



Ministry for Regulation
Te Manatū Waeture

APPENDIX D: Part I

What we heard from submissions – Initial consultation

Hospitality Review

November 2025

Introduction and Context

This set of slides presents a summary view of the quantitative and qualitative information received by the Hospitality Regulatory Review (the Review) during engagement. It is a summary and synthesis of submitters' views and opinions, and therefore will not fully reflect the views of any one submission, nor has it been fact-checked for the purposes of these slides.

This summary is not the Ministry's view on the regulatory systems that affect the hospitality sector. The information received through this engagement process is currently being validated and analysed alongside other evidence to inform the Review's priorities, findings, and recommendations.

Throughout this set of slides, references are made to the issues identified in the briefing [MFR2025-310 refers] to show how what we heard from submitters has been reflected. Issues have not been mapped to submitters' suggested solutions, as the Review has not completed options analysis.

ONE

Who submitted to the Review?

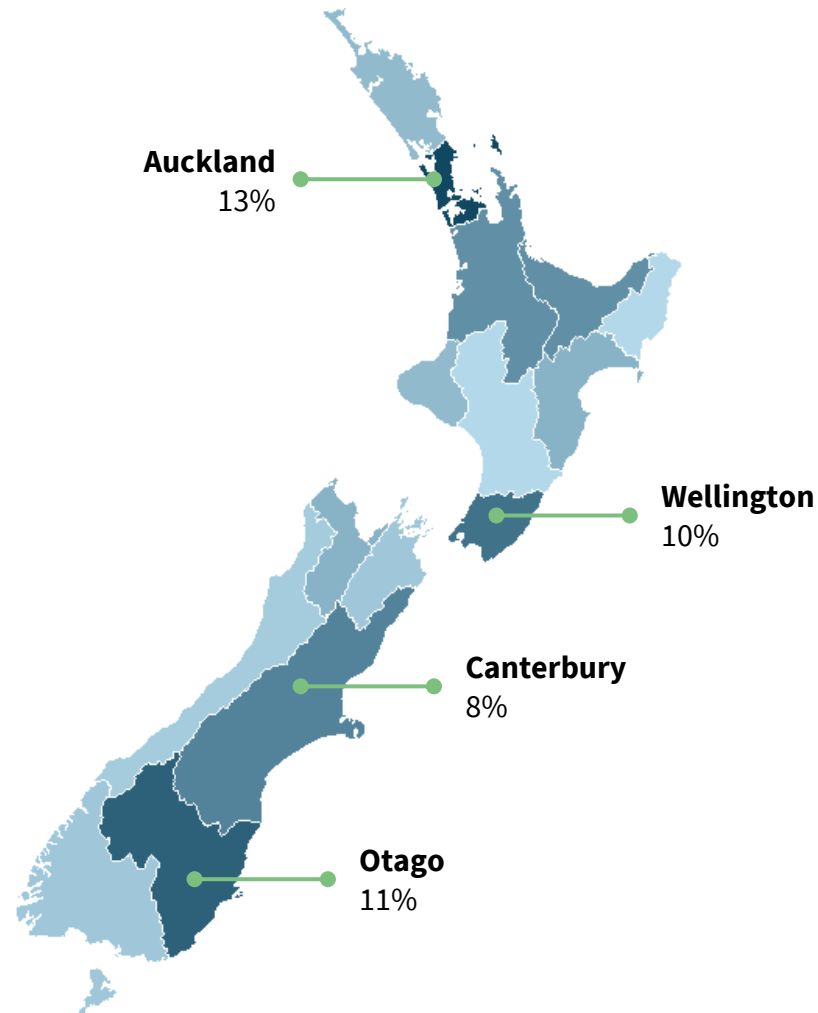
Who submitted to the review?

Roles of submitters in the hospitality sector

Group	Number
Current and former business owners	87
Current and former hospitality workers	15
People who work in regulation relevant to hospitality	54
Organisations who represent hospitality businesses	20
Other interested parties	12
TOTAL	188

Who submitted to the review?

Geographical information



Overrepresentation
of submissions from
Otago (likely from
Queenstown)

Slight
underrepresentation
of submissions from
Auckland and
Canterbury

21%

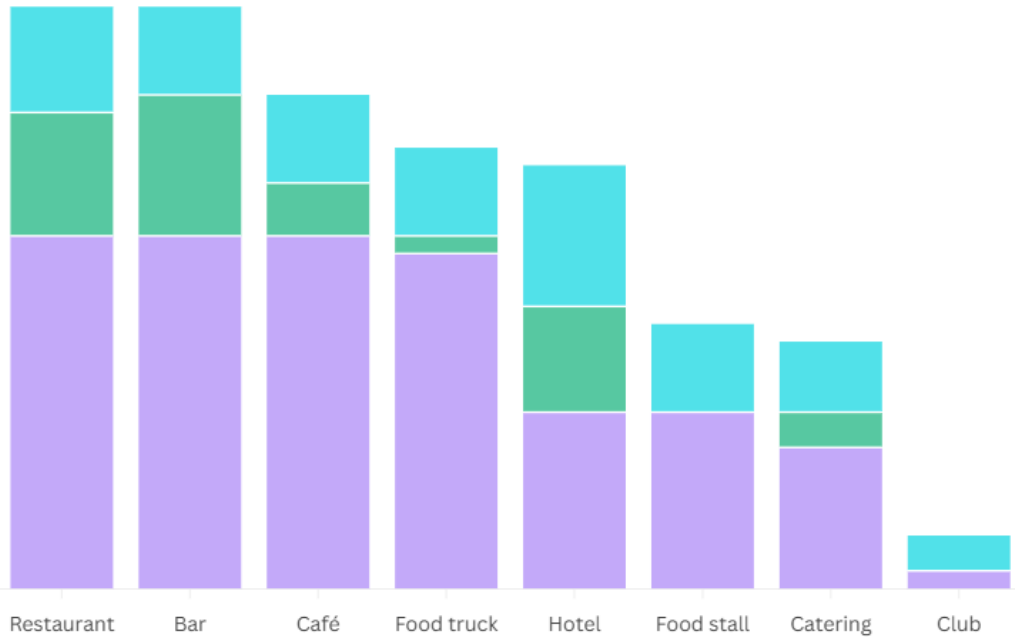
of submitters, on average,
work in or cover a rural area,
which slightly more than the
16% of New Zealanders who
live in rural areas

Who submitted to the review?

Types of businesses and individuals represented

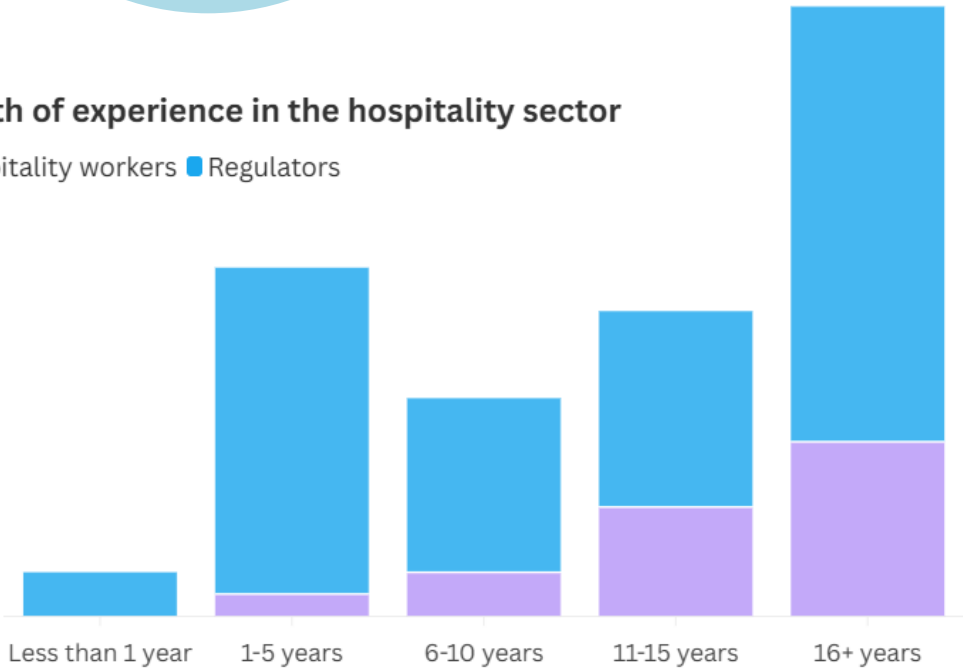
Type of business

Business owners Workers Organisations who represent hospitality businesses



Length of experience in the hospitality sector

Hospitality workers Regulators



The average length of submitters' experience on one hand provides the Review with **confidence that they understand the regulatory systems well**, but on the other hand they may not have been exposed to other ways of doing things

Nearly all submissions from regulators were from those who work for **local councils or territorial authorities**

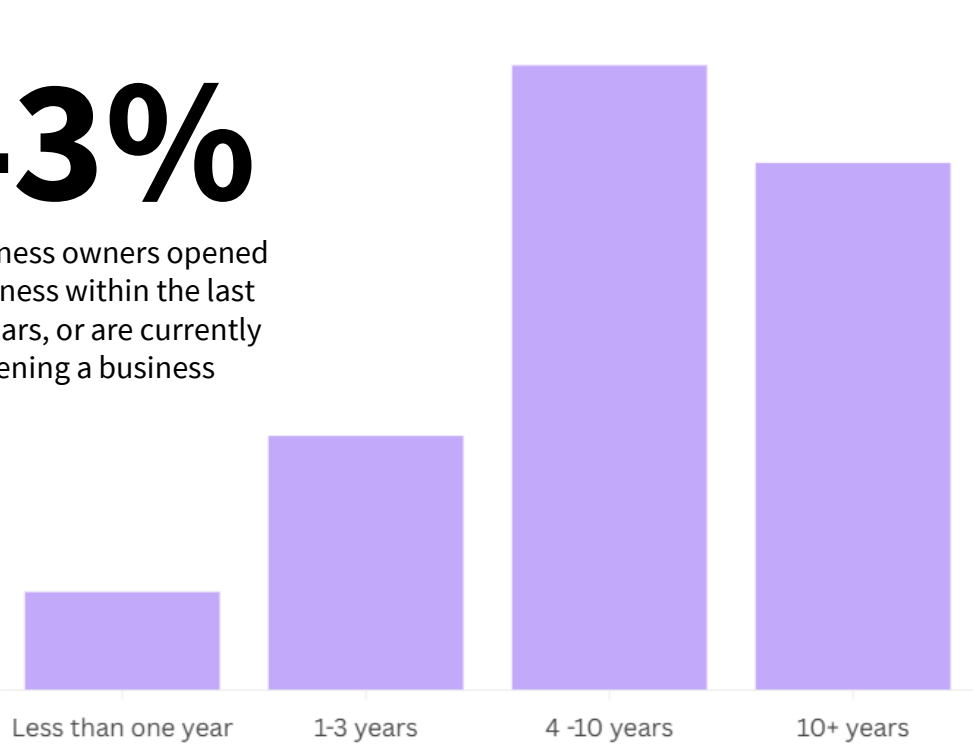
Who submitted to the review?

Features of the hospitality businesses represented

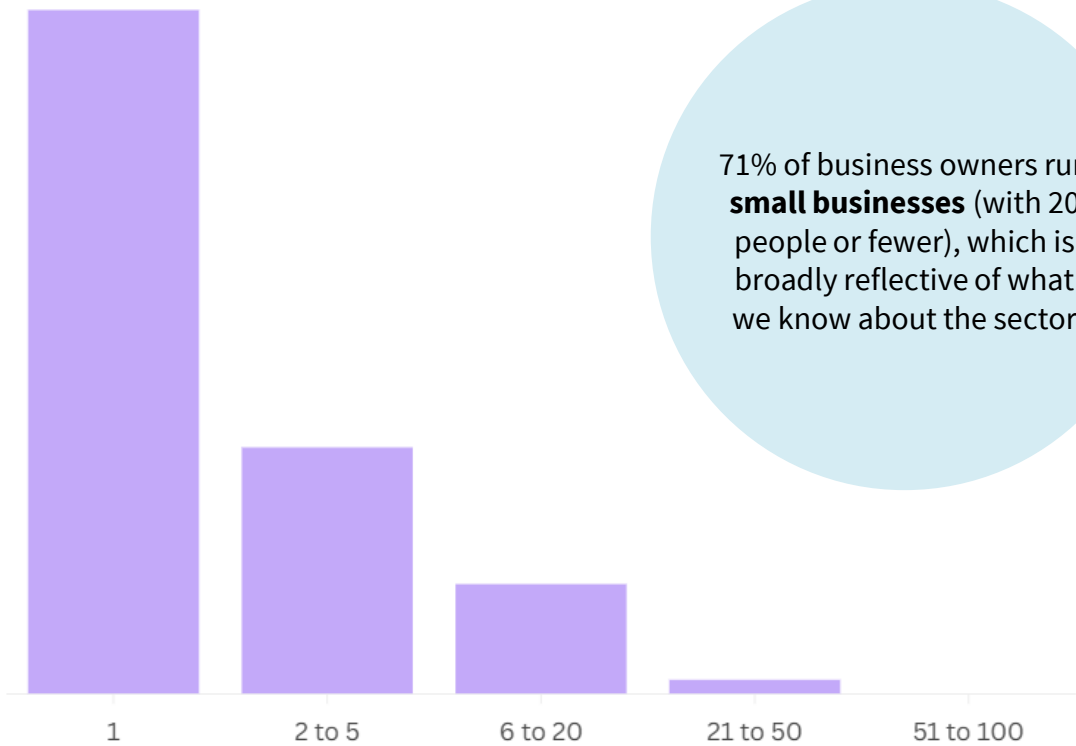
Business longevity

43%

of business owners opened a business within the last two years, or are currently opening a business



Number of businesses / locations owned



71% of business owners run **small businesses** (with 20 people or fewer), which is broadly reflective of what we know about the sector

TWO

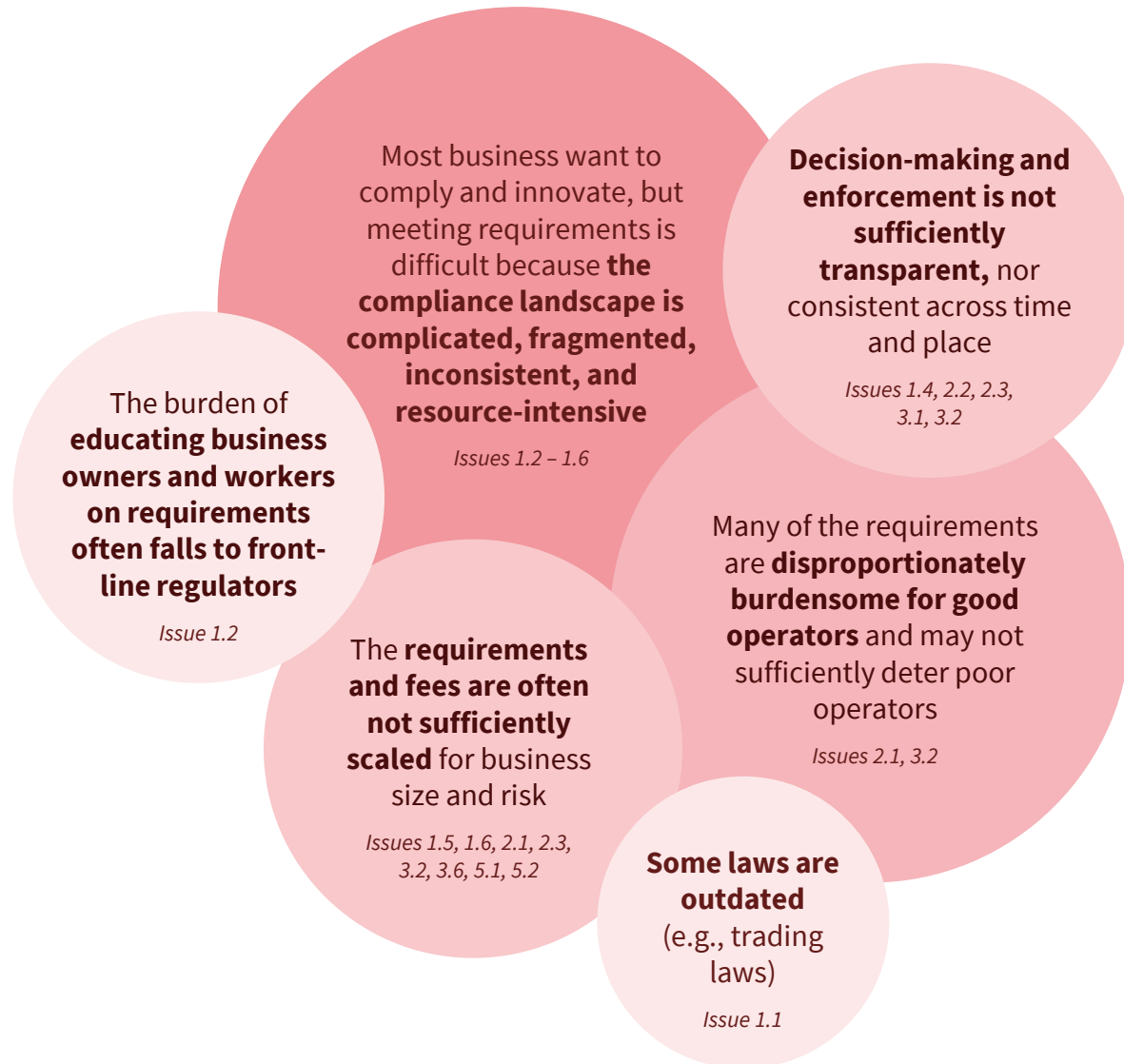
Perceptions of regulatory performance



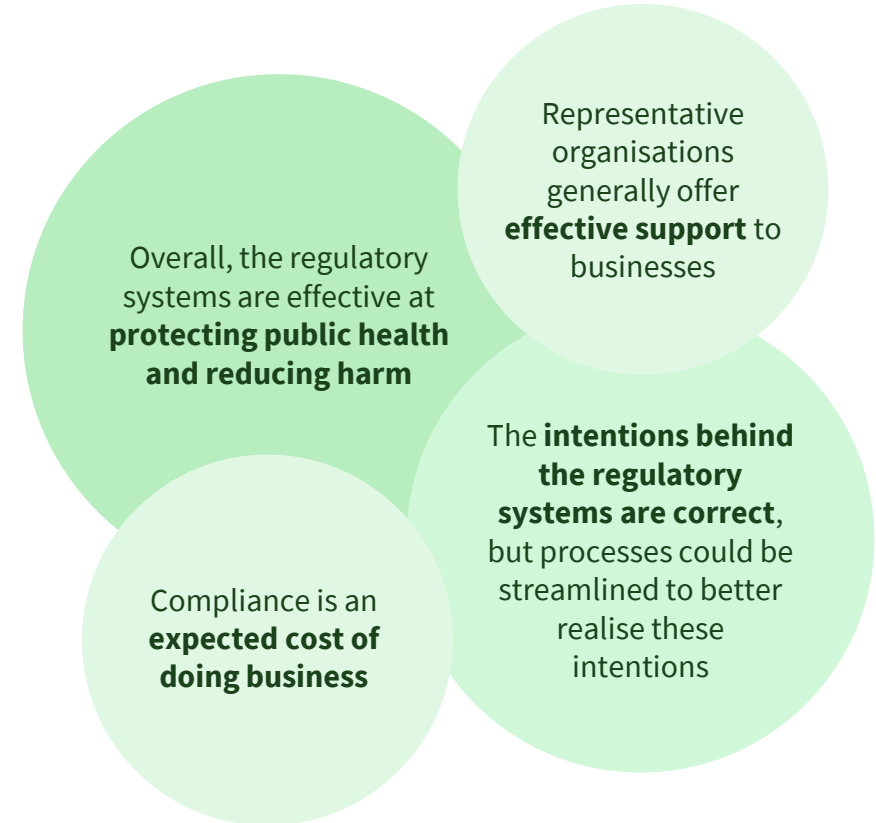
What are submitters' overall views?

Overall perceptions of regulatory performance

The darker the colour of the circle, the more common the theme



and...



How easy do regulated parties find it to meet requirements?

Regulated parties' perceptions of the regulatory systems

Meeting regulatory requirements

Business owners, workers, and representative organisations were asked to rate, overall, how easy they found it to meet day-to-day regulatory requirements in the hospitality sector

Very easy Easy Difficult Very difficult



56%

of business owners **have accessed government support (mostly from local government)** to understand and / or meet the requirements placed on their business

but...

55%

of those who accessed support were **dissatisfied or very dissatisfied with that support**

Issues 1.2, 1.3

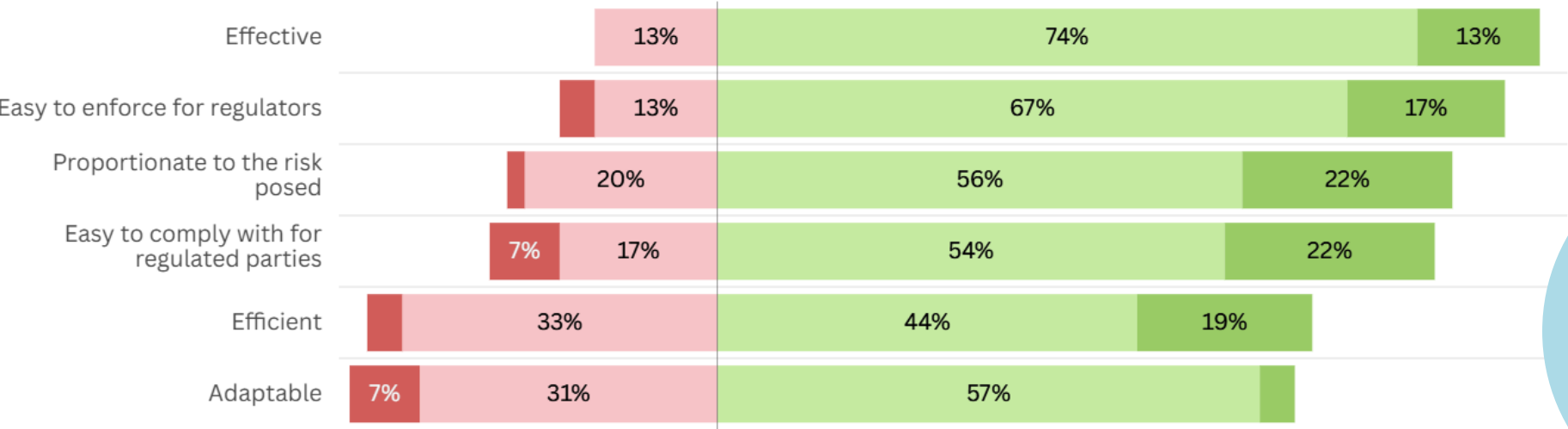
How well do regulators think the systems are working?

Regulators' perceptions of regulatory performance

Regulators' perceptions of the performance of the regulatory frameworks

Regulators were asked to rate the performance of the regulatory system(s) they worked in

■ Fully meets criterion ■ Mostly meets criterion ■ Partially meets the criterion ■ Does not meet the criterion

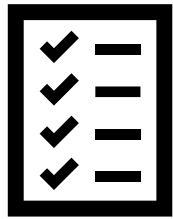


The majority of these submitters regulate **food and alcohol**, so these assessments are most reflective of the performance of these two regulatory systems

Regulators with more experience were slightly **less likely** to rate the regulatory system as effective

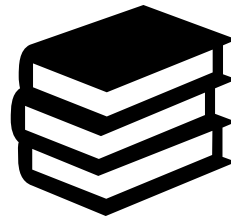
What are the common issues regulators identify?

Regulators' perceptions of regulatory performance



Overall, business owners and workers not knowing or understanding the requirements. This problem spans all regulatory systems. Regulators indicated that the reasons for this include information about the requirements being inaccessible to business owners, the requirements being unclear, or a lack of education about what underpins the requirements.

Issue 1.2



Records not being accurate nor up-to-date.

This problem is most prevalent in the food and alcohol regulatory systems. Regulators indicated that the reasons for this include disproportionate record-keeping requirements (which are then not met, or records are falsified to try and meet requirements), language barriers, or business owners and workers not knowing about the requirements.

Issues 1.2, 1.3, 3.3, 3.4, 3.5



Cleanliness, temperature control, pest control, and cross-contamination. These problems are most prevalent in the food regulatory system. Regulators indicated that the reasons for these problems include not knowing or understanding the requirements and ineffective / no training of workers (partly due to worker turnover).

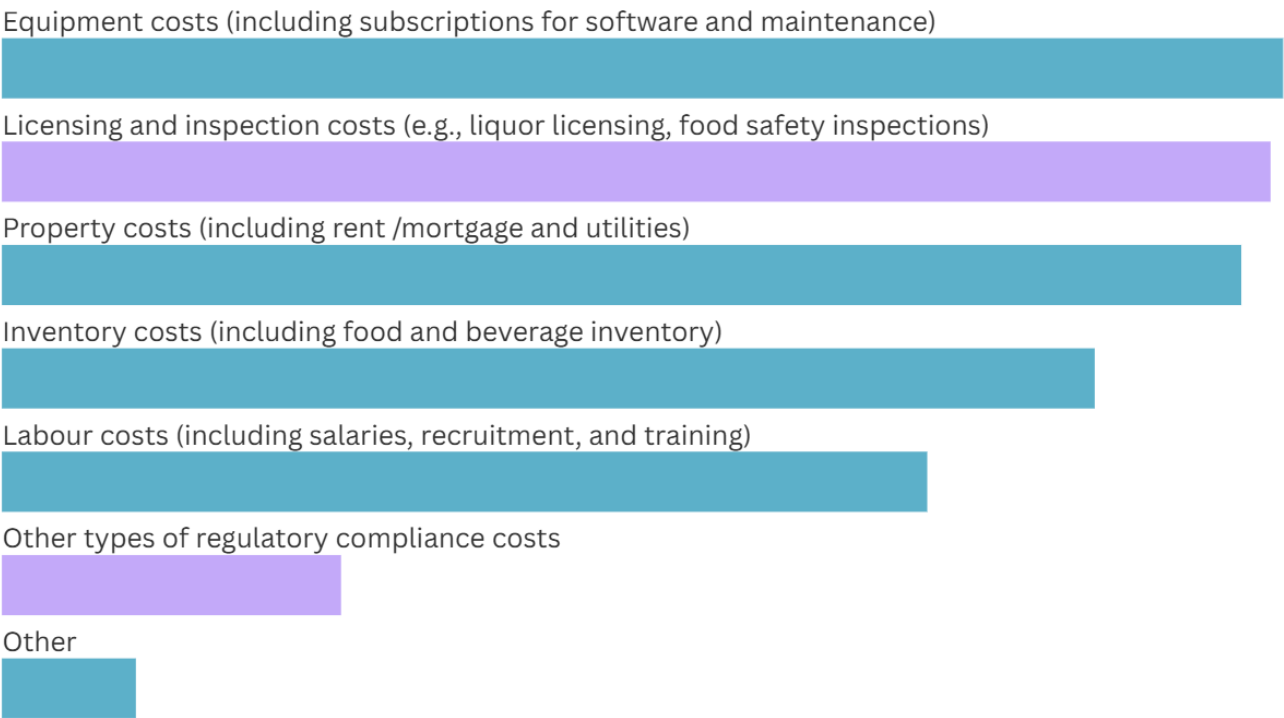
Issues 1.2, 1.7, 4.1

What drives costs for hospitality businesses?

Costs of regulatory compliance

Cost drivers for hospitality businesses

Business owners were asked to identify the top factors that drive their cost of operation



Business owners identified licensing and inspection costs as the **second highest driver** of their costs of operation. Given the nature of the Review, this may be over-represented as regulatory requirements would have been top of mind for submitters when answering this question.

68%

of submitters have **raised their prices** in the past three years. The most common price increase was between 6 – 10%.

Key issues raised, in order, were:

- general economic environment
- increase in certification / registration / licencing costs
- increase in other fees / levies (for example, council rates)
- increase in labour costs.

Issues 1.5, 1.6, 1.7, 2.4, 3.6, 4.1, 5.2

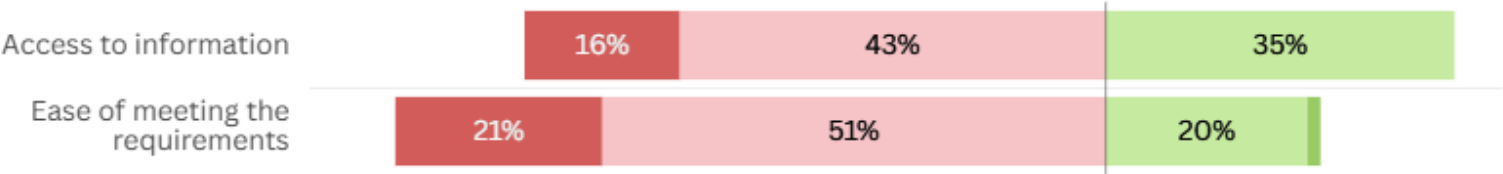
What are the barriers businesses face?

Barriers to market entry, expansion, and innovation

Opening a business

Business owners were asked to rate how easy they found it to access the information required to start a business, and how easy it was to meet the requirements

Very easy Easy Difficult Very difficult



60%

of business owners identified they were prevented from **innovating or meeting a demand**

Key issues raised, in order, were:

- Demand to expand the business, but prevented from doing so due to costs (including inspection costs) or inability to hire staff
- Demand to expand to different types of service (e.g., wholesale food, or selling alcohol), but prevented from doing so due to unclear regulation or regulatory barriers (e.g., an activity is not permitted in their situation)

Issues 1.5, 1.6, 1.7, 2.1, 2.3, 2.5, 3.2, 3.4, 3.6, 4.1, 5.1, 5.2

32%

of business owners who submitted had **closed a business**, which is higher than the average death rate of hospitality firms in New Zealand

Key issues raised, in order, were:

- general economic environment, including the economic effects of the COVID pandemic
- increase in labour costs
- compliance requirements causing delays in opening (including objections to liquor licences), and therefore financial losses

Issues 1.4, 2.1, 2.3, 4.1, 5.1, 5.2

THREE

What should change?



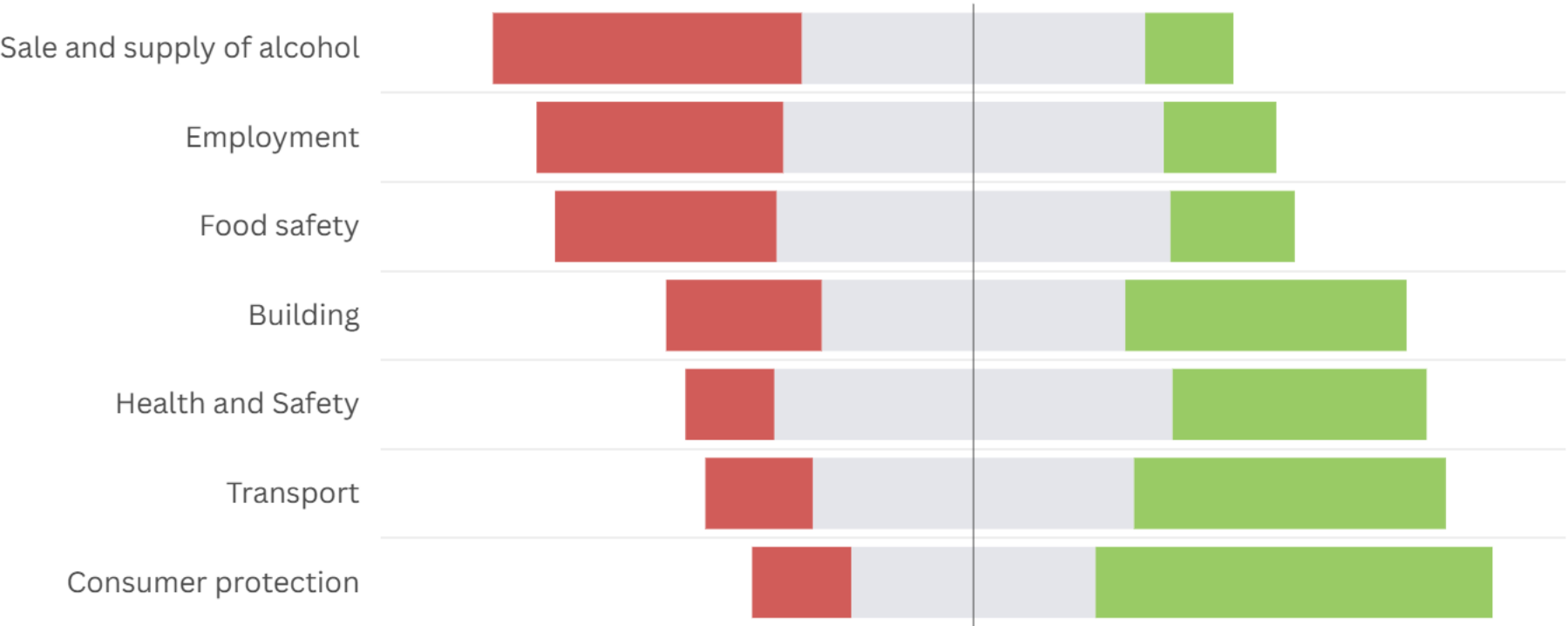
Where do regulated parties think change is needed?

Regulated parties' perceptions of the regulatory systems

Overall, are changes needed to the regulatory requirements?

Submitters were asked to rate the each regulatory system as "Need major changes", "Need minor changes", or "Work well". This is an overall aggregation of these ratings across all types of submitter.

■ Need major changes ■ Need minor changes ■ Work well

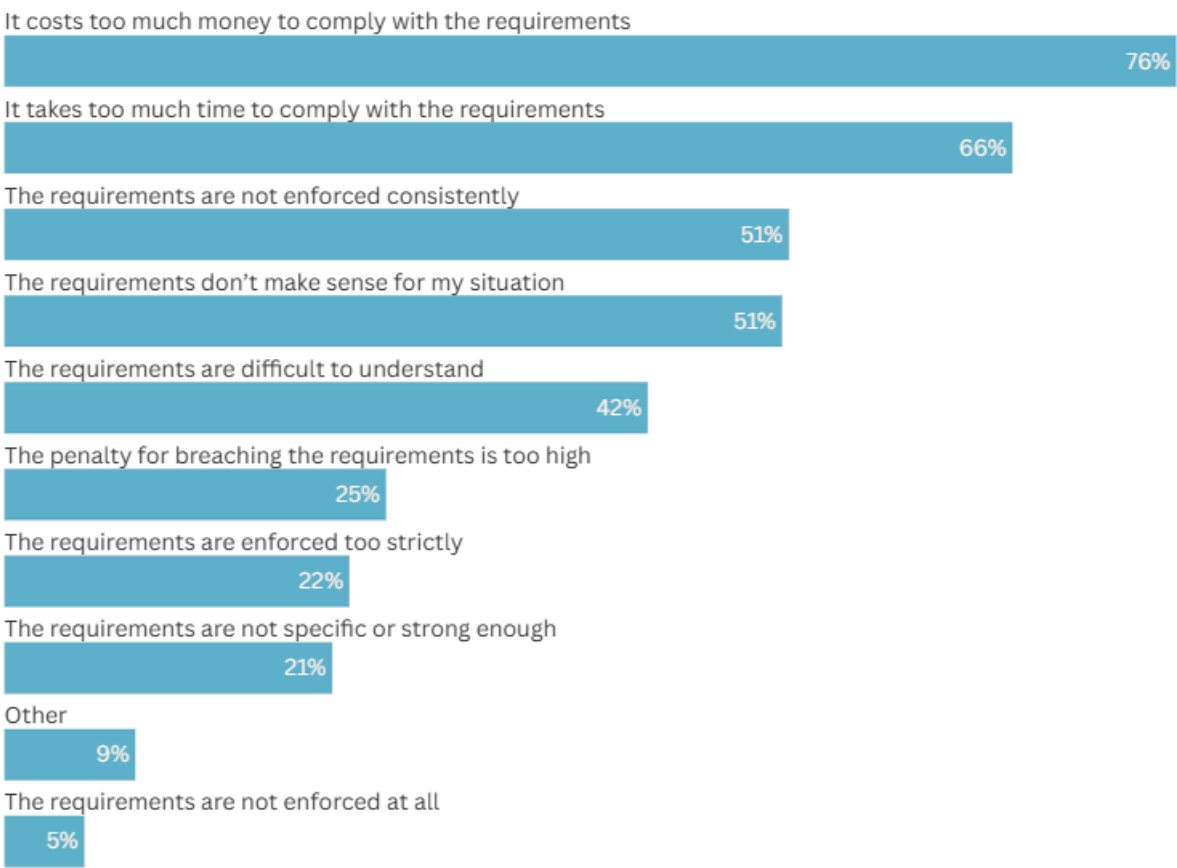


Why do regulated parties think change is needed?

Regulated parties' perceptions of the regulatory systems

Why do submitters want to change regulatory requirements?

Business owners, workers, and representative organisations were asked to identify, if they think changes are needed, why those changes were needed



What are the gaps, duplications, and inconsistencies?

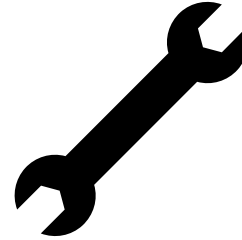
Submitters' views on the overlaps between regulatory systems



35%

of business owners think there are gaps in the regulatory systems. The most commonly identified gaps are **lack of oversight of inconsistent and disproportionate decisions**, and **disregarding experience and previous good behaviour**.

*Issues 1.5, 1.6, 2.1, 2.3,
3.1, 3.2, 3.6, 5.1, 5.2*



76%

of regulators think there are gaps in the regulatory systems. The most commonly identified gaps are **graduated enforcement tools for enforcement of food safety requirements** and the **inability to identify unregistered businesses**.

Issue 3.2



58%

of submitters think there are duplication in the regulatory systems. The most commonly identified duplications are **between local food inspectors and MPI**, and more broadly **between central and local government**.

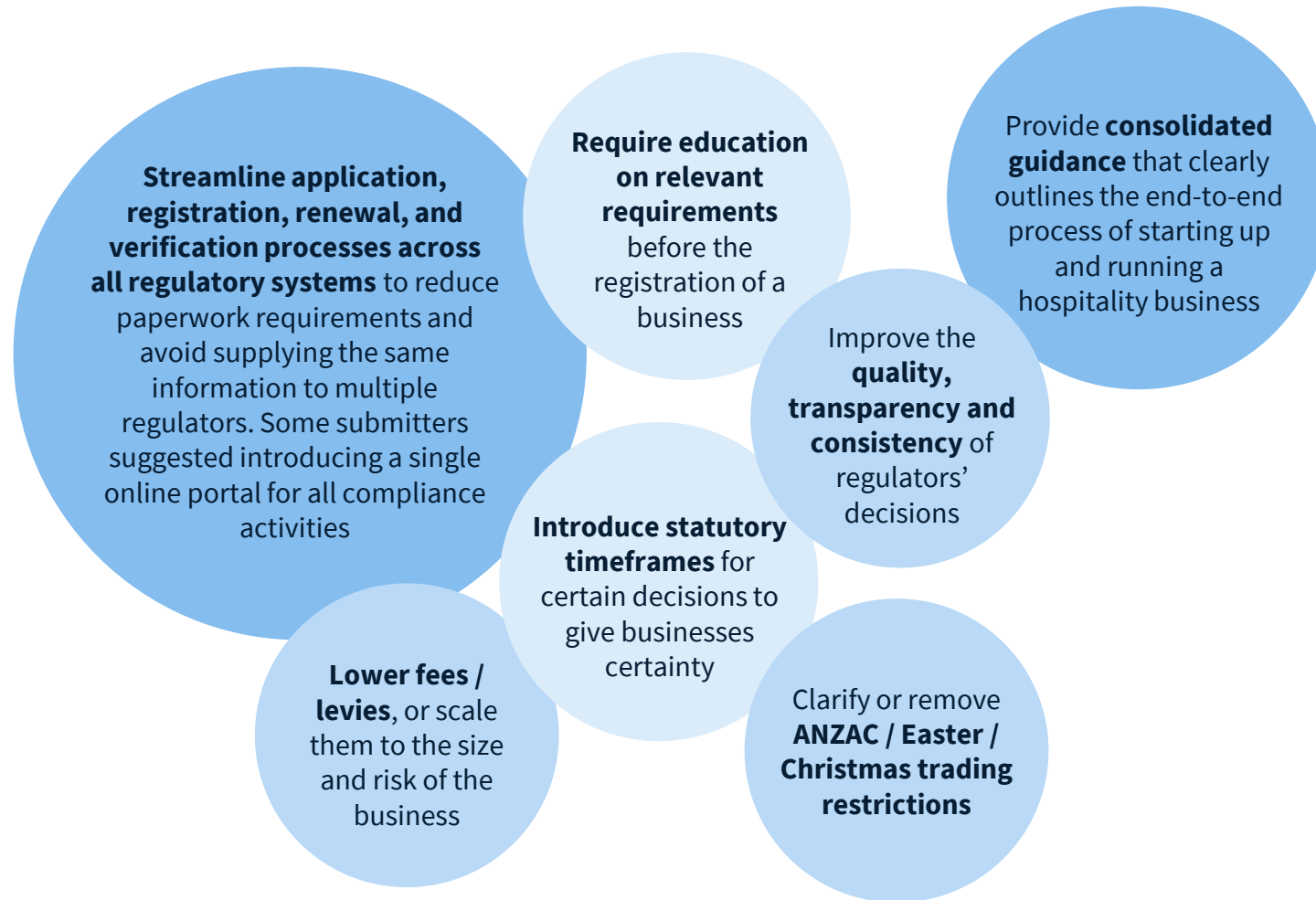
Issues 1.2, 1.3

What should change?

Submitters' views on what should change

*The darker the colour of the circle, the more common the theme.
Specific recommendations needed to be made at least 3 times
across submissions.*

RECOMMENDATIONS THAT SPAN MULTIPLE REGULATORY SYSTEMS



What should change?

Submitters' views on what should change

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RECOMMENDATIONS WITHIN A SINGLE REGULATORY SYSTEM

