

**Chairperson and Committee Members**  
OPERATIONS & FINANCE COMMITTEE

17 AUGUST 2017

Meeting Status: **Public**

Purpose of Report: For Information

**FINANCIAL REPORT ON INCOME AND COSTS RELATED TO  
ALCOHOL LICENSING AND THE OPERATION OF THE  
DISTRICT LICENSING COMMITTEE (DLC)**

**PURPOSE OF REPORT**

- 1 This report is to inform the Council of the contents of the financial report that is required to be made publically available in accordance with the requirements of Regulation 19 of the Sale and Supply of Alcohol (Fees) Regulations 2013.

**DELEGATION**

- 2 This Committee has authority to make these decisions under Section B.2 of the Governance Structure (*all regulatory and planning matters from an operational perspective*).

**BACKGROUND**

- 3 Regulation 19 of the Sale and Supply of Alcohol (Fees) Regulations 2013 requires that every Territorial Authority (TA) must, each year, prepare and make publicly available a report showing its income from fees payable in relation to, and its costs incurred in:
  - the performance of the functions of its licensing committee under the Act; and
  - the performance of the functions of its inspectors under the Act; and
  - undertaking enforcement activities under the Act.

**ISSUES AND OPTIONS**

**Issues**

- 4 Fees related to Alcohol Licensing are set by central government under the Sale and Supply of Alcohol (Fees) Regulations 2013. However if Council wanted to set their own fees they could do so by developing a fee setting bylaw pursuant to section 405 of the Sale and Supply of Alcohol Act 2012.
- 5 Below is a summary of income and expenses related to the alcohol licensing function of the Council:

|   |  |
|---|--|
| Total Income  | \$164,602                              |
| Cost of Performance of DLC functions                            | \$25,866                               |
| Cost of performance of inspectors functions                     | \$144,233                              |
| Cost of undertaking enforcement activities                      | \$9,936                                |
| Indirect costs  | \$116,550                              |
| Total cost to Council of performing alcohol licensing functions | \$296,585                              |
| Net Cost  | \$131,983                              |
| Ratio of fee received to costs incurred                         | \$164,602/\$296,585<br>= 55% user pays |

- 6 Costs of performance of the DLC functions include:
- Actual costs related to remuneration for DLC members
  - DLC support costs provided by the Democracy Services team and Committee Advisor.
- 7 Costs of performance of the Inspectors include:
- Administration and reporting costs pertaining to applications for licences
  - Costs associated with 2.35 FTE, one alcohol licensing officer, one licensing/administrative officer and .35 FTE chief licensing inspector (minus the time spent on enforcement activities).
- 8 Costs of undertaking enforcement activities include:
- Costs associated with stakeholder engagement, enquiries, education, monitoring and compliance activities undertaken by licensing inspectors.
- 9 Indirect costs include:
- A portion of the overhead costs attributed to the Environmental Health and Compliance teams.
- 10 The ratio of user pays 55% to ratepayer funded (45%) is similar to last year's result which was 56% user pays.

## CONSIDERATIONS

### Policy considerations

- There are no policy considerations.

### Legal considerations

- 11 This report is prepared in accordance with the requirements of the Sale and Supply of Alcohol (Fees) Regulations 2013.

### Financial considerations

- 12 As referred to in the background of this report, it is the responsibility of every territorial authority to prepare and make publicly available a financial report. There are no further financial considerations.

### Tāngata whenua considerations

- 13 There are no issues to consider relating to iwi or Treaty of Waitangi.

## **SIGNIFICANCE AND ENGAGEMENT**

### Significance Policy

- 14 This matter has a low level of significance under Council Policy.

### Consultation already undertaken

- 15 While this report must be made publically available, there is no requirement to consult in relation to this document.

### Engagement planning

- 16 An engagement plan is not needed. This information will be published on the District Licensing Committee webpage.

### Publicity

- 17 A communication plan is not required. This information will be published on the District Licensing Committee webpage.

## **RECOMMENDATIONS**

- 18 That Council receives the information as detailed in report RS-17-206.

**Report prepared by      Approved for submission      Approved for submission**

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