

Minister for Regulation

Information Release

Sector Reviews: Product Labelling and the Hospitality sector

October 2025

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Documents in this information release

The following documents are included in the information release, and are being released in full:

#	Reference	Title	Date	Information withheld
1	Nil	Sector Reviews: Product Labelling and the Hospitality sector [Cabinet paper]	undated	No information withheld
3	EXP-25-MIN-0061	Cabinet Expenditure and Regulatory Review Committee Minute of Decision	15 July 2025	No information withheld
4	CAB-25-MIN-0234.01	Cabinet Minute of Decision	21 July 2025	No information withheld

Accessibility

Documents are available in PDF format only.

Office of the Minister for Regulation

Cabinet Expenditure and Regulatory Review Committee

Sector Reviews: Product Labelling and the Hospitality sector

Proposal

- 1 This paper seeks agreement for the next two sector reviews I intend to initiate in 2025:
 - 1.1 product labelling
 - 1.2 the hospitality sector

Relation to government priorities

- 2 Sector reviews are a key mechanism to support the Government's Going for Growth approach, ensuring that regulation is fit for purpose, fosters competitive business settings, and supports global trade, investment, and innovation.

Executive Summary

- 3 I have identified the next two sector reviews I intend to initiate in the 2025 calendar year: product labelling, and the hospitality sector.
- 4 Regulation has been identified as creating problems in these areas – problems such as barriers to market entry, expansion, and innovation, high volumes and duplication of requirements, and high compliance costs.
- 5 I believe that there will be meaningful economic and other benefits to solving these regulatory problems, and that the Ministry for Regulation (the Ministry) is the agency best placed to do a review of these sectors.
- 6 I have proposed that I and other relevant Minister(s) be authorised to finalise the Terms of Reference of each of these reviews. This will allow us to initiate the reviews without returning to Cabinet, freeing up Cabinet's time and allowing us to respond if we find out through sector engagement or scoping work that a review would best be conducted earlier or later than expected.

Background

- 7 A core function of the Minister is to conduct sector reviews (reviews). The purpose of these reviews is to improve the quality and performance of regulatory systems by examining the legislation and testing it against principles of good regulation and recommending changes accordingly.
- 8 The Ministry has completed three reviews to date. The fourth review (of the telecommunication sector) was announced in April 2025 and the Terms of Reference approved by Cabinet in June 2025 [CBC-25-0010 refers].

Analysis of Candidates for Regulatory Reviews

- 9 I have considered a wide range of potential candidates for the next two reviews I will initiate. These candidates have been drawn from a range of sources, including a thematic analysis of issues submitted through the Ministry's Red Tape Portal, and engagement with regulated parties and government agencies.
- 10 The Ministry used the following criteria to narrow down the pool of potential candidates for reviews:
 - 10.1 has been identified as a problem (for example, regulation is causing economic distortions in the market)
 - 10.2 solving the regulatory problem will have identifiable and material economic and other impacts
 - 10.3 Ministry is the best agency to do a review (because of their independence, their role as a central agency, or because the area is a low priority for the responsible agency but a high priority for regulated parties).
- 11 If a candidate passed the selection criteria, the Ministry then completed further work to scope the potential review and considered how these potential reviews should be sequenced, including answering the following questions:
 - 11.1 is now a good time to do a review in this area? This considers other work underway, the views of stakeholders, and alignment with our priorities
 - 11.2 what is the size of the potential review? This considers the mix of reviews underway and planned as well as the resourcing required to complete them.
 - 11.3 what was the selection criteria score? This ensures that candidates that score highly at the selection stage are prioritised.
- 12 Analysis using these criteria has resulted in the next two sector reviews I intend to initiate in 2025 which are: product labelling and the hospitality sector.

Product Labelling

Potential regulatory issues with product labelling

- 13 There are over 30 pieces of primary, secondary, and other codes, or standards that mandate what and how information is to be displayed on product labels in different sectors in New Zealand.
- 14 These regulations are in place to ensure that customers and businesses have access to accurate information to make informed purchasing decisions, protect their health and safety (e.g. allergen information, expiry dates, transport and usage instructions), and so that specific batches of products can be identified if required (e.g. for a recall).
- 15 However, I have heard that many of these regulations are prescriptive and largely mandate the use of physical, printed labels. This may be, in some situations:

- 15.1 hindering interoperability with New Zealand's major international trading partners, which creates additional costs for import and export businesses and may be preventing these businesses from entering new markets
- 15.2 preventing the adoption of more efficient, flexible, or innovative labelling approaches (such as Quick Response or QR codes).

Potential benefits of a review

- 16 Product labelling requirements affect most goods in New Zealand. Making sure these requirements are not introducing unreasonable barriers to market entry or innovation and that are meeting modern customer expectations has the potential to have substantial economic benefits domestically and internationally. These benefits could include:
 - 16.1 lowering the compliance burden for New Zealand businesses by clarifying and / or removing labelling requirements
 - 16.2 increased traceability and supply-chain efficiency
 - 16.3 incentivising innovation in product labelling, which may support faster response to new regulations or consumer expectations
- 17 improved export competitiveness and reduction in labelling costs through greater alignment with major trading partners and international standards.

Implementation

- 18 This review will explore New Zealand's alignment with international product labelling standards and examine regulatory barriers to interoperability with international markets. This would include looking at domestic requirements, import/export considerations, and innovative labelling approaches.
- 19 My intention is that this review will take a two-stage approach:
 - 19.1 first, officials will engage widely with affected businesses, industry groups and other stakeholders to understand regulatory 'pain points' associated with product labelling requirements.
 - 19.2 second, informed by this engagement and the Ministry's own analysis, officials will then provide me and other relevant Ministers with advice on specific regulatory problems that the review will focus on addressing.
- 20 Given the number of regulatory instruments involved, this review approach will enable the Ministry to target areas where they can make the most impact in addressing cross-cutting regulatory problems, while leaving scope to respond to product-specific issues where there is value in them doing so.
- 21 I propose that I develop the Terms of Reference of the review in consultation with the Minister of Commerce and Consumer Affairs, given the relevance of product labelling to consumer welfare. I will involve other Ministers as appropriate if it becomes apparent that their expertise or portfolio is relevant.

The Hospitality Sector

Potential regulatory issues in the hospitality sector

- 22 The hospitality sector is broad and includes restaurants, cafés, takeaway food, bars, hotels, and hostels.
- 23 A significant number of diverse regulatory regimes apply to the hospitality sector (including immigration, education, the sale and supply of alcohol, food, building, tax, and resource management regimes). These are administered by multiple government agencies and regulators, especially local government. Local government can also create local bylaws that may affect the hospitality sector.
- 24 There is evidence that these regulatory regimes that apply to the hospitality sector may not be fit for purpose. I have heard from the hospitality sector¹ that regulation (including the combination and volume of requirements) is:
- 24.1 disproportionate to the level of risk posed by parts of the sector, which creates barriers to market entry, expansion, and innovation for hospitality businesses
 - 24.2 becoming increasingly complex and duplicative, which creates unnecessary compliance costs
 - 24.3 not sufficiently protecting workers' rights and allowing them to work to the best of their ability.
- 25 There is also evidence that increased costs (some of which will likely be caused by unnecessary regulatory compliance) are being passed through to customers as price increases.
- 26 Regulatory issues have been raised by small food business owners and event planning businesses through the Ministry's Red Tape Portal. I believe that these issues are evidence of more systemic problems, so I think it is time to investigate the regulations that apply to the hospitality sector more thoroughly.
- 27 The review seeks to build on the momentum from the Hospitality Summit in December 2024, and subsequent report from the Restaurant Association and Hospitality New Zealand in April 2025. This sector engagement builds a strong platform for the review.

Potential benefits of a review

- 28 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).
- 29 Given the size of the sector, I think that ensuring that the regulatory regime for the hospitality sector is fit for purpose and supports market entry, expansion, and innovation will have significant economic benefits. I also think that it is likely that any improvements in the regulatory environment for hospitality businesses will have positive effect on the tourism sector, as these sectors are closely intertwined.

¹Including, but not limited to, through the 2024 Hospitality Summit, an event which provided a platform for sector stakeholders to engage directly with each other and government representatives. The Ministry of Business, Innovation, and Employment have collated a list of issues raised by the sector at this summit.

Implementation

- 30 Given the size of the hospitality sector and the wide range of potential regulatory problems, my intention is that a review will take a two-stage approach:
- 30.1 first, a broad engagement to test and confirm the government's view of the regulatory problems the sector is experiencing and some short turn-around analysis to identify the root causes of these problems (including identifying whether the cause is regulation and / or operational practice. The latter can be addressed immediately with the necessary Ministerial direction)
- 30.2 second, the Ministry will provide me and other relevant Ministers with advice to agree on the specific regulatory problems the review will focus on addressing.
- 31 I propose that I develop the Terms of Reference of the review in consultation with the Minister for Tourism and Hospitality, and the Minister for Small Business and Manufacturing. I will involve other Ministers as appropriate if it becomes apparent that their expertise or portfolio is relevant.

Cost-of-living Implications

- 32 I have chosen these review topics in part because of their potential to reduce the regulatory burden on businesses and deliver wider economic benefits for New Zealand. This will likely have positive flow-on effects for customers, such as reduced prices.

Financial Implications

- 33 The activities undertaken by the Ministry for Regulation as part of the proposed reviews will be funded through baseline funding. The engagement by other agencies in the reviews will be funded from their own baseline.

Legislative Implications

- 34 These proposals have no direct legislative implications at this stage. However, the reviews could recommend changes to primary and or secondary legislation. Any recommended changes will be considered by Cabinet as part of the response to the reviews.

Impact Analysis

- 35 This paper does not seek agreement to regulatory proposals at this stage. Therefore Cabinet's impact analysis requirements do not apply. I expect the reviews to identify opportunities to improve the quality of regulation and so any regulatory impacts will be considered by Cabinet as part of the response to the reviews.

Population Implications

- 36 The proposed topics currently have no direct impacts on specific population groups. I expect that during the respective reviews, any impacts on specific population groups will be drawn out and analysed appropriately.

Human Rights

- 37 I consider the proposals in this paper to be consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Use of external Resources

- 38 No contractors or consultants were involved in the preparation of this paper or any of the underlying policy advice.

Consultation

- 39 The following departments and agencies were consulted on this paper:
- 39.1 The Ministry of Business, Innovation and Employment
 - 39.2 The Ministry of Foreign Affairs and Trade
 - 39.3 New Zealand Trade and Enterprise
 - 39.4 The Commerce Commission
 - 39.5 The Ministry of Primary Industries
 - 39.6 The Ministry of Health
 - 39.7 The Ministry of Education
 - 39.8 The Ministry of Justice
 - 39.9 The Department of Conservation
 - 39.10 The Ministry for the Environment
 - 39.11 The New Zealand Police
 - 39.12 The Department of Internal Affairs
 - 39.13 The Ministry of Transport
 - 39.14 The Ministry of Culture and Heritage
 - 39.15 The National Emergency Management Agency
 - 39.16 Te Puni Kōkiri | The Ministry of Māori Development
 - 39.17 The Department of Prime Minister and Cabinet.
- 40 Those consulted were generally supportive of the reviews. Many agencies have provided their views about the specific scope of the reviews which will be considered and addressed as part of developing the respective reviews' Terms of References.

Communications

- 41 I intend to announce the review of product labelling after these Cabinet decisions. The review of the hospitality sector will be announced later in the year.
- 42 These announcements will be supported by direct communications from the Ministry to relevant stakeholders.

Proactive Release

- 43 I intend to proactively release this Cabinet paper once the reviews have been announced publicly, subject to redactions as appropriate under the Official Information Act 1982.

Recommendations

The Minister for Regulation recommends that the Cabinet:

- 1 **note** the Minister for Regulation intends to initiate two further sector reviews in 2025;

Product labelling

- 2 **agree** that the Ministry for Regulation will begin a review of regulations relating to product labelling in 2025;
- 3 **note** the Ministry for Regulation will undertake broad engagement with the sectors relevant to product labelling and relevant government agencies to identify and understand regulatory issues;
- 4 **authorise** the Minister for Regulation to finalise the Terms of Reference for this regulatory review in consultation with the Minister of Commerce and Consumer Affairs, and any other relevant Ministers as appropriate;
- 5 **note** the Minister for Regulation and other relevant Ministers intend to publicly announce this regulatory review shortly after these Cabinet decisions;

The hospitality sector

- 6 **agree** that the Ministry for Regulation will begin a review of the hospitality sector in the 2025;
- 7 **note** the Ministry for Regulation will undertake broad engagement with the hospitality sector and relevant government agencies to test the government's understanding of the regulatory issues;
- 8 **authorise** the Minister for Regulation to finalise the Terms of Reference for this regulatory review in consultation with the Minister for Tourism and Hospitality, the Minister for Small Business and Manufacturing, and any other relevant Ministers as appropriate;
- 9 **note** the Minister for Regulation and other relevant Ministers intend to publicly announce this regulatory review later this year.

Hon David Seymour

Minister for Regulation



Cabinet Expenditure and Regulatory Review Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Sector Reviews: Product Labelling and the Hospitality Sector

Portfolio Regulation

On 15 July 2025, the Cabinet Expenditure and Regulatory Review Committee:

- 1 **noted** that the Minister for Regulation intends to initiate two further sector reviews in 2025;

Product Labelling

- 2 **agreed** that the Ministry for Regulation will begin a review of regulations relating to product labelling in 2025;
- 3 **noted** that the Ministry for Regulation will undertake broad engagement with the sectors relevant to product labelling and relevant government agencies to identify and understand regulatory issues;
- 4 **noted** that the review is intended to evaluate the effects of current product labelling regulations on prospective entrants to the supermarket sector, and provide recommendations to remove product labelling barriers and improve retail grocery competition;
- 5 **authorised** the Minister for Regulation to finalise the Terms of Reference for this regulatory review in consultation with the Minister of Commerce and Consumer Affairs, and any other relevant Ministers as appropriate;
- 6 **noted** that the Minister for Regulation and other relevant Ministers intend to publicly announce this regulatory review shortly after these decisions;

The Hospitality Sector

- 7 **agreed** that the Ministry for Regulation will begin a review of the hospitality sector in the 2025;
- 8 **noted** that the Ministry for Regulation will undertake broad engagement with the hospitality sector and relevant government agencies to test the government's understanding of the regulatory issues;
- 9 **authorised** the Minister for Regulation to finalise the Terms of Reference for this regulatory review in consultation with the Minister for Tourism and Hospitality, the Minister for Small Business and Manufacturing, and any other relevant Ministers as appropriate;

- 10 **noted** the Minister for Regulation and other relevant Ministers intend to publicly announce this regulatory review later in 2025.

Tom Kelly
Committee Secretary

Present:

Hon David Seymour (Chair)
Rt Hon Winston Peters
Hon Nicola Willis
Hon Chris Bishop
Hon Simeon Brown
Hon Erica Stanford
Hon Paul Goldsmith
Hon Louise Upston
Hon Judith Collins KC
Hon Brooke van Velden
Hon Shane Jones
Hon Casey Costello
Hon Chris Penk
Hon Andrew Hoggard
Hon Mark Patterson

Officials present from:

Officials Committee for EXP
Office of the Prime Minister
Office of the Leader of the House
Office of the Attorney-General



Cabinet

Minute of Decision

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Sector Reviews: Product Labelling and the Hospitality Sector

Portfolio

Regulation

On 21 July 2025, following reference from the Cabinet Expenditure and Regulatory Review Committee, Cabinet:

- 1 **noted** that the Minister for Regulation intends to initiate two further sector reviews in 2025;

Product Labelling

- 2 **agreed** that the Ministry for Regulation will begin a review of regulations relating to product labelling in 2025;
- 3 **noted** that the Ministry for Regulation will undertake broad engagement with the sectors relevant to product labelling and relevant government agencies to identify and understand regulatory issues;
- 4 **noted** that the review is intended to evaluate the effects of current product labelling regulations on prospective entrants to the supermarket sector, and provide recommendations to remove product labelling barriers and improve retail grocery competition;
- 5 **authorised** the Minister for Regulation to finalise the Terms of Reference for this regulatory review in consultation with the Minister of Commerce and Consumer Affairs, and any other relevant Ministers as appropriate;
- 6 **noted** that the Minister for Regulation and other relevant Ministers intend to publicly announce this regulatory review shortly after these decisions;

The Hospitality Sector

- 7 **agreed** that the Ministry for Regulation will begin a review of the hospitality sector in 2025;
- 8 **noted** that the Ministry for Regulation will undertake broad engagement with the hospitality sector and relevant government agencies to test the government's understanding of the regulatory issues;
- 9 **authorised** the Minister for Regulation to finalise the Terms of Reference for this regulatory review in agreement with the Minister of Immigration, the Minister for Tourism and Hospitality, the Minister for Small Business and Manufacturing, and any other relevant Ministers as appropriate;

- 10 **noted** that the Minister for Regulation and other relevant Ministers intend to publicly announce this regulatory review later in 2025.

Rachel Hayward
Secretary of the Cabinet

Secretary's Note: *This minute replaces EXP-25-MIN-0061. Cabinet agreed to amend recommendation 9.*
