

**KAPITI COAST DISTRICT COUNCIL
CONSULTATION DOCUMENT
PROPOSED ALCOHOL FEES
BYLAW 2024**

28 March 2024

Have your say

The Kāpiti Coast District Council (Council) invites your views on the *Proposed Alcohol Fees Bylaw 2024*.

The consultation period is from 25 March 2024 to 28 April 2024

Submissions can be made either online via the submission portal [here](#), or in writing - you can complete the attached submission form and either:

- email it to haveyoursay@kapiticoast.govt.nz
- drop it off at the Council offices or a Council Service Centre, or
- post it to: Kāpiti Coast District Council, Private Bag 60601, Paraparaumu 5254.

Hard copies of the proposal and submission forms are also available from Kāpiti Coast District Council offices, or the Council service centres at our libraries.

Submissions close 28 April 2024.

Submissions will be heard on XX.

Persons who wish to be heard by Council will be given the opportunity to do so. If you wish to make an oral submission to Councillors, please indicate YES on the submission form and ensure you have included your contact details. We will contact you to arrange a time for you to speak.

What happens to your feedback?

Your submission, and those of other submitters, will help inform Councillors' decision-making as we finalise the *Alcohol Fees Bylaw 2024*.

Your privacy

All submissions are public information. This supports our drive to be as transparent as possible, but, if there are any personal details you don't want made public, please let us know.

Want to know more?

If you have any questions, or would like a little more information, please email haveyoursay@kapiticoast.govt.nz or call 04 296 4700.

Background

Council has a range of alcohol licensing functions under the Sale and Supply of Alcohol Act 2012 (the Act). Fees can be set to recover the total costs incurred for these functions. The Sale and Supply of Alcohol (Fees) Regulations 2013 (the Regulations) provides the default fees payable by users of the licensing function, where the applicable fee is categorised by the risk profile of the licensed premises.

Table 1 below sets out the current numbers of licensed premises in the Kāpiti Coast District by their respective risk categories and default fees (GST incl.) under Regulations for assessing their licence application and undertaking ongoing monitoring and inspections of premises.

Cost/risk fee category	Licence numbers	Application fee	Annual fee
Very Low	29	\$368	\$161
Low	61	\$609.50	\$391
Medium	49	\$816.50	\$632.50
High	5	\$1,23.50	\$1,035.00
Very High	-	\$1,207.50	\$1,437.50

Table 1: Default Application and Annual Fees as set in 2013 Regulations (GST exclusive)

The current fees set by the Regulations do not cover all the costs incurred by the Council in carrying out its activities. To better recover its licensing costs Council can make a bylaw to set fees at an amount higher than that set by the Regulations.

Any bylaw must be consistent with the Act and any regulations. Before making an Alcohol Fees Bylaw, Council must first consult on the proposal in accordance with the Sale and Supply of Alcohol Act 2012 and the Local Government Act 2002 before making a final decision.

In order to inform the fee setting Council has followed the Ministry of Justice Guidance¹ that describes the types of costs that can be included (costs of District Licensing Committee DLC functions etc) and those costs or fees that are outside the scope of a fee setting bylaw (e.g. Managers Certificates remain at the fee set in legislation).

Proposal

¹ <https://www.justice.govt.nz/assets/calculating-the-costs-and-revenues-of-the-alcohol-licensing-system-october-2018.pdf>

The current fees set by the Regulations do not cover all the cost incurred by Council in carrying out its alcohol licensing activities. This includes the full costs of the monitoring and reporting requirements of licensing inspectors. At present Council recovers approximately 70 percent of the full cost associated with administering both new and existing licences. The remaining costs are subsidised by general rates.

Based on current cost projections for Council’s operational alcohol licensing activities (including the District Licensing Committee), it is anticipated that cost recovery for these activities will reduce to approximately 60 percent by the end of the 2029/2030 financial year if fee increases were not to occur. This additional cost would be borne by ratepayers.

Council is proposing to create an Alcohol Fees Bylaw, enabling it to increase the proportion of the fees collected to approximately 89 percent cost recovery. The remainder will still be covered by general rates. This allocation of costs is also consistent with other Councils in the region that have implemented a fees bylaw (Wellington City and Hutt City) and recognises the public good aspect of licensing activities.

The proposed fee structure must be set in accordance with the framework set out by the Regulations and will apply to application fees and annual fees for on-licences, off-licences, and club licences, but excludes managers certificates.

This framework includes a structured fee approach for different risk categories that Council must apply to each licence application.

A Licences’ risk is calculated by a combination of 3 factors:

- Type of premises. (Restaurant/ Bottle Store/ Club)
- Latest trading hour allowed by licence and type of licence. (Whether an on licence finishes earlier or later than 2am, or off licence finishes earlier or later than 10pm)
- Number of enforcement holdings against the premises in last 18 months.

Licensees are aware of the risk category of their premises when their application for a licence is first assessed.

Each of the risk factors is given a weighting and the total rating places the premise in the fee categories as shown in the table below:

Total rating	Fee category
0-2	Very Low
3-5	Low
6-15	Medium
16-25	High
26 plus	Very High

Table 2: Fee category rating table

A full explanation of how the risk categories are assessed can be found at Appendix A.

Application and Annual licensing fees

The fee increases are proposed to be increased over a five-year period, based on a percentage weighted change. The greatest increases apply to the higher risk categories of the premises, which allows for a lower increase for smaller operators and/or operators in low-risk environments. The rationale for using a weighted approach is that those premises that fall into the higher risk categories, require more detailed assessments and greater levels of ongoing monitoring. WCC and Hutt City both also used a weighted increase approach for the same rationale.

A comparison of the proposed fee increases is scheduled below (fees include GST):

	Current Fee (Default)	Year One			Year Three			Year Five			Total incr. over 5 years
		\$ Incr.	% Incr.	New Fee	\$ Incr.	% Incr.	New Fee	\$ Incr.	% Incr.	New Fee	
Very Low	368.00	118.00	32	485.00	0.00	0	485.00	24.00	5	510.00	142.00
Low	609.50	195.00	32	804.50	0.00	0	804.50	40.00	5	845.00	235.00
Medium	816.50	490.00	60	1,306.50	209.00	16	1,515.50	151.50	10	1,667.00	850.50
High	1,023.50	614.00	60	1,637.50	262.00	16	1,899.50	190.00	10	2,089.50	1,066.00
Very High	1,207.50	724.50	60	1,932.00	309.00	16	2,241.00	224.00	10	2,465.00	1,258.00

Table 3: Weighted Fee increase for Application Fees

Table 4: Weighted Fee Increase for Annual licensing

	Current Fee (Default)	Year One			Year Three			Year Five			Total incr. over 5 years
		\$ Incr.	% Incr.	New Fee	\$ Incr.	% Incr.	New Fee	\$ Incr.	% Incr.	New Fee	
Very Low	161.00	51.50	32	212.50	10.50	5	223.00	11.00	5	234.00	73.00
Low	391.00	125.00	32	516.00	25.00	5	541.00	27.00	5	569.00	178.00
Medium	632.00	379.00	60	1,011.00	101.00	10	1,112.00	111.00	10	1,223.50	591.00
High	1,035.00	621.00	60	1,656.00	165.50	10	1,821.50	182.00	10	2,004.00	969.00
Very High	1,437.50	862.50	60	2,300.00	230.00	10	2,530.00	253.00	10	2,783.00	1,345.50

Special licences

The three classes of special licences are costed against a risk assessment based on the likely size of the intended event(s). It is intended that differential be retained with each class increasing by the same percentage at years one, three and five. A special licence can be issued for a maximum of 12 months. The increase in cost more accurately reflects the officer time spent on assessment of these events.

	Current Fee (Default)	Year One			Year Three			Year Five			Total incr. over 5 years
		\$ Incr.	% Incr.	New Fee	\$ Incr.	% Incr.	New Fee	\$ Incr.	% Incr.	New Fee	
Class 1	575.00	345.00	60	920.00	172.50	16	1,092.50	109.00	10	1,202.00	627.00
Class 2	207.00	124.00	60	331.00	62.00	16	393.00	39.00	10	432.50	225.50
Class 3	63.25	38.00	60	101.00	19.00	16	120.00	12.00	10	132.00	69.00

Table 5: Proposed Special Licence Fee changes.

As previously mentioned, the Managers Certificate rate will remain as set in regulation, currently at \$316.25 and Temporary Authority fees at \$296.70 also fall outside the scope of the bylaw.

Further information about the reasons for the proposal can be found in the report to the Council meeting on 28 March 2024.

Proposed Alcohol Fees Bylaw

Insert draft bylaw here.

PDF submission form

Insert standard KCDC pdf submission form here, suggest one question only:

Please provide your feedback on the proposed Alcohol Fees Bylaw here:

--

Appendix A

How to calculate your cost / risk rating and fees

A		+	B		+	C		=	TOTAL WEIGHTING			
Types of premises	Weighting	Latest time allowed by licence	Weighting	Number of enforcement holdings in last 18 months	Weighting	Total Weighting	Cost/Risk Rating	Application Fee for all renewals, new licences and variations incl GST (\$)	Annual Licence Fee incl GST (\$)			
Class 1 restaurant, night club, tavern, adult premises, supermarket, grocery store, bottle store	15	On-licences and clubs 2.00 am or earlier	0	None	0	0 – 2	Very low	368.00	161.00			
Class 2 restaurant, hotel, function centre, Class 1 Club, Off-licence in hotel or tavern	10	Off-licences 10.00 pm or earlier				3 – 5	Low	609.50	391.00			
Class 3 restaurant, other premises, Class 2 Club, Club off-licence, remote sale off-licence, other off – licence premises	5	On-licences and clubs between 2.01 am and 3.00 am	3	1	10	6 – 15	Medium	816.50	632.50			
BYO restaurants, theatres, cinemas, winery cellar doors, Class 3 Club	2	Off-licences any time after 10.00 pm		2 or more	20	16 – 25	High	1023.50	1035.00			
		On-licences and clubs any time after 3.00 am	5			26 plus	Very High	1207.50	1437.50			

Definitions

- **Class 1 restaurants** – restaurants with a significant separate bar area which, in the opinion of the relevant TA, operate that bar at least one night a week in the manner of a tavern
- **Class 2 restaurants** – restaurants that have a separate bar but which, in the opinion of the relevant TA, do not operate that area in the nature of tavern at any time.
- **Class 3 restaurants** – restaurants that only serve alcohol to the table and do not have a separate bar area.
- **Class 1 clubs** – clubs which has at least 1,000 of purchase age) and which, in the opinion of the relevant TA, operate in the nature of a tavern at any time
- **Class 2 clubs** – clubs which are not class 1 or class 3 clubs
- **Class 3 clubs** – clubs has fewer than 250 members of purchase age and operates a bar for no more than 40 hours each week
- **Enforcement Holding** – has the same meaning as a “Holding” under section 288 of the Act, or a previous offence for which a holding may have been issued if the offence had occurred before 18 December 2013.

Note: Fee amounts shown in diagram are the current default fees

*Diagram Courtesy of Tasman District Council