

QLDC Council
29 September 2016

Report for Agenda Item: 6

Department: Regulatory & Finance

Alcohol Licensing Fee Reduction Policy

Purpose

To consider the proposed alcohol licensing fee reduction policy for adoption.

Recommendation

That Council:

1. **Note** the contents of this report;
2. **Adopt** the proposed Queenstown Lakes District Council Alcohol Licensing Fee Reduction Policy.
3. **Delegate** the role of administering the Queenstown Lakes District Council Alcohol Licensing Fee Reduction Policy to the Manager; Regulatory.

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15/09/2016

Reviewed and Authorised by:



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15/09/2016

Background

- 1 The Sale and Supply of Alcohol (Fees) Regulations 2013 (“SSAFR”) specify the fees payable for all alcohol fees e.g. applications for licences, manager’s certificates, temporary authorities etc.
- 2 The Regulations provide a territorial authority with the discretion, in response to particular circumstances (to be determined by Council), to charge a fee for an alcohol licence i.e. a special, on, off or club licence that is 1 class below the class of the licence that is issued.
- 3 No fee may be less than the fee payable than a class 3 special licence or a very low risk licence (on, off or club licence).

Comment

- 4 SSAFR specify the fees for Special, On, Off and Club alcohol licences. The amounts to be paid are determined by the size of an event (Special licences) or by the level of risk (On, Off and Club licences), there are:

Special Licence

Special licence class	Issued in respect of	Application fee (\$)
Class 1	1 large event	575.00
	more than 3 medium events	
	more than 12 small events	
Class 2	3 to 12 small events	207.00
	1 to 3 medium events	
Class 3	1 or 2 small events	63.25

- 2 A large event has more than 400 people, a medium event has between 100 and 400 people and a small event has less than 100 people.

On, Off and Club Licence

Fees category for premises	Application fee (\$)
Very low	368.00
Low	609.50
Medium	816.50
High	1,023.50
Very high	1207.50

- 3 The regulations allow Council to reduce the fee of all alcohol licences by one level e.g. If the applicant has an event of 450 people, a Class 1 Special licence would be needed. The Regulations would allow Council to reduce the fee from \$575 to \$207 where appropriate.
- 4 The proposed policy (Attachment A) recognises not for profit organisations, in recommended a reduction of fee by 1 level.
- 5 There is no reduction proposed for commercial operations, unless there are multiple applications for an event e.g. a food and wine festival.

Options

- 6 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002:
- 7 Option 1 Status Quo

Advantages: No Fee Reduction

- 8 If no policy is adopted, Council could simply state that no fee reductions will be permitted, as this is a Council discretion.

Disadvantages: Inefficiencies

- 9 If no policy was adopted, and a fee reduction was considered appropriate, the day to day operations could be considered inefficient and cause significant delays in obtaining a decision for a fee reduction.

- 10 Option 2 Adopt the proposed policy

Advantages: Community awareness, efficient

- 11 If a policy is adopted, this give a clear understanding to customers of when a fee reduction would be considered or not, and provides an efficient mechanism.

Disadvantages: Nil

- 12 No disadvantages are identified

- 13 This report recommends Option 2 for addressing the matter because this provides clear guidance to the community, which can be delivered in an efficient way, and provides fair and reasonable fees.

Significance and Engagement

- 14 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because it has a small impact on the people of the district, and las a low level of community interest.

Risk

- 15 This matter related to the operational risk OR001 – Decrease in revenue as documented in the Council's risk register. The risk is classed as low to moderate. This matter relates to this risk because there would be a small reduction in the revenue received from not for profit/charitable organisations, although this is a small level.
- 16 The recommended option considered above mitigates the risk by: Tolerating the risk - the risk class is low/insignificant and the organisation might be able to tolerate the risk.

Financial Implications

- 17 There are some small cost implications resulting from the decision, as a result of the proposed policy. This is likely to have an approximate \$3,000 (10%) reduction in annual revenue from Special Licences as a result of reduced fees, which is approximately less than 1% of the total alcohol licence revenue.

Council Policies, Strategies and Bylaws

- 18 The following Council policies, strategies and bylaws were considered:

- Revenue and Finance Policy

19 The recommended option is consistent with the principles set out in the named policy/policies.

20 This matter is included in the 10-Year Plan/Annual Plan

- Volume 1 – Regulatory Functions and Services

Local Government Act 2002 Purpose Provisions

21 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by being fair and reasonable in the alcohol application fees;
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

22 The persons who are affected by or interested in this matter are not for profit/charity organisations and licensees.

23 The Council has not undertaken any consultation on this matter, however if the policy is adopted, this would be advertised on Councils website and customers advised upon application.

Attachments

A Proposed Alcohol Licensing Fee Reduction Policy

Queenstown Lakes District Council

Sale and Supply of Alcohol 2012 – Alcohol Licensing Fee Reduction Policy

Definitions

Act means Sale and Supply of Alcohol Act 2012

Regulations means Sale and Supply of Alcohol (Fees) Regulations 2013

Licence means an On, Off, Club or special licence.

Event includes an occasion and a gathering, and any of a series of events.

Large event means an event that the territorial authority believes on reasonable grounds will have patronage of more than 400 people

Medium event means an event that the territorial authority believes on reasonable grounds will have patronage of between 100 and 400 people

Small event means an event that the territorial authority believes on reasonable grounds will have patronage of fewer than 100 people.

Harm means any crime, damage, death, disease, disorderly behaviour, illness, or injury, directly or indirectly caused, or directly or indirectly contributed to, by the excessive or inappropriate consumption of alcohol; and

any harm to society generally or the community, directly or indirectly caused, or directly or indirectly contributed to, by any crime, damage, death, disease, disorderly behaviour, illness, or injury of a kind described above.

Introduction

This policy is made under the provisions of regulation 6(4) and 10(2) the Regulations.

The purpose of this policy is to establish a clear framework for a requests for a reduction of an alcohol licence application fee.

The policy is a set of criteria stipulated by Queenstown Lakes District Council to determine where a reduction in the fee will be permitted for an alcohol licence application.

This Alcohol Licensing Fee Reduction Policy comes into force on XXXXXX.

Objective

The Council's principal objectives are:

- A. To minimise the harm caused by the excessive or inappropriate consumption of alcohol;
- B. Have fair and reasonable costs; and
- C. To support the balance of events that meet community objectives for the District as a whole in respect of recreational activities, community infrastructure and economic growth.

Strategic Alignment

This policy assists in the delivery of the following Council outcomes and goals:

- Protects the interests of the District and its community;
- Is cost effective and achieves the regulatory objectives; and
- Enables our community to comply with national and local legislation because they are well understood and easy to comply with.

Assessment Criteria

Special Licences

The fee payable for any special licence application may be assigned a fees category that is one class lower than specified in Clause 10(1) of the Sale and Supply of Alcohol (Fees) Regulations 2013, when considering the below details:

Special licence class	Issued in respect of
Class 1	1 large event: more than 3 medium events: more than 12 small events
Class 2	3 to 12 small events: 1 to 3 medium events
Class 3	1 or 2 small events

Not for profit Organisations

The fee reduction is available only if:

- The application is for a class 1 or class 2 special licence; and
- The event or series of events is a community or fundraising activity that will benefit the community or recognised charities; and
- The special licence holder is not a commercial entity that will make any commercial gain from the event; and
- No infringement notice has been issued for related events or to the licensee in the last year.

Commercial Operation

The reduction is available only if:

- The application is for a class 1 or class 2 special licence; and
- The event or series of events is an activity that will benefit the community or recognised charities; and
- There are multiple vendors at the same event e.g. cheese and wine festival.

- No infringement notice has been issued for related events in the last year.

On, Off and Club Licence

There is no reduction in fees category to any premises which holds an On, Off or Club Licence.

Note: All fees include GST