

## Hospitality New Zealand Northland Branch



### Submission on

### Statement of Proposal Draft Fees and Charges 20-21 Feedback

April 2020

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Hospitality NZ is a voluntary trade association which has operated since 1902 and currently represents over 3,000 hospitality businesses throughout New Zealand, including Taverns, Pubs, Bars, Restaurants, Cafes, Retail Liquor and Commercial Accommodation providers such as Camping Grounds, Lodges, Motels, Hotels and Backpackers.

The Northland Branch of Hospitality New Zealand includes and represents 95 Hospitality and Commercial Accommodation businesses. This submission is made on behalf of the Northland branch of Hospitality New Zealand.

Hospitality New Zealand has a 115-year history of advocating on behalf of the hospitality and tourism sector and is led by Chief Executive, Julie White. Hospitality New Zealand's Northland Branch President is John Maurice and the Regional Manager for the Branch is Kim Odendaal.

We appreciate the opportunity to give feedback to the Whangarei District Council.

#### CONTACT DETAILS:

Kim Odendaal

Regional Manager

Hospitality New Zealand Northland Branch

[Kim@hospitality.org.nz](mailto:Kim@hospitality.org.nz)

027 5035408

0800 500 503

We thank you for the information provided in the Statement of Proposal Draft Fees and Charges 20-21, however given the current climate, we strongly urge the Whangarei District Council to consider no increases for the next twelve months at a minimum.

Central Government has taken substantial measures to help limit the damage inflicted to business and to ensure New Zealanders will have jobs moving forward. Most of the initiatives from Central Government have been focused on the employment relationship.

Further support is required for Hospitality businesses (especially small and medium businesses) who are adversely affected by Covid-19, who cannot operate during levels 3 and 4, and who can only operate at severely reduced capacity during level 2.

The Hospitality industry is for most councils, the heart of the community, offering our communities social and economic wellbeing, employing hundreds of thousands of New Zealand's.

We acknowledge that draft annual plans have been developed well before COVID-19, however as these are unprecedented times, unprecedented action is required. We propose the following:

**1. No Rate Increases**

It is alarming that some councils across the country are considering proceeding with large rate increases, some in excess of 10%. In the current climate, HNZ strongly urges you to consider no increases for the next twelve months at a minimum.

**2. Temporary Rates Remissions**

Councils should consider rate remissions or rebate options for business adversely affected by COVID-19, including delaying rate instalments and waiving late payment fees – these should be timebound, we suggest up to six-months.

**3. Alcohol Licencing**

Businesses with Alcohol Licences have been significantly affected by the COVID-19 restrictions and HNZ requests the following actions from Local Government.

**a) Decrease in licencing fees:** Licenced premises are currently unable to operate under Alert Level 3 and 4, and will face significant restrictions even at lower levels, however their standard associated fees still apply. We request that the Whangarei District Council provide financial relief in the form of a reduction in this year's licencing fees relative to the effective shutdown period.

**b) No Increases to Licencing fees:** Currently, licenced businesses are carefully managing their heavily decreased funds to ensure that they are able to keep their staff employed. For this reason, we request that the Whangarei District Council consider no increases to licencing fees, and to hold off on pursuing these for the foreseeable future.

**c) Licencing Extensions:** Licenced businesses will be hindered in their ability to complete their licence renewals due to the restrictions currently in place. Once the restrictions are lifted and business may reopen, operators may still be left unable to trade due to now lapsed licences. We request that Council's issue an automatic renewal or extension to those licences due for renewal during this crisis to ensure they may operate once the restrictions are lifted.

**d) Temporary Off Licences:** With On-Licence holders unable to operate under the restrictions, we have seen other countries in similar situations issue temporary off licences to current on-licence holders to allow for the online sale and contactless delivery of alcohol. Under the New Zealand determinations for essential businesses, this is permitted under the following conditions:

- \* You must hold an off-licence. You must comply with requirements of your license.
- \* The agreed quantity for spirits purchased must be no more than the customs/duty free allowance which is 3 bottles (or other containers) of spirits or liqueur (each bottle or container can hold a maximum of 1.125 litres) per order.

Many operators are able to quickly pivot their business during this time to meet these requirements, with the only restriction being the issue of the off-licence itself. We request that Council's allow current on-licence holders to apply for temporary off licences (for remote contactless sale) for the duration of the COVID-19 crisis, preferably without the associated off-licence fees and reduced processing times.

In addition, we encourage and support the establishment of a Local and Central Government COVID19 response team. Working alongside industries to address key topics that councils are challenged with from, finance and recovery, community wellbeing, governance and coordination – all forming and shaping decision-making of councils over the coming weeks and months.

We are happy to further participate in consultation on this issue and look forward to continuing to work with Council on this important issue for our members.



Kim Odendaal  
Regional Manager  
Hospitality New Zealand