

25 August 2017

Alcohol Regulatory and Licensing Authority
Tribunals Unit
Private Bag 32 001
Featherston Street
Wellington 6146

Attention: The Secretary

Dear Sir

Christchurch City Council District Licensing Committee Annual Report to the Alcohol Licensing and Regulatory Authority (ARLA) for Period Ending 30 June 2017

1. Christchurch City Council District Licensing Committee Workload Overview

District Licensing Committee Structure and personnel

The Council has 4 District Licensing Committees (DLC), each chaired by an appointed Commissioner. The appointed Commissioners are:

Paul Rogers	Robin Wilson
Al Lawn	Grant Buchanan

Council approved list of members is as follows:

Paul Rogers	Robin Wilson	David Blackwell	John Verry
Al Lawn	Grant Buchanan	Paul Buttell	Tanya Surrey

The Secretariat of the District Licensing Committee

On 9 December 2013 the Council's Acting Chief Executive, in their capacity as Secretary of the licensing committees, determined sub-delegations of various functions, powers and duties under section 198 of the Sale and Supply of Alcohol Act 2012 ('the Act'). These sub-delegations continue to be in place with identified delegations being made (severally) to named persons that sit in the Regulatory Compliance Unit (formerly known as the Investigations and Enforcement Unit) and also the Council's Governance Unit. The Team Leader for Alcohol Licensing, and Technical Officers of the Alcohol Licensing team, undertake most of the operational administration activities in accordance with these sub-delegations.

Secretariat hearings delegations and governance administration support for DLC Commissioners and Members is undertaken by the Hearings and Council Support Team, which sits in the Council's Community Support, Governance and Partnerships Unit.

Christchurch City Council Alcohol Licensing Team Structure

The Alcohol Licensing Team sits in the Regulatory Compliance Unit. The team consists of a Team Leader (who is also appointed by warrant as the Chief Licensing Inspector), a Senior Inspector, three Inspectors and three Technical Officers. All Inspectors are appointed by warrant under the Act. The Technical Officers undertake the secretariat administration. There has been one personnel change in this reporting year being a change in Technical Officer in the team.

Sale and Supply of Alcohol Act 2012 Staff Training

All five Inspectors attended the New Zealand Institute of Liquor Licensing Inspectors Conference in September 2016 in Wellington. Jennifer Davison was elected as the President of the NZILLI Executive Committee for a two year term. Paul Spang (who has been a long standing member of the Committee) retired from the Committee. All five of the Christchurch Inspectors presented at the conference.

The Technical Officers completed the Health Promotion Agency Servewise online training tool. The Inspectors and Hearings Advisor have now received training on, and regularly use, WestLaw to review

and research Alcohol case law and to access the online Sale and Supply of Alcohol Act and its commentary. The Alcohol Licensing team, as part of the wider Regulatory Compliance Unit, have commenced the Regulatory Compliance NZQA Qualification G-Reg level 3 core knowledge module. This is part of the Government Regulatory Practice Initiative.

District Licensing Committee Meetings or Hearings

The District Licensing Commissioners (DLC) usually meet every Wednesday to:

- allocate work for determinations that are made on the papers;
- set public hearing schedules;
- determine Temporary Authority applications; and
- discuss general procedural matters.

The chairing of public hearings has been systematically rotated amongst the Commissioners, as has the inclusion of DLC members on the DLC panels for public hearings.

In the reporting year commencing 1 July 2016 and ending on 30 June 2017 the District Licensing Committee Secretariat received over 3600 applications that were referred to the DLC for determination.

A summary of hearings activity follows:

- Two Temporary Authority Applications were heard by public hearing because of agency opposition and both were declined.
- Eight premises licences were heard by way of public hearing, because of either agency oppositions, public objections, or both. These comprised: three on-licence applications (two new licences and one renewal) of which one was granted, one was declined, and one is part heard; five new off licence applications (four bottle stores and one remote sales) of which three were granted and two were declined; and 12 Manager's Certificate applications (new and renewal) were determined by way of public hearing.
- There were no Special Licences determined by public hearing in this reporting year.
- No applications were referred by the DLC to the Authority for hearing in this reporting year.
- The Authority heard a number of enforcement applications made by the Police (most following failed Controlled Purchase Operations) and these resulted in four premises and nine managers receiving suspensions during the reporting period.

A total of 3351 unopposed applications were also determined on-the-papers by the DLC (relating to 393 new/ or renewed premises licences, 1780 managers certificates, 1087 special licences, and 91 temporary authorities).

All renewals for existing licenced premises last renewed under the Sale of Liquor Act 1989 were filed for renewal under the Act by 18 December 2016.

A further five premises licence applications and three temporary authority applications were made but withdrawn and not determined by the DLC. A further 24 premises (on, off, club) licences were surrendered during the reporting year, due to either closure, relocation to a new site, or a business decision to no longer sell alcohol.

No appeals of DLC decisions have been made to ARLA in this reporting year.

Two further DLC applications for supermarkets (relating to single alcohol areas), granted by the DLC in 2014, remain subject to appeal: ARLA determined the original appeal proceedings in January 2015. The ARLA decisions were then appealed to the High Court and heard in June 2015. The High Court quashed the Authority's decision and the High Court decision was then appealed (on points of law) and heard by the Court of Appeal in October 2016. This matter is related to the interpretation of new provisions in the Act around single alcohol area requirements for supermarkets/grocery stores. The Authority, High Court, and Court of Appeal have referred to these cases as test cases.

The premises decisions subject to the appeal proceedings are Bond Markets Limited (Bishopdale New World) and J C Vaudrey Limited (South City New World). Following the Court of Appeal decision the cases were referred back to the Authority for a rehearing. The Authority re-heard the matters in July 2017 and decisions are pending.

A further 21 supermarket applications are currently adjourned and awaiting for hearings to be set down by the DLC subject to the outcome of the above test cases. These adjournments are in accordance with a practice direction issued by ARLA in 2014.

Noticeable Trends or Issues

The DLC continues to be in a unique situation as a result of ongoing rebuilding activities, in particular within the central business district area. The Committee has continued to see an increase in the number of brand new premises with new operators in connection with redevelopment in the central city and, to a more limited extent, in the suburbs.

Redevelopment of the long-established pre-earthquake hospitality area along Oxford Terrace has progressed in the last year and trading is expected to commence in late 2017. Previous trends of development and demographic changes in suburban hospitality hubs has significantly slowed and settled over 2016-17. The major redevelopment focus has grown significantly within the CBD areas.

There continues to be an increased focus on amenity and good order considerations and increasing community input into licence applications through public objections. In particular, there has been a significant increase in community concerns and public objections in relation to applications for new bottle store off-licences in suburban areas of the city.

The implementation of the new alcohol licensing regime from December 2013 has significantly changed the regulatory processes associated with licensing decision making. Both the level of information required from applicants and the minimum standard expected in terms of an applicants' knowledge and understanding of their obligations under the Act have increased. We are also continuing to see new licensees who have not previously operated in hospitality or under the new legislation.

In addition to meeting more rigorous reporting requirements, more detailed information about the licensing process has been provided to applicants to guide them through the new regime (including web and newsletter content).

To assist in ensuring that the legislative changes are properly understood by new operators and applicants for new premises licences, early engagement via pre-application meetings is encouraged and lodgement meetings with Inspectors are mandatory.

Inspectors held 181 lodgement meetings for new applications in this reporting year. This included new licensees and new premises operations, as well as changes in ownership of existing premises. This service aims to ensure sufficiency of applications and to increase applicant understanding of the Act's obligations on the licensee and DLC licencing decision-making processes. This is a prevention first tool, where improved education and establishment of expectations at the first point of contact raises compliance levels across all licenced premises.

The number of special licence applications continues to be high, with 1161 applications made during the reporting year. This continues to reflect the loss of function venues across the City and is representative of a significant number of events being held on Club premises for non-members. In 2016-17 there also continued to be a number of larger sized music festival and community events (including street festivals) which are becoming permanent annual fixtures in the city.

The central city (the CBD area within the four avenues) area has continued to see growth in the number of licensed premises with 145 on-licences now in this area as of 1 July 2017. However, these numbers are yet to return to pre-earthquake numbers of 282 for on-licences in the CBD.

New premises applications are trending towards permanent structures, established (where necessary) through the resource consent processes in accordance with District Plan requirements. A number of premises subject to Temporary Accommodation Permits (TAP's) immediately following the earthquakes have now relocated (or are in the process of relocating) to permanent sites within the central city area, the remaining small number of licenced premises that are subject to a TAP have had the expiry date extended out to 2021.

The Victoria Street precinct has continued to see growth in the number of licensed premises seeking 3am licences in direct conflict to the wishes of the local residents. Residents' concerns centre around the late night, 3am, closure of many premises and the impact on good order and amenity to adjacent

residential areas. There are currently around 38 licences on Victoria Street (including the Carlton Corner area). Applications for new licences and the renewal of existing licences continue to attract resident's discontent and concerns. No applications have been declined by the DLC for this area.

The central city hospitality precinct areas (where a number of premises with late-night, 3am, closing hours are located) continue to repopulate in the areas of Victoria, New Regent Street, High Street, Allen Street, Manchester Street and St Asaph Street. The area along Oxford Terrace, previously known as "The Strip" pre-earthquake, is expected to commence reopening over coming months and will see two separate large developments open with around 14 premises (a combination of small and large) in total. This area is expected to again become a significant late night entertainment area for the city.

The repopulation of late night entertainment activity in some precinct areas, particularly along St Asaph Street, is attracting the typical concerns associated with late-night economy areas. In particular the concerns related to people migration, amenity and good order, litter, breach of liquor bans, transportation and public safety (including those raised by reporting agencies) around late night traffic behaviour, and the sufficiency of late night taxi-stands for this area.

For the Christchurch City Council area as whole, the number of current licences now shows a steady but slow increase to 929 as of 1 July 2017. This number has increased from 890 in the previous reporting year, but remains a considerable reduction from the peak of 1149 in 2011.

The number of changes in ownership of premises also continues to be relatively high with around 20 premises trading under current Temporary Authorities at any one time while changes in licensees for existing alcohol licences are completed. The number of current manager's certificates held for the Christchurch DLC area remains steady now but has increased slightly in the last year with around 3590, up from 3455 in the previous year.

With the new fees regime now entering its fourth year, costs associated with administering the District's alcohol licensing activities are cost recovered from licencing fees. However, there remains a continuing impact overall on licencing fees income, due to total licence numbers remaining lower than pre-earthquake numbers.

2. DLC District Initiatives

Controlled Purchase Operations

There were two Controlled Purchase Operations (CPO's) carried out during the year, resulting in 47 premises being visited. Both CPO's were conducted using minors. Of the 47 premises visited, three premises (all on-licences) sold to a minor in breach of the Act resulting in applications being referred to the Authority. The typical suspension periods recommended vary depending on the type of licence and whether this is a first offence and are made in accordance with ARLA guidelines.

Alcohol Accords for precinct areas

Work has been continuing with the hospitality industry and a number of other partners to strengthen alcohol accords to cover the main hospitality areas of the city. This work continues to be driven within precinct cluster areas and led by the hospitality industry. The various precinct accords have developed to meet the particular needs of the licensees and characteristics of the hospitality areas in which they are situated. This has worked well as various parts of the city have unique issues in the current rebuild and re-establishment environment. Work is also currently underway for a BYO Accord. The Accords also support a series of minimum standards which licensees must sign up to in order to become an accord member.

The Victoria Street Accord has been in place since early 2014. The Addington (Lincoln Road) Accord was reinitiated this year with a focus on premises collaboration on managing this hospitality precinct area when large events are held at venues in the locality, such as at AMI Stadium, Horncastle Arena, and Addington Racecourse.

Current efforts are being directed at supporting the St Asaph Street Accord which has developed as a late night precinct hot spot. The focus for this area is the management of the large numbers of people lingering in the area when leaving, or who can't get access to, the bars. This year we have run a pilot

initiative involving multiparty collaboration with the Taxi Federation, Police, Land Transport New Zealand, and the Council Parking Enforcement and Alcohol Licensing teams with premises and their security. The goal being to foster improved communication between premises, security, taxis, and the public in order to discourage illegal parking in taxi stands, improve better taxi movement, and ensure pedestrian and traffic safety in the area as the public come and go. The programme has resulted in better parking compliance, increased education of taxi drivers, and increased safety for the area.

A new Terrace Accord group has recently formed and is being led by the licensees. The Terrace is the new name for the area that was formally known as “The Strip” along Oxford Terrace. There are 17 plus proposed hospitality venues already committed to open in this area over the coming months. A prevention first approach has been adopted for this area by proactively initiating the Accord before the area fully reopens. The Accord will help to ensure all proposed premises establishing in this area have systems and protocols in place to support members working together to proactively minimise any potential for adverse effects of the pending significant increase in late-night entertainment activity repopulating this area. This Accord also marks a new inclusive approach with members including not only the prospective licensees, but also the developers and building owners.

3. Local Alcohol Policy

Christchurch City Council began the development of a Local Alcohol Policy under the Act in early 2013. Public consultation of the draft Local Alcohol Policy document was completed at the end of June 2013. Public Hearings were held in July 2013. Notification of the provisional LAP was deferred awaiting the outcome of appeals against other territorial authority policies. On 28 May 2015 Council approved notification of the Provisional LAP. Nineteen appeals were received by ARLA, and an additional eight parties have been granted “interested party” status to be heard at the appeal hearings.

The Council entered a mediation process in 2016, and subsequently 17 out of the 19 appeals were settled. The Council filed a resubmitted provisional LAP with ARLA in October 2016, and 2 new appeals were filed. A number of parties were again granted interested party status. In December 2016, one of the appellants filed judicial review proceedings in the High Court in relation to the Council’s processes in determining the form of the resubmitted provisional LAP. In June 2017, the High Court found in favour of the applicant and stayed the current appeals to the resubmitted provisional LAP before ARLA.

The DLC look forward to the final outcome of the LAP process which is anticipated to provide guidance and a measure of certainty around some aspects of alcohol licensing for all parties involved in the licencing application processes.

4. Current legislation

We wish to comment on the following matters (in addition to those noted in previous reports):

s211 Decision to be given in writing

There is a lack of clarity in relation to section 211 of the Act and to whom copies of decisions are required to be provided. It would be desirable to clarify that copies of the decisions (whether or not the matter has been determined at a hearing) should be provided to the Inspectors, Police and the Medical Officer of Health.

s40 Remote Sellers and ‘premises’ requirements and s5 definition of ‘premises’.

Clarification of the definition of “premises” as applies to “online” remote sellers is desirable. For online remote sales, business promotion and sales activities can be run from a lap top and are cloud based. The product purchased maybe dispatched by a third party (and often from a separate storage location). The determination of the “premises” address for the location of the licence is unclear as the lap top/webpage can be managed by the licensee from any physical location. Technically, it’s likely that the relevant location is the webpage url not a physical street address. A “premises location” as stated on the licence is separate from a physical “address for service” for the licensee.

Managers Certificate Form 18, prescribed forms in the Regulations

The use of legalese in the prescribed wording relating to currency and renewal requirements for manager's certificates is confusing for applicants. This would benefit from updating into plain English wording.

5. Any other matters the TA wishes to draw to the attention of the Authority

Alcohol related Bylaws

Christchurch has the Christchurch City Council Alcohol Restrictions in Public Places Bylaw which came into force on 1 July 2009. There are currently 13 permanent Alcohol Ban areas, the most recent areas came into force on 9 September 2012 in Papanui and Merivale.

A one-day temporary ban for Cup Day at Addington Raceway was successfully implemented in November 2013 and repeated again in each successive year. A similar one-day temporary ban for an area around Riccarton Park Racecourse for the New Zealand Cup was implemented for November 2015 and again in 2016. The Council has approved another temporary alcohol ban in the Riccarton Racecourse area on New Zealand Cup Day for November 2017. The Alcohol Ban By-Laws will be coming up for review in the coming year.

Safer Christchurch

The Safer Christchurch Strategy was recently reviewed and refreshed by Council, with reaccreditation being achieved in 2016. Safer Christchurch continues to prioritise alcohol harm minimisation. In September 2016 the Governance Group determined that Alcohol and Drug Harm minimisation was a priority area for Safer Christchurch. The Goals of the Safer Christchurch Strategy will address aspects of this priority.

Alcohol Strategy - Christchurch Alcohol Action Plan

In 2013 Christchurch City Council undertook extensive consultation on a draft Local Alcohol Policy (LAP) which elicited more than 4000 submissions. A large number of submitters raised concerns and suggested initiatives outside the scope of a LAP to address alcohol related harm. Consequently the Council resolved (October 2013) to "Undertake an Alcohol Strategy and/or other collaborative initiatives, as a wider means of minimising alcohol related harm in the community". In 2014 the newly elected Council endorsed the development of an Alcohol Strategy.

Council has been in consultation with partner agencies, including a workshop in late 2015 that the Christchurch City Council supported. A draft discussion document (February 2016) was developed titled the 'Christchurch Alcohol Action Plan' (CAAP). The principal agencies within the CAAP include Christchurch City Council, Canterbury District Health Board and the NZ Police.

There has been significant progress on this collaborative document and a final draft was consulted on at a further workshop in July 2017. Policy work is continuing on the development of this inter-agency 'strategy' with the Safer Christchurch Interagency Group taking a governance role.

Crime Prevention Through Environmental Design – CPTED

The Council's CPTED specialist advisor completed two CPTED reports on licensed premises during the reporting period. The Alcohol Licensing team commissioned a report for the St Asaph Street Precinct and surrounding CBD area to assist with providing information on, and assessment of, potential alcohol related harm in public spaces to inform DLC in its decision making on licence applications in this areas. The Council's CPTED advisor noted that up to thirty other CPTED reports were commissioned during the year for non-licensing purposes that also considered the impact of licensed premises on study sites.

Tri-Agency Collaboration

The Christchurch Licensing Inspectors, NZ Police, and Community and Public Health officers have maintained a strong working relationship as the Tri-Agency Group. This includes weekly meetings, controlled purchase operations, inter-agency monitoring teams and collaboration on alcohol related harm initiatives, such as licensee education and support for alcohol accords. The Christchurch Inspectors have also provided mentoring and support for other inspectors from neighbouring Territorial

Authority areas within the wider Tri-Agency region. An annual District Licensing Group training workshop was held in March 2017, hosted by the Police and supported by the Health Promotion Agency, and included agencies from the West Coast, Ashburton and Timaru.

The Tri-Agency Group continues to use a Licensed Premises risk assessment methodology approach to support the identification of monitoring priorities. One focus in recent years has been developing a coordinated approach with monitoring large events, including pre and post event liaison with licensees, such as for the Wine and Food and Beer festivals, large music concerts, and during Cup Week.

Christchurch Licensing Inspectors also continue to maintain a collaborative working relationship with other City Council officers in relation to health licencing, environmental (noise), and other regulatory and compliance issues (building, planning, consenting, and leasing areas) that touch on alcohol licensing matters. In the last year, in collaboration with these other teams in Council, the Alcohol Licensing Team developed an information sheet for hospitality property developers, building owners and prospective tenants. The aim is to provide information to inform of potential licensing and compliance considerations for building developments and proposed future business operations of potential tenants. This prevention first approach to educate and inform these parties early about licensing considerations and timelines.

The Tri-Agency Group continues to collaboratively deliver education sessions for licensees, managers, and staff to assist and increase their understanding of their obligations and responsibilities under their premises licence conditions. These sessions are delivered regularly at the invitation of institution providers for the Licence Controller Qualification (LCQ) in the Christchurch area. Onsite sessions are also provided for licenced premises as part of a graduated enforcement and the risk based compliance strategy approach followed by the Inspectors.

The Christchurch Tri-Agency newsletter has now become a quarterly publication. The format was revamped last year and the newsletter is now emailed to all stakeholders by the Secretariat. This avenue of communication has also been utilised to assist with communication of other prevention information, such as Police guidance about cash handling, environmental layout of premises and safety for licensees following the recent aggravated robberies in Christchurch.

Liaison with other agencies and groups

The Christchurch Alcohol Licensing Team has also had regular contact with the Department of Internal Affairs, the Ministry for Business, Innovation and Enterprise (MBIE), ACC, Health Promotion Agency (HPA), Hospitality Standard Institute, Hotel Association of NZ, Hospitality New Zealand (HANZ), the Restaurant Association, and Workingmen's Clubs NZ.

6. Statistical information

Please see attached Territorial Authority statistical and fees return for applications received during the reporting year ending 30 June 2017. As of 30 June 2017, in the Christchurch Territorial Authority area there were 929 current premises licences (on, off, club) and 3591 manager certificate holders.



Allison Houston

Team Leader Alcohol Licensing
Regulatory Compliance Unit

On Behalf of the Secretary, Christchurch City Council District Licensing Committee

Appendix 1

End of Year Financial return for ARLA:

TERRITORIAL AUTHORITY - Christchurch City Council

Return for year ending - 30 Jun 2017

Application fees

On, off and club licence applications accepted					
Type	Number accepted in fee category				
	Very Low	Low	Medium	High	Very High
Club licence new	2	2	0	0	0
Club licence renewal	8	6	4	0	0
Club licence variation	0	0	0	0	0
Off-licence new	1	8	30	4	0
Off-licence renewal	2	11	44	29	0
Off-licence variation	0	0	2	0	0
On-licence new	1	79	44	12	0
On-licence renewal	12	90	81	22	0
On-licence variation	1	0	3	4	0
Total number	27	196	208	71	0
Total fee paid to ARLA (GST incl)	\$465.75	\$6762.00	\$10764.00	\$6123.75	\$0.00

Annual fees

Type	Number paid in fee category				
	Very Low	Low	Medium	High	Very High
Club licence	70	34	11	0	0
Off licence	6	37	117	68	1
On licence	26	280	263	59	3
Total number	102	351	391	127	4
Total fee paid to ARLA (GST Incl)	\$1759.50	\$12109.50	\$20234.25	\$10953.75	\$690.00

Managers' certificate applications accepted	Number
New	784
Renewal	1106
Total number	1890
Total fee paid to ARLA (GST Incl)	\$54337.50

Special licence applications accepted			
	Number accepted in fee category		
Type	Class 1	Class 2	Class 3
Special licence	61	303	797
Total number	1161		

Temporary authority applications accepted	Number
	114

Permanent club charter payments	Number
	3

Total to paid to ARLA (GST incl)	Total
	\$124,251.75