

Chairperson and Committee Members
REGULATORY MANAGEMENT COMMITTEE

8 SEPTEMBER 2016

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 The Regulatory Management Committee has the authority to exercise all of the Council's functions, duties and powers under the Sale and Supply of Alcohol Act 2012.

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 Below is a summary of income and expenses related to the alcohol licensing function of the Council

Total Income	\$159,535
Cost of Performance of DLC functions	\$23,656
Cost of performance of inspectors functions	\$157,105
Cost of undertaking enforcement activities	\$7,736
Indirect costs	\$92,130
Total cost to Council of performing alcohol licensing functions	\$280,627
Net Cost	\$121,092
Ratio of fee received to costs incurred	\$159,535/\$280,627 =56% user pays

- 5 Cost of performance of the DLC functions includes:
- Actual costs related to remuneration for DLC members
 - DLC support costs provided by the Democracy Services team.
- 6 Costs of performance of the Inspectors includes:
- Administration and reporting costs pertaining to applications for licences
 - Costs associated with 2.5 FTE, one alcohol licensing officer, one licensing/licensing administrative officer and .5 FTE chief licensing inspector (minus the time spent on enforcement activities).
- 7 Costs of undertaking enforcement activities includes:
- Costs associated with education, monitoring and compliance activities undertaken by licensing inspectors.
- 8 Indirect costs include:
- A portion of the overhead costs attributed to the Environmental Health and Compliance teams.
- 9 The new processes introduced by the Act since December 2013 have significantly increased the staff resource required to be put into alcohol related activities by Council. Historically the process required approximately 1.2 FTEs related to the functions of the Inspector, and now this role has required up to 2.5 FTE. This is in addition to the time spent by Democratic Services staff supporting the DLC decision making functions.

- 10 This transition to the new Act has added a degree of complexity that was under resourced initially which resulted in a large backlog of renewal applications and which is only now reducing to a manageable level.
- 11 In addition, in order to operate under the new Act the team had to make significant changes to documents and processes. This required that all templates such as forms, letters, reports, licences and certificates had to be changed. Work has been undertaken with Council's Business Improvement team to ensure this work was completed and processes mapped to include in the teams quality assurance manual.
- 12 By the end of December 2016 we expect that all managers' certificates and premises licences would have been renewed under the new system and the complexity of some of the applications will decrease. This, combined with a robust quality management system, should result in a reduction in costs associated with the inspector's role in the next few years.
- 13 At the present time there remains a significant percentage of the licensing function that continues to be rates funded (approximately 44%), however we expect this to decrease over the next few years.

CONSIDERATIONS

Policy considerations

- 14 There are no policy considerations.

Legal considerations

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

Tāngata whenua considerations

- 16 There are no issues to consider related to iwi or Treaty of Waitangi.

SIGNIFICANCE AND ENGAGEMENT

Degree of significance

- 17 This matter has a low level of significance under Council policy.

Consultation already undertaken

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

Engagement planning

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

Publicity

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

RECOMMENDATIONS

21 That Council receives the information as detailed in report RS-16-1953.

Report prepared by Approved for submission Approved for submission

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