

# Clubs New Zealand Submission – Sale and Supply of Alcohol (Improving Alcohol Regulation) Amendment Bill 2026

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To the Justice Committee

Clubs New Zealand welcomes the opportunity to present this submission on the Sale and Supply of Alcohol (Improving Alcohol Regulation) Amendment Bill 2026.

Clubs New Zealand wishes to appear before the committee to speak to our written submission.

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## 1. EXECUTIVE SUMMARY

Clubs New Zealand represents more than 300 clubs across New Zealand, including chartered clubs, sports clubs, RSAs and community clubs. Our member clubs are community-owned, not-for-profit organisations that exist to provide safe, inclusive social spaces and to support local outcomes through employment, fundraising and community investment.

Clubs New Zealand is strongly supportive of the Sale and Supply of Alcohol (Improving Alcohol Regulation) Amendment Bill. Overall, the Bill seeks to appropriately balance harm minimisation with practical improvements to the licensing system and remove unnecessary regulatory barriers for responsible operators.

From a club perspective, many of the proposed amendments reflect long-standing issues faced by community-based licensees, particularly around inconsistency, uncertainty and administrative burden. Clubs are generally experienced, low-risk licence holders with strong compliance histories, and the Bill recognises this in several important respects.

This submission addresses each of the key changes proposed in the Bill from a club perspective and highlights where further refinement is needed to ensure the reforms deliver meaningful and practical outcomes. In particular, while we support increased flexibility for clubs through the ability to hold an on-licence, we consider that modernising Section 60 of the Act needs to sit alongside this, as it would provide a more effective and enduring solution for clubs. We also highlight the need to reduce unnecessary reliance on special licences for low-risk, community-based events and recommend a more proportionate approach that recognises the existing licensing and compliance obligations clubs already meet.



## **2. GENERAL COMMENTS: THE ROLE AND IMPORTANCE OF CLUBS IN NEW ZEALAND COMMUNITIES**

Clubs play an important role in the lives of more than 300,000 members, guests and employees across New Zealand. As long-standing community institutions, clubs help engage people socially, support sporting participation and contribute to local economic and social wellbeing in both urban and rural communities.

Licensed clubs are not-for-profit, member-based associations. They exist to provide infrastructure and services for their members and the wider community, and to further a defined community purpose, such as the promotion of sport, the support of veterans and service organisations, or the provision of safe and inclusive social spaces.

Clubs make a tangible contribution to their communities through direct employment, cash and in-kind donations, sponsorship of local teams and events and the provision of community facilities that are often unavailable elsewhere. Many clubs provide affordable access to meals, sporting facilities, meeting spaces and social events, particularly in smaller towns where alternative venues are limited. Clubs also mobilise thousands of volunteers each year, contributing significantly to community life.

As local, member-governed associations, clubs are highly responsive to the needs of their members, guests and surrounding communities. They regularly adapt their activities and facilities to support community events, fundraisers and social initiatives. However, the current regulatory framework does not always recognise this role and, in some cases, limits a club's ability to respond effectively and proportionately to community needs.

Clubs New Zealand therefore supports regulatory approaches that recognise clubs as low-risk, community-based licensees and avoids treating them as equivalent to commercial, late-night alcohol-focused venues.

## **3. SUBPART 1: AMENDMENTS RELATING TO THE GENERAL LICENSING PROCESS**

### **3.1. Restrictions on objections (Clauses 4-7)**

Clubs New Zealand strongly supports the restriction of objections to those who genuinely live or operate near the licensed premises.

Clubs frequently experience objections from individuals or organisations with no real connection to the locality, often driven by ideological opposition to alcohol rather than specific, evidence-based concerns.

Limiting objections to people who reside or work in the district or within one kilometre of the premises will improve fairness, reduce vexatious objections and ensure that licensing committees hear from those most directly affected.

#### ***LIVED EXPERIENCE: SOUTH OTAGO TOWN & COUNTRY CLUB***

*The South Otago Town and Country Club applied for its club licence renewal on 16 August 2024, submitting a complete and compliant application within the required timeframes.*

*An objection was subsequently lodged by an anonymous objector. Despite no concerns being raised by reporting agencies, the application remained unresolved for more than a year. On 16 September 2025, the club was advised that a hearing had been scheduled for 1 October 2025. At the hearing, all parties present expressed the view that the matter should not have proceeded to a hearing, given the club's compliance history and the lack of substantiated concerns. The licensing committee advised at the conclusion of the hearing that the licence renewal was approved.*

*However, the renewed licence was not issued until March 2026, and was not backdated to reflect the original application or decision date. As a result, the club effectively lost time on its licence and was granted a one-year licence, rather than the standard renewal period.*

*This experience imposed significant cost and strain on the club, including prolonged uncertainty, additional administrative burden, governance stress and frustration. It demonstrates how anonymous or unconnected objections, without evidence of harm, can materially disadvantage well-run, community-based clubs.*

### **3.2. Right to respond to objections (Clauses 8-15)**

Clubs New Zealand strongly supports communities having a say in how alcohol is sold within that community. However, that say must be balanced. Clubs are not separate from their communities; they are part of them. More than 300,000 New Zealanders choose to belong to clubs, over 3,000 people are employed by clubs, and more than 6,000 New Zealanders volunteer their time to support club operations. These individuals are members of the same communities that objections are intended to represent. Clubs should therefore have a clear and meaningful opportunity to respond to objections and ensure that decisions are based on complete and accurate information.

Currently, clubs often feel they are responding in an uneven process where objections are given disproportionate weight. In some cases, clubs have been unable to correct factual inaccuracies before decisions are made.

A clear right of reply will:

- Improve procedural fairness,
- Assist committees to make better-informed decisions, and
- Reduce unnecessary hearings where misunderstandings could be addressed in writing.

### **3.3. Renewal of licences and Local Alcohol Policies (Clause 16)**

Clubs New Zealand supports the reinstatement of section 133, preventing renewals from being declined solely due to inconsistency with a Local Alcohol Policy (LAP).

Clubs regularly find themselves captured by LAP provisions that were never designed with clubs in mind, such as blanket trading hour reductions or one-way door policies applied across a district.

Common lived experience reported by clubs includes:

- Long-established clubs being required to justify existing operations despite decades of compliant trading.
- Significant cost incurred responding to LAP-driven objections despite no evidence of harm.

Allowing renewals to proceed while enabling committees to impose targeted conditions is a more proportionate and sensible approach.

***LIVED EXPERIENCE: WEST COAST SYSTEMATIC OBJECTIONS***

*In 2024, the Blackball Workingmen’s Club and the Reefton Workingmen’s Club each received opposition to their club licence renewals from Police and the Medical Officer of Health. These objections were raised despite the clubs having exemplary compliance records, with no history of enforcement action or no incidents indicating alcohol-related harm.*

*In both cases, the clubs were advised that the objections would be withdrawn only if they agreed to a set of conditions, including, a significant reduction in licensed operating hours, increased requirements for certified manager coverage and substantial changes to the layout and operation of their premises.*

*The clubs were unable to agree to these proposed conditions, which they considered disproportionate and unsupported by evidence of harm or risk. As a result, the licensing process became prolonged and uncertain.*

*The delays were so extensive that suppliers expressed concern about whether they could continue to lawfully supply the clubs, as the club’s licences had ‘expired’. This created serious operational risk for the clubs, entirely unrelated to compliance or conduct.*

*These cases demonstrate how the licence renewal and objection framework can be used to apply significant pressure to long-standing, community-based clubs to make fundamental changes to their operations in the absence of alcohol related harm or evidence-based justification. For small communities like Blackball and Reefton, where clubs often serve as primary social and community hubs, such pressure threatens the sustainability of valued local institutions.*

**4. SUBPART 2: AMENDMENTS RELATING TO CLUB LICENCES AND ON-LICENCES**

**4.1. Allowing clubs to hold either a club licence or an on-licence (Clauses 17-18)**

Clubs New Zealand strongly supports greater flexibility for clubs to choose the licence type that best suits their operations. We support this provision because it introduces choice into a licensing framework that, for clubs, has remained largely unchanged since the late 19<sup>th</sup> century, despite significant changes in how communities operate and engage with clubs today.

Clubs are fundamentally different from commercial, profit-driven on-licence premises. They are not-for-profit, member-governed associations that exist to serve a defined community purpose. However, clubs have also had to adapt to remain

sustainable and relevant. For many clubs, particularly in small or rural communities, this has meant using their facilities to host funerals, prize-giving's, community dinners, functions, galas and fundraisers. In many towns, the local club is the only affordable venue capable of accommodating such gatherings.

The traditional model of exclusivity is no longer sufficient for most clubs to survive. Diversification has become essential. Yet under the current club licence settings, hosting events of this nature is often unnecessarily complex, requiring repeated special licence applications that create cost, uncertainty and administrative burden, even where alcohol is incidental to the event and the club has a strong compliance history.

Against this backdrop, the option to hold an on-licence provides a pragmatic pathway for some clubs to respond to these challenges. However, Clubs New Zealand has a number of concerns about how this provision may operate in practice.

First, there is a risk that clubs may be implicitly or explicitly pressured by reporting agencies or District Licensing Committees to move to an on-licence, particularly where clubs are seeking greater flexibility to host community events. This risks undermining the integrity of the club licence category, rather than addressing the limitations within it.

Secondly, many clubs are concerned about the potential loss of identity associated with transitioning to an on-licence, both in perception and in practice. Clubs do not wish to become commercial premises; their governance, purpose and culture are fundamentally different.

Finally, Clubs New Zealand considers it essential that clear transitional provisions accompany this reform for clubs that choose to move from a club licence to an on-licence. We recommend that the Bill make it explicit that:

- A transition from a club licence to an on licence for an existing club is not treated as a new licence application.
- The club's compliance history is retained.
- There is no reset of objector rights, default conditions or risk status.

Without this clarity, clubs may be discouraged from using this option at all due to the cost, risk and uncertainty associated with being treated as a 'new' premises, despite long-standing compliance and community value.

While this provision introduces overdue choice, Clubs New Zealand considers that it should sit alongside reform of Section 60, rather than act as an alternative to it. Addressing the restrictive settings within Section 60 alongside this provision will ensure that clubs can operate effectively in a modern environment without being compelled to change licence types to do so.

#### **4.2. Limitations of Section 60 and the need to modernise the club licence**

Clubs New Zealand welcomes the proposal to allow clubs to hold an on-licence because it provides a practical response to real-world constraints faced by clubs under the current framework. However, we strongly urge the Committee to address

the underlying issues directly as part of this Bill. In our view, reforming Section 60 of the Sale and Supply of Alcohol Act 2012 should be prioritised alongside the ability for clubs to hold an on-licence, as it will lead to far greater and more enduring impacts across the club sector.

Section 60 restricts clubs to selling or supplying alcohol only to members, guests of members, and authorised reciprocal visitors. In practice, these limitations significantly constrain a club's ability to diversify, host inclusive community events, attract new members, and respond to local needs without repeated special licences. These restrictions sit at the heart of many of the operational and compliance challenges faced by clubs.

Many clubs in New Zealand have operated for more than 100, and in some cases more than 150, years. While clubs themselves have evolved to remain relevant, accessible and financially sustainable, the rules governing club licences have changed very little and continue to reflect outdated assumptions about exclusivity and access that no longer align with modern community expectations.

This problem is exacerbated by the continued reliance on historic case law predating the 2012 Act (including the frequently cited *Long v Waiuku Cosmopolitan Club* decision [\[2025\] NZLLA 745](#)) to dictate acceptable membership models. Despite the 2012 Act containing a clear definition of "member", clubs are routinely directed by regulators on matters such as membership, subscriptions, duration and benefits, requirements that are not found anywhere in the legislation.

Legitimate attempts to introduce introductory or corporate membership models to improve accessibility and sustainability have been characterised as attempts to circumvent the law, despite being consistent with club constitutions, the Incorporated Societies Act and the definition of member. This approach has resulted in uncertainty, inconsistent enforcement between districts, and a significant deterrent to responsible innovation.

Other jurisdictions have recognised the limitations of restrictive club access models and have modernised their club licensing frameworks accordingly. For example:

- In Victoria, both Full Club Licences and Restricted Club Licences permit alcohol to be supplied to members, guests, authorised gaming visitors and **any person attending a function or club event**.
- In several other Australian States, historic rules limiting access to non-members based on proximity have been progressively relaxed. NSW has repealed its 5km radius rule entirely, while Queensland has temporarily removed it, reflecting a clear shift toward more open, community-focused club models.

These jurisdictions demonstrate that it is possible to maintain strong harm minimisation outcomes while allowing clubs to operate in a way that reflects contemporary expectations and community use.

Section 60 has also proven to be highly open to interpretation. In 2019, A District Licencing Committee challenged long-standing reciprocal visiting rights, asserting that reciprocal arrangements could only exist between 'like' clubs (for example, RSAs

with RSAs), and that Clubs New Zealand could not administer reciprocal arrangements on behalf of its members. These arguments ran counter to statutory language and long-standing practice. Defending reciprocal rights cost the club concerned and Clubs New Zealand close to \$20,000. Despite this, similar issues continue to arise with reporting agencies around the country.

These challenges highlight a broader issue: the erosion of the supposed benefits or ‘privileges’ that have traditionally been cited as the trade-off for the restrictions imposed by Section 60. While clubs are frequently told that these restrictions are justified by regulatory concessions, many of those concessions no longer exist in practice.

More than half of Clubs New Zealand member clubs are already required to have a certified manager on duty as a condition of their licence. Perceived tax advantages associated with not-for-profit status are increasingly under pressure (See IRD consultation on [Taxation and the NFP sector](#)). Assertions that clubs retain gaming revenue are both irrelevant and incorrect, particularly given that fewer than half of Clubs New Zealand members operate Class 4 gaming at all.

In this context, the restrictions imposed by Section 60 can no longer be justified as a fair or proportionate exchange.

For these reasons, Clubs New Zealand submits that reform of Section 60 should be considered within the scope of this Amendment Bill. While permitting clubs to hold an on-licence provides an escape valve for some clubs, it should not be the primary solution to structural flaws within the club licence regime. Requiring clubs to fundamentally change licence type to operate effectively risks undermining the relevance and intent of the club licence altogether.

The club licence remains appropriate and valuable. It reflects the not-for-profit, member-governed nature of clubs and their generally lower-risk operating environment. What is required and what we urge the Committee to prioritise in this Bill is the modernisation of Section 60 so that the club licence is fit for today’s reality and capable of supporting clubs to meet community needs without unnecessary complexity or workarounds.

***LIVED EXPERIENCE: CLUB MOUNT MAUNGANUI***

*To remain sustainable and better serve its community, Club Mount Maunganui, recently introduced new, constitutionally valid membership categories designed to encourage participation, improve accessibility and support community-focused activities.*

*However, the club was subsequently challenged by reporting agencies, who raised concerns about whether those membership models were consistent with the Sale and Supply of Alcohol Act 2012, suggesting that the club may have been “constituting itself out of the law”. As a result, the club was encouraged to consider whether alternative licensing approaches would better support its operational needs, including the possibility of applying for an on-licence held through a separate structure.*

*As clubs are currently prohibited from holding an on-licence under the law, the club was effectively being asked to consider more complex structural options, rather than being supported to operate within its existing constitution and club licence framework.*

*This experience demonstrates two key issues:*

- *A lack of clarity and consistency on how club licence settings, particularly around membership are interpreted and applied, and*
- *The challenges clubs face in adapting to modern operating environments where the current framework does not always provide clear or practical pathways for innovation.*

*While the proposed ability for clubs to hold an on-licence is a positive step in providing greater clarity and choice, this case highlights a broader issue. Clubs may reasonably determine that an on-licence is not the right fit for their governance model, membership or community role. In those circumstances, that choice should be genuine and not driven by the suggestion or expectation of authorities. Clubs should still be able to operate with confidence and the ability to respond to the needs of their members and the community within the club licence framework.*

*This reinforces the importance of modernising Section 60 alongside the proposal to allow clubs to hold an on licence, so that the club licence remains fit for purpose and capable of supporting contemporary, community-focused club operations.*

#### **4.3. Low-alcohol and zero-alcohol drink options (Clauses 19-20)**

Clubs New Zealand supports the expanded ability to offer zero-alcohol alternatives, including zero-alcohol beer, wine and spirits.

Many clubs are already investing in alcohol-free options in response to changing member preferences. The current legislative distinction between low-alcohol and non-alcoholic drinks has created confusion and unnecessary compliance questions.

This amendment reflects contemporary hospitality practice and supports harm minimisation without imposing additional burden

#### **4.4. Extended trading hours for televised significant events (Clauses 21-23)**

Clubs New Zealand strongly supports the creation of a standing mechanism to allow extended trading hours for televised significant events.

Clubs are often central gathering places for major sporting and cultural events, particularly in smaller communities. Under the current system, clubs must repeatedly apply for special licences for events such as:

- Rugby World Cup matches
- FIFA World Cup fixtures
- Olympic events occurring overnight

This is costly, inconsistent, and inefficient for both clubs and licensing authorities.

The proposed framework appropriately:

- Limits the extension to defined events
- Requires advance notice to Police and councils
- Maintains strong noise and host responsibility controls

## **5. SUBPART 3: SPECIAL LICENCE REFORMS (CLAUSES 24-33)**

Clubs New Zealand supports the intention to review and reform the special licence framework and agrees that a more consistent, risk-based approach is preferable to the current system. However, for clubs in particular, the special licence regime highlights a more fundamental question: why are licensed, community-based clubs required to repeatedly apply for special licences at all?

Clubs already hold Club Licenses that are subject to a comprehensive application and renewal process every three years. That process assesses governance, suitability, management capability, host responsibility, compliance history and local context. Requiring these same clubs to apply for special licences for routine, low-risk, alcohol-incident community events is unnecessary duplication and does not deliver improved harm minimisation outcomes.

This issue is most acute in relation to funerals. Funerals are often held at short notice, typically relate to current or former members and are inherently low risk. The requirement to provide 20 working days' notice makes compliance simply impractical and places clubs in an untenable position between serving their community and breaching technical requirements.

Clubs New Zealand continues to receive consistent feedback that the current special licence process is:

- Disproportionate to actual risk,
- Administratively burdensome,
- Highly inconsistent between districts, and
- Uncertain, even for routine community events.

For clubs that already operate under ongoing licensing oversight, this process does not represent proportionate regulation.

Clubs New Zealand therefore submits that, alongside a risk-based special licence framework, consideration should be given to removing the requirement for special licences for clubs altogether and replacing it with a notifiable event model for defined low-risk, alcohol-incident events (such as funerals, prizegiving's and member-related community functions).

### ***LIVED EXPERIENCE: WOOLSTON CLUB ANNUAL CHARITY BOXING EVENT***

*The Woolston Club has for a number of years hosted an annual charity boxing event, held safely and successfully with no history of alcohol-related issues.*

*Despite this established precedent, the club faced opposition to a recent special licence application.*

*A Police Sergeant interpreted the Act to mean that a special licence would override the club licence, effectively preventing members from accessing their club unless they were explicitly attending the boxing event. This interpretation significantly altered the way the club could operate during the event.*

*However, when Clubs New Zealand approached a Police Officer in a neighbouring district they provided a differing interpretation, believing that the two licenses could operate in parallel.*

*This conflicting advice demonstrates a lack of consistent interpretation of the legislation, resulting in uncertainty for clubs and uneven regulatory outcomes depending on location and individual interpretation, rather than risk or evidence of harm.*

#### **LIVED EXPERIENCE: RANGIORA RSA SCHOOL PRIZEGIVING FUNCTION**

*The Rangiora RSA applied for a special licence to host a local primary schools senior prizegiving, a low-risk community-focused event where alcohol was incidental to the occasion.*

*Police and Public Health lodged objections on the basis that the event involved minors, requiring the matter to proceed to a District Licensing Committee hearing. However, neither agency attended the hearing, and the licence was ultimately granted. The event proceeded as intended and was a safe and successfully community occasion.*

*Despite this outcome, the same objection has been lodged again in a subsequent year, with no apparent change in approach or consideration of the previous decision.*

*Notably, if the same event were held in a community hall or a local on-licence, no special licence would be required. This inconsistency highlights the extent to which clubs are subject to additional procedural requirements that do not reflect risk, but rather the constraints of the current licensing framework.*

*This experience demonstrates a regulatory process that can be procedural rather than evidence based, resulting in unnecessary cost, delay and uncertainty for clubs hosting low-risk community events, and a lack of accountability or learning within the system.*

## **6. CONCLUSION**

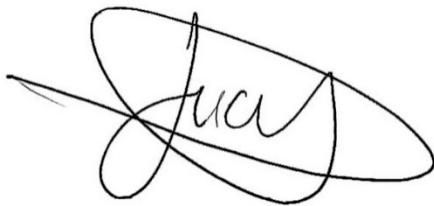
Clubs New Zealand supports the Sale and Supply of Alcohol (Improving Alcohol Regulation) Amendment Bill and commends the Minister for advancing pragmatic, balanced reforms that recognise both harm minimisation objectives and the realities faced by responsible, community-based licence holders.

We urge the Committee to:

1. Support the Bill as drafted, including provisions that improve fairness, consistency and efficiency in the licensing process.
2. Ensure clear and fair transitional provisions for clubs that may choose to move from a club licence to an on-licence, so that such transitions are treated as technical changes rather than new applications.
3. Prioritise the reform and modernisation of Section 60 of the Sale and Supply of Alcohol Act 2012 within this Bill, including, at a minimum, expanding the definition of authorised visitor to include any person attending a function or club event.
4. Progress meaningful reform for the special licence framework for clubs, including consideration of a notifiable event model for low-risk, alcohol-incidental community events, to remove unnecessary duplication for licensed clubs.
5. Continue to recognise clubs as low-risk, not-for-profit, community-based licensees and ensure regulation remains proportionate to that risk profile.

These changes will reduce unnecessary compliance burden, improve consistency across the system, and enable clubs to better serve their members, guests and wider communities without compromising harm minimisation objectives.

Clubs New Zealand wishes to be heard.

A handwritten signature in black ink, appearing to read 'Lucy', enclosed within a large, loopy, scribbled oval shape.

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