

**HUTT CITY COUNCIL****ALCOHOL HEARINGS SUBCOMMITTEE**

Minutes of a hearing held in the Council Chambers, 2nd Floor, 30 Laings Road  
Lower Hutt on

**Tuesday 6 August 2019 commencing at 9.30am**

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**PRESENT:** Deputy Mayor D Bassett (Chair)  
Cr G Barratt  
Cr L Sutton

**APOLOGIES:** There were no apologies.

**IN ATTENDANCE:** Mr D Bentley, Team Leader Environmental Health  
Mr G Sewell, Principal Policy Advisor (6 August 2019 only)  
Mr D Kerite, Acting Divisional Manager, Environmental  
Consents (26 August 2019 only)  
Ms S McConnell, Environmental Health Officer (26 August  
2019 only)  
Ms O Miller, Policy Advisor  
Ms H Clegg, Minute Taker

**PUBLIC BUSINESS****1. PROPOSED ALCOHOL FEES BYLAW (19/955)**

Report No. HSC2019/4/74 by the Principal Policy Advisor

The Principal Policy Advisor elaborated on the report. He explained an Alcohol Fees Bylaw would be needed to increase fees by more than was provided for in legislation. He briefly outlined the process to date, adding that three issues had arisen from the public consultation process so far. The issues were costs proposed for refund, the time spent assessing each application and concerns from non-profit and small operators about the proposed fees relative to their operations.

The Team Leader, Environmental Health explained all submitters to date had received responses to their concerns. He added a detailed breakdown of costs that justified the proposed increase in fees had been provided to those who had requested it, along with flow charts breaking down the time spent on applications.

In response to a question from a member, the Team Leader Environmental Health explained legal advice was that the fees structure must remain within the legal and legislative framework. He added that disparity amongst different categories of licences was inconsistent with the framework and was therefore illegal. He noted Special Late Fee provisions had also been determined to be illegal and had been removed. He also explained the Fee Reduction Guide enabled officers to assess requests for licence fee reductions. He added if an organisation was already on the lowest fee level, there was no

ability to further reduce the fee.

In response to questions from members, the Team Leader Environmental Health advised the proposed Alcohol Fees Bylaw would provide for a 90% increase in licence fees, to be phased in over a two-year period. He added the two year period was an arbitrary figure, in line with the situation at Whangarei District Council. He advised the increase would bring alcohol licencing fees in line with the overall Council's 60/40 User Pays Policy.

The Principal Policy Advisor advised fees had not increased for six years, and that the proposed Bylaw would change a historic shortfall in funding.

## 2. SUBMISSIONS

**Mr Mark Atkin, representing Wildfern NZ Ltd**, elaborated on his written submission. He believed that the Ministry of Justice had erred when developing the Alcohol Act by neglecting to take into account small stallholders operating at organised events. He explained that as alcohol licences were unable to be granted to multiple licencees, small stallholders were disadvantaged at multiple vendor events. He advised each stallholder would come under a high fee category due to the total numbers anticipated at the event. He suggested fees could instead be determined based on the number of sales expected by each stallholder, or alternatively the method of classifying the size of an event could be reviewed. He noted this would enable a smaller fee to be applied to each stall holder.

**Mr Mark Hill, representing Hospitality New Zealand**, explained his main concern was the effect of increased compliance costs on businesses. He added that in the six years since the last fees increase, the business climate had drastically changed. He considered the proposed licencing fees increase could be untenable for some businesses. He requested applications and all accompanying documentation be available on-line to ensure potential objectors were fully informed prior to making an objection. He suggested this could reduce the number of objections, which could also reduce costs to Council. He acknowledged the costs involved in processing applications for managers' certificates, (certificates) and asked that these costs be reviewed. He advised there were no limits to the number of people applying for certificates. He noted a person could apply for a certificate in one District Licensing Authority area but work in another area, so that compliance costs were borne by a different District Licensing Authority to that receiving the fee. He requested a tiered approach to the fees structure be adopted, whereby 'good' operators would be awarded reduced licence fee costs. He maintained this would reward good operators and encourage best practice.

Deputy Mayor Bassett thanked the submitters. He added that Mr Shierlaw's submission would be considered in the Subcommittee's deliberations and in questions asked by the members.

## 3. OFFICER'S RIGHT OF REPLY

The Team Leader, Environmental Health advised he was unaware of the licencing methods used by other Councils for multi-stall events and agreed investigative work into the issue was possible. He reiterated the legislative framework used by officers. He advised it was rare for members of the public to read applications for Alcohol Licences.

He noted that if a request for information concerning an application was received, officers provided all supporting documentation to the requester. He said the cost of managers' certificates was a cost to operators and could not be altered. He agreed further investigation into this matter was possible. He questioned whether a tiered approach to fees would be consistent with the required legislative framework.

In response to questions from members, the Team Leader, Environmental Health advised applications were not currently available on-line, but noted the District Licensing Committee decisions were available on-line. He added it was Council policy that an applicant should place a public advertisement in the local newspaper advising details of their application. He further added the logistics of posting applications on-line could be explored. He advised the proposed 90% fees increase would bring costs in line with Council's 60/40 User Pays Policy. He noted this increase did include indirect costs. He added total costs recovered over the past three years had only reached 46%. He said the proposal was based on policies of other Councils but agreed other options for non-profit organisations could be reported back to the Subcommittee.

The meeting adjourned at 10.12am and reconvened at 10.40am.

In response to questions from members, the Team Leader Environmental Health advised the suggestion of rewarding 'good' operators would require further investigation. He agreed further investigative work was possible to determine options for a fee structure for non-profit organisations including market stallholders and multi-unit events. He noted if the phase-in period was lengthened beyond two years, there would be a cost amounting to the difference between the amount received for applications and the costs to Council. He agreed investigations into the feasibility of posting all applications and their accompanying documentation on-line could be investigated. He added that if officers were directed to undertake further work on the proposed Alcohol Fees Bylaw and remain within the agreed timeframe, the Subcommittee would need to meet again.

**RESOLVED:** (Deputy Mayor Bassett/Cr Sutton)

**Minute No. HSC 19403**

*"That the Alcohol Hearings Subcommittee:*

- (i) notes and receives the report;*
- (ii) considers the submissions received concerning the proposed Alcohol Fees Bylaw;*
- (iii) asks officers to review the Fees Reduction Policy with a view to assisting non-profit organisations including sports clubs;*
- (iv) asks officers to investigate the feasibility of making all applications and all supporting documentation available on-line;*
- (v) that a phase in period of three years be implemented; and*
- (vi) agrees that the hearing be adjourned and reconvened on Monday 26 August 2019 at 11am."*

The Chair declared the hearing adjourned at 10.47am and reconvened on Monday, 29 August 2019 at 11am.

4. **RESPONSE TO QUESTIONS FROM ALCOHOL HEARINGS SUBCOMMITTEE MEETING 6 AUGUST 2019** (19/1118)

Report No. HSC2019/4/83 by the Team Leader Environmental Health

The Team Leader Environmental Health elaborated on the report.

With regard to the Subcommittee's resolution part (iii): *asks officers to review the Fees Reduction Policy with a view to assisting non-profit organisations including sports clubs*, the Team Leader Environmental Health advised the Fee Reduction Guide had been reassessed and officers had concluded it could not be altered without affecting the ability to comply with Council's 60/40 Policy of Fees Recovery. He therefore recommended the Fees Reduction Guide not be altered.

With regard to the Subcommittee's part (iv) : *asks officers to investigate having all applications and all supporting documentation available on-line*, the Team Leader Environmental Health advised advertising of applications was inconsistent nationwide, and further investigations were required to assess best practice. He therefore recommended officers investigate this issue further.

With regard to the Subcommittee's resolution part (v): *that a phase in period of three years be implemented*, the Team Leader Environmental Health advised officers agreed a 90% fees increase should be phased in over a period of time. He added that officers had recommended this be a three year period.

In response to a question from a member, the Team Leader Environmental Health explained a financial accountant had provided a complete breakdown of all expenditure and costs, including indirect overhead costs. He added these were based on the full time equivalent of 2.65 officers working on liquor licences. He was confident all costs were a true and fair indication of the total costs involved in carrying out the work.

In response to a question from a member, the Team Leader Environmental Health confirmed liquor application advertisements would continue to appear in The Hutt News.

**RESOLVED:** (Deputy Mayor Bassett/Cr Barratt)

**Minute No. HSC 19404**

*"That the Alcohol Hearings Subcommittee notes and receives the report dated 23 August 2019."*

<u>RECOMMENDED:</u>		<b>Minute No. HSC 19405</b>				
<i>"That the Alcohol Hearings Subcommittee recommends that Council:</i>						
<i>(i) approves the revised fees timetable as outlined below:</i>						
<i>Special Licences</i>	<i>Fees to apply Year 1 Effective 1 January 2020</i>		<i>Fees to apply Year 2 Effective 1 January 2021</i>		<i>Fees to apply Year 3 Effective 1 January 2022</i>	
<i>Class 1</i>	747.50		920.00		1,092.50	
<i>Class 2</i>	269.10		331.20		393.30	
<i>Class 3</i>	82.20		101.20		120.15	
<i>Manager's Certificates</i>			316.25 (no change to fees)			
	<i>Fees to apply Year 1 Effective 1 January 2020</i>		<i>Fees to apply Year 2 Effective 1 January 2021</i>		<i>Fees to apply Year 3 Effective 1 January 2022</i>	
<i>Risk category</i>	<i>Application Fee</i>	<i>Annual Fee</i>	<i>Application Fee</i>	<i>Annual Fee</i>	<i>Application Fee</i>	<i>Annual Fee</i>
<i>Very Low</i>	478.40	209.30	588.80	257.60	699.20	305.90
<i>Low</i>	792.35	508.30	975.20	625.60	1,158.05	742.90
<i>Medium</i>	1,061.45	822.25	1,306.40	1,012.00	1,551.35	1,201.75
<i>High</i>	1,330.55	1,345.50	1,637.60	1,656.00	1,944.65	1,966.50
<i>Very High</i>	1,569.75	1,868.75	1932.00	2,300.00	2,294.25	2,731.25
	<i>Fees to apply Year 1 Effective 1 January 2020</i>		<i>Fees to apply Year 2 Effective 1 January 2021</i>		<i>Fees to apply Year 3 Effective 1 January 2022</i>	
<i>Temporary Authority</i>	385.70		474.70		563.75	
<i>(ii) introduces the fees structure over a three year period, commencing 1 January 2020; and</i>						
<i>(iii) asks officers to investigate the concept of advertising On and Off-Licence applications on Council's website and report back to the relevant committee/subcommittee by the end of November 2019."</i>						

There being no further business the Chair declared the hearing closed at 11.08 am on Monday 26 August 2019.

Jo Miller  
**CHIEF EXECUTIVE**

Deputy Mayor D Bassett  
**CHAIR**