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Retail NZ submission: Sale and Supply of Alcohol (Improving Alcohol Regulation) Amendment Bill

Overview

1. Retail NZ is a membership organisation that represents the views and interests of New Zealand's retail sector. We are the peak body representing retailers across Aotearoa, with our membership accounting for nearly 70% of all domestic retail turnover. New Zealand's retail sector comprises approximately 30,000 businesses and employs around 222,000 Kiwis.
2. Retail NZ consulted our membership in the preparation of this submission. Our membership includes a wide range of retailers holding alcohol licences, including supermarkets and grocery stores, hospitality-adjacent retailers, liquor stores, and other licensed premises.
3. Retail NZ is supportive of the intent of the Sale and Supply of Alcohol (Improving Alcohol Regulation) Amendment Bill to simplify licensing processes, reduce unnecessary barriers to legitimate business activity, and improve procedural fairness, while continuing to support the object of the Act to minimise alcohol related harm.
4. Retailers particularly welcome reforms that address longstanding frustrations with the licensing process. We did identify several areas where the Bill, as currently drafted, would benefit from further refinement or clarification to ensure the changes operate proportionately and do not introduce new sources of uncertainty.

Objections to licence applications and right of reply

5. Retail NZ strongly supports the Bill's proposal to restrict who may object to licence applications and renewals to only those who live, work or own a business within the same licensing district or within 1 kilometre of the applicant's premises.
6. Members have consistently raised concerns about the current framework, which allows objections from individuals with no genuine connection to the premises. Retailers report that serial or vexatious objections regularly cause significant delays, legal costs, and uncertainty, even where there is no demonstrable local impact.
7. Retail NZ also strongly supports the introduction of a clear statutory right for applicants to respond to objections. Providing applicants with a formal opportunity to address concerns improves procedural fairness and ensures decision-makers have access to complete and balanced information.
8. These changes are expected to result in a more efficient, transparent, and credible licensing process and are strongly supported by retailers.

Licence renewals and local alcohol policies

9. Retail NZ supports the Bill's new approach to licence renewals for instances when a relevant local alcohol policy has changed since the licence was last granted or renewed.
10. Members have expressed significant frustration with situations where renewal applications have been declined solely due to subsequent changes to local alcohol policies, despite the retailer having operated compliantly and responsibly for many years.
11. Preventing renewal refusals on this basis, while still allowing licensing committees to impose appropriate conditions where necessary, provides greater certainty for compliant retailers and supports business continuity.
12. Retail NZ considers this to be a proportionate and sensible reform. However, members emphasise that any conditions imposed at renewal should be directly linked to demonstrated risk or harm and should not be used as a proxy for re-litigating the original granting of the licence.

Special licences and risk-based decision-making

13. Retail NZ supports a regulation-guided, risk-based approach to special licence decisions, as the current system delivers inconsistent outcomes across districts.
14. Retailers are seeking certainty over how applications will be assessed and what is expected of them. We recommend the Committee to take the opportunity now, with direct input from the sector to shape and settle that framework in primary legislation. Doing so would provide greater predictability and transparency, allow events to be designed to known standards, reduce unnecessary compliance costs, and support fair and proportionate decision making.
15. We further recommend that any framework adopted retain sufficient flexibility. We caution against an overly prescriptive approach that could impose onerous or inflexible standards, particularly for smaller events or low-risk applications. A framework that is too rigid risks discouraging applications or preventing otherwise appropriate licences from being granted, contrary to the intent of a risk-based approach.

Significant events and extended trading hours

16. Retail NZ supports the introduction of a streamlined pathway for extended trading hours during designated significant events, without requiring a special licence in each case.
17. Our members consider this a pragmatic response to major sporting and cultural events that attract large audiences and provide economic and social benefit.

Rapid delivery of alcohol

18. Retail NZ supports clarifying responsibilities for rapid delivery of alcohol, particularly to reduce the risk of delivery to minors or intoxicated persons.
19. Members have, however, raised concerns about how liability will be allocated between retailers, online platforms, and third-party delivery providers.
20. While retailers can control who they contract and the systems used at the point of sale and pick-up, they do not control the real-time delivery interaction, including whether a recipient is present, sober, or of legal age. Therefore, it stands to reason that liability for breaches of liquor laws at the point of delivery must rest with the delivery service or driver, where the retailer has taken reasonable steps to ensure compliance.
21. We recommend this be explicitly outlined in this Bill. For the avoidance of doubt, the Bill should clearly state that third-party delivery services are also subject to the relevant penalties specified in clause 259 of the legislation, if they fail to ensure the recipient of the delivery is of legal age and not intoxicated.

Display of non-alcoholic products in supermarkets and grocery stores

22. Retail NZ supports the proposal to allow supermarkets and grocery stores to display and promote zero-alcohol alternatives to beer, wine, spirits, and ready-to-drink products within alcohol areas.
23. Members view this as a positive change that supports consumer choice, reflects evolving consumer preferences, and aligns with harm-minimisation objectives without increasing access to alcohol.

Producer tasting rooms

24. Retail NZ supports the producer tasting room provisions in the Bill, which extends the existing winery cellar door framework to other alcohol producers such as breweries and distilleries. We consider this a fair and logical change that improves consistency across the sector by aligning how different alcohol producers are treated, rather than conferring special treatment on wineries alone. As this framework is already well-established and subject to defined controls, including sampling limits and food requirements, Retail NZ supports its extension on the basis of fairness and regulatory coherence.

Certain restaurants permitted to hold off-licences

25. Retail NZ does not support clause 40 of the Bill, which would permit certain restaurants to hold an off-licence in addition to their on-licence. This provision reflects a proposal previously consulted on by the Ministry of Justice, to which Retail NZ expressed opposition in September 2025. Our concerns with that proposal remain unchanged. A copy of our prior submission is included as a supplemental document to this submission for reference.
26. Retail NZ has ongoing competitive neutrality concerns. Restaurants primarily exist to provide on-site dining and drinking services, which is appropriately supported through on-licensing. Expanding access to off-licences for these venues, where they do not currently qualify, risks increasing the number of off-licence outlets in areas where Local Alcohol Policies deliberately restrict density. This could disadvantage existing off-licence retailers that are subject to stricter location, density, and trading hour controls, and undermine local regulatory intent. Where sufficient off-licence availability already exists, there is no clear policy rationale to further expand off-licensing opportunities, and maintaining this balance supports harm minimisation objectives. Equally, it could impact the opportunity for or ability of a specialist off-licence retailer to service that market.

Conditional exemption for hairdressing shops

27. Retail NZ supports the Bill's proposal to exempt hairdressing shops from licensing requirements for the supply of very small amounts of alcohol, subject to strict and clearly defined conditions.
28. It has long been common practice for hairdressers to offer customers refreshments such as tea, coffee, and, on occasion, a glass of wine or champagne, particularly in connection with special events such as weddings or milestone celebrations. Requiring a full alcohol licence for this limited and incidental activity is disproportionate and creates unnecessary regulatory burden.
29. Retail NZ considers that the Bill appropriately recognises the low-risk nature of this practice by limiting the quantity of alcohol that may be supplied to just a single serving, restricting the hours during which it may be offered, and requiring alcohol to be consumed on the premises. We are pleased the legislation explicitly states that the person serving the alcohol to the customer must be over 18 and not intoxicated, and that alcohol cannot be served to intoxicated persons or minors. These safeguards ensure that the exemption does not undermine the broader objectives of the Act.

Conclusion

30. Retail NZ broadly supports the Sale and Supply of Alcohol (Improving Alcohol Regulation) Amendment Bill and welcomes its focus on simplifying licensing processes, improving procedural fairness, and reducing unnecessary barriers for compliant retailers, while maintaining the Act's core harm-minimisation objectives.
31. However, Retail NZ recommends greater clarity and safeguards around the development of regulations for special licences, clearer allocation of liability for rapid alcohol delivery where third-party services are used, and reconsideration of allowing off-licences for some restaurants, due to concerns about regulatory coherence and competitive neutrality.
32. We appreciate the opportunity to make a submission. Retail NZ is happy to discuss any aspect of this submission further and would like the opportunity to make an oral submission to the committee.
33. No part of this submission should be withheld under the OIA.

Sincerely,



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