



# Evidence supports a proposed Parliamentary Bill to reduce harm from alcohol sponsorship of sport

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**Green MP Chlöe Swarbrick recently announced a Member's Bill to end alcohol sponsorship of sport, acting on recommendations by three Government-commissioned bodies and the World Health Organization. Viable sponsorship replacement models already exist and could easily be implemented to support sporting organisations to transition away from alcohol industry reliance. The Bill,**

**if enacted, will provide comprehensive well-being benefits for all New Zealanders and is an important step in the right direction to improving health equity.**

Green MP [Chlöe Swarbrick](#) recently announced a Member's Bill to end alcohol sponsorship of sport. The Bill aligns with the recommendations from the 2010 Law Commission review of New Zealand's alcohol laws,<sup>1</sup> the 2014 Ministerial Forum on Alcohol Advertising and Sponsorship,<sup>2</sup> the 2018 Mental Health and Addiction Inquiry<sup>3</sup> and the World Health Organization.<sup>4</sup> In this blog, we outline the case for ending alcohol sponsorship of sport and propose a replacement model so that sporting bodies can realise their stated purpose to "contribute to the wellbeing of everybody in Aotearoa, New Zealand (NZ)."<sup>5</sup>

## **Alcohol-related harm**

Alcohol is a major cause of injuries, violence, crime, suicide, mental illness, cancer and other health conditions, with the burden of alcohol harm falling heavily on low-income communities and Māori. In NZ, an estimated 5.4% of all deaths are attributable to alcohol use, resulting in over 13,000 years of life lost annually.<sup>6</sup> Alcohol use is a key driver of health inequities and remains the leading cause of death and lost disability-adjusted life years among New Zealanders aged 15 to 49 years.<sup>7</sup>

The financial costs of alcohol-related harm are an estimated \$7.85 billion each year,<sup>8</sup> placing a major burden on NZ's economy and falling well short of the annual alcohol excise revenue of around \$1.1 billion.<sup>9</sup>

There has been increasing attention given to the need for the NZ Government to fulfil its responsibilities under Te Tiriti o Waitangi with regards to alcohol's longstanding, inequitable impacts. Alcohol availability and advertising is prevalent in many low-income areas where there is a predominately high Māori population.<sup>10</sup> It is been argued that the Crown has failed to afford Māori active protection by abdicating its responsibilities for the regulation of advertising standards to the Advertising Standards Authority.<sup>10</sup> A Waitangi Tribunal claim within the Health Services and Outcomes Kaupapa Inquiry states that there are numerous and substantial failures by the Crown to reduce the harm from alcohol in Māori communities.<sup>11</sup>

## **Alcohol Sponsorship - how does it work?**

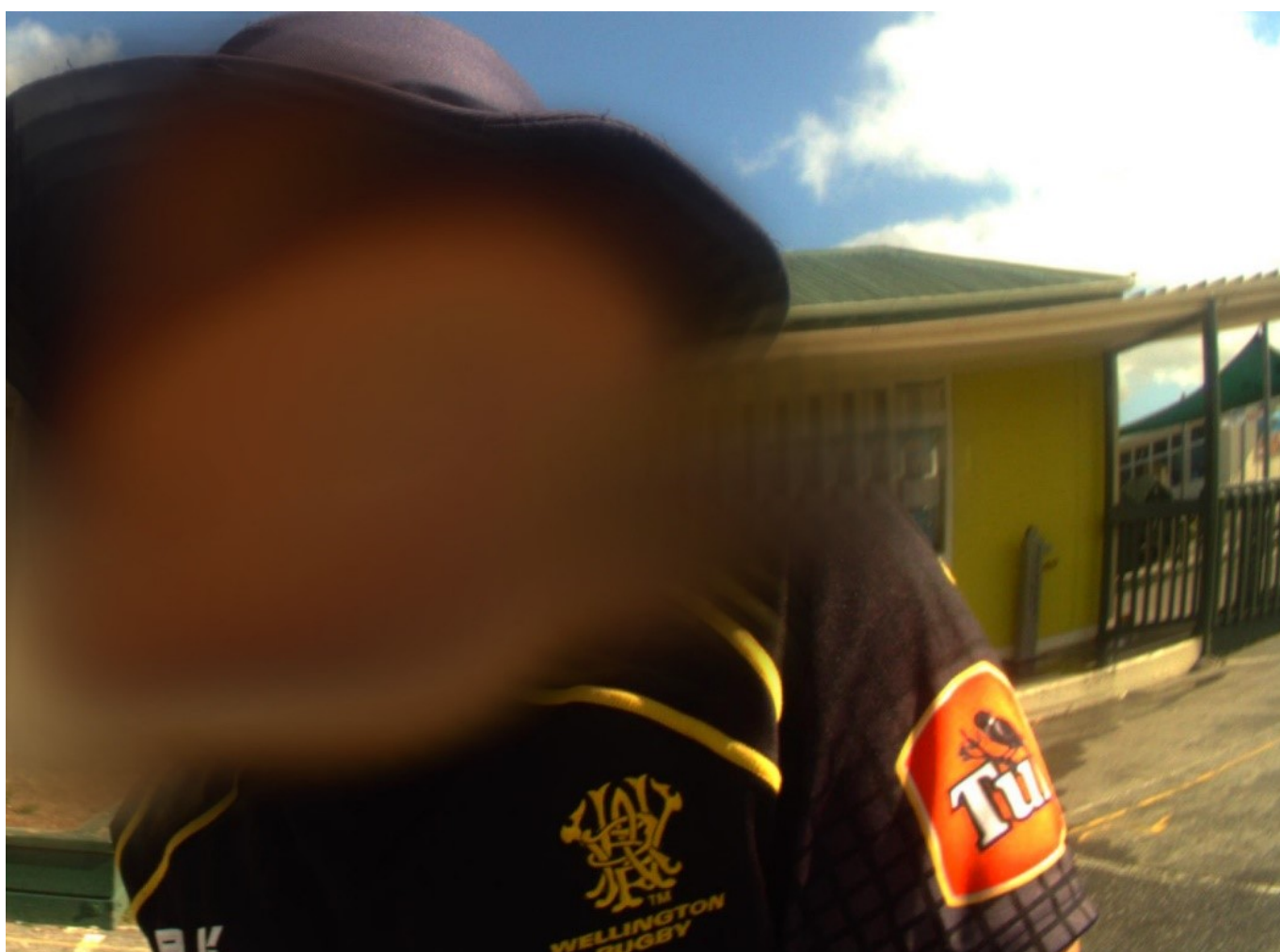
Sport is emotionally captivating, highly popular with a diverse and broad audience, and generates large media audiences as well as replayed coverage, for example, through news and sports programmes. Alcohol brand exposure occurs frequently via players' jumpers and sporting fixtures, across the duration of the game.<sup>12</sup> Branded promotion that is incidentally presented during events that have high strong and emotional engagement is suggested to be more effective than regular advertising.<sup>13</sup>

Sports sponsorship utilises this high reach among many population groups by integrating brands into people's daily lives. Digital media is increasingly used to connect with and engage the audience away from the stadium.<sup>14</sup> Less obtrusive than mainstream mass media advertising, sponsorship pairs aspirational attributes associated with sport, such as excitement, excellence, and strength, with specific brands. Over time, the brands take on these meanings. Sports sponsorship also draws heavily on vicarious learning, where young people learn and adopt brands and behaviours they see endorsed by sporting role models.<sup>15</sup>

Evidence shows that alcohol sponsorship harms both children and athletes. A systematic

review of alcohol sponsorship has found that exposure is associated with increased alcohol consumption by children as well as adult sporting participants.<sup>16</sup> Regular media reports reinforce the problematic relationship between sports and alcohol, with six *Speights Highlanders* rugby players being stood down recently for an [alcohol-related incident](#). Alcohol consumption (including alcohol sponsorship) was a key focus in New Zealand Rugby's Respect and Responsibility Review in 2017.<sup>17</sup>

Alcohol sports sponsorship is one form of alcohol marketing. It is well-established that exposure to alcohol marketing—including sports sponsorship—contributes to the onset of drinking during adolescence and contributes to binge drinking in young people.<sup>18</sup> The existing evidence has led the World Health Organization to recommend an end to alcohol sponsorship.<sup>4</sup> In a study utilising wearable cameras on New Zealand children, alcohol sponsorship was a major source of marketing exposure.<sup>19</sup> Across all marketing exposures, tamariki Māori and Pasifika children had daily levels of exposure that were five times and three times greater than other children, respectively.



*Figure 1. Child wearing alcohol sponsorship from the Kids'Cam Study*

In New Zealand, alcohol sponsorship guidelines are issued by the advertising industry-led Advertising Standards Authority, via the Advertising and Promotion of Alcohol Code.<sup>20</sup> This Code condones alcohol sponsorship arrangements in circumstances where the expected audience is 80% or more adults. In addition, any mention or portrayal (orally and/or visually) of the alcohol advertiser's name/brand/logo must be done so in a subordinate manner (as a guide, no more than 15% of the space/time available). For many popular rugby games, this results in repeated alcohol marketing exposure (through multiple media

channels) to over one million New Zealanders, including hundreds of thousands of children.

It is important to note that New Zealanders are supportive of an end to alcohol sponsorship. The 2019/20 Alcohol Use in New Zealand Survey conducted by the Health Promotion Agency found that three in five (62%) respondents supported banning alcohol sponsorship at sporting, community and other events that under 18-year-olds go to.<sup>21</sup>

## **Supporting clubs away from reliance on alcohol industry funds**

In 2014, the total value of alcohol sponsorship of sport in New Zealand was estimated at \$21.3 million, with \$13.8 million in direct cash contributions.<sup>22</sup> Approximately 75% of total funds went to rugby union.

There is evidence to suggest that ending alcohol sponsorship of sport would open up alternative channels for financial support of sport. In Australia, sponsorship revenue increased by 45% over the four years following an end to tobacco sponsorship.<sup>23</sup> A UK simulation of a ban on alcohol and gambling sponsorship estimated that 84% of lost revenues would be replaced immediately by other sponsors.<sup>24</sup> The substitution effect is largely due to new companies entering the sports sponsorship market, sport sponsorship revenue continuing to increase year-on-year, increasing global exposure of sports via digital technologies and emerging sports providing large potential for return-on-investment.<sup>25</sup> An example of this is the New Zealand Warriors no longer having the Ready-to-Drink (RTD) Woodstock brand on their playing sleeve, being replaced by a sponsorship contract with major broadcaster and listed corporation Sky Sport.

The Ministerial Forum on Alcohol Advertising and Sponsorship recommended that a targeted and funded programme be introduced to minimise the impact of lost sponsorship on community sporting clubs' sustainability. The programme would develop the capacity and skills among clubs to generate alternate non-alcohol sponsorship funding. In lieu of sponsorship substitution, the Government could replace all alcohol sports sponsorship by recycling 2.3% of the revenue generated via the existing alcohol excise tax.<sup>22,26</sup> Alternatively, the existing Health Promotion Agency levy on all alcohol sold (for the purposes of alcohol harm reduction activities) could be increased to fund temporary replacement as well as assistance to clubs to identify alternative sponsorship support. To buy out sponsorship, the levy would need to increase by 2c on a can of beer, 2c on an RTD, 5c on a bottle of wine and 6c to a bottle of spirits.

Other countries have shown leadership on this issue. For many years, France and Norway have prohibited sports sponsorship by alcohol companies. In 2018, Ireland passed legislation that includes a partial ban on sponsorship. Alongside this change, there will be no alcohol advertising at any sporting area in Ireland from November 2021.<sup>27</sup> Closer to home in Western Australia, alcohol sports sponsorship of community-level football (Aussie rules) has recently been replaced as a means to improve men's mental health.<sup>28</sup>

## **Recommendations**

International best evidence suggests the Bill needs to:

- End alcohol sponsorship of sport at all levels
- Utilise the widest possible definition of sport to ensure it captures emerging sports like Esports.
- Establish a sponsorship replacement system to support sports organisations to

- sustainably transition away from alcohol sponsorship.
- Include few exemptions for international sporting events.
- Include all alcohol-sponsored events, including music and other social events.

The Bill must be viewed as the first step towards implementation of comprehensive restrictions across all alcohol marketing, as currently occurs for tobacco and vaping advertising in New Zealand.

## Conclusion

Ending alcohol sponsorship of sport has been consistently recommended by three Government-commissioned bodies. Fears that sport would fold in the absence of alcohol sponsorship are not supported by historical precedent or impact evaluations. Viable sponsorship replacement models already exist and could easily be implemented to support sporting organisations to transition away from alcohol industry reliance. The Bill, if enacted, will provide comprehensive well-being benefits for all New Zealanders and is an important step in the right direction to improving health equity. It's a win-win.

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