all that we have asked of him. His meticulous attention to detail and quiet efficiency have proved most helpful in preparing for the public hearings, during those hearings in different cities, throughout our deliberations and in the preparation of our report. We record our gratitude and sincere thanks to him for all his help so cheerfully given.

We are most grateful also to Mr Robert Buist who acted as registrar at the public sittings of the commission. His experience and competence contributed greatly to the smooth running of those sittings. His friendly manner did much to put at ease those members of the public who wished to appear before us. To him also we record our grateful thanks.

We have been well served, too, by our clerical staff who have carried out to our complete satisfaction the many tasks assigned to them throughout our inquiry and the preparation of our report. We also acknowledge the outstanding service given by all the stenographers who recorded the massive volume of evidence adduced at the public sittings of the commission. The recording of this evidence as it was given by each witness and subsequently typing it in full was a formidable task which they carried out most efficiently. This was a tremendous help to us in our deliberations and in preparing our report.

We wish to thank all counsel for their assistance at the hearings, particularly those who appeared regularly at each sitting. We have been ably assisted throughout by Mr J. H. C. Larsen and Mr K. G. Stone, counsel appointed to assist the commission. To them we record our grateful thanks.

We acknowledge with gratitude the help which we received from His Worship the Mayor and councillors of the City of Wellington who made available to us the use of the council chamber for our public sittings on several occasions when the need for it arose.

It is appropriate that we should publicly acknowledge the assistance which we received from the news media throughout our public sittings, the proceedings at which were given full and fair coverage. This stimulated interest which aided our inquiry.

Finally, we acknowledge the high quality of content and able presentation of the lengthy and carefully prepared submission made to us by the representatives of the New Zealand Liquor Industry Council. We are indebted to them for much of the information which was essential to our inquiry.

We complete these acknowledgments by recording our thanks to all those who presented submissions in the preparation of which they had obviously gone to considerable trouble. Some of these persons travelled from a distance to present their submissions.

For all this assistance we express our grateful thanks.

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

For ease of reference the following is a summary of the main conclusions and recommendations contained in this report.

	PARA.	PAGE
1. THE NEED FOR CONTROL That the sale and consumption of liquor in New Zealand should remain under legislative control.	18	37
2. THE LICENSING SYSTEM That the present licensing system should be retained, and not be dismantled to make way for an entirely new, untried system.	22	39
3. THE LICENSING CONTROL COMMISSION That the Licensing Control Commission be retained with at least its existing statutory functions and powers.	24	40
4. DISTRICT LICENSING COMMITTEES That the existing method of control, mainly by the Licensing Control Commission assisted by Licensing Committees contained in the Sale of Liquor Act 1962 be retained.	33	41
5. SPECIAL ANCILLARY LICENCE (1) That provision be made for an ancillary licence which shall authorise the licensee to sell and dispose of liquor for consumption on the premises specified in the licence at any gathering held thereon at which not less than 20 persons normally are or will be present for the purpose of partaking of a meal or refreshments provided for patrons or participating in an activity in which those present share a common interest and of the nature described in the next succeeding subparagraph taking place on such premises, in such circumstances that the consumption of liquor is incidental or ancillary to that purpose. (2) "Activity" referred to in (1) above means: a social, educational, musical, artistic, recreational, or cultural gathering; dancing, entertainment, study, and social intercourse.	42	44

(3) The hours during which and the days of the week (including Sunday in appropriate cases) on which liquor may be sold under this licence shall be fixed by the Licensing Control Commission having regard to the reasonable requirements of the licensee, but only while the licensed premises are actually being used for the specified purpose. The total number of hours during which liquor may be sold in any one week shall not exceed 66.

(4) No such licence shall be issued unless the Licensing Control Commission is satisfied that no other type of licence under the Sale of Liquor Act would suit the applicants' reasonable requirements.

(5) No such licence shall be issued or renewed unless:

(a) The applicant or licensee provides reasonable facilities for the purposes specified in the application or the licence, as the case may be; and both the premises and the facilities provided therein are suitable for those purposes;

(b) the premises are used in good faith and genuinely for the specified purpose.

(6) No proprietary club may apply for an ancillary licence, but this provision shall not apply to a proprietary club whose membership is composed mainly of families and which predominantly caters and provides facilities for family groups so that members of a family can together engage in sports, recreation, entertainment, or cultural activities in pleasant surroundings.

(7) This licence may be suspended or cancelled for any breach of condition or abuse by the licensee.

(8) Such a licence shall not authorise the sale of liquor for consumption off those premises.

6. "Traditional Link" Between the Sale of Liquor and the Provision of Meals and Accommodation — 82 — 52

That in the absence of a suitable and acceptable alternative, we recommend the retention of the traditional liquor/accommodation link.

7. Alcoholism — 141 — 66

(1) That alcoholic treatment centres should preferably be located in or near general hospitals rather than be part of mental institutions.

(2) That hospitals with specialist departments for treatment of alcoholics provide outpatient clinics as well as extra mural services for alcoholics and their dependents.

(3) That extensive and frequent surveys should be conducted on alcoholism in New Zealand.

(4) The intensification and expansion of medical and scientific research projects relating to alcohol.

(5) That liberal research grants should be made to selected specialists in the medical and non-medical fields for overseas studies on alcohol and its related problems.

8. DRUNKENNESS 156 69

In our view a far greater degree of responsibility for public sobriety must be taken by the community at large; by the individual drinker, and by those who sell or otherwise dispense alcoholic liquor. Punitive action on the part of the police is not a cure for public insobriety. Whilst the ultimate responsibility for enforcing the laws regarding alcohol must remain in the hands of the police, we do not believe it to be either in the public interest or indeed to be even practicable to expect the police to accept the major burden in this area of enforcement when in fact this is the responsibility of the community as a whole.

9. ALCOHOLIC LIQUOR ADVISORY COUNCIL 186 78

The establishment of a council to be called the Alcoholic Liquor Advisory Council, to carry out the specified functions and to implement the research and education programmes advocated in part VII–4 of of this report.

10. EDUCATION 197 81

That some competent body, e.g., the Departments of Health and Education, in association with the National Society on Alcoholism and Drug Dependence, produce information material on the temperate use of alcohol in attractive display poster form, similar to those being used in France, and make it freely available to all liquor outlets, work places, schools, etc. It could be regularly reproduced through the mass media taking into account that we are a multi-cultural society, and also that some Pacific Island Polynesians lack a grasp of the English language.

11. FINANCING THE ACTIVITIES OF THE ALCOHOLIC LIQUOR ADVISORY COUNCIL 225 88

(1) That the money required to pay for all the activities of the Alcoholic Liquor Advisory Council be obtained by imposing a levy or tax of 3 percent on the gross

amount paid or payable for all liquor (other than liquor sold by the licensee to other licensees) purchased for any chartered club or any sports club which may hereafter obtain a licence to sell liquor, or tavern operated by a District Licensing Trust in its own area during the "licence period" as defined in section 286A of the Sale of Liquor Act 1962.

(2) That early consideration be given to the imposition 89
of a similar levy for the same purposes on the gross purchase price paid by licensed wholesalers for all liquor sold by them direct to the consumer during each licensing period.

(3) That the fee payable for the club's charter or a renewal thereof shall be a sum equal to 3 percent of purchases of liquor for the club during the licensing period. The provisions of section 286A shall apply as if the club were a tavern for the purposes of that section.

(4) That in the case of a tavern operated by a District Trust in its area the 3 percent levy on purchases for the tavern shall be payable as though it were the fee payable for the tavernkeeper's licence or a renewal thereof as provided for in section 286A of the Sale of Liquor Act 1962. The provisions of that section should apply with the necessary modifications.

(5) All moneys received from this 3 percent levy or tax shall be paid into the Licensing Fund Account but they shall not be transferred to the State Advances Corporation of New Zealand to be held in the Hotel Investment Account. These moneys shall be paid out of the Licensing Fund Account as and when the Minister shall direct for the use and benefit of the Alcoholic Liquor Advisory Council.

(6) If our recommendation for the introduction of the ancillary licence previously suggested in this report is adopted, then we consider that the above-mentioned 3 percent levy or tax should be imposed on all liquor purchased for sale under any ancillary licence unless the Licensing Control Commission in its discretion sees fit to exempt the holder of such licence from payment of that levy or tax. If, as recommended in this report, a licence should be authorised to enable a university union to sell liquor on the university campus, then the above-mentioned 3 percent levy or tax should be imposed on purchases of liquor for sale under such a licence.

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(7) If the proposed levies fail to yield sufficient moneys for the purposes of the Alcoholic Liquor Advisory Council then we would recommend the imposition of a sufficient tax on all liquor for sale in New Zealand before it leaves the premises where it is brewed or manufactured in New Zealand, or, if imported, on its arrival in New Zealand.

12. Sales Through Supermarkets, Grocery Shops, Etc. 242 94

That at this time there should be no change in the existing law to allow supermarkets, grocery shops, or other non-specialist retail outlets to sell liquor for consumption off the premises.

13. Should the Drinking Age be Lowered to 18 Years? 256 98

That the law should be amended to reduce from 20 years to 18 years the age at which persons may lawfully purchase and consume liquor in licensed premises.

14. Proof of Age and Identification 260 100

(1) The introduction of an identity card bearing the full name of the person to whom it relates, together with a certified record of his or her date of birth and a photograph of that person for identification purposes. This identity card should be obtainable on application by the person concerned at the office of the appropriate Government department on payment of a small fee to cover the cost of producing the card and of reasonable administrative charges.

(2) Any person appearing to be under the age of 18 years who purchases or attempts to purchase liquor in any hotel, tavern, or other licensed premises may be requested to produce an identity card to prove his or her age and identification. If a motor driver's licence on which appears a photograph of the person to whom it belongs should be introduced this could be accepted in lieu of an identity card. If such a person does not produce an identity card or motor driver's licence as evidence of age and identification he or she should not be served with liquor but should be asked to leave the premises.

15. Poker Machines in Clubs 266 101

That the existing prohibition against the operation of poker machines in New Zealand be continued.

16. PERMITTED HOURS FOR THE SALE OF LIQUOR ON LICENSED PREMISES 293 110

(1) That an extension of trading hours be authorised as follows:

Hotels and Taverns

Following application to and approval by a Licensing Committee (in the case of a District Licensing Trust, by the Magistrate exercising jurisdiction in that district), any authorised extension of trading hours be confined to the following:

(a) On Friday nights (except Good Friday and where Christmas Day falls on a Friday), closing time may be extended to not later than 11 p.m. Fifteen minutes drinking up time to be allowed.

(b) On Saturday nights (except where Christmas Day falls on a Saturday), closing time may be extended to not later than 11.30 p.m. Fifteen minutes drinking up time to be allowed.

(c) New Year's Eve—closing time may be extended until not later than 12 midnight with 30 minutes to be allowed for drinking up time (i.e., patrons must be off the premises by 12.30 a.m.).

Chartered Clubs 295 110

That any chartered club should have the right to apply to the Local Licensing Committee for an extension of hours similar to those available to hotels and taverns.

Bottle Stores on Hotel or Tavern Premises 296 111

That bottle stores in hotels or taverns which may have extended hours should continue to close at 10 p.m.

Public Holidays 297 111

We do not recommend any extension of trading hours on the day preceding a public holiday.

Special Dining Permit for Hotels, Tourist-houses, or Chartered Clubs 301 112

That section 215 of the Sale of Liquor Act 1962 be amended by extending the hour specified from 11.30 p.m. until 1.30 a.m. with an additional 30 minutes until 2 a.m. for consumption of liquor sold or supplied within the prescribed time.

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Extension of Hours for Licensed Restaurants and Cabarets	302	113

That the permitted hour for the sale or supply of liquor in a licensed restaurant or in a licensed cabaret as the case may be, be extended from 11.30 o'clock at night until 1.30 o'clock in the morning with an extra 30 minutes allowed until 2 o'clock in the morning for consuming liquor supplied within the prescribed time.

Alteration of Usual Opening Hour for Cabarets	306	113

That a cabaret licence shall authorise the licensee to sell liquor for consumption on the premises specified in the licence at any time between the hours of 7.30 o'clock in the evening of one day (except Sunday and Good Friday) and 1.30 o'clock in the morning of the following day.

Theatre Licences	308	114

(a) Evening Hours

That the hours for the sale of liquor under a theatre licence be extended to authorise such sales at any time between 6 p.m. and 1 hour after the conclusion of the entertainment or 10 p.m. whichever is the later, but not later than 12 o'clock at night.

(b) Matinee Hours	310	115

That the holder of a theatre licence be permitted to sell liquor for consumption on the licensed premises during the period from 1.30 o'clock to 4.30 o'clock in the afternoon or half an hour after the conclusion of the entertainment whichever is the later, but not later than 5.30 p.m. on any day, except Sunday or Good Friday, on which the theatre is open to the public for the purpose of attending a matinee at which entertainment of the kind specified in section 65A (2) (a) is being held.

(2) Extensions of hours should not be mandatory but an application for an extension should be left to the discretion of the licensees so that those who wish to apply may do so.	290	109
(3) (a) The police to have the right to be heard on the hearing of the application for extended hours.	291	109

(b) The police should have the right to apply at any time for cancellation of the extension if the unruly or objectionable behaviour of patrons, lack of proper control by the licensee, undue noise, nuisance to neighbours or other valid reasons should render this desirable in the public interest.

(c) The Licensing Committee should be expressly empowered at any time to cancel or revoke an order granting extension of hours on any of these grounds.

(4) Any applicant or any holder of a hotelkeeper's or tavernkeeper's licence to whose premises the Licensing Committee's decision on an application for an extension of trading hours relates, or any local authority that appeared at the hearing, if dissatisfied with the committee's decision, may appeal to the Licensing Control Commission. 289 109

17. SUNDAY TRADING

Hotels and Taverns 317 118

(a) That hotels and tavern bars should not be permitted to open for the sale of liquor to the public on Sundays.

(b) That before the law in this regard is changed the people should be given the opportunity to express their views at a poll to decide the question.

Chartered Clubs 319 118

That there should be no change in the existing law to permit chartered clubs to trade on Sundays.

Sports Clubs (Other than Golf and Bowling Clubs) 321 119

While Sunday trading generally is not permitted it would be unreasonable and unfair to allow all sports clubs the right to apply for a permit to sell liquor to members on Sunday.

Golf and Bowling Clubs 329 121

(1) That the Licensing Control Commission be given power to grant to any golf club or bowling club a permit to sell and dispose of liquor to its members and permitted visitors for consumption on the club's premises during such period as the commission may fix between the hours of 11 a.m. and 7 p.m. on Sunday.

(2) This permit should be issued only if the club premises meet the requirements of the commission and if the commission is satisfied that the committee or responsible officers of the club will exercise proper control and supervision over the storage, sale, and consumption of liquor on the club's premises.

(3) The commission may attach to the issue of this permit such conditions as it may think fit.

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(4) "Permitted visitors" means visitors allowed in strict accordance with the club's rules and includes persons who are members of another golf or bowling club, as the case may be, and are visiting the particular club in order to take part in a golf or bowling match which is being played there.

(5) While liquor is being sold under this permit any police officer or constable may enter and inspect the premises.

(6) This permit may be suspended or cancelled at any time for good cause by the commission on its own motion or on the application of the police, the local authority or inspector appointed by the commission.

18. Change in Status of Suburban Trusts 360 132

That the status of Suburban Licensing Trusts should not be changed to District Licensing Trusts.

19. District Licensing Trusts 370 136

That the jurisdiction of the Licensing Control Commission should be extended to enable it to exercise its ordinary powers of supervision and to carry out its normal statutory functions in all District Licensing Trusts' areas with proper safeguards to preserve and protect existing preferential rights of trusts.

20. Revision of Law Relating to Licensing Trusts 374 137

(1) That a fresh approach should be made by repealing the various Acts now relating to Licensing Trusts and replacing them by a single statute which applies to all Licensing Trusts and confers on the Licensing Control Commission supervising and controlling powers over the activities of all Licensing Trusts.

(2) The powers, functions, and rights of each type of trust could be set out in such an Act which also should contain proper safeguards to preserve and protect the existing rights and privileges of the trusts.

21. Provision for Altering the Area of a Licensing Trust 376 138

That provision be made for altering by Order-in-Council the area of a Licensing Trust and for the amalgamation of trust areas, wholly or in part, whenever this may be necessary.

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22. SHOULD LICENSING TRUSTS HAVE POWER TO ESTABLISH FACILITIES OTHER THAN THOSE PRIMARILY DESIGNED FOR THE PROVISION OF HOTEL ACCOMMODATION AND THE SALE OF LIQUOR? 391 142

We do not recommend that Licensing Trusts be given power to establish facilities other than those primarily designed for the provision of hotel accommodation and the sale of liquor.

23. MEETINGS OF LICENSING TRUSTS 397 143

Unless there is some valid objection we see no compelling reasons why trusts should be excluded from the normal requirement that all local bodies should conduct their "business at meetings which are open to the public," subject, of course, to the right to go into committee whenever necessary to deal with matters of a confidential or sensitive nature. If for any reason unknown to us this course should not be feasible, then we think that trusts should at least hold an annual meeting at which the activities of the trust should be open for public discussion. This course was suggested by counsel for the New Zealand Licensing Trusts' Association in his closing address to this commission. It is a sound principle that those who are elected by the community to operate an enterprise on its behalf should shun secrecy and conduct its affairs whenever possible at meetings that are open to members of the public who thus can be fully and fairly informed as to its activities. Unless there is some valid objection to this course we recommend that it be followed by Licensing Trusts.

24. LICENSING POLLS TO DETERMINE THE ISSUES OF NATIONAL CONTINUANCE, STATE PURCHASE AND CONTROL AND NATIONAL PROHIBITION 407 146

(1) We consider that there is a strong case for the abolition of the existing triennial licensing poll because it is no longer serving any really useful purpose which can justify its substantial cost in public expenditure recurring every 3 years.

(2) If it should be thought that, because the electors have had the right to vote at the triennial licensing poll for so many years, they should not lose this right without having an opportunity to express their views on the question at a poll, then we would suggest that the issue of whether the triennial licensing poll is to be continued or abolished should be decided by a referendum. 408 146

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(3) If the issue of national prohibition is to be retained then it would be both fair and reasonable to provide for the payment of proper compensation if prohibition should be carried. 409 146

25. TRUST CONTROL AS AN ALTERNATIVE TO THE ISSUE OF STATE PURCHASE AND CONTROL 423 150

We conclude that trust control on a national basis cannot, at this time and in existing circumstances, be accepted as a feasible alternative to the issue of State purchase and control.

26. LOCAL RESTORATION POLL 429 151

That the restoration poll be retained and that the required majority remain at three-fifths.

27. CLUBS

Interpretation 432 153

That serious consideration be given to the adoption of the interpretation of a club as defined by *Halsbury's Laws of England*, 3rd Edition, Volume 5 at page 252, as follows:

> "A club may be defined as a society of persons associated together for social intercourse, for the promotion of politics, sport, art, science, or literature, or for any purpose except the acquisition of gain. The association must be private and have some element of permanence. The purpose of social intercourse may be combined with any other purpose subject to the exception mentioned. The acquisition of gain does not destroy the nature of the club if it is merely incidental to its proper purpose."

Applications for Club Charters 433 153

That in conjunction with the Licensing Control Commission, the criteria to be used, the conditions to be observed and the economic effects in the area of a proposed chartered club be even more clearly indicated in the legislation.

Activities of Some Chartered Clubs 434 154

That the Licensing Control Commission should re-examine the main activities of some clubs which, on the surface, appear to place the sale of liquor as the principal or central activity of the clubs concerned.

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Membership of Chartered Clubs 437 156

That the maximum number of members for any future club, or any existing club that has less, be 1500 but the Licensing Control Commission should be empowered in its discretion to allow an increase of membership to such figure as it shall think fit having regard to any special circumstances, for example, to enable wives of members to become members.

Sports Clubs 438 156

That golf and bowling clubs be licensed under a sports club charter on a restricted basis, conditions and hours of sale to be determined by the Licensing Control Commission.

N.B. The above recommendation is based on the principle that, particularly, in respect to hours of sale, there should be some flexibility to meet the requirements of individual clubs who may be granted a licence.

(For permits for sale of liquor by golf clubs and bowling clubs on Sundays see recommendation in paragraph 329 on page 121).

Sports Clubs with Charters to Abandon Locker System 439 157

That we agree with the Keeling Committee's report where it recommends that "a club which is granted such a charter should abandon the locker system forthwith".

Other Sports Clubs 440 (c) 157

(1) That provision be made to prevent underage drinking at any sports club gathering or social function unless the minor is accompanied by a parent, guardian, or spouse aged not less than 18 years.

(2) That sports clubs whose premises measure up to required standards and who give suitable guarantees for responsible administration for the sale of liquor, be permitted to apply for a licence for on-sales only, except on Sundays. 440 (g) 158

(3) That the Licensing Control Commission or District Licensing Committees, who would act on guidelines laid down by the former, be authorised to issue such licences under conditions, preferably those listed in the Police submissions on pages 6–8, which are set out in appendix No. IV attached to this report. 440 (g) 158

(4) That cognisance of the economic effects on established liquor outlets be taken before licences for sports clubs are issued. 440 (h) 159

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Proprietary Clubs	441	159
That no licences be authorised for proprietary clubs which are conducted with restricted membership for private gain.		
Family Clubs	442	159
That subject to requirements and standards laid down by the Licensing Control Commission that licences be issued on application to family clubs provided they are not run for private gain, and the sale of liquor is purely ancillary to the main purpose of such clubs.		
Supervision of Clubs	443	159
That all clubs chartered or otherwise should be under the supervision of the police.		
Levy on Clubs	444	160
(1) That a levy of 3 percent on purchases of liquor be paid into a special account to assist in meeting the cost of operation of the proposed Alcoholic Liquor Advisory Council.		
(2) That in order to avoid evasion of the 3 percent levy all liquor required should be ordered in the name of the club concerned.		
Membership of Sports Clubs	445	160
That membership of sports clubs should not exceed 1000 for any club. However, the Licensing Control Commission, having regard to the objects of any club, or its close proximity to an hotel or tavern, should have the power to vary the maximum suggested in this recommendation.		
Guests and Honorary Members	446	160
That guests and honorary members should only be permitted on rare occasions to club premises. They should not be permitted to purchase liquor. The Licensing Control Commission should lay strong emphasis on these restrictions before giving approval to the rules of licensed clubs.		
Grants of Club Charters before the Club Premises are Erected or Completed	450	161
That section 166 (1) of the Sale of Liquor Act 1962 be amended so as to authorise the Licensing Control Commission to grant a charter which will be issued on compliance with plans and proposals approved by it, on the same basis that is already sanctioned in relation to hotel and tavern premises licences in section 92 (1) of the Act.		

Use of Premises to Which a Club Charter, Cabaret, or Ancillary Licence Relates when Bar is Required to be Closed 454 162

That if in premises licensed under a club charter, cabaret licence, or ancillary licence the servery area of the "bar" is effectively closed off by say metal grills or wooden panels, and substantial slides or doors are used to remove any visual reminder of the bar's presence, the rest of those premises may lawfully be used for other purposes during the hours when such licensed premises are required to be closed for the sale and consumption of liquor.

Election of New Members of Chartered Clubs 458 163

That Mr J. McK. Geddes' submission on the election of new members of chartered clubs (received too late for consideration by the Royal Commission), be referred to the Licensing Control Commission for consideration and report.

28. Licensed Restaurants 476 167

(1) That section 217A of the Sale of Liquor Act 1962 be amended so as to allow patrons to be supplied with liquor in a part of the restaurant premises approved for that purpose by the Licensing Control Commission during such time before and after the meal as the commission shall fix.

(2) That subject to the approval of the Licensing Control Commission when the licence is granted but otherwise the local Licensing Committee, it should not be mandatory for licensed restaurants in suburbs or rural areas to remain open during lunch hour periods if local demand for the service is insufficient. We suggest that, in order to allow greater flexibility as to opening hours, the times at which a licensed restaurant should open and close within the permitted usual hours should be fixed by arrangement between the licensee and the Licensing Control Commission or Licensing Committee, as the case may be. 486 168

(3) Paragraph (a) of section 110 of the Sale of Liquor Act 1962 be deleted. This amendment is desired by the Licensing Control Commission because of difficulty in applying this consideration in practice. The requirements of the public could be taken into account under subparagraph (e) of section 110 without making this a specific consideration.

(4) The Licensing Control Commission should be given the power to suspend a restaurant licence if standards deteriorate, or changed circumstances render this course

desirable. The recently enacted section 11 of the Sale of Liquor Amendment Act 1974 would seem to go some way towards effecting this result. However, we think it desirable that the Licensing Control Commission should be able to act promptly on its own motion against any licensee who has committed a breach of his obligations or responsibilities under a restaurant licence by requiring him to show cause why his licence should not be suspended or cancelled because of this breach. Such a power vested in the Licensing Control Commission would prove an effective sanction to be used in the public interest.

29. UNLICENSED RESTAURANTS — 500 — 171

That section 266 of the Sale of Liquor Act 1962 be amended so that it is not an offence to consume one's own liquor as part of a substantial meal in an unlicensed restaurant during the same hours as hotels and taverns are open for the sale of liquor to the public, provided that the unlicensed restaurant concerned has been approved for the purpose by the chairman of the District Licensing Committee after he has received favourable reports from the police and the appropriate local authority's health inspector.

30. WINE RESELLER'S LICENCE — 512 (b) (iv) — 175

(1) That ability or merit should be a specified condition in the Sale of Liquor Act to which attention should be given when Licensing Committees have to determine the suitability of applicants.

(2) That as the Licensing Control Commission has now fully reviewed all areas several times, and normally reviews every 3 years or so, the law be amended to provide that future area reviews be considered at the discretion of the Licensing Control Commission. — 512 (d) — 176

(3) That having regard to the "fine distinctions" between applicants upon which a Licensing Committee has to make a decision in granting a licence, no appeal against the decision of the Licensing Committee should be allowed except on a question of law and in that case the appeal shall be made to the Administration Division of the Supreme Court. — 512 (f) — 176

(4) That the wine reseller's licence be retained in its present form and should not be extended to authorise the sale of all liquors made in New Zealand, including ales and spirits. — 513 (b) (ii) — 177

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(5) That we do not recommend that those holding New Zealand wine resellers' licences be permitted to stock, display, or sell imported wines. 516 177

31. UNDUE AGGREGATION OF WINE RESELLERS' LICENCES 517 (d) 178

It would appear that undue aggregation is no longer an issue, that the fears of independent resellers are not likely to materialise, and, consequently, there is no need for this commission to make any recommendation on this matter.

32. WINE CAFES 532 181

(1) That a wine cafe licence be introduced.

(2) There should be no off-sales permitted.

(3) Minors not to be allowed on wine cafe premises.

(4) No entertainment should be permitted in the wine cafe.

(5) The holder of a wine reseller's licence or a restaurant licence, as well as any other applicant, may apply for a wine cafe licence as an extension of his existing licence.

33. WINE BAR OR GARDEN AT VINEYARD 534 181

(1) The introduction of a permit to be issued by the District Licensing Committee on the application of the holder of a winemaker's licence authorising such licensee to sell by the glass for consumption on the premises specified in the permit, wine manufactured by him pursuant to his licence. The permitted hours shall be those fixed by the committee between 10 a.m. and 7 p.m. on any day, except Sundays, Good Friday, and Christmas Day.

(2) No such application shall be granted unless the committee is satisfied that: 535 182

(a) All wine to be sold under the permit will be served in a suitable wine bar fitted with tables and chairs and situated in garden surroundings so that all patrons may be seated to drink their wine in comfort.

(b) The facilities to be provided will comply with the local authority bylaws and all health requirements.

(c) The local police offer no objection to the issuing of the permit.

(3) This permit may be suspended or revoked by the Licensing Committee for due cause shown. 536 182

(4) It is envisaged that a minor accompanied by a parent, guardian or spouse aged 18 years or more shall be allowed into such wine bar or garden and to consume but not to purchase wine. 537 182

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34. WINE CLUB LICENCE We are not satisfied there is any need or demand for this type of licence.	539	182
35. ENTERTAINMENT ON LICENSED PREMISES That the Sale of Liquor Act be amended so that more flexibility is given to allow more variety of live entertainment in licensed premises.	552	185
36. MUSIC AS ENTERTAINMENT That section 202 of the Sale of Liquor Act 1962 be amended by omitting the word "music" where it appears in that section.	554	185
37. FAMILY LOUNGE That in premises which comply with the requirements of the Licensing Committee and the Licensing Control Commission minors accompanied by a parent, guardian, or spouse aged 18 years or more may be admitted in specified areas of the licensed premises approved for this particular purpose, where a variety of beverages including non-alcoholic drinks are available. In such case the licensee should display in a prominent place a notice that a family lounge area is available on the premises.	574	189
38. CHILDREN OF GUESTS IN HOUSE BARS BEFORE AND AFTER MEALS	576	189
(1) That legal provision be made to allow parents or guardians, who are either lodgers in the hotel or bona fide diners, to take their children with them into a house bar during the period of 1 hour before a dining room or restaurant opens and an hour after it closes.		
(2) This provision allowing parents or guardians, who are either lodgers in the hotel or bona fide diners, to take their children with them into a house or lounge bar during the period of 1 hour before a dining room or restaurant opens and 1 hour after it closes should, also, apply to licensed tourist-houses and chartered clubs where the same situation exists.	577	190
(3) If a special dining permit has been granted for a particular hotel, tourist-house or chartered club, pursuant to the provisions of section 215 of the Sale of Liquor Act 1962, then the period before or after the meal which can lawfully be spent in the specified lounge bar or part of the premises specified in the dining permit must correspond with the terms and conditions of that permit.	578	190

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39. MARAE COMMUNITY LICENCE	607	196
(1) That this licence be made available to maraes who may wish to apply for it, but subject to the Licensing Control Commission being satisfied that the following conditions have been met:		
(a) That facilities for the storage, sale, and consumption of liquor are adequate, having regard to the life style of the people.		
(b) That the normal health and fire requirements are complied with.		
(c) That a favourable report is obtained from the Department of Maori and Island Affairs in consultation with the Police Department.		
(2) That the Maori trustees would be responsible for the operation of the licence and would be responsible to the people for any profits made from the sale of liquor. These profits are to be used for the up-grading or maintenance of present marae facilities, the establishment of new amenities or other social, cultural, educational, or recreational objectives.	613	197
(3) That Maori wardens be empowered to close the bar in the event of a disturbance after consultation with the trustees. That in the event of a serious disturbance the Maori wardens in consultation with the trustees be empowered to call in the police.	614	197
(4) That during hours of sale it will be permissible for entertainment to be carried on. This will include dancing, singing (whether by performers or by those assembled), and eating.	615	198
(5) That persons who are of legal drinking age and are bona fide guests of members of the marae are permitted to purchase and consume liquor.	616	198
(6) That there would be no off-sales rights attached to the marae community licence.	617	198
(7) That the licence is to be renewed annually on application to the District Licensing Committee and upon receipt by that body of a favourable report from the licensing inspector and from the Department of Maori and Island Affairs in consultation with the Police Department.	618	198
(8) That this licence may be suspended and revoked for due cause.	619	198

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40. TOWN PLANNING AS IT AFFECTS THE LOCATION AND OPERATION OF LICENSED PREMISES 632 203

Major Location Factors

(1) That the major location factors for licensed premises submitted by the Town and Country Planning Division of the Ministry of Works and Development be accepted as a reliable guide for determining the suitable location of new licensed premises in a suburban area.

(2) That the commission supports the submission of the Town and Country Planning Division of the Ministry of Works and Development that a distribution of relatively small local licensed premises combined with some more centrally situated larger units would be a desirable emerging pattern for urban areas. 635 204

41. CAR PARKING AT HOTELS AND TAVERNS 645 206

That the police suggestion that a traffic officer or constable be empowered to administer a breath test if he has "good cause to suspect a driver of a motor vehicle has been drinking liquor" be referred to the Parliamentary Select Committee on Road Safety for most favourable consideration.

42. DIFFICULTIES AND DELAYS INVOLVED IN GRANTING OF NEW LICENCES FOR HOTELS, TOURIST-HOUSE AND TAVERN PREMISES, AND NEW WHOLESALE LICENCES

(1) That subsections (5) to (13)—both inclusive—of section 92 of the Sale of Liquor Act 1962 be repealed. 654 210

(2) That both the area poll and the trust poll procedures be incorporated into the section 74 review held by the Licensing Control Commission. 656 211

43. AREA POLL 665 213

That the area poll be retained.

44. POSTAL BALLOTS FOR AREA AND TRUST POLLS 667 213

That consideration be given to amending section 84 of the Sale of Liquor Act 1962 by specifically empowering the Licensing Control Commission to direct that the poll therein mentioned be taken by postal ballot.

45. CONVERSION OF TOURIST-HOUSE PREMISES LICENCE TO HOTEL PREMISES LICENCE 673 215

That subject to the rights of objections and in accordance with the provisions of section 81 of the Sale of Liquor Act 1962, a tourist-house licensee should be entitled to convert

his licence to an hotel premises licence if he satisfies the Licensing Control Commission at a public hearing of which due notice has been given that facilities for the sale of liquor to the public are necessary or desirable in his area and that his premises are, or will be, suitable for this purpose.

46. SALE OF LIQUOR TO PERSONS ATTENDING A CONFERENCE OR SOCIAL FUNCTION HELD IN A SPECIAL CONFERENCE ROOM WHICH IS PART OF A TOURIST-HOUSE 678 216

That we do not recommend any extension of the tourist-house premises licence for this purpose.

47. TOURIST-HOUSES IN RESORT AREAS—SALE OF LIQUOR TO THE PUBLIC 681 218

That provision be made for the Licensing Control Commission to grant a permit to sell liquor to the public during hours to be specified by the commission to the holder of a tourist-housekeeper's licence who satisfies the commission that:

(a) The tourist-house is situated in a resort area which attracts visitors so that facilities for the sale of liquor to the public are necessary or desirable.
(b) No licensed hotel or tavern is located in the neighbourhood so that no other licensee will be adversely affected by the granting of the permit.
(c) The premises are of high standard and have adequate facilities to provide the desired service.

48. DOMESTIC AIR SERVICES 683 218

That the Licensing Control Commission be authorised to issue to an acceptable operator of an internal airline a licence to sell liquor to passengers travelling on specific flights within New Zealand on any day of the week, including Sunday. It should be the condition of such licence that the serving of liquor at any time should be at the discretion of the captain in command of the aircraft.

49. SALE OF LIQUOR ON SUNDAYS AT AIRPORT BARS 686 219

That airport bars should not be permitted to open for the sale of liquor on Sundays.

50. NOISE PROBLEMS IN HOTELS AND TAVERNS 695 221

(1) That legislative provision be made under the Sale of Liquor Act for the maximum noise level of entertainment in bars to be set at 80 decibels.

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(2) That publicans install and control decibel counters in such a position that an entertainer can be aware when he has exceeded the legal limit of 80 decibels of sound.

(3) That, when plans and specifications of proposed premises are being examined—both by the Licensing Control Commission and the local authority—the construction should make proper provision to attenuate the noise that may be created within the building: ample sound insulation should be required. That express provision should be made for such control to be imposed, and that local authority health inspectors should be empowered to ensure that the conditions are complied with. 697 221

51. Minimum Age for Barmaids 700 222

(1) That section 192 of the Sale of Liquor Act 1962 be amended by reducing to 18 years the minimum age for the employment of barmen and barmaids.

(2) That section 193 of the Act, prohibiting the employment of females in any bar after 11 p.m. be repealed.

52. Returns of Room Occupancy from Licensed Accommodation Houses to the Licensing Control Commission

(1) Accommodation houses with restaurant licences to submit occupancy returns to the Licensing Control Commission on the same basis as hotels and motels with a hotel premises licence or a tourist-house licence. 704 223

(2) District Licensing Trusts to submit returns as is the case with Local and Suburban Trusts.

(3) That retiring licensees be required to complete returns to date before a change of ownership is approved.

(4) That information be provided to the Licensing Control Commission on a quarterly instead of an annual basis.

53. Public Attitude Towards Licensed Premises 708 224

We believe that the apparent shift in public attitude from viewing hotels and taverns as purely drinking places to viewing them as centres of social intercourse is to be encouraged.

54. Sale of Spirits in Beer Jugs 723 226

That it be an offence to sell or purchase spirits for consumption on the premises otherwise than by the standard spirits glass.

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55. SUPERVISION BY POLICE OF HOTEL AND TAVERN BARS 740 229

We do not favour the automatic suspension of the keeper's licence or the manager's certificate for four convictions within 1 year in respect of specified offences as suggested by the police.

56. BEHAVIOUR IN HOTEL BARS 763 233

While we have insufficient evidence or reliable knowledge on which to make any positive recommendation that might help to solve the social problem of the inability of some Pacific Islanders to handle liquor properly and to cope with the sudden change from a non-drinking society in their homeland to the sophisticated drinking culture in New Zealand, we must draw attention to the existence of this problem and to the need to find, if possible, a solution to it.

57. POWER TO EXCLUDE PERSONS OR REFUSE TO SUPPLY LIQUOR IN PUBLIC BARS 771 235

That section 188 (1) of the Sale of Liquor Act 1962 be amended by adding after subparagraph (b) thereof the following subparagraph:

"Any person who the licensee or manager has reasonable grounds to believe is likely to cause or to incite any other person to cause injury to any person or damage to any property on the licensed premises."

58. REMOVAL FROM LICENSED PREMISES OF ANY PERSON WHO ENTERS AFTER HAVING BEEN REFUSED ADMISSION OR WHO REFUSES TO LEAVE AFTER HAVING BEEN LAWFULLY ORDERED TO DO SO 776 237

That section 188 (5) of the Sale of Liquor Act 1962 be amended by substituting the following:

"Every person commits an offence against this Act and is liable on summary conviction to imprisonment for a term not exceeding three months or to a fine not exceeding $200 who—

(a) Having been refused admission under subsection (1) of this section, enters on the premises; or

(b) Having been ordered to leave the premises under subsection (3) of this section, fails or refuses to comply with the order; or

(c) Having been refused admission under subsection (1) of this section or having been ordered to leave the premises under subsection (3) of this section, enters on or attempts to enter on the premises within one week without the consent of the licensee or manager

—and any such person may be removed from the licensed premises, by force if necessary."

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59. EMPLOYMENT OF SECURITY GUARDS IN HOTELS AND TAVERNS	780	238
(1) That any person employed as a security guard on licensed premises should fulfil the following requirements: (a) He should have an adequate knowledge and understanding of the English language so that he can communicate properly with customers. (b) If he is to be on duty in an hotel or tavern where a substantial proportion of the patrons are Polynesians he should have knowledge of their ways and preferably be able to speak their language. (c) He should be suitably and adequately trained to enable him properly to perform his duties before he commences work. (d) He should possess common sense and tact as well as brawn. (e) Before he is employed he should be approved by the police as a fit and proper person for the job.		
(2) That if it should prove necessary to have some form of licensing or registration system in order to ensure that these conditions are fulfilled, then such a system should be introduced.	781	239
(3) That it is undesirable that security personnel should wear uniforms which resemble or are similar to those worn by the existing services, such as police, traffic officers, and members of the armed services.	782	239
60. PROPOSAL TO CLOSE HOTEL AND TAVERN BARS FOR ONE HOUR BETWEEN 6 P.M. AND 8 P.M. FOR A BREAK FROM DRINKING	788	240
More study and more information from which reliable inferences may be drawn are required before a positive recommendation could be made with confidence on the suggestion that all hotels should close for 1 hour between 6 p.m. and 8 p.m. When considered calmly and dispassionately, the proposal does not seem quite as attractive as it does at first glance. One must acknowledge the risk that it may create more troubles than it solves. All we can say with assurance is that the suggested change in the long existing practice should be approached with caution. It could perhaps be tried out in a particular area as an experiment from which more reliable conclusions could be drawn.		

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61. LARGE BARS	818	245
While all members of the commission are in agreement on the disadvantages and difficulties of control of large bars, the majority do not favour any attempt to regulate by statute the size of bar space permissible in all hotels and taverns.		
A minority opinion recommends that the maximum area of customer usage space in individual bars be set by legislation at 2500 sq ft and that licensees operating larger bars be given a period of grace of up to 2 years to make the necessary adjustments to their premises.	992	290
62. NEIGHBOURHOOD TAVERN	823	248
We support the concept of the neighbourhood tavern and recommend that the Licensing Control Commission's policy favouring the establishment of this type of outlet be encouraged.		
63. COMMUNITY CAFE LICENCE	824	248
Because it will take some time to have a sufficient number of neighbourhood taverns in suburban residential areas so that the concentration in a big hotel or tavern can be broken down and dispersed between a number of smaller taverns, we suggest for consideration the idea of a community cafe.		
If, as we have recommended, the Alcoholic Liquor Advisory Council should be established, it seems to us that it would be the appropriate authority to undertake the full study of the proposed community cafe licence and, in the light of information thus obtained, to decide whether such a licence should be introduced. It seems to us that this concept has much to commend it and certainly warrants further serious consideration.	892	260
64. ANOMALIES AND SUGGESTED AMENDMENTS TO THE PRESENT LAW	899	263
(1) *Christchurch Town Hall*—That legislation be amended to enable one licensed facility to serve two separate theatres enclosed in the same building to cover the particular situation which exists at the Christchurch Town Hall.		
(2) *University Campuses*—That provisions similar to those contained in the New South Wales Liquor (Amendment) Act 1973 authorising the sale of liquor at universities or	903	264

colleges of advanced education be enacted to apply to similar institutions in New Zealand, with, of course, the usual obligations imposed by the Sale of Liquor Act 1962 on the holders of hotelkeepers' licences and tavernkeepers' licences.

65. ANNUAL INSPECTION AND REPORT ON LICENSED PREMISES 910 266

That consultation should take place between representatives of the Department of Health and of the Institute of New Zealand Health Inspectors Incorporated in order to examine, and, where unsatisfactory or unnecessary duplication of responsibilities does exist, to rationalise the existing practice.

66. ALTERATION OF DATE BY WHICH REPORTS BY POLICE AND OTHERS SHOULD BE FILED WITH THE LICENSING COMMITTEE BEFORE ITS ANNUAL MEETING 913 267

That section 125 of the Sale of Liquor Act 1962 be amended to provide that reports by the police, health, and fire authorities on the conduct and condition of the licensed premises be in the hands of the District Licensing Committee and of the holder of the keeper's licence on or before 31 March in each year.

67. ALTERING METHOD OF ANNUAL REPORTING ON LICENSED PREMISES 915 269

That in order to save police time and considerable expense the police suggestion to reduce the work entailed in making annual reports in respect of renewal of licences be adopted, i.e., that the Sale of Liquor Act 1962 be amended as follows:

"*Section 125* (*1*): The following words to be added to the subsection:

'When the circumstances of the Licensing Committee so require or where there is a report specifically requested by the Licensing Committee.'

"*Section 208* (*a*) *and* (*b*): The following words to be added to each paragraph:

'Where there is a specific request from the Licensing Committee or, as the case may require, from the Commission for such a report.'"

	PARA.	PAGE
68. BOUNDARIES OF LICENSED PREMISES	918	270

That the law be amended to permit one part of the licensed premises to be on land situated very near but not necessarily contiguous to the remainder. Such an amendment should emphasise that the Licensing Control Commission will authorise the separation of land only where the two pieces of land concerned are situated very proximate to each other, and where it has not been reasonably practicable to obtain contiguous land.

69. TEMPORARY LICENCE IN CASE OF FIRE	922	271

That section 288 of the Sale of Liquor Act 1962 be amended by inserting after the words "authorise the carrying on of the business" the words "on the same premises or".

70. INCENTIVE SCHEMES AND BONUS PAYMENTS TO THE MANAGER OF AN HOTEL, TAVERN, OR TOURIST-HOUSE	924	272

That a proviso to the following effect be added to subsection (1) of section 200:

Provided that nothing contained in this subsection shall prevent the payment to the manager of an hotel, tavern, or tourist-house of a bonus in addition to his normal remuneration as an incentive to him to develop or improve the accommodation and dining aspects of the business of that hotel or tourist-house or the dining aspect of the business of that tavern but such bonus shall not be determined or affected by reference, directly or indirectly, to the amount of liquor sold in the premises.

71. SHOPS ON LICENSED PREMISES	926	273

(1) That section 292 of the Sale of Liquor Act 1962 (authorising shops within licensed hotels) be amended so that its provisions will apply also to taverns.

(2) That subsection 3 (b) of section 292 of the Act (which does not permit a shop or store opening into a bar) be repealed. 927 273

72. WHOLESALE LICENCES AND BOND SALES	929	274

That sales by wholesale licensees from bond be restricted "to any holder of a Wholesale Licence" instead of "to any licensee" as at present.

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73. FAILURE TO TAKE A WHOLESALE LICENCE 931 275

Where the grant of a wholesale licence has lapsed pursuant to the provisions of section 117 (3) of the Sale of Liquor Act 1962 the Licensing Committee shall call for fresh applications unless it considers that special circumstances exist which render this course unnecessary or undesirable, in which case the Licensing Committee shall request the Licensing Control Commission to cancel the authorisation. The commission should be authorised to do this after a public hearing.

74. LIQUOR CHARGE ACCOUNTS 933 275

The charging of liquor to an account in house bars or lounge bars is not recommended.

75. ANOMALY AS TO DATE ON WHICH TAVERN FEE BECOMES PAYABLE WHEN: 940 277

(a) A provisional hotel premises licence is converted to a tavern premises licence. (Section 308 of the Sale of Liquor Act 1962).

(b) An hotel premises licence is converted to a tavern premises licence. (Section 101 of the Sale of Liquor Act 1962.)

In view of the apparent anomaly in the present law resulting in a difference in treatment between these two types of licences, it is recommended that this matter be fully investigated by the Department of Justice in order to determine whether any valid reasons exist, for not applying to the conversion of an hotel premises licence to a tavern premises licence the same rule as applies to the conversion of a provisional hotel premises licence to a tavern premises licence. If no such reasons can be found this anomaly should be rectified.

76. TAVERN PREMISES LICENCES 942 278

That the Licensing Control Commission be empowered to review a hotel premises licence and, in an appropriate case, to direct that it be converted to a tavern premises licence.

77. AIRPORT LICENCES 945 278

We agree with the Licensing Control Commission's suggestion in its report to Parliament for the year ended 31 March 1973, and also the Christchurch International

Airport Authority in its submission to us (in respect of Christchurch Airport) that the existing situation whereby licences operating at Auckland, Wellington, and Christchurch International Airports cannot be granted to the authority which controls the airport, deserves further consideration.

78. SPECIAL PERMITS FOR EXTENDED HOURS AND FOR SOCIAL GATHERINGS 948 279

That sections 216, 217, and 218 of the Sale of Liquor Act 1962 relating to permits for extended hours or for social gatherings on licensed premises be retained in their present form.

79. EXTENDED HOURS PERMIT FOR THEATRE LICENCES 950 280

That provision be made for one application for an extended hours permit to relate to and include say, four or even six, functions each to be held on a separate occasion within a period of not more than 6 months from the date of the application, on condition that the applicant gives written notice to the officer in charge of the local police station of the date on which each of the functions is to be held and not less than 48 hours before the time of the particular function.

80. RIGHT OF MANAGEMENT TO CLOSE BARS IN THEATRES 953 280

That the manager of the theatre or the licensee named in the theatre licence be authorised to close the bar for the sale of liquor for such period or periods as he may think fit during the hours permitted for the sale of liquor, and that the Licensing Control Commission be empowered when granting the licence to include such authority as a term of the licence.

81. DRINKING LIQUOR IN PUBLIC PLACES 956 281

That the Police Offences Act 1927 be amended in accordance with the recommendations set out in the Police Department submission (No. 194) at paragraphs 20.1, 20.2, 20.3, and 20.4 on pages 15 and 16 as follows:

(a) Every person commits an offence and is liable to a fine not exceeding $100 who, in any public place or any place immediately adjacent to a public place or on the platform or in the public foyer of any railway station—

(i) Drinks or has in his possession any intoxicating liquor contained in any open bottle, container or other vessel; or

(ii) Supplies or offers any intoxicating liquor contained in any open bottle, container, or other vessel to any person for consumption therein.

(b) That the latter part of the definition of "public place" in section 2 of the Police Offences Act 1927 should be excluded so that the provision applies only to the following places:

"Every road, street, footpath, footway, court, alley, and thoroughfare of a public nature."

82. PENALTIES FOR OFFENCES UNDER THE SALE OF LIQUOR ACT 1962 — 958 — 283

(a) *Penal Provisions*

That the penalties be increased to those set out in paragraph 957 of this report, and be periodically reviewed.

(b) *Alterations to Premises* — 959 — 283

That the penalty provided in section 291 (4) of the Act, for altering or making any structural extension to licensed premises without first obtaining the consent in writing of the Licensing Committee or its chairman or the Licensing Control Commission or its chairman be increased to the maximum sum of $400.

(c) *Other penalties under the Sale of Liquor Act 1962* — 960 — 283

That so long a time has elapsed since penalties under the Act were reviewed and having regard to the effects of inflation we consider that the remaining penalties prescribed by the Sale of Liquor Act 1962 should now be increased to bring them into line with the changed conditions.

83. PROOF THAT PREMISES ARE LICENSED — 963 — 283

That with a view to saving time and expense the Sale of Liquor Act be amended to read:

"In any prosecution in respect of premises licensed under this Act, the premises in question shall be deemed to be so licensed until the contrary is proved."

84. HOP BEER — 965 — 284

That the definition of "hop beer" in section 73 of the Finance Act 1915 be amended by omitting the words "three percent of proof spirit" and substituting the words "two percent of proof spirit".

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85. TOTALISATORS ON LICENSED PREMISES 967 285

We agree with the police suggestion that the law be amended either to legalise what has taken place or clearly to prohibit totalisators on licensed premises.

86. OBTAINING PARTICULARS OF MINORS ON LICENSED PREMISES 968 285

Because section 259 of the Sale of Liquor Act 1962 would probably be reviewed if our recommendations that the minimum age for drinking on licensed premises be reduced to 18 years and that evidence of identification and age must be produced, we make no recommendation on the the existing law as to the difficulties which police meet when a young person supplies false particulars.

87. AVAILABILITY OF FOOD IN HOTEL AND TAVERN BARS 970 285

Because we believe it would prove both convenient and beneficial to the public, we consider that both the liquor industry and the Licensing Trusts should seriously conside providing as soon as possible facilities for the sale of food in all hotel and tavern bars while they are open for the sale of liquor.

88. NEW ZEALAND POLICE 975 287

That we emphasise what members of the Police Force through their accredited representatives have said in the submission made on their behalf by the New Zealand Police Association and we draw attention to the need for sufficient manpower in the Police Force to carry out effectively its essential duties in the interest of the community including the policing of the licensing and liquor laws.

89. UNDUE AGGREGATION OF WHOLESALE LICENCES 977 287

(1) That restrictions be imposed on the transfer of wholesale licences in order to prevent undue aggregation of such licences or of control of the businesses conducted under such licences.

(2) We recommend that, in accordance with the suggestion of the Licensing Control Commission in its report to Parliament for the year ended 31 March 1973, at page 5, " . . . consideration be given to whether or not the Commission should be empowered to grant a new wholesale licence or a removal, to be limited to sale to other licensees."

	PARA.	PAGE
90. PERIOD OF LIMITATION FOR COMMENCEMENT OF PROCEEDINGS FOR AN OFFENCE UNDER THE SALE OF LIQUOR ACT 1962	983	289
That the period of 3 months specified in section 274 (2) of the Sale of Liquor Act 1962 be increased to 6 months to accord with the period of limitation provided for in the Summary Proceedings Act 1957.		
91. COURT FEES PAYABLE UNDER THE SALE OF LIQUOR ACT 1962	985	289
That we consider it would be appropriate now to review this scale of fees so as to make them more realistic in the light of present conditions.		
92. TIPPING	986	289
While we realise the difficulty of legislating against tipping in New Zealand, and enforcing any prohibition of it, nevertheless we agree that this should be discouraged in New Zealand as far as it is practicable to do so.		

Appendix I

Organisations and persons who made public submissions during the hearings by the Royal Commission.

Submission Number	Organisation	Presented by
1.	P. J. Needham	Self
2.	The New Zealand Golf Association (Inc.)	P. K. H. Smyth J. G. Slade
3.	Fitzroy Methodist Church	Rev. H. M. Craig
4.	New Zealand Wholesale Merchants Federation	J. A. McPhee
5.	New Zealand Rugby Football Union (Inc.)	F. K. McInerney C. A. S. Blazey
6.	Calkoen Enterprises Ltd.	Registrar
7.	R. Nettleton	Registrar
8.	Master Magician	R. L. Hawker
9.	V. R. Ward	Self
10.	New Zealand Bowling Association	F. H. Bustin
11.	D. McGill	Self
12.	New Zealand Attractions Ltd.	J. W. Gendall
13.	Young Christian Workers Movement	Rev. V. J. Healion
14.	J. L. Booth and D. V. Dorrington	Selves
15.	New Zealand National Travel Association	A. C. Staniford
16.	Riversdale Beach Resort	Registrar
17.	Mrs Maxine Arnold	Self
18.	Department of Justice	B. J. Cameron
(See also 218)		
19.	Xth British Commonwealth Games	D. B. Rich
20.	Chateau Publishing Ltd.	M. Taylor
21.	James Cook Hotel Ltd.	D. R. Bradshaw
22.	Winton Holdings Ltd.	R. B. Kellahan P. Verry
23.	S. Jones	Registrar
24.	Mrs B. M. Sampson	Self
25.	Salvation Army	Colonel E. R. Elliot
26.	Department of Internal Affairs	A. L. Johnston R. A. Ross
27.	Downstage Theatre Co. Ltd.	R. S. Boyce
28.	National Society on Alcoholism and Drug Dependence	R. Johnston
29.	A. Pickersgill	Self
30.	Air Host Ltd.	W. H. Parker
31.	Victoria University of Wellington	K. O'Brien B. Buick-Constable
32.	R. G. Routledge, J. W. Cook	Registrar
33.	New Zealand Returned Services Association (Inc.)	Sir Hamilton Mitchell
34.	New Zealand Medical Association	Dr E. Geiringer
35.	Department of Health, Division of Public Health	J. O'Driscoll J. S. Fraser
36.	New Zealand Labour Party—Thorndon Branch	G. Woolford
37.	Wellington Central Baptist Church	Registrar
38.	Rev. C. W. Haskell	Self
39.	Mrs L. V. Clauson	Registrar
40.	Mrs G. Fleming	Registrar
41.	R. Chibnall	Registrar
42.	Anderson's Restaurant Ltd.	Registrar

Submission Number	Organisation	Presented by
43.	Dorothy G. Winstone	Self
44.	J. Doube	Self
45.	Gourmet Restaurant Ltd.	Registrar
46.	Professor J. R. McCreary	Self
47.	A. Milne	Registrar
48.	W. H. Davis	Self
49.	A. B. Shakespeare	Registrar
50.	A. C. Ives	Registrar
51.	Women's Temperance Union— Mt. Albert Branch	Mrs B. Taylor
52.	T. A. Fromont	Self
53. (See also 197)	National Council of Women of New Zealand (Inc.)	Mrs M. P. Dell Mrs V. M. Boyd M. L. Salas
54.	National Council of Churches, Lower Hutt Women's Committee	Registrar
55.	Consumers' Co-op. Society (Manawatu) Ltd.	Registrar
56.	C. L. Sim	Self
57.	The "Lucerna" and the "Huntsman" Restaurants	L. J. White R. J. C. Borrell
58.	Presbyterian Church of New Zealand— Owaka Parish	Registrar Self
59.	H. J. Bryant	Self
60.	Mrs I. Cooper	Self
61.	City Hotel	M. S. Elms
62.	Otago Council (Inc.)	J. Manning
63.	Grapevine Wines Ltd.	A. G. Matthews
64.	Invercargill Licensing Trust	O. J. Henderson
65.	Presbytery of Christchurch	Rev. J. S. Strang
66.	Medical Research Council	J. A. Borrows
67.	Southland Area Council, New Zealand Temperance Union	D. W. Bews
68.	Local Authority of No. 21 (Southland) Licensing District	L. E. Laing
69.	Wilson, Neill Ltd.	I. E. S. Orbell
70.	Auckland University Students Association	R. J. Rowe
71.	New Zealand Women's Christian Temperance Union	Mrs C. Polglase Mrs J. Wood
72.	Newman Hotels Ltd.	B. J. Fay
73.	Withdrawn	
74.	Father P. F. Cahill	Self
75.	Christchurch City Council	K. J. Brookman A. I. R. Jamieson
76.	Christchurch Town Hall Board of Management	K. J. Brookman B. P. Connell H. G. Hay
77.	Political Renewal Group	N. A. Griffith
78.	New Zealand Society for the Protection of Home and Family	Dr E. B. Reilly
79.	Research and Experiment Centre for the Diversification of Ministry	Father P. J. Crawford W. Logeman
80.	J. R. Milligan	Self
81.	Shoreline Country Club Cabarets Ltd.	N. H. Wood
82.	Christian Family Movement	Mr and Mrs D. J. Lyons
83.	United Commercial Travellers' and Warehousemen's Association of New Zealand	C. K. Beckett
84.	Mrs Margaret Cleland	Self
85.	Automaton Machinery (Christchurch) Ltd.	W. L. Stevens
86.	O. V. Beaumont	Self
87.	South Canterbury Branch, New Zealand Temperance Alliance	H. J. Stanton
88.	Dr W. R. Lane	Self

Submission Number	Organisation	Presented by
89.	Waimairi County Council	D. B. Rich
90.	Mrs Katrine Brown	Self
91.	F. Chisholm	Self
92.	W. Bond	Self
93.	Canterbury Branch, New Zealand Women's Medical Association	Dr Margaret W. Guthrie
94.	A. J. Stewart	Self
95.	Galleon Restaurant	I. M. Hewitson
96.	Mrs H. M. Tait	Self
97.	Mrs B. Cox	Self
98.	J. A. Olin and Others	Registrar
99.	Fourth Estate (Inc.)	K. F. Stead
100.	Owairaka Baptist Church	Rev. R. A. Lockwood
101.	Seventh Day Adventist Church (North Island) Narcotics Education Service	D. I. Jenkins
102.	Francis G. Turner	Self
103.	Auckland Total Abstainers Society	Registrar
104.	New Zealand Temperance Alliance	N. A. Reynolds
105.	Miss Dorothy H. Barnitt	Self
106.	Assemblies of God	Registrar
107.	Auckland Regional Authority	F. Stevens L. J. Fry
108.	New Zealand Federation of Hotel, Hospital, Restaurant, and Related Trades Industrial Association of Workers	L. N. Short
109.	Division of Behaviour Analysis, New Zealand Psychological Society.	P. N. Priest
110.	Brown's Bay Progressive and Ratepayers' Association	G. B. Bree
111.	Girls' Brigade (Inc.)	Registrar
112.	Institute of New Zealand Health Inspectors	J. A. Campbell
113.	C. A. Burnett	Self
114.	Eden Association Football Club (Inc.)	J. M. Crocker
115.	New Zealand Rugby Football League (Inc.)	R. G. McGregor
116.	Tony's Brittania Restaurant	A. J. Churton A. L. Adam
117.	New Zealand Federation of Sports (Inc.)	J. R. Buckingham
118.	L. J. Stephenson	Registrar
119.	Platterack Coffee Bars Ltd. (Granpa's Club)	T. A. Adderley
120.	New Zealand Entertainment and Ballroom Operators Association (Inc.)	C. D. A. Dunningham
121.	Licensed Restaurant Section of New Zealand Restaurant Association (Inc.)	R. L. Maclaren R. Sell
122.	Auckland Leagues Club (Inc.)	J. R. Buckingham
123.	Auckland Theatre Trust Board	J. McK. Geddes
124.	New Zealand Big Game Fishing Club (Inc.) and Tauranga Big Game Fishing Club	N. G. Hansen
125.	New Zealand National Airways Corporation	L. L. Ford
126.	Waitakere Licensing Trust	J. Smyth
127.	Actors Equity of New Zealand	B. T. Brooks T. J. Hodson
128.	Feminine Forum	Registrar
129.	Morrinsville Club (Inc.)	Registrar
130.	Yugoslav Benevolent Society (Inc.)	M. L. Musin I. Perban
131.	Auckland Council of Civil Liberties (Inc.)	K. A. Palmer
132.	New Zealand Wine Resellers Association (Inc.)	R. I. Peace
133.	Independent Wines Ltd.	C. W. Pearson
134.	I. P. McGovern	Self

Submission Number	Organisation	Presented by
135.	Auckland Branch, New Zealand Restaurant Association (Inc.)—Catering Section	R. G. Ashby
136.	Dr F. MacDonald	Self
137.	D. J. Caruso	Self
138.	Food Town Supermarkets Ltd.	A. G. Bell
139.	Alcohol and Drug Dependence Centre	Miss J. V. Fowler
140.	Auckland Planning Group	S. Havill L. A. O'Donnell R. J. P. Davies
141.	Stillwater Motel	D. Jenkinson
142.	Maori Section, National Council of	Rev. E. Caton
(See also 207)	Churches	Rev. P. B. Taka
143.	Titirangi Branch, Western Suburbs R.S.A. (Inc.)	Registrar
144.	Prestige Cabarets Ltd.	P. R. Warren
145.	Kingfisher Country Club (Inc.)	L. W. Broadhurst
146.	Castleton Reid and Co. Ltd.	J. P. Kania
147.	Mt. Cook and Southern Lakes Tourist Co. Ltd.	M. L. Corner
148.	B. C. Herring	Self
149.	Young Christian Workers (Auckland)	P. J. Tolich
150.	Southern Cross Club	R. Burt R. McIntosh
151.	Scout Association of New Zealand	Registrar
152.	Department of Health	Dr. S. W. P. Mirams
153.	Staff of Mahu Clinic, Sunnyside Hospital	Dr N. D. Walker
154.	Mrs Marjorie Best and Others	Registrar
155.	Withdrawn	
156.	C. Jenkins	Registrar
157.	Professor D. W. Beaven	Registrar
158.	M. H. Judkins and Others	Registrar
159.	Miss A. J. Laurie	Self
160.	Department of Internal Affairs	A. L. Johnston
(See also 26)		
161.	Birkenhead Licensing Trust	Dr N. T. Potter
162.	Amalgamated Theatres Ltd.	Registrar
163.	Rev. P. Ramsay	Self
164.	Pizza Hut Franchise Group	Registrar
165.	L. F. Evans and J. M. W. Forster	Selves
166.	W. Wilson	Registrar
167.	Department of Statistics	E. A. Harris
168.	Castleton Reid and Co. Ltd.	Registrar
(See also 146)		
169.	Manukau City Council	R. Wood
170.	A. Layton	Self
171.	New Plymouth Yacht Club (Inc.)	Registrar
172.	Professor R. D. Batt	Self
173.	Shop Employees Union	G. D. Kelly Miss S. Davies
174.	Zonta International	Miss E. Mallinson Mrs S. Owen Mrs H. Evison
175.	New Zealand Liquor Industry Council	W. J. C. Thomas
(See also 208)		J. W. Thompson J. J. Williams
175/1.	Research Marketing Services Ltd.	M. D. Jurgeleit
176.	Grand Hotel	J. T. Coltman
177.	New Plymouth Little Theatre	Registrar
178.	Ministry of Works—Town and Country Planning Section	D. A. Pickering R. D. Clark
179.	Anglican Diocese of Wellington	Rev. J. Redmayne
180.	Church of Christ (Life and Advent) Association (Inc.), New Plymouth Church of Christ (Life and Advent)	Pastor R. Y. Carter

Submission Number	Organisation	Presented by
181.	W. Sutherland and Co. Ltd.	R. J. C. Bennett
182.	New Zealand Licensing Trusts Association	O. J. Henderson D. F. Cole T. G. Evans
183.	New Zealand Interchurch Council on Public Affairs	A. A. McMillan P. A. Buchanan
184.	W. J. Michie	Self
185/1.	St. Mary's Parish, Hokitika	Father N. F. Consedine
185/2.		
185/3.		
186.	Mrs P. Tahiwi	Self
187.	Portage Licensing Trust	R. K. Maxwell
188.	Tawa Borough Council	E. M. H. Kemp
189.	Methodist and Presbyterian Public Questions Committee	Rev. J. C. Mabon Mrs R. D. Hornblow R. T. Feist
190.	Tourist and Publicity Department	J. E. Hartstonge
191.	E. C. Hobbs	Self
191/1.	T. H. Arnold	Self
191/2.	W. G. Surridge	Self
192.	Baptist Church	Rev. J. A. Wilton
193.	Medical Association of New Zealand	Dr W. S. Alexander Dr M. D. Matich
194.	New Zealand Police Department	Inspector P. J. Mears
195.	Ministry of Transport	J. B. Toomath
196.	Johnsonville Licensing Trust	E. E. Ogier
197. (See also 53)	National Council of Women of New Zealand (Inc.)	Mrs M. P. Dell
198.	New Zealand Wholesale Grocery	J. A. McPhee
198/1.	Distributors' Federation	J. V. T. Baker
198/2.		L. J. Fagg
(See also 4)		
199.	Dr E. Geiringer	Self
200.	G. Mazuran	Self
201.	Viticultural Association of New Zealand (Inc.)	G. Mazuran
202.	F. H. Greenaway	Self
203.	J. W. Warner	Self
204.	Flag Motor Inns	R. W. Tennent
205.	Wellington City Council	I. W. Lawrence
206.	New Zealand Public Service Association	R. F. Hannan M. T. Mitchell
207. (See also 142)	Maori Section, National Council of Churches	Rev. E. Caton
208. (See also 175)	New Zealand Liquor Industry Council	Miss F. S. King-Hall
209.	Association of Chartered Clubs of New Zealand, Residential and Kindred Chartered Clubs Association of New Zealand, Association of New Zealand Workingmen and Cosmopolitan Clubs	N. W. Kilgour A. Hamilton
210.	Metropolitan Real Estate Ltd.	H. J. Hughes
211.	Feilding Baptist Church	Rev. C. F. A. Hood
212.	Combined Yacht Clubs of Wellington	Registrar
213.	Department of Psychology, Otago University	Professor P. McKellar
214.	J. K. Buck	Self
215.	New Zealand Police Association	H. S. Thomas
216.	Dr. C. Bollinger	Self
217.	Rev. J. E. Kebbell	Self
218. (See also 18)	Department of Justice	B. J. Cameron
219.	Community Volunteers	T. J. Dyce
220.	W. Herewini	Self
221.	New Zealand Wine Council (Inc.)	T. J. Dunleavy

Submission Number	Organisation	Presented by
222.	National Organisation of Women (Wellington Chapter)	Ms M. Sinclair Ms M. Hyde
223.	Western Park Tavern	A. L. Cleland
224.	New Zealand Licensed Hotel Managers' Committee	Major-General Sir William Gentry
225.	Papakowhai Community Discussion Group	Registrar
226.	J. A. Haxton	Registrar

Appendix II

EXHIBITS

Exhibit	Details	Produced by	On Behalf of
A.	1. Letter, 7 February 1972: Xth British Commonwealth Games 1974, Chairman, Co-ordination of Other Activities Committee	L. N. Short, National Secretary	New Zealand Federated Hotel, Hospital, Restaurant and Related Trades Employees' Industrial Association of Workers
	Canterbury Hotel Workers' Union	L. N. Short, Secretary	Canterbury Hotel Workers' Union
	2. Letter, 12 February 1972: Canterbury Hotel Workers' Union—Co-ordination of Other Activities Committee	,,	,,
	3. Letter, 29 August 1972: Co-ordination of Other Activities Committee—Canterbury Hotel Workers' Union		,,
	4. Letter, 4 September 1972: Canterbury Hotel Workers' Union—Co-ordination of Other Activities Committee	,,	,,
	5. Report by Mr McCready of Hotel Workers' Union meeting of 4 September 1972 *re* extension of licensing hours	,,	,,
B.	*New Zealand Herald*, 28 November 1973: Extract "Outright Murder on our Roads"	F. G. Turner	Self
C.	*Auckland Star*, 8 February 1972: Extract "Wine Talk" by Michael Brett	D. J. Caruso	Self
D.	Brochure: "Jackpot: New South Wales Clubs" by Dr Geoffrey T. Caldwell	J. Buckingham, President	Auckland Leagues Club (Inc.)
E.	New Zealand Restaurant Association (Inc.): Rules, 20 July 1969	R. A. L. Maclaren	New Zealand Restaurant Association (Inc.) (Licensed Restaurants Section)
F.	New Zealand Entertainment and Ballroom Operators Association Inc.: Constitution and Rules	C. Dunningham, President	New Zealand Entertainment and Ballroom Operators Association (Inc.)
G.	Extracts from—	J. McK. Geddes, Counsel	Auckland Theatre Trust Board
	1. Licensing Amendment Act (Victoria) 1965		
	2. Liquor Amendment Act (New South Wales) 1966		
	3. Liquor Act (New South Wales) 1912		
	4. Halsbury Statutes: Vols. 17 and 35		
H.	Royal Shakespeare Theatre Restaurants: Brochures *re* River Terrace Restaurant	,,	,,
I.	Royal Shakespeare Theatre, Royal Shakespeare Company: Coriolanus Theatre Programme	,,	,,

J.	Mercury Theatre, Colchester, United Kingdom: Opening Season Programme, 1972	J. McK. Geddes, Counsel	Auckland Theatre Trust Board
K.	Granny's and Granpa's Restaurants, Auckland: Floor Plans	T. A. Adderley, Director	Platterack Coffee Bars Ltd.
L.	Granny's and Granpa's Restaurant, Auckland: 11 photographs of layout	"	"
M.	Granpa's Showbiz Club: Membership card	"	"
N.	Granpa's Showbiz Club: Newsletter	"	"
O.	Granpa's Showbiz Club: Petitions (3) in support of applications for:		
	1. Club Liquor Licence	"	"
	2. Cabaret Licence	"	"
	3. Stated opening hours	"	"
P.	1. Caption Sheets (3): *Police* v. *Platterack Coffee Bar Ltd.*: Liquor Sales by Unlicensed Persons Pursuant to Sale of Liquor Act 1962, section 262 (a)	"	"
	2. *Police* v. *Graham Lewis Cox, Doorman*: Liquor Sales by Unlicensed Person Pursuant to Sale of Liquor Act 1962, section 262 (b)	"	"
	3. *Police* v. *Margaret Maud Greer, Bar Manageress*: Liquor Sales by Unlicensed Persons Pursuant to Sale of Liquor Act 1962, section 262 (a)	"	"
Q.	Miscellaneous Correspondence: *Re* Disturbance, Public Bar, Warner's Tavern, Christchurch, 26 October 1973	L. N. Short, National Secretary	New Zealand Federated Hotel, Hospital, Restaurant, and Related Trades Employees' Industrial Association of Workers
	1. Statement, 30 October 1973, by manager, Warner's Tavern	"	"
	2. Letter, 31 October 1973: National Secretary—Minister of Police	"	"
	3. Letter, 2 November 1973: Private Secretary, Minister of Police—National Secretary	"	"
	4. Letter, 5 November 1973: National Secretary—Private Secretary, Minister of Police	"	"
	5. Letter, 27 November 1973: Minister of Police—National Secretary	"	"
	6. Letter, 29 November 1973: National Secretary—Minister of Police	"	"
R.	Panorama Wines, Auckland: List of available wines	G. Mazuran, Executive Manager	New Zealand Wine Resellers' Association (Inc.)

Exhibit	Details	Produced by	On Behalf of
S.	Liquor Reconciliation Analysis: Consumption 21 July–26 October 1973	R. G. Ashby, Chairman	New Zealand Restaurant Association Catering Section (Auckland Branch)
T.	Yugoslav Benevolent Society Inc.: Application for Membership form	M. L. Musin, President	Yugoslav Benevolent Society (Inc.)
U.	Country Club, Ohariu: Miscellaneous photos (club premises)	P. Verry, Secretary	Winton Holdings Ltd.
V.	Handbook: *Hotel Design Considerations and Standards*	J. E. Hartstonge General Manager	Tourist and Publicity Department
W.	Handbook: *Hotel Accounting System and Payability Study Approach Exhibits*	,,	,,
X.	Handbook: *New Zealand Accommodation Inventory and Room Occupancy Rates 1972–73*	,,	,,
Y.	Maps: Distribution of Licences—Auckland Urban Area	J. W. Thompson, Director	New Zealand Liquor Industry Council
Z.	Wellington Urban Area	,,	,,
AA.	New Zealand Urban Area	,,	,,
AB.	Photographs (6): New South Wales Wine Bar	R. W. Worth, Counsel	J. W. Warner
AC.	Letters—		
	1. 15 February 1974, General Manager, Seppelt Vidal Ltd.—N. Beckett	C. Beckett Company Director	,,
	2. 19 February 1974, Marketing Manager, McWilliams Wines (N.Z.) Ltd—C. K. Beckett: *re* availability of company's product	,,	,,
AD.	*Dominion*, Wednesday, 23 January 1974: Article: "Oasis of Ale in this Price Crazy World" by Alex Veysey	J. J. Williams, Chief Executive Officer, Hotel Association of New Zealand	New Zealand Liquor Industry Council
AE.	Confidential List Chartered Clubs (3): Where Drinking Alleged to be Major Activity	,,	,,
AF.	Licensing Control Commission: Annual Report 31 March 1969: Paras. 37–50, Chartered Clubs	,,	,,
AG.	Erroll Committee: Final submission thereto of National Federation of Licensed Victuallers	J. W. Thompson, Director	,,
AH.	Cancelled		
AI.	Report: "Social Effects on the Ending of Resale Price Maintenance of Alcoholic Beverages, 1966–67" (England and Wales) by G. Prys Williams	Miss F. S. King-Hall, Practising Consultant in Public Health, London	New Zealand Liquor Industry Council
AJ. (1–14)	United Kingdom Supermarkets: Photographs (14) thereof	,,	,,

AK.	*Alliance News* (*United Kingdom*): *Journal of Moral and Social Reform:* Various Issues: 1. March/April 1970 2. November 1970 3. May 1971 4. June 1971 5. July 1971 6. February 1972 7. March 1972 8. April 1972	"	"
AL.	Booklet: *Licensing Trust Development in New Zealand* by J. F. McArthur	O. Henderson, Chairman, Invercargill Licensing Trust	New Zealand Licensing Trusts Association
AM.	Litho, Delineating Tawa Borough and Adjacent Licensing Trust Boundaries	E. M. Kemp, Mayor	Tawa Borough Council
AN.	Cordial Bottle Attachment: "Don't Smash Me!! I am worth money to you"	Professor T. P. McKellar, Otago University	Self
AO.	The Wellesley Club (Inc.): Annaul Report and Balance Sheet 1973	A. Hamilton, President, Residential and Kindred Chartered Clubs Association of New Zealand	Chartered Clubs Associations
AP.	Summary of Financial and Membership Statistics of Listed Chartered Clubs	S. T. Mahony, Secretary	New Zealand Liquor Industry Council
AQ.	Blenheim Workingmen's Club: Annual Report and Balance Sheet 1973	F. D. O'Flynn, Q.C., Counsel	Chartered Clubs Association
AR.	United Services Officers' Club, Wellington: Annual Report and Balance Sheet 1974	"	"
AS.	Wellington Working Men's Club and Literary Institute: Report and Balance Sheet as at 31/12/73	"	"
AT.	1. National Guard Identity Card (No. 28547): Republic of Panama and Brochure *re* Polaroid System	J. T. Coltman, Managing Director, Grand Hotel, Wellington	Self
	2. Statement by Hon. T. Earle Hickey, Provincial Secretary to a Canadian News Conference on Photo-licensing, 10 February 1972	"	"
	3. Letter, 28 June 1972: Polaroid Australia Pty. Ltd.—J. T. Coltman, *re* Instant Portrait Identification System	"	"

APPENDIX II—EXHIBITS—*continued*

Exhibit	Details	Produced by	On Behalf of
AU.	1. Newspaper Clippings (4), *Evening Post*—18 February 1974: "Badly Injured During Brawl in Hotel"	Rev. C. W. Haskell	"
	2. 10 November 1973: "Station Traffic Officers Outside the Pubs"	"	"
	3. Undated: "Coroner Directs Police to Prepare Report on Unsupervised Children"	"	"
	4. "Doctor Advocates Research into Causes of Alcoholism"	"	"
AV.	Specimen Restaurant Wine Lists (5)—	G. Mazuran, President	Viticultural Association of New Zealand (Inc.)
	1. La Boheme, Auckland	"	"
	2. Hungry Horse, Auckland	"	"
	3. Napoleon Room, Waterloo Hotel, Wellington	"	"
	4. South Pacific Hotel, Auckland	"	"
	5. Troika, Auckland	"	"
AW.	Confidential Statement by G. Mazuran: *Re* Annual Production of his Winemaking Business	G. Mazuran, Winemaker, Henderson	Self
AX.	Confidential Statement by L. J. Fagg: *Re* Goodwill Purchase Price (Including cost of Wine Licence) of Grocery Business	L. J. Fagg, Grocer, Wellington	New Zealand Wholesale Grocery Distributors Federation
AY.	Petition (10,111 signatures): Customers of approximately 20 selected New Zealand grocery stores and supermarkets *re* purchase of New Zealand wines and beer from same	J. A. McPhee, Executive Member	"
AZ.	Letter, 8 October 1973: Pyne, Gould, Guinness Ltd., Blenheim—New Zealand Wholesale Wine and Spirits Merchants Federation, Wellington	"	"
BA.	Letter, 11 October 1973: dePelichet, McLeod and Co. Ltd., Hastings—New Zealand Wholesale Wine and Spirits Merchants Association Wellington	"	"
BB.	Letter, 26 March 1973: Wellington Manager, Research Marketing Services Ltd., Director, New Zealand Liquor Industry Council, Wellington	J. F. Jeffries, Counsel	New Zealand Liquor Industry Council
BC.	Minute: *Re* number of Polynesian members of the Otahuhu and Onehunga Clubs	J. F. Jeffries	"
BD.	Survey (1,284 signatures) from patrons of "The Huntsman" and "Lucerna" Restaurants	R. J. Borrell, L. J. White	"The Huntsman" and "Lucerna" Restaurants
BE	Signatures supporting Submission No. 154	Registrar	Mrs Marjorie Best

Appendix III PROOF OF AGE

SUGGESTED DRAFT AMENDMENT TO SALE OF LIQUOR ACT 1962, SECTION 259 (9)

An amendment to the Sale of Liquor Act would be necessary to give legal recognition to the card and/or driver's licence when used for this purpose. This could best be effected by amending section 259 (9) and creating a new subsection 9A. When amended section 259 (9) could read as follows:

"(9) Where any person appearing to be under the age of 20 years—

(a) Requests the supply of any liquor to him; or

(b) Is found consuming or in possession of any liquor on any licensed premises; or

(c) Is found in any bar of any licensed premises other than the licensed premises of a theatre or of an airport—any member of the Police, or the licensee or manager of the licensed premises where that person is so found, or the spouse or any employee or agent of any such licensee or manager as aforesaid, may demand particulars of that person's age, name, and address or ask for the person to produce his driver's licence or identification card. If there is reasonable ground to suppose that any particulars so given by him are false, the person demanding the particulars may require him to supply satisfactory evidence of the correctness thereof."

Appendix IV SPORTS CLUBS

CONDITIONS OF LICENCES SUGGESTED BY POLICE DEPARTMENT

The Police are in favour of sporting clubs being licensed to sell liquor to members and bona fide guests for consumption on the premises subject to the following conditions:

(a) The club (or clubs if more than one is involved) to be incorporated and have a minimum total membership of 100 adults.

(b) The annual subscription paid by club members to be a uniform amount; i.e., not one subscription for honorary members and one for active members.

(c) The committee and office holders of the club to be of good character.

(d) Licences are to be applied for annually and the application is to include a list containing the full names and addresses of the committee and office holders of the club with the particulars of any new office holder or committee member being supplied to the issuing authority.

(e) Club premises to be of good standard and facilities to be adequate for supply and consumption of liquor.

(f) Profits to be devoted to the club (i.e., not for personal gain of members).

(g) Three persons from the club to be approved by the issuing authority as being responsible for the conduct of the premises with respect to the requirements of the Sale of Liquor Act. At least one of these persons to be present during all times the club is authorised to open its bar.

(h) The club to be liable in a similar manner to hotels for breaches of the Sale of Liquor Act;

(i) Two convictions within a period of 12 months for certain offences to result in automatic suspension of the club's licences by the issuing authority for at least 12 months. The convictions envisaged would include the following offences:
-Sale to a prohibited person (section 238).
-Sale or supply to an intoxicated person (section 238 (1)).
-Allowing person to become drunk on premises (section 244).
-Allowing drunkenness and other forms of conduct (section 245).
-Inciting a person to drink (section 246).
-Allowing prostitutes on licensed premises (section 247).
-Allowing gaming (section 248).
-Selling or allowing consumption of liquor outside authorised hours (section 249).
-Supply of liquor to minors (section 259).
-Wilful supply of liquor to persons under 18 years (section 260).

–Failure to remove bottles, other containers in which liquor is supplied and drinking vessels used in the consumption of liquor from the bar within 30 minutes of the approved closing time (this would be an additional provision applicable to licensed clubs).

–Failure to comply with condition (d) with respect to supply of particulars of new committee member or office holder or failure to comply with the conditions imposed in paragraphs (f) or (g).

(j) The hours of sale to be restricted to 6–8 hours weekly. These hours to be endorsed on the licence which is to be displayed in the bar. These hours would be fixed at the time the licence is applied for and issued and would not be subject to alteration during that year.

Note: This condition in respect to hours would not be applicable to bowling and golf clubs.

(k) Police to have same powers as those possessed under the Act in respect to hotels.

(l) The provisions of section 216 regarding extended hours permits to be applicable to clubs.

Appendix V POLICE CRIME OFFENCES STATISTICS—OFFENCES RECORDED

	1960	1965	1966	1967	1968	1969	1970	1971	1972	1973
Violence and disorder—										
Assaults. Other classes ..	2,810	3,710	3,915	4,186	4,673	4,780	5,755	6,980	7,600	8,068
Thefts—										
All classes	25,573	30,415	33,571	36,764	41,699	43,632	46,371	55,167	58,706	59,759
Unlawful conversions—										
Motor vehicles	3,176	3,456	3,810	4,364	4,777	5,133	6,010	7,440	8,604	9,446
Bicycles	9,604	8,016	7,808	7,814	8,301	8,199	10,003	10,012	9,929	9,529
Breaking and entering and associated offences—										
Burglary	7,188	13,561	16,583	18,433	20,298	19,080	20,770	24,638	26,457	25,256
Fraud, false pretences, forgery, etc.—										
False pretences or obtaining credit by fraud	2,689	3,374	3,042	3,445	3,651	3,483	3,618	4,517	5,349	4,882
Mischief and associated offences—										
Mischief and wilful damage ..	4,553	4,736	5,011	5,116	5,124	5,770	6,260	7,888	9,412	10,308
Traffic and motoring offences—										
Driving without due care, attention, or consideration ..	8,207	12,933	12,075	10,623	10,643	11,110	11,858	12,126	12,826	12,789
Liquor and licensing offences—										
By licensees—										
Exposing, opening and selling liquor after hours ..	942	987	709	727	389	397	266	437	451	376
Supplying liquor to minors..	108	377	337	418	479	346	251	289	369	252
By minors—										
Found in bars, purchasing liquor, or giving false information or in possession of liquor in public place ..	1,378	4,463	4,336	5,369	6,558	5,738	6,340	6,430	6,597	6,356

By others—										
Found on or refusing to quit licensed premises	2,224	2,040	1,371	1,697	846	1,000	766	1,157	1,205	1,019
Liquor in vicinity of dance hall	854	748	250	541	444	525	336	324	194	194
Persons other than licensee unlawfully supplying liquor	294	335	342	433	422	305	531	437	409	309
Breach of prohibition order ..	126	137	103	96	100	82	82	76	89	51
Sly grog offences—										
Selling or keeping liquor for sale without a licence, etc.	485	166	107	67	29	41	85	39	70	140
Police Offences Act—										
Drunkenness..	3,883	3,739	3,727	3,712	3,530	3,286	3,286	3,504	2,842	2,520

Source: Police Department crime and offences statistics and Police Department offences returns.

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A. R. SHEARER, GOVERNMENT PRINTER, WELLINGTON, NEW ZEALAND—1974
51859 E—74 G