



QUEENSTOWN
LAKES DISTRICT
COUNCIL

**PROPOSED FEES AND CHARGES REVIEW
FOR ENVIRONMENTAL HEALTH SERVICES**

**STATEMENT OF PROPOSAL
May 2017**

INTRODUCTION

1. The Food Act 2014 enables Council to establish fees to recover the direct and indirect costs of registration, verification, compliance and monitoring activities for Environmental Health services.
2. Council has undertaken a review of the present fees and charges and is considering whether the present fees and charges should be amended and replaced with the proposed fees and charges.
3. The aim of the review is to have a fee structure that reflects the work needed for businesses. This would provide a system where charges are directly related to the size of the business and the grade obtained.
4. Businesses that are larger e.g. multisite and contain more complicated processes will have fees which reflect the work required. Fees will continue to be associated with the grading system with lower grades being assigned higher fees.
5. This Statement of Proposal has been prepared in accordance with the requirements of sections 83 of the LGA.

PROPOSAL

6. It is proposed to make a number of amendments to the fee schedules for the services provided, which are set out in Schedule A.
7. The changes reflect redistributing the fees and charges, to better reflect the charges to a business for the work undertaken. The review is not to increase revenue but to ensure that fees are fairly allocated to businesses needing more input.

FOOD ACT 2014

8. Currently, Council does not charge a registration fee for food businesses that are required to register with Queenstown Lakes District Council. This was to encourage food businesses to transfer to the new food regime established by the Food Act.
9. However, as a result of the work required to register a food business, it is recommended that a fee should be introduced which reflects the work undertaken.
10. It is proposed that a fee should be set at \$125 including GST, with the ability to charge per hour for any extra work undertaken for any changes that need to be made to the registration details.
11. Verification fees are at present charged on a sliding scale, which is based on two criteria. The first criterion is the grade that the business has obtained (A to D), the principle being that the better the grade the less the business pays. This is not only to encourage a business to take on board the important issues of food safety, but that they should pay less than businesses that have poor procedures and history that will take more Environmental Health Officers time.

12. The second criterion is based on the level (size) of the business, e.g. a coffee cart would be a level 2 while a ski field with multiple outlets would be a level 4 i.e. a higher cost.
13. This system of charging a business according to their size and how well they are performing in relation to food safety is a fairer system to reflect the work undertaken and to reward good food operators.
14. It is proposed that this approach continues, however, the criteria will identify a minimum charge, based on an average minimum number of hours for good premises. This is to enable us to manage the work undertaken for each business; areas of non-compliance will be charged at an hourly rate to the user, rather than across all food businesses.
15. It is proposed that the current fees are reduced for businesses that have achieved a higher grade. Therefore businesses that achieve an A or B grade will have reduced verification fees.
16. Fees for multi-site businesses i.e. more than one business, it is proposed to increase the charges and to set maximum hours where any work above will be charged at an hourly rate; this will more accurately reflect the fact that a multi-site needs more officer time in comparison to a single site.
17. Previously, new businesses were charged a new premises fee. The charge was based on a review of their plans and processes, and included an opening visit. Under the Food Act 2014, opening visits are not now undertaken. Consequently, the increased fee for new businesses is now not warranted as we do not review building plans, provide advice on the development or undertake the opening inspections. There are also difficulties and confusion under the new Act on what is classified as a new business and what is an existing business.
18. It is proposed that the new business fee is removed from the fee structure.
19. The Food Act has introduced additional requirements not previously required e.g. corrective actions close-out visits, unscheduled verifications, the serving of improvement notices, application to review improvement notice and amendments to a registration, etc.
20. The current fees structure does not incorporate these new requirements and needs to be considered in conjunction with the Revenue and Finance policy. It is recommended that these requirements are charged at an hourly rate.

Health Act 1956

21. It is recommended that an hourly rate is also charged for any extra work undertaken as part of our regulatory requirements under other legislation such as the Health Act 1956.
22. This is in relation to areas such as Camping Grounds, Funeral Directors, Hairdressers, and Offensive Trades. The fee for registration will not change but an hourly rate will be used for additional works that maybe necessary e.g. reporting on resource consent applications for these activities.

REASON FOR PROPOSAL

23. The primary reason for the redistribution of fees is to include areas of work that were not being charged for previously, and are not public good.
24. It is important that the fee schedules are monitored and reviewed to ensure that the fees are fair and reasonable.

IS THE PROPOSED POLICY THE MOST APPROPRIATE POLICY?

25. The Council has considered the most appropriate way of ensuring fees are fair and reasonable to the community. In considering whether the fee changes are the most appropriate, Council has considered the following options:

Option 1 – Retain the Current Fee Schedule

Option 2 – Introduce the amended Fee Schedule

26. Option 1 – Do nothing

Advantages

Business will continue not to be charged for registration or any increased work undertaken.

Disadvantages

If the Council does nothing there will be areas of work that are not charged for and areas of work that are over charged. Fees will not be accurately reflecting the work undertaken.

27. Option 2 – Adopt the Council Fees as shown in Appendix A

Advantages

The fees reflect the true cost of providing the services

Provides for the charging for services currently provided but which are not able to be charged for under the present fee schedule.

Disadvantages

Businesses that require more Environmental Health input and time will pay an increased fee.

ARE THERE ANY IMPLICATIONS UNDER THE NEW ZEALAND BILL OF RIGHTS ACT 1990?

28. The proposed change of fees is consistent with the New Zealand Bill of Rights Act 1990 (**NZBORA**).

. TIMETABLE FOR CONSULTATION

29. The following dates represent the key times in the consultation programme:
- a. Council resolves to undertake public consultation regarding the proposed bylaw – 25th May 2017
 - b. Advertisement in Otago Daily Times, Southland Times, Mirror and Wanaka Sun – between 27th May and 2nd June 2017.
 - c. Submissions close on 30th June 2017.
 - d. Submissions heard by a subcommittee of Councillors **Monday 10th July and Friday 14th July 2017**.
 - e. Council considers outcome of consultation process. Adoption of Queenstown Lakes District Fees and Charges review for Environmental Health– 28th July 2017
 - f. Public notice of final decision (if Council resolves to adopt the policy) – 30th July 2017

The policy comes into effect subject to the above.

INSPECTION OF DOCUMENTS AND OBTAINING COPIES

30. Copies of this Statement of Proposal and the proposed Fees may be inspected, and a copy obtained, at no cost, from:
- a. either of the Council offices at 10 Gorge Road, Queenstown or the Wanaka Service Centre, 47 Ardmore Street, Wanaka;
 - b. any Council library within the Queenstown Lakes District; or
 - c. the Council website – www.qldc.govt.nz

RIGHT TO MAKE A SUBMISSION AND BE HEARD

31. Any person or organisation has a right to be heard in regard to this proposal and the Council encourages everyone with an interest to do so.
32. The Council would prefer that all parties intending to make a submission: go to the Queenstown Lakes District Council Website: www.qldc.govt.nz or post their submission to: Regulatory Department, Queenstown Lakes District Council, Private Bag 50072, Queenstown 9348.
33. Submissions must be received by **Friday 30 June 2017**. The Council will then convene a hearing, which it intends to hold between **Monday 10th July and Friday 14th July 2017** at which any party who wishes to do so can present their submission in person. The Council will give equal consideration to written and oral submissions.

34. The Council will permit parties to make oral submissions (without prior written material) or to make a late submission, only where it considers that special circumstances apply.
35. Every submission made to the Council will be acknowledged in accordance with the LGA 2002, will be copied and made available to the public, and every submission will be heard in a meeting that is open to the public.
36. Section 82 of the LGA 2002 sets out the obligations of the Council in regard to consultation and the Council will take all steps necessary to meet the spirit and intent of the law.

MAKING AN EFFECTIVE SUBMISSION

37. Written submissions can take any form (e.g. Email, letter). An effective submission references the clause(s) of the draft fees you wish to submit on, states why the clause is supported or not supported and states what change to the clause is sought.
38. Submissions on matters outside the scope of the proposed fees cannot be considered by the Hearings Panel.

Mike Theelen

CHIEF EXECUTIVE

APPENDIX 1 - Proposed Queenstown Lakes District Council Fee Structure for Environmental Health