



Statement of Proposal

Draft Alcohol Fees Bylaw 2024

Summary of Proposal

Council adopted the Alcohol Fees Bylaw in 2019 pursuant to the Sale and Supply of Alcohol Act 2012 (the Act). The fees setting in this bylaw aimed to recover 90% of all costs associated with alcohol-related work undertaken by Hutt City Council such as maintaining licensing application processes, alcohol licence monitoring and enforcement duties, and activities of the District Licensing Committee. The increases were phased in over three years, ending in 2022.

A cost recovery of 93% was achieved in 2022/23 financial year but will not be achieved in 2023/24 or 2024/25, due to the need to review the bylaw before further increases can be made. The remaining costs are covered by Hutt City Council rates.

Through the 2024–2034 Long-Term Plan process, Hutt City Council has increased the projected annual alcohol licensing revenue in line with Consumer Price Index increases.

We have reviewed the fee settings in the bylaw and would like feedback on two options:

- Option 1: 90% cost recovery; or
- Option 2: 100% cost recovery.

How to have your say

We want your feedback on the proposed Alcohol Fees Bylaw.

You can provide feedback in multiple ways:

- Make an online submission at hutt.city/alcohol.
- Email your submission to alcohol.feedback@huttcity.govt.nz with 'Alcohol Fees Bylaw' in the email subject line.
- Drop off a submission at the front counter at our office at 30 Laings Rd.

Timetable for consultation

The consultation is open from **26 July to 25 August 2024**.

Questions to consider

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

Privacy Statement

We require your name, contact details and the suburb you live in as part of your feedback. All feedback will be published on our website with your name. All other personal or commercially sensitive information (including your email address and suburb) will be removed. Publishing feedback in full supports a transparent process and will assist in the public hearing process.

If you have specific reasons for not wanting your feedback publicly released, please contact alcohol.feedback@huttcity.govt.nz.

The feedback form asks for the suburb you live in to better understand how you are impacted by the changes happening in your suburb.

Public Hearings

The feedback form also asks if you want to present directly to Councillors at a hearing. If you state that you do want to present to Councillors, you will be contacted by council staff to arrange a time for you to speak.

Feedback will be considered by Council regardless of whether you wish to present your views at a hearing or not. Final decisions will be made in September 2024 and the Alcohol Fees Bylaw will be adopted in December 2024.

Storing personal information

Council stores information with reasonable safeguards against loss and disclosure. Reasonable safeguards include physical and technological protections. Personal information is accessible to staff who have a legitimate reason to access it. Council has a code of conduct where unauthorised disclosure of confidential information or records in accordance with the provisions of the Public Records Act, which includes the authorised destruction of records once they are no longer required to be kept for legislative compliance or business purposes.

Access to your information

The information you provide will be accessible only by Council staff and is not shared with any third party. You have the right to ask for a copy of any personal information we hold about you, and to ask for it to be corrected if you think it is wrong. If you'd like to ask for a copy of your information, or to have it corrected, please contact us at policy@huttcity.govt.nz, or 04 570 6666, or 30 Laings Road, Lower Hutt 5010.

What does an Alcohol Fees Bylaw do?

Under the Sale and Supply of Alcohol Act 2012, councils are able to set prescribed alcohol licensing fees through the implementation of an alcohol fees bylaw.

Entities who wish to obtain a licence for the sale and supply of alcohol in Lower Hutt can make an application to the District Licensing Committee (DLC) within Hutt City Council. The DLC will consider and decide on all applications.

Applicants can seek an on-licence, off-licence, club licence or a special on- or off-licence to sell and supply alcohol. All application fees are paid to Hutt City Council for each licence type. The fee amount depends on the risk category of the relevant premises. The cost/risk category of premises is determined by three factors:

- type of premises;
- latest alcohol sales time; and
- number of recent enforcement actions.

We are not proposing any changes to the way Council attributes risk to each licence type. The risk categories are outlined in the Act and are based on the risk attributed to each licence. The lower the weighting and risk rating, the lower the fees category.

Premise type

The Act recognises that there are certain premises that have a higher risk which require more resources to licence, monitor and enforce. Each licence type has a number of types of premises, each with an assigned weighting.

Licence type	Factor 1: type of premise	Weighting
On-licence	Class 1 restaurant, night club, tavern adult premise	15
	Class 2 restaurant, hotel, function centre	10
	Class 3 restaurant, other	5
	BYO restaurant, theatres, cinemas, winery cellar doors	2
Off-licence	Supermarket, grocery store, bottle store	15
	Hotel, tavern	10
	Class 1, 2 or 3 club, remote sale premise, other	5
	Winery cellar doors	2
Club licence	Class 1 club	10
	Class 2 club	5
	Class 3 club	2

Hours of business

The Act also recognises that licenced premises that are open later attract a higher risk. Hutt City Council’s Local Alcohol Policy already restricts businesses’ opening hours further than the default maximum trading hours that are provided in the Act.

Licence type	Latest trading hour	Weighting
On-licence or Club licence	2am or earlier	0
	Between 2:01 and 3am	3
	After 3am	5
Off-licence (excluding remote sales premises)	10pm or earlier	0
	Any time after 10pm	3
Remote sales premises	Not applicable	N/A

Enforcement actions

If a licenced premise has been issued with an enforcement action (as defined under the Act), this recognises that the licensee has broken the law under the Act and attributes this to a higher risk rating depending on the number of enforcement actions taken.

Licence type	Number of ARLA enforcement actions recorded in the last 18 months	Weighting
All types	None	0
	1	10
	2 or more	20

Risk rating

Adding up the weighting from each of these factors allows Council to attribute a risk rating to each licence and determine the appropriate fee category as outlined in the table below. This table also outlines the numbers of licence types issued in Lower Hutt over the past five financial years.

Risk category and current fees	Numbers of licences				
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Application fees					
Very low - \$699.20	22	10	8	13	6
Low - \$1158.05	38	30	28	42	31
Medium - \$1531.35	42	39	40	38	44
High - \$1944.65	6	3	6	2	1
Very high - \$2294.25	0	0	1	0	0
Annual fees					
Very low - \$305.90	24	29	38	28	26
Low - \$742.90	47	69	80	69	86
Medium - \$1201.75	53	64	94	78	82
High - \$1966.50	6	5	7	2	1
Very high - \$2731.25	0	2	2	0	0
Other fees					
Temporary Authority \$563.75	12	11	8	16	11
Manager Certificate \$316.25	322	254	258	280	282
Special licence fees					
Class 1 \$1092.50	13	13	4	2	3
Class 2 \$393.30	41	26	28	20	48
Class 3 \$120.15	83	73	79	62	71

Recoverable costs

Costs that Council can recover through alcohol fees are covered in Regulation 19 of the Sale and Supply of Alcohol (fees) Regulation 2013 and are reported annually. The table below outlines what is included in each of the categories of recoverable costs.

Recoverable costs through alcohol fees revenue

Personnel costs	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.
Disbursements to Alcohol Regulatory and Licensing Authority	This disbursement should be offset by TA licence revenue, which includes the amount which is remitted to ARLA.
Overhead costs	Finance, corporate services, human resources, IT, legal, accommodation (rent, maintenance, utilities).
Overhead allocation	The allocation of overheads is generally applied in relation to full-time equivalent staff (FTE) or unit expenditure.

Options for consideration

In 2019, Council increased fees evenly across all risk categories in order to achieve 90% cost recovery. The options below provide for higher percentage fee increases as the risk category increases.

There are two options being considered for alcohol licensing fee increases:

- Option 1: 90% recovery of costs, with 10% of costs covered by Hutt City rates; or
- Option 2: 100% recovery of costs.

Option 1 – 90% recovery of costs

Risk Category for on-, off- and club licence	Current application fee	Proposed Increase	New Fee 25/26
Very Low	\$699.20	20%	\$840
Low	\$1,158.05	30%	\$1,505
Medium	\$1,531.35	40%	\$2,143
High	\$1,944.65	50%	\$2,916
Very High	\$2,294.25	60%	\$3,670
Risk Category for on-, off- and club licence	Current annual fee	Proposed increase	New Fee 25/26
Very Low	\$305.90	20%	\$367
Low	\$742.90	30%	\$965
Medium	\$1201.75	40%	\$1,682
High	\$1966.5	50%	\$2,949
Very High	\$2731.25	60%	\$4,370
Special licences	Current application fee	Proposed increase	New Fee 25/26
Special Class 1	\$1092.5	60%	\$1,748
Special Class 2	\$393.3	50%	\$589
Special Class 3	\$120.15	10%	\$132
Other	Current other fees	Proposed increase	New Fee 25/26
Temp Authority	Application fee \$563.75	40%	\$789
Permanent Chartered Club	Annual fee \$632.5	20%	\$759

Option 2 – 100% recovery of costs

Risk Category On- and off- and club licences	Current application fee	Proposed Increase	New Fee 25/26
Very Low	\$699.20	40%	\$979
Low	\$1,158.05	50%	\$1,737
Medium	\$1,531.35	60%	\$2,450
High	\$1,944.65	70%	\$3,306
Very High	\$2,294.25	80%	\$4,130
Risk Category On- and off- and club licences	Current Annual Fee	Proposed Increase	New Fee 25/26
Very Low	\$305.90	40%	\$428
Low	\$742.90	50%	\$1,114
Medium	\$1201.75	60%	\$1,923
High	\$1966.5	70%	\$3,343
Very High	\$2731.25	80%	\$4,916
Special licences	Current Application fee	Proposed Increase	New Fee 25/26
Special Class 1	\$1092.5	80%	\$1,967
Special Class 2	\$393.3	70%	\$669
Special Class 3	\$120.15	20%	\$144
Other	Current other fees	Proposed Increase	New Fee 25/26
Temporary Authority	Application fee \$563.75	40%	\$789
Permanent Chartered Club	Annual fee \$632.5	20%	\$759

The fees adjustment would commence on 1 July 2025, with a further proposed fee increase of 3% each following year across the risk categories until 2035.

An increase of 3% each year achieves the previously desired 90% cost recovery, however only the 100% cost recovery option will achieve Long Term Plan projected revenue.

Reducing expenditure

All applications for on-, off- and club licences must be publicly notified. Council provides for the publishing of public notices on the Hutt City Council website. This currently costs \$155 per notice and generates revenue of approximately \$10,000 per annum.

A new non-refundable administrative fee of \$120 has been proposed for late special licence applications (less than 20 working days' notice) from 1 July 2024.

While both of these fees contribute to cost recovery, they are not within the scope of the alcohol fees framework, and therefore cannot be considered in determining the annual revenue versus expenditure for alcohol related work. This is reported to Council's Infrastructure and Regulatory Committee in September of each year and published on the Hutt City Council website.

Reporting requirements

Under the Sale and Supply of Alcohol (Fees) Regulations 2013, councils must prepare and make publicly available annual reports that outline income from alcohol fees in relation to:

- the performance of the function of its licensing committee under the Act;
- the performance of the functions of its inspectors under the Act; and
- undertaking enforcement activities under the Act.

Draft Alcohol Fees Bylaw 2024

Division Strategy & Engagement
Date created Month Year
Publication date Month Year
Review period Month Year
Owner Name
Approved by Name

Version	Author	Date	Description
V 1.0	Name	Month Year	Insert brief description here
V 2.0	Name	Month Year	Insert brief description here

Alcohol Fees Bylaw

1. Purpose

1.1 The purpose of this bylaw is to prescribe fees for all matters for which fees payable to Hutt City Council are prescribed in the Sale and Supply of Alcohol Act 2012.

2. Interpretation

2.1 In this bylaw, unless the context otherwise requires, the following definitions apply:

- **Act** means the Sale and Supply of Alcohol Act 2012.
- **Application Fee** has the meaning given by the Sale and Supply of Alcohol (Fees) Regulations 2013 and means any of the following:
 - an application for an on-licence, off-licence or club licence;
 - an application to vary an on-licence, off-licence or club licence; and
 - an application to renew an on-licence, off-licence or club licence.
- **Licence** has the meaning given by the Sale and Supply of Alcohol Act 2012 and means any of the following:
 - a licence issued under the Act that is in force, and
 - in relation to any licenced premises, means the licence issued for them (or, in the case of premises that 2 or more licences have been issued for, any of those licences).
- **Regulations** means the Sale and Supply of Alcohol (Fees) Regulations 2013.
- **Permanent Club Charter** means a charter, granted under section 260(3) of the Licensing Act 1908 (or a corresponding provision of any earlier former licensing Act), that was in force immediately before the commencement of this section.
- **Special licence** means:
 - **Off-site special licence** which allows for the sale or supply of alcohol for consumption elsewhere, or the supply of alcohol free as a sample for consumption on the premises; or
 - **On-site special licence** allows for the sale or supply of alcohol for consumption on the premises to people attending an event described on the licence.
- **Temporary authority** means a temporary authority order issued and in force under the Act.

3. Fees payable

3.1 The table below sets out the fees payable to Council for alcohol related fees including annual licence fees and applications. Fees for licensing are determined under the Sale and Supply of Alcohol Act 2012 and the Sale and Supply of Alcohol (Fees) Regulations 2013.

4. Fees setting

4.1 Fees can be set by Council to recover the costs of alcohol licensing and monitoring in the community through the implementation of this Bylaw.

5. Legislation

5.1 Legislation relevant to this Bylaw includes:

Sale and Supply of Alcohol Act 2012	The purpose of this Act is to provide a legal framework for the sale, supply and consumption of alcohol and the associated systems of control and licensing.
Sale and Supply of Alcohol (Fees) Regulation 2013	These regulations provide for the fees that can be charged and how fees are established for alcohol licensing related function of Local Authorities.
Sale and Supply of Alcohol (Fee-setting Bylaws) Order 2013	Every territorial authority is authorised to prescribe, by bylaw, fees for any matter for which a fee payable to territorial authorities can be prescribed by regulations made under the Sale and Supply of Alcohol Act 2012.