



Ministry for Regulation
Te Manatū Waeture

The Hospitality Review

Discussion document for hospitality representatives

This document covers the alcohol licensing and food regulatory systems. It **does not contain policy proposals**. It covers the regulatory issues the Ministry for Regulation has found across the alcohol licensing and food safety regulatory systems and potential options to address them.

This is to **inform our recommendations** to Government about how the Ministry for Regulation thinks these regulatory systems could be improved.



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The Hospitality Review

The Ministry for Regulation is responsible for carrying out regulatory reviews. These reviews consider whether existing regulation is achieving its goals and seek to identify improvements. The Hospitality Review (the Review) looked across the range of regulation that applies to the hospitality sector, including restaurants, bars, cafés, food stalls, food trucks, catering businesses, and hotels.

The purpose of the Review

The Review has looked at whether regulation that applies to the sector is:

- 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
- aligned with good regulatory practice.

The Review will recommend actionable change to improve regulation of the hospitality sector.

The Ministry for Regulation's role

As a central agency, the Ministry for Regulation's role is to strengthen New Zealand's regulatory management system and improve the quality of regulation, including improving the experience of complying with regulation.

We have four key functions:

- ensure the quality of new regulation
- improve the functioning of existing regulatory systems
- raise the capability of those who design and operate regulatory systems
- provide continuous and enduring improvements to the Regulatory Management System.

It is important New Zealand has sound regulatory settings to support a modern, open market economy. We want rules and regulations to enable New Zealanders to do more – leading to more productive use of people's time, and better outcomes for those who want to get things done.

Scope

For the purposes of this Review, the hospitality sector includes **restaurants, bars, cafés, clubs, food stalls at markets, food trucks, catering businesses, and hotels.**

Where our recommendations could have the potential to impact on businesses not in scope of the Review (e.g., shops that hold off-licences) we may choose to comment on that in the final report.

It is important to note the issues contained in this discussion document are a subset of wider issues the Review has considered and analysed. Where we know the views of stakeholders, we have analysed a small, isolated issue, or an issue has already been resolved, we have not included it for discussion. They will be included, along with any associated recommendations, in the Review's final report. A full list of issues not progressed is included at the back of this document.

We are also consulting with local authorities (city and district councils) on fees and levies to balance effective cost recovery for regulatory activities and services with efficient service delivery, and the accountability and transparency measures in place to provide hospitality businesses with visibility over their compliance costs.

What the Review has done so far

Since the announcement of the Review in October 2025, we have engaged extensively with the sector and their representatives through an online survey and a series of in-person and online meetings. We have also engaged across central and local government. The purpose of

this engagement was to understand the regulatory issues facing regulators and regulated parties. Due to our scope and timeframes, it was not possible to include all the issues raised with us. Following a prioritisation exercise, we have concentrated on 12 key areas, analysing the regulatory problems and analysing options to solve them.

We are seeking your views

A few of the options we are considering will have significant impacts for the hospitality sector. Therefore, we are undertaking targeted engagement with agencies, regulated parties, regulators, and other interested groups we have already met with during the Review. This is to inform our recommendations to government to improve some of the regulatory systems the hospitality sector engages with on a daily basis.

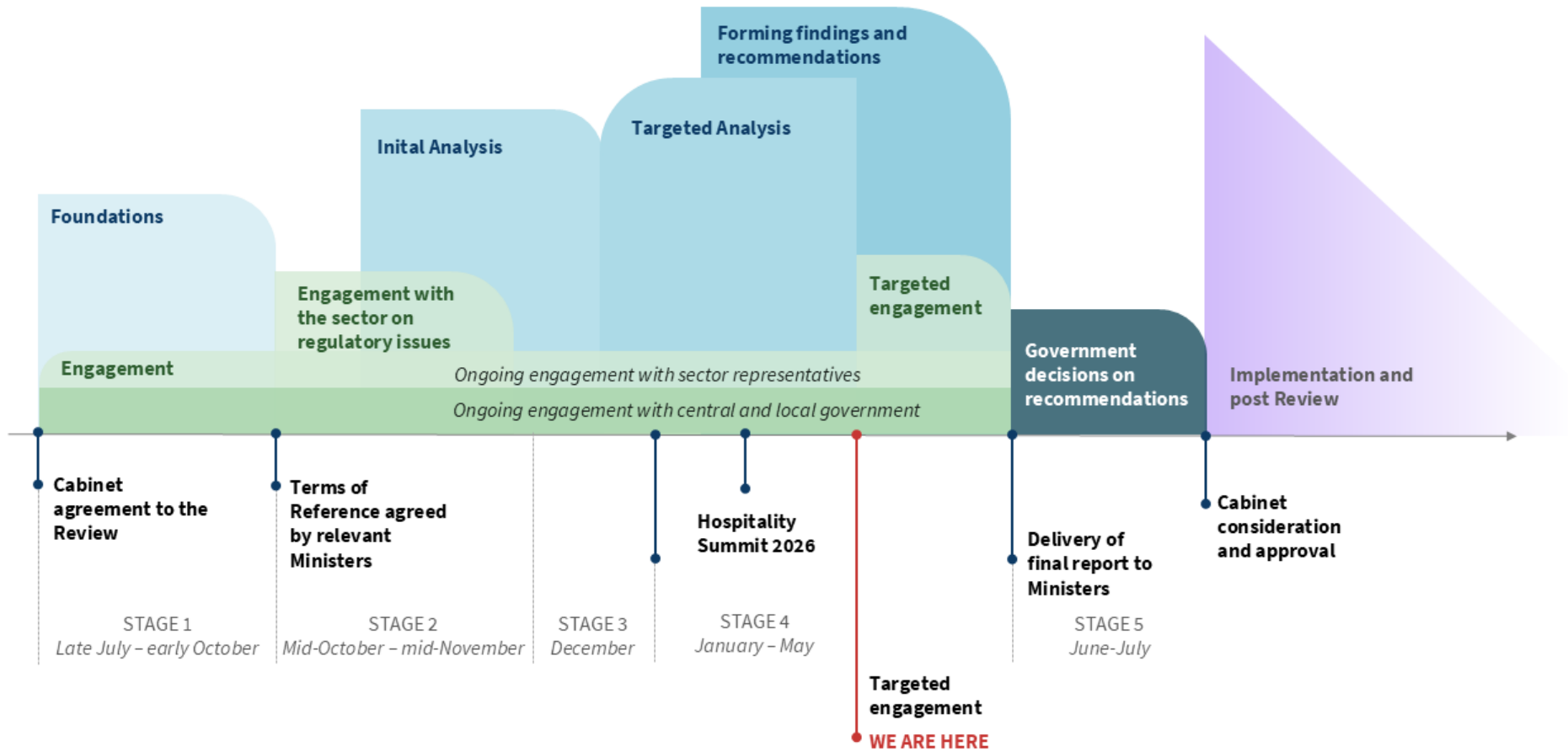
Timeframes

This consultation will run between **15 -28 May**. We expect to deliver a final report to the Minister for Regulation and Minister for Tourism and Hospitality before the end of July 2026 (Joint Ministers for the Review).

Government Ministers will then make decisions about what they would like to do with our recommendations – accept them, reject them and / or ask for more or different advice.

Further information on the Review can be found in the [Terms of Reference](#). To see where we are at in the Review process, the timeline is provided below.

Review timeline



What the Review has heard from engagement

We have engaged with the sector (hospitality businesses, workers, regulators, and representative groups) and undertaken our own research to identify a number of regulatory issues that warranted a closer look.

As well as a series of meetings with representative groups, we asked the sector to submit to us through an online questionnaire. We received 188 submissions. Submitters told us things that are working well in the regulation of the hospitality sector, including:

- overall, regulation of the hospitality sector is effective at protecting public health and reducing harm and the intentions behind the regulation of the sector are correct
- compliance with regulation is an expected cost of doing business
- representative groups (peak bodies) are providing effective support to business.

We also know there are some things not going as well, including:

- most businesses want to comply and innovate, but meeting requirements is difficult
- decision-making and enforcement is not sufficiently transparent, nor consistent across time and place
- many requirements are disproportionately burdensome for good operators and may not sufficiently deter poor operators
- some of the requirements and fees are not sufficiently scaled to align with businesses' scope of operations
- some laws are outdated.

During the second stage of engagement, we analysed the issues identified in the initial phase of engagement and evaluated opportunities for regulatory improvement. We engaged with:

- 14 District Licensing Committees (DLCs)
- 9 Local Authorities
- 19 hospitality businesses
- 2 community groups focused on alcohol harm reduction.

Some insights from our initial consultation

- 76% of business owners, workers and representative organisations said it was difficult or very difficult to meet regulatory requirements
- 87% of regulators thought regulation of the hospitality sector was effective
- 60% of business owners said regulation prevented them from innovating or meeting a demand
- 42% of business owners said it was difficult to understand what the requirements were
- 76% of regulators said there were gaps in regulation, including graduated enforcement tools and being able to identify unregistered businesses.

We are seeking your views on a series of options for change

We want to hear the sector's views on options for changing regulation of the hospitality sector. Views expressed as part of this consultation will be considered when we are forming the Review's recommendations to Joint Ministers.

Options for change to hospitality regulation

Alcohol licensing

We want to hear your views on options that balance allowing the safe and responsible consumption of alcohol and mitigating the harm it causes.

Food safety regulatory system

We want to hear your views on options to improve the food registration and verification system.

We note the Ministry for Primary Industries is completing a programme of work – **the Food Act Improvement Programme (FAIP)** - which aims to enhance food safety, reduce compliance burdens, and further support food businesses. We have taken into consideration the intended outputs of the FAIP as part of our analysis.

Structure of this document

Each section will describe what currently happens, the underlying regulatory problems we have identified, and outline potential options for change. We will also indicate how the options put forward address the underlying regulatory problems. Further details on options are provided in the Appendices.

These options are presented for your comment in the online questionnaires that are linked on the final page of this document.

At the end of this document, you will find a list of additional issues raised during the Review that were either resolved or not progressed.

The regulation of alcohol in hospitality settings

Alcohol is a legal but harmful substance. The government has the challenge of striking the appropriate balance between allowing the safe and responsible consumption of alcohol and mitigating the harm it causes. The hospitality sector is a part of the picture of alcohol consumption and harm in New Zealand. The Review is therefore considering whether the current regulatory balance is right in hospitality settings. Regulation of alcohol that is taken away and drunk elsewhere (e.g., sold by supermarkets, liquor stores) is out of scope of the Review.

How alcohol is consumed in New Zealand

New Zealanders spend an estimated \$9 billion dollars on alcohol every year, and approximately 75% of people over the age of 15 have had a drink in the past year (2024/25). While spend on alcohol has increased over recent years, the number of people who drink has decreased.

There are approximately 8,300 licensed hospitality businesses in New Zealand, in comparison to 3,100 licensed supermarkets and specialist liquor stores. Between 75 – 80% of alcohol is purchased from these supermarkets and liquor stores, and alcohol sold in these setting is generally less expensive than alcohol sold in hospitality settings. Nevertheless, New Zealanders spent an estimated \$5 billion dollars on alcohol in hospitality businesses in the last year.

The risks and harms of alcohol consumption

The total cost of alcohol harm in New Zealand is estimated to be \$9 billion each year.

Any amount of alcohol consumption carries health risks for the individual drinking – particularly the increased risk of cancer, stroke, high blood pressure, brain damage, and mental health conditions. These individual health risks can cause pressure on the health care system.

Alcohol consumption also increases risks to others – particularly the increased risk of foetal alcohol spectrum disorder, mental health conditions, family and sexual violence, disorderly conduct, retail crime, and road crashes.

The downstream and social consequences of excessive alcohol consumption are significant – the loss of employment and financial insecurity, long-term disability, incarceration, and lost productivity.

The current state of alcohol regulation in hospitality settings

The purposes of the system

The purposes of the alcohol regulatory system are to enable the safe and responsible sale, supply, and consumption of alcohol, and to minimise the harm caused by excessive or inappropriate consumption of alcohol.

Licences and licensing requirements

The government requires a person or business to hold a licence to sell and / or supply alcohol. Currently, drinking in hospitality settings can happen under an on-licence, a club-licence, or a special licence.

Licences are held by a person or business and are generally attached to a particular location (a premise). More details about licences are set out below.

- In general, the requirements to get and keep an on-licence are the same no matter the type of business (e.g., the requirements are the same for cafés and nightclubs). However, certain categories of on-licence have slightly different requirements, such as on-licences that allow bring-your-own (BYO) alcohol, or catering licences. Additionally, some businesses, such as hotels and bars, must meet stricter requirements to get an on-licence (e.g., have an area where under 18-year-olds are not permitted).
- Club licences can only be held by clubs (e.g., RSA clubs, sports clubs) and only allow alcohol to be served to club members, their guests, and members of other clubs with reciprocal visiting rights. The

primary difference between an on-licence and a club licence is that a duty manager is not always required to be present in a club. This means the requirements are lower for clubs than for on-licences.

- Special licences can be used for events (e.g., weddings, festivals), or to allow a short-term variation to another licence (e.g., allow a restaurant to open later than it would normally be allowed for an event).

On-licences and club licences are initially renewed after one year, and then (typically) every three years thereafter. The process and requirements for initial application for a licence and the renewal of a licence are similar, although there are some differences in the decision-making criteria. Alcohol licensing and renewal fees are currently scaled by risk, assessed through a framework set in regulation.

Decisions about licences

District Licensing Committees (DLCs) are responsible for issuing licences and duty manager certificates. A DLC is an independent decision-making body appointed by an area's local authority – every local authority is required to have at least one DLC (there are 67 local authorities across New Zealand). Anyone can be a member (unless they have a conflict of interest, e.g., people involved in the licensing process or the alcohol industry).

We have heard that some DLCs are working very well, while others struggle to recruit people with the skills to make good licensing decisions.

Who else is involved in licensing decisions?

The public, local authority, Police, local licensing inspectors (who are normally employees of the local authority), and local health officials can be involved in the licensing process at a community-wide level, or on a case-by-case basis.

At a community-wide level, a local authority can adopt a local alcohol policy (LAP). A LAP can (among other things) set default opening hours, limit the number and density of licensed businesses in certain areas, and impose default conditions. The requirements set out in LAPs can be appealed by business and the public, and many local authorities have found them difficult to put in place.

On a case-by-case basis, the Police, local licensing inspectors, and local health officials must make comments on every licensing application and can indicate opposition. The public can also object to an application. Police and local health officials must file a report within 15 working days of receiving the application. Public objectors have 25 working days to object. Licensing inspectors have no statutory timeframe to report on an application, and DLCs have no statutory timeframe to decide. This means there is no overall statutory timeframe for the assessment and decision-making process.

If there is no opposition or objection, the DLC will likely approve the application without a hearing (they can decline, but this is rare). However, DLCs can decide to hold a hearing even if there is no objection (and DLCs must hold a hearing if there is an objection, unless the objector does not require one). After a hearing, the DLC will decide to approve or decline the application.

Public involvement in alcohol licensing is changing

There are ongoing reforms that will change how the public is involved in alcohol licensing if they are passed into law.

- When the current regime came into force in 2012, a member of the public could only object to a licence if they had “greater interest in the application for it than the public generally”. This was interpreted by courts and DLCs to mean living close (e.g., within 1km) to the proposed premise.
- In 2023, this changed to “[a]ny person may object... whether as an individual or as a representative of a group or an organisation”. This increased the number of objections from organisations and people in different areas and cities from the proposed premise.
- There is currently a Bill before Parliament that would change this to anyone who lives or works in the area covered by the DLC, or within 1km of the proposed premises. This amendment seeks to ensure public objections come from local communities.

Local government is changing

There are ongoing reforms that will affect the structure, roles, and responsibilities of local government. The effect of these reforms on the regulation of alcohol is not currently decided and may vary across the country. For more information on these reforms, please see [here](#).

Supervision of the sale and supply of alcohol

Currently, the responsibility for the sale and supply of alcohol sits jointly with the person or business who holds the licence, and a duty manager, who supervises the day-to-day sale / supply of alcohol. A duty manager is a person who has been trained to manage the sale and supply of alcohol and holds a duty manager's certificate. Duty managers often have the best information in the moment (in comparison to licence holders) to make decisions that reduce excessive drinking (e.g., is this customer intoxicated, and therefore should we serve them?).

Enforcement of requirements

There are a range of offences and penalties available under the current regime to respond when things go wrong. Licensing inspectors (who work for local authorities) and Police are the main front-line regulators empowered to enforce the requirements.

Currently, a licence holder can:

- be issued with an infringement notice and fee (up to \$1,000). We have heard this is the most common enforcement tool used.
- be charged with a criminal offence (depending on the offence, these can carry maximum fines between \$1,000 and \$40,000 and imprisonment of up to 3 months). We have heard these offences are very rarely used.
- have their licence suspended or cancelled. To get a licence suspended or cancelled, the Police or licensing inspector must apply to a centralised tribunal, the Alcohol Regulatory and Licensing Authority (ARLA), that makes the decision. We have heard this means there is often a long time between the conduct and the consequences.

The Police or a licensing inspector can also apply to the centralised tribunal to have a duty manager's certificate suspended or cancelled.

Problems identified by the Review

The Review has identified five overarching problems with the current state of alcohol regulation in hospitality settings.

1. Licensing requirements and processes can be disproportionate to the potential risk posed by hospitality settings

Our view is that the requirements to get a licence are sometimes disproportionate to the potential risk of alcohol-related harm posed by some hospitality business (i.e., requirements are sometimes too high for lower-risk businesses, and sometimes too low for higher-risk businesses). We also think the process for renewing a licence, which is almost the same as applying for a licence and can take up to 18 months (during which a business is still operating), can be both a disproportionate and ineffective mechanism for assessing the ongoing risk and impact of a licence and introduces unnecessary uncertainty for businesses.

Use of the word “licence”

For brevity, we use the word “licence” in this document to refer collectively to on-licences, club-licences, special licences, temporary authorities, and duty manager certificates (including temporary or acting manager certificates).

We will refer to these specifically in the problem and / or option description if necessary.

2. Licensing processes can be inefficient

Our view is that the process to get a licence is not always efficient, leading to unnecessary uncertainty and delays for businesses and individuals and creating unnecessary work for regulators. This includes:

- Finding information about licensing or certification requirements, and demonstrating compliance in the application process, is not always straightforward or efficient for businesses and individuals.
- The assessment process of licence applications (both for new licences and the renewal of licences) is not always efficient, creating delays and uncertainty for businesses, duplication and additional work for regulators, and a lack of transparency for communities.
- The pool of DLC members is small, especially in rural areas, and is shrinking. This currently limits decision-making capacity in some areas and raises questions about the future ability of the model to reflect local voice in licensing decisions.
- Hearings are actively avoided by regulators and applicants (even when they may be appropriate), and when they do take place, they are resource intensive and sometimes not fair or accessible to the communities, businesses, and other regulators involved because of the timing, format, or inability to be anonymous.

3. Decision-making about licences is sometimes not effective at achieving the purposes of the alcohol regulatory system

Our view is that some DLCs make poor licensing decisions, which are most often reflected in licence conditions that are ineffective at addressing alcohol harm and impose unnecessary costs on businesses.

4. Accountability settings for the supervision of the sale and / or supply of alcohol may be ineffective

[In this context, “accountable” means both having responsibilities under the Sale and Supply of Alcohol Act 2012, and being liable to be fined, prosecuted, or otherwise punished for not meeting those responsibilities].

In some hospitality settings, appropriate steps are not always taken to mitigate excessive drinking (i.e., intoxicated people are still served, and alcohol-related harm occurs as a result). We think this may be because those accountable do not always understand their responsibilities, or do not have oversight of all decisions to serve alcohol. Additionally, there may be a power imbalance between an employer (the licence holder) and a worker (the duty manager, or other workers serving alcohol) which may undermine effectiveness.

5. Monitoring and enforcement can be variable, and potentially ineffective in some areas

Our view is that the monitoring and enforcement of the alcohol regulatory system is variable and potentially ineffective. This includes:

- Regulators do not always have sufficient tools to respond appropriately - some tools are disproportionate to the infringements seen by regulators (too strict or too lenient), and some are not able to be used swiftly. This may be limiting the effectiveness of the monitoring and enforcement regime.
- The Review has observed that frequency of inspections, the type and quality of education available for regulators and regulated parties varies within and between regions. Additionally, current enforcement tools may not be appropriate (e.g., may not be proportionate nor close in time to the breach). This may be limiting the effectiveness of the monitoring and enforcement regime and can be unfair for some businesses because they are treated differently while behaving the same.
- There is little centralised information about licensed businesses' and duty managers' compliance histories or related alcohol harm, meaning that in some cases poor performance may not be identified over time, and up to date information may not be available when new licensing or renewal decisions are made, meaning some licences may be renewed when they should not be.

Options for change

This section outlines the options the Review has identified to address each of the five problems discussed in the previous section. Each option is labelled with a number, which corresponds to the detailed description of the option and potential impacts and trade-offs in Appendix A.

1. Options to make licensing requirements and processes more proportionate to risk

The Review has identified the following options to make licensing requirements and processes more proportionate to risk:

- A.** There is a **choice** to make the barrier to getting a licence more proportionate by **altering the flexibility of the system**, either by introducing greater flexibility or reducing flexibility and increasing specificity:

Introduce more flexibility – this could look like:

- i. creating highly bespoke licences** where requirements to get and keep the licence are tailored to each licensee’s situation. This option is intended to allow businesses and regulators to step out of the boundaries set by current licence types and respond flexibly to individual risk profiles, circumstances, and business plans, but may also introduce additional complexity for businesses and regulators.
- ii. allowing exemptions from licensing criteria** in certain circumstances. This option is intended to give regulators discretion to lower or remove requirements (within boundaries) where relevant.
- iii. allowing provisional licences to be granted** when not all licensing criteria are met i.e., replaces temporary authorities. This option is also intended to give regulators more discretion.

Reduce flexibility but increase specificity – this could look like:

- iv. introducing more specific licence categories based on risk** (e.g., high-risk licence, medium-risk licence, etc.) that affect the requirements to get and keep the licence, not just the fee. This option is intended to make requirements clearer and more specific, increasing certainty rather than flexibility, but may also introduce additional complexity for businesses and regulators by creating different requirements for different groups.

- v. **more specific licence criteria.** This option is intended to make requirements clearer and more specific, providing regulators with clearer boundaries within which to use their discretion and increasing transparency for decision-makers.

B. There is a **choice** to make renewal requirements more proportionate by moving from a one-size-fits-all approach to **scaled renewal** periods:

- i. **Scale renewal periods by risk and performance** – higher-risk licences are renewed more frequently, and lower-risk licences are renewed less frequently. This option is intended to differentiate requirements based on risk but may introduce additional complexity for businesses and regulators by creating different requirements for different groups, rather than one rule.
- ii. **Scale renewal periods only by performance** – ‘poor operators’ with a history of non-compliance are renewed more frequently than ‘good operators’ with no previous compliance problems. This option is intended to give regulators more discretion to reduce requirements for some, and increase requirements and oversight for others, but may introduce complexity and greater variation in regulatory practice.

2. Options to make licensing processes more efficient

The Review has identified the following options to make licensing processes more efficient:

A. Provide more support for applicants and regulators in the application process – this could look like:

- i. **explicitly allow pre-application meetings** between applicants and regulators. This option is intended to provide an opportunity for applicants to get information about requirements in a way that works for them and provides regulators an opportunity to ask questions and assess risk. However, taking this approach may potentially increase regulator workloads.
- ii. **introduce consistent training and additional guidance for regulators.** This option is intended to clarify expectations about the licensing process and build regulator capability but may be expensive.

B. Introduce simpler, standard forms for applications and renewals. This would look like a new, standard, application form that all regulators would have to use across the country. This option is intended to make requirements clearer and more specific, improving certainty and reducing administration for both businesses and regulators.

- C. Introduce automatic approvals (after a certain time period) for some lower risk-licence renewals.** This would look like granting some licence renewals automatically after a set period (e.g., eight weeks) if the applicant has not heard otherwise from the regulator. This option is intended to make the renewal more efficient and improve certainty for lower-risk licence holders.
- D. Introduce statutory timeframes** for the assessment of licence applications and renewals. This would set a statutory timeframe from the receipt of the application to consideration by decision-makers. It could include sequencing regulators' timeframes so that regulators' reports are available publicly before the community is required to object, so that the community is as informed as possible. This option is intended to incentivise improved efficiency, increase certainty, and allow the public to make informed objections. But may require additional regulatory capacity. For clarity, this option does not include setting a statutory timeframe from application receipt to decision.
- E.** There is a **choice** to increase efficiency by **centralising some functions** – this could look like:
- i. **a 'single front door' across the country** that receives all licence applications. This would look like a central administrator who would receive and confirm the completeness and accuracy of applications, then pass them to local regulators for assessment and action. This option is intended to create economies and efficiencies of scale but could introduce additional costs and delays and would require central oversight.
 - ii. **a 'single front door', plus centralising the assessment of applications.** This option would also look like a central body who would receive applications, and assess the applications against the relevant licensing criteria, inviting comment from local experts. The applications would then be passed to local decision-makers to decide. The ability for the local community to object would remain the same. The option is also intended to create economies and efficiencies of scale and reduce the workload of local regulators but may not be as accurate at assessing applications.
- F.** There is a **choice** to increase efficiency by **altering flexibility** for when regulators are involved (or not) in the licensing processes:
- i. **Introduce more flexibility** for regulators to decide when they are involved. This would look like giving Police and local health officials discretion over when they are involved. This option is intended to reduce assessment timeframes for lower-risk licences and reduce the general workload on regulators, allowing them to prioritise higher-risk applications. [Option 6B, mutually exclusive with Option 6C]
 - ii. **Reduce flexibility but increase specificity** about when regulators are involved. This would look like introducing criteria to govern when Police and local health officials must be involved in the licensing process. It is also intended to reduce assessment timeframes for lower-risk licences and reduce the general workload on regulators. [Option 6C, mutually exclusive with Option 6B]

G. There is a **choice** to increase efficiency by **increasing the capacity of decision-making bodies** by **centralising and / or decentralising decision-making** functions:

Centralising decision-making functions – this could look like:

- i. **allowing neighbouring DLCs to merge**, if they agree. This option is intended to increase the pool of decision-makers available for each DLC by drawing from a geographic larger area. This option may also increase efficiency by combining administrative functions.
- ii. **merging DLCs to create a total of 16 across the country**, one per geographic region. This option is also intended to increase the pool of decision-makers and increase efficiency by combining administrative functions. This option may also improve oversight and moderation between individuals, potentially improving the consistency and quality of decisions, but may (or may be seen to) deprioritise community voice in licensing decisions.
- iii. **creating one central decision-making body** that decides on all licences. This could look like a standing group of members that are recruited from across the country. This option is intended to increase the pool of decision-makers, increase oversight, and improve consistency and quality of decisions, but may (or may be seen to) deprioritise community voice in licensing decisions.

Decentralising decision-making functions – this could look like:

- iv. **delegating some decisions on renewals to licensing inspectors**. This would look like allowing licensing inspectors to decide on some lower-risk licence renewals without the involvement of the DLC. This option is intended to increase the pool of decision-makers available by leveraging licensing inspector's capabilities but may undermine the independence and integrity of licensing decisions.

H. There is a **choice** to increase efficiency by introducing an **alternative pathway to hearings** and / or **improving hearings**:

Introduce an alternative pathway – this could look like:

- i. **formalising negotiations between regulators and applicants**, if they agree. This would look like creating a formal pathway for regulators to meet and discuss a licence application with an applicant with the intent of resolving concerns and reaching mutually agreeable licence conditions. This option is intended to clarify the boundaries of regulators’ discretion, reduce timeframes, and improve the predictability of the process for businesses, but may undermine the quality, integrity, and transparency of licensing decisions.
- ii. **introducing a mediation process that precedes hearings**. This would look like a mediation step between applicants, objectors and regulators, facilitated by external mediators. This option is intended to reduce timeframes and improve the predictability of the process for businesses, but may also undermine the quality, integrity, and transparency of licensing decisions.

Improve hearings – this could look like:

- iii. **allowing decision-makers more discretion about when a hearing is called**. This option is intended to allow decision-makers to prioritise hearings in situations where they think they are necessary, reducing work for regulators and potentially reducing decision-making timeframes for businesses. However, it may reduce the transparency of decisions and may (or may be seen as) deprioritising community voice in licensing decisions.
- iv. **introduce consistent training and additional guidance for decision-makers about how to run a hearing**. This option is intended to clarify expectations about the hearing process and build decision-making capability but may be expensive.

3. Options to make decision-making about licences more effective

The Review has identified the following options to improve decision-making about licences.

A. Provide more support for decision-makers – this could look like:

- i. increasing payments** to decision-makers. This option is intended compensate decision-makers more fairly for their time investment and may also increase the pool of decision-makers by incentivising additional people to put themselves forward for the role. This option has cost implications that could be mitigated through additional central government funding or increasing licensing fees. Increasing fees could be seen as unfair on hospitality businesses, but this could be mitigated by introducing a more proportionate charging structure where higher-risk and higher-harm businesses bear more of the costs.
- ii. introducing consistent training and additional guidance for decision-makers**, which could include creating national standards. This option is intended to clarify expectations about the licensing process and build decision-making capability but may be expensive.

B. Set more specific requirements for decision-makers. This could look like requirements for specific qualifications, experience, or community representation to be appointed to a decision-making body. This option is intended to make sure the relevant skills and experience are in the room and provides Local Authorities with clearer boundaries within which to use their discretion to appoint members. This option is dependent on increasing payments to ensure that candidates that meet any new requirements are available.

C. Reduce decision-makers' discretion regarding licence conditions. This could look like a framework in regulation that governs what conditions can be placed on what licences in what circumstances. This builds on, and extends, current reforms that will introduce a risk framework for assessment and decision-making about special licences. This option is intended to provide decision-makers with clearer boundaries within which to use their discretion while maintaining standards for higher-risk businesses.

4. Options to make the supervision of the sale and / or supply of alcohol more effective

The Review has identified the following options to make the supervision of the sale and / or supply of alcohol more effective:

A. There is a *choice* to increase effectiveness by **concentrating or further distributing accountability**:

- i.** **concentrating accountability** – this would look like making licensees solely accountable (and therefore remove duty managers). This option is intended to incentivise licensees to be more present and involved in point-of-sale decisions and not abdicate responsibilities to other parties
- ii.** **further distributing accountability** – this would look like every person serving alcohol, as well as the licensee, being accountable. This option is intended to increase collective responsibility and peer support, which may increase the likelihood of good point of sale decisions, but some workers may be unwilling to take on the risk.

B. **More support and education for licensees and workers** - this could look like:

- i.** **mandatory training for licensees and / or all workers who serve alcohol** which could include creating national standards in regulation. This option is intended to increase the capability of the overall workforce but may be expensive to implement.
- ii.** **different tiers of certification for duty managers** – this could look like different classes of duty managers who are allowed to work in different business types / risk profiles. This option is intended to increase the capability of accountable workers but may have implications on worker availability for some types of businesses.

5. Options to make monitoring and enforcement less variable and more effective

The Review has identified the following options to make monitoring and enforcement less variable and more effective:

- A. Introduce a wider range of infringement offences and increasing infringement fees.** This could look like increasing fees, and adding new infringement offences, and / or reclassifying some of the current offences as infringement offences. This option is intended to provide more tools for regulators to respond quickly and proportionally but requires all regulators to have the infrastructure to use infringements to be effective.
- B. Introduce a wider range of low and medium impact enforcement tools** – this could look at introducing tools such as improvement notices (which require a licensee to fix a behaviour by a certain time), notices or direction (which require a licensee to follow certain specific steps), or warnings. This option is also intended to provide more tools for regulators to respond quickly and proportionally and aligns with the graduated enforcement approach used in the food safety system.
- C. Expand the number of decision-makers who can suspend licences** – this would look like allowing DLCs to suspend licences. This option is intended to enable regulators to respond quickly but introduces the opportunity for inconsistent decisions across regions and over time.
- D. Introduce a minimum frequency of inspections** – this could look like setting a requirement that a business will be inspected a minimum once per calendar year or introducing a framework for inspection frequency based on risk and performance (similar to the ‘verification steps’ in the food safety system). This option is intended to increase the likelihood of identifying poor performance, intervening early, and increasing transparency and fairness for businesses.
- E. Introduce consistent training and additional guidance for licensing inspectors.** This option is intended to set expectations for what inspections should look like, increasing regulator capability and providing businesses with a more consistent experience, but may be expensive to implement.
- F. Introduce a nationwide information system about licences, certificates, compliance activity, performance, and related alcohol harm.** This option is intended to improve the quality and availability of information available to decision-makers and regulators to drive better decisions and reduce harm. This may also reduce administrative work for businesses but will have significant start-up costs.

Food safety regulatory system in hospitality

The food safety regulatory system is designed to minimise risks to public health from food. The food safety regulatory system in New Zealand is highly regarded, which is essential as a primary product export-driven nation. The role of the Ministry and the Review is to express a view about whether the current work by the Ministry for Primary Industries (MPI) will address the problems we have found, or if we think there is different or additional work that should be considered by Ministers to add to the work programme.

Food safety

All food businesses must ensure their food is safe and suitable for consumption. Food (including beverages) can host microorganisms, some of which are harmful to people. The type of food and the way in which it is handled and prepared (cooked, packaged, and/or stored) impacts the type and level of microorganisms. If food is stored or prepared poorly, microorganisms can grow, spoiling food or causing harm to those who consume it. In addition to microbiological contamination – physical and chemical contamination can lead to food safety issues.

One of the purposes of the Food Act 2014 is to provide risk-based measures that minimise and manage risks to public health. Since the Food Act 2014 came into force, there has been a steady decrease in the number of foodborne illness outbreaks reported.

The Food Act Improvement Programme

The current Food Act Improvement Programme (FAIP) programme of work includes thirteen distinct outputs and associated activities – a number of which may impact hospitality businesses. The following activities are considered relevant for hospitality businesses:

- A Review of Schedules 1 -3 of the Act (Schedule Review) – the Schedules prescribe which risk-based measure (Food Control Plan or National Programme) each type of food business must comply with
- Reviewing registration and renewal requirements
- Introduce a simplified Food Control Plan (FCP) template that is adaptable, readily accessible, focused on key food safety risks, and easy to apply to food businesses, alongside simplified record-keeping requirements
- Developing a programme of work to ensure consistency across verifications
- Updating guidance and training for local authorities to support national consistency in the application and advice provided by Local Authorities.
- Develop and deliver additional resources and training for food safety officers.

Current state of food safety regulation in hospitality settings

Registration of food businesses

Most food businesses need to be registered and operate under one of four risk-based measures: Food Control Plans (FCPs) or National Programmes (NPs) 1, 2 and 3. The risk-based measures are essentially plans that food businesses must follow to ensure their food is safe and suitable.

If a business operates under a FCP either they prepare the plan themselves and it is approved by MPI (the “Custom FCP”) or they use a template FCP that either MPI has developed, or one that has been developed by industry.

The risk-based measures are assigned depending on the type of business, including the type of food they produce (e.g., manufacturer, wholesale bakery, or coffee cart) and the level of risk the activities pose to public health. With NP1 being the lowest risk, NP2 and NP3 progressively higher risk, and FCPs - in general - applying to food businesses that pose the higher level of risk.

Food businesses can use the online ‘My Food Rules’ tool to help them understand the rules that apply to them and which risk-based measure they should register under. As part of the registration processes, businesses must include information about the type of food and processes they will use (the ‘scope of operations’), and to self-assign one of the four risk-based measures.

MPI and local authorities co-regulate the food safety system. Food businesses are either registered with MPI or their local authority. Where

a food business is operating under a custom FCP or operating across multiple local authorities, they must generally register with MPI. Otherwise, they can register with their local authority.

Food Control Plans

Most hospitality businesses are registered and operate under MPI’s Simply Safe and Suitable template FCP (MPI’s template FCP). The template plan is intended to make things easier for businesses, so they do not have to write their own plan. The template caters for a range of different business types – including supermarkets, butchers, retail bakers, residential care facilities, café’s, restaurants, and takeaways.

MPI’s template FCP is prescriptive and caters for most eventualities and operations. As such, it contains a lot of information, some of which is quite technical. As a result, is around 120 pages long.

Verification of food businesses

After registration, businesses are required to be verified. This is a process where a “recognised verifier” (either a local authority or third-party verifier) checks the business is meeting the regulatory requirements (i.e., checking *how* the businesses is doing what they intended to do). This, in general, includes an audit component (e.g., checking written records and talking to staff) and an inspection component (e.g., observing kitchen practices).

Most businesses are verified periodically. The timeframes between verifications are dependent on which risk-based measure the food

business is operating under and the outcome of their previous verification.

The overwhelming majority of site verifications are scheduled (within an expected cycle, e.g., every 12-months) and announced (on a communicated time and date).

Enforcement of requirements

Enforcement powers are held by Food Safety Officers (Officers). Officers may be employed by MPI or local authorities. A graduated approach to compliance and enforcement is used across the regulatory system – with several tools and powers provided to Officers under the Food Act 2014. The range of enforcement tools available include:

- Warnings
- Improvement Notices
- Notices of Direction
- Restrict the use of, or close a business
- Infringement Notices (fines)
- Recalls
- Prosecution for serious cases.

Through the Reviews engagement, we found most local authorities were using their powers under the Food Act 2014.

Problems identified by the Review

The Review has identified four overarching problems with the current state of food safety regulation in hospitality settings.

1. Some requirements are disproportionate to the risk of some hospitality businesses, and difficult for regulated parties to understand

Our view is that some hospitality businesses must meet requirements that are disproportionate to the food safety risks they pose. We think this is because the current risk-based measures are not working as intended. For example, some lower-risk businesses are meeting the requirements of MPI's template FCP when their risk level does not necessitate that. We think this is partly due to the cost of verification under NPs not being proportionate to the risk level they are meant to be for.

The Review has found that businesses find it **hard to understand** which risk-based measure they need to assign themselves and local authorities spend a lot of time confirming this. Our view is that this is creating administrative inefficiencies that could be avoided.

MPI's template FCP is highly prescriptive and takes a 'one-size-fits-all' approach to managing food safety hazards as well as to prescribing the records kept alongside. We think this means the requirements can be **disproportionate to the risk** posed for low-risk businesses and / or experienced operators.

We think MPI's template FCP is too long and contains some technical language which means it can be **hard for businesses to**

understand. This makes it challenging for businesses, especially those with lower levels of food safety knowledge, to know where to focus their effort.

2. The initial registration process does not contribute to reducing food safety risks and the administration associated with registration is unnecessarily burdensome

Our view is that the current registration regime is effectively operating as a notification regime for hospitality businesses and the renewal process is a database update that businesses are required to complete and pay for. Effort is spent on these processes by both businesses and the regulator but provides little value in reducing food safety risks.

We think the 'My Food Rules' tool, which is meant to help businesses with assigning themselves the appropriate risk-based measure, is repetitive and confusing. The 'scope of operations' form is hard to understand and can create confusion for businesses due to the technical terms used and the number of questions asked. Our view is that taken together this creates an **inefficient** system where both businesses and local authorities are spending effort working out where businesses 'fit'.

3. Current verification practice can result in actions for businesses that are disproportionate to risk and mean the regulator may not see kitchen reality

Our view is that verification practice and who conducts it varies across local authorities. This means there are different levels of scrutiny depending on the local authority, leading to uncertainty for businesses and unexpected costs.

The different levels of scrutiny can also mean inconsistency across the country in terms of what leads to businesses being moved down verification 'steps' (i.e., verification will happen more frequently). This can mean some businesses are likely being verified more often than needed for their level of risk.

We also think the announced verification practice means regulators may not see the day-to-day reality of kitchen operations as businesses have a lot of time to prepare. This could be undermining the purpose of verification.

A specific issue is that mobile food businesses operating across different local authorities face costs that are disproportionate to their risk and turn-over. This is because they, in general, need to be checked by a third-party verifier rather their local authority verifiers, which is much more expensive. It means this type of small business is unreasonably penalised for expanding their customer base, despite no increase in risk from trading across local authority lines.

4. Enforcement of the system can be unfair to businesses who are complying and is not as effective and efficient as it could be

Officers are unable to investigate or undertake enforcement action on hospitality businesses that are registered with MPI in their jurisdiction (as opposed to registered with their local authority). MPI-led investigations take longer than local investigations.

Our view is that this is creating an unfair playing field for compliant local businesses, by a delay in investigation and enforcement action being taken, as well as potentially creating a reputational risk for local authorities and other businesses.

We also think that the number and types of infringement offences are limited which means Officers do not have as many tools as they could to help disincentivise bad behaviour.

While the current tools are being used, and the graduated approach to enforcement is appropriate, there is currently no financial deterrent for lower-level non-compliance relating to food safety and suitability. The regulator currently only has the ability to issue infringement fines for unregistered businesses (or those registered under an incorrect risk-based measure) or for issues with food labels.

Options for change

This section outlines the options the Review has identified to address each of the four problems discussed in the previous section. Each option is labelled with a number, which corresponds to the detailed description of the option and potential impacts and trade-offs in Appendix B.

1. Options to make requirements more proportionate to risk and easier for regulated parties to understand

The Review has identified the following options to make requirements more proportionate to risk and easier for regulated parties to understand. There are choices to be considered.

- A. For making requirements more proportionate to risk, there is a **choice** between retaining the fundamentals of the current system and making changes to the fundamentals of the current risk-based measures. If you think more fundamental changes are warranted, we are interested to hear what you think would work and how for the hospitality sector.
 - i. **Retain the fundamentals of the current risk-based measures.** This option would see hospitality businesses categorised differently in the current risk-based measures (i.e., custom FCP, template FCP, NP 3, NP 2, NP1). If you have feedback on how they should be categorised under the current measures, please provide this information in response to the survey.
 - ii. **More fundamental changes to the risk-based measure system for hospitality businesses.** If you think fundamental change is needed, we are keen to hear what you think this could look like.

Alongside that choice there are additional options for making the requirements more proportionate and easier for regulated parties to understand. These are not choices, but discrete options.

- B. **Introduce hospitality specific requirements instead of a one-size-fits-all approach.** We understand that part of the FAIP is to develop a simpler and reduced in size template FCP. This option would see a hospitality specific template FCP (if the current risk-measures continue). It could look like specific plans for specific types of business (for example, a coffee cart or restaurant). Hospitality specific requirements would include relevant and specific record keeping requirements, which are reduced from the current state, and is intended to result in more

proportionate and easier to understand requirements for businesses coupled with sufficient levels of discretion to allow more flexibility for businesses to innovate.

- C. Have an expectation of more guidance to businesses directly from the regulator either before they start to operate or once they are operating to understand how to effectively reduce food safety risks.** This would be a practice change for some regulators where businesses were provided with more support to understand how to manage the food safety risks of their operations well. This option could be pursued whether or not changes were made to the risk-based measures. There would be resource implications for some regulators.
- D. Introduce a free online record keeping and template FCP app for hospitality businesses.** The intent would be for a mobile-based system that makes it easier to navigate through the FCP, making the requirements accessible and easier to understand. This would be coupled with mobile record keeping ability, reducing the burden of keeping paper-based records. This would come with significant up-front development costs.

2. Options to improve the initial registration process and reduce the administration associated with registration

The Review has identified the following options to change the initial registration process and reduce unnecessary administrative requirements for businesses as part of registration processes.

- A. There is a **choice** to be made about how to change the initial registration regime and improve the efficiency of the initial bar to entry for hospitality businesses. The first choice is between moving to a notification system or retaining the registration system:
 - i. **Move to a notification regime for hospitality businesses:** this would see a move from registration to notification regime for all hospitality businesses. This would mean a hospitality business, before opening, notifies their local authority about what they are intending to do but do not have to wait for a response to start operating. This is intended to mean less administration up front without increased risk to public health and relies on regulators using their discretion to respond to risk where appropriate. We are interested to hear if you think public health risks would increase and how.
 - ii. **Retain the registration system:** this would see the retention of the registration system, meaning a hospitality business would continue to have to obtain their registration before opening.

Alongside that choice there are additional options for increasing efficiency of the registration regime. These are not choices, but discrete options.

- B. **Remove registration renewals** – this option would see registration renewals removed (whether we moved to a notification regime or not). Updating business details would be completed through the verification process. This would reduce costs for hospitality businesses but remove some revenue from local authorities.
- C. **Introduce a central administrator of applications** – this option would see a central administrator assessing all registration applications, removing the administrative tasks from local authorities. Economies of scale may mean the central administrator introduces efficiencies in the system. This option is likely to come with high initial start-up costs.
- D. **Introduce simpler initial forms** – This option would see one registration (or notification) form used by all local authorities and a simplification of all forms. Introduction of a single, simplified form, would improve businesses understanding of where they fit which is intended to improve the efficiency of the registration process.

3. Options to improve verification practices and the effectiveness of the verification process

The Review has identified the following options to make the verification system more proportionate for hospitality businesses and more effective overall. This is in addition to making the requirements more proportionate (addressed as part of problem 1 above) which should lead to more proportionate verification practices.

To improve verification practice we could:

- A. Introduce national standards for verifiers** – this option is intended to increase the quality and consistency of verification across the country. National templates for verifier reports would be published and expected to be used. Verifier peer review, including peer review of reports across local authorities, would be introduced as part of a national quality assurance programme. The intent is that businesses would see more consistent, proportionate, and predictable verifications over time.
- B. Focus verification on practice, rather than record-keeping.** This option would see a re-focus on observing behaviour and practice during verification, with a reduced focus on paperwork / record-keeping. This option is linked to the option discussed in problem 1 above that would see the development of hospitality specific requirements (e.g., a hospitality specific template FCP). The intent is that there would be less focus in verification on practices and record-keeping that is not clearly tied to food safety risks.
- C. Allow food trucks who trade in different local authority regions to be verified by their ‘home’ local authority verifier** – this option would mean mobile food businesses (who operate under a template FCP and trade in multiple local authorities) can be verified by their local authority verifier and would not have to pay to be verified by a third-party verifier.
- D. Enable all hospitality businesses who fall under National Programmes 1 – 3 to be verified by local authority verifiers.** This option could support the intent behind the FAIP Schedule Review by enabling all hospitality businesses that fall into one of the NP risk-based measures to be verified by their local authority verifier (currently this applies to ‘retailers that handle food but do not prepare or manufacture food’ and ‘retailers of hot beverages and shelf-stable manufactured packaged foods only’). Some local authorities are not recognised to verify businesses registered under NPs. This means some impacted food businesses either choose to operate under a template FCP (higher risk-based measure) or pay more to be verified by third-party verifiers. It would enable these businesses to operate under their correct risk-based measure without additional cost.

In addition to improving verification practice, there are other options to improve effectiveness.

E. There is a *choice* to be made about how to **provide verifiers with more opportunity to observe kitchen behaviour and practice:**

- i. Having more inspections unannounced or less certainty given about exact date and time of verification** – This option would see more inspections unannounced than is current practice, and / or less certainty given about the exact date and time of verification. This option would be part of a structured compliance monitoring programme – for example, a sample of verifications selected to be undertaken unannounced.
- ii. Making all inspections unannounced** – This option would see all inspections unannounced, but as with the above the business would know around about when they would be inspected.

F. There is also a *choice* to provide more certainty to well performing businesses by either **having annual verifications which vary by type or enabling a two-year verification frequency step:**

- i. Annual verifications which vary by type based on risk and past performance:** This option would see the current risk-based verification steps removed for hospitality businesses and move them to an annual verification instead. The verification itself would be risk-based and based on past performance, e.g., a ‘low risk’ business that has consistently performed well could have a short and succinct inspection visit only, whereas a ‘higher-risk’ businesses or one that has consistently under-performed could have a long visit and be asked to provide written records and other evidence of their compliance. The trade-off is that this would mean some businesses are verified more often than they currently are and others less often. The option of an unscheduled verification would remain in place so the regulator would continue to have discretion and powers to act if they consider a business is placing customers at risk.
- ii. Increasing the verification frequency for consistently high performing hospitality businesses:** This option would see an additional verification ‘step’ be introduced for hospitality businesses currently operating on MPI’s template FCP. This new step would introduce a ‘two-year’ verification frequency and would be attainable for those hospitality businesses who are consistently high performing (i.e., no or low/minor corrective actions for the past two 18-month verifications).

4. Options to improve the effectiveness and efficiency of the enforcement of the food safety system

The Review has identified the following options to make the regulatory system fairer and more effective and efficient. These options are not choices, but discrete options. Making the regulatory system fairer and more efficient and effective can be done by:

- A. Allowing local Food Safety Officers to take enforcement action against all hospitality businesses in their jurisdiction** – This option would even the playing field by allowing Food Safety Officers to take enforcement action on hospitality businesses in their jurisdiction who are registered with MPI (i.e. on a Custom FCP). MPI investigations can take more time than locally led investigations, leading to enforcement action being delayed for those food businesses.
- B. Introducing a wider range of infringement offences** – This option would expand infringement offences specifically relating to food safety and suitability requirements – for example *persistent* failure to store potentially hazardous food in the fridge. This option would improve enforcement powers and should increase the efficacy of the regulatory system. Expanded infringement offences provides an additional monetary incentive for persistently poor operators to improve their practices.

Other issues raised by the hospitality sector

Restricted trading: On 2 April 2026, the Sale and Supply of Alcohol (Sales on Anzac Day Morning, Good Friday, Easter Sunday, and Christmas Day) Amendment Act came into force, which removed dining requirements on restricted trading days. This amendment has resolved the issue raised by the hospitality sector in relation to restricted trading.

Requiring security personnel to display Certificate of Approval (CoA): Incorrect information was listed on the New Zealand Security Association's (NZSA) website, which stated CoAs must always be displayed by security guards when on duty – creating security risks for them. The Review raised this with the Private Security Personnel Licensing Authority and the information on the NZSA website has been corrected to reflect legislative requirements, which is that CoAs do not need to be displayed by security guards when on duty.

Other issues we have looked at: Some hospitality businesses raised concerns about compliance with liquid petroleum gas (LPG) storage/use requirements. We have analysed this issue, and our recommendation will be included in the Review's final report.

Other issues not progressed:

- Building Warrants of Fitness
- Building Consent and Code of Compliance certificates
- Resource Management
- Careers in hospitality
- Employment law
- Immigration
- Club licences
- Licensing trusts
- EFTPOS Surcharges
- Qualmark accreditation
- Music licensing

There was analysis undertaken on these issues before the decision was made not to progress them. A paper outlining the reasons for this decision will be released alongside publication of the Review's final report.

Have your say

We want to hear your views on these issues. The information you give us will inform the Review's recommendations.

Making a submission

The best way of making a submission to the Review is through our online questionnaire.

The questionnaire will ask you about the questions outlined in this discussion document. There will also be an opportunity to tell us about other options not discussed here.

You can access the questionnaire [here](#).

Submissions close at 23:59 on 28 May 2026

What we will do with submissions

Your submissions on these issues will be a key source of evidence for the next stages of the Review. Your views will inform options development (including options packages), the Review's recommendations in the final report.

Submissions will be read and analysed by the Review team and will be reflected in a summary of submissions document intended to sit alongside the final report of the Review.

Privacy Notice

Please note that information submitted to the Review will be considered official information under the Official Information Act 1982 (OIA). This means that information submitted as part of this consultation may be released to the public if a request is made under the OIA. Please indicate to us in the free-text fields whether any part of your submission should be treated as confidential (for example, if you are providing financial or commercially sensitive information).

If you are submitting information to us on a confidential basis, we will handle any information you share with us with appropriate sensitivity reflecting its confidential nature and will only disclose this information if required by law, or with your consent.

For further information about privacy and how we handle your information, please refer to our Privacy and Information Statement, which also provides details about how you can request a copy of any personal information we may hold about you:

[Privacy and information statement | Ministry for Regulation](#)

Submissions will be reflected in an anonymised summary of submissions which will sit alongside the final report of the Review.

If you choose to provide us with contact details, we may follow up with you about your submission.

