



**Submission to the  
Commerce Committee  
on the  
Shop Trading Hours Amendment Bill**

**Date: 21 January 2016**

## EXECUTIVE SUMMARY

1. The Tourism Industry Association New Zealand (TIA) welcomes the opportunity to comment on the Shop Trading Hours Amendment Bill.
2. TIA welcomes the removal of the statutory restriction on shops opening on Easter Sunday. Liberalising the Easter trading legislation will benefit the tourism industry and local economies.
3. Feedback from our members based on the 2006/07 Easter Trading review shows that our members would like the opportunity to open their businesses over the Easter period.
4. New Zealand visitors move quickly between regions and finding shops open in some places and not others, does not create the seamless experience that visitors are looking for and that the tourism industry wishes to deliver. TIA prefers to see a national approach to Easter trading legislation instead of giving all 67 local councils the power to make 67 bylaws about Easter trading. We will likely see a patchwork of confusing and inconsistent rules being applied when a national approach would provide certainty for everyone.

## RECOMMENDATIONS

5. The Tourism Industry Association New Zealand (TIA) recommends a national approach – one law on Easter shop trading – for the whole country instead of bylaws for individual areas within council districts. From a tourism perspective, finding businesses open in some places and not others, does not create the seamless experience that visitors are looking for and that the tourism industry aspires to deliver.
6. TIA believes that any changes to Easter shop trading legislation should also consider amendments to the Sale and Supply of Alcohol Act 2012, so that hotels, taverns and off-licenses can sell liquor on Good Friday and Easter Sunday to customers other than diners and lodgers. Currently, some retailers are not allowed to trade alcohol on Easter Sunday. TIA would like to see this rule amended as well and would align with the proposed changes in shop trading on Easter Sunday.

## INTRODUCTION

7. TIA is the peak body for the tourism industry in New Zealand. With around 1,500 members, TIA represents a range of tourism-related activities including hospitality, accommodation, adventure and activities, attractions and retail, airports and airlines, as well as related tourism services.
8. The primary role of TIA is to be the voice of the tourism industry. This includes working for members on advocacy, policy, communication, events, membership and business capability. The team is based in Wellington and is led by Chief Executive, Chris Roberts.
9. Any enquiries relating to this paper should in the first instance be referred to Nienke van Dijken, TIA Policy Analyst at [nienke.vandijken@tiaz.org.nz](mailto:nienke.vandijken@tiaz.org.nz) or by phone on 04 494 1842.

10. In 2006, our Association made a submission to Parliament's Commerce Select Committee on the Easter Sunday Shop Trading Amendment Bill and the Shop Trading Hours Act Repeal (Easter Trading) Amendment Bill. Several members of our Association participated in the 2006-07 Quality Regulations Review (QRR) which prompted many businesses and individuals to comment on anomalies with Easter shop trading legislation. In 2007, we made a submission on the Ministry of Justice and Department of Labour review of Easter trading legislation.

## COMMENT

### Tourism 2025

11. Tourism 2025 ([www.tourism2025.org.nz](http://www.tourism2025.org.nz)), an industry-led, government supported economic growth framework was launched in New Zealand in 2014 and has set an aspirational goal of reaching \$41 billion in annual tourism revenues by 2025. To achieve that, the industry must grow international tourism at a rate of 6% year on year and domestic tourism at a rate of 4% year on year. The industry's focus is on growing value faster than volume.

12. The Tourism 2025 framework is based around five key themes which are:

- Insight - this is at the core of the framework recognising that having timely, accessible and relevant insight is what will help tourism businesses with the information they need to support operational and strategic decision making.
- Connectivity - focusing on growing sustainable air connectivity is critical for an island nation that relies on 95% of its visitors arriving on a commercial aircraft.
- Productivity - making more money from the investments we already have but finding new solutions to seasonality (the tourism industry's perennial challenge) and regional dispersal.
- Visitor experience - we can derive more value by creating outstanding visitor experiences that meet the needs of a changing visitor mix and recognising the end to end visitor experience, the need to improve facilitation and be measuring dissatisfaction.
- Target for Value - the identification of targeted opportunities that, if taken up, will deliver the greatest economic benefit.

13. The removal of the statutory restriction on shops opening on Easter Sunday will support the visitor experience and productivity goals of Tourism 2025.

## General

14. We understand that the aim of the Shop Trading Hours Amendment Bill 2015 is to amend the Shop Trading Hours Repeal Act 1990 to allow the statutory restriction on shops opening on Easter Sunday to be removed by granting the territorial authorities the power to create by-laws to permit all shops to open in all or part of their district on Easter Sunday. This Bill provides change to Easter Sunday trading only and Good Friday, Anzac Day and Christmas Day shop trading restrictions would remain.
15. TIA understands that this Bill gives shop workers the ability to refuse work on Easter Sunday without giving a reason and enables shop workers to bring a personal grievance against an employer who compels them to work on Easter Sunday or treats them adversely because of their refusal to work on Easter Sunday. TIA supports these protections for workers.
16. For our previous submissions on Easter trading, TIA received feedback from the majority of our members. The consensus was that our members would like the opportunity to open their business over the Easter period, but preferred to make their own business decisions. Market demand and staff availability were the main reasons for businesses wanting to open on Easter Sunday. Some members said the competitive advantage other retailers gained from being open was a far more compelling reason to trade than decisions imposed on shops by either local or central government.

## The visitor experience

17. From a visitor experience perspective, the main problem with Easter trading regulations are the inconsistencies that provide certain areas of New Zealand with exemptions for businesses to open over Easter. The opening of shops in some areas and not others creates regional disparities and sends mixed messages to visitors with shops potentially open in one area and shut down in another. New Zealand visitors move quickly between regions and these regional disparities in shop trading hours do not create the seamless experience that visitors are looking for and that the tourism industry seeks to deliver.
18. Domestic tourism contributes \$49 million in economic activity every day which shows that spending by New Zealanders in their own country is just as important as spending by international visitors. This is particularly the case when New Zealanders travel away for long weekends and wish to enjoy a shopping experience in a different area.
19. TIA feels that allowing territorial authorities to impose different trade restrictions on certain areas within its boundaries is not a positive development. Retail NZ uses the following example in their submission: *in Wellington the Council could decide to allow shops on Lambton Quay to open, but require Thorndon or Johnsonville to remain closed. It could impose restrictions preventing shops within 100 metres of a church from opening, or create any other restrictions based on store location.* From a visitor experience perspective, this would be extremely confusing.

20. As Business NZ said in an earlier submission on the same subject:

*Business New Zealand does not believe that allowing territorial authorities to decide whether retail shops in their districts may open on Easter Sunday – something similar was considered and rejected on a past occasion - would do anything more than create further anomalies.*

*This kind of provision would likely have two adverse effects: encourage determined shoppers to shop outside their own area and at the same time cause local retailers to ignore the authority's decision rather than sustain a potential loss of business.*

#### Productivity

21. Tourism is a vital component of regional economic development and promoting regional dispersal of visitors is one of the objectives of our Tourism 2025 framework. Regions would benefit from a relaxation in Easter trading laws. Tourism operators have indicated to TIA that they receive a substantial boost in patronage over a long weekend.

22. The hosting of key events in specific regions over the Easter period is also a strong rationale for Easter trading laws to be liberalised. Some of these events can attract thousands of visitors, but because of current regulations, many businesses need to remain closed. This deprives the wider business community of the benefits of local events.

#### Sale and Supply of Alcohol Act 2012

23. TIA believes that any changes to Easter shop trading legislation should also consider amendments to the Sale and Supply of Alcohol Act 2012, so that hotels, taverns and off-licenses can sell liquor on Easter Sunday to customers other than diners and lodgers.

24. Currently, some retailers are not allowed to trade alcohol on Easter Sunday. TIA would like to see this rule amended as well and would align with the proposed changes in shop trading on Easter Sunday.

#### AREAS OF CONCERN

25. We agree with Retail NZ's statement that *'giving 67 local councils the power to make 67 bylaws about Easter Trading will mean significant cost for communities, industry, employee groups and councils, as they try to cope with a tidal wave of lengthy consultation. It will be made worse by the fact that the Government's bill allows bylaws to be made for different areas within each Council district, and will require a review process every five years. We will likely see a patchwork of confusing and inconsistent rules being applied when a national approach would provide certainty for everyone'*<sup>1</sup>.

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<sup>1</sup> Retail NZ. (22.10.15). Retail NZ disappointed in Easter trading hours legislation [Press release]. Retrieved from <http://www.retail.org.nz/advocacy/shop-trading-hours>

26. A national approach – one law on Easter shop trading – for the whole country would be preferred over bylaws for individual areas within council districts. From a tourism perspective, finding businesses open in some places and not others, does not create the seamless experience that visitors are looking for and that the tourism industry wishes to deliver.
27. As mentioned in the Retail NZ submission: *‘An alternative and simpler solution would be to amend the Shop Trading Hours Repeal Act 1990 to allow all shops nationwide to open on Easter Sunday (while retaining the proposed rights for shop workers to refuse to work). However, territorial authorities could be empowered to require shops in their district to close following consultation with businesses and the community. This would avoid territorial authorities having to considering the issue when there is a clear case for liberalisation, but allows them to make the decision to close shops on Easter Sunday if there is a genuine call from the majority of the local community.’*

## CONCLUSION

28. TIA welcomes the removal of the statutory restriction on businesses opening on Easter Sunday. Liberalising the Easter trading legislation will benefit the tourism industry and local economies.
29. Feedback from our members shows that our members would like the opportunity to open their business over the Easter period.
30. New Zealand visitors move quickly between regions and finding shops open in some places and not others, does not create the seamless experience that visitors are looking for and that the tourism industry wishes to deliver. Because of this, TIA prefers to see a national approach to Easter trading legislation, instead of giving all 67 local councils the power to make 67 bylaws about Easter trading. We will likely see a patchwork of confusing and inconsistent rules being applied while a national approach would provide certainty for everyone.

## BACKGROUND

31. Tourism for New Zealand is big business as the country’s largest export sector. It is a major contributor to the New Zealand economy that will always be here and won’t easily go offshore. Tourism takes the lead in promoting New Zealand to the world. The brand positioning built by a vibrant tourism industry has become an important source of national confidence and identity and a front window for “Brand New Zealand”. Indeed, the clean and pure offer that is synonymous with New Zealand tourism has been widely adopted and used to promote New Zealand exports in a range of other industries as well.

32. The tourism industry delivers the following value to New Zealand's economy:

- Tourism in New Zealand is a \$81.6 million per day and \$29.8 billion a year industry.
- The tourism industry directly and indirectly supports 12.1% of the total number of people employed in New Zealand. That means 295,908 people – one in eight – are working in the visitor economy.
- Tourism is one of New Zealand's biggest export industries, earning \$11.8 billion or 17.4% of New Zealand's foreign exchange earnings (year ended March 2015).

End.