

MEDIA RELEASE

Tuesday 22 March 2022

Skills, social change and sustainability driving innovation in alcohol industry

Local skills, social change and sustainability have been the key drivers for the New Zealand alcohol industry's significant contribution to the local economy, an NZ Institute of Economic Research (NZIER) reportⁱ shows.

Released today, the report says the sector contributes \$1.92 billion to GDP, pays \$1.819 billion in excise tax and GST, spends \$2.02 billion on local goods and services and generates \$2.09 billion in exports. This is against a backdrop where government statistics show alcohol consumption has fallen around 25% since the '70s and '80s, says the NZ Alcohol Beverages Council (NZABC).ⁱⁱ

"The report shows that the 1,865 beer, wine, and spirits businesses employ around 10,200 people from boutique distilleries in rural areas, specialty production in the regions to head offices in city centres. In addition, another 20,900 are employed indirectly from businesses in the supply chain, from yeast producers and hops growers to packaging, logistics and shipping. As a supplier itself, the industry connects to the hospitality industry, which employs around 172,000 in cafes, bars, restaurants, hotels and events businesses," says Bridget MacDonald, NZABC's Executive Director.

"Working in a restaurant or harvesting grapes are often first jobs where young Kiwis develop skills that are transferable to other industries or where they discover their passion that leads to a lifelong career," says Bridget.

The report also details how the industry and society have changed over the last couple of decades.

"Times are changing, people are drinking less, and the industry is changing with those times. People are drinking less and becoming more moderate consumers. It's more about socialising with family and friends over food and a drink—and if people choose not to drink, that's okay too. We are seeing a shift toward more mindful drinking where consumers sip and savour higher quality beverages or choose no- and low-alcohol options.

"There's also a definite shift, as in most western countries around the world, to supporting local producers. We're appreciating locally-sourced talent and goods, which is sustaining the growth of our boutique wineries, distilleries and breweries," says Bridget.ⁱⁱⁱ

"It's an exciting time for our industry—we are diversifying our product ranges in response to consumer demands and trends. The challenges of today are becoming the opportunities for tomorrow, and this encourages innovation and investment in research and development right throughout the industry—from developing unique hops varieties for beer, embracing indigenous ingredients for spirits to refining viticulture practices to create lower alcohol wines," Bridget says.

"The conscious consumer is not just looking for lower carb but also lower carbon. Industry's commitment toward carbon-zero and sustainability targets is driving innovation across all



aspects of business from sustainable supply chains, recyclable packaging, refining manufacturing processes, zero waste initiatives, reusing byproducts, reducing water and supporting local goods and services,” says Bridget.

“At the heart of it is people—from those who grow grapes, grains and hops to our customers who enjoy a drink and convivial times with family and friends. The pandemic has been challenging for most businesses, including our industry. However, it is resilient and dynamic and will continue to play its part in making a positive contribution to New Zealand’s financial, environmental and social economies as we work through the uncertainty that lies ahead,” says Bridget.

The numbers for beer, wine and spirits in NZ

Economic

- 10,210 employees and 20,913 indirect jobs^{iv}
- \$1.92 billion contribution to GDP
- \$1.819 billion in tax to government (excise and GST)
- \$2.09 billion in exports
- \$2.02 billion spent on local goods and services.

Environmental

- 75% recovery rate for glass through Glass Packing Forum’s Product Stewardship Scheme
- Environmental commitments, e.g. Climate Leaders Coalition and carbon zero initiatives
- Sustainability targets from supply chains, sustainable packaging, zero waste to landfill, land regeneration, reducing water use, sourcing local, biosecurity, renewable electricity.

Social

- 78% of NZers say they are comfortable with alcohol being part of social occasions^v
- 47% consumed low-alcohol drinks in 2021 (+7% from 2020)^{vi}
- 82% drink at or below the weekly limit of Ministry of Health ‘Low-risk alcohol drinking advice’, and 92% have at least two alcohol-free days as suggested^{vii}
- 84% of NZers support education in schools^{viii}
- Industry pays an annual levy of about \$11.5m to the Health Promotion Agency to fund awareness campaigns
- Industry supports a number of activities to reduce alcohol-related harm, including supporting The Tomorrow Project to fund Smashed, a curriculum-linked theatre in schools education programme delivered by Life Education Trust, Cheers NZ! (cheers.org.nz), and Alcohol&Me (alcoholandme.org.nz).

ENDS

Need help?

Call the Alcohol Drug Helpline on 0800 787 797, free txt 8681, or visit alcoholdrughelp.org.nz.

Need more information? Here are some handy tips for better drinking decisions

- Check out cheers.org.nz and alcoholandme.org.nz for more information on what a standard drink is and how to make better drinking decisions.
- A good rule of thumb is ‘Go no, low or slow’. It’s okay to choose no- or low-alcohol drinks. If you choose to drink, pace yourself and enjoy your drink slowly.
- Ministry of Health/HPA Guidelines: [Low-risk alcohol drinking advice](https://www.health.govt.nz/our-work/low-risk-alcohol-drinking-advice) to reduce your long-term health risks by drinking no more than:
 - **Two** standard drinks **a day for women** and no more than **10** standard drinks **a week**,
 - **Three** standard drinks **a day for men** and no more than **15** standard drinks **a week**,
 - **AND** have at least **two alcohol-free days** every week.

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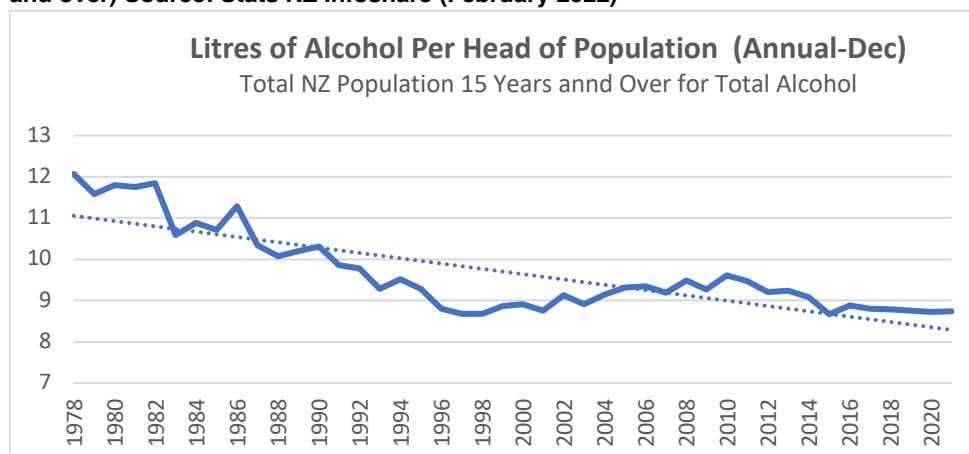
About NZABC

Formed in early 2018, the [NZ Alcohol Beverages Council](http://www.nzabc.org.nz) (NZABC) is a pan-industry group that speaks for those Kiwis who want to see a fair and balanced approach to alcohol attitudes, laws and regulation in New Zealand. At NZABC, we believe partnerships between local and central government, communities, and the alcohol sector, along with great education, are the best ways to reduce harm and maximise enjoyment from alcohol for everyone.

NZABC is an associate member of the International Alliance for Responsible Drinking (iard.org), a not-for-profit organisation dedicated to reducing harmful drinking and promoting understanding of responsible drinking. It is supported by leading global beer, wine, and spirits producers, who have come together for a common purpose: to be part of the solution in combating harmful drinking.

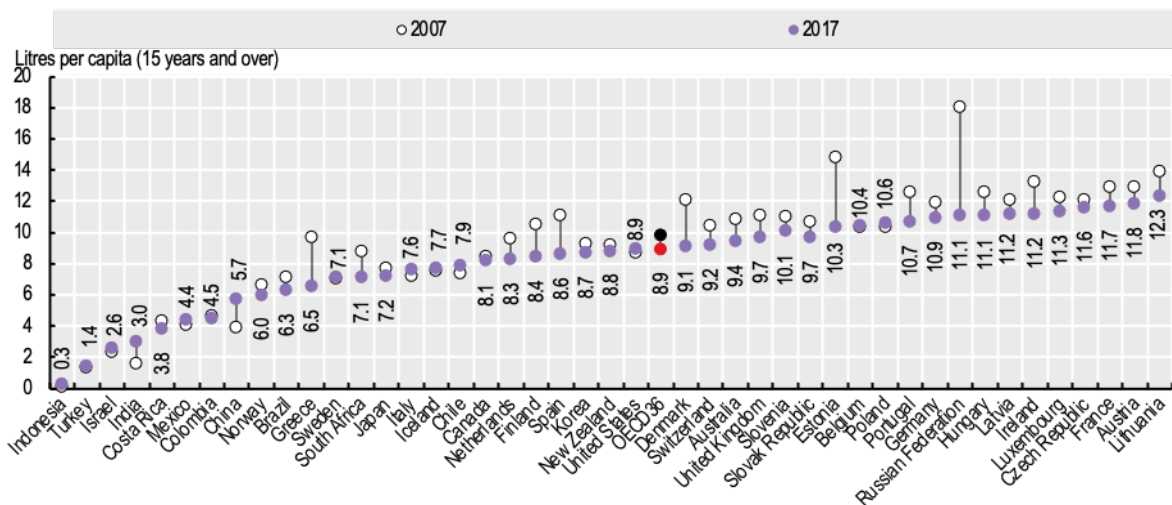
ⁱ NZ Institute of Economic Research: *Alcohol Beverages industry: A thriving, durable industry adding value to New Zealand's financial, environmental and social economies*. A report by NZIER to NZ Alcohol Beverages Council with additional information provided by NZABC's members (February 2022). Available at www.nzabc.org.nz
ⁱⁱ StatsNZ Infoshare, Alcohol available for consumption to December 2021 (published 24 February 2022, since report was completed), <https://www.stats.govt.nz/information-releases/alcohol-available-for-consumption-year-ended-december-2021> and <http://archive.stats.govt.nz/infoshare/> and <https://teara.govt.nz/en/graph/40691/consumption-of-pure-alcohol-1960-2011> Alcohol available for consumption has been trending downward for a number of years. Data shows alcohol available for consumption was 8.734 litres per head of population (15 years and older) in December 2021. There has been a 27% decrease since 1978 when was 12.07 litres per head of population (15 years and older) and a 22.6% decrease since 1986 when there was 11.282 litres per head of population (15 years and older), (see graph 1 below). Note: The per head of population (15 years and older) is the measure used by the OECD.

Graph 1. Litres of Alcohol Per Head of Population in New Zealand (Annual-December, 2010-2021, 15 years and over) Source: Stats NZ Infoshare (February 2022)



Graph 2 shows OECD Alcohol Consumption, <https://data.oecd.org/healthrisk/alcohol-consumption.htm>. Alcohol consumption is defined as annual sales of pure alcohol in litres per person aged 15 years and older. The OECD average consumption is 8.9 litres/capita (aged 15 and over). New Zealand is at 8.8 litres/capita vs UK 9.7 litres/capita. See graph 2 below. Source: OECD Health Statistics, 2019. New Zealand figures as at 2018.

Graph 2. Litres of Alcohol Per Head of Population in New Zealand Recorded alcohol consumption among adults, 2007 and 2017 (or nearest year)



- iii NZ Alcohol Beverages Council consumer research, *New Zealander's attitudes to alcohol research*, December 2021, poll of 1,250 New Zealanders undertaken by Curia Market Research. 56% saying they had a premium drink in the past year. Premiumisation is about choosing a quality drink that may cost a little more, such as a craft beer, a fine wine, cocktail or a premium spirit or liqueur, and then taking a 'sip and savour' approach to enjoy the flavours and the experience of the drink in a slow and relaxed way.
- iv NZIER report to NZ Alcohol Beverages Council, *Alcohol beverages industry: A thriving, durable industry adding value to New Zealand's financial, environmental and social economies*, February 2022
- v NZ Alcohol Beverages Council consumer research, *New Zealander's attitudes to alcohol research*, December 2021, poll of 1,250 New Zealanders undertaken by Curia Market Research.
For the statement "I am comfortable with beer, wine and spirits being part of our normal Kiwi social occasions", 78% of participants somewhat or strongly agreed, 12% strongly or somewhat disagreed, 8% neither agreed nor disagreed, and 2% were unsure. 78% of those who said they don't drink said they somewhat or strongly agreed. 16% of non-drinkers disagreed, 5% neither agreed nor disagreed, and 2% were unsure.
- vi NZ Alcohol Beverages Council consumer research, *New Zealander's attitudes to alcohol research*, December 2021, poll of 1,250 New Zealanders undertaken by Curia Market Research. For the statement "Do you drink low alcohol beverages and have you consumed more or less in the past year compared to 12 months ago?", 47% say they drink low alcohol beverages (+7% on 2020). This includes 57% of male respondents and 38% of women.
- vii Health Promotion Agency survey <https://www.hpa.org.nz/research-library/research-publications/alcohol-use-in-new-zealand-survey-auinz-2019-20-%E2%80%93-high-level-results-2019-20>
- viii NZ Alcohol Beverages Council consumer research, *New Zealander's attitudes to alcohol research*, December 2021, poll of 1,250 New Zealanders undertaken by Curia Market Research. 84% strongly or somewhat supported "Alcohol education programmes in schools" as a measure to reduce alcohol-related harm, 6% opposed the idea, 8% were neutral, and 2% were unsure.