



tourism  
INDUSTRY

ASSOCIATION NEW ZEALAND

**Review of Easter Trading and Holidays Legislation**

**14 December 2007**

## **Introduction**

1. This submission is from the Tourism Industry Association New Zealand (TIA), located at level 4, Travel and Tourism House, 69-71 Boulcott Street, Wellington. Attached as Appendix 1 is a profile of our organisation and who we represent.
2. If you wish to contact us regarding this submission, in the first instance, please telephone Simon Wallace, Policy Manager on 04 494 1842 or 0272 489 375. Alternatively, you can e-mail him at [simon.wallace@tianza.org.nz](mailto:simon.wallace@tianza.org.nz)
3. In 2006, our Association made a submission to Parliament's Commerce Select Committee on two private Member's Bills, the Easter Sunday Shop Trading Amendment Bill and the Shop Trading Hours Act Repeal (Easter Trading) Amendment Bill.
4. This submission provides comments principally on the Easter shop trading aspects of the Review of Easter Trading and Holidays Legislation, specifically the Shop Trading Hours Act Repeal Act 1990.
5. TIA recommends this paper be read alongside submissions the Ministry of Justice and Department of Labour may have received from some Regional Tourism Organisations around New Zealand, from the Holiday Accommodation Parks Association of NZ (Inc.) and from the Hospitality Association of New Zealand (HANZ), all members of TIA.
6. In accordance with the conditions of lodging this submission, TIA has no objection to the contents of the submission being made a matter of public record.

## **Comment**

7. TIA welcomes the Ministry of Justice and Department of Labour review of Easter trading legislation. Several Members of our Association participated in the 2006-07 Quality Regulations Review (QRR) which prompted many businesses and individuals to comment on the current anomalies with Easter shop trading legislation. It is encouraging to see the Government acknowledging the genuine concerns about Easter trading that arose from the QRR by initiating this new review.

### **Shop Trading Hours Act Repeal (Easter Trading) Amendment Bill**

8. The comments made by our Association in 2006 were in regard to the aforementioned private Member's Bills (paragraph 3 above). This review only considers the Shop Trading Hours Act Repeal Act 1990 to which Steve Chadwick, MP, sought an amendment in 2006. Named the Shop Trading Hours Act Repeal (Easter Trading) Amendment Bill, Ms Chadwick's amendment sought to enable territorial authorities to decide whether retail shops in their districts may open on Easter Sunday with a requirement for territorial authorities to consult their communities before making such a decision.

9. The position of TIA since last year has not changed and while we supported the thrust of Ms Chadwick's amendment aimed at liberalising Easter trading, the Association took a broad brush approach. The majority of Members who provided feedback to the Association said they would like the opportunity to open over the Easter period, but preferred to make their own business decisions. On the reasons for opening, market demand and staff availability were cited as the main determinants. Some Members said the competitive advantage peers gained from being open was a far more compelling reason to trade than decisions imposed on shops by either local or central government.
10. TIA's position is therefore one which:
  - allows individual retailers, not territorial authorities, to make their own decisions as to whether they open their businesses during the Easter period.

### **The visitor perspective**

11. From a visitor perspective, the main problem with current Easter trading regulations is the anomalies that provide just two areas of New Zealand with exceptions to open, namely Taupo and Queenstown. The opening of shops in some areas and not others, not only creates regional disparities, but sends mixed messages to visitors of a country open for business in one area and shut down in another. In a country of New Zealand's size, 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.
12. Tourism activity in New Zealand is no longer just the preserve of the traditionally well-known visitor regions like Auckland, Rotorua, Taupo, Christchurch and Queenstown. With 28 Regional Tourism Organisations nationwide and tourism a vital component of regional economic development, the ability for shops to open in all areas is critical to many regions' economic development strategies. Rapidly growing visitor regions like Northland, Nelson, the Hawke's Bay, Hurunui, the West Coast, Dunedin and Southland would all stand to benefit from a relaxation in Easter trading laws.
13. The closure of shops over Easter should not be viewed solely from an overseas visitor perspective. Domestic tourism contributes \$10.3 billion annually to the nation's economy which makes the discretionary spending of Kiwis travelling in their own country just as important as international visitors emptying their wallets. This is particularly the case when Kiwis travel away for long weekends and wish to enjoy a shopping experience in a different area.
14. The staging of key events in specific regions over the Easter holiday period is also a strong rationale for Easter trading laws to be liberalised. A particular example is the Warbirds over Wanaka air show that takes place every year over the Easter break. It attracts thousands of visitors, but because of current regulations, shops remain closed depriving the wider business community of the benefits of the region's most significant event.

## **Sale of Liquor Act**

15. Our association believes that any changes to Easter Shop trading legislation should also consider amendments to the Sale of Liquor Act 1989, so that hotels, taverns and off-licences can sell liquor on Good Friday and Easter Sunday, to customers other than diners and lodgers.

### **Responses to key options proposed**

16. The discussion document asks submitters to consider two key decision areas as follows:

The first decision area focuses on what should happen to the Shop Trading Hours Act Repeal Act 1990 and the Sale of Liquor Act 1989, particularly in regard to Easter Sunday. The three options are:

- Option 1 – retain the status quo
- Option 2 – reinstate the exemption-making provision for shop trading to exempt specific areas from trading restriction and enable sale of liquor exemptions to be considered at the same time
- Option 3 – remove the trading restrictions under the Shop Trading Hours Act Repeal Act 1990 and Sale of Liquor Act 1989 for Easter Sunday.

TIA favours Option 3 as this reflects our support for allowing Easter trading in all regions of New Zealand, with individual businesses deciding if they should trade.

The second decision area focuses on what should happen with the status of Easter Sunday, and four options are presented as follows:

- Option 1 – retain the status quo
- Option 2 – increase the number of public holidays to 12 by making Easter Sunday the 12<sup>th</sup> public holiday
- Option 3 – maintain the number of public holidays at 11 by making Easter Sunday a public holiday, subject to ‘mondayisation’ arrangements similar to Christmas and New Year holidays when they fall on Sunday
- Option 4 – treat Easter Sunday as if it were a public holiday for employees of businesses affected by new amendments to the Shop trading Hours Act Repeal Act 1990 or the Sale of Liquor Act 1989. This would not apply to those that are currently able to trade under an exemption or exception.

TIA favours Option 3 as we believe it balances both the interests of employers and employees. It provides employers with the opportunity to open their

businesses on Easter Sunday and reap the economic rewards, but at the same time it protects employees by paying them time and a half and an alternative day's holiday.

## **Conclusion**

17. In order for New Zealand to offer itself as a modern, friendly and visitor focused destination for both domestic and overseas guests, the Association believes it is preferable that shops in all areas of New Zealand, not only those in the main visitor areas, have the choice to open over Easter. While we believe there should be no compulsion on businesses to trade, it is our view that many shops will open as a result of seeing their competitors benefit from trading. We also support relaxation on the Sale of Liquor Act regulations.
18. TIA recommends:
  - a) the Shop Trading Hours Act Repeal Act 1990 is amended to allow individual retailers, not territorial authorities, to make their own decisions as to whether they open their businesses during the Easter period;
  - b) the Sale of Liquor Act 1989 is amended so that hotels, taverns and off-licences can sell liquor over Easter to customers other than diners and lodgers;
  - c) the Review adopts Option Three on what should happen to the Shop Trading Hours Act Repeal Act 1990 and the Sale of Liquor Act 1989, particularly in regard to Easter Sunday; and
  - d) the Review adopts Option Three on what should happen with regard to the status of Easter Sunday.

## **Appendix 1 - Background Information on the Tourism Industry Association New Zealand (TIA)**

1. The Tourism Industry Association New Zealand (TIA) advocates for the interests of the tourism industry in New Zealand. The businesses we represent generate more than 85% of New Zealand's tourism-related revenue.
2. Tourism is an \$18.6 billion industry (\$8.3b from international and \$10.3b from domestic tourism) with international tourist expenditure accounting for 19.2% of New Zealand's total export earnings.<sup>1</sup> The industry, directly and indirectly, employs 1 in 10 New Zealanders in a diverse range of businesses – the majority of which are small and medium sized enterprises. Not only is tourism important because of its size, representing 8.9% of New Zealand's GDP, it is:
  - Highly employment intensive;
  - Regionally disparate; and
  - Very diverse - ranging from large stock exchange listed companies to small cottage industries.
3. These businesses cover a range of tourism-related activities – hospitality, transport, adventure and activities, attractions and retail and related tourism services. In many cases, regional tourism businesses have developed around regional assets divested by other industries and have revitalised those assets and the communities that depend on them.
4. The tourism industry in New Zealand consists of more than 8,000 small and medium sized businesses. Of these businesses, most employ less than five people.
5. New Zealand welcomes more than two million overseas visitors to its shores every year. The domestic tourism industry is also important in helping sustain a vibrant tourism industry. TIA estimates that over 75 million visitor nights are purchased by New Zealanders every year.

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<sup>1</sup> “Key Tourism Statistics – July 2007”, Ministry of Tourism website