Hospitality New Zealand

TO THE MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT

SUBMISSION ON PROTECTING BUSINESSES AND CONSUMERS FROM UNFAIR COMMERCIAL PRACTICES

25 FEBRUARY 2019

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Introduction

1. Hospitality New Zealand[1] ("Hospitality NZ") supports the Government consulting on this issue.

2. Hospitality NZ is a member-led, not-for-profit organisation representing approximately 3,000 businesses, including cafés, restaurants, bars, nightclubs, commercial accommodation, country hotels and off-licences. The vast majority of our members are small-to-medium enterprises.

3. This submission will provide focus and comment on the particular concerns and issues that our members have raised with us, in relation to unfair commercial practices towards businesses.

4. Therefore, this submission will not respond to every question in the Protecting Businesses and Consumers from Unfair Commercial Practices discussion paper ("Discussion Paper"), rather we will provide a response to those questions and areas of comment that are relevant to the concerns and issues raised.

5. This submission answers two broad questions:
   a) What is the problem in the hospitality sector?
   b) What legal reform is required to address this problem?

6. In summary our response to each question is:
   a) The hospitality sector has noted there is a problem between business to business contract terms and business to business conduct.
   b) High-level protection (option 1B) is required to capture and resolve the problems highlighted by the hospitality sector, and package 4 be adopted to ensure small businesses are provided added protections against unfair business to business contracts and conduct.

Discussion Paper Questions:

Issue 1: Unfair business-to-business contracts

Question 1: What types of unfair business-to-business contract terms are you aware of, if any? How common are these?

7. Our members have identified three types of business-to-business contract terms they consider unfair:

[1] Background information on Hospitality NZ is included as Appendix One.

a) Rate Parity clauses – in particular contained within Online Travel Agents (OTAs) standard form contracts.

b) Commission Rate clauses in contracts.

c) Unfair cancellation clauses – in particular contained within supplier service contracts.

Online Travel Agents:

8. The November 2018 Hospitality NZ Accommodation Member Survey identified the increased costs of OTAs as the top factor negatively impacting our members commercial performance.

9. In that same survey, OTAs were ranked as the second highest area of concern.

10. Particular issues with OTAs our members have identified are:
    a) OTAs market share of how guests book accommodation, i.e. booking with the OTA instead of direct bookings;
    b) Rate parity across all websites (including the businesses) which restricts competitiveness; and
    c) Continued increases in commission rates with no opportunity to negotiate.

11. Travel agents have existed in the booking market place for a significant amount of time. However, with the advent of the internet people can book themselves without needing a travel agency, resulting in rapid growth of OTAs in the marketplace.

12. Consumers are generally unaware, that most OTAs are owned by two companies, Booking Holdings Inc (which includes booking.com and others) and Expedia. These two companies have created a duopoly in the market, leaving businesses and consumers with little choice as to which company to list or book accommodation through. This lack of competition is bad for both business and consumers. Businesses have little leverage when negotiating with these two giants, and consumers are led to believe they are comparing a range of prices for accommodation when they are often just comparing prices provided by these two companies. As such, any prudent Government needs to inquire into whether lawful competition is being carried out, as opposed to collusion and price fixing, so as to protect consumers.

13. Hospitality NZ does acknowledge the importance of large international booking agents such as OTAs in the tourism marketplace.

Rate Parity clauses issue:

14. Rate parity clauses are a common feature in OTAs contracts. Generally, these clauses require accommodation providers to advertise rooms at the same rate as the OTA. The tourism sector has been concerned with the rate parity clauses for some time.[2]

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[2] For more information Triptease recently released on a White Paper "Are we on the verge of a party nightmare?" which can be accessed at: https://www.triptease.com/blog/booking-basic-parity-wholesale/

15. Many operators', especially smaller hotels and motels, see OTAs as a *'damned if you do, damned if you don't'* situation. On one hand, OTAs can drive the majority of bookings to a business, allowing for increased exposure in the current market. On the other hand, inhibiting businesses ability to directly compete on room rates due to rate parity clauses is a major downside.[3] In 2016, the Commerce Commission deemed rate parity clauses to be valid as long as businesses could advertise directly on-premises and via databases to customers a lower price than the OTAs. However, this makes it difficult for accommodation providers to get this information to customers (especially new customers) hampering their ability to compete.

16. Operators feel exposed to the power the OTAs have in the marketplace but know that they are a necessary channel to use.

OTA Commission rates issue:

17. For accommodation owners, another extremely concerning practice is OTAs commission structure, with OTAs taking between 12-30%. For decades, the industry-standard for distribution commission was 10%– at that commission fee, all partners can succeed without endangering the other's ability to grow and expand. The increased commission structure means diminished profits, and less money to invest back into the business. This in turn creates less choice for guests in the accommodation sector.

18. OTA contracts usually allow for unilateral variation of commission rates by the OTA, and all OTAs charge a similar rate.

Standard form contracts – unfair terms:

19. Our members have raised concerns about business-to-business contracts containing the following:
    a) Long-term (three years or more);
    b) Long minimum notice periods (two months or more) for termination that must be in writing, and can only occur within a specified period of time before the contract end date;
    c) Contain a clause whereby despite notice of termination, the business cannot go to a competing company, unless they have given the original company the opportunity to match the price;
    d) If the price is matched, the termination clause cannot be invoked; and
    e) There is no clause that prevents the original company from raising its prices again, after the contract is renewed. The company retains the right to increase prices at its discretion and at any time, by merely giving a few weeks' notice.

20. A 2016 Newshub article highlighted these concerns, which are shared by our members.[4]

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[3] https://businessblog.trivago.com/rate-parity-hotel-industry-status/
[4] https://www.newshub.co.nz/home/new-zealand/2016/03/no-way-out-of-waste-management-contract---claim.html

21. Unfair contractual terms have also faced scrutiny from the Australian Competition and Consumer Commission.[5] The findings echo the experience of our members.

22. Further issues with standard form contracts include:
    a) No reminder or notification from the company that the contract is coming up for renewal; and
    b) Unless all the termination clauses are fully met, the contract automatically renews for another long-term period.

Question 2: What impact, if any, do these unfair contract terms have?

23. Our members have noted several impacts that these unfair contract terms have, including:

    Rate parity and commission contract impacts:
    - Inability to compete directly with OTAs;
    - As bookings through OTAs carry a 15% commission rate (currently), the inability to offer rooms at a better rate in any online capacity, and the wide reach of OTAs means that the majority of bookings go through an OTA and leaves very little way for small businesses to avoid paying commission;
    - Negative impact on businesses ability to grow and innovate;
    - Increased costs; and
    - Reduced sales revenue.

    Unfair cancellation clause impacts:
    - Inability to change suppliers;
    - Increased costs / inability to reduce costs;
    - Negative impact on business ability to grow and innovate, particularly if stuck in an out-dated service; and
    - Increased transaction costs due to needing to seek increased legal advice.

Question 3: Is government intervention to address unfair business-to-business contract terms justified? Why/why not?

24. Rate parity issues have been challenged in international courts,[6,7,8,9] our members believe it is time that New Zealand follows suit.

25. Our members regard the following as unfair contract terms:
    - rate parity clauses;
    - unilateral variation of commission rates; and

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[5] https://www.accc.gov.au/media-release/jj-richards-contract-terms-declared-unfair-and-void
[6] https://www.guestcentric.com/european-courts-prohibit-booking-coms-rate-parity-clauses/
[7] https://globalcompetitionreview.com/article/1172496/bookingcom-ordered-to-amend-swedish-price-parity-clauses
[8] http://www.travelweekly.co.uk/articles/281934/expedia-loses-hotel-rate-parity-case-in-france
[9] https://www.accomnews.co.nz/2018/09/19/aussie-eyes-parity-ban-consumer-watchdog-roasting/

- being perpetually locked into contracts or having limited ability to terminate a contract.

26. As such we believe that government intervention is justified – and necessary.

27. Businesses should be able to compete directly on their own websites, fairly negotiate commission rates with a supplier, and be able to change suppliers (acknowledging that fair and reasonable compensation for early termination may be necessary) to enhance business welfare.

28. The examples of unfair contracts above are detrimental to businesses and we believe it is time for the Government to take another look at these practices and work with industry to truly understand the impact and extent of the problem and issues.

Issue 2: Unfair business-to-business conduct

Question 4: What types of unfair business-to-business conduct are you aware of, if any? How common is this type of conduct?

29. Our members have raised three particular types of business-to-business conduct that they consider to be unfair

    a) Hotel price comparison websites that claim to "compare prices from hundreds of websites", yet do not include the actual accommodation businesses own website in that comparison.

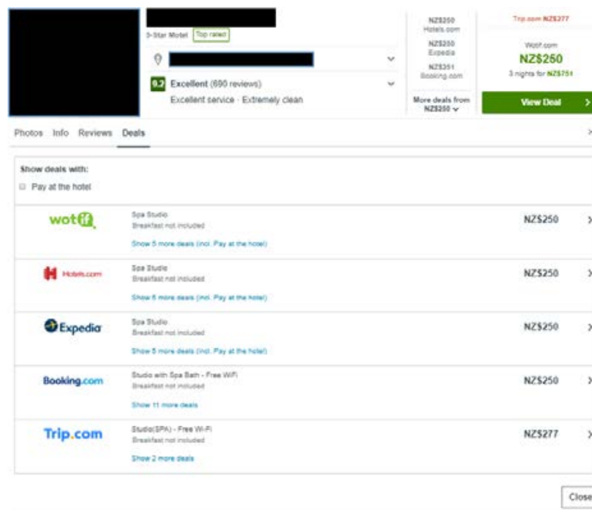
    b) Unfair and misleading practices of online accommodation booking and price comparison websites.

    c) Deceptive methods of signing or renewing contracts.

Price Comparison website issues:

30. As we have set out above, when using OTAs our members are forced to accept rate parity clauses, meaning that they cannot advertise a lower rate on their own websites. In most instances, the accommodation provider will advertise the same rate on their own website as they have advertised with an OTA.

31. Our motel members have reported that while they have online rate parity (where required in contracts with OTAs), accommodation price comparison websites often do not include the accommodation providers own website in its comparison – instead, only showing the rates of OTAs. An example is below, with identifying details redacted for privacy.



32. Customers typically believe the claims that they are comparing "like-for-like" from the various booking platforms, however they are not being informed of the price available direct from the accommodation provider.

33. Our members consider this to be unfair to them as a business, and unfair to consumers.

Unfair and misleading practices of accommodation booking and price comparison websites issues:

34. Our members share the concerns that have been highlighted by international media recently, regarding the following:
    a) Using "cost per click" ratings to increase listings ranking and visibility on particular booking sites. Put another way, listings are ranked based on which supplier pays the platform the most;
    b) Giving false and misleading impressions of a hotel's popularity, to rush consumers into making a booking;
    c) Not comparing '*like-to-like*' – i.e.: sites comparing a higher weekend room rate with a weekday rate or comparing the price of a standard room with a luxury suite; and
    d) Not being clear about discounts, hidden fees, or charges.

35. International government agencies including the UK's Competition and Markets Authority and the Australian Competition and Consumer Commission have recently taken action against such unfair, misleading, and deceptive practices.[10,11,12]

36. These practices are unfair to businesses as they inhibit the ability to fairly and freely compete amongst each other. These practices are also unfair to consumers who are denied a genuine fully informed choice about accommodation.

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[10] https://www.bbc.com/news/business-47141538
[11] https://www.accomnews.com.au/2019/02/landmark-uk-ruling-ends-misleading-ota-practices/
[12] http://www.travelweekly.com.au/article/accc-takes-aim-at-trivago-over-misleading-hotel-prices/

Deceptive methods of signing or renewing contracts issue:

37. Our members have reported some companies are coming in to the business premises saying that they need to update their details and/or need to record that they have visited - and nothing more. They then ask staff at the premises to sign the document, saying that it is an acknowledgement that they've been there and/or that they've updated details. Members have told us that they were not left a copy of the signed document.

38. Subsequent communication reveals that what was actually signed was a contract, or renewal of a contract for services - in some instances, with increased prices too that apparently they were not made aware of.

39. When the business tries to refute it, the companies either do not respond to calls / emails and/or the business eventually finds out that the contract is such that they can't get out of it without incurring stiff financial penalties. Companies have also argued that by a staff member signing it, the staff member was acting as an authorised agent on behalf of the business.

40. Unfortunately, with these deceptive tactics, evidence and proof of this is extremely hard to procure.

Question 5: What impact, if any does this conduct have?

41. All three examples cause detriment to businesses – and consumers.

42. Deceptive methods to obtain or renew legally binding contracts clearly undermines free and informed decision making, inhibits business welfare, undermines fair competition, increases operation costs by requiring additional legal representation, increases stress, wastes valuable time, and inhibits the ability of a business to effectively source goods or services that are best suited to the business. Further, it could also be seen as harassment and coercion.

43. Unfair, deceptive, and misleading practices of accommodation booking and price comparison websites impacts businesses ability to fairly compete, inhibiting the ability to avoid paying commission to booking platforms, and potentially damage the business reputation.

Question 6: Is government intervention to address unfair business-to-business conduct beyond existing legislative protections justified? Why / why not?

44. We submit that if some companies are still employing deceptive tactics to obtain signatures for contracts, then existing protections are not adequate, and that further government intervention is needed.

45. It has taken government intervention in overseas jurisdictions to have the unfair practices of booking platforms and price comparison websites ceased (See 30 above). We submit that the New Zealand government needs to do the same.

Options for reform

Question 11: Should a high-level prohibition against unfair conduct be introduced? Why/why not?

42. Hospitality NZ believes that a high-level prohibition on unfair conduct should be introduced to protect businesses from particularly egregious conduct at the hands of other businesses. Currently there are only limited protections for egregious conduct that are generally only invoked in the most extreme of circumstances, leaving vulnerable businesses at risk.

43. This view is based on the experiences of our members who have suffered from unfair conduct at the hands of big business, including; price comparison websites that do not include the actual businesses own website in the comparison; unfair and misleading practices of OTAs and price comparison websites; and deceptive methods of signing or renewing contracts.

44. A high-level prohibition will likely deter big businesses - who come into an agreement from a position of strength - from entering into agreements in such a way, or including terms in agreements that are overly harsh and unnecessary to achieve the goals/purpose of the agreement.

45. While it is not the role of the government to protect people from entering into foolish bargains, there is a gap between the current scheme and real harm being suffered that needs to be filled.

Question 12: What are advantages and disadvantages of Options 1A, 1B and 1C? Which option, if any, do you support?

46. All three of the options for high-level protections suggested in the Discussion Paper would likely lead to the same or similar results - protecting against unfair conduct. However, some options may be more likely produce unintended consequences than others. For the following reasons we support option 1B.

47. We believe that option 1B would be most likely to efficiently achieve the goals of the Issues Paper with the least detriment to contractual freedoms.

48. Firstly, as option 1B is based on existing domestic legislation which we see as more desirable way forward than extending an equitable doctrine or importing a concept from foreign legal codes.

49. Secondly, 'Oppressive' in our view, is a better lens through which to view prejudicial conduct than unconscionable or unfair, given the lack of certainty in determining something as unconscionable, and the low threshold that is implied by unfair.

50. We have discussed the three options below.

Discussion of option 1A

51. Unconscionable conduct is not defined. This leads to both flexibility in definition and uncertainty as to what amounts to unconscionable behaviour.

52. Various jurisdictions have attempted to define unconscionability. In New Zealand, unconscionability requires: a weaker party with a qualifying disability; the stronger partying knowing of the disability; and then taking advantage of that disability.[13] Meaning a level of victimisation has to have taken place.[14] In Australia the Competition and Consumer Act 2010 (ACC), refers to 'unconscionable' has having the meaning that it has in unwritten law (i.e. at common law).[15] The ACC then goes further and provides a list of factors that can be present in unconscionable conduct.[16] This list is similar to the 'Grey list' of unfair contractual terms under the Fair Trading Act 1986.

53. While this provides some guidance as to what amounts to commercially unconscionable conduct, the practical application in New Zealand is unknown leaving a lot riding on future court decisions. What seems certain however, is that for an action to be deemed unconscionable, in business circumstances, an extremely high level of detriment will need to be suffered.

54. Hospitality NZ's concern is that the standard of detriment suffered under the test for unconscionability is too high to achieve the goals of the Discussion Paper. As such, we believe that a wider definition of harm suffered is necessary.

55. Another concern is the potential flexibility of the doctrine. Flexibility is desirable in the application of equitable doctrines, it is not desirable in business. Flexibility can create uncertainty which may erode business confidence. Businesses want to know what they can and cannot do. Business uncertainty should be avoided as it could cause harm to the end consumer.

56. If the high-level objectives of the Issues Paper are to be achieved, then any prohibition on unfair conduct should be, at least to some degree, certain. As to better allow businesses to be sure that their actions are legal and above board.

57. What an option like 1B 'oppressive' provides by comparison to 1A 'unconscionable', is protection against similar high-level unfair conduct, whilst providing more certain definitions, so that businesses are better able to judge what conduct would be unfair.

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[13] Gustav &Co Ltd v Macfield Ltd [2007] NZCA 205.
[14] Bowkett v Action Finance Ltd [1992] NZLR 449.
[15] Competition and Consumer Act 2010 (Cth), Schedule 2, s25.
[16] Above n15, at s25.

Discussion of option 1B

58. This is Hospitality NZ's preferred option.

59. In the view of the courts 'oppressive' is a wider term than 'unconscionable',[17] meaning more kinds of unfair commercial practices would be caught under the standard of 'oppression' than 'unconscionable'.

60. The Credit Contracts and Consumer Finance Act 2010 (CCCFA) provides a list of criteria to define 'oppressive' conduct.[18] The criteria all share a common thread, being "the transaction or some term of it is in contravention of reasonable standards of commercial practice".[19]

61. A definition for unfair practices which is wider than 'unconscionable' is desirable because, if the prohibition on conduct is set at too high of a level, it may end being ineffective. Therefore, not achieving the goals set out in the Discussion Paper. The converse is also true.

62. The Discussion Paper notes that the "reasonable standard of commercial practice" could still lead to uncertainty given that a reasonable standard of commercial practice is hard to determine. However, the meaning of 'reasonableness' in the context of reasonable standards of commercial practice and the CCCFA has been given meaning in *Sportzone Motorcycles Ltd v Commerce Commission 2015*. Toogood J says reasonableness should be "determined from the view of an informed objective bystander considering whether it is reasonable".[20]

63. Take the case study presented at paragraphs 36 to 39 of this submission. An objective bystander would not consider a business sending an employee into another businesses' premises to get updated details, asking a staff member to sign the document acknowledging they had been there, and using that to claim a contract had been entered into as being reasonable.

64. Further guidance is also provided by the Supreme Court in *Sportzone Motorcycles Ltd v Commerce Commission 2016* where O'Regan J says "reasonableness cannot be taken on face value" then goes on to say that "Nor can it be assumed that competitors' practices are, themselves, reasonable commercial practice".[21] Meaning that something could occur across an industry (like rate parity clauses or commission structures with OTAs) and still be considered oppressive because it contravenes the reasonable standards of commercial practice. In other words, just because it is a business or industry "norm" does not make it correct at law.

65. While we have stated that high-level consumer protections need to be cast sufficiently wide as to catch unfair commercial practices, the net must not be case so wide as to catch conduct that could be considered unfair, but is beneficial to consumers or results in positive economic

[17] GE Custodians v Bartle [2010] NZSC 146 at 46.
[18] Credit Contracts and Consumer Finance Act 2003, at s118.
[19] Above n18, at 46.
[20] Sportzone Motorcycles Ltd v Commerce Commission [2015] NZCA 78.
[21] Sportzone Motorcycles Ltd v Commerce Commission [2016] NZSC 53, at 93.

benefits, for example strategic bargaining. Our view is that the unfairness standard proposed as option 1C would cast the net too wide.

66. Therefore, we believe that option 1B is the 'sweet spot' between a standard of detriment that will only apply in the most extreme of circumstances and a law that is too wide, so as to catch more than it intends to.

Discussion of option 1C

67. We agree with the Issues Paper that this option is arguably the most complex.[22] Given that unfair conduct is wider than oppressive or unconscionable conduct, this may result in practices being caught that, while on their face are unfair, provide a benefit to consumers.

68. We also agree that introducing general principles of good faith to commercial deals may be counterproductive to positive competition and the economy. There are a number of practices like strategic bargaining e.g. where one party may not disclose their true position during a negotiation, which could be considered to be unfair conduct, yet result in positive economic and competitive outcomes. Catching this sort of behaviour goes against the purpose of the Discussion Paper.

69. We believe that requiring businesses to act fairly or with some element of good faith deeming would be too onerous and may produce unintended consequences.

Question 18: If the Unfair Contractual Terms (UCT) protections are extended to businesses, do you agree that the current consumer UCT provisions should be carried over without major changes?

70. We support UCT protections being extended to businesses, and them being carried over without major changes.

71. Contracts can be entered into fairly (i.e. there are no problems with pre-contract conduct) yet still be unfair due to harsh or overly oppressive terms that would cause undue detriment if enforced. As highlighted by our answers to question 1. These agreements are often 'standard form' contracts, offered on a 'take it or leave it' basis, which was found to be problematic in Australia influencing their decision to extend UCT protections to businesses in 2016.[23]

72. As current UCT protections, in our view, strike an adequate balance between consumer protection, and freedom of contract. They protect against onerous or oppressive terms without being so prescriptive as to be anti-business.

73. It has been noted by courts that the level of detriment suffered by business would generally have to be higher than that of consumers before the UCT protections are enforced. We would anticipate that the courts would continue to take this view. However, that does not mean

[22] Discussion Paper at 182.

[23]Decisions Regulation Impact Statement Extending Unfair Contract Term Protections to Small Business (Australian Government Treasury, 2015).

that the types of UCT protections should be changed, it may just mean that a greater level of harm or potential for harm is needed before the UCT rules take effect.

Question 19: If the UCT protections are extended to business should the grey list be carried over?

74. We believe that the grey list should be carried over.[24] The contract terms deemed unfair in business to consumer transactions apply equally in business to business transactions. This is especially true for small business, who, like consumers, are vulnerable to entering into contracts where they have unequal bargaining power making them more likely to be subject to unfair contractual terms.

75. The grey list is substantially similar to s25 of the Australian Consumer Protections, which applies specifically to transactions with small businesses.[25]

Question 20: Should the protections apply to consumers, consumers and some businesses or consumers and all businesses?

76. It is our view that the protections should apply to all businesses and consumers.

77. In the alternative, if protections are going to be extended to a limited group of businesses then they should be extended to protect small business. The rational for this view is that small businesses are more likely than big businesses to be the victims of overly harsh contractual terms. Small businesses generally lack the time, resources, legal or technical expertise and bargaining power to negotiate effectively against bigger businesses. This puts small businesses at a distinct disadvantage when compared to medium and large businesses.

78. When the UCT protections were extended to small businesses in Australia in 2016, much time was spent determining how far the protections should be extended. Two approaches were put forward by the Australian Treasury, the first being, the UCT's would only apply to small business (inclusive approach) and the second being that it would apply to all businesses except large publicly listed businesses (exclusive approach).[26] When enacted in Australia the 2016 UCT protections were applied to small businesses with less than 20 employees. Extending UCTs in New Zealand to small businesses would be in line with the Australian approach to competition and commercial law.

79. In New Zealand small business is generally accepted to be businesses with less than 20 employees.[27,28] We support this as an appropriate way to define small business for the purpose of extending UCT's. However, given our operators have a fluctuating head count at times during peak and low season, flexibility on the head count is required.

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[24] Fair Trading Act 1986, at s46L.
[25] Above n 15, at s25.
[26] Above n21.
[27] Employment Relations Amendment Bill 2018 (13-3) CL29.
[28] https://www.business.govt.nz/assets/Uploads/Documents/Small-business-booklet.pdf

Question 21: If the protections against UCT's are extended to businesses, should a transaction value threshold be introduced, above which the protections do not apply? If so, what should the threshold be?

80. We do not support a value threshold being introduced. We believe that if UCT protections are going to be extended in a restricted way, then the 'head count' definition of small business would be sufficient.

81. When the protections against UCT's were extended to cover small businesses in Australia in 2016, there was discussion about whether a value threshold should be introduced.[29] These discussions included whether a value threshold was necessary, and if it was to be introduced, at what level would it apply.

82. The outcome reached was that UCT protections for small businesses applied where:[30]
    a. The businesses have less than 20 employees;
    b. Transactions worth less than $300,000. Or $1,000,000 if the agreement is for more than 12 months.

83. While we do not support a value threshold, however, if a value threshold is to be introduced a balance would need to be struck between protecting small businesses entering into lower value day to day transactions and allowing business to run relatively unencumbered. We believe that the Australian model could be a starting point for discussions, if a value threshold is to be introduced.

Question 24: Do you have a preferred options package? If so, which is your preferred package and why?

83. It is our view that businesses, particularly small business need added protections against unfair contracts and conduct. On that basis, it would seem that Package 4 would address both.

84. However, we are mindful that we do not want any regulation that would deter pro-competitive, welfare enhancing practices, nor do we want regulation that deters from efficient contracts.

85. It may be the case that investigations into the concerns raised by our members could uncover alternative methods of resolution of having unfair practices and contracts ceased, as has been done overseas through Courts and / or Commerce Commission equivalents. (See 20 and 30 above). It may be that strengthening existing protections could alleviate the unfair contracts and practices burden that our members are currently experiencing.

[29] Above n10.
[30] Above n3, at Schedule 2, S 23.

86. In any case, what we would like to see is an effective, easy-used, and easily-accessed system, whereby businesses are enabled to make genuine complaints about either unfair contracts, or unfair practices, and have them investigated and taken seriously.

Conclusion

87. We thank MBIE for the opportunity to provide input into the Protecting Businesses and Consumers from Unfair Commercial Practices discussion paper.

88. We would be happy to discuss any parts of this submission in more detail, and to provide any assistance to the Government that may be required.

Appendix One:

About Hospitality NZ:

89. Hospitality NZ is a member-led, not-for-profit organisation representing approximately 3,000 businesses, including cafés, restaurants, bars, nightclubs, commercial accommodation, country hotels and off-licences. Through our membership service we are able to gauge the views and experiences of a wide variety of New Zealand hospitality operators.

90. Hospitality NZ has a 115-year history of advocating on behalf of the hospitality and tourism sector and is currently led by Chief Executive Vicki Lee.

91. We have a team of 8 Regional Managers located around the country, a National Office in Wellington and we have our own in-house Solicitor, and Law Clerk, in Wellington.

92. Hospitality NZ's Wellington-based team and the Regional Managers provide guidance and assistance to members to ensure they are educated about and adhere to the legal requirements that apply to their businesses. Our team is available 24/7 to members needing assistance, advice and guidance, and we have over 130 written resources available to members.

93. Hospitality NZ has a Board of Management, made up of elected members from across the sectors of the industry, and an Accommodation Advisory Council, made up of elected members from the accommodation sector.

94. We also have 20 local Branches covering the entire country, representing at a local level all those member businesses which are located within the region. Any current financial member of Hospitality NZ is automatically a member of the local Branch.

95. In addition to the Branches, Hospitality NZ has 16 Accommodation Sector Groups. The Accommodation sector groups are designed to ensure the local branches of Hospitality NZ have a strong accommodation focus in every region on issues relating directly to the commercial accommodation sector.

96. The role of the Branches and Accommodation Sector Groups is to provide a local focus for locally based members of Hospitality NZ. Functions may include, but are not limited to the following:
    - Hold regular meetings of members to hear guest speakers, presenters, trainers or to discuss current and relevant issues facing the industry.
    - To be a local "voice" of the industry for advocacy with Local Authorities, Regional Tourism organisations, Police and other relevant agencies.
    - To be a local "voice" for media comment and stories on industry issues

Enquiries relating to this submission should be referred to Nadine Mehlhopt, Advocacy and Policy Manager, at nadine@hospitality.org.nz **or 0274 305 071**.

Appendix Two