

# **CHRISTCHURCH CITY COUNCIL AGENDA**

**THURSDAY 8 DECEMBER 2011**

**9.30AM**

**COUNCIL CHAMBER, CIVIC OFFICES,  
53 HEREFORD STREET**

## CHRISTCHURCH CITY COUNCIL

**Thursday 8 December 2011 at 9.30am**  
**in the Council Chamber, Civic Offices, 53 Hereford Street**

**Council:** The Mayor, Bob Parker (Chairperson).  
Councillors Helen Broughton, Sally Buck, Ngaire Button, Tim Carter, Jimmy Chen, Barry Corbett,  
Jamie Gough, Yani Johanson, Aaron Keown, Glenn Livingstone, Claudia Reid, Sue Wells and  
Chrissie Williams.

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**COUNCIL 8. 12. 2011**

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## **COUNCIL 8. 12. 2011**

### **1. APOLOGIES**

### **2. CONFIRMATION OF MINUTES - COUNCIL MEETING OF 24.11.2011**

Attached.

### **3. DEPUTATIONS BY APPOINTMENT**

3.1 John McCracken, Chairman, Otara-Papatoetoe Local Board, regarding item 23.

3.2 Nick Koulobrakis regarding item 24.

3.3 Pamela Bell, CEO, PrefabNZ Incorporated and Lauren Christie, Octa Associates, regarding item 36.

3.4 Jolyan White – regarding item 20

### **4. PRESENTATION OF PETITIONS**

**COUNCIL 8. 12. 2011**

**5. REPORT OF A MEETING OF THE BURWOOD/PEGASUS COMMUNITY BOARD:  
MEETING OF 31 OCTOBER 2011**

Attached.

**6. REPORT OF A MEETING OF THE BURWOOD/PEGASUS COMMUNITY BOARD:  
MEETING OF 14 NOVEMBER 2011**

Attached.

**COUNCIL 8. 12. 2011**

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MEETING OF 18 OCTOBER 2011**

Attached.

**COUNCIL 8. 12. 2011**

**8. REPORT OF A MEETING OF THE HAGLEY/FERRYMEAD COMMUNITY BOARD:  
MEETING OF 2 NOVEMBER 2011**

Attached.



**COUNCIL 8. 12. 2011**

**9. REPORT OF A MEETING OF THE HAGLEY/FERRYMEAD COMMUNITY BOARD:  
MEETING OF 16 NOVEMBER 2011**

Attached.

**COUNCIL 8. 12. 2011**

**10. REPORT BY THE CHAIRPERSON OF THE HAGLEY/FERRYMEAD COMMUNITY BOARD:  
MEETING OF 30 NOVEMBER 2011**

Attached.

**COUNCIL 8. 12. 2011**

**11. REPORT OF A MEETING OF THE LYTTTELTON/MT HERBERT COMMUNITY BOARD:  
MEETING OF 1 NOVEMBER 2011**

Attached.

**COUNCIL 8. 12. 2011**

**12. REPORT OF A MEETING OF THE LYTTTELTON/MT HERBERT COMMUNITY BOARD:  
MEETING OF 15 NOVEMBER 2011**

Attached.

**COUNCIL 8. 12. 2011**

**13. REPORT BY THE CHAIRPERSON OF THE LYTTTELTON/MT HERBERT COMMUNITY BOARD:  
MEETING OF 29 NOVEMBER 2011**

Attached.

**COUNCIL 8. 12. 2011**

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MEETING OF 1 NOVEMBER 2011**

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**COUNCIL 8. 12. 2011**

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**COUNCIL 8. 12. 2011**

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MEETING OF 2 NOVEMBER 2011**

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**COUNCIL 8. 12. 2011**

**17. REPORT OF A MEETING OF THE SHIRLEY/PAPANUI COMMUNITY BOARD:  
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**COUNCIL 8. 12. 2011**

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**COUNCIL 8. 12. 2011**

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MEETING OF 18 OCTOBER 2011**

Attached.

**COUNCIL 8. 12. 2011**

**20. REPORT OF A MEETING OF THE SPREYDON/HEATHCOTE COMMUNITY BOARD:  
MEETING OF 1 NOVEMBER 2011**

Attached.

**COUNCIL 8. 12. 2011**

**21. REPORT OF A MEETING OF THE AKAROA/WAIREWA COMMUNITY BOARD:  
MEETING OF 19 OCTOBER 2011**

Attached.

**COUNCIL 8. 12. 2011**

**22. REPORT BY THE CHAIRPERSON OF THE AKAROA/WAIREWA COMMUNITY BOARD:  
MEETING OF 16 NOVEMBER 2011**

Attached.

23. MANUKAU CITY COUNCIL (REGULATION OF PROSTITUTION IN SPECIFIED PLACES) BILL

General Manager responsible:	General Manager Regulation and Democracy Services
Officer responsible:	Legal Services Manager
Author:	Judith Cheyne

PURPOSE OF REPORT

1. This report is to inform the Council about the Manukau City Council (Regulation of Prostitution in Specified Places) Bill ("the Bill").

EXECUTIVE SUMMARY

2. The Bill had its first reading in Parliament on 8 September 2010, and the submissions period for the Bill closed on 5 November 2010. The Christchurch City Council did not make a submission on the Bill as a result of the September earthquakes.
3. The policy statement at the beginning of the Bill states the Bill:

*"... provides for local bylaw control over the locations where the business of prostitution or commercial sexual services may occur when that business or those services take place or are conducted other than in a brothel or a small owner-operated brothel in Manukau City.*

*The purpose of the Bill is to authorise the Manukau City Council to make bylaws prohibiting the business of prostitution or commercial sexual services in specified public places in Manukau City. The business of prostitution in private premises carried on in accordance with the provisions of the Prostitution Reform Act 2003 will not be affected.*

*The Bill gives the Manukau City Council the power to make bylaws for this purpose only if it is first satisfied that it is necessary to do so to prevent activities or behaviour in a public place that are likely to cause a nuisance or serious offence to ordinary members of the public using the area, or because the activities or behaviour are incompatible with the existing character or use of that area. No such bylaw may have the effect of prohibiting the conduct of the business of prostitution or commercial sexual services in all public places in the district."*

A copy of the Bill is **Attachment 1** to this report.

4. The Bills Digest (prepared for Parliament to assist it in its consideration of the Bill) is **Attachment 2** of this report. It explains more about the Bill and the history behind the Bill, including the earlier local bill promoted by Manukau City Council: the Manukau City Council (Control of Street Prostitution) Bill 2005 (the 2005 Bill).
5. The 2005 Bill had the aim of prohibiting street prostitution by making it an offence to solicit for prostitution in a public place in Manukau City, and the offence was applicable to both sex worker and client. The bill also sought to create offences for conduct associated with prostitution, such as "loitering", and provided police with the powers to require information and to arrest suspected offenders.
6. The current Bill also proposes that the Police will exercise powers of enforcement in respect of any Bylaws that might be made by the Council (if the Bill is passed in its current form). This removes the need for the Council to undertake the difficult task of enforcement. It is much easier for the Police to carry out effective enforcement of such activities as the Police powers are greater than Councils' powers. An example of the Police effectively enforcing a Council bylaw is the enforcement of liquor bans in place under the Council's Alcohol Restrictions in Public Places Bylaw 2009.
7. The 2005 Bill was referred to the Local Government and Environment Committee which reported back on the Bill on 24 February 2006, recommending that it not be passed. The 2005 Bill was negatived at its second reading on 11 October 2006. The Select Committee acknowledged that the Council had problems but stated: *"In our view, there are various options available to Manukau City Council to increase street safety for all people which are more likely to be effective than the passing of a local Act."*

23 Cont'd

8. The Select Committee also believed the 2005 Bill presented enforcement and jurisdictional difficulties. In effect it would be a localised amendment to the Prostitution Reform Act 2003. That Act decriminalised soliciting in New Zealand, but the 2005 Bill sought to re-criminalise street soliciting within the geographical boundaries of Manukau City. Allowing a local Act to amend a public statute in this way would set a significant and undesirable precedent. There was also a concern that clause 12 of the 2005 Bill was inconsistent with the New Zealand Bill of Rights Act 1990.
9. The report also noted that the review of the Prostitution Reform Act 2003 may recommend that further support for communities be developed at a national level, including in relation to street prostitution issues. The Select Committee noted that it was keen to see the intent of the 2005 Bill and its report included in the Prostitution Law Review Committee's consideration, and that it would welcome any action that enhances the efficacy of the Act. The Prostitution Law Review Committee presented its report on 14 May 2008. The executive summary of that report included the following statement about street based sex workers, and the following four recommendations:

*"Street-Based Sex Workers*

*The Committee endorses the findings of the CSOM [Christchurch School of Medicine] study that 'the numbers of street-based sex workers have remained stable since the enactment of the PRA, with comparable numbers on the streets to estimates done prior to decriminalisation'. The CSOM survey found that the street-based sector made up 11% of the sex industry in 2006, making it by far the smallest sector.*

*Complaints about street-based sex workers have predominantly been made about the Christchurch and Manukau street prostitution areas. The Committee concludes the effects of street-based prostitution can be managed through proactive measures taken by local councils (the provision of lighting and street cleaning), Police (Police presence to discourage disorderly or anti-social behaviour), and NGOs (providing support services). Further, because under age people are more likely to work in the street sector, a Police presence is necessary to discourage clients seeking contact with under age people. Such Police action should be used in conjunction with other child protection measures.*

*The Committee considers that the purpose of the PRA, particularly in terms of promoting the welfare and occupational health and safety of sex workers, cannot be fully realised in the street-based sector. The Committee recognises the danger street work poses to sex workers, and acknowledges the concern and upset it causes communities. The Committee considers street-based sex workers should be encouraged to either move to a safer, indoor setting, or leave sex work altogether.*

....

*Street-Based Sex Workers*

- *Legislative approaches that aim to criminalise street-based sex workers should be avoided.*
- *Street-based sex workers should be supported to work safely and with consideration for local communities.*
- *Street-based sex workers should be encouraged to find alternatives to street-based sex work. NGOs should be adequately funded to facilitate this.*
- *Local government should adopt practical solutions to manage areas used by street-based sex workers and their clients."*



23 Cont'd

9. The current Bill is quite different from the 2005 Bill as it does not seek to completely prohibit and criminalise street prostitution but seeks a bylaw-making power so that the Council can specify particular public places where the activity is prohibited on the basis of nuisance and/or serious offence to members of the public. The Bill also states that the Council cannot prohibit the conduct of the business of prostitution or commercial sexual services in all public places in the district. In the first reading debate on the new Bill George Hawkins stated that the Council needed this new Bill being proposed because:

*"...It has used all the options we would expect a council to use. It has used better street lighting, closed-circuit television, Māori wardens and ambassadors, and of course the police have been directed to look at the problem. But prostitution is just one of many social problems that are impacting on South Auckland. ... we have a lot of people who are very upset that there is a mix of alcohol abuse and street prostitution going on at the same time. Last time, I said it was a plea from Manukau City Council for help. This bill is also a plea for help from Manukau City Council..."*

10. When the new Auckland Council came into power and replaced the Manukau City Council, the Auckland Council indicated to the Select Committee its desire to take over and continue with the Bill. In a media release from the Select Committee on 7 April 2011 there is information about the proposed continuation of the Bill by the Auckland Council:

*"The Manukau City Council (Regulation of Prostitution in Specified Places) Bill remains before the Local Government and Environment Committee for consideration with a reporting date of 8 September 2011. The bill as introduced sought to authorise the Manukau City Council to make bylaws prohibiting the business of prostitution or commercial sexual services in specified public places in Manukau City.*

*The committee has received a submission from Auckland Council stating its support and that it intends to take over from Manukau City Council as the promoter of this local bill. It requests that the committee recommend amendments to the bill which empower it to make bylaws that may apply to all of the new Auckland Council area. The council's submission is available on the Parliament website, [www.parliament.nz](http://www.parliament.nz)*

*Chris Auchinvole, chairperson of the committee, said that the committee believed that the public should be fully aware of potential changes to the geographic area to which the bill could apply. The committee has written to Auckland Council recommending that it follow certain procedures set out in Standing Orders for publicly notifying a local bill. Auckland Council has advised the committee that it accepts the committee's recommendations, and that it expects to provide a further submission to the committee later in the year.*

*The committee will consider the bill again once it has received the council's further submission."*

11. The Select Committee was due to report to Parliament in October 2011. However, with the recent election, this did not happen. It is not now clear when the Select Committee will report back but it is unlikely to be before February 2012. As a result of the Auckland Council now promoting the Bill, further submissions may be called for by the Select Committee. The Christchurch City Council would be able to make a submission on the Bill at that time if it wished.

**FINANCIAL IMPLICATIONS**

12. None, as this is an information only report

**LEGAL CONSIDERATIONS**

13. No legal considerations are involved with this information report.

**ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

14. Not applicable.

**23 Cont'd**

**ALIGNMENT WITH STRATEGIES**

15. Not applicable.

**CONSULTATION FULFILMENT**

16. The report has been discussed with the Strategy and Planning Unit.

**STAFF RECOMMENDATION:**

That the Council note the information in this report.

**24. APPLICATION BY MAINLAND FOUNDATION FOR TERRITORIAL AUTHORITY CONSENT UNDER THE GAMBLING ACT 2003**

<b>General Manager responsible:</b>	General Manager Regulation and Democracy Services, DDI 941-8462
<b>Officer responsible:</b>	Legal Services Manager and Inspections and Enforcement Unit Manager
<b>Author:</b>	Judith Cheyne, Solicitor and Paul Rogers, Liquor Licensing Team Leader

**PURPOSE OF REPORT**

1. The purpose of this report is to advise on an application by the Mainland Foundation Limited (Mainland) for territorial authority consent under the Gambling Act 2003, for nine gaming machines at the Pierside Café and Bar, 3 Brighton Mall.

**EXECUTIVE SUMMARY/BACKGROUND**

*Background to Application*

2. On 27 July 2011, Mainland applied for a territorial authority consent under the Gambling Act 2003 to have nine gaming machines situated at Pierside Café and Bar, 3 Brighton Mall. A copy of their application is **Attachment 1** to this report. The application has not been brought before Council until this point because -
  - (a) A report was being prepared on the Council's Gambling Venues Policy after the earthquakes. This report was considered by the Council on 22 September 2011 and the Council resolved to
    - (i) *Agree that the current Gambling Venue Policy should remain in place until it has been reviewed;*
    - (ii) *Direct staff to bring forward the scheduled review of the Policy and report back to Council by the end of February 2012; and*
    - (iii) *Note that if a special consultative procedure is required as a result of the review, a new policy could be in place by the end of May 2012;*
  - (b) Mainland wished to provide further information in support of their application but only wanted to do so after the Council had considered the September report. A further letter has now been received from Mainland dated 21 October 2011 and is included in this report as **Attachment 2**.
3. Under the Gambling Act, class 4 gambling may be conducted by a corporate society that holds a class 4 operator's licence, and a class 4 venue licence for the place where the gambling is conducted. In order to obtain a class 4 venue licence, the operator must have obtained territorial authority consent (if required under section 98 of the Gambling Act). Both an operator's licence and a venue licence are issued by the Department of Internal Affairs.
4. Prior to 22 February 2011, 18 gaming machines were located at Bar 25, in Brighton Mall. There were no gaming machines located at Pierside Café and Bar.
5. The class 4 venue licence for Bar 25 was held by Air Recue Services Limited. However, Council staff understand that Bar 25 had been sold and Air Rescue Services Ltd were in the process of surrendering their class 4 venue licence for Bar 25. Mainland were in the process of applying for a new class 4 venue licence for Bar 25. The licence could not be transferred directly from Air Rescue Services Ltd to Mainland.
6. Mainland has informed the Council that it signed a class 4 venue agreement with the venue operator at Bar 25. However, Bar 25 was severely damaged in the February earthquake and the building owner has informed Mainland that the building will be demolished. The building owner has indicated that the property may be rebuilt as office space.

24 Cont'd

7. Air Rescue Services Ltd subsequently surrendered the class 4 venue licence for Bar 25 on 31 March 2011. Once a class 4 venue licence has been surrendered for more than six months, a new venue licence is required for the venue. A territorial authority consent is also required in those circumstances. A new class 4 venue licence for Bar 25 has not been issued by the Department of Internal Affairs. This means the previous licensee cannot simply return to Bar 25 and re-establish 18 machines as of right at a later date.

*Current application*

8. As Bar 25 is to be demolished Mainland would now like to locate nine gaming machines at Pierside Café and Bar. Mainland have applied to the Council for a territorial authority consent as the first step in applying for a class 4 venue licence for Pierside Café and bar.
9. Mainland say that "in effect" they are applying to "move" the licence from Bar 25 to Pierside Café and Bar. If the earthquakes had not occurred Mainland would not have needed territorial authority consent for the venue licence for Bar 25. However, in order to grant the consent that is now needed, Mainland have asked the Council to exercise its discretion under section 80 of the Local Government Act 2002 (LGA 02).
10. Pierside Café and Bar is located 20 metres further east of the Bar 25 site, in Brighton Mall. The building in which the business is operated is also owned by the same person who owned the Bar 25 building. Mainland has advised that the leasehold owner of the Pierside Café and Bar and the building owner are fully supportive of Mainland's application. Pierside Café and Bar does not hold a class 4 venue licence and has not held a class 4 venue licence in the last 6 months, hence the need to apply for a new class 4 venue licence for the Pierside premises.
11. As mentioned above, Mainland submitted their application to Council in July 2011. However, prior to this, Mainland made a submission by deputation to the Burwood/Pegasus Community Board on 18 July 2011. They have included a copy of the written material supporting their deputation with their application.
12. In this written material, Mainland notes that the current gaming machine policy of the Council does not allow for the establishment of new gaming machine sites and that it operates under what is known as "a sinking lid" policy whereby if a site closes or even shuts down for an extended period, then the machines are lost from the pool of machines citywide. The written material goes on to note that the sinking lid policy never envisaged the events of September and February, during which 23 sites were rendered inoperable, many permanently. Mainland say in the written material that the impact on the reduced flow of community funding from these closed sites has been significant.
13. In Mainland's letter of 27 July 2011, accompanying its application, Mainland notes that a number of gaming venues in the east of the city were damaged as a result of the earthquakes and are not currently operating. Their assessment is that approximately \$30,000 per week is not going back into a community that desperately needs the funding. In their deputation to the Community Board, Mainland noted that in the immediate area between Bridge Street and Bowhill Road – Travis Road to Avondale through to Woodham Road there were nine sites contributing to community funding. As it stands, four of those sites are not operating being Bar 25, Brighton Mall; Coops Place, 121 Seaview Road; Bower Tavern, 487 New Brighton Road; Cardrona on Avon, 18 Breezes Road, Avondale.
14. Mainland went on to say in its deputation that  
*"To try and quantify the benefit to the community should we gain the territorial authority to effectively "move" nine of the 18 machines from Bar 25 to the Pierside Café and Bar is not entirely possible to be accurate but Mainland Foundation operates another nine machine site at the Phoenix Bar and Café in Papanui. This site has gaming machine turnover which generates, for distribution to the community \$5,464 per week (average over previous 12 weeks).*

*With the loss of the four strong operations within the area (all being 18 machine sites) it is not difficult to calculate a loss to the community of at least \$30,000 plus per week."*

## 24 Cont'd

15. In the most recent letter dated 21 October 2011 to the Council, Mainland also state as follows:

*"We do not believe that the impact on the local community of granting a TAC and allowing 9 machines to operate from the site will be significant (other than the benefits of grants made to support the eastern suburbs, which is Mainland's intention). Bar 25, only 20 metres away, had operated 18 machines and the nine machines we are seeking to install in the Pierside will be operated in an environment that is far removed from the atmosphere that pervaded Bar 25."*

16. In the 21 October 2011 letter, Mainland also refer to the lack of any possibility of Bar 25 being rebuilt and gaming machines being installed in the rebuilt premises. Mainland state as follows:

*We understand that one of the concerns that the Council may have in issuing a TA on the basis that it represents a "relocation" of an existing site is that the original venue may still qualify for a new licence (when the venue is resurrected) without needing a TAC. Understandably, the Council would be concerned if, in addition to allowing the new 9 machines to operate pursuant to the TAC, the original 18 machines might reappear at some further point without the need to obtain a TAC.*

*However, this could not occur in this instance. That is because there has been a period of 6 months in which a licence has not been held for Bar 25 (the licence was cancelled on the 25th of March 2011). Sections 92 and 93 of the Gambling Act make it clear that in such an instance a TAC for the Bar 25 site would be required and only nine machines could operate (if the TAC was granted, which we would think unlikely if one has already been granted for the Pierside (and noting the landlord's intention to create office space.))*

*Recap of position with respect to number of gaming machines, venues, monetary spend etc*

17. To put the application in context, it is noted that the earthquakes of September 2010 and February 2011 affected 36 venues in the city. Table 1 below shows how these venues were affected.

Table 1 Affected venues by type of impact			
	September 2010	February 2011	Total
Destroyed	4	7	11
Damaged	2	17	19
Able to reopen		6	6
<b>Total</b>	<b>6</b>	<b>30</b>	<b>36</b>

18. Prior to the earthquakes, at 30 June 2010 Christchurch had 114 venues operating 1,767 machines. As at 30 June 2011, information provided by the Department of Internal Affairs gave the number of venues as 108 and the number of machines as 1,577. As at 30 September 2011, the Department of Internal Affairs provided information that there is now **105** venues operating with a total of **1481** machines. There has been a further reduction of three venues and 96 machines.
19. In terms of quarterly gaming machine proceeds in Christchurch City from June 2010 to September 2011, the following information is noted:

June 2010	September 2010	December 2010	March 2011	June 2011	September 2011
\$18.9m	\$19.3m	\$20.2m	\$19.0m	\$22.9m	\$20.9m

20. As noted in the September report to Council, it is possible that an increase in expenditure on class 4 gambling in the June 2011 quarter occurred as a result of the Casino being closed. The Casino closed on 22 February and did not reopen until the beginning of June 2011. However, the latest quarter shows there has been a drop in gaming machine proceeds although it is still above the June 2010 quarter.

24 Cont'd

21. With respect to class 4 gaming venues in the vicinity of Pierside Café and Bar, it is noted that located immediately opposite Pierside Café and Bar is The Wave at 2 Brighton Mall. 18 gaming machines are located at The Wave. Eighteen gaming machines are also located at

- (a) New Brighton Workingmens Club, 202 Marine Parade , New Brighton:
- (b) Chats, 251 Travis Road North New Brighton:
- (c) Bickertons Bar, 307 Pages Road, Aranui.

*Summary of current Gambling Policy*

22. The Gambling Act 2003 requires each territorial authority to adopt a policy on class 4 gambling venues (bars, hotels, TABs and clubs that provide non-casino gaming (pokie) machines). The Council's Gambling Venue And Totalisator Agency Board (TAB) Venue Policy (Gambling Policy) was last reviewed in 2009 and is a "sinking lid" policy. It aims to progressively reduce the opportunities for class 4 gambling in Christchurch by attrition. It does not allow any increase in class 4 gaming venues or class 4 machine numbers, except in a specific circumstance where two or more corporate societies are merging.

*Analysis of application*

23. Turning to the current application, the only way in which the Council may grant territorial authority consent is to do so relying on section 80 of the Local Government Act 2002 (LGA 02), and make a decision which is significantly inconsistent with its Gambling Policy. The section 80 factors which the Council must clearly identify in making its decision are as follows:
- The inconsistency
  - The reasons for the inconsistency
  - Any intention to amend the policy to accommodate the decision.
24. It should be noted that prior to the earthquakes the Council has previously granted to both the Christchurch Working Men's Club and the Sumner Returned Services' Association (RSA) a territorial authority consent, when the respective policy applying in each situation did not allow for it, by applying section 80 of the LGA 02, and making a decision that was inconsistent with its policy. The situation applying to both these clubs was unusual, and arose, in part, out of the original territorial authority consents they had been given under section 98(d), not long after the Gambling Act came into force.
25. Consequently, in this case, following the section 80 requirements, is there an inconsistency? In granting such a consent there would be an inconsistency, and that is that the Gambling Policy does not allow for granting consents to new venues, or providing for the effective relocation of gaming machines.
26. What would be the reasons for the inconsistency? The reason for the inconsistency would be that the earthquakes were extraordinary unanticipated events, and it is appropriate for the Council to respond in such a situation by allowing for the "effective" relocation of the gaming machines to a new venue in this case. In terms of the total number of gaming machines, it does not lead to an increase in the number of machines that were in operation before the earthquakes occurred. In this case, there is a reduction from 18 to nine machines. The community is being deprived of funding through the lack of gaming machine proceeds and allowing nine machines to be located at Pierside Café and Bar will allow some gaming machine proceeds to be returned to the local community.
27. However, staff note that this is not an effective relocation of machines because Mainland never obtained a class 4 venue licence for Bar 25. It was only in the process of doing so when the February earthquake occurred. (As part of that process it would not have needed to apply for a territorial authority consent.) Consequently, this is an application for territorial consent for a new venue. On this basis, other than "earthquake reasons" there is no justification to grant the consent. Staff also note that gaming machine proceeds are still above pre-earthquake levels although in the last quarter they did drop back somewhat. This suggests that Citywide, there is no reduction in the gambling proceeds that are currently being returned to the wider community.

24 Cont'd

28. Another relevant point is that Council's Gambling Policy is a "sinking lid" policy, and although not stated in the Policy itself, the 2009 report which constituted the review of the Gambling Policy clearly noted that the purpose of the current policy is to prevent any increase in the numbers of gambling venues or machine numbers in the city. A sinking lid policy is currently the most a Council can do to try and reduce the number of gaming machines and venues. Granting a consent in this case contradicts the purpose of the current policy to prevent any increase in the numbers of gambling venues or machine numbers in the city. At present there are 1481 machines in operation and granting this consent means there would be 1490 machines.
29. Staff also note that the issue of a venue being damaged and destroyed by fire or something similar was openly discussed during the last review of the policy. The view amongst the working party at least was that in this circumstance this would lead to a reduction of venues and be in accordance with the aims of the policy: to prevent increases in numbers of machines and venues. In this circumstance where the Council is considering an application on a case by case basis then technically the situation of Bar 25 being damaged by an earthquake is no different to Bar 25 having been damaged by a fire. It is suggested that there is no justification in this situation for the Council to grant a territorial authority consent.
30. Finally, if the Council decided to grant territorial authority consent it would need to identify any intention to amend the policy to accommodate the decision. It is suggested here that the Council would need to record that it did not have a specific intention to amend the policy to accommodate the decision but that on 22 September 2011, the Council resolved to direct staff to bring forward the scheduled review of the Policy and report back to Council by the end of February 2012.

**FINANCIAL IMPLICATIONS**

31. There are no financial implications in relation to granting this consent.

**Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?**

32. Not relevant to this matter.

**LEGAL CONSIDERATIONS**

33. Section 100 of the Gambling Act 2003 requires that a Council must "*consider an application for a territorial authority consent in accordance with its class 4 venue policy*". Having considered the application in accordance with the policy, the Council has two options which are to –
  - (a) grant a consent with or without a condition specifying the maximum number of gaming machines that may be operated at the venue; or
  - (b) not grant a consent.
34. The Council's Gambling Venue And Totalisator Agency Board (TAB) Venue Policy (Gambling Policy) adopted on 23 November 2006 (and confirmed on 27 August 2009) provides:
  - "1. *The Christchurch City Council will not grant consent under section 98 of the Gambling Act 2003 to allow any increase in class 4 gaming venues or class 4 machine numbers except in the circumstance set out below.*
  2. *The Christchurch City Council will grant a consent where two or more corporate societies are merging and require Ministerial approval to operate up to the statutory limit in accordance with section 95(4) of the Gambling Act 2003. The total number of machines that may operate at the venue must not exceed 18 machines.*

24 Cont'd

*Totalisator Agency Board (TAB)*

3. *The Christchurch City Council will grant a Totalisator Agency Board (TAB) venue consent to the New Zealand Racing Board to establish a Board venue (the Board must meet all other statutory requirements, including the City Plan requirements, in respect of such proposed venue). ...*
7. *If the Council amends or replaces this policy, it is required to do so in accordance with the special consultative procedure outlined in the Local Government Act 2002.*
8. *In accordance with the Gambling Act 2003, the Council will complete a review of the policy within three years of its adoption and then every three years thereafter."*
35. Under the current policy, the only consent the Council can grant is where two or more corporate societies are merging and seeking Ministerial approval under section 95, and the resulting number of machines will not exceed 18. It is clear from the express wording in the Gambling Policy that it does not provide for a consent to be granted in the circumstances set out in the current application. The Policy does not allow machines to be relocated. It does not allow for new consents to be granted unless the very limited circumstance's apply.
36. However, the Council is able to make a decision that is inconsistent with its Gambling Policy provided it complies with section 80 of the Local Government Act 2002:
  - "(1) *If a decision of a local authority is significantly inconsistent with, or is anticipated to have consequences that will be significantly inconsistent with, any policy adopted by the local authority or any plan required by this Act or any other enactment, the local authority must, when making the decision, clearly identify —*
    - (a) *the inconsistency; and*
    - (b) *the reasons for the inconsistency; and*
    - (c) *any intention of the local authority to amend the policy or plan to accommodate the decision.*
  - (2) *Subsection (1) does not derogate from any other provision of this Act or of any other enactment."*
37. Note that in the report to the Council meeting in September, staff advised on the effect of the Canterbury Earthquakes (Local Government Act 2002) Order 2010 which is still in force. Clause 4 exempts the Council from the need to comply with the requirements of section 80 in relation to any decision it makes that is directly or indirectly necessary or desirable to further one or more of the purposes in the Canterbury Earthquake Recovery Act 2011 (CER Act). It is not entirely clear that the grant of a consent for gaming machines to be located at a new premises, while having arisen from the earthquakes, is one that would mean the Council could make a decision inconsistent with its policy without complying with the usual steps. Therefore, legal advice is that the Council consider this application in terms of the matters set out in section 80.
38. The section 80 factors which the Council must clearly identify in making its decision are as follows:
  - The inconsistency
  - The reasons for the inconsistency
  - Any intention to amend the policy to accommodate the decision.

**Have you considered the legal implications of the issue under consideration?**

39. Yes as above.

**ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

40. Supports the level of service under democracy and governance.



24 Cont'd

**Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?**

41. As above.

**ALIGNMENT WITH STRATEGIES**

**Do the recommendations align with the Council's strategies?**

42. Whatever decision the Council makes on this proposal it will align with some community outcomes, and aspects of Council strategies but not others. This is the inevitable consequence of class 4 gambling (with its associated problem gambling impacts) being closely linked to the funding of community organisations.

Declining this request will align with some principles in the Council's Strong Communities strategy, but possibly not others.

Declining this request will not align with the *'We have a strong economy that is based on a range of successful and innovative businesses'* part of the *A Prosperous City* Community Outcome.

However declining the request does align with the other part of this Community Outcome, *'Christchurch has a strong, healthy economy'*. The economic impact study carried out in the last policy review found that class 4 gambling has a negative net impact on the economy as a whole.

Declining this request will align with the *A Healthy City* Community Outcome.

**CONSULTATION FULFILMENT**

43. As a result of the work staff did in preparing for the report to Council for the 22 September 2011 meeting, it is considered that the Council has sufficient information regarding community views **generally** in relation to gambling. However, it should be noted that staff have not consulted on this specific application. The Community Board had the opportunity to hear Mainland's deputation in July 2011 but the fact of this application has not been put back to the Community Board after receiving the 21 October 2011 letter and the completion of this report.
40. In the report to Council for 22 September 2011 where the Council determined to undertake a review of the Gambling Venue Policy, it referred to the various discussions staff had had with gaming machine operators, the Department of Internal Affairs and other stakeholders.
41. At the Council meeting on 22 September 2011, deputations were made by the following:
- Sara Epperson, Health Promoter, Problem Gambling Foundation;
  - Graham Paull, Director Mainland Foundation;
  - Phil Holden, Chief Executive Officer, Lion Foundation, on behalf of Lion Foundation, NZ Community Trust, Pub Charity and Southern Trust;
  - Doug Sellman Director, National Addiction Centre, University of Otago;
  - Lucy D'aeth, from the Canterbury District Health Board, with apologies from Dr Raymond Pink;
  - Shaun Cottrell, on behalf of Air Rescue Services Limited;
  - Mary Richardson, Chief Executive, Christchurch Methodist Mission;
  - Greg McClurg, owner of Stockxchange Bar and Café; and
  - Bruce Telford.
42. A variety of views was expressed and it was clear to the various parties that the Council was considering the issue of relocations and a possible earthquake response. Graham Paull, Phil Holden, and Shaun Cottrell favoured the Gambling Policy being amended to allow for the relocation of machines. Sara Epperson, Doug Sellman, Lucy D'aeth, Mary Richardson, and Bruce Telford favoured the current sinking lid policy, with no provision for relocations.

**24 Cont'd**

43. Since the September meeting, staff have been collecting views from stakeholders and have run an informal "Have your Say" to gather views from the general public to assist with the review of the Gambling Policy.
44. The Have your Say consultation has closed and staff are still in the process of assessing the information provided. In talking to the various corporate societies, some have reiterated the need for the Council to consider allowing for possible relocation of machines, as a result of earthquake damage. However, other views show support for keeping the current sinking lid approach.

**STAFF RECOMMENDATION**

It is recommended that the Council:

- (a) Receives this report; and
- (b) Does not grant territorial authority consent to Mainland Foundation Ltd to locate nine class 4 gaming machines at Pierside Café and Bar, 3 Brighton Mall, New Brighton.

**THE OBJECTIVES**

45. To give effect to the purpose of the Council's current Gambling Policy which is to prevent any increase in the numbers of gambling venues or machine numbers in the city.

**THE OPTIONS**

46. There are two options. These are to –
  - (a) Grant a consent for nine machines as per the Mainland application; or
  - (b) Not grant a consent.

**THE PREFERRED OPTION**

47. The preferred option is to not grant a consent for the reasons set out in paragraphs 23 to 25 above.

## 25. CANTERBURY MUSEUM TRUST BOARD ACT 1993

<b>General Manager responsible:</b>	General Manager Regulation and Democracy Services , DDI 941- 8462
<b>Officer responsible:</b>	Legal Services Manager, Legal Services Unit
<b>Author:</b>	Vivienne Wilson, Solicitor

### PURPOSE OF REPORT

1. The purpose of the report is to ask the Council to approve the attached draft response to the Canterbury Museum Trust Board.

### EXECUTIVE SUMMARY/BACKGROUND

2. The Council has received the attached request (**Attachment A**) from the Canterbury Museum Trust Board. The Trust Board refers to discussions over the last few years about the need to review and update the Museum's empowering statute, the Canterbury Museum Trust Board Act 1993 (**Attachment B**). The Museum notes that it has received formal requests in each of the last two years from Waimakariri District Council and Hurunui District Council in this regard. As staff understand it, the concerns of these two councils relate principally to the levies that they are required to pay under the Act.
3. The Museum Trust Board is now looking at two aspects of this question: the timing of any review/change, and the issues with the present Act which lie at the heart of the two Councils' concerns. Consequently, the Museum has asked each of the contributing local authorities to seek a "written listing" of the parts of the present Act that are of concern, plus any issues that may not be adequately covered by, or included in, the present Act.
4. The Council appoints four out of 11 members to the Board. The current Christchurch City Council appointed members are the Mayor, Councillor Chen and Councillor Reid, and Mr Gill Cox.
5. Staff do not have any concerns about the current wording of the Act. Furthermore staff have not identified any issues from the Christchurch City Council perspective that are not adequately covered by, or included in, the present Act.
6. The proposed response to the Canterbury Museum Trust Board is attached (**Attachment C**).

### FINANCIAL IMPLICATIONS

7. There are no immediate financial implications for the Council in making this response to the Canterbury Museum Trust Board. However, depending on the outcome of any review and subsequent change in legislation, there may be some financial implications for the Council in the future.

### Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

8. Making a submission is not a matter that would normally be provided for in the LTCCP budgets.

### LEGAL CONSIDERATIONS

9. The Preamble to the current Act provides that "*Whereas the Canterbury Museum is a non-profit-making permanent institution, founded by the people of Canterbury for the service and development of their community: And whereas the Museum acknowledges a particular responsibility for the natural and cultural heritage of the wider Canterbury region: And whereas responsibility for the maintenance and development of the said institution should continue to be widely shared.*" The Act goes on to set out the objectives of the Museum which are to
  - (a) *to collect, preserve, act as a regional repository for, research, display and otherwise make available to the people of the present and the future, material and information relating to the natural and cultural heritage of New Zealanders:*

25 Cont'd

- (b) *to promote interest and education in the natural and cultural heritage of New Zealanders:*
- (c) *to place particular emphasis on those activities as they relate to the greater Canterbury region, the Antarctic and Subantarctic, and, where appropriate, their relationships in a wider global context.*
10. As mentioned above, the governing body of the Museum is the Canterbury Museum Trust Board. The Board consists of-
- (a) Four members appointed by the Christchurch City Council:
- (b) One member appointed jointly by the Hurunui and Waimakariri District Councils:
- (c) One member appointed jointly by the Selwyn and Banks Peninsula District Councils:<sup>1</sup>
- (d) One member appointed by the University of Canterbury:
- (e) One member appointed by the Canterbury Branch of the Royal Society of New Zealand:
- (f) One member appointed by Te Runanga o Ngai Tahu:
- (g) One member appointed by the Association of Friends of Canterbury Museum:
- (h) One member appointed by the Canterbury Pilgrims' and Early Settlers' Association.
11. The appointments take place within three months after each triennial general election.
12. The Act requires the Canterbury Museum Trust Board to prepare and adopt an annual plan for each financial year. The plan includes the levies to be paid by the contributing local authorities. The contributing local authorities are Christchurch City Council, Selwyn District Council, Waimakariri District Council, and Hurunui District Council. The draft annual plan is referred to the contributing authorities for a period of six weeks ending no later than 31 May in each year. The Board then considers all submissions received in respect of the draft annual plan before amending and finalising the plan.
13. The levies are apportioned in accordance with a formula set out in the Act. The formula relies on the population of each contributing authority as well as factors that are set in the Schedule to the Act. The factors are:
- |                              |      |
|------------------------------|------|
| Christchurch City Council    | 1.00 |
| Selwyn District Council      | 0.45 |
| Waimakariri District Council | 0.45 |
| Hurunui District Council     | 0.30 |
14. The Act includes an objection process. The levies proposed in the draft Annual Plan may be objected to by the Christchurch City Council or two or more of the remaining contributing authorities and if an objection is received the Board must convene a meeting. The Christchurch City Council or not less than three other contributing authorities may resolve that the levy be reduced to an amount which is not less than the total levy made in respect of the previous year. The proposed levies are binding on the four contributing authorities, unless the Christchurch City Council or three of the other contributing authorities resolve to hold the levies.

**Have you considered the legal implications of the issue under consideration?**

15. Yes, as above. The current Act does not raise any particular issues for this Council.
16. It is noted that the current Christchurch City Council appointed members are the Mayor, Councillor Chen and Councillor Reid, and Mr Gill Cox.

**ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

17. The LTCCP provides that the Council operates the art gallery and museums to celebrate artistic diversity and to encourage participation in cultural activities. It goes on to state that Council funding is provided to the Canterbury Museum as required by statute.

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<sup>1</sup> Note in the Local Government (Banks Peninsula District) Reorganisation Order 2005 it provides that paragraph (c) is to be read

**25 Cont'd**

**Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?**

18. Yes.

**ALIGNMENT WITH STRATEGIES**

19. The Council's Arts Policy and Strategy provides that the Christchurch City Council is committed to achieving an enlivened and creative city in which the arts are widely recognised as being essential.

**Do the recommendations align with the Council's strategies?**

20. Yes.

**CONSULTATION FULFILMENT**

21. At this initial stage of the review, staff have not consulted with external parties to gather views and preferences.

**STAFF RECOMMENDATION**

It is recommended that the Council:

- (a) Receives this report; and
- (b) Approves the proposed response to the Canterbury Museum Trust Board.

26. ADOPTION OF SCHEDULE OF MEETINGS FOR 2012

<b>General Manager responsible:</b>	General Manager Regulation and Democracy Services, DDI 941-8462
<b>Officer responsible:</b>	Democracy Services Manager
<b>Author:</b>	Clare Sullivan, Council Secretary

PURPOSE OF REPORT

1. The purpose of the report is to seek the adoption by the Council of the attached schedule (**Attachment 1**) setting out the proposed times and dates of ordinary Council meetings and Annual Plan meetings for 2012.

EXECUTIVE SUMMARY

2. In order that the business of the Council can be conducted in an orderly manner, and to allow public notification of meetings to be given in compliance with the Local Government Official Information and Meetings Act 1987, it is necessary for the Council to adopt a schedule of meetings.
3. The attached schedule (**Attachment 1**) assumes:
  - That Council meetings will continue to be held commencing at 9.30am on the second and fourth Thursday of each month, with the meeting on the second Thursday being devoted solely to consideration of community board reports, and with all remaining reports/items being submitted to the second meeting on the fourth Thursday.
  - That the Council hold additional meetings on the first and third Thursday of the month for the sole purpose of considering earthquake recovery.
  - Meetings will be set aside for the Annual Plan (including a workshop in February) and hearings and consideration.
  - As in previous years the third week of the month is intended to be a community focused week where, to the extent possible, meetings are not scheduled unless necessary so that Councillors have the opportunity to be active in their community in their representation role.
4. The schedule is based on the agreed format of meetings for 2011, with times set aside for Council workshops. Other meetings not included in this schedule are the Canterbury Earthquake Heritage Building Fund, ad hoc committees, working parties, Water Management Committees and a number of special consultative processes.
5. It is understood that Councillors will discuss committee early next year. Once that discussion has been held a separate report setting out the schedule of committee meetings for 2012 can be provided to the Council for adoption.
5. The Council may wish to also request that Community Boards, when determining their own meeting timetables for 2012, as far as possible schedule their meetings for week three of each month. It is acknowledged that a number of Community Boards hold two meetings a month, and in the past this has meant that week one has some Board meetings scheduled as well.

FINANCIAL IMPLICATIONS

6. Costs associated with holding meetings are provided for in the LTCCP.

**Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?**

7. Yes. Page 159 of the 2009-19 LTCCP.

**26 Cont' d**

**LEGAL CONSIDERATIONS**

**Have you considered the legal implications of the issue under consideration?**

8. Yes.

**ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

**Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?**

9. Yes – Democracy and Governance pages 154 to 159 of the 2009-19 LTCCP.

**ALIGNMENT WITH STRATEGIES**

**Do the recommendations align with the Council's strategies?**

10. Not applicable.

**CONSULTATION FULFILMENT**

11. Not applicable.

**STAFF RECOMMENDATION**

It is recommended that:

- (a) The Council adopt the schedule of Council meetings for 2012 as attached to this report;
- (b) It be noted that a schedule of committee meetings will be brought to the Council early next year.

**27. RECESS COMMITTEE**

<b>General Manager responsible:</b>	General Manager, Regulation and Democracy Services, DDI 941 8462
<b>Officer responsible:</b>	Democracy Services Manager
<b>Author:</b>	Clare Sullivan, Council Secretary

**PURPOSE OF REPORT**

1. The purpose of this report is to seek the Council's approval to establish a Council Recess Committee to consider issues that require a Council decision in the period following its last meeting for 2011 up until 31 January 2012.

**EXECUTIVE SUMMARY**

2. As there is a period of up to two months between meetings of the Council, it is recommended that a Recess Committee with power to act be appointed to deal with any issue requiring a Council decision that cannot wait until the first scheduled meeting of 2012 (1 February 2012).

**FINANCIAL IMPLICATIONS**

**Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?**

3. Yes. Costs associated with holding meetings is provided for in the LTCCP (see page 159).

**LEGAL CONSIDERATIONS**

**Have you considered the legal implications of the issue under consideration?**

4. Yes.

**ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

**Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?**

5. Yes. See Democracy and Governance pages 154 to 159 of the 2009-19 LTCCP.

**ALIGNMENT WITH STRATEGIES**

**Do the recommendations align with the Council's strategies?**

6. Not applicable.

**CONSULTATION FULFILMENT**

7. Not applicable.

**STAFF RECOMMENDATION**

It is recommended that the Council:

- (a) Establish a Recess Committee comprising the Mayor or Deputy Mayor and three councillors authorised to make any decisions of the Council for the period following the final meeting of 2011 up to 31 January 2012
- (b) Note that any decisions made will be reported to the Council for record purposes
- (c) Agree that notice of the Recess Committee be publicised and forwarded to all councillors.



**28. TEMPORARY STADIUM AT RUGBY LEAGUE PARK**

<b>General Manager responsible:</b>	General Manager Community Services Group, DDI 941-8607
<b>Officer responsible:</b>	Unit Manager Recreation and Sport 941 8303
<b>Author:</b>	Derek Roozen, Parks and Waterways Planner 941 8798

**PURPOSE OF REPORT**

1. To update the Council on developments since the Council last considered this matter on 8 September 2011 and to obtain Council approval:
  - (a) To accept the surrender of the Canterbury Rugby Football League Incorporated ("CRFL") lease of Rugby League Park for a temporary period.
  - (b) For the development and use of Rugby League Park as a temporary stadium, for the period that the lease surrender by CRFL applies, to the Ministry of Economic Development ("MED") (or the legal entity created to own and operate the temporary stadium) pursuant to the Canterbury Earthquake (Reserves Legislation) Order (No 2) 2011.

**EXECUTIVE SUMMARY**

2. Rugby League Park is a Council owned facility. CRFL leases the Park from the Council, the term of which, if all rights of renewal are exercised, extends to 31 August 2037.
3. Rugby League Park comprises two fee simple titles held and managed by the Council, totalling 4.9274 hectares in area, these being listed in the table below.

<b>Legal Description</b>	<b>Certificate of Title</b>	<b>Area (hectares)</b>
Lot 1 DP 320558	81495	4.0789
Lot 2 DP 320558	81496	0.8485

There is no statutory reserve status over these titles of land. That is, they are not reserves under the Reserves Act 1977. See **Attachment A** for a location plan.

4. The premises leased to CRFL are shown on the plan in **Attachment B**. This is the land comprising Lot 1 DP 320558 together with the No.1 and No.2 Grandstands, offices, ancillary buildings and playing pitches situated on that land.
5. On 8 September 2011 the Council decided to support the development of a temporary stadium on Rugby League Park. The Council resolved to:
  - (a) Authorise the Canterbury Rugby Football Union Incorporated ("CRFU") to use the land known as Rugby League Park currently leased to CRFL for the development of a temporary stadium.
  - (b) Subject to CRFL agreeing to enter the Deed of Variation referred to in resolution (e) below, grant consent for CRFL to sublease its leased premises to CRFU for a sublease term expiring no later than 30 August 2017.
  - (c) Subject to CRFL agreeing to enter the Deed of Variation referred to in resolution (e) below, consent to the existing grandstands at Rugby League Park being demolished, subject to all necessary regulatory consents being obtained.
  - (d) Have Council staff seek to maximise the amount of the insurance proceeds received by the Council in respect of the existing grandstands, but acknowledging that it will be necessary to demolish the grandstands before a full and final settlement is reached with the Council's insurer.

28 Cont'd

- (e) Enter into a Deed of Variation of the lease to CRFL to record the agreed demolition of the existing grandstands, to limit the Council's liability to CRFL under the lease to rebuild the grandstands to the extent of the insurance proceeds (if any) received by the Council and to increase the term of the lease to compensate CRFL for the period of the lease term lost to the sublease.
  - (f) Require that the insurance proceeds from Rugby League Park be used specifically for facilities at Rugby League Park at the conclusion of the sublease.
  - (g) Subject to CRFL and CRFU agreeing on the terms of the sublease, meet the costs (to a maximum amount of \$1,000,000 plus GST) of:
    - (i) removal of existing turf at Rugby League Park and replacement with new turf;
    - (ii) removal of existing lights at Rugby League Park and replacement with new lights;
    - (iii) relocation of AMI Stadium assets to Rugby League Park;
    - (iv) the design of the temporary stadium.
  - (h) Note that CRFU be responsible for all resource and building consents required for the establishment of the temporary stadium (other than demolition of the existing grandstands).
  - (i) Note that CRFU meet the cost of establishing the temporary stadium, and all on-going running costs.
  - (j) Require CRFU to publicly recognise the Council's contribution to the temporary stadium project by providing signage at the stadium and associated marketing;
  - (k) Request that CRFU include Vbase in any tender process for the supply of catering and other services at the temporary stadium.
  - (l) Delegate to the General Manager Community Services the power to negotiate and enter into on behalf of the Council such legal documentation required on such terms and conditions as he shall consider necessary to implement the terms of this resolution.
  - (m) If CRFU is unable to proceed with the Rugby League Park option, to contribute financially, to a maximum of \$1,000,000 excluding GST, for the lighting, design and facility upgrade of the existing stadium at Rugby Park to an approximate capacity of 18,600; and to delegate to the General Manager Community Services the power to negotiate and enter into on behalf of the Council such legal documentation required on such terms and conditions as he shall consider necessary.
6. Subsequent to the Council's resolution on 8 September 2011, CRFU have been unable to secure funds to build, own and operate a temporary stadium in the manner envisaged in the Council's resolution summarised in paragraph 5 of this report above. CRFU approached the government for assistance through the MED. The government has committed to underwrite the \$20 million cost of building the temporary stadium and to form a legal entity to own and operate the temporary stadium. This means CRFU will not own or operate the temporary stadium. The Council's contribution to the temporary stadium remains the same as specified in the Council's resolution on 8 September 2011.
7. In order to give effect to the Council's resolution on 8 September 2011 and to facilitate the development of a temporary stadium it is proposed that:
- CRFL surrender its lease for Rugby League Park to the Council for the period the Park is used for a temporary stadium, to a maximum period expiring no later than 18 April 2016. CRFL has agreed in principle to proceed in this way
  - The Council gives approval under the Canterbury Earthquake (Reserves Legislation) Order (No 2) 2011 for the use as a temporary stadium by the MED (or the legal entity created to own and operate the temporary stadium), for a period equivalent to the period the CRFL lease is surrendered.

**28 Cont'd**

- The lease of Rugby League Park is reinstated to CRFL when the use of Rugby League Park for a temporary stadium ceases.
- CRFL has a period added to its lease term upon reinstatement of the lease, equivalent to the period to which the lease was surrendered to facilitate the temporary stadium.

**FINANCIAL IMPLICATIONS**

8. There are no additional costs to the Council over and above the amount approved by the Council on 8 September 2011.

**Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?**

9. No. The surrender of the CRFL lease will result in the loss of rental income of approximately \$20,000 over the surrender period. Any rental income received from the MED (or other entity) will off-set this, but it is expected that the rent charged to the MED (or other entity) will be nominal.

**LEGAL CONSIDERATIONS**

10. The Council entered into a lease dated 4 February 2005 for Rugby League Park with CRFL for a term of five years from 1 September 2002 with five rights of renewal of five years each and a sixth right of renewal of five years less one day. The lease was renewed in 2007 and is due to be renewed again on 1 September 2012. If all renewals are exercised by CRFL the lease term will finally expire on 31 August 2037.
11. To facilitate the use of Rugby League Park for the temporary stadium it will be necessary for CRFL to surrender its lease for the period required for the temporary stadium. This will be recorded by deed that states CRFL's lease will cease for a temporary period. When that temporary period ceases, CRFL's lease will automatically continue as before for the remainder of the term. That deed will also record the extension of the final term of the lease, or alternatively a right of renewal, for a further period equal to the period it is used for the temporary stadium.
12. Due to the requirement to demolish the existing grandstands to accommodate the temporary stadium, the deed referred to in paragraph 12 of this report above will need to limit the Council's liability under the lease to CRFL to rebuilding the existing grandstands to the extent of the insurance proceeds received by the Council. This requirement was referred to in the Council's resolution of 8 September 2011 (as summarised in paragraph 5(e) of this report above) and continues to be required.
13. CRFL have also suggested, as a condition of surrendering its lease on a temporary basis, that provision be made for CRFL to use the temporary stadium occasionally on a free or concessionary basis. The terms of any such arrangement with CRFL have yet to be finalised, however the terms of that arrangement will be recorded in any Deed of Surrender entered into with CRFL and in the occupation agreement to the MED (or other entity).
14. In response to the circumstances arising from the 22 February 2011 earthquake, the Government made the Canterbury Earthquake (Reserves Legislation) Order 2011 to enable reserves to be used for certain purposes that would not ordinarily be permissible under the enactment under which the reserve is held or that applies to the reserve. The Canterbury Earthquake (Reserves Legislation) Order 2011 was revoked and replaced by the Canterbury Earthquake (Reserves Legislation) Order (No 2) 2011 ("Order") with effect from 10 November 2011.
15. Clause 5(c) of the Order provides that the Council, or any person authorised by the Council in writing, may use a reserve or erect a structure on a reserve for any purpose if the use or structure is necessary in the opinion of the Council or the chief executive of the Council to respond in a timely manner to any circumstances arising from the earthquake.

**28 Cont'd**

16. Whilst Rugby League Park land is not a 'reserve' under the Reserves Act 1977, it is a 'reserve' for the purposes of the Order. Therefore, the Order is able to be applied to any approval for the use of this land, the need for which has come about as a consequence of the earthquake.
17. The Order expires on 18 April 2016 (which is the expiry date of the empowering legislation under which the Order has been made). Unless the Order is extended beyond 18 April 2016 it will not be possible for the Council to authorise the use of Rugby League Park by the MED (or the operating entity) for the temporary stadium beyond this date. Any use beyond that date would need to be authorised using the 'business as usual' processes available under the Local Government Act 2002.
18. The Order provides that when the Council authorises such use of a reserve, or the erection of any structure on a reserve, it does not need to comply with any relevant management plan or any enactment under which the reserve is held or that applies to the reserve. However, the Council is required to take all reasonable steps to protect the integrity of the reserve and to ensure that the reserve is reinstated as closely as practicable at the end of the use or when the structure is removed to its original condition.
19. The resolution of the Council on 8 September 2011 authorised CRFL to sublease its leased premises at Rugby League Park to CRFU for the development of a temporary stadium. It was the view of Council officers, notwithstanding that the Order would be able to be used, that this was the best arrangement due to there being an existing occupation agreement instrument (lease to CRFL), it being one agreeable to all parties involved, that both the lessee and sub-lessee undertook similar activities and would both benefit from the temporary stadium, and public consultation would not be required.
20. The view of Council officers is that the current proposal should be approved by the Council under the Order by virtue of the fact that the need for the temporary stadium at Rugby League Park has arisen as a consequence of the earthquake. Due to the new arrangements proposed by the Government through the MED the previous sub-lease proposal is no longer appropriate.
21. The use of the Order would also obviate the need to undertake prior public consultation under section 138 of the Local Government Act 2002 in respect of the grant to the MED (or other entity) of the right to use, or lease, Rugby League Park to 18 April 2016.
22. In addition to Council authorisation under the Order, the MED (or other entity) will also need to obtain all necessary resource and building consents required.
23. If the Council approves the proposed occupation under the Order then a formal written occupation agreement in the form of a "warrant of occupation" or lease will be entered into by the MED (or other entity). The agreement will contain the provisions that would ordinarily be included in a lease to protect the Council's position.

**Have you considered the legal implications of the issue under consideration?**

24. Yes, see above.

**ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

25. Yes, the provision of sport and recreational facilities and the hosting of major events are in the Recreation and Leisure Activity Management Plan, Activity 7.0: Recreation and Sport Services.

**Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?**

26. Yes; page 108 of volume 1 of the 2009-19 LTCCP, the hosting of major events.

**ALIGNMENT WITH STRATEGIES**

27. Yes; the provision, accessibility and funding of sporting facilities under goals 1,2,5 and 6 of the Council's Physical Recreation and Sport Strategy 2002.

**28 Cont'd**

**CONSULTATION FULFILMENT**

28. Clause 6 of the Order expressly provides that the Council may act under the Order without complying with any enactment under which the reserve is held or that applies to the reserve (including any provision relating to public notification or the hearing of objections).
29. Clause 7 of the Order requires the Council to give notification to parties who have an easement, lease, licence, covenant or other legal right over the area of reserve to be temporarily occupied under the Order. The Council has actively engaged in discussion and negotiation with CRFL concerning this proposal, and agreement in principle has been reached along the lines specified in this report.
30. In addition, the Canterbury Earthquake (Local Government Act 2002) Order 2010 exempts the Council from compliance with some of the decision making processes set out in the Local Government Act 2002. These include the requirement that the Council considers community views and preferences.
31. The exemptions can be relied upon in this case because it is necessary for the purpose of ensuring that Christchurch, the Council, and its communities respond to and recover from the impacts of the Canterbury Earthquakes.

**STAFF RECOMMENDATION**

It is recommended that the Council resolves as follows:

- (a) To accept the surrender of the existing Canterbury Rugby Football League Incorporated lease of Rugby League Park for the period commencing on the date the land is required for the temporary stadium and ending no later than 18 April 2016 (acknowledging that the lease will automatically be reinstated at the end of that period), and to agree that the term of the lease be extended by a period equal to the period surrendered by Canterbury Rugby Football League to facilitate the temporary stadium.
- (b) To approve, pursuant to clause 5(c) of the Canterbury Earthquake (Reserves Legislation) Order (No 2) 2011, the development and use of Rugby League Park as a temporary stadium by the Ministry of Economic Development (or the legal entity created to own and operate the temporary stadium) for the same period the Canterbury Rugby Football League Incorporated lease is surrendered as detailed in paragraph (a) of this resolution.
- (c) To delegate to the General Manager Community Services the power to negotiate and enter into on behalf of the Council such legal documentation required on such terms and conditions as he shall consider necessary to implement the terms of this resolution (and the Council's resolution of 8 September 2011 as shall continue to apply).

29. METROPOLITAN DISCRETIONARY RESPONSE FUND APPLICATION – DECEMBER 2011

<b>Officer responsible:</b>	Unit Manager Community Support, DDI: 941 8859
<b>Author:</b>	Lincoln Papali'i, Strategic Initiatives Manager

**PURPOSE OF REPORT**

1. The purpose of this report is for the Council to consider one application for funding from the 2011/12 Metropolitan Discretionary Response Fund.

**EXECUTIVE SUMMARY**

2. In 2011/12, the total pool available for allocation for the Metropolitan Discretionary Response Fund is \$145,057. At the time of writing, there is \$98,366 remaining in the Metropolitan Discretionary Response Fund for 2011/12.
3. The purpose of the Fund is to assist community groups where the project and funding request falls outside other Council funding criteria and/or closing dates. This fund is also for emergency funding for unforeseen situations. Applications requesting over \$15,000 require consideration by the Metropolitan Funding Committee. Staff have delegated authority to consider applications for less than \$15,000.
4. There is one application to be considered:

**Canterbury Netball Incorporated**

Amount requested	\$50,000
Priority	1
Staff recommendation:	\$29,800

**FINANCIAL IMPLICATIONS**

5. None.

**Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?**

6. Yes, see LTCCP pages 176 and 177 regarding community grants schemes including Board funding.

**LEGAL CONSIDERATIONS**

**Have you considered the legal implications of the issue under consideration?**

7. Not applicable.

**ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

**Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?**

8. Yes. Strengthening Communities Funding and Community Board Funding, see LTCCP pages 176 and 177 regarding community grants schemes, including Board funding.

**ALIGNMENT WITH STRATEGIES**

**Do the recommendations align with the Council's strategies?**

9. Yes. The funding allocation process is covered in the Council's Strengthening Communities Strategy.

**CONSULTATION FULFILMENT**

10. Not applicable.

**29 Cont'd**

**STAFF RECOMMENDATION**

It is recommended that the Council makes a grant of \$29,800 from the 2011/12 Metropolitan Discretionary response Fund to Canterbury Netball Incorporated towards salary and wages, training and upskilling and equipment and materials.

### 30. CHRISTCHURCH EARTHQUAKE MAYORAL RELIEF FUND: APPLICATIONS FOR GRANTS

<b>General Manager responsible:</b>	General Manager, Community Services, DDI 941-8607
<b>Officer responsible:</b>	Unit Manger, Community Support Manager, Carolyn Gallagher DDI 941 8859
<b>Author:</b>	Lincoln Papali'i, Strategic Initiatives Manager and John Filsell, Unit Manager Recreation and Sports

#### PURPOSE OF REPORT

1. The purpose of this report is to request the Council to approve the allocation of a grant from the Christchurch Earthquake Mayoral Relief Fund as follows:
  - (a) \$ 45,000 to Athletics Canterbury for the establishment of a new athletics facility at Rawhiti Domain.

#### EXECUTIVE SUMMARY

2. The purpose of the Mayoral Earthquake Relief Fund as adopted by the Council on 12 May 2011 is set out in paragraph 5 below. As trustee for the Fund, the Council is bound to apply the monies only for the purposes specified in the Council resolution of 12 May 2011.
3. The athletics facilities at QEII Park are no longer available after the earthquake on 22 February 2011. Athletics Canterbury wants to set up an interim athletics facility at Rawhiti Domain. This would provide for all-weather field events (jumping and throwing) and a grass track for running events. The Track and Field Committee has raised the majority of the \$110,000 costs from Sport Canterbury/SPARC; other sports administrative bodies, and a supplier of all-weather surfaces, but there is a shortfall of \$45,000. The Committee is therefore applying to the Fund to meet this shortfall.

#### FINANCIAL IMPLICATIONS

4. The financial details for the project are outlined in the background section of this report. As at 11 November 2011 there was \$3,533,176.17 in uncommitted funds held by the Christchurch Earthquake Mayoral Relief Fund.

#### LEGAL CONSIDERATIONS

##### Have you considered the legal implications of the issue under consideration?

5. At the Council meeting of 12 May 2011 it was resolved:
  - ...(b) *That the Christchurch Earthquake Mayoral Relief Fund was established, and will continue to be maintained, by the Council as a "public fund" (as described in section LD 3(2)(d) of the Income Tax Act 2007) exclusively for the purpose of providing money for any one or more charitable, benevolent, philanthropic or cultural purposes related to and in particular to provide relief to the people of Christchurch from the adverse effects of the 4 September 2010 and 22 February 2011 earthquakes, and associated aftershocks, by providing money for the any activity or work required as a result of those events that:*
    - (i) *contributes to the rebuilding of the social and physical infrastructure of Christchurch, and*
    - (ii) *assists in:*
      - *Remedying hardship suffered by individuals, groups, community organisations and business, and/or*
      - *Protecting, repairing damage to or enhancing the physical fabric of the city.*
6. The Mayoral Earthquake Relief Fund essentially operates as a trust with the Council acting as the trustee. As trustee, the Council is bound to apply the monies only for the purposes specified in the Council resolution above.



**30 Cont'd**

7. In terms of the activities that can be funded by the Mayoral Earthquake Relief Fund, the first requirement is that any grant be used to contribute to the rebuilding of the social and physical infrastructure of Christchurch. The Oxford Dictionary defines the word "infrastructure" generally as "the foundation or basic structure of an undertaking", and specifically as "the installations and services (power stations, sewers, roads, housing etc) regarded as the economic foundation of a country". The word "infrastructure" therefore implies the undertaking of physical works.
8. However, paragraph (b)(i) of the resolution refers to "...any activity or work required as a result of those events that...(i) contributes to the rebuilding of the social and physical infrastructure of Christchurch..." It is therefore not necessary that the Mayoral Earthquake Relief Fund's monies be applied solely to rebuilding actual physical infrastructure, but it is necessary that the monies be applied to any work or activity that contributes to such rebuilding. Therefore, whilst the focus of the Mayoral Earthquake Relief Fund is the rebuilding of the social and physical infrastructure ("bricks and mortar"), it can also be used for any activity which contributes to that outcome.
9. In addition, any grant from the Mayoral Earthquake Relief Fund must also assist in either remedying hardship or protecting, repairing ... or enhancing the physical fabric of the city.

**ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

**Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?**

10. Not applicable.

**ALIGNMENT WITH STRATEGIES**

**Do the recommendations align with the Council's strategies?**

11. Not applicable.

**CONSULTATION FULFILMENT**

12. Discussions with the individual applicants have been carried out.

**STAFF RECOMMENDATION**

It is recommended that the Council approve a grant allocation from the Christchurch Earthquake Mayoral Relief Fund:

- (a) \$ 45,000 to Athletics Canterbury for the establishment of a new athletics facility at Rawhiti Domain, on the condition that Council's Recreation and Sport Manager approves a business plan that demonstrates:
  1. How the facility will be laid out to meet community need
  2. How the facility will be financially sustainable
  3. That Athletics Canterbury have raised all funding and acquired all permissions for the development to go ahead as envisaged in the funding application and accompanying documents.

**MAYORAL RECOMMENDATION**

That the staff recommendation be adopted.

30 Cont'd

**BACKGROUND (THE ISSUES)**

**Request for Grant by Athletics Canterbury**

13. Athletics Canterbury moved from Rugby Park to QEII in 1973 and has used the park as its all-weather site since then. Most recently, QEII Park was the venue for the IPC Athletics World Championship in January 2011. Following extensive damage to the grounds in the 22 February earthquake, the facility is out of action.
14. Rawhiti Domain has been identified as the best location for an interim facility because:
  - It is an existing athletics venue as the home of the New Brighton Athletic Club;
  - The area was virtually undamaged by the series of earthquakes and aftershocks, and
  - It would provide a facility in the hard-hit eastern part of the City.
15. The total project cost is \$109,756 plus GST and funds have been committed from Sport Canterbury/SPARC; Calliope Athletic Club (Auckland), Canterbury Children's athletic Association and Canterbury Masters Athletics. In addition, the Athletics Canterbury Track and Field Committee had committed \$20,000 of its own funds. However, this leaves a shortfall of \$49,756 to be filled.
16. The Recreation and Sport unit has reviewed the application. They have engaged with Canterbury Athletics and Athletics New Zealand, and they have consulted Council's Greenspace Asset Planning team and Community recreation advisors. They have also discussed the application with Sport Canterbury and SPARC and reviewed the costings.
17. The application has considerable merit and if successful will make a meaningful contribution to the wider Heathcote community. It would provide a considerable legacy value to the East of the City and when a primary facility is agreed) a permanent secondary athletics facility. The facility will be used extensively by schools, employing specialist ground and sports equipment from QE II while the future of QEII is determined. In addition, Council staff will continue to provide expert support to maintain the facilities, within existing budgets. Athletics Canterbury has also shown considerable enterprise, dedication and commitment in securing alternative funding and support in kind.

### 31. FACILITIES REBUILD PLAN

<b>General Manager responsible:</b>	General Manager Community Services, DDI 941 8607
<b>Officer responsible:</b>	Property Consultancy Manager
<b>Author:</b>	Angus Smith

#### PURPOSE OF REPORT

1. The purpose of this report is to:
  - Inform the Council of the Facilities Rebuild Plan project.
  - Set out the proposed assessment and occupancy approach for adoption by Council.
  - Present a governance and decision-making proposal with supporting delegations in respect of assessment and occupancy, insurance, repairs, rebuilds and demolitions.

#### EXECUTIVE SUMMARY

2. This report presents the following detail in respect of the Facilities Rebuild Plan:
  - Outlines the Facilities Rebuild Plan project process, paragraphs 13 - 21
  - Explains the assessment and occupancy approach for Council's facilities, paragraphs 22 - 36.
  - Explains the insurance arrangements on Council's Facilities and the process for loss adjusting and negotiating with insurer, paragraphs 37 - 50.
  - Sets out the repair, rebuild and demolition process, issues and decisions, paragraphs 51 - 59.
  - Describes the proposed approach to communication, paragraphs 60 - 65.
3. The report also sets out the decision issues in association with these matters and seeks a set of delegations to support a governance and management proposal.

#### FINANCIAL IMPLICATIONS

4. The building assessment work that is required to inform the Facilities Rebuild Plan is generally funded from insurance monies where the buildings are damaged and result in a successful insurance claim. Where the building is not damaged the costs will be proposed as part of the 2012/13 Annual Plan process. Any enhancement (betterment) above total insured value, would also require a Council resolution to proceed. The Facilities Rebuild Project will be resourced through internal Council resources with the use of external engineering consultants for Detailed Engineering Evaluations.

#### Do the Recommendations of this Report Align with LTCCP budgets?

5. No. The purpose of this report is in response to the series of earthquakes that have recently struck Christchurch to inform future LTCCP and Annual Plan processes.

#### LEGAL CONSIDERATIONS

6. Not applicable.

#### Have you considered the legal implications of the issue under consideration?

7. As above.

#### ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

8. No. The purpose of this report is in response to the series of earthquakes that have recently struck Christchurch to inform future LTCCP and Annual Plan processes.

31 Cont'd

**Do the recommendations of this report support a level of service or project in the LTCCP?**

9. As above.

**ALIGNMENT WITH STRATEGIES**

10. Yes the purpose of this report is to deliver a revised set of strategies in terms of service delivery and supporting facilities plans to assist with the rebuild of Christchurch.

**Do the recommendations align with the Council's strategies?**

11. Yes, refer above.

**CONSULTATION FULFILMENT**

12. Not applicable. Communication and consultation will be a project workstream.

**STAFF RECOMMENDATION**

It is recommended that the Council:

- (a) Receive the information in this report.
- (b) Delegate the decision(s) to close and reopen buildings for staff and public use to the General Manager of Corporate Services and the General Manager of Community Services subject to the following framework:
  - (i) The assessment and occupancy approach as set out in paragraphs 22 - 36 and **Appendix 2** of this report.
  - (ii) In the event of DEE assessments that staff and/or public are able to occupy buildings as follows:
    - Buildings with a capacity of 33 percent New Building Standard (NBS) or less will not be occupied.
    - Buildings with a capacity between 34 percent NBS and 66 percent NBS inclusive can be occupied where engineering advice confirms that there is a moderate to low risk exposure (based on building strength, occupancy levels and occupancy duration) and/or a high cost (financial or otherwise) of not using the building. This assessment is made on a case-by-case basis.
    - Buildings with a capacity of 67 percent NBS or greater can be occupied without restriction.
- (c) Delegate to the General Manager Corporate Services the authority to accept progress and partial insurance payments on behalf of the Council on the condition that they are not full and final, nor commit the Council to a settlement.
- (d) Delegate to the General Manager Corporate Services the authority to accept insurance payouts for facilities which we insure but do not own, and distribute the payout to the appropriate party(s).
- (e) Delegate to the General Manager Corporate Services the authority to settle claims less than or equal to \$5,000 that are to be settled globally based on the estimated cost to repair ie "category 1" claims as set out in paragraph 41 below.
- (f) Agree that all other insurance settlements outside the delegations in (c), (d), (e) and g(ii) are referred to Council for consideration and resolution.

31 Cont'd

- (g) Delegate to the General Manager Corporate Services and General Manager Community Services, jointly, the authority to:
  - (i) Approve the demolition of buildings for safety reasons, ie act on Section 38 Notices from Canterbury Earthquake Recovery Authority (CERA).
  - (ii) Repair an existing facility/structure within insurance proceeds where the work will cost less than \$1 million and the cost of the work is less than 50 percent of a building's total insured value and to accept the insurance settlement for the work completed.
  - (iii) To undertake urgent stabilisation and weather-proofing work, including heritage buildings.
- (h) Council approval is required for:
  - (i) Work and demolitions of heritage buildings not covered by staff delegations. A list of the earthquake-affected heritage buildings is contained in **Appendix 4**
  - (ii) Recommended demolitions (not for safety reasons or ordered by CERA)
  - (iii) Recommended repairs exceeding more than \$1 million or more than 50 percent of the total insured value of the building
  - (iv) Enhancement (betterment) of a facility above total insured value
  - (v) Rebuilds.

31 Cont'd

BACKGROUND

**Facilities Rebuild Plan – project process**

**Outline**

13. A single project has been initiated to deliver the Facilities Rebuild Plan (Plan). The intention of the Plan is to establish a future decision-making framework to assist Council in its opportunity to consider and resolve what facilities will best meet the needs of our community long term. To achieve this, the high-level outputs of the project are:
  - (a) The creation and/or review of various business strategies for the delivery of services to the community. These strategies will be key to informing future asset decisions particularly around matching assets to business needs.
  - (b) Development of the Plan to Council that supports the various service delivery strategies will be informed by:
    - Building assessments,
    - Demolitions,
    - Rebuild options,
    - Suitability for occupancy,
    - Acquisition and disposal options and opportunities,
    - Utilisation of Council's assets,
    - Funding and insurance issues,
    - Relevant Facility Strategies.
  - (c) That the plan informs future LTCCPs, budgeting and a Capital Works Programme.

**Key High Level Steps**

14. *To date - reactive and ongoing*

Since the 4 September 2010 and 22 February 2011 earthquake events in particular there has been and continues to be a process of attending to demolitions, dealing with insurance issues and assessing buildings. This has been a crisis response approach, the framework for which is set out below in paragraphs 22 to 36 "Structural Assessment and Occupancy Approach". A summary of the buildings currently under assessment and those demolished is scheduled below in paragraphs 51 to 53 "Repairs, Rebuilds and Demolitions".
15. *Looking forward - proactive with commencement of the Facilities Rebuild Project*
  - Step 1: Establishment of facilities data, review and categorisation - *underway*.
  - Step 2: Business Units review service delivery strategies and facilities for completeness of data and prioritisation - *underway*.
  - Step 3: Council consider strategies and the project phasing – *February 2012*.
  - Step 4: Reframe assessment work based on phase 1 priorities established through Council – *post February 2012*.
  - Step 5: Collate all information and options into a plan – *timing to be planned*.
  - Step 6: Deliver a phase 1. Facilities Rebuild Plan – *timing to be planned*.
  - Step 7: Workshop and report future phase plans – *timing to be planned*.
  - Step 8: Integrate Facility Rebuild Plans into Council's planning processes ie LTCCP, budgets, capital works programmes.
16. There are issues that will run continuously and concurrently with this project that will require constant resourcing and decisions. These are communication, demolitions, assessment, insurance and occupancy issues. Proposed decision frameworks for these are set out in each section below.

## 31 Cont'd

**Scope and Scale**

17. The Council owns more than 1600 buildings comprising 952 "commercial" buildings and 699 housing buildings. The facilities are categorised at **Appendix 1**. Using a separate process, many of these buildings are the subject of a Detailed Engineering Evaluation (DEE) process to assess their remaining seismic capacity.
18. Due to the large size of the Council portfolio, complexity of the issues, risk of continued events and resourcing constraints it is expected to take at least two years to complete the full assessment process for every property. Consequently in addition to the strategy review work the Business Units are also being asked to review and prioritise their list of facilities for Council consideration. The purpose of this is to establish prioritisation of the portfolio into a set of categories for staged assessment and planning. It is proposed to set these out as; "deliver now" (only requiring basic repairs) for which a framework and delegation is proposed in this report; a manageable list of phase 1 properties that a plan can be delivered on in a reasonable time frame; and future phasing for the balance. For these "deliver now" buildings, a DEE assessment will follow later but our profiling does not highlight the likelihood of any issues arising. These will be reported to Council for sign off in February 2012.

**Approach**

19. For the purpose of this project the Council's facilities portfolio has been categorised into work streams as follows:

Group	Workstream	Total Buildings In Scope from Salesforce
City Environment	Greenspace	591
	Transport	18
	City Water & W	28
	Heritage	29
Community Services	Libraries	31
	Community Facilities	95
	Sport & Rec	97
Corporate Support	Corporate Accom	18
Total Commercial	VBASE	4
	Miscellaneous	39
		952
Total Residential	Housing (units) (699 Buildings)	2649

20. Further to paragraph 15, the project is at step 2 where the Council business units have been asked to review existing strategies to see how they fit with our changed circumstances, identify gaps, additional needs and key principles. There are a number of existing facility strategies that have been developed after public consultation and are informing this process. These include: Libraries 2025 Facilities Plan; Aquatic Facilities Plan; Metropolitan Sports Facilities plan; Social Housing Strategy; Strengthening Communities Strategy. Other key related strategies included: Central City Plan; Suburban Centres Programme; LTCCP and various Area Plans.

31 Cont'd

21. In parallel work across the portfolio has been underway since the September 2010 earthquake and continues around assessments, occupancy, insurance, demolition, rebuild and repair issues. The process, status, issues and future actions for attending to each of these matters is outlined below.

### Structural Assessment and Occupancy Approach

#### Assessments

22. To date the application of the assessments has been evolving as we have worked through the earthquake events, and as thinking has been developed by CERA, engineer's approaches, insurer's responses etc. An approach to structural assessment of facilities and future occupancy has been developed in conjunction with John Hare of Holmes Consulting, an overview of which is attached at **Appendix 2**. To date DEE assessments have been initiated on the list of properties at **Appendix 3**.
23. Due to the large number of buildings to be assessed, to date a risk-based profiling approach to determine the priority order in which DEE assessments are carried-out. This takes into account a number of variables such as criticality or importance of the activity, the number of and time spent by occupants and the likelihood of structural failure eg considering age, material, design, ground conditions etc. As mentioned above staff are currently undertaking a review to reframe the prioritisation for future assessments. This will be presented to Council in February for its consideration and approval.
24. Level 2 Rapid Assessments have been carried-out following all major earthquake events as follows:
- 4 September 2010 – all buildings
  - 22 February 2011 – all buildings
  - 13 June 2011 – 284 buildings\*.
- \* Following these events on June 13 the trigger for determining which buildings to assess to a higher level was based on an analysis of peak ground acceleration data by an experienced engineer as the damage and impact of the shaking was more localised in close proximity to the epicentre.*
25. These Level 2 Rapid Assessments were carried-out by experienced assessors following the earthquake events. That is, for most structures we used chartered engineers and for simple Greenspace buildings eg toilets, shelters, we used park rangers to make the assessment. Any concerns or identified issues were escalated to a chartered engineer.
26. Beyond Level 2 Rapid Assessments, a damage investigation was undertaken for selected buildings depending on the circumstances, however these are now being employed less often. We are now undertaking DEE assessments as it is recognised that these provide a much improved measure of a buildings capacity, expressed as a percent of the New Building Standard (NBS) and therefore indicate whether strengthening may be required, in addition to the repair of earthquake damage. (Typically where a building was closed following the Level 2 Rapid Assessment without the possibility of a quick repair, we moved to the development of a design solution or options).
27. To appropriately resource this significant stream of work we have completed a contestable tender process to establish a panel of engineering consultants to support this, achieving our target of having the panel in place by 1 December 2011.



31 Cont'd

Occupancy

28. The following process is in place to clearly identify and communicate the status of Council facilities when aftershocks occur:
  - The decision to evacuate and close Council facilities is triggered by a M5.0 or greater earthquake
  - A Level 2 Rapid Assessment is then carried-out for all buildings unless the analysis of ground acceleration data by an experienced engineer highlights that it is not required for specific buildings in specific locations. This analysis is made through the use of a risk-based approach as detailed above
  - If the earthquake is of less than M5.0 but triggers an evacuation (eg the M4.9 aftershock on 26 December 2010) the building is checked for visible damage (or any change in damage status) by a designated person responsible for each facility before reopening. In addition, a Level 2 Rapid Assessment is carried-out for specific buildings (eg Emergency Operation Centre (EOC), Welfare Centres)
  - Rapid communication to staff, users and the wider community follows as to the open/closed status of all buildings using telephone trees, email/intranet and information posted on the Council website.
29. The framework and hierarchy of opening Council's facilities post earthquake is focused on facilities which are open at the time an event occurs. Specifically the priority ranking is currently:
  - Emergency Operations Centre – Rexel/Kathmandu building will fulfil this function for the foreseeable future
  - Welfare Centres (eg Pioneer Stadium)
  - Call Centre – now back operating from the Civic Offices, 53 Hereford Street
  - Staff occupied facilities (includes libraries, parks facilities – at Botanic Gardens, Burwood, Victoria Park, temporary offices in specific community centres, eg Avice Hill, Metro Refuse Centres, Wastewater Treatment facility)
  - Early Learning Centres
  - Remaining Recreation and Sport, Community Support and Reserves facilities, and commercial premises.
30. It should be noted that following a satisfactory outcome from the Level 2 Rapid Assessment by an engineer, that before a building can re-open, service checks and health and safety checks are also completed.
31. All social housing facilities will be visited by Housing Officers who will complete a rapid welfare check and any identified damage concerns are immediately escalated to our Asset Team for a follow-up assessment by an engineer. If our early reconnaissance highlights actual damage to specific facilities or locations or if our analysis of peak ground acceleration data indicates likely damage in specific locations, we will give a high priority to getting an engineer to complete a Level 2 rapid assessment for those facilities. As our housing portfolio is insured, EQC then undertake their own damage assessments.
32. A further decision point around occupancy occurs when DEE assessments are progressively received. The approach to date has been to close buildings immediately where the percent NBS is assessed as less than 34 percent.
33. The current application of the assessment process has resulted in 656 facilities being open on a prudent, risk managed basis (69 percent of the portfolio). An approach that has a zero tolerance to risk would see practically all these facilities closed until DEE assessments were completed with a satisfactory outcome. At this time it is expected that this could take more than two years.

31 Cont'd

34. Although the assessment of buildings has been an evolving body of work in the market place, the practices adopted by council staff to date have been founded on an approach that considered the following attributes: conservatism, risk, health and safety, life protection and Council's role as a good corporate citizen to public and staff. Council staff have used their internal networks and those with other public organisations and insurers to ensure the practices adopted in this space are prudent and as a minimum equal to, if not leading and exceeding the general market approach. A review of our procedures by John Hare, a Director of Holmes Consulting Group, has confirmed that "The operating procedures set out a sound and appropriate approach..." (see **Appendix 2**).

Decision Recommendations:

35. Decisions will continue to be required in respect of returning facilities to staff and public use. Taking into consideration the assessment and occupancy processes outlined in this report, the current approach is that staff and/or public are able to occupy buildings as follows:
- Buildings with a capacity of 33 percent New Building Standard (NBS) or less will not be occupied
  - Buildings with a capacity between 34 percent NBS and 66 percent NBS inclusive can be occupied where engineering advice confirms that there is a moderate to low risk exposure (based on building strength, occupancy levels and occupancy duration) and/or a high cost (financial or otherwise) of not using the building. This assessment is made on a case-by-case basis
  - Buildings with a capacity of 67 percent NBS or greater can be occupied without restriction.
36. The recommendations in this report seek to clarify that a decision to reopen buildings for staff and public use under the occupancy guidelines noted above be made jointly by the General Manager of Corporate Services and the General Manager of Community Services.

**Insurance**

37. Prior to 30 June 2011 all Council facilities were insured under the material damage policy other than the Composting plant which had been omitted in error. Facilities were insured for replacement value other than a few buildings such as those around the new temporary bus exchange site which were insured for demolition or indemnity value. The Council's above-ground insurance programme totalled \$1.9 billion.
38. There is no material damage cover in place from 1 July 2011 onwards other than that detailed below but all damage incurred prior to 30 June 2011 is covered by the insurance policy in place at the time of the events.
39. Under the existing policies, 2,239 Residential Housing Units are insured at replacement value for \$413,869,294 for fire and earthquake under the EQC cover which is capped at \$100,000 per housing unit. Certain housing units that have been badly damaged are not covered. CBS Arena is also insured for replacement value at \$59,560,495 for defined perils only (fire excluding natural disaster). No other Council buildings are currently insured.
40. In order to maximise efficiency of the claims process, the loss adjusting process and approvals required will be tailored according to the quantum of repair/reinstatement costs. Outlined below is a summary of the proposed approach from our insurers:

*Category 1: Less than or equal to \$5,000:*

41. Such claims will be settled globally based upon the estimated cost of repair. No pre approval will be required from Insurers before incurring actual costs of repair. Council will however, preserve its right to claim actual costs in excess of estimate where like for like repair costs exceed the estimate.

31 Cont'd

*Category 2: Greater than \$5,000 but less than, or equal to \$100,000:*

42. Within this loss category it is anticipated that any damage will be considered to be economically repairable. A scope of works would need to be developed and presented to the Loss Adjuster for approval in anticipation of undertaking the proposed repairs. Following Council or delegated approval, the works would then be undertaken against the scope and the associated costs would be claimed as and when incurred.

*Category 3: Greater than \$100,000*

43. Losses in this category are likely to involve both repairable damage and non-repairable damage. Repairable damage would follow a similar process to that highlighted for Category 2 above. However, non-repairable damage would involve the following process below:
- Scope of damage is agreed with the Loss Adjuster and a case is presented to confirm the uneconomic nature of repairs;
  - Agreement is reached with the Loss Adjuster as to need to replace the damage (ie not repairable);
  - Council preserves the reinstatement value by confirming its intent to reinstate/replace the damage in one form or another;
  - An interim claim is made immediately for the equivalent indemnity value;
  - Where the decision is made to reinstate the building (like for like) then the scope of work is developed and presented to the Loss Adjuster for approval prior to the commencement of works, and actual costs are claimed in excess of the Interim Indemnity payment received;
  - Where the decision is made not to replace like for like then a valuation is obtained on a like for like basis to determine the insurance entitlement under the policy;
  - The Loss Adjuster is presented with the proposal to reinstate the damage in some other form (ie not like for like) demonstrating that the proposed costs will be equivalent to or in excess of the like for like valuation. Actual costs to be claimed in excess of the Interim Indemnity payment received.
44. Currently there is ongoing uncertainty over the time it will take to gain the agreement of Council's insurers to claim settlement and this poses a risk to the overall rebuild programme. In terms of any overall timeframes which are committed, we will seek to secure the insurers buy-in to those overall timeframes.
45. Consideration of this process is reflected in the decision making proposals of this report.
46. It should be appreciated that following a significant aftershock event, it may be necessary to 'reset the assessment clock' – for all or part of the portfolio, which brings a significant resource challenge in itself. If this event occurred now, our non-housing portfolio is almost entirely uninsured so any additional or new damage, as well as the cost of the re-assessment of our facilities, would be at Council's expense. For our housing portfolio, we come under the EQC process.
47. There are currently opportunities to get some up-front payments through insurance and technically there is no delegation to staff to accept these. It is therefore proposed as set out in the recommendations of this report that the General Manager Corporate Services be authorised to accept progress or partial insurance payments, so long as the Council is not committed to a full and final settlement.
48. Council has historically insured a small handful of properties which it does not own but has a strong relationship with the owner eg Riccarton House, Music Centre, Sydenham Methodist Church, Mt Pleasant Community Centre. We therefore also seek delegation for the General Manager Corporate Services to accept insurance payouts for these facilities which we insure but do not own and then distribute the payout to the appropriate party(s).

**31 Cont'd**

49. The Category 1 claims as outlined in paragraph 41 above, ie those less than or equal to \$5,000, are proposed to be settled globally based upon the estimated cost of repair. No pre-approval will be required from Insurers before incurring actual costs of repair. Council will however, preserve its right to claim actual costs in excess of estimate where like for like repair costs exceed the estimate. Due to the minor nature of these claims a delegation for the General Manager Corporate Services to settle these is sought and contained in the recommendations of this report.
50. Other insurance-related claims and settlements falling outside the scope of the above three categories and other staff delegations will be referred to Council for consideration and resolution.

**Repairs, Rebuilds and Demolitions**

51. The Council has already made some "owner initiated" demolition decisions for its facilities:
- Sumner Community Centre/Museum – 9 June 2011
  - Godley House – 9 June 2011
  - Two grandstands at Rugby League Park to support a temporary rugby/rugby league facility – 8 September 2011
  - Several buildings at temporary bus interchange site – 17 August 2011
  - Buildings to allow Temporary Bus Interchange to progress
    - Ex Brush and Palette building, 50 Lichfield Street
    - Ex Hertz building, 46-48 Lichfield Street
    - Ex Mico Wakefield building, 133-141A Tuam Street
    - Ex YMCA Office building, 48 Lichfield Street.
  - The Mt Pleasant Community Centre, McCormacks Bay Road has also been demolished (not owned by Council but insured by Council)
52. Civil Defence and CERA have also ordered the demolition of a number of other Council-owned buildings:
- Ex Para Rubber building, 94A Manchester Street (ordered by CD)
  - Ex R and R Sport building, 54 Lichfield Street (ordered by CERA)
  - Redcliffs Volunteer Library, 91-93 Main Road (ordered by CERA)
  - Redcliffs Pumping Station, Main Road (partial, ordered by CERA)
  - St Albans Community Centre, 1049 Colombo Street (ordered by CERA)
  - St Martins Volunteer Library, 122 Wilsons Road (partial, ordered by CERA)
  - Sydenham Methodist Church, 343 Colombo Street (ordered by CD, not owned by but insured by Council)
  - Woolston Volunteer Library, 689 Ferry Road (ordered by CERA).
  - Christchurch Convention Centre, 95-115 Kilmore Street (ordered by CERA)
  - Lyttelton Museum, 1 Gladstone Quay (ordered by CERA)
  - Ex Penny Cycles building, 113-125 Manchester Street (113-119 ordered by CERA)
  - Plunket Society Rooms, 211 Oxford Terrace (ordered by CERA)
  - Bus Exchange façade, 71 Lichfield Street (partial, ordered by CERA)
  - South Brighton Community Centre, 74 Beatty Street (partial, ordered by CERA)
  - Ex Electrolux building, 36 Welles Street (partial, ordered by CERA)
  - Lyttelton Service Centre, 35 London Street (partial, ordered by CERA)
53. Properties under assessment that could result in demolition include:
- Aranui Community Centre, 305 Breezes Road
  - Farmers Carpark, 194A Oxford Terrace (Council are a part owner as a member of the Body Corporate)
  - Christchurch Music Centre, Barbadoes Street (not owned by but insured by Council)
  - QE2 Stadium/Pool, 193 Travis Road
  - Centennial Leisure Centre, Armagh Street
  - Shirley Community Centre, 10 Slater Street
  - South Brighton Community Centre, 74 Beatty Street
  - Sumner Library, 16-18 Wakefield Avenue

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54. Repairs have been initiated and completed on the Papanui Library and Rexel/Kathmandu buildings, and recently initiated on the Fendalton Library, on the basis that the repairs were minor, covered by insurance and essential to maintaining business continuity.
55. The Council has a very large portfolio that has a wide range of building types and nature of damage. The decision making around the portfolio accordingly ranges from simple and pragmatic to more complex and strategic. As set out above this has necessitated the phasing of the project and rebuild plans.
56. In considering the phasing process it has been identified that there are a number of properties at the simple and pragmatic end of the scale that could and logically should be progressed immediately in terms of repair or demolition. The framework for dealing with these properties is set out as follows and reflected in the recommended delegations for resolution.

Decision recommendations:

57. Council approval is required for:
  - Work and demolitions of heritage buildings not covered by staff delegations. A list of the earthquake-affected heritage buildings is contained in **Appendix 4**
  - Recommended demolitions (not for safety reasons or ordered by CERA)
  - Recommended repairs exceeding more than \$1 million or more than 50 percent of the total insured value of the building
  - Enhancement (betterment) of a facility above total insured value
  - Rebuilds.
58. Staff to have delegations for:
  - Demolition approval for safety reasons (Section 38 CERA notice)
  - To repair an existing facility/structure within insurance proceeds where the work will cost less than \$1 million and the cost of the repairs is less than 50 percent of the building's insured value
  - Urgent stabilisation/weather proofing, including heritage buildings.
59. In the context of above "repair" shall mean reinstating a damaged but still existing building to its original or similar condition. Whilst "rebuild" shall be taken to mean replacing a building that has been demolished or undertaking work on an existing building that exceeds "repairs" ie creates betterment in comparison to the original facility.

**Status Reporting and Communication/Consultation**

60. Once projects are established by staff delegations, reporting on progress to the Council will be via a quarterly Facilities Rebuild Project report.
61. A communications update on the programme will also be included in the Chief Executive's monthly Council Update.
62. A number of Council facilities strategies in place have already undergone public consultation. These are currently being reviewed by Council staff and, as part of this review, staff have been engaging with key stakeholder groups around the future of Council facilities. Community consultation undertaken during the development of the draft Central City Plan is also informing this process.
63. An engagement framework for the Facilities Rebuild Project will be developed, which will provide guidelines around the level of community consultation/engagement required and when and how this should take place. It will include engagement with Community Boards.
64. A dedicated space on the Council website will contain an easy-to-access database of regularly updated information about the status of each facility in the Facilities Rebuild Project. This will include final engineering reports as they are completed and the decision which is made about a facility.

**31 Cont'd**

65. Media updates and briefings, updates in Council publications and on Council social media sites will be other key communication tools.

**32. DRAFT STATEMENT OF INTENT FOR THE COUNCIL'S SUBSIDIARY AND ASSOCIATED COMPANIES FOR YEAR ENDING 30 JUNE 2012**

<b>General Manager responsible:</b>	General Manager Community Services
<b>Officer responsible:</b>	General Manager Community Services
<b>Author:</b>	Jason Rivett, Finance Manager Community Services

**PURPOSE OF REPORT**

1. The purpose of this report is to present to Council the draft Statements of Intent (SOIs) of the Council-owned subsidiaries and controlled organisations to the Council for review and comment.
2. SOIs from the following Council-owned subsidiaries are attached:
  - Vbase Ltd (including Jet Engine Facility Ltd) (**Attachment 1**).
  - Civic Building Ltd (including the unincorporated joint venture arrangement with Ngai Tahu Property Ltd). (**Attachment 2**).
  - Tuam Ltd (**Attachment 3**).
3. SOIs from the following Council controlled organisations are attached:
  - World Buskers Festival Trust (**Attachment 4**).
  - Riccarton Bush Trust (**Attachment 5**).
4. The SOI for the Rod Donald Banks Peninsula Trust is not included as Audit New Zealand has not completed the Audit. This will be circulated separately.

**STATUTORY FRAMEWORK**

5. The Council's subsidiary companies and controlled organisations are required by statute to submit an annual SOI to their shareholders. An SOI must set out the entity's objectives and performance measures, as well as certain other information.
6. In the normal course of events, the subsidiary companies are required by the Local Government Act to deliver to their shareholders a draft statement of intent on or before 1 March. They must then consider comments on their SOI from their shareholder(s) received by 1 May, and then to issue a final SOI by 30 June.
7. However, because of the exceptional circumstances of the February earthquake, the Council resolved to seek an extension to this timeframe via an Order in Council in order to give time to the companies time to work through the implications of the earthquake for their businesses. The resolution is as follows:

*It was resolved that the Council:*

- (a) *Because of the effect of the 22 February 2011 earthquake, it is impracticable to expect Council Controlled Organisations to deliver meaningful statements of intent for the 2011/12 year by 30 June 2011.*
- (b) *The 2010/2011 statement of intent for each Council Controlled Organisation (CCO) is accepted as being the most recent statement of the activities, intentions and objectives of that CCO.*
- (c) *All Council Controlled Organisations are required to deliver draft statements of intent to their shareholders on or before 31 July 2011.*
- (d) *Any comments made in respect of the drafts are to be considered by the board of each Council Controlled Organisation by 30 September 2011.*
- (e) *Completed statements of intent are to be delivered to shareholders on or before 31 December 2011.*

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(f) *The General Manager, Regulation and Democracy Services, be authorised to take the necessary steps to include in a Local Government Act 2002 Order in Council provision for the extensions of time referred to in this resolution.*

8. The Government has made the Canterbury Earthquake (Local Government Act 2002) Order 2011 which extends by five months the deadlines in the Local Government Act 2002 for the board of a council-controlled organisation to:
  - Deliver a draft statement of intent to its shareholders.
  - Consider shareholders' comments on the draft statement of intent.
  - Deliver the final statement of intent to shareholders.
9. With regard to the Council owned subsidiaries of Vbase Ltd, Tuam Ltd and Civic Building Ltd the Council itself as the shareholder is entitled to formally make comments on the draft statements of intent for those three companies by 30 September 2011 and those companies must deliver the completed statement of intent to the Council by 30 November 2011.
10. Due to the ongoing circumstances of the February earthquake, the companies required additional time to work through the implications of the earthquake for their businesses and as a result, these SOIs are slightly outside the timeframes noted above.
11. From 1 July 2011, Vbase entered into an agreement with the Christchurch City Council to have their business managed in-house by the Council. The Vbase Limited SOI has had a number of changes made to its operational performance targets following the February earthquake. The earthquake caused significant damage to three of Vbase's four venues and performance targets needed to be reassessed. For a comparison, the 2010/11 Vbase SOI is included as **Attachment 6**.
12. For comparison purposes the Civic Building Limited 2010/11 SOI is included as **Attachment 7** and the Tuam Ltd 2010/11 SOI is included as **Attachment 8**.

**STAFF RECOMMENDATION**

It is recommended that the Council:

1. Receive the draft Statements of Intent for the Council-owned subsidiaries and Council controlled organisations.
2. Decide whether or not to make any formal comment on the Statement of Intent for:
  - Vbase Ltd (including Jet Engine Facility Ltd.)
  - Tuam Ltd.
  - Civic Building Ltd (including the unincorporated joint venture arrangement with Ngai Tahu Property Ltd).
  - World Buskers Festival Trust
  - Riccarton Bush Trust
3. Agree to the Statements of Intent if it does not wish to make any formal comment.



### 33. PERFORMANCE REPORT FOR THE FOUR MONTHS TO 31 OCTOBER 2011

<b>General Manager responsible:</b>	General Manager, Corporate Services
<b>Officer responsible:</b>	Corporate Performance Manager Corporate Finance Manager
<b>Author:</b>	Paul Anderson – General Manager, Corporate Services

#### PURPOSE OF REPORT

1. The purpose of this report is to update the Council on service delivery, financial, and capital works programme performance results for the four months to 31 October 2011. The budgets and targets in this paper are based on those approved by the Council in the 2009-19 LTCCP and/or 2011-12 Annual Plan. This report would normally be delivered for the quarter ended 30 September 2011, however the reporting was deferred to allow further analysis into the costs incurred following the 13 June 2011 aftershocks.
2. The report includes an updated overview on the expected overall financial impact of the earthquake on the Council.

#### EXECUTIVE SUMMARY

3. Attached are appendices showing summaries of:
  - Levels of service graph as at 31 October 2011 (**Appendix 1**)
  - Levels of service forecast to fail to meet targets (**Appendix 1a**)
  - Levels of service requiring intervention to meet targets (**Appendix 1b**)
  - Levels of service which have had targets suspended (**Appendix 1c**)
  - Proposed new levels of service targets (**Appendix 1d**)
  - Financial performance as at 31 October 2011 (**Appendix 2**)
  - Significant capital projects (>\$250,000) as at 31 October 2011 (**Appendix 3**)
  - Housing development fund and Christchurch Earthquake Mayoral Relief fund as at 31 October 2011 (**Appendix 4**).

#### Levels of Service

4. In the post-earthquake period, a number of level of service targets were modified by the Council either using the Order in Council process or via the 2011/12 Annual Plan. As a result, most levels of service have now returned to a substantially normal footing. The exceptions are mainly targets in Water Reticulation and Wastewater that remain suspended by Council resolution.
5. Current forecasts show that Christchurch City Council is likely to deliver 85.6 percent of its levels of service to target at year end. This is in line with target and previous years.
6. **Appendix 1a** lists those levels of service that are forecast to fail their target, along with staff commentary. **Appendix 1b** lists those that targets that are marginal at present but may succeed if remedial actions are successful. **Appendix 1c** is a list of the suspended targets, and finally, **Appendix 1d** holds a small number of new targets proposed for approval by the Council. They represent work which was not being tracked or which has arisen post earthquake.
7. Please note that CDC (Canterbury Development Corporation) is in the process of refining some of its performance targets to provide more specific information around deliverables and their due dates. The proposed changes will be included in the next (half yearly) Performance Report to Council.

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## Financial Performance

8. The key financials for the year-to-date are summarised in the table below. This includes an additional section for earthquake response costs, which the Council has resolved to borrow for (to be repaid through reductions to the capital renewals programme). An expanded view of the Council's financial results is provided in **Appendix 2**:

Year to Date Results				Forecast Year End Results		
\$000's	Actual	Plan	Variance	Forecast	Plan	Variance
<b>Council Activities</b>						
Operational Funding	135,754	130,938	4,816	365,599	355,584	10,016
Less Operational Expenditure	116,477	121,889	5,412	387,988	381,658	-6,329
<b>Ratepayer cash operating surplus</b>	<b>19,277</b>	<b>9,049</b>	<b>10,229</b>	<b>-22,388</b>	<b>-26,075</b>	<b>3,686</b>
<b>Earthquake Response</b>						
Operational funding/recoveries	78,273	18,266	60,007	136,938	55,161	81,777
Operational expenditure	102,893	25,127	77,766	189,714	58,361	131,352
<b>Earthquake response</b>	<b>-24,620</b>	<b>-6,860</b>	<b>-17,759</b>	<b>-52,776</b>	<b>-3,200</b>	<b>-49,576</b>
<b>Capital Works Programme</b>	<b>13,845</b>	<b>38,744</b>	<b>24,899</b>	<b>174,726</b>	<b>178,115</b>	<b>3,389</b>
Works Programme Funding	22,571	24,710	-2,139	114,541	115,959	-1,418
Works Programme Borrowing Requirement	<b>-8,726</b>	<b>14,033</b>	<b>22,760</b>	<b>60,185</b>	<b>62,155</b>	<b>1,970</b>

9. The forecast ratepayer cash operating surplus, after including additional interest costs for borrowing for the earthquake response, is \$3.7 million. Given the extent of earthquake emergency and response costs forecast to be incurred, staff will recommended that this surplus be applied to these costs in lieu of additional borrowing.
10. Council earthquake emergency and response costs for 2011/12 are expected to be higher than expected by \$49.6 million as a result of:
- Costs incurred as a result of the 13 June aftershock were not included in the Annual Plan. These costs consist of both immediate emergency costs and ongoing maintenance of the Council's network and temporary services. June emergency response costs are estimated to be \$29.9 million and are largely recoverable through Ministry Civil Defence Emergency Management subsidies (net cost to the Council of \$2.8 million). However this aftershock also caused substantial additional work to maintain the Council's network (eg jetting/sucking of sewers, clearing stormwater drains) and is forecast to increase costs to the Council by \$30.0 million this year (gross cost forecast at \$84.1 million less recoveries of \$54.1 million).
  - Underestimation of the cost of maintenance of temporary services. As well as the additional maintenance costs caused by the June 2011 aftershock, the initial estimate of maintenance of temporary services was too low by \$4.9 million, mainly in stormwater and roading. These costs have increased as further damage has become apparent to these assets. Lower than expected government subsidies add a further \$6.4 million to the net cost to the Council. Staff are looking at options for reducing these costs and will report back to the Council in the new year.
  - Finally, total rockfall costs of \$22 million were included as part of the emergency and response cost estimates in the Annual Plan. These were expected to be incurred against the capital programme, but are now being charged to earthquake response costs as they are unlikely to be eligible for capitalisation. Of the estimate of \$22 million, \$11.8 million is forecast to be spent this year with a net cost to the Council of \$4.1 million.

## 33 Cont'd

11. As at 31 October, the Capital Works Programme is forecast to be \$3.4 million below budget before carry forwards. Forecast carry-forwards are \$12.4 million, the largest carry-forwards being Ferrymead Bridge, Main Rd three laning and the wastewater and water supply extension to Charteris Bay. After carry-forwards, the capital works programme is forecast to be \$9.0 million over budget at year-end due to a timing difference in the transfer of strategic land purchased to other capital projects. This will be remedied via the carry-forward process at year-end, which will reduce the forecast capital works programme to below budget.
12. The table below summarises the current estimate of the financial impact of the earthquakes on the Council for 2011/12. Further detail is shown in the table following paragraph 45.

\$ million	Actual 11/12 YTD Results				Forecast 11/12 Results					
Summary	Cost	Govt Subsidy	Insur Cover	Net Cost	Cost	Govt Subsidy	Insur Cover	Net Cost	11/12 Plan	Variance
Emergency/Response	102.9	(61.0)	(17.3)	24.6	189.7	(111.5)	(24.6)	53.6	4.1	49.6
Rebuild Costs	102.3	(52.5)	(27.3)	22.5	344.8	(134.0)	(156.2)	54.6	54.6	(.0)
<b>Net Cost</b>	<b>205.2</b>	<b>(113.6)</b>	<b>(44.5)</b>	<b>47.1</b>	<b>534.5</b>	<b>(245.5)</b>	<b>(180.8)</b>	<b>108.2</b>	<b>58.6</b>	<b>49.6</b>

## Operational Funding

13. Operational funding for the Council activities is \$4.8 million higher than budget and forecast to be \$10.0 million higher at year-end. The year-to-date variance is largely due to additional revenue from rates (including penalties) and trade waste charges, along with unbudgeted funds received for the running of various Rugby World Cup events, and donations to the Christchurch Earthquake Mayoral Relief Fund. Partially offsetting this are revenue shortfalls in the parking, building consents/inspections, housing, and commercial property areas. Revenue from trade waste charges and rates are also the main components of the forecast variance (forecast to be \$5.4 million and \$3.0 million higher than budget respectively).

## Operational Expenditure

14. Operating costs for Council activities are \$5.4 million below budget, but are forecast to be \$6.3 million over budget at year-end. The year-to-date variance is largely due to an underspend in maintenance cost in the Wastewater Collection & Treatment, Water Supply, Streets and Transport, and Parks and Open Spaces activities, as work continues to be put on hold while resources are diverted to earthquake repairs. There is also an ongoing underspend in the Recreation & Leisure, Libraries, Art Gallery and Social Housing activities due to facility closures and unoccupied housing units. Partially offsetting these, are higher than budgeted debt servicing costs (partly due to additional borrowing for earthquake costs), and non-response earthquake costs (eg cordon management, demolition processing, and the Royal Commission).
15. The majority of the unfavourable forecast variance is due to non-response earthquake costs with the most significant forecast overspend being earthquake rates remissions \$1.4 million, Royal Commission costs \$0.9 million, and earthquake building consents and inspections of \$0.9 million and \$0.6 million respectively. Debt servicing costs are \$3.8 million higher than budget although this is partially offset by \$2.5 million in additional interest revenue as a result of the Council being required to borrow funds in anticipation of government reimbursement of emergency and response costs.

## Capital Works Programme

16. The Capital Works Programme is \$24.9 million below budget year to date, with \$4.2 million relating to strategic land purchases. The balance of the year-to-date variance is largely timing, with a number of projects having been delayed. Some of the key delays are the Western Interceptor Future Stages (\$3.8 million behind budget), Awatea South Basin (\$2.5 million), Carrs Road Stormwater Facility (\$2.0 million), WW Fendalton Duplication (\$1.5 million), along with a number of roading projects including road pavement replacement (\$0.8 million), Carrs Road underpass (\$0.5 million) and Canterbury Park access (\$0.5 million).

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17. The Capital Works Programme is forecast to be \$3.4 million below budget for the full year. Streets and Transport will be underspent by \$7.5 million (the key components being the Ferrymead bridge \$4.5 million; Main Road 3-Laning \$2.1 million; and the Carrs Road underpass \$1.0 million). Wastewater Collection and Treatment is forecast to be \$5.4 million below budget (various Sedimentation and Grit Tank projects \$2.3 million; WW Extension to Charteris Bay \$2.1 million; Wigram Pump Stations \$0.5 million; and Wastewater Treatment Plant Odour Containment \$0.4 million). Cultural and Learning Services are also forecast to be underspent (\$1.1 million) on art collection acquisitions.
18. Partially offsetting this is an under recovery relating to strategic land purchases (\$14 million), as the amount of held land identified to be allocated to capital projects in the current year is forecast to be significantly lower than budgeted. This is a timing difference that will be addressed via the carry-forward process.
19. Proposed net carry-forwards of \$12.4 million have currently been identified at this stage, against a budgeted \$55 million.

**Capital Funding**

20. Development Contributions revenue is \$0.9 million below budget, and forecast to be \$2.5 million by year-end. The amount able to be allocated to fund completed work is also forecast to be \$2.5 million below budget, as shown in **Appendix 2**.
21. Capital grants and subsidies (excluding earthquake capital revenues) are currently close to budget, however they are forecast to deteriorate to \$0.4 million below budget by year-end. They relate to New Zealand Transport Authority (NZTA) capital subsidies on the Streets programme.

**Operational Activities**

22. The following commentary is supported by the second table in **Appendix 2**. These figures are combined results from Council activities and the earthquake response costs.
23. City & Community Long-Term Policy & Planning – This activity is \$1.7 million below budget, largely due to an underspend on consultants fees, promotional, and staff costs, mainly in the Central City Plan, Urban Development Strategy and Environmental Policy areas. However this surplus is forecast to reduce to \$0.9 million by year-end, as some additional costs have also been factored into the forecast for the Land, Building and Infrastructure Recovery Plan.
24. District Plan – This activity is forecast to be under budget by \$0.5 million due to an underspend on consultants and legal fees relating to both Council and Private plan changes.
25. Social Housing – This activity is forecast to be \$0.7 million better than budget due to forecast maintenance and operating costs being \$1.7 million below budget, partially offset by a forecast rental revenue shortfall of \$1.0 million.
26. Civil Defence Emergency Management – This activity is forecast to be \$1.9 million higher than budget due to costs associated with the Recovery Management Office, Emergency Operation Centre and Welfare (largely staff time which is not recoverable through government subsidies). Some of this expenditure relates to costs incurred prior to 30 June but not accrued into last year's financial accounts.
27. Neighbourhood Parks – The forecast overspend of \$1.3 million relates to net earthquake costs, with \$1.0 million relating to Parks and a further \$0.3 million specifically to Parks Trees work.
28. Regional Parks – The forecast overspend of \$0.4 million largely relates to earthquake geotech assessment/mitigation costs (net of recoveries).
29. Waterways & Land Drainage – This activity is forecast to be \$6.5 million overspent, nearly all of which relates to earthquake costs (net of recoveries), with normal business operations forecast to be close to budget.

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30. Harbours and Marine Structures – The favourable forecast variance of \$0.5 million is due to additional fees revenue expected from the 82 cruise ship visits scheduled during the October – April season.
31. Parks and Open Spaces Capital Revenues are \$5.5 million higher than budget, mainly due to higher earthquake capital recoveries as a result of higher capital expenditure on stormwater (mainly stop bank works). Development contributions are \$0.7 million below budget. While earthquake capital revenues are forecast to be on budget, development contributions are forecast to be \$2.1 million below budget (Parks \$1.6 million and Waterways & Wetlands \$0.5 million).
32. Refuse Minimisation & Disposal Capital Revenues – The current unfavourable variance of \$2.1 million is due to the expectation that we will be unable to claim any recovery on the set up of the Burwood Resource Recovery Park. However, Staff will continue to discuss recovery of these costs with central government.
33. Regulatory Approvals – This activity is \$2.3 million over budget. \$2.2 million of this is earthquake costs (net of recoveries), of which \$1.4 million relates to rockfall assessments, \$0.4 million to earthquake building consents and inspections, and a further \$0.3 million to cost associated with the Royal Commission. Net earthquake costs are forecast to increase to be \$6.0 million higher than budget (\$3.2 million rockfall costs, \$0.9 million Royal Commission, \$0.7 million building consents, \$0.5 million miscellaneous earthquake administration work, \$0.3 million resource consents and \$0.3 million building inspections). Normal business operations are forecast to be \$0.5 million over budget, mainly due to lower revenue forecast in the Building Consent review and Building Inspections areas.
34. Road Network – This activity is \$5.6 million over budget. \$5.0 million relates to earthquake costs (net of recoveries), and depreciation costs are \$1.3 million higher. This is partially offset by an underspend on normal business operations of \$0.7 million, mainly in the Streets Trees (\$0.3 million) and Bridges/Structures (\$0.3 million) areas. Net earthquake costs and depreciation costs are forecast to be \$8.6 million and \$1.0 million higher than budget respectively, while normal business operations forecast to be \$0.7 million lower.
35. Parking – This activity is \$0.6 million over budget mainly due to lower than budgeted revenue from parking fees (\$0.5 million Off-Street and \$0.2 million On-Street), partially offset by lower depreciation costs. Parking revenue is forecast to deteriorate further by year-end (Off-Street parking \$1.0 million and On-Street parking \$0.4 million lower).
36. Public Transport Infrastructure – This activity is \$0.9 million below budget due to lower depreciation costs relating to the Transport Interchange site.
37. Streets & Transport Capital Revenues are \$21.0 million below budget, which relates to NZTA capital subsidies and insurance recoveries relating to the infrastructure rebuild, as very little subsidisable costs have been incurred to date, however the forecast is to be on budget at year-end. The forecast variance largely relates to Streets NZTA capital subsidies, which are forecast to be \$0.5 million higher than budget.
38. Wastewater Collection – This activity is \$6.4 million over budget largely due to earthquake costs (net of recoveries) of \$6.8 million and depreciation costs \$0.7 million higher than budget, partially offset by an underspend on normal business operations of \$1.1 million, as resources continue to be diverted to earthquake repairs. Earthquake costs are forecast to increase significantly by year-end, to be \$24.7 million higher than budget (mainly relating to below ground repairs).
39. Wastewater Treatment & Disposal – This activity is \$2.7 million below budget, mainly due to higher than budgeted revenue from Trade Waste charges (\$2.3 million) as a result of increased volumes of tankered waste being disposed at the Wastewater Treatment Plant. The balance is largely due to operating/maintenance cost savings due to the BioSolids plant not operating at full capacity. The majority of the forecast variance also relates to trade waste charges (forecast to increase to be \$5.4 million higher than budget at year-end).

**33 Cont'd**

40. Wastewater Collection & Treatment Capital Revenues are \$27.0 million below budget, nearly all of which are earthquake capital revenues related to the infrastructure rebuild (\$24.1 million Wastewater Treatment Plant, \$2.0 million Wastewater Reticulation and \$0.9 million Pump Stations). These are forecast to be on budget at year-end. Cash development contributions are close to budget.
41. Water Supply – This activity is \$1.9 million higher than budget due to net earthquake costs (\$2.2 million) and depreciation costs (\$0.7 million), partially offset by an underspend on normal business operations of \$1.0 million as resources continue to be diverted to earthquake repairs. While net earthquake costs are forecast to increase to \$4.0 million higher than budget (\$2.7 million below ground and \$1.3 million above ground), normal business operations and depreciation cost variances are forecast to remain close to current levels.
42. Water Supply Capital Revenues are \$1.4 million below budget, due to infrastructure rebuild timing (forecast to be on budget at year-end). Cash development contributions are close to budget and are forecast to remain so at year-end.
43. Corporate Revenues & Expenses are \$37.7 million better than budget, \$38.3 million of which relates to earthquake capital recoveries. The balance of the year-to-date variance (\$0.8 million unfavourable) is represented by higher debt servicing costs (\$2.0 million), net corporate earthquake costs (\$2.2 million higher than budget, largely rates remissions). Partially offsetting this is rates revenue which is \$2.8 million higher than budget (\$1.2 million rates income and \$1.6 million penalties) and contributions made to the Christchurch Earthquake Mayoral Relief Fund of \$0.6 million. Excluding earthquake capital revenues (which are forecast to be on budget), a slight overall improvement is forecast by year-end (\$0.2 million).

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## FINANCIAL IMPACT OF THE EARTHQUAKE - ESTIMATE OF COSTS AS AT 31 OCTOBER 2011

44. Emergency and earthquake response costs are forecast to be \$49.6 million higher than plan in 2010/11, largely as a result of the 13 June aftershocks.
45. There will be some response costs in future years, these are identified as temporary maintenance works in the rebuild estimate and principally relate to sewer and roading. There may also be rockfall costs and a share of residual demolition costs from Canterbury Earthquake Recovery Authority (CERA).

\$ million	Actual 11/12 Year To Date Results				Forecast 11/12 Results					
Emergency & Response Costs	Cost	Govt Subsidy	Insur Cover	Net Cost	Cost	Govt Subsidy	Insur Cover	Net Cost	11/12 Plan	Variance
Roading Emergency Work	1.2	3.2	0.0	(2.0)	21.4	16.0	0.0	5.4	-	5.4
Welfare and other Emergency Work	3.6	3.1	0.0	0.5	5.5	1.2	0.2	4.2	-	4.2
Other Response Costs	33.4	15.8	6.1	11.5	19.0	1.4	8.8	8.8	-	8.8
Temporary Maintenance Work	62.4	37.8	9.0	15.6	132.5	84.7	14.0	33.8	4.1	29.8
Demolition	(0.0)	(0.1)	0.0	0.0	(0.1)	0.0	0.0	(0.1)	-	(0.1)
Rockfall	2.8	1.2	0.8	0.8	12.3	8.1	0.0	4.2	-	4.2
Other	(1.3)	-	0.5	(1.8)	(1.9)	0.1	0.6	(2.7)	-	(2.7)
<b>Total Emergency and Response Costs</b>	<b>102.1</b>	<b>61.0</b>	<b>16.4</b>	<b>24.6</b>	<b>188.7</b>	<b>111.5</b>	<b>23.6</b>	<b>53.6</b>	<b>4.1</b>	<b>49.6</b>

\$ million	Actual 11/12 YTD Results				Forecast 11/12 Results					
Infrastructure Rebuild	Cost	Govt Subsidy	Insur Cover	Net Cost	Cost	Govt Subsidy	Insur Cover	Net Cost	11/12 Plan	Variance
Facilities	.5	1.2	.8	2.5	66.4	(.0)	(52.2)	14.2	3.8	10.4
Water	.6	(1.3)	(.9)	(1.6)	14.2	(8.5)	(5.7)	-	.0	(.0)
Sewer	21.7	(13.1)	(1.8)	6.8	136.4	(43.4)	(91.4)	1.6	.7	.9
Stormwater	9.9	(5.9)	(2.8)	1.1	16.8	(4.7)	(3.2)	8.9	5.4	3.5
Greenspace	.0	.0	-	.1	6.5	-	(1.3)	5.2	5.2	.0
Transport	.6	(.2)	(.3)	.1	103.5	(77.3)	(2.4)	23.7	38.4	(14.7)
Contractor setup costs unallocated	69.0	(33.2)	(22.3)	13.4	.9	-	-	.9	.9	-
<b>Total Rebuild Costs</b>	<b>102.3</b>	<b>(52.5)</b>	<b>(27.3)</b>	<b>22.5</b>	<b>344.8</b>	<b>(134.0)</b>	<b>(156.2)</b>	<b>54.6</b>	<b>54.6</b>	<b>(.0)</b>

**33 Cont'd**

46. As well as looking at further opportunities to minimise earthquake response costs (especially maintenance of temporary services), staff are working on preparing a revised estimate of earthquake capital and response costs, which will include an estimate of the financial impact of the June earthquake. Staff have been in ongoing discussions with CERA, Treasury and Department of Internal Affairs on the cost sharing arrangements for the future. Government has not yet finalised its position but it is expected that this will be ready to incorporate into a revised estimate for Council in March 2012.

**Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?**

47. Yes – there are none.

**LEGAL CONSIDERATIONS**

**Have you considered the legal implications of the issue under consideration?**

48. Yes – there are none.

**ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

49. Both service delivery and financial results are in direct alignment with the LTCCP and Activity Management Plans.

**Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?**

50. As above.

**ALIGNMENT WITH STRATEGIES**

51. Not applicable.

**CONSULTATION FULFILMENT**

52. Not applicable.

**STAFF RECOMMENDATIONS**

It is recommended that the Council receive the report.



**34. 153 MAIN SOUTH ROAD - SALE OF PART**

<b>General Manager responsible:</b>	General Manager Corporate Services Group, DDI 941- 8540
<b>Officer responsible:</b>	Unit Manager, Corporate Support
<b>Author:</b>	Justin Sims, Property Consultant

**PURPOSE OF REPORT**

1. The purpose of this report is to seek the Council's approval to the sale of part of 153 Main South Road shown as Lot 1 on the plan in **Attachment 1** to Enable Networks for the location of a building to support the ultra-fast broadband being provided to residents of Christchurch.

**EXECUTIVE SUMMARY**

2. Enable Networks won the contract to provide Christchurch with ultra-fast broadband in May 2011. The project will cost \$440 million and provide a fibre optic network to 180,000 homes. In order to service the new network it is necessary to construct a number of buildings to act as fibre optic hubs. Such are best placed in the middle of the area serviced and are designed to service 10-20,000 users.
3. A number of sites were investigated by Enable Networks but this location was considered the most favourable and further benefits from being co-located with a proposed Council public work.
4. The retention of this property was reported to the Board on 30 August 2011 following a process to determine if it was redundant as the original purpose for which it was purchased was no longer valid. Following the process to determine if other Council units required the property, City Water and Waste identified the site as being suitable for future water wells.
5. The City Water and Waste unit have confirmed a sale of the part identified on the plan attached will not impact on the use of the remainder of the property for the provision of water wells.

**FINANCIAL IMPLICATIONS**

6. None. All costs, together with the open market value of the site and any associated easements, will be paid by Enable Networks.

**Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?**

7. No.

**LEGAL CONSIDERATIONS**

8. A sale and purchase agreement will be entered into with Enable Networks.

**Have you considered the legal implications of the issue under consideration?**

9. Yes the Legal Services Unit has been consulted. An easement for the main building is not appropriate given the permanent nature of the structure and the exclusive occupation of the site. The disposal of this property will be subject to Section 40 of the Public Works Act 1981. This may involve offering the property to the former owner or their successor at market value and will be completed if the Council declares the property surplus.

**ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

10. This does not align with the LTCCP or Activity Management Plans.

**Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?**

11. No.

**34 Cont'd**

**ALIGNMENT WITH STRATEGIES**

12. Not applicable.

**Do the recommendations align with the Council's strategies?**

13. Not applicable.

**CONSULTATION FULFILMENT**

14. Not applicable.

**STAFF RECOMMENDATION**

That the Council that the Council adopts a resolution in the following form:

- (a) Declare this part of the property surplus and approve the sale of part of 153 Main South Road, as shown as Lot 1 on the plan in **Attachment 1**, to Enable Networks.
- (b) Delegate authority to the Corporate Support Unit Manager to manage the disposal process including any obligations under s.40 of the Public Works Act 1981.

**BOARD RECOMMENDATION**

That the staff recommendation be adopted.

## 35. CIVIC ASSURANCE CAPITAL RAISING PROGRAMME

<b>General Manager responsible:</b>	General Manager Corporate Services, DDI 941-8528
<b>Officer responsible:</b>	General Manager Corporate Services
<b>Author:</b>	Paul Anderson

## PURPOSE OF REPORT

1. This report seeks the Council's approval as a 7.3 percent shareholder in Civic Assurance to vote in favour of a proposal to issue 7,206,790 shares and for the Council to subscribe for up to 953,136 of those shares.

## EXECUTIVE SUMMARY

2. Civic Assurance started trading as the Municipalities Cooperative Insurance Company Limited and first issued insurance on 1 April 1961. It was established as a local-government owned insurance and financial services company and has delivered premium rebates and dividends to local authorities estimated to exceed \$200 million. Civic's share registry comprises 67 out of 78 councils and the company has played an important role in improving the terms and prices for insurance provided across the local government sector.
3. Christchurch City Council's 7.3 percent shareholding in Civic is valued at \$743,834 (\$1.60 per share as at 30 June 2011). The Council is the fourth largest shareholder behind Auckland Council (21.1 percent), Wellington City Council (8.2 percent) and Dunedin City Council (7.4 percent). Civic operated profitably in the five years prior to 2010/11 and returned average annual dividends to its shareholders during this period of 11.9 cents per share.
4. Christchurch City Council's above-ground assets were insured with Civic Assurance before switching to NZI for two years on 1 July 2007. Christchurch City Council's policy was returned to Civic Assurance from 1 July 2009 due to the same basis of coverage being offered for a \$391,090 premium saving over the alternative quote.
5. As a result of above-ground claims following the Canterbury earthquakes, Civic Assurance expects to pay claims totalling \$650 million. While most of this will be funded by reinsurers, \$10.8 million will be funded by Civic's reserves (\$3.6 million multiplied by three events). For the 2010/11 period, Civic had arranged uncapped reinsurance cover with unlimited reinstatements. All Civic's reinsurers are rated at A- or better.
6. The \$10.8 million that will be funded from Civic's own reserves means that as at 30 June 2011, Civic's net assets had fallen to \$10.5 million from \$19.5 million two years prior and its AM Best credit rating reduced to B++ (good with a negative outlook). To re-enter the property insurance market for councils in a meaningful way, Civic needs to return its credit rating to at least A- (excellent, stable), which means it needs to increase its reserves. It is beneficial for the Council to have Civic Assurance active in the insurance market to increase the competitiveness of the pricing and terms offered.
7. Civic's ability to rebuild its reserves in 2011/12 has been hampered by the lack of reinsurance, which meant that it has not been able to offer above-ground insurance cover during the current financial year. Civic has proposed a Capital Raising Programme with the goal of raising an additional \$6.475 million. This would return Civic to a credit rating of A- and enable it to once again be active in the local government insurance market.
8. Civic is holding a Special General Meeting on 16 December 2011 to seek shareholder approval for:
  - A change to its constitution to allow an additional 12,000 shares per shareholder to be placed to give those Councils with small shareholdings a meaningful investment. Further detail on the proposed amendment to Civic's constitution are attached as **Appendix 1**. This change also requires the consent of the Minister of Finance under the Municipal Insurance Act 1960. This consent has already been granted.
  - The issue of up to 7,206,790 new shares to existing shareholders at \$0.90 per share.

**35 Cont'd**

9. The proposed Capital Raising Programme received the full support of the Local Government New Zealand National Council at their October meeting. If approved by greater than a 75 percent majority of its shareholders, Civic intends to allocate the new shares in Feb and March 2012. A new credit rating would then be sought in April 2012 to enable Civic to offer insurance again for the council renewals due 30 June 2012.
10. It is recommended that Council resolves to support these resolutions. This will enable Civic to reinstate its credit rating and re-enter the property insurance market. Civic's presence in the local government insurance market helps to keep other insurance providers competitive through a competitive administrative cost structure (half the industry average), policy wordings designed specifically for local government, and a strong incentive to meet council insurance claims. By supporting the placement of new shares, Christchurch City Council is demonstrating its continued support for Civic Assurance and the success it has had in providing insurance to the local government market. If fully subscribed, the Capital Raising Programme will take Civic's equity from \$10.5 million to \$17 million.
11. Under the proposed offer Christchurch City Council has the right to subscribe for 476,568 additional shares at a price of \$0.90 per share (total of \$428,911.20). The proposed price of \$0.90 per share represents a 45 percent discount on the current net asset backing per share of \$1.65.
12. If some Councils choose not to subscribe for the additional shares they are entitled to under this offer, Civic intends to offer them to the other shareholders. If shares are available under this 'Shortfall Offer', it is proposed that the Council approve that up to an additional 476,568 shares are subscribed for, also at a price of \$0.90 per share. This helps to ensure the shares are fully allocated and increases the likelihood that the Council will be able to benefit from ongoing provision of insurance from Civic.
13. The other options available for the Council are to not support the proposal from Civic Assurance and / or to not subscribe for any further shares in the company. These options are not recommended because this would mean the Council is not supporting Civic Assurance's return to the local government insurance market. As outlined above, it is beneficial to the Council and to the local government sector for Civic Assurance to be active in that market.

**FINANCIAL IMPLICATIONS**

14. It is proposed that the requested investment of up to \$857,822 from Civic Assurance would be funded by borrowing and would add \$102,000 (0.04%) to rates per annum until Civic Assurance returns to profitability and is able to pay a dividend again.

**LEGAL CONSIDERATIONS**

15. The Council is a current investor in Civic Assurance which has benefitted, and may expect to benefit in the future, from the insurance cover it provides. In the circumstances, the Council's support for the Capital Raising Programme is consistent with its obligations to act prudently and in the current and future interests of its community.
16. The proposal does not trigger any of the mandatory statutory consultation requirements of the Local Government Act 2002 (eg. sections 56 and 97). Under the Council's Significance Policy the Council is authorised to adopt the recommended course of action without consultation because it falls within the exception for matters which are urgent. The formal notice from Civic Assurance was received on 22 November 2011 and the special general meeting is scheduled for 16 December 2011.
17. The acquisition of further shares in Civic Assurance is consistent with objectives in the Investment Policy, and borrowing for this purpose is in accordance with the Liability Management Policy on the basis that Civic Assurance is council-controlled organisation.

35 Cont'd

STAFF RECOMMENDATION

It is recommended that the Council:

- (a) **delegates** to the General Manager Corporate Services the authority to exercise the Council's vote in favour of the following resolutions:
  - 1. That in accordance with clause 2.1.1 of the Constitution, Civic Assurance undertakes the Rights Issue, Placement and Shortfall Offer whereby Civic Assurance issues up to 7,206,790 New Shares, for consideration of \$0.90 per New Share.
  - 2. That clause 2.1.2 of the Constitution is deleted.
  - 3. That a new clause 2.1.2 of the Constitution is inserted as follows: "Section 45(1) of the Act does not apply to the issue of shares in the company".
- (b) **agrees** to support the Civic Assurance Capital Raising Programme by subscribing for up to 953,136 shares at a price of \$0.90 per share.
- (c) **authorises** the General Manager Corporate Services and the Corporate Finance Manager (jointly) to borrow in accordance with the liability management policy to enable the Council to purchase the shares under recommendation (b) above.

36. TEMPORARY SHOW-HOME VILLAGE – CANTERBURY AGRICULTURAL PARK

<b>General Manager responsible:</b>	General Manager City Environment Group, DDI 941 8608
<b>Officer responsible:</b>	Unit Manager Asset and Network Planning
<b>Author:</b>	Derek Roozen, Parks and Waterways Planner

**PURPOSE OF REPORT**

1. To obtain Council approval to lease approximately 6,000 square metres of Canterbury Agricultural Park to PrefabNZ Incorporated for a period of up to 26 months on which to construct the development of a temporary show home village.

**EXECUTIVE SUMMARY**

2. PrefabNZ Incorporated ("PrefabNZ") is a Wellington based non-profit industry organisation, established in 2010 to promote the benefits of prefabrication in building design and construction. Its stated mission is to double the number of prefabricated buildings in New Zealand by 2020. Membership comprises a number of building companies specialising in prefabricated buildings.
3. A consequence of the Canterbury earthquakes has been the red zoning of parts of the city, which has meant that many residents need to move from these areas. Some residents may wish to rebuild in new subdivisions, the demand for which is expected to increase over the summer months.
4. Following the success of the CERA 'My Housing Options Expo' held at the Addington Events Centre in Christchurch over the weekend of 30 and 31 July 2011, PrefabNZ believes there is an opportunity for some of its member teams (partnerships of architects with building companies) to each showcase their built prefabricated design homes at one visible and accessible location, thereby providing some quality quick-build options for red zoned residents and others to look at, research and consider before choosing to build.
5. PrefabNZ has identified that the chosen site should satisfy the following criteria:
  - (a) Be visible to passing traffic and readily accessible;
  - (b) Have sufficient car parking available for clients;
  - (c) Be located close to existing services, such as electricity; and
  - (d) Be secure.
6. PrefabNZ has considered a number of potential sites in Christchurch, including parks, after discussions with Council officers. The conclusion of this consideration has resulted in PrefabNZ applying for a site in Canterbury Agricultural Park as its preferred option. **Attachment A** is a plan on which is shown the general location of this site. Paragraphs 12 to 14 of this report below consider a number of site options and the reasons for discounting them in favour of the preferred option.

## 36 Cont'd

7. A summary of the details of the application made by PrefabNZ for the use of the Canterbury Agricultural Park site are set out in the table below. A concept site layout is given in **Attachment B**. Photos of the site are given in **Attachment C**.

<b>Site Use</b>	Cluster ('village') of a selection of high quality and sustainably designed prefabricated show-homes built by PrefabNZ member teams.
<b>Purpose/Benefit</b>	To showcase permanent, high quality designed and environmentally sustainable prefabricated buildings that can be assembled quickly at building sites to provide replacement housing for those who have lost homes in the earthquakes.
<b>PrefabNZ branding for the proposed facility</b>	"Canterbury Housing Innovation Park".
<b>Site Description</b>	An undeveloped grassed area utilised for car parking during the annual A&P Show and maintained by grazing with sheep.
<b>Site Area</b>	Approximately 6,000 square metres.
<b>Number of Buildings</b>	Up to ten single-storey houses (initially five, then five more before November 2012) with a footprint of 100 to 140 (maximum 200) square metres each, plus a site office and separate portable toilet block.
<b>Commencement and Duration</b>	Site access required from 1 January 2012; opening end February 2012 for a maximum period of 26 months, reviewable after nine months operations.
<b>Hours of Operation</b>	10am to 4pm weekends; weekdays by appointment or public demand.
<b>Services</b>	Portable toilet unit with sewerage catchment tank to be emptied by a service provider on a regular basis; connection required to a water supply for hand-washing only; 190 metre long underground power cable placement to be laid to connect to existing electrical supply to the north-west of the site. No sewerage/wastewater or telecom/data connection required.
<b>Landscaping</b>	Planter boxes with low shrubs and native trees, timber decking platforms, screens and gravel/bark areas in the 'village green' area and around individual display homes.
<b>Signage</b>	A sign reading 'Canterbury Housing Innovation Park', measuring 3.0 metres wide by 1.5 metres high and raised 1.5 metres above the ground, is to be located inside the Park boundary and positioned and orientated to be clearly visible to passing vehicle traffic. Other signage representing the groups and partners involved with the show-home village will be placed on the outside of the portable toilet block.

8. Canterbury Agricultural Park comprises three parcels of land held in one fee simple title vested in the Council pursuant to the Local Government Act 2002, totalling 46.0311 hectares in area, the parcels being listed in the table below and shown on the plan in **Attachment A**.

<b>Legal Description</b>	<b>Certificate of Title</b>	<b>Area (hectares)</b>
Lot 1 DP 302504	9505	45.1956
Section 2 SO 300665	9505	0.5726
Section 1 SO 300665	9505	0.2629

The proposed temporary show-home village will be located mostly within Lot 1 DP 302504 and may extend into Section 2 SO 300665.

9. There is a management plan covering Canterbury Agricultural Park and the adjoining Nga Puna Wai. This is the Nga Puna Wai and Canterbury Agricultural Park Management Plan ("Management Plan"), which was approved by the Council on 23 September 2010. The proposed site sits within the larger part (two-thirds) of the combined park area covered by the management plan. This part is called the Agricultural Area, which is for facilities, events (including as an ongoing venue for the A&P Show ("Show")) and activities servicing and promoting the primary industries of Canterbury, reflecting the City Plan zone that applies to this area. The description of this zone is given in the following paragraph.

## 36 Cont'd

10. The proposed site lies in the Open Space 3C (Agribusiness Centre) Zone in the Christchurch City Plan. This is a specialist zone to enable the development of facilities serving the primary industries of Canterbury. This zone corresponds to the area referred to in the paragraph above as the Agricultural Area. The Outline Development Plan (ODP) for the zone specifies activities that can take place in Activity Area 5, which the proposed temporary village will be in, and these are passive recreation, temporary car parking and agro forestry demonstration plots. The Open Space Zone Community Standard 2.3.2 for the use of any site and buildings located generally in accordance with the ODP lists a number of uses that can be made of the area. Although the proposed activity of show-homes is more generally aligned with the listed uses of trade displays, demonstrations and short-term exhibitions, it does not align with most of the uses listed that the area can be used for. Therefore, due to this non-compliance with the City Plan resource consent (land use) is required to be obtained by PrefabNZ.
11. Officers consider the proposed temporary occupation at Canterbury Agricultural Park will have a manageable effect upon the overall park environment and its use, due to the occupation being in an area not generally used by the public nor used for approved events or recreational activity currently. The Council entered into a licence to occupy, dated 30 March 2001, for an area of land including part of what is now known as Nga Puna Wai and all of what is now known as Canterbury Agricultural Park with the Canterbury Agricultural & Pastoral Association for a term of 100 years from 1 April 2001 for an Annual Licence Period of up to one calendar month, commencing during the month of October and expiring in the month of November in each year, for the Business Use of Agricultural and Pastoral show or exhibition and ancillary activities. Other than for use for car parking at the time of the annual A&P Show, the area in which the proposed show-home village will be situated has not been used for exhibits or activities associated with the A&P Show in recent years. An equestrian events organisation, Eventing Canterbury, was granted a five year licence in 2004, with a right of renewal of a further five years, to establish permanent jumps along a cross country equestrian course at Nga Puna Wai and Canterbury Agricultural Park, which when developed would pass close to the proposed show-home village. This grant has not been formalised with a licence document, and the course has not been established as Eventing Canterbury is now based entirely at its venue at McLeans Island. An assessment of the effects of the proposed show-home village is provided in the following table, along with comment on how each of these may be mitigated.

Area of Effect	Effects	Comment on Effects and how they can be mitigated
Public Access	The proposed site is not one usually used by the public, except for during the annual A&P Show when it is used for car parking. The site will be open to the public on weekends and closed during the week except for access by appointment.	No loss of normal public access. During the annual A&P Show priority will be given to the needs of that event, in particular car parking in the area surrounding the site. This may mean the show-home village is closed during the three days of the Show unless the A&P Association is comfortable for it to remain open during this time.



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Area of Effect	Effects	Comment on Effects and how they can be mitigated
Visual	<p>Will be a highly visible built complex in an area that is currently open paddock, which is the purpose of the proposed occupation. A sizeable sign will be required just inside the Park boundary that needs to be clearly visible to travellers along Curletts Road. Further signage representing the groups and partners involved with the show-home village will be required on the portable toilet block that will be provided near the entrance to the site.</p>	<p>The buildings will be of high quality and aesthetic design, as the purpose is to sell the design, and the buildings themselves, to the public. They will be modest sized, single-story, and be built in a material and colour palette that is compatible with the Park surroundings. The need to market, therefore, lends itself to having the site well landscaped and attractive to the eye. The visual addition to the park landscape will be limited to no more than 26 months. The main promotional sign will meet NZTA regulations (RTS7) and comply with policy 6.1 set out in the Management Plan, which requires all signs within, and on the boundaries of, Nga Puna Wai and Canterbury Agricultural Park to be installed only with the consent of the Transport and Greenspace Manager, and be consistent with the Council's policies on park signage and with the Council's Greenspace and Waterways Sign Manual. The signage on the toilet block will face into the Park and the village site, and not be visible from the road. The toilet block itself will be partially obscured from the road by existing trees. These trees will soften the visual impact of the village buildings as viewed from Curletts Road.</p>
Vehicle Access	<p>During the weekends there will be an increase in vehicle traffic through the Park's main entrance off Curletts Road. During week-days especially, but also possibly during the weekend, any vehicles accessing the show-home village may encounter heavy stock-carrying vehicles that are using the entrance to access the saleyards during the period of time the Southern Motorway is being built.</p>	<p>PrefabNZ has discussed the capability of the Park entrance off Curletts Road to cope with the expected increased traffic resulting from the proposed show-home village on the Park with NZTA. The advice received is that the current intersection on Curletts Road is sufficient to cope with the traffic anticipated to be generated by the proposed village. It is expected that there will be minimal extra traffic at peak times due to the village being open on weekends, with week-day viewing by appointment only. Car parking for the public visiting the village will be kept away from the internal Park road used by stock trucks and signage can be installed that warns of this heavy vehicle traffic.</p>

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Area of Effect	Effects	Comment on Effects and how they can be mitigated
Physical (Ground)	Some ground works will be required, including underground trenching, to connect the village to electricity and water connections.	The installation of the buildings will not require earthworks, other than trenching required for connection to electricity and water. Electricity for lighting for the houses will be sourced from solar panels, and the balance of power required will be from a connection to the existing switch box situated approximately 190 metres away further in the Park, which will require a cable to be laid underground. An underground water pipe to connect to an existing water supply in the Park may also be required. No cost will accrue to the Council. The Council has the option of requiring the retention of these service extensions at the termination of the temporary occupation, at no cost to the Council. Furthermore, because there are no significant sub-surface ground works required, it is not anticipated any sites of archaeological value will be encountered, although if any are during development of the show-home village, the Historic Places Trust and the Council will be notified immediately and ground work will cease.
Physical (Vegetation)	Any vegetation on the immediate site of the proposed show-home village will be affected by the development.	There are no sites of ecological significance in the proposed area of the village. There will be no removal of vegetation, other than pasture grasses, over the duration of the proposed occupation. The pasture will be reinstated at the termination of the occupation. Existing perimeter specimen trees will not be affected by the proposed development.
Level of compliance with the management plan and City Plan	Strictly speaking, the proposed occupation of Canterbury Agricultural Park is not compliant with the City Plan zoning of the land (it is not promoting the primary industries of Canterbury) nor with the intended use of the area as promoted in the operative management plan (that is, it is part of a general area to promote the primary industries, thereby reflecting the City Plan zone, and contained in a specific area to be used for sports field/open park/recreation).	The proposed occupation provides a facility and event for display for the appreciation of residents and other visitors, which is arguably a recreational activity, and is generally aligned with the uses of trade displays and demonstrations, and short-term exhibitions, listed in the Open Space Zone Community Standard 2.3.2. It will add to, rather than detract from, the variety of experience for Canterbury Agricultural Park visitors.

12. At the request of Council officers a number of alternative sites were investigated by PrefabNZ for the proposed show-home village, some of which are listed in the following paragraph. These included privately – as well as Council – owned areas. The reasons stated by PrefabNZ why these alternative sites were discounted in favour of its preferred option of Canterbury Agricultural Park include (not necessarily applying to all sites) are:

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- (a) Having to purchase land, which is beyond the budget of PrefabNZ and its members;
  - (b) The land area available not being sufficient to locate up to ten homes on;
  - (c) The site not being available for long enough (needed for at least one year, preferably two years);
  - (d) The site not having access to necessary services, such as electricity supply;
  - (e) The site not being in a prominent visible location or too far from the Christchurch CBD;
  - (f) No off-street car parking available;
  - (g) Access roads needing to be formed to the site;
  - (h) The site being insufficiently level or dry, or earthquake damaged;
  - (i) The entrance not being wide enough for building-carrying heavy vehicles; and
  - (j) The site not being a secure site after hours.
13. Sites investigated by PrefabNZ include in the former Canterbury Park land alongside Wigram Road, Pegasus Town, Belfast Village, Peterborough Village (Peterborough and Manchester Streets sites owned by individual residents), corner of Main North Road and Johns Road, Council/NZTA land at 35 Groyne Road and Council land at 173 Johns Road. The Council officers' suggestion that commercial sites also be considered was not pursued by PrefabNZ on the grounds that, being a non-profit entity, they cannot afford a commercial lease, and because commercial site owners are reluctant to commit their site to a non-profit group for a period up to two years. Further, in their view activities on such sites are seen by the public as being profit-making, which is inconsistent with PrefabNZ's focus on providing an impartial and balanced view of housing alternatives to Cantabrians.
14. PrefabNZ promotes its preferred site at Canterbury Agricultural Park on the grounds that:
- (a) There is sufficient area available to contain up to ten houses onsite;
  - (b) It is a prominent city location, visible to passing vehicle and foot traffic, and easily accessible for residents;
  - (c) There is no need to purchase a section;
  - (d) Vehicle parking is available off-road;
  - (e) Connection to services, such as electricity and water supply, are nearby;
  - (f) It can be available for the maximum time (two years) it may be required; and
  - (g) It is an aesthetically attractive site – that is, a green setting free of excessive noise, dust and disruption.

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15. Notwithstanding PrefabNZ's stated non-profit status as an industry organisation promoting prefabricated building design and construction, and its view that its proposal now before the Council will be of benefit to Christchurch property owners impacted upon by the earthquakes, Council Officers note that PrefabNZ's members (comprising a number of architect firms and building companies specialising in prefabricated building design and construction) who will be physically occupying the proposed site at Canterbury Agricultural Park are most definitely commercial entities and stand to gain financially from their occupation and activities at the site. Furthermore, the proposed village will show-case only one form of building design (prefabricated building design). Other companies, in the business of selling homes of different design, are not involved, purely because they are not members of PrefabNZ and therefore not party to PrefabNZ's proposal. Officers advise that the proposal has been publicly notified, as explained in paragraph 39 of this report below, which will allow any other interested party to express their views.
16. Officers are further of the view that any precedence for favourable consideration of applications from any other building companies to similarly locate their show-homes on a Council park site is not set because the application in this instance is not one by a building company or companies, but a one-off application by a non-profit industry organisation that is able to justify its application by presenting the value of an affordable, quicker and sustainable building option that can potentially benefit those Christchurch property owners impacted upon by the earthquakes. Councillors will need to decide if these benefits are sufficient to justify approval of a use of the proposed Canterbury Agricultural Park site that departs from the usual intended use of this part of the Park.
17. In addition, officers advise that, ordinarily, a commercial occupation on a Council park that is to be formalised by the granting of a lease would need to be advertised for competitive tender. Paragraph 32 of this report below sets out the exceptions to this that may apply in this case.

**FINANCIAL IMPLICATIONS**

18. There are no financial implications for the Council arising from granting permission for PrefabNZ to temporarily occupy the proposed site in Canterbury Agricultural Park. PrefabNZ will meet all costs associated with the establishment and operation of the facility, including all resource and building consents, and costs to reinstate the site, to the satisfaction of the Greenspace Manager or her designate, at the end of the occupation.
19. Officers propose that the temporary occupation of the site is formalised with a lease, with a rental or charge determined by the Corporate Support Manager in consultation with the Property Consultancy Team.

**Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?**

20. Not applicable.

**LEGAL CONSIDERATIONS**

21. The area that is proposed to be leased for the temporary show-home village is part of land held in fee simple by the Council and managed as Canterbury Agricultural Park. Whilst the land is not reserve subject to the Reserves Act 1977, it is used as "park" as defined in section 138(2) of the Local Government Act 2002 and therefore the proposed use of the land by PrefabNZ is subject to that provision.

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22. As a consequence of the 22 February 2011 earthquake the Government made the Canterbury Earthquake (Reserves Legislation) Order 2011 ("Reserves Legislation Order") which permits the Council to authorise the use of reserves and parks (whether held under the Reserves Act 1977 or not) for works or activities directly related to earthquake recovery. Clause 5(c) of the Reserves Legislation Order permits the Council to use a reserve or park if the use is necessary in the opinion of the Council to respond in a timely manner to any circumstances resulting from the Canterbury earthquakes. However, the view of the Council's Legal Services Unit is that the show-home activity proposed by PrefabNZ is primarily a commercial activity which, whilst it may have some peripheral relevance to earthquake recovery in that the red zoning of land by CERA may increase demand for the products and services it promotes, it could not be said to be an activity necessary to respond in a timely manner to the Canterbury earthquakes. The Legal Services Unit is therefore of the view that the powers available to the Council under the Reserves Legislation Order do not apply to the proposed use of the land by PrefabNZ.
23. Accordingly, the Legal Services Unit is of the view that the application by PrefabNZ must be dealt with by the Council under 'business-as-usual' processes.
24. The proposed use by PrefabNZ will be documented by way of a lease on usual commercial terms, including the requirement to reinstate the land at the end of PrefabNZ's tenure to its former grazing standard. As Canterbury Agricultural Park is a 'metropolitan park', the decision-making authority whether to grant such lease or not rests with the Council, rather than the relevant Community Board, although, as is usual, the Community Board (in this case, the Spreydon/Heathcote Community Board) has been asked to make a recommendation.
25. As indicated in paragraph 9 of this report above, the land proposed to be leased to PrefabNZ is subject to the Nga Puna Wai and Canterbury Agricultural Park Management Plan ("Management Plan"). The area proposed to be leased to PrefabNZ falls within what the Management Plan terms at a high level to be the 'Agricultural Area', which is to be used for facilities, events (including as an ongoing venue for the A&P Show) and activities servicing and promoting the primary industries of Canterbury. At a more detailed level, the Management Plan contemplates that the area proposed to be leased to PrefabNZ is in an open park/recreation activity area (Figure 2 Activities Plan in the Management Plan) and is in Booking Area 8 (Sports fields/Recreation), as shown in Figure 3 Booking System Plan in the Management Plan. It therefore appears that the proposed use of this area by PrefabNZ would be inconsistent with the Management Plan.
26. The Management Plan covers land that is reserve under the Reserves Act 1977 and land that is not formally reserve. Whilst the Management Plan was prepared and adopted using Reserves Act 1977 processes, the land proposed to be leased to PrefabNZ is not held under the Reserves Act 1977. The Management Plan is therefore, in respect of the land proposed to be leased to PrefabNZ, not a Reserves Act 1977 plan.
27. Section 80 of the Local Government Act 2002 provides that if a decision by the Council is significantly inconsistent with a Council policy or plan, the Council must when making the decision clearly identify:
  - (a) the inconsistency;
  - (b) the reasons for the inconsistency; and
  - (c) any intention to amend the policy or plan to accommodate the decision.
28. The form of the staff recommendation has been drafted to comply with section 80 of the Local Government Act.
29. As indicated in paragraph 10 of this report above, it will be necessary for PrefabNZ to obtain land use consent, and any other required consents, under the Resource Management Act 1991 for its proposed activity. Building consents under the Building Act 2004 will also be required.

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30. As discussed in paragraph 11 of this report above, the area proposed to be leased to PrefabNZ is the subject of a licence in favour of the A&P Association and possibly also to Eventing Canterbury. Any agreement on the part of the Council to grant a lease to PrefabNZ will therefore need to be subject to the agreement of those two parties to relinquish their rights for the term of the proposed PrefabNZ lease.
31. It will be necessary for PrefabNZ to agree to the conditions of, and sign, a Temporary Access Licence before moving onto the site, the purpose of this agreement is to protect the interests of Council while construction activities are being undertaken on the site.
32. The Office of the Auditor-General 'Procurement Guidance for Public Entities' ("Procurement Guidelines") sets out a statement of good practice (not rules) for public entities (including local authorities) when procuring goods and services, including granting leases. Ordinarily, the Procurement Guidelines state that "in principle advertising an open request for tender or proposal should be the preferred method for higher value and/or higher risk procurement". However, the Procurement Guidelines do provide exceptions to this, such as where a contract may not fit the conventional market model because there is not an effective market to provide the services or due to the strategic importance of the services or the relationship with the provider is such that the objectives of the procurement may not be achieved through the market. Given the current circumstances arising from the recent earthquakes of large numbers of people being displaced and urgently requiring affordable and convenient housing solutions, and PrefabNZ being the industry wide organisation formed to promote the use of prefabricated housing solutions, it is arguable that the conventional tender model of procuring these services is inappropriate and that a competitive tender is not required.

**Have you considered the legal implications of the issue under consideration?**

33. Yes, see above.

**ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

34. Not applicable.

**Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?**

35. No.

**ALIGNMENT WITH STRATEGIES**

36. Not applicable.

**Do the recommendations align with the Council's strategies?**

37. No.

**CONSULTATION FULFILMENT**

38. Section 138 of the Local Government Act 2002 requires the Council to consult on any disposal of land used as a "park". For these purposes "park" means land acquired or used for community, recreational, environmental, cultural or spiritual purposes. "Disposal" includes the grant of a lease with a term of more than six months, which has the effect of excluding or substantially interfering with the public's access to the park.
39. Public notice of the proposal was made in The Press on Saturday 15 October 2011, inviting public comment, to be received no later than 5pm, Friday 4 November 2011. Copies of the submissions received, and a summary and analysis of these, will be tabled at the meeting.

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40. PrefabNZ has advised Council officers it has consulted with a number of agencies and affected parties over its proposal to lease the identified site on Canterbury Agricultural Park, including operational staff and members of the Board of the Canterbury A&P Association (A&P). The A&P Board has indicated its support, which was ratified at its meeting on 17 October 2011 and then confirmed by the A&P Committee at its meeting on 19 October 2011. Council officers have met onsite with PrefabNZ's project management representative and A&P operational staff to discuss measures needing to be taken to ensure that the proposed occupation is compatible with A&P's future operations to run the Show. A letter of support of PrefabNZ's proposal from A&P is provided in **Attachment D**.
41. Council officers have contacted Eventing Canterbury, who have advised they will not be seeking to renew their licence to establish a cross country equestrian course at Nga Puna Wai and Canterbury Agricultural Park.
42. The proposed site for the show-home village lies within in the Spreydon Ward and is therefore a matter for the Spreydon/Heathcote Community Board to consider and make recommendations to the Council on. As the Riccarton/Wigram Community Board was engaged in the processes of classification of the Nga Puna Wai reserves in 2009 and the hearing of submitters on the Canterbury Park Draft Management Plan in 2010, this report has been forwarded to the Riccarton/Wigram Community Board at its meeting on 15 November 2011 in the form of an information memo.

**BOARD CONSIDERATION**

The Board considered a report seeking its recommendation to the Council that approval be given to lease approximately 6,000 square metres of Canterbury Agricultural Park to PrefabNZ Incorporated for a period of up to 26 months on which to construct the development of a temporary show home village.

**STAFF RECOMMENDATION**

It is recommended that the Spreydon/Heathcote Community Board, having considered the views of any submitters on this proposal, recommend that the Council resolve as follows:

- (a) Pursuant to section 80 of the Local Government Act 2002 the Council notes:
  - (i) The proposal to lease part of Canterbury Agricultural Park to PrefabNZ Incorporated for the purposes of developing a temporary show-home village is inconsistent with the Nga Puna Wai and Canterbury Agricultural Park Management Plan;
  - (ii) The reason for the inconsistency is due to the Nga Puna Wai and Canterbury Agricultural Park Management Plan providing for the use of Canterbury Agricultural Park for facilities, events (including as an ongoing venue for the A and P Show) and activities servicing and promoting the primary industries of Canterbury; and
  - (iii) Given the temporary nature of the proposed activity, there is no intention to amend the Nga Puna Wai and Canterbury Agricultural Park Management Plan to accommodate the decision to lease part of Canterbury Agricultural Park to PrefabNZ Incorporated.
- (b) Subject to PrefabNZ Incorporated obtaining all necessary regulatory consents and all parties with existing rights of tenure consenting to such use, and with due consideration of the implications of approving a one-off departure from the normal use of Canterbury Agricultural Park greenspace as described in paragraphs 15, 16 and 17 of this report, that the Council grants a lease pursuant to section 12 of the Local Government Act 2002 to PrefabNZ Incorporated over an area of approximately 6,000 square metres of Lot 1 DP 302504 and some of Section 2 SO 300665 contained in certificate of title 9505 shown as the hatched area labelled "Canterbury Housing Innovation Park" on the concept site plan for the development of a temporary prefabricated design show-home village for a period of up to 26 months, the lease period to begin on 1 January 2012.

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- (c) That the Corporate Support Manager and his staff be delegated the power to negotiate the lease on behalf of the Council on such terms and conditions as he shall consider necessary, including the obligation on the lessee to remove the developments and to reinstate the land on the expiry of the lease.
- (d) That the lessee be required to sign a temporary access licence before accessing the site, the purpose of which is to clearly delineate the Council's and lessee's responsibilities during any construction phase of the developments on the leased site.

**BOARD RECOMMENDATION**

That the staff recommendation be adopted.



**37. STREET LIGHTING MAINTENANCE AND RENEWALS CONTRACT**

<b>General Manager responsible:</b>	General Manager City Environment Group, DDI 941-8608
<b>Officers responsible:</b>	Maintenance Operations and Contracts Manager
<b>Authors:</b>	Julie Reid, Asset Protection Technician

**PURPOSE OF REPORT**

1. The purpose of this report is to obtain authority for the General Manager City Environment Group to enter into an agreement for the continued maintenance and renewal of street lighting.

**EXECUTIVE SUMMARY**

2. The contract for the maintenance and renewal of street lighting from Connetics Limited began on 1 October 2006 and ended on 30 September 2011.
3. Transport and Greenspace wish to maintain an agreed level of service (Activity Management Plan 10.0.9) for street lighting by extending this contract for a term of 9 months to 30 June 2012. This will also bring the contract term into line with Council end of financial year.
4. Transport and Greenspace wish to negotiate a further extension to the contract for a period of 12 months to 30 June 2013. The purpose of this is to allow time for the contract to be rewritten in the New Engineering Contract (3rd Edition) format and released for tender to the open market. The New Engineering Contract is an improved form of contract which promotes close communication and collaboration between the Council and the Contractor.
5. The delay in completing negotiations for this contract is due to other competing earthquake remediation priorities.

**FINANCIAL IMPLICATIONS**

6. Financial Information (Paragraphs 6 to 12) included in Public Excluded Report.

**Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?**

7. Yes.

**LEGAL CONSIDERATIONS**

8. The streetlight maintenance and renewals are subsidised by NZ Transport Agency who have advised that under the current circumstances they do not require an open tender to be carried out for the contract extension periods to 30 June 2013.

**ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

9. The maintenance and renewal of street lighting is consistent with the LTCCP and Activity Management Plans.

**ALIGNMENT WITH STRATEGIES**

10. Yes.

**CONSULTATION FULFILMENT**

11. Not applicable.

**STAFF RECOMMENDATION**

It is recommended that the Council authorise the General Manager City Environment Group to extend the current contract with Connetics Limited for the supply of maintenance and renewal of street lighting for a further term ending on 30 June 2013.

**38. TRAFFIC AND PARKING BYLAW AMENDMENT 2012**

<b>General Manager responsible:</b>	General Manager City Environment Group, DDI 941-8608
<b>Officer responsible:</b>	Unit Manager Transport & Greenspace
<b>Author:</b>	Vivienne Wilson and Sonia Pollard

**PURPOSE OF REPORT**

1. The purpose of this report is to recommend to the Council that it amend the Christchurch City Council Traffic and Parking Bylaw 2008.

**EXECUTIVE SUMMARY**

2. The Council's Traffic and Parking Bylaw 2008 came into force on 1 July 2008.
3. Clauses 12 and 13 are contained in Part 2 of the Bylaw which deals with traffic movement restrictions. Clause 12 deals with one way streets and clause 13 deals with roads or traffic lanes restricted to specific classes of vehicles (i.e. special vehicle lanes). The First Schedule of the Bylaw contains the actual list of one way streets in the City. The Second Schedule of the Bylaw then sets out the roads or traffic lanes that are restricted to specific types or classes of vehicles and the use of those roads or lanes.
4. Since the 2008 Bylaw came into force, if the Council has wished to make any amendments to the First and Second Schedules of the Bylaw, it has been necessary for the Council to undertake a special consultative procedure to make the changes. The bylaw was worded in this way because of the requirements of section 70 of the Transport Act 1962.
5. In May 2011 Parliament repealed the Transport Act 1962, and moved the bylaw-making powers in old section 70 into section 22AB of the Land Transport Act 1998.
6. Some changes were made to the wording of the bylaw-making provisions. The effect of these changes is that the Council no longer needs to specify the one way streets or special vehicle lanes in the Traffic and Parking Bylaw itself. Instead, the Bylaw may provide that the Council may leave these matters to be regulated by the Council by resolution as is permitted by section 22AB(3) of the Land Transport Act 1998 and authorised by section 13 of the Bylaws Act 1910.
7. Recently, staff have identified that some amendments need to be made to the Second Schedule of the Traffic and Parking Bylaw 2008. Rather than undertake a special consultative procedure to amend the Second Schedule, staff propose that it would be appropriate to amend the Bylaw itself and take advantage of the new bylaw-making provisions.
8. A draft Christchurch City Council Traffic and Parking Amendment Bylaw 2012 is attached (**Attachment 1**).
9. Once the Bylaw amendment has been completed, the Council will be in a position to resolve the changes to the special vehicle lanes that have been identified.

**FINANCIAL IMPLICATIONS**

10. The cost of public notices and other publicity for a special consultative procedure is estimated to be in the order of \$5,000. The costs of the publicity and general communication related to the proposed amendment to the 2008 Bylaw will be funded through existing Transport and Greenspace Operational budgets.

**Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?**

11. As above.

38 Cont'd

LEGAL CONSIDERATIONS

12. As noted above, under section 22AB(1) of the Land Transport Act 1998, the Council as a road controlling authority may make any bylaw that it thinks fit for one or more of the following purposes:
  - "(p) providing that, subject to the erection of the prescribed signs, vehicles on roads must travel in one specified direction only:*
  - ...*
  - (r) prescribing, subject to the marking of lanes on the roadway, that on any road any traffic lane may be used or any turning movement may be made only by buses, taxis, cycle or vehicles of other specified classes or vehicles carrying specified classes of loads or no fewer than a specified number of occupants:".*
13. Section 22AB(3) provides that a bylaw made under subsection (1) may leave any matter or thing to be regulated, controlled, or prohibited by the road controlling authority by resolution generally, for any specified classes of case, or in a particular case. Section 13 of the Bylaws Act 1910 also contains a similar provision. However, the Council must be careful to ensure that any discretion left to the Council is not so great that it might be considered unreasonable (which could make the bylaw, or part of it, invalid).
14. Section 22AB(4) provides that a copy of every bylaw made under this section by a road controlling authority must, within one week after being made, be sent by the road controlling authority to the Minister, who may at any time disallow the bylaw or any part of the bylaw under section 22AC.
15. Section 22AD states that a road controlling authority that is a local authority may not make a bylaw under section 22AB unless it has used the special consultative procedures set out in section 83 of the Local Government Act 2002. Section 22AE sets out the requirements for publication of the bylaw once it has been made.
16. While the Land Transport Act 1998 requires the Council to use the special consultative procedure to make the bylaw, the Land Transport Act is silent as to whether the requirements of sections 86 and 155 of the Local Government Act 2002 apply. Section 86 sets out how the special consultative procedure is to be used when making a bylaw under the Local Government Act. Section 155 requires local authorities to determine that any proposed Bylaw:
  - (a) is the most appropriate way of addressing the perceived problems:
  - (b) is in an appropriate form:
  - (c) is not inconsistent with the New Zealand Bill of Rights Act 1990 ("NZBORA").
17. Because it is not clear whether sections 86 and 155 apply, the advice of the Legal Services Unit is to comply with the requirements of these provisions.
18. In addition to the statutory requirements, the law generally requires that any bylaw must be *intra vires* (in other words within the statutory powers that authorise the bylaw), certain, not repugnant to the general laws of New Zealand, and reasonable. There is a considerable body of case law on what constitutes reasonableness in the bylaw context. The Courts have noted that in ascertaining the reasonableness or unreasonableness of a bylaw, they will look to the surrounding facts, including the nature and condition of the locality in which it is to take effect, the problem it seeks to solve or proposes to remedy and whether public or private rights are unnecessarily or unjustly invaded.

**Have you considered the legal implications of the issue under consideration?**

19. Yes.

38 Cont'd

20. The section 155 analysis is as follows:

**(a) *What is the perceived problem?***

The perceived problem is the time and expense incurred by the Council in carrying out a special consultative procedure every time the Council wishes to amend the current First and Second Schedules of the Bylaw. For example, if the Council wishes to add a new bus or cycle lane it can take anywhere from six weeks to three months to complete the consultation process just to add the new lane to the Bylaw. In terms of financial implications for the Council, a small amendment of this nature could cost in excess of \$30,000.

Since the 2008 Bylaw came into force, the Council has undertaken 11 Bylaw amendments to change the First and Second Schedules.

**(b) *Is amending the Traffic and Parking Bylaw the most appropriate way of addressing the problem?***

It is considered that there are three reasonably practicable options for addressing this problem. Option 1 is amending clauses 12 and 13 of the Bylaw to allow the Council to specify by way of resolution the one way streets and special vehicle lanes and the like that apply in the City. Option 1 involves removing the First and Second Schedules of the Bylaw.

Option 2 is keeping the status quo (and therefore requiring the Council to carry out a bylaw amendment every time the Council wishes to change the First and Second Schedules).

Option 3 is undertaking a more limited amendment so that only clause 13 is amended and the Second Schedule removed. This means that the Council would still need to amend the Bylaw if it wished to add, remove or alter a one way street. However, the process with respect to special vehicle lanes and the like would be simplified.

It is considered that Option 1 is the most appropriate way of addressing the perceived problem. It will allow the Council to specify one way streets and special vehicle lanes, and the like, by way of resolution. It will reduce the costs for the Council and also speed up the process. The resolutions will be recorded in a register which will be accessible on the Council's website and also be available from the Council's Services Centres. These registers will operate in the same fashion as the register relating to the prohibited times on roads clause 15 of the Traffic and Parking Bylaw 2008.

If the Council wishes to make a resolution under clause 12 or 13, the Council will still need to comply with the decision-making provisions of Part 6 of the Local Government Act 2002. For example, under section 78, giving consideration to the views and preferences of persons likely to be affected by, or to have an interest in the matter.

**(c) *Is the proposed bylaw drafted in the most appropriate form?***

It is considered that the proposed bylaw is drafted in the most appropriate form. New clause 12 provides that the Council may by resolution specify any road or part of a road where vehicles may travel in one specified direction only. New clause 13 provides that the Council may by resolution specify any road or part of a road where a traffic lane may be used only by buses, taxis, cycles or vehicles of other specified classes; or vehicles carrying specified classes of loads or no fewer than a specified number of occupants. A similar provision is also made in clause 13 in relation to restricted turning movements.

There is also a revocation and savings provision which revokes the First and Second Schedules but carries over the content of those Schedules as if they were resolutions of the Council.

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**(d) Are there any New Zealand Bill of Rights Act 1990 implications?**

The only provision of the NZBORA which has a bearing on the proposed amendment to the Bylaw is section 18, which provides that everyone lawfully in New Zealand has the right to freedom of movement. New clauses 12 and 13 will be a limitation on this right. However, according to section 5 of the NZBORA, the rights and freedoms contained in the Bill of Rights may be subject to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society. It is considered that given section 22AB of the Land Transport Act 1998 specifically authorises bylaws of this kind, the limits in clauses 12 and 13 on freedom of movement are reasonable and can be demonstrably justified in a free and democratic society.

Therefore, the proposed bylaw is not considered to be inconsistent with the NZBORA.

**(e) Conclusion**

That clauses 12 and 13 of the Traffic and Parking Bylaw 2008 should be amended, and the First and Second Schedules of that Bylaw should be revoked.

21. In terms of the other general requirements that apply to bylaws, the proposed bylaw is considered to be:
- (a) intra vires (in other words within the statutory powers that authorise the bylaw). It is authorised by section 22AB; and
  - (b) certain (in that it is clear what a person's obligations are with respect to one way streets and special vehicle lanes and the like); and
  - (c) not repugnant to the general laws of New Zealand; and
  - (d) reasonable. It is acknowledged that both clauses will grant the Council a discretion to determine by resolution special vehicle lanes and one way streets and the like. However, these discretions are not considered to be so great as to be unreasonable. To a large extent they are operational matters and as the Council has done with other operational matters in the Traffic and Parking Bylaw, these have been left to the Council to determine by resolution at a later stage when appropriate. The Council will still need to comply with the decision-making requirements of the Local Government Act 2002 in resolving matters under these clauses.

**ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

22. Aligns with the Streets and Transport activities by contributing to the Council's Community Outcomes – Safety and Community.

**Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?**

23. As above.

**ALIGNMENT WITH STRATEGIES**

24. Aligns with Council strategies including the Cycling Strategy, Greater Christchurch Travel Demand Management Strategy (GCTDMS), Healthy Environment Strategies – Sustainability, and the Road Safety Strategy.

**Do the recommendations align with the Council's strategies?**

25. As above.

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CONSULTATION FULFILMENT

26. If the Council decides to seek an amendment to the Traffic and Parking Bylaw 2008, a Special Consultative Procedure needs to be undertaken in accordance with section 22AD of the Land Transport Act 1998 and section 83 of the Local Government Act 2002.
27. In undertaking a special consultative procedure the Council must prepare a Statement of Proposal. In accordance with section 86 of the Local Government Act 2002, the Statement of Proposal must include:
  - (a) as the case may be:
    - (i) a draft of the bylaw as proposed to be made or amended; or
    - (ii) a statement that the bylaw is to be revoked; and
  - (b) the reasons for the proposal; and
  - (c) a report on any relevant determinations by the local authority under section 155.
28. The Statement of Proposal must also include a Summary of Information. A Statement of Proposal (**Attachment 2**) and Summary of Information (**Attachment 3**) are attached.
29. The Council must give public notice of the proposal. Any member of the public can make a submission on the proposal and will have the opportunity to be heard before a Council Hearings Panel. The submission period must be at least one month. It is noted that a Consultation Leader from the Council will also contact various stakeholders as a matter of course, giving them notice of the upcoming consultation.

STAFF RECOMMENDATION

It is recommended that the Council, in relation to the proposed Christchurch City Council Traffic and Parking Amendment Bylaw 2012, resolves as follows:

- (a) That the proposed Christchurch City Council Traffic and Parking Amendment Bylaw 2012 meets the requirements of section 155 of the Local Government Act 2002, in that:
  - (i) the Council determines an amendment bylaw is the most appropriate way of addressing the perceived problem; and
  - (ii) the Council determines the proposed amendment bylaw is the most appropriate form of bylaw; and
  - (iii) the Council determines the proposed amendment bylaw gives rise to some implications under the New Zealand Bill of Rights Act 1990 but that the proposed amendment bylaw is not inconsistent with that Act:
- (b) That it commence the special consultative procedure in order to adopt the Christchurch City Council Traffic and Parking Amendment Bylaw 2012:
- (c) That the Statement of Proposal (**Attachment 2**) (which includes the proposed Bylaw) and Summary of Information (**Attachment 3**) be adopted for consultation:
- (d) That public notice of the consultation be given in *The Press* and *Christchurch Star* newspapers and on the Council's website at the start of the consultation period, and that public notice of the proposal be given in community newspapers distributed in the Christchurch district area, as close as possible to the start of the consultation period:
- (e) That the consultation documents be made available for public inspection at Council Service Centres, Council Libraries and on the Council's website during the consultation period:

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- (f) That the consultation period be between 12 January 2011 and 16 February 2012 and that a information session be held at 5.00pm on the 8 February 2012 at the Civic Offices, 53 Hereford Street:
- (g) That a hearings panel be appointed to hear submissions during 5 and 7 March 2012, deliberate on those submissions and to report back to the Council on the final form of the Bylaw on 24 May 2012.

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BACKGROUND (THE ISSUES)

30. The Council's Traffic and Parking Bylaw 2008 came into force on 1 July 2008.
31. Clauses 12 and 13 are contained in Part 2 of the Bylaw which deals with traffic movement restrictions.
32. Clause 12(1) of the Bylaw currently provides that *"every person in a vehicle on a road described in the First Schedule of this Bylaw shall travel only in the direction specified for that road."* The First Schedule of the Bylaw then sets out the one way streets in the City.
33. Clause 13(1) of the Bylaw provides that *"no person in charge of a vehicle may use a road or lane described in the Second Schedule of this Bylaw unless,-*
  - (a) *the vehicle is of the class specified to use that road or lane (for example, a bus, taxi or cycle); and*
  - (b) *any turning movements comply with the provisions of that Schedule."*
34. The Second Schedule of the Bylaw then sets out the roads or traffic lanes that are restricted to specific types or classes of vehicles and the use of those roads or lanes. The Second Schedule also provides that the exact location of any road or traffic lane restricted to specific classes of vehicles, for example, special vehicle lanes, will be marked and signed as prescribed by the Land Transport Rule: Traffic Control Devices 2004 (or any other applicable legislation) and, where they are not prescribed, will be decided by traffic engineering staff applying best practice guidelines. It also states that the hours of operation of any traffic lane restricted to specific classes of vehicles will be determined by Council by resolution as required from time to time, in accordance with the decision-making requirements in the Local Government Act 2002.
35. Since the 2008 Bylaw came into force, if the Council has wished to make any amendments to the First and Second Schedules of the Bylaw it has been necessary for the Council to undertake a special consultative procedure to make the changes. This is because the Schedules are part of the Bylaw and the only way in which a Bylaw may be amended is by using the special consultative procedure.<sup>1</sup> The Traffic and Parking Bylaw 2008 was made under the authority of a number of acts including section 70 of the Transport Act 1962. Section 70 contained various bylaw-making powers and some of these powers required various matters to be specified in the bylaw itself.
36. In May 2011 Parliament passed the Land Transport (Road Safety and Other Matters) Bill which made substantial amendments to the Land Transport Act 1998. The Bill repealed the remaining provisions of the Transport Act 1962 and inserted a wider range of bylaw making powers in section 22AB of the Land Transport Act 1998. However, while it included some new bylaw-making powers, the Bill retained some of the old wording from section 70 of the Transport Act 1962.
37. Before the Bill was passed, the Council made a submission on the Land Transport (Road Safety and Other Matters) Bill during the Select Committee process. This submission asked the Select Committee to consider the wording of the bylaw making provisions and make some small adjustments to some of the provisions so that certain matters did not need to be specified in the Bylaw itself. The submission stated that:

*"3.12 With respect to the bylaw-making powers that are proposed to be transferred from section 72 of the Transport Act 1962, the Council notes that some of the peculiarities of the wording of these provisions has been maintained. The Council submits that the wording of these provisions could be improved. On a number of occasions the wording of each provision effectively overrides the ability of the Council to leave matters to be determined by resolution at a later date. In other words, the wording overrides section 22AB(3). Examples are as follows:*

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<sup>1</sup> Minor amendments may be made by resolution in limited circumstances under section 156(2) of the Local Government Act 2002.



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- *The power in paragraph (c) to prohibit or restrict absolutely or conditionally any specified class of traffic on any road or roads specified in the bylaw. The Council queries why the roads need to be specified in the bylaw itself. The Council submits that the provision should simply refer to any specified road or roads.*
  - *The power in paragraph (p) to require that one way roads must be designated in a bylaw. While it is appropriate to provide for one way roads in a bylaw, the power to designate specific roads should be a matter which is able to be determined by Council resolution if a Council so determines.*
  - *The power in paragraph (r) to prescribe subject to the marking of lanes on the roadway, that on any road any traffic lane specified in the bylaw may be used or any turning movement may be made only by buses, taxis, cycles or vehicles of other specified classes or vehicles carrying specified classes of loads or no fewer than a specified number of occupants. This provision effectively requires that special vehicle lanes must be specified in the bylaw itself."*
38. The Select Committee took the Council's comments on board and the bylaw-making powers in section 22AB(1) such as paragraphs (p) and (q) were amended to read as follows:
- "(p) *providing that, subject to the erection of the prescribed signs, vehicles on roads must travel in 1 specified direction only:*
- ...
- (r) *prescribing, subject to the marking of lanes on the roadway, that on any road any traffic lane may be used or any turning movement may be made only by buses, taxis, cycles or vehicles of other specified classes or vehicles carrying specified classes of loads or no fewer than a specified number of occupants:".*
39. The effect of this change is that the Council no longer needs to specify the one way streets or special vehicle lanes in the Traffic and Parking Bylaw itself. Instead, the Bylaw may provide that the Council may leave these matters to be regulated by the Council by resolution as is permitted by section 22AB(3) of the Land Transport Act 1998 and authorised by section 13 of the Bylaws Act 1910.
40. Since the amendments to the Land Transport Act 1998 came into force, staff have identified that some amendments need to be made to the Second Schedule of the Traffic and Parking Bylaw 2008. Rather than undertake a special consultative procedure to amend the Second Schedule, staff propose that it would be appropriate to amend the Bylaw itself and take advantage of the new bylaw-making provisions. This means that clauses 12 and 13 of the Bylaw can be reworded so that:
- (a) Clause 12 provides that the Council may by resolution specify any road or part of a road where vehicles must travel in one specified direction only; and
  - (b) Clause 13 provides that the Council may by resolution specify any road or part of a road where a traffic lane may be used only by –
    - buses, taxis, cycles or vehicles of other specified classes; or
    - vehicles carrying specified classes of loads or no fewer than a specified number of occupants.
    - A similar provision is made in clause 13 in relation to restricted turning movements.
  - (c) The First and Second Schedules will be revoked.
41. A draft Christchurch City Council Traffic and Parking Amendment Bylaw 2012 is attached (**Attachment 1**).
42. Once the Bylaw amendment has been completed, the Council will be in a position to resolve the changes that have recently been identified.

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THE OBJECTIVES

43. The purpose of the proposed Amendment to the Council's Traffic and Parking Bylaw 2008 is to make it easier and more cost efficient for the Council to prescribe, by resolution, one way streets, special vehicle lanes and the like.

THE OPTIONS

44. There are three options. These are

**Option 1:** amending clauses 12 and 13 of the Bylaw to allow the Council to specify by way of resolution the one way streets and special vehicle lanes and the like that apply in the City. Option 1 involves removing the First and Second Schedules of the Bylaw.

**Option 2:** keeping the status quo (and therefore carry out a bylaw amendment every time the Council wishes to change the Schedules).

**Option 3:** undertaking a more limited amendment so that only clause 13 is amended and the Second Schedule removed. This means that the Council would still need to amend the Bylaw if it wished to add, remove or alter a one way street. However, the process with respect to special vehicle lanes and the like would be simplified.

THE PREFERRED OPTION

45. It is considered that Option 1 is the most appropriate option. It will allow the Council to specify one way streets and special vehicle lanes by way of resolution. The resolutions will be recorded in a register which will be accessible on the Council's website and also be available from the Council's Services Centres. These registers will operate in the same fashion as the register relating to prohibited times on roads clause 15 of the Traffic and Parking Bylaw 2008.
46. As previously noted, if the Council wishes to make a resolution under clause 12 or 13, the Council will still need to comply with the decision-making provisions of Part 6 of the Local Government Act 2002. For example, under section 78, giving consideration to the views and preferences of persons likely to be affected by, or to have an interest in the matter.
47. Option 2 is the least preferred because of the time it takes to effect changes to the Bylaw and the costs involved in undertaking a special consultative procedure each time the Council wishes to amend the current Bylaw. Option 3 is not the preferred option because it would still require the Council to undertake a special consultative procedure each time the Council wants to make a new one way street or make amendments to the current one way street system.

### 39. RECOVERY STRATEGY – CONSULTATION CONFIRMATION

<b>General Manager responsible:</b>	General Manager Strategy and Planning, DDI 941- 8281
<b>Officer responsible:</b>	Programme Manager Strong Communities, Strategy and Planning Group
<b>Author:</b>	Programme Manager Strong Communities, Strategy and Planning Group, DDI 941 6430

#### PURPOSE OF REPORT

1. To provide confirmation to the Canterbury Earthquake Recovery Authority (CERA) that the Council has been consulted on the Recovery Strategy as required by the Canterbury Earthquake Recovery Act (CER Act) 2011.

#### EXECUTIVE SUMMARY

2. CERA would like all the statutory partners to formally record that the Recovery Strategy has been developed in consultation with them as required by the CER Act.
3. The following sections detail the consultation opportunities for the Council (as a statutory partner<sup>1</sup>) by CERA during the development of the draft Recovery Strategy.
4. The following processes have been used to consult with the Council in the development of the draft Recovery Strategy.
  - Establishment of External Reference Group – June 2011*
    - A group with senior management representatives from all statutory partners was established. The Programme Manager Strong Communities has represented the Council on this reference group.
    - Terms of Reference established an advisory role in terms of process and content of the recovery strategy and also advice about alignment with existing strategies and recovery activities.
    - Regular meetings have been held (fortnightly or otherwise as agreed).
    - Discussions with Council staff about how and when their organisation would like to be involved in the production of the draft Strategy have taken place.
  - Elected representatives meetings with Minister and Senior CERA managers*
    - The Minister for Canterbury Earthquake Recovery convened meetings with community board members, councillors, commissioners and Ngāi Tahu's Te Awheawhe Rū Whenua committee members.
    - The Recovery Strategy scope, processes and content were presented and discussed at the meetings held from early May 2011 and through the period of development of the draft Strategy.
  - Scoping paper*
    - Input was sought during June and July 2011 from Council staff to the development of a paper setting out proposed scope of draft Strategy.
    - A workshop with councillors was held on 9 August 2011 to explain the proposed scope and seek their input.
    - A final paper circulated to all statutory parties.
5. Drafting of the content of the draft Recovery Strategy
  - Draft of content circulated*
    - Several iterations were provided to staff over the period of drafting content of document (June to August) and feedback sought. Council staff provided considerable comment and suggestions on the content during these iterations.
    - Individual discussions were held with staff of each organisation on particular content of interest to their organisation (June to August)

<sup>1</sup> Under the CER Act Christchurch City Council, Environment Canterbury, Selwyn District Council, Waimakariri District Council and Te Rūnunga o Ngāi Tahu must be consulted in the development of the Recovery Strategy and are referred to in this report collectively as the statutory partners.

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- A combined meeting on 27 July 2011 of staff from all statutory partners was held where feedback on pre-circulated draft content was received
  - The near "final" draft content was provided to Council staff for information after feedback from government departments and Ministers
- ii. *Approval of draft Strategy*
- An advance copy of draft Strategy was provided to Council staff before consideration by Cabinet at the meeting in Christchurch on 5 September 2011 (where the draft Strategy was to be considered for public release)
  - The Minister met with Mayors and Chairs after the Cabinet meeting on 5 September 2011

6. Written comments process on draft Recovery Strategy

- A workshop was held with councillors to outline content of draft Strategy, the comments and approval processes on 20 September 2011.
- Council staff were briefed about the content of the draft Strategy
- Written comments were received from the Council. The Council's comments on the draft Recovery Strategy were discussed at a workshop on 11 October 2011 and the final set of comments was approved at the Council meeting on 27 October 2011.
- A workshop was held with the Council on 9 November 2011 at which CERA staff received the Council's comments in person and discussed some aspects of them.

7. Proposed consultation in process to prepare final Recovery Strategy

- The External Reference Group meetings continue so CERA can provide information and continue to receive advice during the period of preparing a final Recovery Strategy for approval.
- The summary and analysis of all comments received on the draft Strategy will be provided to Council staff for consideration.
- Joint session/s to consider and propose responses to the comments received will be held with staff from the statutory partners with the aim of developing collaboratively and agreed responses where possible.
- The redrafted Strategy and response to comments document will be provided to Council staff in mid-December 2011 for a period of review by all organisations.
- Future iterations of the Strategy text will be provided to Council staff and feedback sought on issues that may arise (December to early February 2012).
- The Recovery Strategy will be with the Cabinet Office on 9 February 2012.

**FINANCIAL IMPLICATIONS**

8. There are no financial implications of this report.

**Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?**

9. Not relevant.

**LEGAL CONSIDERATIONS**

10. Section 11(1) of the CER Act requires CERA to develop a recovery strategy for the Greater Christchurch district. This is described in the legislation as an overarching long-term strategy for reconstruction, rebuilding and recovery. The strategy includes provisions to address:
- The areas where rebuilding or other development may or may not occur.
  - The location of existing and future infrastructure
  - The possible sequencing of repairs, rebuilding, reconstruction and development.

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11. The Council has an interest in such matters, which has been recognised by it being included as one of the parties that CERA is to consult with in the development of the Recovery Strategy (CER Act section 11(4)).
12. The consultation process undertaken by CERA is set out in this report.

**Have you considered the legal implications of the issue under consideration?**

13. As noted above.

**ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS**

14. This report is consistent with one of the performance standards in the City and Community Long-Term Planning and policy Activity Management Plan, namely: *advice is provided on key issues that affect the social, cultural, environmental and economic wellbeing of the City.*

**Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?**

15. As noted above the report is consistent with the relevant activity management plan. The recommendation does not relate specifically to any of the levels of service.

**ALIGNMENT WITH STRATEGIES**

16. The Council's strategies, as one of a number of considerations, have been used in providing the content to CERA for the draft Recovery Strategy. This report is however focused on the processes that have been used rather than the content of the Recovery Strategy or the content of the Council's feedback on it.

**Do the recommendations align with the Council's strategies?**

17. See note above.

**CONSULTATION FULFILMENT**

18. This report concerns the consultation with the Council by an outside organisation (CERA).

**STAFF RECOMMENDATION**

It is recommended that the Council:

- (a) Confirms that the Council has been consulted during the preparation of the Recovery Strategy as required by section 11(4) of the Canterbury Earthquake Recovery Act.
- (b) The Council notes that this resolution should not be interpreted to mean the Council fully endorses the Recovery Strategy, and Council notes and reaffirms the comments it made to Canterbury Earthquake Recovery Authority on the draft strategy.

**40. COUNCIL'S FURTHER SUBMISSION ON THE PROPOSED CANTERBURY REGIONAL POLICY STATEMENT**

<b>General Manager responsible:</b>	General Manager, Strategy & Planning Group
<b>Officer responsible:</b>	Programme Manager - Healthy Environment, Strategy and Planning Group
<b>Author:</b>	Peter Kingsbury, Principal Adviser - Natural Resources, Strategy and Planning Group

**PURPOSE OF REPORT**

1. The purpose of this report is to seek retrospective adoption by the Council of the attached further submissions (**Attachment 1**) on the Proposed Canterbury Regional Policy Statement (RPS). The submission was lodged with Environment Canterbury (ECan) on 14 November 2011.
2. Council can adopt the submission in whole or in part, or can decide to withdraw the whole submission, or parts thereof.

**EXECUTIVE SUMMARY**

3. The RPS provides an overview of the resource management issues for the Canterbury region and sets policies and methods to achieve integrated management of natural and physical resources.
4. ECan started a review of the RPS in 2006 culminating with notification of the RPS on 18 June 2011. The Council has been actively involved in the review since 2006 through regular reports to the Regulatory and Planning Committee and Council. Council involvement in the review is currently continuing through the further submission, and hearing stage starting in January 2012.
5. Overall, council staff are satisfied with the progress made by ECan on the development and review of the RPS and the fair recognition given to a wide variety of matters raised by the Council.
6. The key policy matters addressed in the Council's further submission (**Attachment 1**) are:

Chapter 5: Landuse and infrastructure - social and environmental outcomes, and strategic environmental policy, requirements of the Resource Management Act 1991 (RMA), and landscape and natural character thresholds.

Chapter 7: Fresh water - irrigation and integrated approach to water management, water quality, consistency with the National Policy Statement on Freshwater Management (NPSFM), community drinking water supplies, and water use efficiency.

Chapter 8: Coastal environment - coastal environment definition, amenity value, access, water quality, consistency with the New Zealand Coastal Policy Statement (NZCPS), and landscape values.

Chapter 9: Ecosystems and indigenous biodiversity - voluntary actions by landowners, people and ecosystems, ecosystem service concepts, functional aspects and naturalness, criteria thresholds, terminology, vegetation clearance rules, and wetlands and indigenous ecosystems.

Chapter 12: Landscape - protection of outstanding natural landscapes and features, terminology, landscape values, amenity landscapes, RMA requirements, and landscape management outcomes.

Chapter 13: Historic heritage - terminology, historic heritage values, historic and cultural heritage landscapes.

Chapter 15: Soils - erosion.

Chapter 16: Energy - consistency with the National Policy Statement on Renewable Energy (NPSRE), application of principles of the RMA, renewable energy, and terminology.

**40 Cont'd**

Chapter 19: Waste minimisation and management - education, cultural impacts, regional waste disposal and recycling facilities, and waster reduction targets.

Further discussion on the Council's further submissions is given in the Background section of this report.

7. This report recommends that Council endorse the further submission on the proposed RPS.

**FINANCIAL IMPLICATIONS**

8. The RPS could result in additional resources being required to amend planning documents in order to give effect to the provisions it contains. Giving effect to the RPS will be achieved through a variety of mechanisms including the Christchurch City and District Plan reviews and the Long Term Plan (LTP). The extent and timing of any resources required is unclear at this stage and will need to be considered in subsequent LTP and annual plan processes.
9. The cost of preparing and participating in the RPS review is covered by existing budgets.

**LEGAL CONSIDERATIONS**

10. The RMA requires regional councils to prepare RPS and review them every 10 years (sections 60 and 79(1) of the RMA). The process includes: notification of the proposed RPS; submissions; a notified summary of submissions and an opportunity to lodge further submissions (First Schedule, Part 1 (6)) in support or opposition to other submissions; followed by a hearing.
11. Further submissions cannot introduce new material, and can only 'support', 'oppose' or 'support in part' any initial submissions.
12. The Environment Canterbury (Temporary Commissioners and Improved Water Management) Act 2010 (section 66) provides that no submitter can appeal to the Environment Court on the merits of a decision on the proposed RPS. Appeals are solely to the High Court on points of law. The proposed RPS will be operative when any appeals to the High Court on a point of law have been resolved.

**ALIGNMENT WITH STRATEGIES**

13. The Council's further submissions support and are consistent with the Council's Biodiversity Strategy 2008-2035 (2008), Water Supply Strategy 2009-2039 (2009), Surface Water Strategy 2009-2035 (2009), Climate Smart Strategy 2010-2025 (2010), and the Public Open Space Strategy 2010-2040 (2010). The submission is also consistent with the objectives of the Urban Development Strategy.

**CONSULTATION FULFILMENT**

14. Internal consultation has been carried out throughout the review and submission processes. A presentation on the RPS was made to council staff on 27 May 2011, and to community board members and councillors on 10 June 2011. The purpose of the presentations was to provide a background to the review process, to highlight the key changes to the RPS as a result of the public consultation phase and to outline the formal submission process.
15. On 28 July 2011 the Council received and endorsed the Council's initial submission on the RPS.
16. Drafts of individual chapters, prepared between 2006 and mid-2008 were presented to Council's Regulatory and Planning Committee for their comment during the document's development with formal feedback approved by Council.

**STAFF RECOMMENDATION**

17. It is recommended that Council endorse the further submissions on the Proposed Canterbury Regional Policy Statement as set out in Attachment 1 to this report.

40 Cont'd

BACKGROUND

18. The Council made 273 further submissions over nine of the 20 RPS chapters. Of the 273 submissions, 175 oppose, 77 support, and 21 'support in part', other submitter's submissions. The Council's further submissions are in response to initial submissions from 56 (out of 99) individual submitters.
19. A summary of some of the key policy matters addressed in the Council's further submissions and the Council's general response to them is given below. More detailed information and explanation is given in Attachment 1 to this report.

**Chapter 5:** Landuse and infrastructure - social and environmental outcomes, and strategic environmental policy, requirements of the RMA, and landscape and natural character thresholds.

Overall, the Council's further submissions on Chapter 5 are generally in support of other submissions. The Council's support relates to the need for a broader range of planning provisions to acknowledge and encourage positive aspects of development that support social and environmental outcomes. The Council also supports submissions encouraging more efficient vehicles and a reduction in the reliance on fossil fuels.

**Chapter 7:** Fresh water - irrigation and integrated approach to water management, water quality, consistency with the NPSFM, community drinking water supplies, and water use efficiency.

The Council's further submissions on Chapter 7 generally oppose other submitter's submissions. The submitters, mostly irrigation companies and power companies, have proposed changes to the RPS that are not consistent with the integrated approach to the management of water as promoted in the NPSFM. Furthermore, some of the submissions attempt to entrench the 'first in line' and 'last in, first out' approaches to water allocations. The Council believes that this approach puts the sustainable management of the region's water resources at risk.

**Chapter 8:** Coastal environment - coastal environment definition, amenity value, access, water quality, consistency with the NZCPS, and landscape values.

The Council's further submission on Chapter 8 is a mix of submissions in support and in opposition to those of other submitters. Clear definition of the coastal environment, and that the responsibility for decisions making should be with the local council, is supported by the Council. Several submissions of the Council support specific recommendations to retain various 'Issues' in the RPS as these are considered by the Council to help meet the provisions of the NZCPS.

**Chapter 9:** Ecosystems and indigenous biodiversity - voluntary actions by landowners, people and ecosystems, ecosystem service concepts, functional aspects and naturalness, criteria thresholds, terminology, vegetation clearance rules, and wetlands and indigenous ecosystems.

The Council's 47 further submissions on Chapter 9 are a mix of submissions in support and in opposition to those of other submitters. Most of the Council's further submissions provide explanation and information to assist others in better understanding the concepts of ecosystems and biodiversity, and how they should be managed.

**Chapter 12:** Landscape - protection of outstanding natural landscapes and features, terminology, landscape values, amenity landscapes, RMA requirements, and landscape management outcomes.



40 Cont'd

About one third of the Council's further submissions are on Chapter 12. Significant effort has been made by ECan and the territorial local authorities to develop this chapter. However, there are still divergent views on many aspects, and in particular landscape values, definitions and terminology. The key submissions that the Council opposes are those of power companies, farming organisations, irrigation companies and transport agencies. Most of the submissions from these organisations attempt to dilute what is considered to be well established and accepted landscape management best practice.

**Chapter 13:** Historic heritage - terminology, historic heritage values, historic and cultural heritage landscapes.

The Council's further submissions on Chapter 13 are a mix of submissions in support and in opposition to those of other submitters. Retention and clarification of various terms like 'landscape' and 'historic and cultural heritage landscapes' has been identified as important by the Council. More significantly, a key thrust of the Council's further submissions is the need to retain key objectives and policies as they relate to historic and cultural heritage landscapes. Several large construction and development companies have sought the deletion of key objectives and policies.

**Chapter 15:** Soils - erosion.

The Council's further submissions on Chapter 15 propose that existing and new activities causing significant soil erosion should not be allowed or the activity modified to prevent erosion taking place.

**Chapter 16:** Energy - consistency with the NPSRE, principles of the RMA, renewable energy, and terminology.

The Council's further submissions generally support the submissions of others because they are consistent with, and support the provisions of the NPSRE. Suggested amendments to the RPS by submitters in relation to the role that central government should have, are supported by the Council. The Council also supports proposed amendments to policies that promote greater energy efficiency and new generation capacity.

**Chapter 19:** Waste minimisation and management - education, cultural impacts, regional waste disposal and recycling facilities, and waste reduction targets.

The Council's further submissions on Chapter 19 are a mix of submissions in support and in opposition to those of other submitters. The Council opposes a recommendation that the chapter should be deleted as it deals with resource and land related issues beyond the scope of the Waste Minimisation Act 2008 (WMA). Furthermore, the Council notes in its further submission that more local (Canterbury region) concerns are addressed than that provided for in the WMA. The Council also supports several submissions for the need to consider cultural impacts of waste disposal and management. Waste reduction targets, as recommended by a submitter, are considered by the Council to be difficult to establish and achieve, with the Council preferring clear policy supported by strong and sustained interventions.

**COUNCIL 8. 12. 2011**

**41. NOTICES OF MOTION**

The following Notice of Motion is submitted by Councillor Aaron Keown pursuant to Standing Order 3.10.1:

That the Christchurch City Council actions its enforcement unit to remove or fine any individuals from 'trading' on the street in the area of Manchester Street from Bealey Avenue to Edgeware Road. To apply this enforcement 24 hours per day effective immediately.

**42. RESOLUTION TO EXCLUDE THE PUBLIC**

Attached.

THURSDAY 8 DECEMBER 2011

COUNCIL

RESOLUTION TO EXCLUDE THE PUBLIC

*Section 48, Local Government Official Information and Meetings Act 1987.*

I move that the public be excluded from the following parts of the proceedings of this meeting, namely items 43, 4, 45, 46, 47 and 48.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER	GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF THIS RESOLUTION
43.	Confirmation of Minutes - council meeting of 24.11.2011	)	
44.	Report of a Meeting of the Shirley/Papanui Community Board: Meeting of 2 November 2011	)	
45.	Street Lighting Maintenance and Renewals Contract	) GOOD REASON TO ) WITHHOLD EXISTS) ) UNDER SECTION 7	SECTION 48(1)(a)
46+.	Plan Change 59 St Martins New World – Recommended Decision	)	
47.	Appointment of Insurance Claim Management Services Supplier	)	
48.	Sport Funding	)	

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

ITEM	REASON UNDER ACT	SECTION	PLAIN ENGLISH REASON	WHEN REPORT CAN BE RELEASED
43.	Prejudice commercial position.	7(2)(b)(1)	To prevent other organisations bidding for the same event gaining an advantage by understanding the details of any offer Council may make.	The report will be made public as soon as any negotiations have reached a conclusion, this will be 30 March 2012 at latest.
43.	Maintain Legal Professional Privilege and Commercial Activities	7(2)(g) & (h)	The Council will be receiving legal advice with regard to commercial agreements that it has entered into with other parties. Negotiations with those parties are ongoing. The public is usually excluded in situations such as these because there may be issues raised that could potentially be used by the other parties in a way that could prejudice or disadvantage the Council's position.	
44.	Protection of Privacy of Natural Persons	7(2)(a)		
45.	Commercial Activities	7(2)(h)	Contractual pricing is commercially sensitive. Paragraphs 6 to 12 inclusive are Public Excluded	Report can be released on signing of contract extension.

**COUNCIL 8. 12. 2011**

ITEM	REASON UNDER ACT	SECTION	PLAIN ENGLISH REASON	WHEN REPORT CAN BE RELEASED
46.	Council to make a recommendation	48(1)(d)	To enable the Council to consider its Commissioners' report in private without influence from the media or any party to the proceedings. To enable the Council to notify its decision to the parties to the plan change before the matter is reported in the media.	The report can be released following the period in which parties to the proceedings will receive notification of the Council's decision in the ordinary course of the post.
46.	Right of Appeal Exists	48(2)(a)(i)	To enable the Council to consider its Commissioners' report in private without influence from the media or any party to the proceedings. To enable the Council to notify its decision to the parties to the plan change before the matter is reported in the media.	The report can be released following the period in which parties to the proceedings will receive notification of the Council's decision in the ordinary course of the post.
47.	Prejudice Commercial Position	7(2)(b)(ii)	On the basis that the contract is not yet signed, publicly disclosing the information could unreasonably prejudice the commercial position of the person who supplied or who is the subject of the information. Furthermore, withholding the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities.	
47.	Commercial Activities	7(2)(h)	On the basis that the contract is not yet signed, publicly disclosing the information could unreasonably prejudice the commercial position of the person who supplied or who is the subject of the information. Furthermore, withholding the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities.	
48.	Prejudice Commercial Position	7(2)(b)(i)	confidential negotiations with sponsors, public scrutiny of their position will severely disadvantage them.	March 2012

**Chairman's**

**Recommendation:** That the foregoing motion be adopted.

**Note**

Section 48(4) of the Local Government Official Information and Meetings Act 1987 provides as follows:

“(4) Every resolution to exclude the public shall be put at a time when the meeting is open to the public, and the text of that resolution (or copies thereof):

- (a) Shall be available to any member of the public who is present; and
- (b) Shall form part of the minutes of the local authority.”

# **CHRISTCHURCH CITY COUNCIL SUPPLEMENTARY AGENDA**

**THURSDAY 8 DECEMBER 2011**

**9.30AM**

**COUNCIL CHAMBER, CIVIC OFFICES,  
53 HEREFORD STREET**

## CHRISTCHURCH CITY COUNCIL

**Thursday 8 December 2011 at 9.30am  
in the Council Chamber, Civic Offices, 53 Hereford Street**

**Council:** The Mayor, Bob Parker (Chairperson).  
Councillors Helen Broughton, Sally Buck, Ngaire Button, Tim Carter, Jimmy Chen, Barry Corbett,  
Jamie Gough, Yani Johanson, Aaron Keown, Glenn Livingstone, Claudia Reid and Sue Wells.

ITEM NO	DESCRIPTION	PAGE NO
49.	RESOLUTION TO BE PASSED - SUPPLEMENTARY REPORTS	
50.	REPORT OF A MEETING OF THE FENDALTON/WAIMAIRI COMMUNITY BOARD: MEETING OF 7 NOVEMBER 2011	
51.	REPORT OF A MEETING OF THE FENDALTON/WAIMAIRI COMMUNITY BOARD: MEETING OF 15 NOVEMBER 2011	
52.	REPORT OF A MEETING OF THE HERITAGE AND ARTS COMMITTEE: MEETING OF 2 DECEMBER 2011	
53.	CARDBOARD CATHEDRAL SITE OPTIONS CHRISTCHURCH	
54.	RESOLUTION TO EXCLUDE THE PUBLIC (Cont'd)	

**49. RESOLUTION TO BE PASSED - SUPPLEMENTARY REPORTS**

Approval is sought to submit the following reports to the meeting of the Council on Thursday 8 December 2011:

- Report of a Meeting of the Fendalton/Waimairi Community Board: Meeting of 7 November 2011
- Report of a Meeting of the Fendalton/Waimairi Community Board: Meeting of 15 November 2011
- Report of a Meeting of the Heritage and Arts Committee: Meeting of 2 December 2011
- Cardboard Cathedral Site Options Christchurch
- Christchurch Engine Centre Expansion Proposal
- Ferrymead Bridge – Construction Methodology

The reason, in terms of section 46(vii) of the Local Government Official Information and Meetings Act 1987, why the reports were not included on the main agenda is that they were not available at the time the agenda was prepared.

It is appropriate that the Council receive the reports at the current meeting.

**RECOMMENDATION**

That the reports be received and considered at the meeting of the Council on Thursday 8 December 2011.

**50. REPORT OF A MEETING OF THE FENDALTON/WAIMAIRI COMMUNITY BOARD:  
MEETING OF 7 NOVEMBER 2011**

Attached.



**COUNCIL 8. 12. 2011**

**51. REPORT OF A MEETING OF THE FENDALTON/WAIMAIRI COMMUNITY BOARD:  
MEETING OF 15 NOVEMBER 2011**

Attached.

**52. REPORT OF A MEETING OF THE HERITAGE AND ARTS COMMITTEE:  
MEETING OF 2 DECEMBER 2011**

Attached.

## 53. CARDBOARD CATHEDRAL SITE OPTIONS CHRISTCHURCH

<b>General Manager responsible:</b>	General Manager City Environment, DDI 941 8608
<b>Officer responsible:</b>	Unit Manager Transport and Greenspace, DDI 941 8096
<b>Author:</b>	David Rowland, Property Consultant, DDI 941 8861

## PURPOSE OF REPORT

1. The purpose of this report is to update the Council on progress following a request from the ChristChurch Cathedral Diocese for the Council to assist in finding, or provide a site for a temporary cathedral known as the "Cardboard Cathedral" and seek a resolution as to the Councils commitment.

## EXECUTIVE SUMMARY

2. The Cathedral Diocese have made a request through the Mayor's Office seeking assistance to identify a suitable site for a Cardboard Cathedral, preferably within the central city area. A site is required for a period of up to 10 years and the Cathedral Diocese have a preference that it be located on public land, preferably a prominent central city site with their first choice being Hagley Park adjacent to Victoria Lake.
3. The proposed Cardboard Cathedral has been designed by internationally renowned Japanese Architect Shigeru Ban who is most famous for his innovative work with paper, particularly recycled cardboard paper tubes used to quickly and efficiently house disaster victims and a 'paper church' constructed in Kobe following the 1995 earthquake. The structure proposed for Christchurch will require a site foot print of around 2500 metres squared with a seating capacity for around 700. With parking and other site requirements this site foot print could conceivably double in size.
4. The design of the Cardboard Cathedral is without question innovative, exciting and could be one of the first new structures to be erected as part of the rebuild as it will support and contribute to the recovery of the city and will be a draw card and add vibrancy to the city. Concept Plans for the Cathedral (**Attachment 1**) are attached to this report. It will generate considerable interest from around New Zealand and the World when established and become a key visitor attraction for the city. This concept also has the potential to connect with other visitor attractions and recovery projects in the city. The structure would consist of locally produced cardboard and shipping containers with construction taking approximately four months, the aim being to have the church open from mid 2012. The temporary cathedral may well be used by other community groups and events.
5. Numerous site options have been considered. These include land owned by the Church, the Council and private parties. Comment on the various options is included under the heading "Background to this Report".
6. Notwithstanding the exciting and innovative nature of the overall proposal and the benefits that such a structure will generate to the wider city, it is considered that a substantive case can not be supported to place the Cardboard Cathedral on public lands when all other potential options are considered see **Attachment 3**. Any consent would also set a precedent for other community groups wanting temporary accommodation. Especially considering the precedent this would create for other displaced community groups, the length of time proposed and the loss of amenity value.

## FINANCIAL IMPLICATIONS

7. There is a financial implication should the Council resolve to release any site under its control and management for up to 10 years. These implications can include the loss of site \$ rental and future development potential. Loss of opportunity and rental ranges from zero rent through to \$250,000 per annum. Should the Council decide to support the Church in acquiring a privately owned site, the cost may be in the order of up to \$5 million.
8. There has been no provision made for these costs to be funded by the Council.

**53 Cont'd**

**Do the Recommendations of this Report Align with 2009-19 LTP budgets?**

9. No – there is currently no provision for such activity within the Council's LTP Budgets.

**LEGAL CONSIDERATIONS**

10. There are a number of legal considerations should sites in public ownership be considered. The Council is able to deal with Reserves lands under emergency legislation. The Canterbury Earthquake (Reserves Legislation) Order 2011 No 2 was made under the Canterbury Earthquake Response and Recovery Act 2011. The Order in Council expires on 18 April 2016. Pursuant to clause 5(c) of the Order the Council may approve the use or erect a structure on a reserve till April 2016 if the use or structure is necessary in the opinion of the Council to respond in a timely manner to any circumstances resulting from the Canterbury earthquakes. This applies to reserves that are administered by the Council under the Reserves Act 1977 for any purpose not described in paragraphs (a) and (b) of the Order. The use of any reserve for the Cardboard Cathedral falls within this provision.
11. The Council may act under clause 5 of the Order, despite anything to the contrary in the management plan for a reserve, the Reserves Act 1977 or any other enactment under which the reserve is held or that applies to the reserve; or without complying with any requirement in the management plan for a reserve, the Reserves Act 1977 or any other enactment under which the reserve is held or that applies to the reserve (for example, any provision relating to public notification or the hearing of objections).
12. However, when doing so, the Council must take all reasonable steps in the circumstances to protect the integrity of the reserve; and where undertaking remedial work, or if the reserve is adversely affected by the Council's actions, must reinstate the reserve as closely as practicable to its prior condition.
13. The Order in Council expires on 18 April 2016 and therefore any occupation rights granted under it can only be made until that date. Full due process under the Reserves Act 1977, and if necessary the relevant Management Plan on expiry would be required should any structure remain on any reserve. A lease would then be required and public notification to permit a grant would require to be given. This permits the lodgement of submissions both for and against and the process of granting a lease could ultimately be determined by the Minister of Conservation.
14. In all previous cases where the Council has granted rights to occupy and use parks and reserves under this Order, the Council has required the applicant to meet the cost of the reinstatement of the site that they have occupied to the Council's satisfaction. This requirement has been stated in each warrant prepared for such occupation rights, and which both the Council and the applicant have signed.

**Have you considered the legal implications of the issue under consideration?**

15. Yes.

**ALIGNMENT WITH LTP AND ACTIVITY MANAGEMENT PLANS**

16. There is no provision within the present LTP that supports the Council concluding a transaction with the ChristChurch Cathedral Diocese to provide either a site by way of a lease or capital funds to purchase a temporary alternate site.

**Do the recommendations of this report support a level of service or project in the 2009-19 LTP?**

17. No, as there is no such project considered in the LTP.

**ALIGNMENT WITH STRATEGIES**

18. Proposals of this nature are not envisaged in the Council's Public Open Space Strategy 2010 should a reserve be considered as the preferred site.

**53 Cont'd**

**Do the recommendations align with the Council's strategies?**

19. There is no specific alignment with Council strategies, however there are synergies with some Council policies and plans such as Strengthening Communities, the new Central City Plan as well as the Council's and CERA's Recovery Plans.

**CONSULTATION FULFILMENT**

20. There are a number of property options discussed in this report however should any Council Reserve be considered the preferred option initial consultation under the Canterbury Earthquake (Reserves Legislation) Order 2011 is not required to be undertaken. Consultation would be required however should it be determined that the Council wished to grant a lease over any Reserve after April 2016, the expiry of the occupation granted under the Order in Council.
21. No consultation has been undertaken at this stage and, as this matter is of major significance, it has been referred directly to the Council for consideration.

**STAFF RECOMMENDATION**

It is recommended that the Council:

- (a) Decline the request from the ChristChurch Cathedral Diocese for the Council to make available council owned/held land for a temporary cathedral (the proposed "Cardboard Cathedral").
- (b) Resolve not to provide any financial assistance towards the establishment of a temporary cathedral.

53 Cont'd

BACKGROUND

22. The ChristChurch Cathedral Diocese approached the Council for assistance to find a suitable site for a temporary cathedral, with a particular preference to secure support for the use of Council owned land.
23. The concepts developed by the Cathedral Diocese of a Cardboard Cathedral are innovative, exciting and will generate considerable interest not only in the building through its iconic and creative design but will assist the rebuild. It will support and contribute to the recovery of the city and will be a draw card and add vibrancy to the city and benefit the recovery of the city in many ways. This structure is intended to reflect the scale, and support the activities of the Church and the community, in the manner of the former cathedral. That Cathedral was the heart of the city and a focal point for many activities and tourists.
24. ChristChurch Cathedral Diocese propose to make the Cardboard Cathedral an "iconic" building for Christchurch, this is evident by its design and unique use of materials. They also propose to commence construction of the cardboard Cathedral at the earliest possible time and are of the view that the Cathedral can be erected by mid 2012. As the seating capacity is for 700 persons it will be used and be available for many social and cultural events beyond those functions undertaken as a Cathedral. This is of particular value given the limited availability of facilities following the earthquakes. Due to the nature of the building it is expected that considerable interest will be generated both within New Zealand and around the world.
25. A number of prominent sites within the central city have been considered. A weighted attributes approach has been applied to all sites and matters considered relevant as part of this exercise have included:
  - (a) Availability of site – eg any legal constraints such as Reserves Act 1977, site clear or available for development within next few months and for occupation for period of 5-10 years;
  - (b) Land area – base footprint of building (approx 45 x 55 metres, 2500 metres squared);
  - (c) Access to all services – sewer, power, storm water and telephone;
  - (d) Prominent location – preferably central city, high visibility to foot and vehicle traffic;
  - (e) Easily accessible with Convenient Parking – including public access and a range of uses;
  - (f) Aesthetics, open setting and noise;
  - (g) Resource consent requirements;
  - (h) Overall Risk Assessment – has standing and public acceptance;
  - (i) Connectivity / Complimentary to other local attractions and facilities.
26. Should the Council offer site assistance for the Cathedral it is vital that the right site is selected to emphasise the building design and locality prominence such a structure will require. One major requirement is the ability of being able to locate a site that is of sufficient size to accommodate the proposal as well as having the appropriate amenities for the project. Not all sites can or will be regarded as suitable.
27. From our analysis a number of sites were immediately eliminated due to site size, configuration, unavailability, ownership factors or proposed developments in the reasonably short term. This applied to (a) to (e) below:
  - (a) Cathedral Square;
  - (b) Victoria Square;
  - (c) Turners & Growers;
  - (d) Botanical Gardens;
  - (e) Christ College Site being the former Girls High School site.

53 Cont'd

28. Other sites considered in this exercise are shown in order of ranking preference and these are:
- (a) Privately owned land;
  - (b) Church property corner Madras & Hereford Streets;
  - (c) Church property corner Manchester & Kilmore Streets;
  - (d) Cranmer Square;
  - (e) Latimer Square;
  - (f) Hagley Park;
  - (g) Other possible sites eg in Sydenham Square.
29. **(a) Privately Owned Land** – The ChristChurch Cathedral Diocese advise that they have engaged a real estate agent to locate a suitable private site and there is one possible suitable site available; indicated value being up to \$5 million. The Diocese also advise that they do not have funding for land purchase and seek assistance from the Council if this option was preferred.
30. Should that follow the precedent that such a purchase would set given the critical community building and infrastructure rebuild that is required across the city by the Council would be a major yet considered decision for the Council.
31. It is unknown whether such a decision would be acceptable to the Council's community of interests and also is unknown what the public opinion in 10 years will be should the Council require the Cardboard Cathedral to be dismantled and removed.
32. On balance it is considered that this is not an option for the Council to pursue and is not recommended.
33. **(b) Church Property corner Madras & Hereford Streets** immediately to the south of Latimer square. This large 5058 metres squared now vacant site and owned by the Church Property Trustees. All site buildings have been removed due to the impact of the recent quakes. The Cathedral Diocese have informed the Council that this site is a parish church and planning for a replacement structure began shortly after the damaged buildings were demolished. Plans are now well advanced with the Church Property Trustees to rebuild a church, parish centre and vicarage leaving no room for the Cardboard Cathedral.
34. **(c) Church Property corner Manchester & Kilmore Streets** – All buildings on this 6253 metres squared site owned by the Church Property Trustees have been demolished again as an impact of the recent earthquake events. The Cathedral Diocese has informed the Council that although the Cardboard Cathedral could fit on the site with some redesign, this is a parish site and that the vestry of the parish has autonomy to decide on its future. The advice received indicates that the Cathedral and Bishop Victoria Mathews have had extensive conversations with the parish priest and vestry, indicating that, even though this is a strongly preferred site for the Cardboard Cathedral, the cathedral cannot over ride the authority of the Parish vestry. They apparently wish to continue with their own planning for a church rebuild on the site independent of the desires of the Cathedral.
35. **(d) Cranmer Square** may be considered to offer a number of potential benefits including a suitable size of open space of 1.8192 hectares, prominent location, good connections to the cultural precinct and visitor attractions. There are however a number of significant constraints. Firstly a lack of available nearby on street car parking and high traffic volumes around the eastern side of the park present difficulties for vehicle and pedestrian access. While the planned one-way to two-way conversion of Montreal Street should alleviate the pedestrian access difficulties, it is unlikely to cater for vehicle access into the park and is likely to require the removal of a significant number of the existing on-street car parks. Also the extensive road works that this conversion will require could cause significant disruption to events within the park. Spatially, the fit of the footprint of the Cardboard Cathedral and associated annex building would be tight, barely fitting within the surrounding tree canopy. As a result there may be potential for adverse impacts on the existing trees in relation to soil compaction or physical damage to the tree canopies during construction. The ability of the space to accommodate informal sports and recreation, passive relaxation and aesthetic values would be impacted.

53 Cont'd

36. **(e) Latimer Square** offers a sizeable open space, prominent location, with good connections. Additionally this site would provide an attraction for the eastern area of the central city. Due to the extent of damage, construction work could be anticipated for some years in the immediate vicinity. This site is however faced with the same constraints noted above for Cranmer. In the Central City Plan Latimer Square has been committed for a comprehensive landscape redevelopment plan with proposed new areas of seating, children's play, formal and informal sports, and the introduction of a programme of new events including a weekly farmers market. This proposed project received significant public support in the submissions to the Central City Plan and is scheduled to be implemented by 2015.
37. Cranmer Square and Latimer Square are Reserves administered under the Reserves Act. While short term rights could be granted as provided for under the Canterbury Earthquake (Reserves Legislation) Order 2011, (see "Legal Considerations"), it is very likely that there would be locally generated submissions opposing any continued occupation of Cranmer Square by the Cardboard Cathedral. This was particularly evident during the recent Central City Plan project which generated public submissions emphasising the value of these sizeable areas of un-built green public open space.
38. **(f) Hagley Park** – The original Government Domain set aside as Hagley Park was stated in The Canterbury Association Reserves Ordinance of 1855. This declared that *"the land commonly known as Hagley Park..." "...shall be reserved forever as a public park, and shall be open for the recreation and enjoyment of the public"*.
39. Today the purpose of the Park, which is classified as Recreation Reserve under the Reserves Act 1977, is *"for the purpose of providing areas for the recreation and sporting activities and the physical welfare and enjoyment of the public, and for the protection of the natural environment and beauty of the countryside, with emphasis on the retention of open spaces and on outdoor recreational activities, including recreational tracks in the countryside"*.
40. The Park is managed in activity zones that reinforce the overall environment of the Master Plan for the park and, as such, many areas within Hagley Park have or are discounted as not being suitable. The focus returns to the Victoria Lake locality as the only possible setting for the proposed Cardboard Cathedral, (see plan of Hagley Park (**Attachment 2**) attached to this report). This location is the preferred position of all site options by the Cathedral Diocese.
41. Notwithstanding the Cathedral's preferences, there is strong opposition internally to such a building being placed on Hagley Park for potentially 10 years, not least of all the public perception of the loss of a large area of public space within close proximity to the Special Event and Concert Triangle.
42. Matters that have been considered include:  
  
**Vision for Hagley Park:**
43. The vision for Hagley Park is for it to be an iconic inner-city open space area for the city of Christchurch and to be a place for present and future residents and visitors to the city to visit, recreate in and appreciate.
44. Key elements of this vision are:
  - (a) The Park retains a landscape character that reflects the central city's open space heritage but also is in harmony with the contemporary urban environment;
  - (b) The form of the Park, with its long vistas and margins and avenues of trees, is continued into the future;
  - (c) The present physical extent of the Park is fully and permanently conserved;
  - (d) The Park is a space that is managed effectively for a variety of public recreational uses, with access and facilities provided to a level that is acceptable in terms of impact on the Park's environment;
  - (e) The Park is managed to enhance indigenous wildlife values and provide habitat for indigenous biodiversity.



53 Cont'd

**Hagley Park Management Plan:**

45. With the change and growth in society, including the increasing development of the residential and commercial/industrial areas around Hagley Park, there are increasing negative effects on the Park environment that need to be avoided, remedied or mitigated. It is crucial that these are managed effectively to achieve the ongoing protection of the values that the Park provides to the community. The Hagley Park Management Plan is a key tool to achieve this.
46. The purpose of the part of the original Government Domain set aside as Hagley Park was stated in The Canterbury Association Reserves Ordinance of 1855. This declared that *"the land commonly known as Hagley Park..." "...shall be reserved forever as a public park, and shall be open for the recreation and enjoyment of the public"*.
47. Today the purpose of the Park, which is classified as Recreation Reserve under the Reserves Act 1977, is set down in that Act. This is that such reserves are *"for the purpose of providing areas for the recreation and sporting activities and the physical welfare and enjoyment of the public, and for the protection of the natural environment and beauty of the countryside, with emphasis on the retention of open spaces and on outdoor recreational activities, including recreational tracks in the countryside"*.
48. The Council is required to manage it according to this purpose. In doing so, the Council must ensure that it effectively balances the need to cater for the public use of the Park with good management of the effects of this use on the Park environment. This may mean some desired uses of the Park may be deemed inappropriate or need to be restricted.
49. The Council's prime focus for its management of Hagley Park is to achieve the optimum outcome for all members of the public using it and to protect the Park's environment and character for future generations.

**Parking:**

50. The car park close to the Armagh Street bridge has high current usage not only from Park users but also many visitors to the Botanical Gardens. The capacity of the car park will continue to operate at a high level more so when the new Botanic Gardens Information Centre is commissioned. The Armagh Street intersection is non-signalised and is used by a large number of cyclists and pedestrians. It may be that the additional activities generated by the Cardboard Cathedral including associated proximity parking will create conflict at the intersection.

**Events Management:**

51. The Events Team have a significant investment in Hagley Park adjacent to the Special Events Area/Concert Triangle and generally the Entertainment Zone. Over a number of years there has been significant time spent building rapport with the public, local residents, stakeholders and communicating that this is the Events Hub (now the Christchurch Event Village) for the city. In addition the Council have invested considerable time, effort and money to purchase major events which are now based in Hagley Park. The creation of this new events village will continue to support the growth of the city, which is important for the physical welfare and enjoyment of the public in future years.
52. It is considered that the events industry would see this as a major concern/inconvenience, as due to the earthquake all major events in the city now reside within the event village and its surrounding spaces. If events were requested to move or relocate, it would then require the Council to consider possibly displacing sports teams from their playing fields long term.
53. Competing for space and timeframes for running of events would, if this locality was the site for the Cardboard Cathedral, become more evident than Cathedral Square, and there may well be conflict. As an example it is known that the church often held events not only in the week but in the weekends and were not required to advise Council of their events. If major events, eg the Ellerslie International Flower Show, were to continue to stay on the current site there would be continuous disruptions for both the organisers and the Church.

53 Cont'd

54. **(g) Other Possible Sites:** The Council does have other potential sites that could possibly be available. These are:

(i) **Sydenham Square** on the corner of Colombo and Brougham Street. It has a total site area of 9084 metres squared and is an alternative site that the Cathedral Diocese have considered as a potential site for the Cardboard Cathedral and for their own reasons have discounted this option.

It was considered that there are better options available rather than this site and, considering the Council's intentions for the site, it had also been discounted.

(ii) **Crowne Plaza Site, Victoria Square** – a large prominent corner site of some 5730 metres squared. This site is not available given that the site remains under lease and demolition of the hotel building has not commenced.

55. In summary locating the Cardboard Cathedral on any Council owned land would set a precedent for other community groups wanting temporary accommodation or possibly financial assistance. In addition it should be considered that any application to place semi permanent buildings within the existing parks network could well generate some conflict as reserves are for the enjoyment of all members of the wider community.
56. Against all this site analysis, comment and consideration is the need for the Council to consider and balance the Council's city wide communities of interest and the present and future needs of our own residents versus that of the Cathedral Diocese community, who wish to erect a semi permanent cardboard cathedral for up to 10 years, focussing on Hagley Park
57. It is recognised and considered that the Cathedral Diocese, in conjunction with the Church Property Trustees, has other land holdings in the central city which could be utilised for the proposed Cardboard Cathedral without the need to seek assistance from the Council. Notwithstanding that the Cathedral Diocese have not been able to convince local church vestry that sites within the Church community should be made available for the cardboard Cathedral, that correctly is a matter for them to resolve.

**54. RESOLUTION TO EXCLUDE THE PUBLIC (Cont'd)**

Attached.

THURSDAY 8 DECEMBER 2011

COUNCIL

RESOLUTION TO EXCLUDE THE PUBLIC

*Section 48, Local Government Official Information and Meetings Act 1987.*

I move that the public be excluded from the following parts of the proceedings of this meeting, namely items 55 and 56.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER	GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF THIS RESOLUTION
55.	Christchurch Engine Centre Expansion Proposal	) )GOOD REASON TO	
56.	Ferrymead Bridge – Construction Methodology	) WITHHOLD EXISTS) )UNDER SECTION 7))	SECTION 48(1)(a)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

ITEM	REASON UNDER ACT	SECTION	PLAIN ENGLISH REASON	WHEN REPORT CAN BE RELEASED
55.	Prejudice Commercial Sensitivity	7(2)(b)(ii)	Commercial sensitivity and to allow activities and negotiations to be carried on without prejudice or disadvantage.	Once negotiations are complete.
56.	Prejudice Commercial Position	7(2)(b)(iii)	Commercial negotiations yet to be finalised. Sensitivities still exist around the resolution of the insurance position.	Outcome of report can be released after commercial discussions finalised with contractor.

**Chairman's**

**Recommendation:** That the foregoing motion be adopted.

**Note**

Section 48(4) of the Local Government Official Information and Meetings Act 1987 provides as follows:

“(4) Every resolution to exclude the public shall be put at a time when the meeting is open to the public, and the text of that resolution (or copies thereof):

- (a) Shall be available to any member of the public who is present; and
- (b) Shall form part of the minutes of the local authority.”