



Why a hospitality review?

The hospitality sector is a significant part of the New Zealand economy, generating \$15.7 billion in sales in 2024 and employing over 145,000 people.

The sector is subject to a range of diverse and overlapping regulatory systems. Stakeholders have identified that the regulations (including the combination and volume of requirements) are introducing barriers to market entry, expansion, and innovation for hospitality businesses.

The Hospitality Review (the Review) will identify pain points for the sector and look at removing barriers where they are no longer justifiable and constraining growth or threatening sustainability of the sector.

Purpose

To assess whether the regulatory systems (and the regulations within them) applying to New Zealand's hospitality sector are:

- creating unnecessary costs and/or administrative burden
- effective, efficient and proportionate to any risk posed
- adaptable and can evolve over time
- easy to comply with, and
- aligned with good regulatory practice.

The Review will recommend actionable change to reduce unnecessary requirements.

Scope

A lot of the issues impacting the hospitality sector were identified by stakeholders in the Hospitality Summit 2024 Report produced by Hospitality New Zealand and the Restaurant Association.¹ However, we are keen to hear from any regulated party about regulatory issues affecting their hospitality business or the wider sector.

For the purposes of this Review, regulation that applies to **restaurants, bars, cafes, food stalls at markets, food trucks, catering businesses, and hotels** is in scope.

The **gambling regulatory system** is out of scope.

¹ <https://www.hospitality.org.nz/assets/Hospitality-Summit-2024-Report.pdf>.



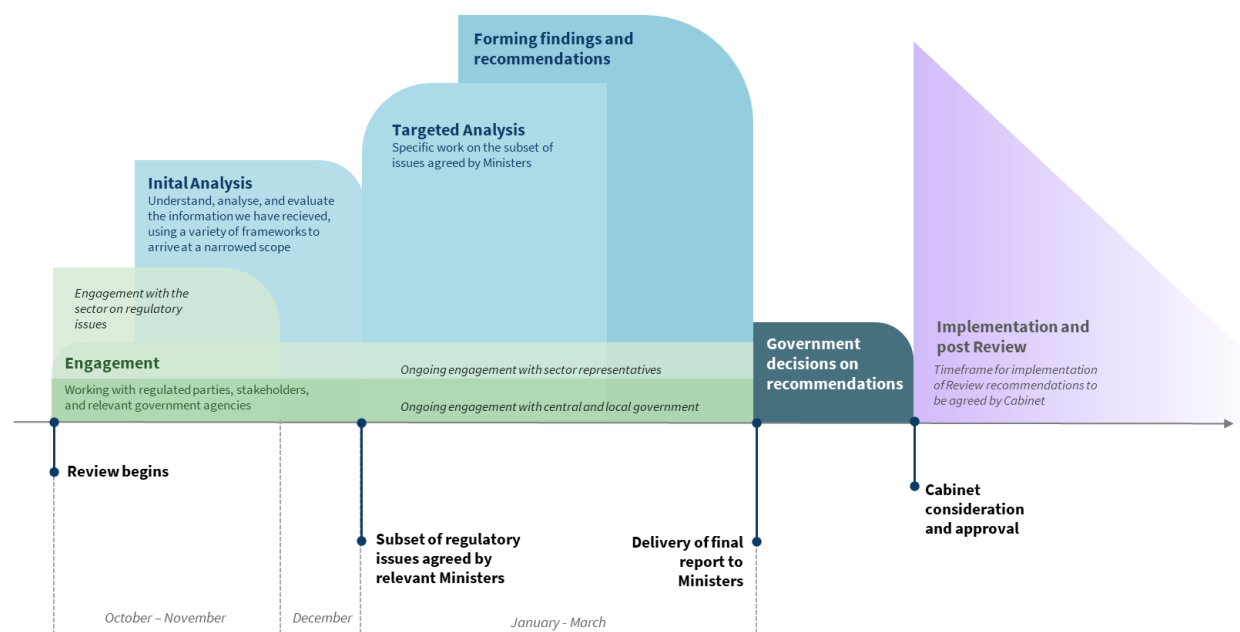
Approach and timeline

We expect to deliver a final report by the end of March 2026. We understand that December and January is a busy period for the hospitality sector, and we will endeavour to minimise engagement during this period.

The Review will have three key stages:

1. **Initial sector engagement** (*October to November*): we will engage with the sector to test and confirm the Government's view of the regulatory problems in the sector.
2. **Agree on key issues** (*completed 24 December*): Minister(s) agree on a subset of specific regulatory problems the Review will address, based on the initial sector engagement and our initial analysis.
3. **Targeted analysis and recommendations** (*January to March*): investigate and recommend solutions to these specific regulatory problems using the Ministry's review methodology.

A timeline is outlined below.





Reporting, governance and oversight

The Review will seek to hear from different voices including a variety of regulated parties (hospitality businesses), including owners of and workers at restaurants, bars, cafes, food trucks, hotels, motels, and other accommodation providers within the scope of the Review.

We are also keen to hear from regulators about the issues they see in the sector.

We will use a variety of methods to engage with the sector, including online, in person and through inviting written feedback. Consideration will be given to how we ensure consideration of as wide a range of views as possible from large corporate players in the hospitality sector, through to small independent hospitality businesses.

Public consultation may be undertaken before recommendations are made to Cabinet, although the exact form of this consultation will be tailored to meet the needs of the sector, the Review's timing and milestones.

Roles

Ministers

Cabinet has approved the Review, and the terms of reference have been approved by the Minister for Regulation in agreement with the Minister for Tourism and Hospitality, the Minister for Small Business and Manufacturing, the Minister of Immigration [and any other relevant Ministers].

Together, the Minister for Regulation and the Minister for Tourism and Hospitality (collectively, the Joint Ministers) will have oversight and decision-making for the recommendations of the Review. This Review does not affect the portfolio responsibilities or decision-making of the Minister for Tourism and Hospitality, and policy decisions on any regulatory changes remain with Cabinet.

Other relevant ministers will be informed and engaged as necessary during the Review. They may include the Ministers with portfolio responsibility for small business and manufacturing, food safety, justice (including alcohol), immigration, commerce and consumer affairs, building and construction, transport, workplace relations and safety, vocational education, police, social development, and local government. Portfolio ministers will be responsible for implementing recommendations from the Review that have been approved by Cabinet.

The Review team will report to Joint Ministers, including presenting a final report with findings and recommendations. Joint Ministers will then determine, in consultation with colleagues, which recommendations they propose Cabinet accept and progress.



Agencies

The Review will be led by the Ministry for Regulation within its central agency mandate to strengthen the regulatory management system and improve regulatory quality.

The Ministry for Regulation will work in consultation with relevant agencies, seeking agency information and advice on the various regulatory systems agencies are responsible for. However, the Ministry for Regulation retains its ability to make comments and recommendations that may not be fully supported by other agencies or stakeholders.

There will be a Senior Officials Group formed with representatives from the relevant agencies. This group will provide governance and oversight of the Review.



Definitions

Regulatory systems are sets of formal and informal rules, norms and sanctions, given effect through the actions and practices of designated actors, that work together to shape people's behaviour or interactions in pursuit of a broad goal or outcome.

Regulated party / parties are a person or organisation that is subject to behavioural expectations, obligations, and/or sanctions within a regulatory system. This includes both hospitality businesses and workers i.e. bar managers.

Food production refers to the process of cultivating, growing, raising, manufacturing, or storing food for human consumption.

Effectiveness is when regulatory systems achieve their intended benefits and policy objective(s) (e.g., reducing harm, protecting individual, worker, or property rights, or protecting the environment).

Efficiency is when the costs of meeting regulatory requirements do not outweigh the benefits achieved by those requirements.

Proportionality is when regulatory requirements are aligned to the level of risk being managed, and an appropriate balance is struck between regulatory control and operational freedom.

Adaptable is when the regulatory system can sufficiently respond to technological, market, or societal changes.

Alignment with good regulatory practice is when regulatory system design and implementation meets the New Zealand [Government's Expectations for Good Regulatory Practice](#).

Hotel is defined as an establishment that provides to the public, for a fee —

- a) lodging, and
- b) alcohol, meals, and refreshments for consumption on the premises.