



# Restriction on Hours of Trade for Alcohol Licensees in Auckland: Phase 2

Prepared for: Auckland Council

Date: October 2013

Status: Final

# **Restriction on Hours of Trade for Alcohol Licensees in Auckland: Stage 2**

## **Economic Impact Assessment**

### **Auckland Council**

Document reference: ACL045.13 Liquor Licensing Laws

Date of this version: October 2013

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# Executive Summary

This report forms Phase 2 of the “Restrictions on Hours of Trade for Alcohol Licensees in Auckland” project. Phase 1 analysed the current value of annual alcohol sales in Auckland spatially and by time of the day and week, and determined the potential impacts of implementing the default restricted hours of trade for on- and off-license venues, as specified in The Sale and Supply of Alcohol Act 2012. Phase 2 provides an impact analysis of a range of alternative scenarios to the default restricted hours of trade. These reports only analyse the value of sales for alcohol licensees, not the profitability of alcohol licensees or how profit will be affected.

In total 23 scenarios were tested, made up of five scenarios in which different (to the default) maximum hours of trade were applied only for off-licenses, three scenarios where the limitation applied only to on-licenses and 15 scenarios that analysed a combination of the on- and off-license scenarios. Each scenario adjusted the maximum trading hours by applying either different opening and/or closing times for license holders.

The assessment determined that the scenario that would incur the greatest direct impact to alcohol sales across Auckland would be bringing forward the closing time for off-license venues by two hours from the default time of 11pm (i.e. to 9pm). This change would result in a total direct impact (decrease in alcohol sales made) on the Auckland region economy of \$65.5m. However, all scenarios assume there will be no behavioural changes from consumers (such as changing their purchases to other times of the day), when in fact some behavioural change is likely. For this reason the impacts assessed are conservatively high, and in practice would likely be somewhat lower once consumers adjust to changed licensing hours.

Shifting the latest permissible closing time for off-licences from 11pm to 1am would have an impact on direct sales of \$1.9m (compared to current sales levels), while shifting the earliest permissible opening time from 7am to 9am would have a direct impact on sales of \$23.2m. From Phase 1 the default restricted hours of trade were determined to have an impact on off-license venue sales of \$5.6m, so shifting the latest closing time to earlier or the earliest opening time to later will increase the impact on sales (again assuming no behavioural changes occur).

For on-license venues, all three scenarios involved variations around a core theme of bringing forward the latest permissible closing time to 2am (from the default 4am). As a blanket closing time across Auckland this was determined to have a direct impact on sales of \$15.3m. With a one-way door policy in the CBD and city fringe suburbs from 2-4am this impact would be expected to be somewhat less, at \$10.5m, while also introducing a one-way door policy across the rest of Auckland between 1am and 2am would increase the expected impact on direct sales to \$11.0m. These impacts compare to the impacts from the default restricted trading hours for on-license venues (from Phase 1 of this project) of \$5.6m.

Although under the scenarios assessed the direct sales impacts would generally be greater as a result of restrictions to off-licenses than on-licenses, once behavioural changes are

incorporated this difference is likely to decrease. This is true because of the nature of on-license operations and the fact that they are selling for immediate consumption, not for consumption at a later time. That is, if off-license hours are restricted, consumers will be able to buy at another time, but still be able to consume the alcohol when they want to. The same is not true of on-license venues, because consumption of the alcohol is contingent upon being at the licensed venue (i.e. consumption must occur in the licensed hours). There is however still the option for consumers to change their behaviour around the times they visit on-license venues.

The CBD will account for the highest impact on sales of any individual centre, although suburban retailers such as liquor retailers and supermarkets are (as a group) likely to feel the largest impact on sales as a result of most of the proposed scenarios. This is because several of the proposed scenarios directly impact the sales at the beginning and/or end of the day for these sellers, which combined have a much larger increase in impact over the default trading hour restrictions compared to the CBD.

Because it is unclear what changes to consumer and vendor behaviour might occur as a result of changes to licensed hours, any decision to change the hours in which alcohol may be sold should be considered carefully for both on- and off-licensed venues.

# 1 Introduction

## 1.1 Background

The Sale and Supply of Alcohol Act 2012 (SSAA) came into force on 18 December 2012. The SSAA creates changes for licence holders, territorial authorities and enforcement agencies, and most of those changes come into effect on either 18 June 2013 or 18 December 2013. A key change is the creation of national maximum trading hours which will apply from 18 December 2013, being 8am to 4am for on-licences, and 7am to 11pm for off-licences. These are the default maximum trading hours that licensed premises will be able to operate.

Territorial authorities will be able to restrict or extend those default maximum trading hours by developing local alcohol policies (LAPs). LAPs will be able to be developed for specific areas within a territorial authority, and different maximum licencing hours (and other factors such as density of licences and other conditions) will be able to be applied to different locations.

## 1.2 Objectives

Market Economics Ltd (M.E) was commissioned by Auckland Council to assess the economic impact of changing the maximum trading hours through the application of LAPs in Auckland. The primary objective is to provide Council with an understanding of the contribution that alcohol sales make to the Auckland economy, and how this varies spatially and by different times of the day.

The economic assessment will form a part of the regulatory impact assessment for any variation of hours being considered during the options analysis phase of the development of LAPs, and some of the information in the research may be utilised as part of the regulatory impact assessment for the density and location provisions.

This assessment only assesses the economic impact of the sale and purchase of alcohol in the Auckland region through the region's licensed businesses. It is important to acknowledge that there are also significant economic impacts to Auckland as a result of alcohol related harm, and these are not included in this particular assessment. This assessment therefore should not be interpreted as a cost/benefit analysis of potential changes for the region.

## 1.3 Scope

The project has been undertaken in two parts:

1. **Phase 1:** The economic impact of changing licensing hours from the current hours to the SSAA default hours was assessed. This contributed to Council's understanding of how the alcohol industry operates in Auckland and its significance to different

geographic locations. This information is being used to guide Council's decision making about licensing hour changes that might be enforced by the LAP.

2. **Phase 2:** Following on from Council's internal consideration of the Phase 1 findings, this report provides an impact analysis of a range of alternative scenarios of licensing hours that Council have asked to be tested, based in part on the Phase 1 findings.

## 2 Methodology

This report uses the same methodology as presented in Phase One, which is described again below. In order for Council to make informed decisions about its LAP, it needs to understand the economic and socio-economic impacts of alcohol sales. The core to this is understanding how sales of alcohol contribute to the Auckland economy now, and how these contributions might change in the future if licensing hours change. We have used three main components in this assessment to provide that understanding:

- Auckland Alcohol Sales Model
- Scenario Model
- Economic Impact Model

### 2.1 Economic Impact Model

The results of each scenario (including the baseline status quo scenario) will be reflected as changes in the Sales Model, which will feed into the Economic Impact Model (EIM) to track through effects of LAP options on the Auckland economy.

In essence the EIM tracks the ‘upstream’ flows from producers and importers of alcoholic drinks, through the wholesaling and supply structure, to off-licence and on-licence outlets for sale to business and private consumers (residents and visitors), to show how licensed outlets produce (sell) and consume (purchase) commodities and services. The production and sale of alcohol generates income for producers, distributors and sellers, produces tax revenues, and generates income for those employed at each stage in the process.

This structure applies generally, irrespective of the length of trading hours. The net economic impact will arise from the differences in the patterns of the sale of alcohol if hours are restricted. The specific impacts have been assessed as a consequence of changes in sales in each type of outlet and location, and the consequent direct and total effects on the economy in terms of impacts on output, value added and employment. As discussed with Auckland Council in the project set-up meeting, we have excluded indirect costs associated with changing the hours of alcohol sales.

#### 2.1.1 Economic Futures Model

The EIM uses M.E’s Economic Futures Model (EFM) to show the impact of changing the total value of alcohol sales on Auckland’s economy. Outlet types were assigned to a sector in the EFM, and changes in the total sales of each outlet type were aggregated to represent the change in total output of the appropriate sector in the EFM. The EFM was then recalculated with the new sector output value to determine the new economic indicators for Auckland (Total Output and Value Added, which is synonymous with GDP). The changes in economic indicators were then compared to the same economic indicators from the baseline EFM for

Auckland (i.e. before any sector output changes) to show the economic impact on Auckland due to changes in the amount of alcohol sales.

### 2.1.2 Output from Impact Assessment

Output from the EIM modelling process allows us to quantify the economic impacts of a reduction in licensing hours in Auckland. These impacts can vary, and the model output allows us to separately describe the impacts on:

- On- and off-licence premises
- Different centre types
- Different types of businesses (alcohol and non-alcohol industry businesses)
- Transferring spend from different times (such as the late night environment into either the daytime or evening economies) or geographic areas.

## 2.2 Auckland Alcohol Sales Model

The Auckland Alcohol Sales Model (AASM) establishes the baseline alcohol sales environment that currently operates in Auckland, in terms of industry size and the distribution of sales (both spatially and by time). This baseline environment is the 'status quo' against which future alternate scenarios will be compared to evaluate the impacts of changes in licence hours.

### 2.2.1 Data Components

In this section, we describe the data and data sources that we used as input to the AASM.

#### National Alcohol Sales Model

This model draws together a range of alcohol-related data published by Statistics NZ (SNZ) at a national resolution to provide an estimate of the value of sales per employee in each key outlet type and for each key product type. That data includes:

- a) Alcohol available for consumption: A measure of the volume of total alcohol available for consumption in NZ by product type (beer, table wine, fortified wine and spirits).
- b) Consumer Price Index: Historic time series of alcohol price indices for four key classes (restaurant meals, beer, wine and spirits).
- c) Business Frame 2012: Counts of the number of businesses (geographic units) and person employed (employee count, or ECs) by outlet type (supermarkets, grocery stores, accommodation, cafes, restaurants, catering, pubs, taverns, bars and clubs). The EC count is then translated into a Modified Employee Count (MEC) to take into account working proprietors, which are not included in the EC records.

## **The Auckland Centres Model (2012)**

This is a proprietary M.E model which integrates data on business activity, population, and consumer demand to summarise to centre-level employment count and estimated sales by each outlet type (at an ANZSIC class level). This data has been used to understand the role and importance of each retail and service type within each centre's overall function (e.g. the share of total centre sales and employment made by restaurants). This describes the base against which we evaluate the significance of any changes in alcohol sales relative to centres' overall sales and activity. The total centre sales for each outlet type (cafes/restaurants, pubs etc.) can then be apportioned across the day using the diurnal profile provided by the Paymark data.

### **Marketview and Paymark Data**

Auckland Council provided us with a detailed dataset they have commissioned through BNZ Marketview. The data records are all card-based (credit and debit) transactions made by consumers of all banks (except ANZ) in merchants in NZ, equivalent to over 75% of all electronic transactions made in NZ. The data provided was provided by Paymark for one-hour blocks to show spending time profiles by location and outlet types within Auckland, for 29 spatial areas, and four outlet types (aggregated in some instances to preserve confidentiality). This data shows the relative importance of different times of the day for sectors engaged in selling alcohol, but not the actual total sales in the sector (as the time distribution is based on a subset of all transactions, i.e. from only Paymark transactions). All outlet types in the alcohol sales model were matched up with appropriate sales distribution structures, based on similarities between business operations. Where no suitable sales distribution structure was available for a particular outlet type, an average sales distribution structure was adopted.

### **Alcohol Licence Data**

Auckland Council supplied M.E with output from its licensing database, which records all licences issued to outlets in the Auckland Region (circa 3,215 licences), by type of licence (On Licence, Off Licence or Club Licence) and location (to meshblock level). The data provided was hours licensed for (which is not necessarily the same as business opening hours), which varies by day of the week and public holidays. The meshblocks identified were then matched up to AC's centres definitions<sup>1</sup> to allow aggregation of licences to centres.

## **2.2.2 Key Output**

The key output of the AASM is total alcohol sales in store types that sell alcohol by one-hour period, by location (centres), and allows us to understand:

- The distribution of sales throughout the day, which indicates the relative importance of different parts of the day to total alcohol sales.

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<sup>1</sup> "Understanding the Geographic Relationships Between Households and Retail/Services Centres Across Auckland's Urban Structure: Methodology And Regional Structure Analysis", Auckland Council Internal Report 2012/003, August 2012.

- The relative importance of total alcohol sales to total centre sales for each centre, which indicates the relative importance of alcohol sales to each centre.
- The relative importance of total alcohol sales between each centre type (e.g. Auckland CBD vs. Metropolitan and Town centres).
- The relative importance of total alcohol sales between different licence types (e.g. On-licence vs. Off-licence vs. Club licence venues).
- The relative importance of total alcohol sales between different outlet types (e.g. Liquor stores, supermarkets, bars, cafes and restaurants, etc.).
- Key alcohol sales points across Auckland, which is a combination of outlet type and centre location.
- Cross-referenced data relating to each of the above, such as centre and outlet type by time of day.

## 2.3 Scenario Model

The Scenario Model draws directly from the Auckland Alcohol Sales Model to provide the structure for assessing direct changes to alcohol sales patterns that could arise as the result of LAPs being introduced. For the Phase 1 report only the base case scenario (status quo) was run, but for this Phase 2 report, a number of scenarios of alternative opening and/or closing hours for on- and/or off-license venues have been tested. This section describes the operation of the Scenario Model as it functioned for both the status quo scenario and the Phase 2 scenarios, which are described in detail in section 3.

The Scenario Model feeds scenarios back into the Sales Model, for the latter to reflect those changes as shifts in sales and by outlets. The structure is straightforward. The Sales Model provides the time and location of alcohol sales, and together with findings from Council’s research into alcohol-related issues<sup>2</sup> helps to establish the boundaries of possible changes in spending patterns, and provide a basis for estimating consumer and outlet responses.

Any restriction in trading hours will have different levels of impact on businesses that sell alcohol (and some that do not) depending on the share of their sales which is generated in potentially affected hours. For example, under a new LAP that restricts licensing hours to midnight, cafes which generate the major share of their sales at lunchtime would face a much smaller impact than would a nightclub that currently makes a large share of its sales after midnight. At a centre level then, the mix of business types in that centre, and how important they are relative to total centre activity, will affect the degree to which the centre as a whole is impacted.

The Scenario Model was applied as follows to each combination of changed opening and closing hours for on- and off-license venues described in section 3:

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<sup>2</sup> e.g. “Local Alcohol Policy Research Report: Information to support the development of a local alcohol policy”, Auckland Council report, undated

- a) Identify the change in operating hours.
- b) Identify the share of sales (alcohol, and related goods and services) which currently occurs during those (changed) hours for each type of outlet.
- c) Identify the share of spend at licensed premises (for each segment) which currently occurs during those (changed) hours.

# 3 Scenario Analysis

## 3.1 Scenario Definitions

A range of scenarios were provided to M.E for testing by Auckland Council. These included eight base scenarios (five for changes to licensed hours of off-license venues only and three for on-license venues) and 15 scenarios that tested a combination of changes in changes to licensed hours for both on- and off-license venues simultaneously. In total then 23 scenarios of changes to licensed hours were analysed. All scenarios represent changes to the maximum default trading hours as defined in the SSAA (2012), not any pre-SSAA hours. The scenarios are defined below:

Off-licence scenarios, all of which apply universally across Auckland:

- a) Changing the earliest permissible opening hours from 7am to 9am (no change in closing hours from default SSAA);
- b) Changing the latest permissible closing time from 11pm to 1am (no change in opening hours);
- c) Changing the latest permissible closing time from 11pm to 9pm (no change in opening hours);
- d) a) and b);
- e) a) and c).

On-license Scenarios:

- a) Changing the latest permissible closing time from 4am to 2am across the region (no change in opening hours);
- b) Closing time as in a) but with a one-way door policy in the CBD and city fringe<sup>3</sup> between 2-4am (no change in opening hours);
- c) As for b) but also with a region-wide one-way door policy from 1-2am.

For one-way door policies, it was assumed that 80% of original (i.e. unrestricted licensed hours) sales are still made in the first hour of the one-way door policy and 50% of original sales are made in the second hour. These assumptions reflect the fact that patrons remain able to stay in a venue until it closes but cannot leave and then re-enter, or go to another venue, so total sales would be expected to decrease over the two hour period.

These scenarios were analysed both on their own and in combination with each of the scenarios for the other license types. In total there were a possible 23 separate scenario combinations (Figure 3.1).

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<sup>3</sup> City fringe includes Ponsonby, Eden Terrace and Parnell

**Figure 3.1: Scenario Definitions**

Scenario earliest opening time: Scenario latest closing time:		Off-licenses*					
		9am (+2hrs)	No change	No change	9am (+2hrs)	9am (+2hrs)	No change in Off-Licenses**
On-licenses*	a) 2am closing time across the region	1	2	3	4	5	16
	b) 2am closing time with one-way door policy in the CBD and City fringe from 2-4am	6	7	8	9	10	17
	c) as for b) but also with one-way door policy in all other areas from 1-2am	11	12	13	14	15	18
	No change in On-Licenses***	19	20	21	22	23	

\*Default earliest opening time (SSAA) is 7am (off-licenses) and 8am (on-licenses), latest closing time is 11pm (off) and 4am (on)

\*\*The impact from these scenarios are calculated independently of any changes to currently existing on-license trading hours

\*\*\*The impact from these scenarios are calculated independently of any changes to currently existing off-license trading hours

## 3.2 Interpretation of Impacts

All impacts presented represent the total loss of sales that would result from changing licensing hours to a new proposed time range, given the quantum of sales currently (i.e. pre-SSAA) made within that period. That is, in a scenario in which the latest permissible closing time will be brought forward from the current (unrestricted by any default maximum) time to say 11pm, all sales<sup>4</sup> that currently occur after 11pm are assumed to be lost as a result of the change in closing time.

The impacts assessed are therefore based on the assumption that no behavioural changes, either from consumers or businesses, will occur if licensed hours are changed. However, some behavioural change is likely as the community adjusts to changed licensing hours, for example consumers who might previously have purchased from an off-license store during what is to become outside licensed hours may instead bring that spend forward. For this reason the impacts assessed are conservatively high, and in practice would likely be somewhat lower once consumers and businesses adjust to changed licensing hours. Interpretation of the impacts assessed should bear this conservatism in mind.

However, any change in the hours available for the sale and purchase of alcohol are likely to result in changes in behaviour across all groups in the market, i.e. consumers, sellers, wholesalers and producers. Each of these groups will pursue different strategies to reduce any perceived negative impact towards them. It needs to be noted that the potential market responses discussed below are only speculative, and quantitative analysis of the potential responses is outside the scope of this report.

A range of responses aimed at minimising losses from restricted trading hours is possible from those selling alcohol, for example:

- On-licence sellers will try to minimise their losses by minimising the reduction in alcohol (and associated goods) sold, for instance by trying to increase the volume of

<sup>4</sup> The amount of sales refers to the total money exchanged for a product (alcohol), this in no way should be considered profit, and this assessment does not analyse the future profitability of alcohol licensees under the modelled licencing hour changes.

goods sold during opening hours through marketing and other initiatives, rather than beginning to sell replacement goods and services which do not fit in easily with the core operation.

- Off-licence sellers will also seek to minimise the reduction in the amount of alcohol sold, again through marketing and other initiatives, although the strength of any response is expected to be proportional to the importance of alcohol sales to the business. Specialist retailers such as wine shops are likely to respond more aggressively than are businesses such as supermarkets for which alcohol accounts for a smaller share of total sales and profits, as many supermarkets use heavily discounted alcohol specials as a way to attract customers into their store. However the scale of these types of responses may be limited by new controls in the Act (Section 237) around irresponsible promotions and host responsibility.
- Both on- and off-license sellers may move to increase the price of alcohol sold in an attempt to cover any loss in total sales, turning alcohol into a higher value product. Any increase in price is likely to reduce demand for alcohol, (whether from on- or off-licenses) and therefore reduce consumption, which in turn may have a positive impact on the social costs of alcohol.
- Another potential loss-limiting factor for licensed venues is a saving in operating costs (e.g. wages, overheads, etc.) that may no longer be incurred as businesses will not be open for the same length of time. Depending on the nature of consumer responses and the amount of sales normally made during that time, this may end up saving the business money. Alternatively for businesses in which their core sales times are during the restricted hours it may also result in the closure of some of these businesses.
- Producers and wholesalers of alcohol may also adjust their business models in order to minimise potential losses from reduced demand from customers. This could include new product development or raising the wholesale price of alcohol products.

A range of responses might also be expected from consumers, depending on their current purchasing patterns:

- Some consumers will be largely unaffected, because most of their alcohol purchasing already occurs outside the late night or early morning period.
- Other consumer segments may need to make significant adjustments to their alcohol spending patterns, because a significant share of their alcohol spending occurs within the restricted hours.

Consumer changes might involve a combination of transferring spend that would have occurred during restricted hours to take place within the allowed hours. That may involve a change in one or more of the type of outlet purchased from (on-license vs. off-license), location of purchase (consumers may patronise suburban venues more if there is a reduction in CBD hours), type of store purchased at (including transfer of spending to non-alcohol related items), type of alcohol purchased, and time of purchase, or not spending at all. To a large degree, this will depend on the geography of the LAP and the availability of alternative

options (such as proximity to an area with later licensing hours). Any transfer of spend will reduce the overall economic impact of a reduction in hours available for alcohol purchasing.

There are also policy options which may have a positive impact on both reducing the economic impact of restricted hours of trade and reducing the social cost of alcohol related harm. This could come in the form of minimum pricing restrictions, such that profits may be maintained, due to a higher margin per unit, and less alcohol is sold, resulting in less consumption. Depending on the nature of any such policy there could be the option of bringing the price of alcohol between on- and off-license venues closer together, which would decrease the incentive of consumers to pre-load or side-load before heading to an on-license venue, as there would be less of a money saving. This would a) reduce the amount of alcohol consumed before arriving at an on-license venue (particularly late at night when much of the problems related to alcohol occur) and b) ensure consumption of alcohol is more focussed towards a controlled environment than it has been in the past.

### 3.3 License Type Impacts

The impact of each of the 23 scenarios was calculated and analysed for:

- Total lost sales for on-license venues, off-license venues and combined venues;
- Total proportion of current sales that would be lost;
- Effect on the output of the hospitality and retail sector;
- Effect compared to the maximum trading hour restrictions (base case) from Phase 1.

Figure 3.2 below shows the total impact in \$ terms (i.e. lost sales) for all 23 scenarios as an overview, while following that greater detail is provided for the individual scenarios (16-23), and for the three most impacted and three least impacted combinations of these scenarios (1-15).

Scenarios 16-18 (the on-license scenarios) were analysed independently of any reduction in sales for off-license venues (i.e. the total impact reported represents only the impact in sales for on-license venues) so comparisons can be drawn between this scenario and the default trading hour restrictions. Likewise, scenarios 19-23 (the off-license scenarios) were analysed independently of any reduction in sales for on-license venues, i.e. the total impact reported represents only the impact in sales for off-license venues so comparisons can be drawn between this scenario and the default trading hour restrictions.

**Figure 3.2: Total Impact of Each Scenario (\$m)**

Scenario earliest opening time: Scenario latest closing time:		Off-licenses <sup>1</sup>					
		9am (+2hrs) No change	No change 1am (+2hrs)	No change 9pm (-2hrs)	9am (+2hrs) 1am (+2hrs)	9am (+2hrs) 9pm (-2hrs)	No change in Off-Licenses <sup>2</sup>
On-licenses <sup>1</sup>	a) 2am closing time across the region	-\$38.5	-\$17.2	-\$64.6	-\$33.3	-\$80.8	-\$15.3
	b) 2am closing time with one-way door policy in the CBD and City fringe from 2-4am	-\$33.7	-\$12.4	-\$59.9	-\$28.5	-\$76.0	-\$10.5
	c) as for b) but also with one-way door policy in all other areas from 1-2am	-\$34.2	-\$12.9	-\$60.4	-\$29.1	-\$76.5	-\$11.0
	No change in On-Licenses <sup>3</sup>	-\$23.2	-\$1.9	-\$49.3	-\$18.0	-\$65.5	-\$13.9 <sup>4</sup>

<sup>1</sup>Default earliest opening time (SSAA) is 7am (off-licenses) and 8am (on-licenses), latest closing time is 11pm (off) and 4am (on)

<sup>2</sup>The impact from these scenarios are calculated independently of any changes to currently existing on-license trading hours

<sup>3</sup>The impact from these scenarios are calculated independently of any changes to currently existing off-license trading hours

<sup>4</sup>The total impact of the default maximum trading hours for on- and off-license venues

### 3.3.1 Off-license Scenario Impacts

Four of the five off-license scenarios will have a bigger impact on alcohol sales than the default trading hours (closed from 11pm to 7am) (Figure 3.3). Of the three individual scenarios, scenario 21 (changed closing time from 11pm to 9pm) has the largest impact on sales, with an expected reduction of \$49.3m in total annual alcohol sales across Auckland. Scenario 19 will have an impact on sales of \$23.2m (changed opening time from 7am to 9am) while scenario 20 will have a relatively minor impact on total alcohol sales of only \$1.9m. As a result, when these scenarios are combined (i.e. changing both the opening and closing times in different combinations) the largest impact comes from the combination of scenarios 19 and 20 (no sales from 9pm to 9am), resulting in a total direct impact on sales of \$65.5m. Overall for off-license venues, the shifting of *closing* time is most sensitive to reducing or increasing the impact of any restrictions put in place, reflecting the fact that more off-license sales occur later in the day (around midnight) than earlier (around breakfast).

**Figure 3.3: Off-license Only Scenario Impacts**

Scenario	Off-license Scenarios	Direct Impact on Off-license Sales (\$m)	Impact as % of Auckland's Total Alcohol Sales	Impact on Total Off-license Sales
19	a) Shifting the earliest opening hours from 7am to 9am (no change in closing hours)	-\$23.2	1.6%	-2.8%
20	b) Shifting the closing time from 11pm to 1am (no change in opening hours)	-\$1.9	0.1%	-0.2%
21	c) Shifting the closing time from 11pm to 9pm (no change in opening hours)	-\$49.3	3.4%	-5.9%
22	a) and b)	-\$18.0	1.2%	-2.2%
23	a) and c)	-\$65.5	4.4%	-7.8%
n/a	Base Case Restrictions	-\$7.0	0.5%	-0.09%

### 3.3.2 On-license Scenario Impacts

Unlike the off-license scenarios, the on-license scenarios all have a similar magnitude of impact on the sales for this venue type, as they are all based on the same core policy of a 2am closing time. The region-wide 2am blanket closing (scenario 16) has the biggest impact (\$15.3m in annual sales), while incorporating one-way door policies in certain areas after this time reduces this impact (Figure 3.4). When compared to the default trading hour restrictions which had an impact of \$6.9m, scenarios 17 and 18 increase the direct impact by up to \$3m, while scenario 16 has just under twice the impact with \$15.3m in reduced sales.

**Figure 3.4: On-license Only Scenario Impacts**

Scenario	On-license Scenarios	Direct Impact on On-license Sales (\$m)	Impact as % of Auckland's Total Alcohol Sales	Impact on Total On-license Sales
16	a) 2am closing time across the region	-\$15.3	1.0%	-3.1%
17	b) 2am closing time [as in a)] but with a one way door policy in the CBD and city fringe from 2-4am	-\$10.5	0.7%	-2.1%
18	c) same as b) but also incorporates a one-way door policy in all other areas from 1-2am	-\$11.0	0.7%	-2.2%
n/a	Base Case Restrictions	-\$6.9	0.5%	-0.44%

### 3.3.3 Combined Scenario Impacts

Of the 15 combined scenarios (changes to both on- and off-license opening and/or closing times) scenarios 5, 15 and 10 would have the largest impact on annual alcohol sales across Auckland (Figure 3.5). The combined scenarios are all heavily influenced by the off-license component of this impact, that is for scenarios 5, 15 and 10 bringing forward the latest permissible off-license closing times to 9pm (i.e. from the same column in Figure 3.2). Of these three scenarios, Scenario 5 would result in the largest direct impact on sales (\$81m), which equates to a significant 5.5% of the Auckland region's total annual alcohol sales.

The scenarios with the smallest impacts on Auckland alcohol sales are scenarios 7, 12 and 2. Again, all of these scenarios are heavily influenced by the off-license component of this impact (moving the latest permissible off-license closing times to 1am, i.e. from the same column in Figure 3.2). The lowest possible impact of the scenarios presented comes from scenario 7, which will have an impact on sales of \$12.4m (0.8% of Auckland's total annual alcohol sales), \$1.3m less than the default restrictions of \$13.9m.

**Figure 3.5: Scenario Combinations with the Largest and Smallest Impacts**

Scenario Number	Direct Impact on Sales (\$m)			Total as % of Auckland's Total Alcohol Sales	Impact on Total License Type Sales	
	On-License	Off-License	Total		On-License	Off-License
<b>Largest Impacts</b>						
5	-\$15.3	-\$65.5	-\$80.8	5.5%	-3.1%	-7.8%
15	-\$11.0	-\$65.5	-\$76.5	5.2%	-2.2%	-7.8%
10	-\$10.5	-\$65.5	-\$76.0	5.2%	-2.1%	-7.8%
<b>Smallest Impacts</b>						
7	-\$10.5	-\$1.9	-\$12.4	0.8%	-2.1%	-0.2%
12	-\$11.0	-\$1.9	-\$12.9	0.9%	-2.2%	-0.2%
2	-\$15.3	-\$1.9	-\$17.2	1.2%	-3.1%	-0.2%
Base Case Restrictions	-\$6.9	-\$7.0	-\$13.9	0.9%	-0.44%	-0.09%

### 3.4 Spatial Impact Analysis

It is also useful to understand the geographic impact of the alternative scenarios tested above. Analysis of this shows that the CBD is expected to experience the biggest impact of any *individual* centre under every scenario, and substantial impact increases relative to the default hours scenario under several scenarios. However, the aggregate areas outside the six main centres (i.e. the ‘bunches’ and outside centre group) will also experience very significant increases in impact compared to the default trading hours, indicating that the impacts will be more widely spread than under the default hours scenario (Figure 3.6 and Figure 3.7).

Under the default maximum trading hours scenario (the bottom row of the table), the CBD is expected to account for almost half (47%) the total sales impact across Auckland<sup>5</sup>. However, under 10 of the 15 combined scenarios analysed, the CBD would account for less than 30% of the impact on sales, and there are only three scenarios (2, 7 and 12) where the CBD would account for a higher proportion of total regional sales impacts than it would under the default trading hours. Note this is not necessarily because the total impact on the CBD is reduced, more so because of an increase in total impact on other centres/areas, resulting in the CBD accounting for proportionally less.

The impacts on the CBD will still increase in seven of the 23 scenarios, and in some cases up to triple, however in percentage terms these impacts are smaller than in other parts of Auckland. This suggests that if these scenarios were implemented, the impact would be less concentrated on the Auckland CBD and would be more widely distributed across Auckland, perhaps having a greater impact on suburban outlets such as supermarkets and liquor stores (as discussed further in section 3.5 below). This indicates that the alternative licensing hour scenarios tested will begin to affect the hours in which suburban outlets make a larger proportion of their sales than was the case under the default hours scenario.

<sup>5</sup> The CBD currently accounts for 14.1% of Auckland’s total alcohol sales, which is the largest share of any individual centre.

Figure 3.6: Spatial Impact of Proposed Scenarios (\$m)

Scenario	CBD	Newmarket	Ponsonby	Pukekohe	New Lynn	Albany	Bunch 28	Bunch 29	Bunch 30	All other centres	Outside Centre	Total Impact (\$m)
1	-\$14.0	-\$0.6	-\$0.6	-\$0.3	-\$0.3	-\$0.3	-\$4.2	-\$2.7	-\$0.7	-\$5.6	-\$9.2	-\$38.5
2	-\$10.7	-\$0.2	-\$0.5	-\$0.1	-\$0.1	\$0.0	-\$0.7	-\$0.3	-\$0.2	-\$1.9	-\$2.4	-\$17.2
3	-\$18.8	-\$0.5	-\$0.9	-\$0.3	-\$0.4	-\$0.3	-\$7.0	-\$4.1	-\$0.4	-\$8.2	-\$23.8	-\$64.6
4	-\$11.8	-\$0.6	-\$0.6	-\$0.3	-\$0.3	-\$0.3	-\$3.5	-\$2.6	-\$0.7	-\$5.2	-\$7.5	-\$33.3
5	-\$19.9	-\$0.8	-\$1.0	-\$0.5	-\$0.7	-\$0.6	-\$9.8	-\$6.3	-\$0.9	-\$11.4	-\$28.9	-\$80.8
6	-\$9.6	-\$0.6	-\$0.3	-\$0.3	-\$0.3	-\$0.3	-\$4.2	-\$2.7	-\$0.7	-\$5.5	-\$9.2	-\$33.7
7	-\$6.3	-\$0.2	-\$0.2	-\$0.1	-\$0.1	\$0.0	-\$0.7	-\$0.3	-\$0.2	-\$1.9	-\$2.4	-\$12.4
8	-\$14.4	-\$0.5	-\$0.6	-\$0.3	-\$0.4	-\$0.3	-\$7.0	-\$4.1	-\$0.4	-\$8.1	-\$23.8	-\$59.9
9	-\$7.4	-\$0.6	-\$0.3	-\$0.3	-\$0.3	-\$0.3	-\$3.5	-\$2.6	-\$0.7	-\$5.1	-\$7.5	-\$28.5
10	-\$15.4	-\$0.8	-\$0.7	-\$0.5	-\$0.7	-\$0.6	-\$9.8	-\$6.3	-\$0.9	-\$11.4	-\$28.9	-\$76.0
11	-\$9.6	-\$0.6	-\$0.3	-\$0.3	-\$0.3	-\$0.3	-\$4.2	-\$2.8	-\$0.7	-\$5.7	-\$9.4	-\$34.2
12	-\$6.3	-\$0.2	-\$0.2	-\$0.1	-\$0.1	\$0.0	-\$0.8	-\$0.4	-\$0.2	-\$2.1	-\$2.6	-\$12.9
13	-\$14.4	-\$0.5	-\$0.6	-\$0.3	-\$0.4	-\$0.3	-\$7.1	-\$4.1	-\$0.4	-\$8.3	-\$24.0	-\$60.4
14	-\$7.4	-\$0.6	-\$0.3	-\$0.3	-\$0.3	-\$0.3	-\$3.6	-\$2.6	-\$0.7	-\$5.3	-\$7.7	-\$29.1
15	-\$15.4	-\$0.8	-\$0.7	-\$0.5	-\$0.7	-\$0.6	-\$9.9	-\$6.4	-\$0.9	-\$11.5	-\$29.1	-\$76.5
16	-\$10.2	-\$0.2	-\$0.5	-\$0.1	\$0.0	\$0.0	-\$0.4	-\$0.2	-\$0.2	-\$1.6	-\$1.8	-\$15.3
17	-\$5.8	-\$0.2	-\$0.2	-\$0.1	\$0.0	\$0.0	-\$0.4	-\$0.2	-\$0.2	-\$1.5	-\$1.8	-\$10.5
18	-\$5.8	-\$0.2	-\$0.2	-\$0.1	-\$0.1	\$0.0	-\$0.5	-\$0.3	-\$0.2	-\$1.7	-\$2.0	-\$11.0
19	-\$3.8	-\$0.4	-\$0.1	-\$0.2	-\$0.3	-\$0.3	-\$3.8	-\$2.5	-\$0.5	-\$4.0	-\$7.4	-\$23.2
20	-\$0.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$0.3	-\$0.1	\$0.0	-\$0.3	-\$0.6	-\$1.9
21	-\$8.5	-\$0.3	-\$0.4	-\$0.2	-\$0.3	-\$0.3	-\$6.6	-\$3.9	-\$0.3	-\$6.6	-\$22.0	-\$49.3
22	-\$1.5	-\$0.4	-\$0.1	-\$0.2	-\$0.3	-\$0.3	-\$3.1	-\$2.4	-\$0.5	-\$3.6	-\$5.7	-\$18.0
23	-\$9.6	-\$0.6	-\$0.5	-\$0.5	-\$0.6	-\$0.6	-\$9.4	-\$6.1	-\$0.7	-\$9.8	-\$27.1	-\$65.5
Default Max. Trading Hours	-\$6.5	-\$0.1	-\$0.1	\$0.0	\$0.0	\$0.0	-\$1.3	-\$0.5	-\$0.2	-\$1.5	-\$3.5	-\$13.9

Please see Appendix 1 for a list of which centres are included in each bunch and 'all other' centre categories.

**Figure 3.7: Proportion of Scenario Impact Accounted for by Each Centre (Group)**

Scenario	CBD	Newmarket	Ponsonby	Pukekohe	New Lynn	Albany	Bunch 28	Bunch 29	Bunch 30	All other centres	Outside Centre	Total Impact (\$m)
1	36%	1%	2%	1%	1%	1%	11%	7%	2%	15%	24%	100%
2	62%	1%	3%	0%	0%	0%	4%	2%	1%	11%	14%	100%
3	29%	1%	1%	0%	1%	0%	11%	6%	1%	13%	37%	100%
4	35%	2%	2%	1%	1%	1%	11%	8%	2%	15%	23%	100%
5	25%	1%	1%	1%	1%	1%	12%	8%	1%	14%	36%	100%
6	29%	2%	1%	1%	1%	1%	12%	8%	2%	16%	27%	100%
7	51%	2%	2%	0%	0%	0%	6%	3%	1%	15%	19%	100%
8	24%	1%	1%	0%	1%	1%	12%	7%	1%	14%	40%	100%
9	26%	2%	1%	1%	1%	1%	12%	9%	2%	18%	26%	100%
10	20%	1%	1%	1%	1%	1%	13%	8%	1%	15%	38%	100%
11	28%	2%	1%	1%	1%	1%	12%	8%	2%	17%	27%	100%
12	49%	2%	2%	0%	1%	0%	6%	3%	1%	16%	20%	100%
13	24%	1%	1%	0%	1%	1%	12%	7%	1%	14%	40%	100%
14	25%	2%	1%	1%	1%	1%	12%	9%	2%	18%	27%	100%
15	20%	1%	1%	1%	1%	1%	13%	8%	1%	15%	38%	100%
16	67%	1%	3%	0%	0%	0%	3%	2%	1%	10%	12%	100%
17	55%	2%	2%	0%	0%	0%	4%	2%	2%	15%	17%	100%
18	53%	2%	2%	1%	0%	0%	4%	2%	1%	16%	18%	100%
19	16%	2%	0%	1%	1%	1%	16%	11%	2%	17%	32%	100%
20	24%	1%	0%	0%	1%	0%	18%	6%	1%	18%	31%	100%
21	17%	1%	1%	0%	1%	1%	13%	8%	1%	13%	45%	100%
22	8%	2%	0%	1%	2%	2%	17%	13%	3%	20%	32%	100%
23	15%	1%	1%	1%	1%	1%	14%	9%	1%	15%	41%	100%
Default Max. Trading Hours	47%	1%	1%	0%	0%	0%	9%	3%	1%	11%	25%	100%

Please see Appendix 1 for a list of which centres are included in each bunch and ‘all other’ centre categories.

### 3.5 Storetype Impact Analysis

While all affected storetypes will see an increased impact under the three on-license scenarios, the biggest increase (both in absolute and relative terms) will be felt by Pubs, Taverns and Bars. In scenario 16 the impact on this outlet type increases almost four-fold over the default maximum trading hours to \$9.3m (from \$2.5m), while for the other two on-license scenarios the impact more than doubles. This is to be expected given the nature of their operation, as outlets in this category are more likely to be open during the scenario-affected hours (i.e. after 2am) than other storetypes. Cafés and Restaurants will also experience an increase in impact, although this will be relatively much smaller and the variation between the scenarios is small, suggesting the 2am closing time will impact the tail-end of their sales (See Figure 3.8 and Figure 3.9).

For most of the off-license scenarios the impact on these storetypes is much greater than it is for on-license businesses. Under scenario 23, which has the earliest closing and latest opening times, Liquor Retailing, Supermarkets and Catering would all experience significant increases in impact relative to the default trading hours, increases in impact of \$18.6m, \$28.6m and \$9.8m each respectively, or between 8 and 12 times greater than the default hours.

Interestingly however, when comparing the impact of opening and closing time changes to each storetype, Liquor Retailing stores are much more vulnerable to changes in closing time (\$30m) than opening time (\$6m) with a two hour shift in each (earlier for closing, later for opening). The comparable variance for Supermarkets was much smaller, with a \$8.9m impact from bringing closing time forward two hours earlier and \$13.6m by shifting the opening time to two hours later (see Figure 3.8). This indicates that evening sales form a greater part of the total sales made by Liquor Retail outlets than they do for supermarkets.

Figure 3.8: Storetype Impact of Proposed Scenarios

Scenario	Pubs, Taverns and Bars	Cafes and Restaurants	Accommodation	Other On-License	Supermarket and Grocery	Liquor Retailing	Catering Services	Other Off-License	Sports Clubs	Other Club-License	Total
1	-\$9.3	-\$3.9	-\$1.5	-\$0.7	-\$13.6	-\$6.0	-\$3.1	-\$0.5	\$0.0	\$0.0	-\$38.5
2	-\$9.3	-\$3.9	-\$1.5	-\$0.7	-\$1.3	-\$0.1	-\$0.4	-\$0.1	\$0.0	\$0.0	-\$17.2
3	-\$9.3	-\$3.9	-\$1.5	-\$0.7	-\$8.9	-\$30.0	-\$9.3	-\$1.2	\$0.0	\$0.0	-\$64.6
4	-\$9.3	-\$3.9	-\$1.5	-\$0.7	-\$13.0	-\$2.5	-\$2.2	-\$0.4	\$0.0	\$0.0	-\$33.3
5	-\$9.3	-\$3.9	-\$1.5	-\$0.7	-\$20.5	-\$32.3	-\$11.1	-\$1.6	\$0.0	\$0.0	-\$80.8
6	-\$5.4	-\$3.4	-\$1.2	-\$0.5	-\$13.6	-\$6.0	-\$3.1	-\$0.5	\$0.0	\$0.0	-\$33.7
7	-\$5.4	-\$3.4	-\$1.2	-\$0.5	-\$1.3	-\$0.1	-\$0.4	-\$0.1	\$0.0	\$0.0	-\$12.4
8	-\$5.4	-\$3.4	-\$1.2	-\$0.5	-\$8.9	-\$30.0	-\$9.3	-\$1.2	\$0.0	\$0.0	-\$59.9
9	-\$5.4	-\$3.4	-\$1.2	-\$0.5	-\$13.0	-\$2.5	-\$2.2	-\$0.4	\$0.0	\$0.0	-\$28.5
10	-\$5.4	-\$3.4	-\$1.2	-\$0.5	-\$20.5	-\$32.3	-\$11.1	-\$1.6	\$0.0	\$0.0	-\$76.0
11	-\$5.8	-\$3.5	-\$1.2	-\$0.6	-\$13.6	-\$6.0	-\$3.1	-\$0.5	\$0.0	\$0.0	-\$34.2
12	-\$5.8	-\$3.5	-\$1.2	-\$0.6	-\$1.3	-\$0.1	-\$0.4	-\$0.1	\$0.0	\$0.0	-\$12.9
13	-\$5.8	-\$3.5	-\$1.2	-\$0.6	-\$8.9	-\$30.0	-\$9.3	-\$1.2	\$0.0	\$0.0	-\$60.4
14	-\$5.8	-\$3.5	-\$1.2	-\$0.6	-\$13.0	-\$2.5	-\$2.2	-\$0.4	\$0.0	\$0.0	-\$29.1
15	-\$5.8	-\$3.5	-\$1.2	-\$0.6	-\$20.5	-\$32.3	-\$11.1	-\$1.6	\$0.0	\$0.0	-\$76.5
16	-\$9.3	-\$3.9	-\$1.5	-\$0.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$15.3
17	-\$5.4	-\$3.4	-\$1.2	-\$0.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$10.5
18	-\$5.8	-\$3.5	-\$1.2	-\$0.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$11.0
19	\$0.0	\$0.0	\$0.0	\$0.0	-\$13.6	-\$6.0	-\$3.1	-\$0.5	\$0.0	\$0.0	-\$23.2
20	\$0.0	\$0.0	\$0.0	\$0.0	-\$1.3	-\$0.1	-\$0.4	-\$0.1	\$0.0	\$0.0	-\$1.9
21	\$0.0	\$0.0	\$0.0	\$0.0	-\$8.9	-\$30.0	-\$9.3	-\$1.2	\$0.0	\$0.0	-\$49.3
22	\$0.0	\$0.0	\$0.0	\$0.0	-\$13.0	-\$2.5	-\$2.2	-\$0.4	\$0.0	\$0.0	-\$18.0
23	\$0.0	\$0.0	\$0.0	\$0.0	-\$20.5	-\$32.3	-\$11.1	-\$1.6	\$0.0	\$0.0	-\$65.5
Default Max. Trading Hours	-\$2.5	-\$3.1	-\$1.0	-\$0.3	-\$1.9	-\$3.7	-\$1.3	-\$0.2	\$0.0	\$0.0	-\$13.9

Figure 3.9: Proportion of Scenario Impact Accounted for by Each Storetype

Scenario	Pubs, Taverns and Bars	Cafes and Restaurants	Accommodation	Other On-License	Supermarket and Grocery Store	Liquor Retailing	Catering Services	Other Off-License	Sports Clubs	Other Club-License	Total
1	24%	10%	4%	2%	35%	16%	8%	1%	0%	0%	100%
2	54%	22%	9%	4%	8%	1%	2%	0%	0%	0%	100%
3	14%	6%	2%	1%	14%	46%	14%	2%	0%	0%	100%
4	28%	12%	4%	2%	39%	7%	7%	1%	0%	0%	100%
5	11%	5%	2%	1%	25%	40%	14%	2%	0%	0%	100%
6	16%	10%	3%	2%	40%	18%	9%	2%	0%	0%	100%
7	44%	28%	9%	4%	11%	1%	3%	1%	0%	0%	100%
8	9%	6%	2%	1%	15%	50%	15%	2%	0%	0%	100%
9	19%	12%	4%	2%	45%	9%	8%	1%	0%	0%	100%
10	7%	5%	2%	1%	27%	42%	15%	2%	0%	0%	100%
11	17%	10%	3%	2%	40%	17%	9%	2%	0%	0%	100%
12	45%	27%	9%	5%	10%	1%	3%	0%	0%	0%	100%
13	10%	6%	2%	1%	15%	50%	15%	2%	0%	0%	100%
14	20%	12%	4%	2%	45%	8%	8%	1%	0%	0%	100%
15	8%	5%	2%	1%	27%	42%	15%	2%	0%	0%	100%
16	61%	25%	10%	5%	0%	0%	0%	0%	0%	0%	100%
17	51%	33%	11%	5%	0%	0%	0%	0%	0%	0%	100%
18	52%	32%	11%	6%	0%	0%	0%	0%	0%	0%	100%
19	0%	0%	0%	0%	58%	26%	13%	2%	0%	0%	100%
20	0%	0%	0%	0%	71%	7%	19%	3%	0%	0%	100%
21	0%	0%	0%	0%	18%	61%	19%	3%	0%	0%	100%
22	0%	0%	0%	0%	72%	14%	12%	2%	0%	0%	100%
23	0%	0%	0%	0%	31%	49%	17%	2%	0%	0%	100%
Default Max. Trading Hours	18%	22%	7%	2%	14%	26%	9%	1%	0%	0%	100%

## 4 Conclusion

The direct sales impact on off-license venues will be much greater than on on-license venues if the default licensed hours are changed, particular in out-of-centre locations. This is due to the larger volume of sales that the former make, especially supermarkets and liquor stores, assuming consumers continue to purchase alcohol at the same times as they do currently. However in reality consumer and vendor behaviour changes for both on- and off-license venues are likely, although are not well understood, and these changes are likely to decrease the difference in impact between the venue types and the overall economic impact.

Because off-license customers will be able to change the time of their purchase without changing when they drink (as the two times are not necessarily linked when consumption is off-premise) behavioural change is likely to mitigate the maximum expected effects that are presented here for off-license venues. On-license venues however are selling for immediate consumption, so consumption must occur in the licensed hours, meaning that the scope for mitigation from behavioural change would be much lower. Once behavioural changes are taken into account, the sales impacts on on- and off-license venues are likely to be closer together than the conservatively high 'without-behavioural change' impacts presented here.

For the off-license scenarios, bringing the latest permissible closing time forward by two hours to 9pm would have the most significant impact on total sales of all the individual scenarios, with an expected decrease in total direct impact of \$49.3m in reduced sales. Changing the opening time from 7am to 9am would decrease sales by \$23.2m relative to the current (no restricted hours) situation, while changing the closing time from 11pm to 1am would have an impact of \$1.9m. The default restricted trading hours for off-license venues are expected to have a direct impact on sales of \$7.0m.

For on-license venues, bringing forward the latest permissible closing time from the default time of 4am to 2am will have result in a decrease in alcohol sales of \$15.3m. If a one-way door policy is introduced in the CBD and city fringe between 2am and 4am the decrease would be reduced to \$10.5m, while if an additional one-way door policy was put in place from 1-2am across the rest of Auckland the direct impact would be \$11m. The default trading hour restrictions for on-license venues resulted in a \$6.9m impact on sales. Combinations of restricting both the closing and opening times of both on- and off-licensed venues would have even greater impacts on alcohol sales.

As was the case under the default trading hours, the CBD accounts for the greatest total direct impact of any individual centre (it also accounts for the most sales) under the scenarios tested. However, when comparing the impacts to the default trading hour impacts, other centres are affected relatively more (as a proportion of impacts from the default trading hour restrictions). This is due to many of these centres not being overly affected by the default restrictions, however under several of the scenarios tested many centres were impacted by restrictions on sales that were occurring at the start and end of the day. This was especially true for the off-license and combined scenarios due to the importance of Liquor Retailers and Supermarkets to those suburban centres.

It is important to understand that the economic impact on businesses is only one aspect that must be considered when determining an appropriate policy response to this issue. There are also significant social (and associated economic) costs to people and communities as a result of alcohol related harm, for which there are significant benefits to reducing. However, these fall outside the scope of this particular research.

## Appendix 1: Bunched and 'All Other' Centre Definitions

Bunched Centre Name	Description	Included Centres
<b>Bunch 28</b>	Remaining Major Urban Centres	Eden Valley, St Lukes, Royal Oak, Panmure/Mt Wellington LFR, Orewa, Otahuhu, Manurewa, Greenlane, Remuera, Whangaparaoa, Mt Albert, Milford, Glenfield, Mangere, Glen Innes, Otara, Pakuranga, Northcote, Howick and Auckland Airport
<b>Bunch 29</b>	Remaining Minor Urban Centres	Balmoral, Ellerslie, St Heliers, Pt Chevalier, Mairangi Bay, Lynfield, Meadowlands, Mt Roskill, Te Atatu South, Sandringham, Kelston, Avondale, Te Atatu, Glen Eden, Mangere Bridge, Hauraki Corner, Torbay, Takanini, Mangere East Village, Papatoetoe, Blockhouse Bay, Mokoia Road Shops, Royal Heights, Three Kings, Meadowbank, Stoddard Road, Grey Lynn, Clendon, Dawson Road, Eastridge, Green Bay and Sunnynook
<b>Bunch 30</b>	Remaining Rural/Satellite Centres	Clevedon, Helensville, Kumeu/Huapai, Matakana, Silverdale LFR, Silverdale Village, Waimauku, Waiuku, Warkworth and Wellsford
<b>All Other Centres</b>		Birkenhead, Botany, Browns Bay, Devonport, Eden Terrace, Henderson, Highland Park, Hunters Corner, Kingsland, Lincoln Rd, Manukau, Mission Bay, Mt Eden Village, Mt Wellington, Onehunga, Papakura, Parnell, Takapuna, Titirangi, Wairau Park, Westgate.