

Appendix 1:

Written copies of verbal submissions

1) Darshan Bhalani

Q8. Should Council maintain a goal of recovering 90% of alcohol licensing costs through fees, or change to a goal of recovering 100%?

- 90% cost recovery, with the remainder covered by rates

Q9. If you have any additional comments on the Alcohol Fees Bylaw, please write them below.

- This survey will only increase cost with no option to say don't increase the cost as it will effect lot of business at this stage.

2) Nirmal Gandhi (representing Waiwhetu Superette)

Q8. Should Council maintain a goal of recovering 90% of alcohol licensing costs through fees, or change to a goal of recovering 100% ?

- not answered

Q9. If you have any additional comments on the Alcohol Fees Bylaw, please write them below.

- It would be disaster if fees would be increased even in 1st option. All retailers are already suffering pain from high wage growth, high rents, high rates, high insurance bills, increased power bills, online shopping etc. On the other side is less turn over specially all grocery selling shops dropped tobacco sales because of high tobacco prices and cheap illegal trade of imported tobaccos. Lots of shops will be permanently closed and some places whole shopping block would be closed. We will notice in couple of years' time.

3) Garth Rosson (representing Belarus Ltd t/a Cutlers Bar)

Q8. Should Council maintain a goal of recovering 90% of alcohol licensing costs through fees, or change to a goal of recovering 100%?

- 90% cost recovery, with the remainder covered by rates

Q9. If you have any additional comments on the Alcohol Fees Bylaw, please write them below.

- Submission Regarding Proposed Alcohol Licensing Fee Increases: I am writing to express my strong opposition to the proposed increases in alcohol licensing fees under both the 90% and 100% cost recovery options. While I understand that the Council faces financial pressures, these proposed increases are excessive and could have serious negative impacts on the hospitality sector and our local community. Disproportionate Fee Increases The proposed fee increases of up to 80% are far beyond what is justifiable for cost recovery. Since 2019, alcohol licensing fees have already been increasing annually. A reasonable adjustment in line with inflation would be closer to 30%, not the proposed 80%. Such a drastic increase, equivalent to raising the price of an average pint of beer from \$12 to \$21.60, is not something businesses could justify to their customers. Moreover, the hospitality sector is already facing significant challenges, and these increases would only add to the financial strain, potentially leading to closures, job losses, and a reduction in the diversity of our local

hospitality scene. Need for Council Efficiencies Before considering these fee increases, the Council should first explore internal efficiencies. There is a significant lack of confidence among hospitality businesses that the Council has exhausted all other means of reducing costs within its operations. It's essential that the Council demonstrate it has made every effort to find efficiencies before passing such significant costs onto businesses. Additionally, as both a license holder and a ratepayer, it feels like I'm being asked to pay twice—once through licensing fees and again through rates—to cover the costs of alcohol regulation. This double payment is unfair, especially when businesses are already contributing significantly through their fees. Fair and Equitable Cost Distribution While it's reasonable for businesses to contribute to the costs of alcohol regulation, it would be more equitable for the Council to cover a portion of these costs from general rates, particularly those related to staff wages and broader governance functions. Alcohol regulation benefits the entire community, not just the businesses involved, and the costs should be distributed fairly to reflect this. Furthermore, if businesses are expected to pay higher fees, it's reasonable to expect efficient and effective service from the Council in return. The fees should reflect the value of the services provided, and businesses should not be overcharged for the regulation they receive. Transparency and Accountability I request that the Council provide transparency regarding how much of the cost is covered by licensing fees versus rates. A clear breakdown of the costs associated with alcohol regulation and how they are funded would help ensure that businesses are not paying more than their fair share. Acknowledgment of Implementation Timeline I acknowledge that the proposed increases would not take effect until July 2025. However, the prospect of such significant future costs creates uncertainty and additional pressure on businesses that are already operating in a challenging environment. Conclusion In conclusion, I urge the Council to reconsider the proposed fee increases and instead explore more moderate adjustments, such as those aligned with inflation. Additionally, the Council should prioritize finding efficiencies within its own operations before passing costs on to businesses that are already under significant strain. A fair and equitable approach is crucial to maintaining a vibrant, diverse, and sustainable hospitality industry in our community.

4) Helen Swales (representing the Jackson Street Programme)

Q8. Should Council maintain a goal of recovering 90% of alcohol licensing costs through fees, or change to a goal of recovering 100%?

- 90% cost recovery, with the remainder covered by rates

Q9. If you have any additional comments on the Alcohol Fees Bylaw, please write them below.

- We believe that there is a benefit to the community and hence the cost should be shared. We also support social drinking in a control environments. We don't believe now is the time to move to a 100% recovery model - The hospitality industry has been the most effected with increased costs in our community. Increases in business rates, Petone is a red tag area within the insurance industry, Excise taxes have been increased, Food, Wages all have had a severe impact on the cost to do business. We appreciate that these cost effect us all but the profitability to keep the doors open will have many either give up having a license or close the doors. We don't support that over the next two years these fees will increase.

5) Pete Matcham

Q8. Should Council maintain a goal of recovering 90% of alcohol licensing costs through fees, or change to a goal of recovering 100%?

- 100% cost recovery

Q9. If you have any additional comments on the Alcohol Fees Bylaw, please write them below.

- A risk-based approach to the level of fees is sensible and appropriate. I appreciate that the charges imposed for licences is limited to the cost recovery of the process by Reg 19 of the Sale and Supply of Alcohol (fees) Regulation 2013 and submit that these should be recovered in full. Given the well documented social and economic costs arising from New Zealand's most popular psychoactive drug, I am bemused as to why the Council has ever considered that any organisation whose only purpose is the generation of profit from its sale should be subsidised by ratepayers.

6) Patrick McKibbin (Hutt Valley Chamber of Commerce)

25th August 2024

Hutt City Council
30 Laings Road
Lower Hutt 5010
Via email: alcohol.feedback@huttcity.govt.nz

Kia ora Hutt City Councillors making decisions on Local Alcohol Policy,

Proposed changes to Lower Hutt's alcohol bylaws and policy are up for public consultation, including increasing fees for alcohol licensing to cover 100% of Council's costs, and making it easier to impose temporary alcohol-free zones around specific events.

The Hutt Valley Chamber of Commerce, on behalf of local hospitality businesses, is writing to the Hutt City Council to provide feedback on the proposed changes to Lower Hutt's alcohol bylaws and policy, including increasing fees for alcohol licensing to cover 100% of Council's costs, and making it easier for the Council to impose temporary alcohol-free zones around specific events.

The current economic environment

Of all sectors the Hutt Valley Chamber of Commerce works with the hospitality sector is one that has been, and currently is, the most affected by the current challenging economic situation. Business owners and operators in this sector have been subject to cost increases in:

- **Products** – many business owners buy products from others, including food, materials, and beverages – these have all been subject to inflationary pressures over the last 2 years.
- **Insurance** – business insurance has risen rapidly over the past 12 months.
- **Power** – recent power increases have in some cases been over 300% for businesses.
- **Rates** – Hutt City Council have recently increased rates by on average 17%. This increase has applied to hospitality businesses either directly through rates increases or through rent increases.
- **Parking fees** – Hutt City Council have increased parking by 50% on July 1st, 2024. Additionally, Hutt City Council will introduce parking fees in the popular Petone area

All of these increases come in the environment where consumers are spending less money at hospitality venues around our region. Many of the increase's businesses are facing are not able to be passed onto customers. This directly impacts business margins and business viability. We have heard that some hospitality businesses are facing crisis, and they are not being able to pay rent and potentially being forced to close. These potential closures will impact on the community, with people losing their jobs and their incomes.

We ask the Hutt City Council to consider **NOT** implementing these significant increases and maintaining existing prices at this time. This will support the hospitality sector at this time to keep their doors open.

Saving Rate Payers \$30-\$40,000

We note with interest in your proposal summary suggests 'shifting to 100% cost recovery would save ratepayers about \$30,000-40,000 per year.' We do not understand how this has been calculated and seek your clarification on this for the following reasons:

- Businesses are rate payers too, either directly through rates, or indirectly through the rates they pay for their landlords. How does this proposal save them money as ratepayers?
- The figures provided in the document show that (see Appendix 1) show that the additional revenue that will be generated is \$151,198.60 (Option 1) or \$211,717.60 (option 2).
 - This is not a saving for business rate payers and in fact is a significant increase in addition to the 17% rates rise businesses have already faced.
- Personnel costs really increased

We would also note the following which we consider to be relevant:

- **Most renewals are simple and take minimal work** – can some consideration be made on renewals versus new licences? Renewals are simple and easy to process and do not require a significant work effort.
- **Alternative processing options** – has the Hutt City Council considered outsourcing this function to a third party. We would consider a business might be able to provide an efficient service which negates the need to increase fees. Such a service would still provide a good service under a Service Level Agreement with the Council.
- **Combining with other Councils** – has the Hutt City Council considered combining this function with other councils as has been done for other services. This could provide a more cost-effective service.
- **Personnel Costs** – The proposal suggested that a main input for the cost increases have been personnel costs. You state 'The costs of people, including DLC members, inspectors or other staff. This includes salaries, allowances, leave (annual and wellness), ACC costs, kiwi saver contributions, training and development, stationery, printing, equipment (computers / IT etc) and any other staff-related costs.' – we note that the increase is a total between \$151k in option A (90%) or \$211k in option b (100%) and this seems like a significant amount for personnel increases.

This section refers to the Control of Alcohol in Public Places Bylaw: Making it easier to impose temporary

We would also note that 'Council is also proposing that the Chief Executive, in consultation with the Mayor and committee chairs, be given the ability to impose temporary alcohol-free zones without need for a full Council hearing. For example, when a licensed event like a concert at a park is being held, a temporary alcohol-free zone could be put in place in surrounding streets. This would give police more enforcement options before a situation potentially deteriorated –

We are in favour of this from a process perspective. Anything that makes it easier for business to understand what the rules are and how they are applied is good, and anything that makes it easier for the Council to process is also good.

We would seek clarification on the conditions on which this might be decided so as not to disadvantage one business over another when decision making is undertaken. It is important that when establishing decision making rules that they are transparent.

Thanks for considering our feedback.

Ngā mihi nui



Patrick McKibbin

Chief Executive

Hutt Valley Chamber of Commerce and Industry
15 Daly Street, Lower Hutt

Appendix 1 – Total Impact Analysis

Option 1 - 90% recovery of Costs							
Risk Category for on - off - and club licence	Current Application Fee	Proposed Increase	New Fees 25/ 26	Actual Increase %		2022/ 23 units	Revenue Generated
Very Low	\$ 699.20	20%	\$ 840.00	20.1%	\$ 839.04	6	\$ 844.80
Low	\$ 1,158.05	30%	\$1,515.00	30.8%	\$1,505.47	31	\$ 11,065.45
Medium	\$ 1,531.35	40%	\$2,143.00	39.9%	\$2,143.89	44	\$ 26,912.60
High	\$ 1,944.65	50%	\$2,916.00	49.9%	\$2,916.98	1	\$ 971.35
Very High	\$ 2,294.25	60%	\$3,670.00	60.0%	\$3,670.80	-	\$ -
Risk Category for on - off - and club licence	Current Annual Fee	Proposed Increase	New Fees 25/ 26	Actual Increase %			
Very Low	\$ 305.90	20%	\$ 367.00	20.0%	\$ 367.08	26	\$ 1,588.60
Low	\$ 742.90	30%	\$ 965.00	29.9%	\$ 965.77	86	\$ 19,100.60
Medium	\$ 1,201.75	40%	\$1,682.00	40.0%	\$1,682.45	82	\$ 39,380.50
High	\$ 1,966.50	50%	\$2,949.00	50.0%	\$2,949.75	1	\$ 982.50
Very High	\$ 2,731.25	60%	\$4,370.00	60.0%	\$4,370.00	-	\$ -
Special Licences	Current Application Fee	Proposed Increase	New Fees 25/ 26	Actual Increase %			
Special Class 1	\$ 1,092.50	60%	\$1,748.00	60.0%	\$1,748.00	3	\$ 1,966.50
Special Class 2	\$ 393.30	50%	\$ 589.00	49.8%	\$ 589.95	48	\$ 9,393.60
Special Class 3	\$ 120.15	10%	\$ 132.00	9.9%	\$ 132.17	71	\$ 841.35
Other	Current other fees	Proposed Increase	New Fees 25/ 26	Actual Increase %			
Temp Authroity	\$ 563.75	40%	\$ 789.00	40.0%	\$ 789.25	11	\$ 2,477.75
Permanent Chartered Club	\$ 632.50	20%	\$ 759.00	20.0%	\$ 759.00	282	\$ 35,673.00
							\$151,198.60
Option 2 - 100% recovery of Costs							
Risk Category for on - off - and club licence	Current Application Fee	Proposed Increase	New Fees 25/ 26	Actual Increase %		2022/ 23 units	Revenue Generated
Very Low	\$ 699.20	40%	\$ 979.00	40.0%	\$ 978.88	6	\$ 1,678.80
Low	\$ 1,158.05	50%	\$1,737.00	50.0%	\$1,737.08	31	\$ 17,947.45
Medium	\$ 1,531.35	60%	\$2,450.00	60.0%	\$2,450.16	44	\$ 40,420.60
High	\$ 1,944.65	70%	\$3,306.00	70.0%	\$3,305.91	1	\$ 1,361.35
Very High	\$ 2,294.25	80%	\$4,130.00	80.0%	\$4,129.65	-	\$ -
Risk Category for on - off - and club licence	Current Annual Fee	Proposed Increase	New Fees 25/ 26	Actual Increase %			
Very Low	\$ 305.90	40%	\$ 428.00	39.9%	\$ 428.26	26	\$ 3,174.60
Low	\$ 742.90	50%	\$1,114.00	50.0%	\$1,114.35	86	\$ 31,914.60
Medium	\$ 1,201.75	60%	\$1,923.00	60.0%	\$1,922.80	82	\$ 59,142.50
High	\$ 1,966.50	70%	\$3,343.00	70.0%	\$3,343.05	1	\$ 1,376.50
Very High	\$ 2,731.25	80%	\$4,916.00	80.0%	\$4,916.25	-	\$ -
Special Licences	Current Application Fee	Proposed Increase	New Fees 25/ 26	Actual Increase %			
Special Class 1	\$ 1,092.50	80%	\$1,967.00	80.0%	\$1,966.50	3	\$ 2,623.50
Special Class 2	\$ 393.30	70%	\$ 669.00	70.1%	\$ 668.61	48	\$ 13,233.60
Special Class 3	\$ 120.15	20%	\$ 144.00	19.9%	\$ 144.18	71	\$ 1,693.35
Other	Current other fees	Proposed Increase	New Fees 25/ 26	Actual Increase %			
Temp Authroity	\$ 563.75	40%	\$ 789.00	40.0%	\$ 789.25	11	\$ 2,477.75
Permanent Chartered Club	\$ 632.50	20%	\$ 759.00	20.0%	\$ 759.00	282	\$ 35,673.00
							\$212,717.60



21 August 2024

Alcohol Fees Bylaw
Hutt City Council
30 Laings Road
Lower Hutt 5010

Via email: alcohol.feedback@huttcity.govt.nz

RE: Alcohol Fees Bylaw

Tenā koe,

Hospitality New Zealand (“Hospitality NZ”) is a not-for-profit organisation representing approximately 2,500 businesses, including cafés, restaurants, bars, nightclubs, commercial accommodation, country hotels and off-licences. We champion hospitality, serving our members and communities, and seek to see hospitality recognised and celebrated for its contribution to Aotearoa, attracting fresh talent and generating sustainable returns for businesses and communities. We have a 122-year history of advocating on behalf of the hospitality and tourism sector.

We are writing to you on the proposed Alcohol Fees Bylaw.

We strongly oppose any proposed increases to licensing fees across either option.

We recognise that Council is facing cost pressures – this is true for every organisation across the motu. However, we struggle to understand how Council justifies proposing an up to 80% increase in licensing fees under the guise of ‘cost recovery’. In a hospitality context, this equates to increasing the cost of the average pint of beer from \$12 to \$21.60 – not something we could ever justify to our customers.

Firstly, we note that alcohol licensing fees have increased since 2019 annually as per the last Bylaw. Reasonably, HCC could consider an increase in line with inflation, which would be 30%. The proposed fee increase of 80% out of step with inflation,

Secondly, we note that Council can cover costs incurred through other means – finding efficiencies in their own services. Our members do not have confidence that Council has made every effort to consider these efficiencies before proposing an astronomical increase.

Finally, these proposals are up against a backdrop of struggling businesses. Alcohol licensing specifically impacts hospitality venues and clubs, and these businesses are facing an increasingly challenging operating environment. Such an increase would only inflict further financial strain on the industry and employment of our local community.

I do acknowledge that no increase would incur until July 2025.



I would welcome the opportunity to present my submission in person.

Please do not hesitate to contact us if you have any further questions.

Ngā mihi nui,

Shane Phillips
Regional Manager
Hospitality New Zealand



8. Andrew Galloway or Jennifer Lamm

Submission on the Hutt City Council Review of the Alcohol Fees Bylaw 2019

25 August 2024

Tēnā koutou

Thank you for the opportunity to provide feedback on the review of 2019 Alcohol Fees Bylaw. We would like the opportunity to speak (virtually) to our submission.

If you have any questions on the comments we have included in our submission, please contact:

Andrew Galloway
Executive Director
Alcohol Healthwatch
P.O. Box 99407, Newmarket, Auckland
1149

About Alcohol Healthwatch

Alcohol Healthwatch is an independent national charity working to reduce alcohol-related harm and inequities. We are contracted by Health New Zealand–Te Whatu Ora to provide a range of regional and national health promotion services. These include: providing evidence-based information and advice on policy and planning matters; coordinating networks and projects to address alcohol-related harms, such as alcohol-related injury and fetal alcohol spectrum disorder; and coordinating or otherwise supporting community action projects.

Specific Comments

1. Alcohol Healthwatch supports Hutt City Council's making and review of a specific bylaw on alcohol licensing fees. By making a bylaw under the Sale and Supply of Alcohol (Fee-setting Bylaws) Order 2013¹ the Council may set fees that reflect the Council's actual costs as a licensing authority, and in respect of its inspection and enforcement functions (excluding manager's certificates and temporary authorities). A bylaw is a prudent option given that the fees set under the Sale and Supply of Alcohol (Fees) Regulations 2013 have not kept pace with the costs incurred by the Council.²

2. We support a consistent approach to licensing fees, and are pleased to note that other councils in the Wellington Region (Wellington City, Kāpiti, Porirua) have also utilised their bylaw-making powers to allocate realistic costs for these activities.
3. We note the Council's comprehensive review of the costs incurred with licensing, which includes costs associated with administration, monitoring and enforcement, and believe that revising fees in a timely manner would meet the policy objectives of the licensing fees regime, namely:
 - (a) To recover the total reasonable costs incurred by the Council in administering the alcohol licensing system
 - (b) To ensure that those who create the greatest need for regulatory effort bear the commensurate costs
 - (c) To allow local circumstances to be reflected in the fees paid by operators and income received by the Council
 - (d) To minimise alcohol-related harm, to the extent that this can be achieved through a cost recovery regime.
4. We support a full cost recovery approach for alcohol licensing as this was envisaged by the Sale and Supply of Alcohol Act 2012. However, if option 1 (90% cost recovery) is applied, this would inevitably mean that the ratepayers would be subsidising the costs associated with alcohol licensing. We note that some councils have recently opted or are considering opting for 100% cost recovery,³ and we believe that Hutt City should follow this approach.

Additional comments

5. The alcohol licensing regime and fee-setting is part of a package of measures which, when used comprehensively, can create safer environments and significantly minimise rates of hazardous drinking and subsequently alcohol-related harm. We are therefore pleased to see that reviews are underway of the Council's Local Alcohol Policy, and the Control of Alcohol in Public Places Bylaw.
6. We note that remuneration of District Licensing Committee (DLC) members is generally determined by the Ministry of Justice under the Cabinet Fees Framework (CO(22)2). We understand that the current fee for members is set at \$51 per hour or \$78 per hour for the DLC chairperson. We consider that these rates should be reviewed to ensure that a greater pool of applicants may be attracted to undertake this work if remunerated adequately. We encourage the Council to advocate to Central Government for a timely review of members' fees.

NOTES

- ¹ Authorised by section 405 of the Sale and Supply of Alcohol Act 2012.
- ² Under section 404 of the Sale and Supply of Alcohol Act 2012, the Ministry of Justice is required to undertake a five-year review of alcohol licensing fees and of cost recovery by councils. However, the review of the Sale and Supply of Alcohol (Fees) Regulations 2013 is overdue.
- ³ For example:
 - Hastings District Council – following deliberations on the 2024/34 Long Term Plan (11 and 18 June 2024), the Council decided to progress the development of an Alcohol Licensing Fees Bylaw that should be in force by September 2024. The bylaw is proposing a 100% recovery model with no ratepayer contribution.
 - Porirua District Council - on 27 June 2024, Council adopted the Alcohol Fees Bylaw in with the intention of full cost recovery of alcohol licensing costs. Porirua City Council Alcohol Fees Bylaw available from: https://storage.googleapis.com/pcc-wagtail-media/documents/Alcohol_Fees_Bylaw_2024.pdf.

9. Laura Jane Shaw

To whom it may concern

I am writing to express my strong opposition to the proposed increases to alcohol licensing fees, including the 90% cost recovery option. As a consumer and a member of this community, I want to stress the vital role that the hospitality industry plays in our local economy and social fabric.

Importance of Hospitality to Our Community

The hospitality sector is not just a source of food and drink; it is a cornerstone of our community. Restaurants, bars, and cafes foster social interaction, support local events, and create a welcoming atmosphere for residents and visitors alike. This vibrancy is essential for the overall health and growth of our community.

Economic Impact of Fee Increases

Increasing licensing fees significantly will place an additional burden on small businesses, many of which are already struggling to stay afloat. These establishments often operate on thin profit margins, and any additional costs could lead to increased prices for consumers or, worse, closures. This would diminish the diversity of options available to us and reduce the overall vibrancy of our community.

Opposition to Fee Increases

I firmly oppose any proposed increases to alcohol licensing fees. The suggestion to adopt a 90% cost recovery model is unacceptable, as it places an unfair financial burden on the very businesses that contribute to our local culture and economy. These increases could have a detrimental effect on the hospitality sector, leading to potential job losses and decreased economic activity.

Council's Role in Supporting Local Businesses

I urge the Council to consider how these proposed fee increases may negatively impact not only the businesses directly affected but also the community at large. By supporting our local hospitality sector, the Council can foster an environment where businesses thrive, leading to job creation, economic stability, and a richer community experience.

Conclusion

In conclusion, I ask that the Council re-evaluate the proposed alcohol licensing fee increases and consider their potential impact on our local economy and the vibrancy of our community. Supporting our small businesses is crucial for a strong and resilient community, and I believe the Council has an important role in ensuring that the hospitality industry can continue to flourish.

Kind regards

LJ Shaw
Owner



10. James Scott

To Hutt City Councillors,

I am writing on behalf of the Southend Business Group to express the strong opposition of affected businesses to the proposed increases in alcohol licensing fees, under both the 90% and 100% cost recovery models. While we appreciate the financial challenges the Council faces, these proposed increases are excessive and could severely impact the hospitality sector of our local business community.

Disproportionate Fee Increases

The suggested fee increases, of up to 80% in some instances, far exceed what would be reasonable for cost recovery. Since 2019, alcohol licensing fees have already been rising annually. Such an increase would be akin to raising the price of an average pint of beer from \$12 to \$21.60 — an adjustment that businesses cannot reasonably pass on to their customers. A more reasonable adjustment, consistent with inflation, would be around 30%, not the drastic 80% proposed.

Moreover, the hospitality sector is already grappling with significant challenges, and these increases would exacerbate financial pressures, potentially leading to business closures, job losses, and a reduction in the diversity of our local hospitality offerings.

Need for Council Efficiencies

Before implementing these fee increases, the Council should first explore efficiencies within its own operations. There is a widespread lack of confidence among the local hospitality businesses that the Council has fully explored all possible cost-saving measures. It is crucial that the Council demonstrates it has exhausted every effort to find internal efficiencies before passing such significant costs onto businesses.

As affected businesses are both license holders and ratepayers, it feels as though they are being asked to pay twice—once through licensing fees and again through rates—to cover the costs of alcohol regulation. This double burden is unfair, particularly when businesses are already making substantial contributions through their fees.

Fair and Equitable Cost Distribution

While it is reasonable for businesses to contribute to the costs of alcohol regulation, it would be more equitable for the Council to cover a portion of these costs through general rates, particularly those associated with staff wages and broader governance functions. Alcohol regulation benefits the entire community, not just the businesses involved, and the costs should be shared accordingly.

Furthermore, if businesses are expected to bear higher fees, they should receive efficient and effective services from the Council in return. The fees should accurately reflect the value of the services provided, ensuring that businesses are not overcharged for the regulation they receive.

Transparency and Accountability

We request that the Council provide a transparent breakdown of the costs covered by licensing fees versus those covered by rates. A clear understanding of the costs associated with alcohol regulation, and their funding sources would ensure that businesses are not shouldering more than their fair share.

Acknowledgement of Implementation Time-line

While we acknowledge that the proposed increases would not take effect until July 2025, the prospect of such significant future cost rises creates uncertainty and additional pressure on businesses already operating in a challenging environment.

Conclusion

In conclusion, we strongly urge the Council to reconsider the proposed fee increases and instead pursue more moderate adjustments, such as those aligned with inflation. Additionally, the Council should prioritize finding efficiencies within its own operations before passing costs on to businesses that are already under significant strain. A fair and equitable approach is essential to maintaining a vibrant, diverse, and sustainable hospitality sector in our business community.

Thank you for considering our submission.

Sincerely,
James Scott
Secretary
Southend Business Group Inc.

11. Ana Boyack

Buenos dias and kia ora tataua, ,

Thank you for giving me an opportunity to submit on behalf of Viva Mexico Petone regarding the proposed alcohol licensing increases.

I just want to start off by acknowledging that we are all in the same waka here. Including you at the council. Huge increases in wages, rents, insurances, you name it, if it's something you pay for - it's gone up! We have understanding and empathy for **all** businesses in this position.

However, the difference between you, The Hutt City Council, and us, a small (authentic!) Mexican restaurant, is that you have a captive audience in your rate payers, we don't. Not only that, our market has a diminishing disposable income.

The proposed increase in fees will cost our business at least \$1093 in 2025. Where are we meant to find an extra \$1000 a year? We can't pass that cost onto our customers - they don't have any money, we can't take it out of our wages, we are only just scraping by. I know it may seem like a small amount of money, but I honestly don't know how we are going to keep paying these overheads. They don't stop coming. From 2024-2025 our rates increased from \$5,981 to \$6,983. Another increase of \$1000 in a year. Our business lease requires us to pay the full amount of rates, it is not a shared cost with our landlord. These overheads keep climbing. For example, last year, our share of the insurance on our building increased from \$6,000 to \$11,000.

I have seen many of you, out and about and enjoying the fabulous experience that Jackson Street, Petone has to offer. I can guarantee you that in ten years time, there will be no chocolate shop, no book shop, no pilates studio, no hospice and no bead shop. The cafes will be boarded up and restaurants left derelict. Insurance costs, compiled with decisions like increasing licensing fees, bringing in parking meters, increasing rates and government compliance will choke us, and we will not survive. But don't worry, I'm sure big box shops like KMart, Pak n Sav and The Warehouse will continue to thrive. They don't require their customers to pay for parking, and have literally millions to throw at overheads.

I submitted to the council at the beginning of the year, explaining what a perilous position many people in our industry are in. I feel like the heartfelt submission I gave, fell onto deaf ears.

I said it once and I will say it again: **If you keep increasing overheads like this, there will be no Jackson Street**. There will be no restaurants, bars and cafes. These types of expenses, along with a myriad of other costs that are completely out of our hands,

will lead to many businesses in and around Jackson Street to close down. This is our cry for help. Please listen to us.

To a restaurant owner (forgive me as I do not work in, or understand the systems and processes you have in your profession) these increases seem over the top.

Answer to submission question:

We would support option 1 - 90% recovery.

However, I would like some clarification around what the increases are going towards.

Can you please give me a breakdown of the amount of staff working in this specific area?

How many licenses are applied for each year? And how many require support once the application has been submitted?

How many breaches are there each year? And how many are challenged?

How long does it take to process a standard renewal of an application?

Have you considered an increase in fees for an initial application and then, for those who have no issues during the year (ie. take no more time from the staff), a decrease in fees?

Other than adding tidbits of new information, our application looks generally similar each year. How then, can a 40% increase be justified? Please explain.