



tourism
INDUSTRY

ASSOCIATION NEW ZEALAND

**Easter Sunday Shop Trading Amendment Bill and Shop
Trading Hours Act Repeal (Easter Trading) Amendment
Bill – Submission to Parliament’s Commerce Select
Committee**

28 July 2006

Introduction

1. This submission is from the Tourism Industry Association New Zealand (TIA), located at level 4, Travel and Tourism House, 79-89 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@tianz.org.nz Should there be an opportunity, we would also be interested in making an oral presentation to the Committee to support this submission.
3. The TIA submission provides comments on the Easter Sunday Shop Trading Amendment Bill, sponsored by the MP for Otago, Jacqui Dean, introduced to the House on 4 May 2006 and read for the first time on 17 May 2006 and on the Shop Trading Hours Act Repeal (Easter Trading) Amendment Bill, sponsored by the MP for Rotorua, Steve Chadwick, introduced to the House on 18 May 2006 and read for the first time on 14 June 2006.
4. TIA has consulted extensively with its members and other member associations to seek their views in the preparation of this submission. We have received feedback from our members in the attractions, shopping, accommodation and hospitality sector as well as from some key Regional Tourism Organisations in Northland, Rotorua, Hawkes Bay, Wellington, Nelson and Canterbury.
5. We recommend this submission be read in conjunction with a submission the Committee will have received from the Hospitality Association of New Zealand (HANZ).

Summary

6. TIA welcomes the intention and thrust of both these Members' Bills, but in their current form, believes they will create more inconsistencies and anomalies since ad hoc and one-off amendments to legislation such as this can sometimes result in more problems than solutions. Instead, our association favours a broad brush approach that recommends the following proposal for each Bill:

Easter Sunday Shop Trading Amendment Bill

- The removal of restrictions on shop trading hours in all areas, not just those in "significant" visitor areas.

Shop Trading Hours Act Repeal (Easter Trading) Amendment Bill

- Allowing individual retailers, not territorial authorities, to make their own decisions as to whether they open their businesses during the Easter period.

Comment and Analysis

Easter Sunday Shop Trading Amendment Bill

7. The Easter Sunday Shop Trading Amendment Bill proposes a partial exemption from the Shop Trading Hours Act Repeal (Easter Trading) Amendment Bill to allow shops in communities with a “significant visitor industry”, specifically Wanaka and Tauranga, to open on Good Friday and Easter Sunday. While our association acknowledges Wanaka and Tauranga are key visitor areas, the consensus from our members suggests the legislation will be anomalous if it attempts to define a significant visitor area and then single out specific regions for exemption. Currently definitions are absent or vague as to what constitutes such an area. Some of our members views have included:

“It shouldn’t be limited to Significant Visitor Industry – if anyone can open anywhere visitor numbers will dictate who does and who does not.”

“If the requirement for determining whether a community has a significant visitor industry must be retained, then the definition of whether a community has a significant visitor industry should be left to the community itself. For those small communities wishing to adopt tourism as a regional development initiative it is irrelevant how significant their visitor industry is relative to communities with an already highly developed tourism industry.”

“It should not apply only to communities with a significant visitor industry. Currently the definition of what regions are significant tourism areas is vague and not based on visitor flows, value of tourism to the local economy or any consistent measure. It is our opinion that coming up with a consistent measure that is logical would be almost impossible, therefore this should be removed as a deciding factor.”

“I would fully support opening of shops on Good Friday and Easter Sunday although I think it is regrettable that this should be confined to areas of 'significant visitor activity'. Ideally I would like the option to open available in all areas. Certainly it is not just visitors who are inconvenienced but local people as well.”

8. TIA supports these views. Furthermore, we believe the opening of shops in some areas and not others will not only create regional disparities, but will send mixed messages, especially to international visitors, of a country that is open for business in one area and shut down in another. For example, Taupo and Queenstown currently hold exemptions to trade over Easter, but their respective neighbours in Rotorua and Wanaka must close.
9. By their very nature, visitors are mobile and in a country of New Zealand’s size they move quickly across regions, often on the same day. Finding shops open in some places, but not others, reflects poorly on our reputation as a world class

tourism destination and does not support Tourism New Zealand's marketing proposition that New Zealand is "a top end service experience".

"I think New Zealand still has a long long way to go to meet the retailing expectation of international tourists. Townships such as Kerikeri who consider themselves worthy tourist destinations are not meeting expectations of tourists. I say this from our experience in Kerikeri this summer. The retail strip closes at midday on Saturday and all day Sunday. Tourists do not realise this and become despondent particularly if they have scheduled a lay day or shopping day."

"Shop keepers have got to have the choice to open if they wish. Our visitors from the Northern hemisphere who are used to shops being open 24/7 are often disappointed that everything except the garage is closed on a holiday. Westport looks like a ghost town on holidays and we need to offer something to visitors all days of the year."

10. Our association reminds Committee members that tourism activity no longer occurs in the traditionally well-known regions, such as Auckland, Rotorua, Taupo, Christchurch, Queenstown and Wanaka. With almost 30 Regional Tourism Organisations promoting tourism as a vital component of local economic development, the availability of services for tourists, including the ability for shops to open over the Easter period, is critical to many regions' economic development strategies. As an example, Taranaki, Gisborne, Southland and the West Coast, all rapidly emerging tourism regions, would benefit from a relaxation in Easter Trading regulations as they increase their market profile, both domestically and internationally.
11. The discretionary spending of domestic and international visitors is how tourism benefits local economies. The opening of shops over the whole Easter period will encourage more travellers to open their wallets and spend more. This is hugely beneficial to local economies during holiday periods when more visitors are in the towns and regions of New Zealand.

Shop Trading Hours Act Repeal (Easter Trading) Amendment Bill

12. The Shop Trading Hours Act Repeal (Easter Trading) Amendment Bill proposes that territorial authorities will decide whether shops in their district may open on Easter Sunday and requires them to consult with their communities before making such a decision. A clear majority of members who provided feedback to TIA on this Bill said they would like the opportunity to open over the Easter period, but preferred to make their own decisions about opening.
13. Individual circumstances, market demand and staff availability were cited as the main determinants in opening or not, while some members acknowledged that seeing the benefits peers gain from opening was far more compelling than decisions imposed on shops by local or central government.

“I support Easter shop trading 100%. I don't think it should be up to local Councils to decide whether trading should be permitted, the legislation should be passed nationwide and then left to the individual businesses to decide whether it is economic for them to open or not and this should apply to both Easter Sunday and Good Friday.”

“The decision to trade or not to trade should be left to the religious conscience of the shop owner but on the condition that employees have the right to observe these public holidays. In any case, provisions under the public holidays act more than fairly compensate employees who work on statutory days.”

“It should be the prerogative of individual businesses to decide”.

14. In responses received from some Regional Tourism Organisations, it was acknowledged that the decision to open was also the prerogative of individual businesses. However, as tourism leaders in their regions, the Regional Tourism Organisations would be encouraging shops to open in order to develop tourism activity and deliver on visitor expectations. This was a particular consideration when significant events were occurring in a region. An example of this was the Warbirds over Wanaka show taking place in that region over the Easter period.

Other Considerations

15. Many TIA members, while acknowledging the religious importance of Easter, now recognised New Zealand as a diverse and multi-cultural society with many religions represented. There was a sense that the practice of prohibiting trade on important dates of the Christian faith was outdated and could even be viewed as discriminatory. The prevailing theme was that Christian travellers living in New Zealand used the extended holiday period to travel and they too expected shops to be open.
16. Our association believes that any changes to Easter Shop trading legislation should also consider amendments to the Sale of Liquor Act, so that hotels, taverns and off-licences can sell liquor on Good Friday and Easter Sunday, to customers other than diners and lodgers. Along with the closure of shops over the Easter period, the law preventing liquor sales at hotels, taverns and off-licences over Easter adds to the perception that New Zealand is a ‘quaint’ and ‘old-fashioned’ tourism destination that does not live up to the world class tourism experience promoted internationally by Tourism New Zealand.

Conclusion

17. In order for New Zealand to offer itself as a modern, friendly and visitor focused tourist destination, it is essential that shops in all areas of New Zealand, not only those in the main tourist towns, have the ability to open on Good Friday and Easter Sunday. International and domestic travellers expect shops to be open during significant holiday periods and it does not reflect well on the visitor experience if shops are closed. While we believe there should be no compulsion on businesses to open, it is our view that many shops will open as a result of seeing their competitors benefit from trading.

Recommendations

18. TIA recommends

- a) the Easter Sunday Shop Trading Amendment Bill be amended so shops in all areas may open on Good Friday and Easter Sunday; and
- b) the Shop Trading Hours Act Repeal (Easter Trading) Amendment Bill is amended to enable individual businesses to decide whether they open on Easter Sunday.

Appendix 1

Background Information on the Tourism Industry Association of 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 a \$17.2 billion industry (\$7.4b from international and \$9.8 from domestic tourism) with international tourist expenditure accounting for 18.5% of New Zealand's total export earnings.¹ 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 9.4% 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 to sustain a vibrant tourism industry. TIA estimates that over 75 million visitor nights are spent by New Zealanders every year.

¹ “Key Tourism Statistics – March 2006”, Ministry of Tourism website