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Tēnā koutou Justice Committee

Sale and Supply of Alcohol (Improving Alcohol Regulation) Amendment Bill

1. The Kāpiti Coast District Council (Council) appreciates this opportunity to comment on the Sale and Supply of Alcohol (Improving Alcohol Regulation) Amendment Bill. We have discussed this submission with Council's health advisory group, and note their support of our points, and that the group and will also be making a submission of their own.
2. Council notes from the Bill's Explanatory Note that the amendments seek to improve alcohol regulation and remove barriers to economic growth while furthering the object of the Sale and Supply of Alcohol Act 2012 (the Act).
3. As a local authority where food and beverage producers are a core part of our business activity and Economic Development Strategy, we appreciate Government's desire to ensure efficient regulation that supports economic efficiency and business productivity. However, we also believe that any changes must also occur within the framework of the Act and its over-riding object, expressed in section 4, to ensure that:
 - a. the sale, supply, and consumption of alcohol should be undertaken safely and responsibly; and
 - b. the harm caused by the excessive or inappropriate consumption of alcohol should be minimised.
4. Since the Act's enactment, decision-makers, when making licensing decisions have applied significant weight to the Act's object, exercising their discretions in a manner that prioritises safe sale and supply and harm minimisation over commercial considerations.

5. The 2023 amendments to the Act¹, explicitly sought to reaffirm that communities and not the alcohol industry, had control over how and where alcohol was sold and supplied within their communities. This was not an attempt to restrain business or over-regulate, but rather to provide a balance between community voice and commercial imperative.
6. It is therefore important to ensure that the proposed amendments in this Bill continue to balance:
 - a. safe sale and supply of alcohol and minimisation of alcohol related harm with the promotion of business efficiency and economic benefit, and
 - b. the rights of communities to guide where and how alcohol is sold and supplied in their communities, given the ongoing prevalence and level of alcohol related harm faced by differing communities (a locality centric approach).
7. We submit, therefore, that any amendment must advance the Act's object and support community voice and choice, or, at the very least, it must not undermine them.
8. With respect to changes around DLC decisions regarding consistency with the LAP, extensions to licensing, and application of nation-wide risk profiles for events, caution needs to be applied to any 'one-size-fits-all' approach. Sensitivity to local issues and community need should remain paramount.
9. Overall, while Council sees merit in many of the proposed amendments, we also see risks and potential problematic outcomes. Below, in the rest of this letter we provide comment on some of the overarching themes we note in the Bill.
10. Attachment 1 then provides further detailed analysis of the proposed changes, along with some recommendations that we believe will better support positive implementation of the amended regulations. We also provide some observations from practice that we believe may be useful in assessing the need and impact of the proposed amendments.

The Bill's stated purpose and its relationship to section 4

11. The Bill's general policy statement explicitly acknowledges the primacy of section 4, stating that amendments seek to:
 - a. remove barriers to economic growth while furthering the object of the Act; and
 - b. strengthen some key areas to support the object of the Act (to minimise harm) while also providing for a fairer, more certain licensing process.
12. This framing accepts the Act's section 4 as the controlling regulatory purpose. Any consideration of the amendments therefore needs to look at whether the specific reform is logically and evidentially consistent with that claim.

¹ Sale and Supply of Alcohol (Community Participation) Amendment Act 2023, (<https://www.legislation.govt.nz/act/public/2023/60/en/latest/>)

13. To make this clearer, Council would advise the inclusion of a new general interpretive clause in the Bill. As several amendments expand discretion (for example, in exemptions, licensing flexibility, and procedural streamlining), such a clause would ensure that economic or administrative efficiency does not override harm minimisation, providing a clear interpretive anchor for District Licensing Committees (DLCs), the Alcohol Regulatory and Licensing Authority (ARLA), and the courts.

Recommended amendment 1

Insert a new general interpretive clause in the Amendment Bill (or amend section 4 of the principal Act):

“Despite any other provision of this Act, all powers, discretions, exemptions, and procedural reforms introduced or amended by the Sale and Supply of Alcohol (Improving Alcohol Regulation) Amendment Act 2026 must be exercised in a manner that gives primary weight to the object set out in section 4.”

Reporting and Monitoring of Cumulative Harm Effects

14. To ensure the balance of the Act is maintained, the impact of the proposed amendments on alcohol related harm and community voice should be monitored and reviewed. Council therefore recommends that a reporting and monitoring clause is included in the Bill. While individual amendments may appear low-risk, proper application of section 4 requires consideration of the aggregate effects of the amendments over time. Proper application of section 4 also requires that community voice and preference has guided their implementation.

Recommended amendment 2

Insert a new reporting requirement in the Bill:

“The Secretary for Justice must, within 5 years of commencement, report to the House on the cumulative impact of amendments made by the Sale and Supply of Alcohol (Improving Alcohol Regulation) Amendment Act 2026 on alcohol-related harm and community participation indicators.”

Remote sales and the use of credit for alcohol purchases

15. The proposed amendments have recognised the developing issue of remote sales delivery and ascertaining proof of age on delivery and holding both the delivery service and the licence holder accountable. We think this is a positive step, but would like to see this strengthen in two ways:
- a. When the alcohol is purchased online by credit card, that the identity of the purchaser is confirmed as holder of the credit card, and that the purchasing credit card, along with age verification documentation, must be presented at the time of delivery, ensuring the person who pays is the person receiving the alcohol delivery; and

- b. That the Bill explicitly provides for:
 - i. a licensing authority or licensing committee to prohibit an off-licence holder from selling alcohol using a 'buy now, pay later' financial facility, and
 - ii. a Council to include such a prohibition as a discretionary condition in a local alcohol policy.

Recommended amendment 3

Insert new provision(s) in the Bill to:

- a. require confirmation of age and purchasing credit card at time of delivery, and
- b. provide for a licensing authority or licensing committee to prohibit an off-licence holder from selling alcohol using a 'buy now, pay later' financial facility, and
- c. provide a Council the ability to include a 'buy now, pay later' financial facility prohibition as a discretionary condition in its local alcohol policy.
- d. enable the licensing authority or DLC to prohibit an off-licence (through both store and remote sales) to sell alcohol by 'buy-now, pay later' financial facilities.

Analysis of key amendment clusters

16. In Attachment 1, we provide additional analysis to support Council's perspectives on the key amendment clusters, suggested clause amendments to ensure that a balance between the Act's object and economic and regulatory efficiency is achieved and maintained. We also provide comment on some matters of practical implementation.

In conclusion

17. Overall, Council considers that while the Bill repeatedly affirms the primacy of section 4 of the Sale and Supply of Alcohol Act 2012, several amendments rely heavily on the quality of discretionary decision-making to ensure harm minimisation remains paramount.

18. The key risk therefore, is that the cumulative effect of the small expansions in availability, licensing exemptions, and executive discretion may, over time, dilute the practical force of section 4, unless accompanied by strong guidance, monitoring, and enforcement. Ensuring that input from community voice and preference continues to robustly inform licensing decisions will also reinforce an appropriate balance between the safe sale and supply of alcohol and economic efficiency and business productivity.

19. Additionally, the Committee may also wish to consider whether additional statutory guidance, monitoring, or reporting obligations are required to ensure that efficiency-oriented reforms do not cumulatively undermine the Act's core object. Such considerations might include:

- a. With respect to limiting objections: looking at how population-level harm evidence continues to inform licensing decisions if standing is restricted;
- b. With respect to LAPs and licence renewals: considering whether DLCs should be required to explicitly link revised conditions to identified harm risks;
- c. With respect to expanded exemptions and licensing flexibility: identify and assess which evaluation framework will be used where new exemptions potentially increase harm;
- d. With respect to Executive exemptions for significant events: whether Parliament, the Minister or local agencies should have a formal role in advising on such exemptions.

Nāku iti nei, nā



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Attachment 1 Table 1: Key amendment clusters, Comments, Observations from practice, and recommendations.

Amendment cluster: Amendments Limiting objections to local communities and introducing a right of reply			
Proposed changes	Consistency assessment (Alignment to purpose and Risk)	Comment	Observation from Practice
<ul style="list-style-type: none"> Standing to object restricted to persons who live or work in the relevant territorial authority or live or have an office within one kilometre of the licence site). A formal right of reply for licence applicants to respond to objections. 	<p><i>Alignment:</i></p> <ul style="list-style-type: none"> Section 4 does not require maximum participation, but effective harm-focused participation. Submissions from persons with no connection to local amenity, safety, or public order have weak relevance to assessing actual alcohol-related harm in a locality. A right of reply can improve decision quality by allowing risk mitigations (licence conditions, management plans) to be tested and refined. <p><i>Risk:</i></p> <ul style="list-style-type: none"> National or regional public-health organisations (Cancer Society, Iwi) have historically played a role in articulating harm-minimisation evidence. Restricting standing may reduce systemic harm perspectives unless mitigated through reporting agency roles. 	<p>These amendments are generally consistent with section 4, provided that reporting agencies (Police, Health, and councils) can provide robust, locality-specific evidence of alcohol-related harm. The shift from ideological objections to a place-based harm-minimisation focus aligns with the Act's structure and with past locality-based approaches taken by the courts and ARLA. However, the narrower participation model may still leave a gap in assessing broader harm patterns experienced within the community.</p> <p>Excluding regional public health and social wellbeing organisations also risks removing relevant evidence that may not otherwise be presented—for example, information from the Salvation Army on addiction services and family violence, or from iwi on harm affecting rangatahi in the area.</p>	<p>We note that applicants can already respond to written objections in advance of a hearing. If this amendment is to provide applicants the ability to respond to oral submissions, it may delay proceedings for the applicant, if due to right-of-reply, the hearing must be adjourned.</p> <p>From an operational perspective the '1 kilometre' rule is unfairly prescriptive where a community is linear and not clumped around a centre point.</p> <p>With the wide availability of delivery services from areas outside a person's district, this means some people who are affected by the licence will not have a right of reply.</p>
<p>Recommended amendment 4: Where objection rights are geographically limited, insert a public interest safeguard, for example:</p>			

“Nothing in this section limits the ability of a reporting agency or a person with demonstrated professional expertise in alcohol-related harm to make a submission, where the submission relates to systemic or evidence-based harm risks relevant to the locality and application.”

Rationale

While localising objections improves relevance and efficiency, population-level harm evidence (e.g. youth access, outlet density effects, delivery risks) may not be held by local residents. This amendment preserves harm-focused expertise without reopening the door to opportunistic objections.

Amendment cluster: Amendments on Licensing certainty and LAP inconsistency at renewal

Proposed changes	Consistency assessment (Alignment to purpose and Risk)	Comment	Observation from Practice
<ul style="list-style-type: none"> A District Licensing Committee (DLC) may not refuse renewal solely because a licence is inconsistent with a Local Alcohol Policy (LAP); it should instead adjust conditions where possible. 	<p><i>Alignment:</i></p> <ul style="list-style-type: none"> Section 4 focuses on outcomes (safe consumption and harm minimisation), not formal compliance with planning instruments. If not closing an outlet through refusal, conditioning an existing licence to reduce harm (e.g. hours, supervision, layout) can directly advance section 4(a) and (b). <p><i>Risk:</i></p> <ul style="list-style-type: none"> If applied weakly, condition-setting could entrench harmful operations that should exit the market. The amendment relies heavily on DLC capability and willingness to impose robust, enforceable conditions. 	<p>This change is conditionally consistent with section 4. Its validity depends on DLCs using the new discretion to actively reduce harm, not merely preserve incumbent businesses.</p>	<p>From a practice perspective, unclear what “make it more consistent with the LAP” means? Either it is consistent or it is not eg licensed hours. The example provided doesn’t make sense – the freeze is quite clearly on new Off-licences, not on the renewal of existing licences.</p> <p>There is also a logical inconsistency in the clause, as it is also unclear how the licensing authority or DLC can respond with conditions if it may not take account of the inconsistency with the LAP.</p>

Recommended amendment 5:

Where renewals cannot be declined solely for LAP inconsistency, add a mandatory harm-reduction threshold, for example:

“If a licence is inconsistent with a local alcohol policy, the District Licensing Committee must impose conditions sufficient to mitigate the alcohol-related harm that the policy was intended to address, (eg through stronger presence and advertising requirement).”

Rationale

This avoids LAP inconsistency becoming a procedural inconvenience rather than a substantive harm signal and ensures condition-setting is robust rather than symbolic.

Amendment cluster: Amendments on Significant events, streamlined special licences, and harm thresholds

Proposed changes	Consistency assessment (Alignment to purpose and Risk)	Comment	Observation from Practice
<ul style="list-style-type: none"> • The Governor-General can declare significant televised events through Orders in Council, if the event meets eligibility criteria • Special licensing requirements are streamlined through: <ul style="list-style-type: none"> ○ implementing a national risk-based framework for special licence applications, and ○ raising the threshold for a large-scale event from 400 to 2,000 people 	<p><i>Alignment</i></p> <ul style="list-style-type: none"> • Order in Council declarations for significant events Centralised management of nationally significant, infrequent events can align with section 4 where harm minimisation is explicit, enabling consistent national settings and early coordination of mitigation for predictable, time-limited risks. • National risk-based framework for special licences A consistent, risk-based framework supports section 4 by targeting regulatory effort where harm is most likely, reducing burden for low-risk events while retaining safeguards for higher-risk contexts • Raising the large-scale event threshold Increasing the threshold may align with section 4 if it allows regulatory focus to shift from low-impact events to genuinely high-risk 	<p>These amendments are conditionally consistent with section 4 and can only advance efficiency and certainty without undermining harm minimisation if executive and regulatory discretions are tightly anchored to explicit harm-assessment and mitigation requirements.</p> <p>Without additional statutory safeguards, such as:</p> <ul style="list-style-type: none"> • mandatory consideration of alcohol-related harm before Orders in Council are made, • transparency through published reasons, and minimum national harm-reduction standards for higher-risk events <p>The proposals sit at the outer edge of consistency with the Act’s core object. Their legitimacy therefore depends on robust implementation, conservative risk classification, and ongoing</p>	<p><u>Expanded hours:</u> Qualified support for special declarations providing the issues raised in previous columns are attended to.</p> <p><u>Special licences</u> Approach makes sense, although some communities may have specific risks which need to be addressed in the licence for the event in that district.</p> <p>For small councils and their licensing activity, 400 attendees is already a large event to ensure appropriate management.</p> <p>This particularly the case where venue is isolated from Special licensing larger population centres/policing resources. Nationally sponsored mitigation would need to include physical/personal security requirements.</p>

	<p>activity, rather than applying blanket requirements with limited harm-reduction value.</p> <p><i>Risks</i></p> <ul style="list-style-type: none"> <p>Executive discretion and local harm assessment: Expanded Order in Council powers risk weakening the Act's local, evidence-based harm focus unless harm assessment and mitigation are explicitly required.</p> <p>Overtime, establishing expectation precedent If over-provided/over-used, these special licence conditions could come to be seen as the expected level of risk/harm, with pressure going on local DLCs/DLAs to routinely adopt these same risk/harm levels for local special licenses.</p> <p>Dependence on risk categorisation quality: A national risk-based framework will only protect section 4 if criteria are conservative and transparent, with clear minimum safeguards for higher-risk events; otherwise, there is a risk of regulatory hollowing out.</p> <p>Threshold increase and cumulative harm: Raising the large-scale event threshold may allow medium-risk events to proceed with lighter scrutiny. As crowd size alone is an incomplete risk proxy, repeated events could cumulatively undermine harm-reduction objectives.</p> 	<p>monitoring of cumulative harm impacts.</p> <p>This new channel for special licenses for special/large events should not be used to 'bulldoze' local voice, particularly if event is being sponsored by 'non-local' parties.</p>	
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Recommended amendment 6a – Order in Council

For Order-in-Council exemptions allowing extended trading hours:

“Before recommending an Order in Council under this section, the responsible Minister must be satisfied that—

- (a) the exemption is necessary; and*
- (b) the likely alcohol-related harm has been assessed.*

Add:

“Exemptions granted under this section must be published with reasons.”

Rationale

Extended hours are consistently associated with increased harm risk. Transparency and mandatory mitigation must be aligned with section 4 to ensure public confidence.

Recommended amendment 6b – Streamlined Special Licencing

When introducing a national risk-based framework:

“Regulations made under this section must specify minimum harm-reduction requirements for high-risk events, including but not limited to crowd size, duration, alcohol strength, and public transport availability.”

Rationale

Efficiency gains should not result in a **race to the bottom** between risk categories. Minimum national standards provide consistency while allowing proportionality.

Amendment cluster: Amendments on Expanded exemptions and increased flexibility (hairdressers, tastings, events)

Proposed changes	Consistency assessment (Alignment to purpose and Risk)	Comment	Observation from Practice
<ul style="list-style-type: none">• Clubs permitted to apply for on-licence to allow them to sell to non-members	<p><i>Alignment:</i></p> <ul style="list-style-type: none">• Clubs can already hold an on-licence by forming a company to hold it.	<p>These amendments are framed as low-risk contexts (incidental consumption, small quantities, controlled environments).</p> <p>However, they are not. They are a fundamental shift in alcohol availability.</p>	<p>From a cost and operational perspective an on-licence for a club would have much higher fees and would probably require two certificated duty managers because of the licensed days/hours.</p>

<ul style="list-style-type: none"> • Restaurants can hold an off-licence providing they already hold an on-licence • Hairdressers and barbers may supply small amounts of alcohol without a licence. • Breweries, distilleries, and similar premises may hold both on- and off-licences and charge for samples. • Stand-alone exemptions for significant televised events outside normal hours. 	<ul style="list-style-type: none"> • Risk-based special licensing and Ministerial oversight for event exemptions preserve regulatory control. <p><i>Risk:</i></p> <ul style="list-style-type: none"> • Unclear what type of on-licence for clubs is being considered – ‘function-centre’, ‘tavern’. • Each exemption incrementally increases availability and normalisation of alcohol, in less well controlled situations. • Ministerial or executive discretion (e.g. Orders in Council for events) may weaken the local harm lens central to the application of the section 4 test. • Is the relative risk from selling beer, wine etc and high alcohol content spirits appropriately accounted for. 	<p>This makes these amendments problematic in alignment with section 4.</p> <p>As clubs routinely sell their liquor at discounted prices, will there be any restriction on this if they hold an on-licence.</p>	<p>From an operational perspective, Council would support this amendment.</p> <p>For restaurants, exemption could conceivably go further and include specialist food shops such as the South African Pantry (in Paraparaumu)</p>
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Recommended amendment 7:

For new exemptions (e.g. hairdressers, barbers):

Insert a **sunset and review clause**, for example:

“The exemption created by this section expires 3 years after commencement unless continued by Order in Council following a review of its impact on alcohol-related harm.”

And require **basic safeguards**:

“Exempt supply must be limited to a single standard drink per customer per visit, supplied without charge or at cost, and accompanied by clear signage stating that intoxicated persons and underage persons will not be served.”

Rationale

Puts clear parameters emphasising that serving alcohol is purely a 'hospitality' gesture, and not a commercial supply. Licence-free supply represents a structural shift in alcohol availability. A review requirement ensures policy is evidence-responsive rather than assumption-based.

Amendment cluster: Amendments on Rapid delivery and zero-alcohol product amendments

Proposed changes	Consistency assessment (Alignment to purpose and Risk)	Comment	Observation from Practice
<ul style="list-style-type: none"> Clarification of responsibilities for rapid delivery services to prevent sale to intoxicated or under-age persons. Expanded ability to stock and promote zero-alcohol alternatives. 	<p><i>Alignment:</i></p> <ul style="list-style-type: none"> Improving accountability in delivery directly addresses well-documented harm pathways. Normalising zero-alcohol products supports safer consumption patterns without increasing availability of alcohol itself. <p><i>Risks</i></p> <ul style="list-style-type: none"> Point of concern, for the safety of delivery persons, should they have to refuse delivery at door. 	<p>Strongly aligns with section 4 although does not deal comprehensively with alcohol related harm arising from remote sale outlets.</p> <p>Restrictions on use of credit to buy alcohol through these remote sales services in conjunction with the proof-of-age requirement would be more effective in overall harm minimisation.</p>	<p>Strongly support, and should include all alcohol deliveries, including from supermarkets (as per Kapiti DLC decisions and the Kapiti MoU between the tri-agencies to implement strategies for the reduction of alcohol related harm).</p>

Recommended amendment 8:

Clarify *joint and several responsibility*, for example:

“For the purposes of this Act, both the licence holder and any third-party delivery service acting on their behalf are responsible for compliance with age-verification and intoxication-prevention requirements.”

And require:

“Licence holders must maintain auditable records of training and refusal incidents related to rapid delivery.”

Rationale

Delivery-based alcohol supply is a known harm pathway. Shared and direct accountability reduces incentives to outsource risk.

Amendment cluster: Amendments on Promotion and display of zero-alcohol products in off-licensed supermarkets and grocery stores

Proposed changes	Consistency assessment (Alignment to purpose and Risk)	Comment	Observation from Practice
<ul style="list-style-type: none"> Off-licensed supermarkets and grocery stores may promote and display “zero-alcohol” spirits, liqueurs, and ready-to-drink (RTD) mixed drinks alongside alcoholic products. 	<p><i>Alignment</i></p> <ul style="list-style-type: none"> Aligns with section 4. Supports harm minimisation by encouraging drink substitution, moderation and safer consumption. Treating such products as functional alternatives rather than novelties establishes familiarity, acting on consumer behaviour without solely relying on restrictions. <p><i>Risks</i></p> <ul style="list-style-type: none"> Product similarity and consumer confusion: Many zero-alcohol spirits and RTDs closely mirror alcoholic products in branding and presentation, creating a risk of consumer confusion—particularly for minors or hurried purchasers—which may undermine age-based protections and responsible sale practices. Normalisation effects for youth: The display of alcohol-adjacent products that closely resemble spirits and RTDs may contribute to the early normalisation of alcohol consumption behaviours among young people, even where the products contain no alcohol. Cross-promotion risks: Where zero-alcohol products are used primarily to reinforce alcohol brand visibility or cross-promote alcoholic equivalents, the 	<p>This amendment is well aligned with section 4 and represents a low-risk, harm-reducing reform provided it is accompanied by clear safeguards. Its contribution to harm minimisation depends on zero-alcohol products being positioned as genuine substitutes for alcohol, rather than as promotional extensions of alcohol branding.</p> <p>The amendment retains consistency with the Act where:</p> <ul style="list-style-type: none"> zero-alcohol products are clearly labelled and easily distinguishable from alcoholic products; promotional practices do not blur age-based distinctions or facilitate inadvertent purchase; and merchandising supports substitution and moderation rather than reinforcing alcohol consumption norms. 	<p>Tentatively supported. We do note this practice increases the exposure to, and normalisation of, spirits/RTDs unless accompanied by strong marketing parameters.</p>

	harm-reduction benefit may be diminished, effectively extending alcohol marketing rather than delivering a genuine public-health outcome.		
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