

CHRISTCHURCH CITY COUNCIL AGENDA

THURSDAY 23 FEBRUARY 2012

9.30AM

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

CHRISTCHURCH CITY COUNCIL

Thursday 23 February 2012 at 9.30am
in the Council Chamber, Civic Offices, 53 Hereford Street

Council: The Mayor, Bob Parker (Chairperson).
Councillors Peter Beck, 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.

The Mayor
Councillor
Jamie Gough

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COUNCIL 23. 2. 2012

- 1. APOLOGIES**

- 2. CONFIRMATION OF MINUTES – CENTRAL CITY PLAN MEETINGS AND COUNCIL MEETINGS OF 15.12.2011, 30.1.2012 AND 9.2.2012**

Attached.

- 3. DEPUTATIONS BY APPOINTMENT**

- 4. PRESENTATION OF PETITIONS**

COUNCIL 23. 2. 2012

5. REPORT OF THE ELECTORAL OFFICER – ELECTION OF ONE COUNCILLOR FOR THE BURWOOD/PEGASUS WARD AND ORAL DECLARATION BY COUNCILLOR

General Manager responsible:	General Manager Regulation and Democracy Services, DDI 941-8462
Officer responsible:	Electoral Officer
Author:	Clare Sullivan, Electoral Officer

PURPOSE OF REPORT

1. The purpose of the report is to report the outcome of the Election of one Councillor for the Burwood/Pegasus Ward held on Friday 10 February 2012 and to appoint Councillor Peter Beck to the Burwood/Pegasus Community Board.

SUCCESSFUL CANDIDATE

2. Peter Beck (Independent) was declared elected to the position of Councillor for the Burwood/Pegasus Ward.

ELECTORAL ROLLS

Residential Electors

3. The residential electoral rolls used for local authority elections are drawn from the Parliamentary rolls, utilising data supplied to each local authority by the Electoral Enrolment Centre in Wellington.
4. As at 16 January 2012 (when the roll closed) the number of residential electors enrolled in the ward was Burwood/Pegasus Ward 39,443.

Ratepayer Electors

5. The franchise also extends to:
 - Persons owning property in the city, but residing elsewhere
 - Corporate bodies (who are entitled to appoint a “nominal occupier”)
 - Persons living within the city who own other city property in other communities elsewhere to their place of residence (electors in this category being entitled to claim additional Community Board votes only).
6. Persons and organisations in this category must make application for enrolment. If on the ratepayer roll then they are automatically sent voting documents. 27 persons were enrolled as non-resident ratepayer electors for this year’s elections.

INFORMAL VOTES/BLANK VOTES

7. In some cases, votes cannot be counted because:
 - (a) The voter’s intention is unclear (classed as informal votes); or
 - (b) The voter has left the issue completely blank.
8. Separate records were kept of votes which fell into either of the two foregoing categories. These statistics disclose that there were few truly informal votes.
9. In all cases, votes were allowed where the voter’s intention was clear, notwithstanding that they had marked the voting document in a way which was different to that prescribed.

PROCESSING OF VOTING DOCUMENTS ON RECEIPT

10. I would like to thank the Council for allowing me to utilise the provisions of the Local Electoral Act 2001 permitting the processing of the voting documents throughout the voting period. It provided considerable logistical advantages in terms of getting an early result out.

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ROLL SCRUTINY, PRELIMINARY COUNT AND OFFICIAL COUNT

11. This year, I engaged the same independent election services provider (electionz.com) as the former Electoral Officer had used, to undertake the following processes:

Roll Scrutiny

12. This process involves marking electors' names off the roll as the voting documents are returned, to ensure that no elector votes more than once (this could occur through, for instance, an elector exercising an ordinary vote and then also exercising a special vote). This part of the election process is carried out electronically, by "reading" the bar code shown on the returned voting document. This is done through the window of the return envelope, and the envelopes are not opened nor the voting documents extracted until after the roll scrutiny has been completed.

Preliminary and Official Counts

13. After the return envelopes had been put through the roll scrutiny process, they were then opened and the voting documents extracted. The votes cast were then recorded electronically.
14. A progress result (which included approximately 98 per cent of the votes) was released at 12.30pm on election day, with the preliminary result being released at 3.27pm on election day. The declaration of the results of the official count was made on Wednesday 15 February 2012. Mr Beck who was successful in the preliminary count was declared elected as a result of the official count.

SPECIAL VOTES

15. Special voting documents and accompanying special voting declarations were issued to 19 persons with 17 being subsequently allowed and included in the official count. Special voting was available at 53 Hereford Street, the Shirley Service Centre and the New Brighton Library.

COSTS

16. As some charges are not yet to hand, it will be some time yet before the final cost of the elections is known.

APPOINTMENT OF COUNCILLOR AS A MEMBER OF THE BURWOOD/PEGASUS COMMUNITY BOARD

17. A Community Board may include members appointed by the Council. Those members must also be Councillors representing the ward in which the Community Board is situated. The number of Councillors must be fewer than half the total number of Community Board members.
18. If the Council wishes to appoint a Councillor to be a member of a Community Board it is necessary for the Council to resolve to appoint each ward Councillor to the Community Board.

ORAL DECLARATION BY COUNCILLOR

Sample attached (**Attachment 1**).

RECOMMENDATION

It is recommended that the Council receive this report and appoint Councillor Peter Beck to the Community Board which is situated in the Burwood Pegasus Community.

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6. APPROVAL OF A DELEGATE TO THE YOUTH IN LOCAL GOVERNMENT CONFERENCE 2012

General Manager responsible:	General Manager Regulation and Democracy Services, DDI 941-8462
Officer responsible:	Unit Manager Democracy Services
Author:	Amanda Wall, Assistant Council Secretary

PURPOSE OF REPORT

1. The purpose of this report is ask the Council to consider funding a youth delegate to attend the Youth in Local Government Conference 2012.

EXECUTIVE SUMMARY

2. The Youth in Local Government Conference 2012 will be held in Invercargill from 18-20 April 2012. The conference is comprised of workshop sessions covering four themes; leadership and communication skills, youth engagement and youth development, youth connections – reframing our future and youth specific workshops – capacity building for youth audiences. Delegates may choose from a variety of workshops for each of the themes, including how to best use available networks and resources, application of youth development principles, running effective youth consultation, trends in youth employment, youth event planning, and media engagement.
3. Local authorities are able to fund more than one delegate to the conference, but the conference provides for each local authority to send **one** nominated youth delegate at a discounted rate of \$295. The full registration rate is \$503. Should a territorial local authority wish to register more than one youth delegate, a ballot will be held by the conference to determine further subsidies if under-subscribed.
4. Both Sam Johnson, Riccarton/Wigram Community Board member, and Anna Button, Shirley/Papanui Board member, have expressed interest in attending the conference as the Council's youth delegate. Mr Johnson and Ms Button have been advised that they can seek Community Board funding to attend the conference as full delegates.

FINANCIAL IMPLICATIONS

5. Attendance at the conference by a youth delegate will incur the following costs to the Council:
 - (a) \$295 for registration
 - (b) approximately \$250 for accommodation
 - (c) approximately \$500 for return flights to Invercargill.
6. There is sufficient funding available in both community boards' budgets should either Mr Johnson and Ms Button wish to attend the conference as a full delegate.

STAFF RECOMMENDATION

It is recommended that the Council determine:

- (a) Whether to fund only a youth delegate to attend the Youth in Local Government Conference 2012, (being either Sam Johnson or Anna Button), or
- (b) Whether to fund both Mr Johnson and Ms Button; one as a youth delegate and one as a full delegate, or
- (c) Whether to fund neither Mr Johnson or Ms Button as a youth delegate, but instead ask the relevant Community Board to consider funding both candidates respectively as full delegates.

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7. CHRISTCHURCH CITY HOLDINGS LTD – SUBSIDIARY PERFORMANCE AGAINST STATEMENT OF INTENT

General Manager responsible:	General Manager Regulation and Democracy Services, DDI 941-8462
Officer responsible:	General Manager, Regulation and Democracy Services
Author:	Peter Mitchell

PURPOSE OF REPORT

1. The purpose of this report is to summarise the Christchurch City Holdings Ltd's subsidiaries' performance in the 2011 financial year.

EXECUTIVE SUMMARY

2. Please see **Attachment A** for a report.

STAFF RECOMMENDATION

It is recommended that the Council note the report.

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8. DELEGATION TO THE REGULATORY AND PLANNING COMMITTEE TO APPROVE A SUBMISSION ON THE 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 recommend to the Council that it delegate to the Regulatory and Planning Committee the power to approve a submission by the Council on the Manukau City Council (Regulation of Prostitution in Specified Places) Bill ("the Bill").
2. The report also seeks the appointment of two additional councillor members to the Regulatory and Planning Committee for the purposes of considering the submission.

EXECUTIVE SUMMARY

3. The Council was given an information report on the Bill at its meeting on 8 December 2011 ([http://www1.ccc.govt.nz/council/proceedings/2011/december/cnclcover8th/council8december2011agendaclause23manukaucitycouncil\(regulationprostitutionspecifiedplaces\)bill.pdf](http://www1.ccc.govt.nz/council/proceedings/2011/december/cnclcover8th/council8december2011agendaclause23manukaucitycouncil(regulationprostitutionspecifiedplaces)bill.pdf)).
4. In that report it was noted that the new Auckland Council had indicated to the Local Government and Environment Select Committee its desire to take over and continue the Bill. If it did so, further submissions on the Bill might be called for by the Select Committee, and the Christchurch City Council would then be able to make a submission on the Bill at that time if it wished.
5. The Select Committee has issued an interim report noting that the Auckland Council has released a supplementary order paper with proposed amendments to the Bill to make the new Auckland Council the promoter of the Bill and to change the definition of "district" in the Bill. The Select Committee has noted in its interim report that as the new "district" (the Auckland Council district) could apply to a much wider area it may affect more people than the original Bill and they have decided to call for additional submissions on the Bill and the supplementary order paper. The closing date for the submissions is 29 February 2012.
6. The Submissions Panel has delegated power to approve Council submissions. However, its terms of reference state it may also refer proposed submissions to the Council for its consideration and approval where the Panel is unable to confirm the Council's position on an issue before it.
7. The Chair of the Submissions Panel has indicated that as Council has not formally discussed its position in relation to the Bill the small group of Councillors on the Submissions Panel could not confirm the Council's position on this issue. However, there is insufficient time for a report and submission on the Bill to be submitted to the full Council.
8. The Regulatory and Planning Committee is meeting on the 29 February 2012; the day the submissions are due, and would be in a position to consider a submission to be made by the Council.
9. Therefore, it is proposed that for the purposes of a submission on the Bill the Regulatory and Planning Committee be delegated the power to approve the Council submission. In order to increase the representation of Council views in respect of the approval of the submission, it is also proposed that two additional Councillors be appointed to the Committee when it considers the agenda item on the Bill on 29 February 2012.

FINANCIAL IMPLICATIONS

10. None.

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LEGAL CONSIDERATIONS

11. The Council is able to delegate powers to its committees and to appoint members to any committees in accordance with Schedule 7 of the Local Government Act 2002 (see Part 1 clause 32, and clause 31(1), respectively).

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

12. Not applicable.

ALIGNMENT WITH STRATEGIES

13. Not applicable.

CONSULTATION FULFILMENT

14. Not required.

STAFF RECOMMENDATION

That the Council:

- (a) Delegate the power to the Regulatory and Planning Committee to approve a submission on behalf of the Council on the Manukau City Council (Regulation of Prostitution in Specified Places) Bill.
- (b) Appoint Councillors Keown and Corbett to be members of the Regulatory and Planning Committee at the Committee's meeting on 29 February 2012, when the Committee considers the submission on the Manukau City Council (Regulation of Prostitution in Specified Places) Bill.

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9. CANTERBURY WATER MANAGEMENT STRATEGY: REPRESENTATION ON ZONE COMMITTEES AND SELWYN WAIHORA ZONE IMPLEMENTATION PROGRAMME

General Manager responsible:	General Manager - Strategy and Planning, DDI 941 8281
Officer responsible:	Programme Manager - Healthy Environment
Author:	Peter Kingsbury, Principal Advisor - Natural Resources

PURPOSE OF REPORT

1. The purpose of this report is two-fold:
 - (a) To advise the Council of the recommended appointment of:
 - (i) Maree Goldring as a community member to the Canterbury Water Management Strategy (CWMS) Selwyn - Waihora Zone Committee (S-WZC), and to seek approval of her appointment.
 - (ii) Wade Wereta-Osborn as a Koukourarata Runanga member to the Canterbury Water Management Strategy (CWMS) Banks Peninsula Zone Committee (BPZC), and to seek approval of his appointment.
 - (b) To allow the Council to receive, note the contents, and endorse the final Selwyn Waihora Zone Implementation Programme (ZIP) to allow the ZIP to have effect.

EXECUTIVE SUMMARY

Selwyn Waihora and Banks Peninsula Zone Committee's Representation

2. In September 2010, the Christchurch City Council (the Council), with Canterbury Regional Council (ECan) and Selwyn District Council (SDC) approved membership of the S-WZC, a joint committee of the three councils. Community members, Eugenie Sage (to stand in the general election) and Peter Jackson (to move to Auckland), tendered their resignations in September 2011. A member selection process was initiated by ECan to find two new community member replacements that would preserve the balance of interests on the S-WZC. This required applicants with strong environmental/recreational interests and the ability to work collaboratively. The process involved a public call for expressions of interest and a presentation from applicants.
3. Only one application was received for the two vacant community member positions. Following a presentation to the selection working group and zone committee, the selection working group considered that Maree Goldring had the ability to contribute a strong environmental perspective to the zone committee. The selection working group were Mayor Kelvin Cole (Selwyn District Council), Ken Taylor (ECan), Stewart Miller (the Council), and Peter Jackson (S-WZC).
4. Approval of Maree Goldring's appointment is required by the Council, SDC and ECan. The staff recommendation is that the Council approve this appointment.
5. In August 2011, the Council and ECan approved membership of the BPZC, a joint committee of the two councils. In November 2011, Koukourarata Runanga member Elliot Briggs tendered his resignation. Elliot Briggs was replaced by Wade Wereta-Osborn as the Runanga representative.
6. Approval of Wade Wereta-Osborn's appointment is required by the Council and ECan. The staff recommendation is that the Council approve this appointment.

Selwyn Waihora Zone Implementation Programme

7. The S-WZC is required to develop a ZIP (**Attachment 1**), which sets out a rolling ten year implementation programme that advances the management of water in the zone. Section 4: Recommendations of the ZIP contains recommendations that are relevant to Council as set out in sub-sections 3: Te Waihora and Lowlands (page 23), and 5: Biodiversity (page 33).

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8. As a member of the joint council S-WZC, for the ZIP to become operative, the Council is required to:
 - (a) Receive the ZIP.
 - (b) Note that the ZIP is a significant contribution to implementing the CWMS in the Selwyn district and part of the Christchurch City area.
 - (c) Endorse the ZIP as the basis for consideration of relevant work programmes for the Council's Long Term Plan and the Banks Peninsula section of the Christchurch District Plan.
9. There are a number of options the Council may choose when considering the ZIP. The Council may choose to endorse the ZIP or may choose to reject the ZIP or request that the S-WZC reconsider specific parts of it and then report back to Council. The staff recommendation in this report is that the Council endorse the ZIP.
10. Of particular relevance to the Council is the ZIP's key principle (one of four) of "*Public land is used to lead and accelerate good management practices and restoration and rehabilitation works alongside initiatives on private land.*" The Council owns land on Kaitorete Spit currently used for grazing and has two other small holdings near watercourses on the north side of Lake Ellesmere used for grazing and recreation.
11. Section 4 (Recommendations) of the ZIP is divided in to five main parts. These are Nutrient and water management, Water supply, Te Waihora and lowlands, Braided rivers, high country, upper plains, and Biodiversity. There are 12 (of 81) recommendations in the ZIP that the Council has some joint responsibility for (refer **Attachment 1**). Ten of these recommendations relate to Te Waihora and the lowland waterways, and the other two to biodiversity. Of particular relevance to the Council, because of its land ownership, is Recommendation 3.11 "*Manage grazed lake margins to reduce the impact of stock on wetlands and the lake through good management practice by: Demonstrating good practice on public land ...*", and Recommendation 5.8 "*Manage wetlands on public land according to best practice.*"

FINANCIAL IMPLICATIONS

12. There are no changes to the financial implications for the Council in approving the appointment of Maree Goldring to S-WZC and Wade Wereta-Osborn to BPZC.
13. The cost of managing the appointment of members to the CWMS committees is included in existing budgets.
14. The ZIP contains a significant number of recommendations, however it contains no costings associated with giving effect to outcomes. While the relevant ZIP recommendations should fall largely within the Council's existing programmes, the timing and funding to achieve these will need to be confirmed and approved through the Long Term Plan. Accordingly, the Council endorsement of the ZIP should acknowledge that decisions on implementation will need to be considered along with the full complement of the Council expectations.

LEGAL CONSIDERATIONS

15. There are no legal issues arising from the proposed appointment of Maree Goldring and Wade Wereta-Osborn.
16. There are no known legal implications from receiving and endorsing the ZIP.

ALIGNMENT WITH LTP AND ACTIVITY MANAGEMENT PLANS

17. The CWMS committees and their outputs support a wide range of environmental, governance, prosperity, health and recreation community outcomes.

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18. The work of the S-WZC and BPZC generally and the ZIP specifically will support levels of service in the areas of water supply, "A reliable supply of water that is safe to drink" (2009-19 LTCCP, page 60.), waterways and drainage (page 132), economic development (page 144) and city development (page 188).

ALIGNMENT WITH STRATEGIES

19. The operation of the S-WZC and BPZC is consistent with and supports the Council's Surface Water, Water Supply, Biodiversity, Public Open Space and Climate Smart strategies.

CONSULTATION FULFILMENT

20. As for the Council's previous appointments and approvals, a decision to approve a new member on a zone committee fits with decisions made following public consultation on the CWMS. No further community consultation is needed.
21. As part of the preparation of the ZIP, S-WZC engaged with numerous parties including Central Plains Water, Fish and Game, and Irrigation NZ. The draft ZIP was put out for full public consultation. No further public consultation on the ZIP is required.

STAFF RECOMMENDATION

It is recommended that the Council:

- (a) Approve the membership of Maree Goldring to the CWMS Selwyn - Waihora Zone Committee and the membership of Wade Wereta-Osborn to the CWMS Banks Peninsula Zone Committee.
- (b) Endorse the Selwyn Waihora Zone Implementation Programme, noting that the scope, funding and timing of any implementation projects will need to be considered and tested through the relevant Long Term or Annual Plan process.

9 Cont'd

BACKGROUND

Selwyn Waihora and Banks Peninsula Zone Committee's Representation

22. The S-WZC and BPZC were established in July 2010, under the auspices of the Local Government Act 2002, in accordance with the CWMS as joint committees of ECan, the Council, and SDC, and ECan and the Council respectively.
23. The appointment of all zone committee members have to be approved by the constituent zone committee councils. In September 2010, membership of the inaugural S-WZC was approved by the Council. Eugenie Sage and Peter Jackson were appointed as two of six community members to the S-WZC. Cr Claudia Reid was replaced by Stewart Miller on the S-WZC in February 2011. On 9 January 2012, ECan advised the Council of the recommendation to appoint Maree Goldring to the S-WZC. Although only one (not two) replacement was appointed, the remaining number of community representatives is in line with that provided for in the Terms of Reference, and at this time a second replacement is not being sought.
24. Maree Goldring lives in the upper Waimakariri River basin and is an active member of the Waimakariri Ecological and Landscape Restoration Alliance (WELRA) and has worked for the NZ Conservation Trust. She is chair of the Castle Hill Community Association and works with the community and Selwyn District Council in this role. She is also a former primary school principal and has been successful in establishing school clusters for enhanced outcomes for students.
25. In August 2011, membership of the inaugural BPZC was approved by the Council. Elliot Briggs was appointed as one of four Runanga representatives. On 16 November 2011, ECan advised the Council of the recommendation to appoint Wade Wereta-Osborn.

Selwyn Waihora Zone Implementation Programme

26. The purpose and function of the S-WZC is to facilitate community engagement in the development and periodic review of a water management implementation programme that gives effect to the CWMS.
27. The ZIP is a significant document for the Council and for SDC but it is not a statutory document. The ZIP commits the Council to a suite of actions, the details of which are described in the following two paragraphs. The ZIP is one of three that the Council will need to endorse. The other two are the Christchurch Melton ZIP and the Banks Peninsula ZIP. In developing the ZIP the S-WZC was to ensure that the obligations of councils to consult and seek input from the public were met. The S-WZC carried out extensive discussion and engagement with local communities, interest groups, stakeholders and the wider community. Specific consultation was undertaken to allow the development of the draft ZIP and a second consultation phase sought written submissions. Issues raised were considered and addressed at the monthly meetings leading up to a final ZIP.
28. The 21 recommendations in Part 3 (Te Waihora and lowlands) of the ZIP relate specifically to Te Waihora and the lowland waterways. The ZIP acknowledges that achieving aspirations for the lake and lowlands will be contingent on the management of water quality and quantity catchment wide and the collective recommendations in the ZIP will contribute to changing environmental conditions of Te Waihora. The CWMS targets met by the recommendations relevant to the Council include *ecosystem health and biodiversity* and *kaitiakitanga*. The ten recommendations for which the Council has a joint responsibility in implementing are:

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Lowland waterways

- Prioritise lowland waterways for inclusion in a restoration programme
- Deliver a restoration programme for prioritised waterways
- Identify and protect the permanent sources of the lowland streams, initiate water quality monitoring at the spring heads, and construct strategic wetlands, at prioritised spring heads, to strip nitrates from emerging groundwater
- Plant native riparian species following river maintenance works
- Deliver a programme of education about managing stock and waterways including rules relating to stock management.

Lake margins/wetlands

- Protect and restore wetlands of Te Waihora
- Manage grazed lake margins to reduce the impact of stock on wetlands and the lake through good management practice.

Drain management

- Support the 'Sustainable Drain Management Project'
- Count and return to waterways, tuna/eels stranded after drain cleaning.

Te Waihora

- Test the feasibility of lake opening/management regimes to enable better lake level control/management.

The timetable by which to start implementing the ten recommendations relevant to the Council range from 2012 through to 2015.

29. The 14 recommendations in Part 5 (Biodiversity) of the ZIP acknowledge that the alpine catchments, braided rivers and coastal lagoons of the Selwyn Waihora Zone contain species that are highly distinctive and many which are threatened. Two significant aspects of biodiversity, wetland management - public land, and biodiversity protection - Immediate Steps Biodiversity Project have been identified as joint responsibilities of the Council and other organisations. These two aspects of biodiversity will help achieve the CWMS targets of *ecosystem health and biodiversity*, and *kaitiakitanga*. The two recommendations for which the Council has a joint responsibility in implementing are:

Wetland management - public land

- Identify where wetlands are on public land, and manage wetlands on public land according to best practice.

Biodiversity protection - Immediate Steps Biodiversity Project

- Support the Te Waihora Immediate Steps Regional Flagship Project, and ensure various restoration and rehabilitation efforts around Te Waihora are coordinated.

The timetable by which to start implementing the two recommendations relevant to the Council is *from 2012*.

30. The S-WZC also needs to develop any associated documentation required to support the programme or as required by legislation and recommend the ZIP to their respective constituent councils.

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31. The ZIP clearly identifies which organisations have responsibility for the various recommendations. None of the ZIP recommendations relevant to the Council are the responsibility of the Council alone. The Council has joint responsibility with at least three other organisations for all 12 recommendations relevant to Council. Most of the 12 recommendations in the ZIP include work that the Council is already doing, to varying degrees. For example, part of the recommendation to deliver a restoration programme for prioritised waterways is already being done by the Council through fencing and planting work at Kaituna. Council staff will be meeting with ECan staff to discuss in more detail how the recommendations relevant to the Council can be progressed in partnership with the other organisations. SDC also plans to meet with ECan staff to discuss the implementation of the 31 recommendations relevant to them.
32. The Council should note that ECan will consider the ZIP and its implications for its planning frameworks and regional council work programmes.

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10. PLAN CHANGE 43 BELFAST PARK – FINAL APPROVAL

General Manager responsible:	General Manager Strategy and Planning, DDI 941 8281
Officer responsible:	Programme Manager, District Planning
Author:	David Punselie, Assistant Planner

PURPOSE OF REPORT

1. This report seeks Council approval to make operative the changes to the City Plan introduced by an Environment Court decision on Plan Change 43. All appeals are now settled.

EXECUTIVE SUMMARY

2. Private Plan Change 43 (PC 43) was requested by Belfast Park Ltd and Tyrone Estates Ltd. The request sought to rezone approximately 64 hectares of land from Rural 3 to Living G (East Belfast), to provide for mixed-density residential development (up to 650 residential households), a small local neighbourhood shopping centre and amenity improvements. Amendments to the City Plan provisions in relation to a strip of the adjoining Business 5 zoned land were also proposed.
3. The plan change site is located to the east of the former CFM Freezing Works site and Main North Railway Line and largely to the west of the Northern Arterial Motorway Designation and Kaputone Stream. Belfast Road bounds the site to the north and Thompsons Road to the south. A map showing the location of the site is included at page 65 of the attached Environment Court decision (**Attachment 1**). The area is identified in Chapter 12A of the Regional Policy Statement (RPS) as an area for future urban development within the City over the next 30 years.
4. Commissioner Leigh McGregor conducted a hearing over four days in July 2010. Her report recommended that the plan change be approved with modification and her recommendation was adopted by the Council on 16 December 2010.
5. Three appeals against the Council's decision were lodged with the Environment Court. These appeals sought relief including:
 - deletion of staging requirements
 - deletion of the provisions which limited the number of sites to be developed until the completion of both a pedestrian and cycle railway crossing and an upgrade of Blakes Road
 - inclusion of provisions to ensure the site is developed at a minimum density of 15 households per hectare with a maximum site size to ensure this density is achieved
 - that the plan change be declined or alternatively that increased buffer zones be created between the proposed Living G zone and the boundaries of adjoining land zoned for industrial activities.
6. Environment Court mediation took place in August 2011. As a result of this mediation, settlement of two appeals covering the first three bullet points above was proposed and the terms of this settlement were approved by the District Plan Appeals Subcommittee and the Council in August and September 2011. A hearing of the third appeal (covering the matters in the fourth bullet point above) commenced on 21 November 2011. Before the completion of the hearing the parties advised the Court that an agreement had been reached that would settle the appeal. The District Plan Appeals Subcommittee agreed to the terms of this agreement on 24 November 2011 and the Environment Court subsequently issued a decision on 20 December 2011 that incorporated the agreed terms of settlement of the three appeals. A copy of the Court's decision is attached.
7. As the matter is now beyond challenge the Council can take the necessary steps to make operative the changes introduced by Plan Change 43.

FINANCIAL IMPLICATIONS

8. There are no direct financial implications.

10 Cont'd

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

9. The recommendation will not impose on the LTCCP budgets.

LEGAL CONSIDERATIONS

10. The recommendation in this report is for the Council to take the procedural step to make operative the changes introduced by the Environment Court's decision on Plan Change 43. The Resource Management Act 1991 requires that, following the closing of the appeal period and the resolution of any appeals, the Council must formally approve the changes to the plan under clause 17 of Schedule 1 before the plan change becomes operative on a date that is nominated in a public notice of the Council's approval. This plan change has reached the stage where it can be made operative.

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

11. As above.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

12. Aligns with District Plan Activity Management Plan.

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

13. Yes. Supports the project of processing plan changes in compliance with statutory processes and time frames.

ALIGNMENT WITH STRATEGIES

14. Aligns with the Greater Christchurch Urban Development Strategy.

Do the recommendations align with the Council's strategies?

15. Yes.

CONSULTATION FULFILMENT

16. Approval of changes to the District Plan under clause 17 of Schedule 1 to the Resource Management Act 1991 is a procedural step that does not require consultation.

STAFF RECOMMENDATION

It is recommended that the Council:

- (a) Approve, pursuant to clause 17(2) of the Resource Management Act 1991, the changes to the District Plan introduced by the decision of the Environment Court on Plan Change 43 - Belfast Park.
- (b) Authorise the General Manager, Strategy and Planning to determine the date on which the changes introduced by Plan Change 43 become operative.

11. REVIEW OF THE 2009 GAMBLING VENUE POLICY

General Manager responsible:	General Manager Strategy and Planning, DDI 941-8281
Officer responsible:	Programme Manager Strong Communities
Author:	Siobhan Storey, Senior Policy Analyst

PURPOSE OF REPORT

1. This paper reports on a review of the Council's Gambling Venue Policy. It proposes that the Council retain a "sinking lid" policy with an amendment to enable the relocation of venues where they have been damaged or destroyed by circumstances beyond the control of the property owner. A draft policy is attached for consultation with the community (**Attachment 1**).

EXECUTIVE SUMMARY

2. The Council's current class 4 gambling venue policy is a sinking lid policy that aims to reduce the number of gaming venues and machines by attrition. The policy is due for review by 31 August 2012. This report responds to a Council directive that staff review the policy early and report back in February 2012.
3. Class 4 gambling is gambling on non-casino gambling machines, or "pokies". The benefits of class 4 gambling include the fun and entertainment derived by individuals and the return of profits to the community through grants to community organisations. However, these benefits are offset to a greater or lesser extent by the harm associated with problem gambling. Economic analysis suggests that the net impacts on the Christchurch economy are largely negative through lost output, lost employment and lost household income, although there may a small benefit to Christchurch's Gross Domestic product (GDP).¹
4. Gaming venue and machine numbers have declined under the current policy. Research suggests that reduced access to gambling should reduce the prevalence of gambling and problem gambling in the community. Expenditure on gambling has also decreased over time, although there has been an increase in expenditure following the Canterbury earthquakes and Christchurch has one of the highest levels of expenditure per capita in the country.
5. The underlying objective of the Council's current gambling venue policy is to minimise the harm associated with gambling. While Council could opt for a different policy direction, staff consider that this remains an appropriate policy objective and recommend that the objective be stated more explicitly in the new Council policy.
6. There are four broad options the Council could take to its gambling venue policy:
 - Option 1: Maintain a sinking lid policy
 - Option 2: Enable new venues to be established but place constraints on the number of machines per venue and their location
 - Option 3: Enable new venues to be established but cap the total number of venues and/or machines in the district; or
 - Option 4: Allow the market to decide on the appropriate number and location of machines.
7. Of the four options, maintaining the sinking lid policy is the preferred option because it most clearly contributes to achieving the objective of minimising gambling harm through the reduction of gaming venues and machines over time. It also provides continuity from existing policy settings, appears to be well supported by the community and is relatively simple to administer. Options two and four risk increasing the number of gaming venues and machines in the district, potentially undermining the objective of minimising harm, and there is no clear basis for determining appropriate caps on venue or machine numbers under option three. Option four was strongly opposed by the community during consultation on the policy in 2006.

¹ Covec. 2009. The Economic Impacts of NCGMs on Christchurch City: Report Prepared for Christchurch City Council

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8. Under the existing policy, businesses are unable to relocate their gaming machines to a new venue. At present, therefore, businesses affected by the Canterbury earthquakes can either surrender their gaming licences or repair/rebuild their buildings and reopen as a gaming venue on the same site. In normal circumstances a venue that does not operate for six months will have its licence removed by the Department of Internal Affairs (DIA) but, in the case of the earthquakes, the DIA has allowed many venues to retain their licences beyond the six month period. Where a business surrenders its venue licence, it is possible for another society or trust to pick up the licence and start operating within the first six months. Council consent is not required in these circumstances.
9. There has also been some advocacy from the gaming sector to amend the Gambling Act 2003 to permit the 'grandparented' right to 18 gaming machines to be transferred with a relocating earthquake-damaged venue. Although, this request has not been investigated further at present, DIA staff consider that if the Act was to be amended it would occur within the next three years (in order to be timely and address the issue).
10. Having regard to the objectives of Council's policies and also to the extraordinary circumstances created by the earthquakes, staff recommend an amendment to the current sinking lid policy to enable businesses in venues that have been damaged or destroyed by circumstances beyond the control of the property owner (such as earthquakes, fire or floods) and that are not able to reopen, to relocate their gaming machines to a new venue. Staff propose that relocation be subject to the conditions that:
 - (a) the Council is satisfied that the previous venue has been damaged or destroyed in circumstances beyond the control of the property owner (such as earthquakes, fire or floods) and is not able to reopen;
 - (b) the Council is satisfied that there is no risk of the damaged or destroyed venue being occupied as a class 4 gaming venue for six months following the surrender of its licence;
 - (c) the new venue is located within a three kilometre radius of the old venue; and
 - (d) the maximum number of machines at the new venue is the same or a lesser number that were operated at the old venue (and, in any case, is no more than 9 machines).
11. These conditions would minimise the risk of another operator picking up the surrendered licence within the first six months and re-establishing a gaming venue on the site, while a new venue is established elsewhere. Businesses would only be able to relocate the number of machines they are currently operating (not the number they are licensed for). Businesses also would not be able to relocate their machines to an existing venue, or to split their machines across multiple venues.
12. The Council's gambling venue policy may only be amended by way of the special consultative procedure. A draft statement of proposal, with the Proposed Gambling Venue Policy 2012, and a summary of information are attached for this purpose (**Attachment 1** and **Attachment 4**).
13. The existing policy document includes the Council's Totalisator Agency Board (TAB) Venue Policy, which is also due for review by 31 August 2012. To date, no issues have arisen in relation to TAB venues. Staff propose to review that policy separately and report back to Council before 31 August 2012.

FINANCIAL IMPLICATIONS

14. If the Council agrees to amend the policy, a special consultative procedure will be required. The associated costs include printing and distribution of the statement of proposal and summary of information, the placement of public notices and staff costs in supporting a hearings panel. These costs, including the cost of the review, are budgeted for in the City and Community Long-Term Planning Activity in the LTCCP.
15. Enabling gaming venues to relocate in exceptional circumstances is likely to increase the costs of administering the policy. The current application fee for a consent is \$153 (inclusive of GST).

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

16. See above.

LEGAL CONSIDERATIONS

17. Under the Gambling Act 2003, gambling on Non-Casino Gaming Machines (NCGM) is class 4 gambling. Each Territorial Authority (TA) is required to have a policy on class 4 gambling and to review it every three years. If a policy is to be amended as a result of the review this must be by way of the special consultative procedure in section 83 of the Local Government Act 2004 (see section 102). Christchurch City Council's Gambling Venues Policy was last reviewed in 2009 and was retained without amendment. The current proposal is that the policy be amended.

18. In adopting a policy the Council must have regard to the social impact of gambling within the district (see section 101(2)). If amendments are to be proposed to a policy the Council should again consider this matter. Information on the social impacts of gambling was prepared as part of the 2009 review and is also set out in this report, and in **Attachment 2**.

19. The policy adopted by the Council (and any amended policy) must meet the requirements of section 101(3) of the Gambling Act 2003. The policy:

*”(a) **must specify** whether or not class 4 venues may be established in the Council's District and where they may be located and*

*(b) **may specify** any restriction on the maximum number of gaming machines that may be operated at a class 4 venue (up to the maximum numbers allowed by the Act)”*

20. The maximum numbers of machines allowed by the Act for any new venue is 9 machines. In determining what the Council will include in a policy in relation to new venues and numbers of machines the Council “*may*” have regard to “*any relevant matters*”, which include those outlined in section 101(4):

“In determining its policy on whether class 4 venues may be established in the territorial authority district, where any venue may be located, and any restrictions on the maximum number of gaming machines that may be operated at venues, the territorial authority may have regard to any relevant matters, including:

(a) the characteristics of the district and parts of the district;

(b) the location of kindergartens, early childhood centres, schools, places of worship, and other community facilities;

(c) the number of gaming machines that should be permitted to operate at any venue or class of venue;

(d) the cumulative effects of additional opportunities for gambling in the district;

(e) how close any venue should be permitted to be to any other venue;

(f) what the primary activity at any venue should be.”

21. Section 87 of the Local Government Act 2002 applies to the use of the special consultative procedure in this situation. In a recent decision concerning a council's adoption of amendments to a gambling policy (*Nelson Gambling Taskforce Inc v Nelson CC*, High Court Nelson, 7 September 2011), the Court stated at paragraph 11 of its decision: “*So when ‘adopting’ a policy, what is to be done is to publish the draft policy. However, when amending a policy, what is needed is a detailed statement of proposal, which is defined in s 87(3) as requiring the reasons for the proposal, and an analysis of options.*”

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22. This proposal concerns an amendment to the existing policy, so a detailed statement of proposal and an analysis of the options has been prepared. The detailed statement of proposal also includes the proposed draft policy, as amended.

TAB Policy

23. The Racing Act 2003 has provisions relevant to racing and sports betting. That Act includes a requirement for a territorial authority consent if the New Zealand Racing Board proposes to establish a Board venue, and also requires territorial authorities to have Board Venue policies. The Board venue policy requirements (sections 65D and 65E) are almost identical to sections 101 and 102 of the Gambling Act 2003 requiring a class 4 gambling policy, and such policies must also be reviewed every 3 years. The current policy on Board venue consents has remained the same since the first policy was adopted in 2004.
24. The focus of the current policy review has been on class 4 gaming machines. As noted above, staff propose to review the Council's TAB Venue Policy separately and report back later in the year.

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

25. Yes, as above.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

26. This report is broadly aligned to the City and Community Long-Term Planning Activity through the provision of advice 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?

27. See above.

ALIGNMENT WITH STRATEGIES

28. There are no strategies that relate specifically to this issue.

Do the recommendations align with the Council's strategies?

29. See above.

CONSULTATION FULFILMENT

30. Staff sought community views on the current gambling venue policy and possible amendment(s) to it, to assist in undertaking the review. Community views were obtained in a variety of ways: through the 'have your say' website; by attending community networking forums; contacting key stakeholders directly (community board members, corporate societies, clubs and providers of health services); and commissioning a research company to conduct focus groups.
31. Providers of health services and the general public supported the sinking lid policy and most did not wish to see it amended. However, some community members considered that operators of venues affected by the Canterbury earthquakes should be able to relocate their machines to a new venue. Corporate societies and clubs generally preferred a cap on venue and machine numbers instead of a sinking lid, preferably at pre-earthquake levels. A summary of community and stakeholder views is included in **Attachment 6**.

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32. The Council has also heard from stakeholders and the public through deputations at Council meetings. The most recent deputations were heard at the 8 December 2011 Council meeting in regard to the report on an application by Mainland Trust to relocate nine machines. Graham Paull of Mainland Trust was present in support of the Trust's application and Bridgett Thornley of Problem Gambling was present in support of the staff recommendation to decline the application. At the September 2011 Council meeting where Council determined to undertake a review of its Gambling Policy, 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
 - 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.
33. The Council will be aware of the wide cross section of views expressed at the meeting and a consistent position maintained for some time of the main agencies.
34. If the Council agrees to amend the policy a special consultative procedure (SCP) will be required. If the Council reconfirms the existing policy there is no requirement for an SCP. However, as the Council reconfirmed its policy without an SCP at the last review Council may elect to undertake an SCP at this time, even if the policy remains the same.

STAFF RECOMMENDATION

It is recommended that the Council:

- (a) Reconfirm that the objective of the Council's gambling venue policy should be to minimise gambling harm, and that this objective be stated in the policy as:
- "To minimise the harm associated with gambling";*
- (b) Agree to amend the current policy (**Attachment 3**) to allow businesses in venues that have been damaged or destroyed by circumstances beyond the control of the property owner (such as earthquakes, fire or floods) and that are not able to reopen, to relocate their gaming machines to a new venue, provided that:
- (i) The Council is satisfied that the previous venue has been damaged or destroyed in circumstances beyond the control of the property owner (such as earthquakes, fire or floods) and is not able to reopen;
 - (ii) The Council is satisfied that there is no risk of the damaged or destroyed venue being occupied as a class 4 gaming venue for six months following the surrender of its licence,
 - (iii) The new venue is located within a three kilometre radius of the old venue; and
 - (iv) The maximum number of machines at the new venue is the same number that were operated at the old venue (and, in any case, is no more than 9 machines);
- (c) Adopt the Proposed Gambling Venue Policy 2012 as included in the statement of proposal (**Attachment 1**) and the summary of information (**Attachment 4**) for consultation;
- (d) Determine that the statement of proposal and the summary of information be distributed to key stakeholders (including corporate societies, clubs, providers of health services and community boards) and made available for public inspection at all Council Service Centres, Council libraries and on the Council's website;

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- (e) Agree that public notice of the proposal be given in The Press and in the Christchurch Star newspapers and on the Council's website on 14 March 2012;
- (f) Agree that the period within which written submissions may be made to the Council be between 14 March 2012 and 19 April 2012;
- (g) Appoint a Hearings Panel to consider, and where necessary, hear any submissions on the Proposed Gambling Venue Policy 2012.

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BACKGROUND (THE ISSUES)

35. The Christchurch City Council's current class 4 Gambling Venue Policy, which has remained unchanged since it was first adopted in 2004, is a "sinking lid" policy. Its purpose is to prevent any increase in the numbers of gambling venues or machine numbers in the city.
36. Section 102(5) of the Gambling Act 2003 requires councils to complete a review of a policy on class 4 gambling venues within three years after the policy is adopted, and then within three years after that review and each subsequent review is completed. Section 102(2) of the Act provides that a gambling venue policy may be amended or replaced only in accordance with the special consultative procedure provided in Section 83 of the Local Government Act 2002. The next scheduled date for review is 31 August 2012.
37. Following the Canterbury earthquakes, on 22 September 2011, Council decided that the policy should be reviewed early and directed staff to report back in February 2012.
38. In reviewing the policy staff have:
 - considered the social impacts of gambling (see **Attachment 2**)
 - updated the economic analysis undertaken in 2009 (see **Attachment 5**)
 - considered the effects of the earthquakes on the gambling environment
 - talked with key stakeholders (community board members, corporate societies, clubs and providers of health services) to obtain their views and
 - sought views from the wider community through the 'have your say' website, focus groups and community networking forums (see **Attachment 6** for a summary of community and stakeholder views).

Controls on gambling

39. The Gambling Act 2003 restricts and controls gambling through several means. Under the Act gamblers must be 18 years and over and class 4 gambling may only be conducted by a corporate society that holds a licence for the gambling as well as a venue licence for the place where the gambling is conducted. These licences are issued by the DIA.
40. The Act also provides for the maximum number of machines allowable at venues. Venues with license on or before 17 October 2001 area are allowed a maximum of 18 machines, while venues with license after 17 October 2001 are allowed a maximum of nine machines.
41. The Act also requires each territorial authority (TA) to adopt a policy on class 4 venues which specifies:
 - whether or not class 4 venues may be established in the district and if so, where they may be located and
 - may specify any restrictions on the maximum number of machines that may be operated at a class 4 venue.
42. No commission is paid to, or received by, a person for conducting the gambling as the proceeds (net profit/losses) of Class 4 gambling must distributed to charitable and community organisations. Pokie machines are set to return to the gambler an average of 90 cents for every dollar wagered, which leaves an average proceeds of 10 cents for distribution. Of this societies return a minimum of 37.12% to the community by way of grants; some societies consistently distribute 40-50% to the community.

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The effects of gambling

43. Social benefits accrue to the individual from the fun and entertainment people derive from playing on gaming machines. Benefits to the community as a whole arise from the return of profits either as grants to community organisations through the various trusts that own the machines, or to benefits provided to members of Chartered Clubs. Where the proceeds from gaming machines are distributed is determined by the relevant Trust Deed and the funding decisions made by the Trust. Trust Deeds normally require the proceeds to be redistributed to the very general area in which they arose e.g. New Zealand, South Island or region, rather than the immediate suburb or local area. Although, Trusts are required to publish the value of the grants they distribute, there is no standard reporting format and most data available is at a regional level. It is difficult to accurately identify how much funding has been provided at a local level or to specific communities.
44. The benefits of gambling are also offset to a greater or lesser extent by the harms gambling causes either to the individual who has a gambling problem and their family/whānau and associates, or to the wider community through crime and dishonesty occurring related to gambling.
45. An economic analysis estimated that non-casino gaming machines generated \$174 million of annual output and \$94 million of GDP to the Christchurch economy in 2008. However, once opportunity costs are taken into account, the figures are quite different. The net impacts were:
 - Lost output of \$13 million
 - Additional GDP of \$2 million
 - Lost employment for 630 full-time equivalents and
 - Lost household income of \$8 million.
46. Hence, the economic impact of gaming machines is largely negative. Aside from small GDP benefits (which are subject to uncertainty), gaming machines appear to reduce incomes and employment. Moreover, gaming proceeds to charities are a redistribution of wealth from gamblers to society as a whole. Gambling literature shows that use of non-casino gaming machines is correlated with low socioeconomic status, and charitable organisations represent a wide range of society; therefore gambling often results in a redistribution of wealth from lower socio-economic groups to the wider public, which may exacerbate inequalities.
47. The economic analysis also considered the importance of gaming machines to venues by talking to a number of venues. The consensus was that gaming machines are not a particularly important source of revenue, and that they divert expenditure from other purchases (such as alcohol). The chief executive of the Charitable Gaming Association expressed the view that it is well accepted in the industry that trusts need venues, but not vice versa.

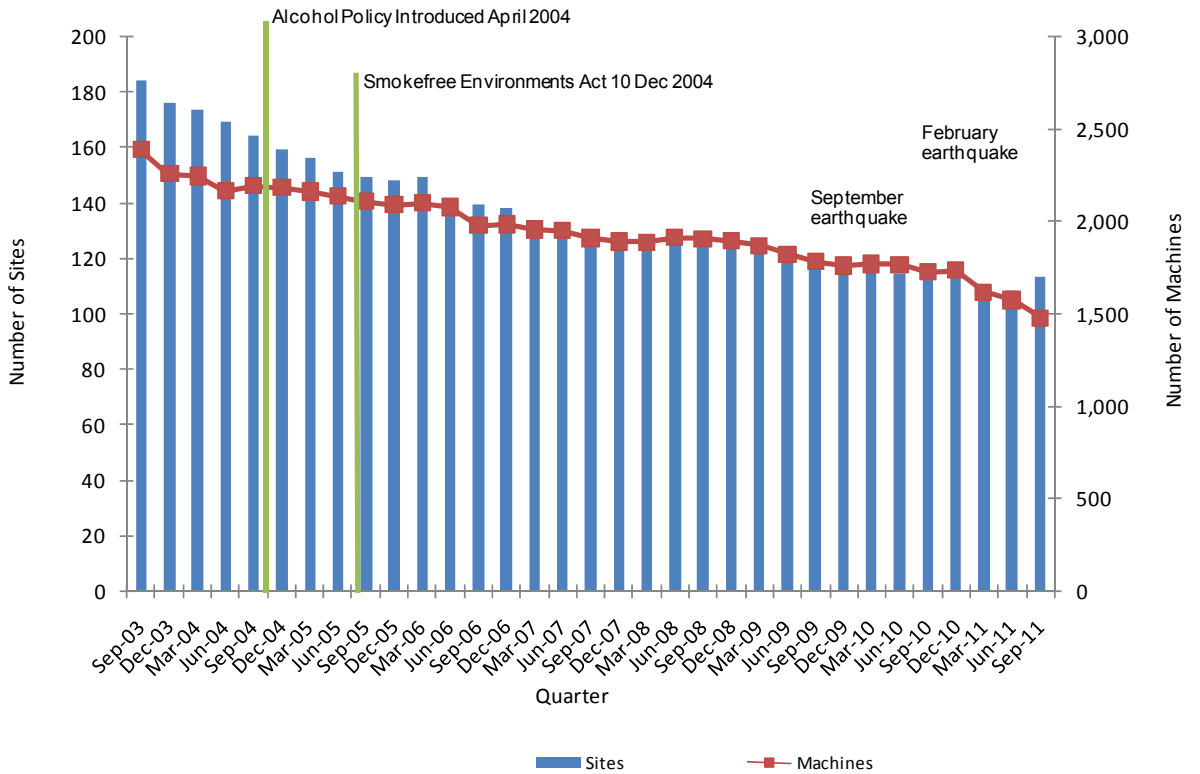
Gambling in Christchurch under current policy settings

48. The current policy has been in place since 2004. The aim of the policy is to reduce gambling harm by reducing access to gambling venues and machines by attrition. Research indicates this will tend to reduce the prevalence of gambling and of problem gambling.²
49. The policy appears to be achieving its aim in contributing to a decline in the numbers of venues and gaming machines in the city. Figure One shows that the number of venues and machines generally declined steadily from March 2004 until December 2010 and then fell more steeply as a consequence of the 2011 earthquakes.

² Ministry of Health. 2008. *Raising the Odds? Gambling behaviour and neighbourhood access to gambling venues in New Zealand. Public Health Intelligence Occasional Bulletin No. 47.* Wellington: Ministry of Health.

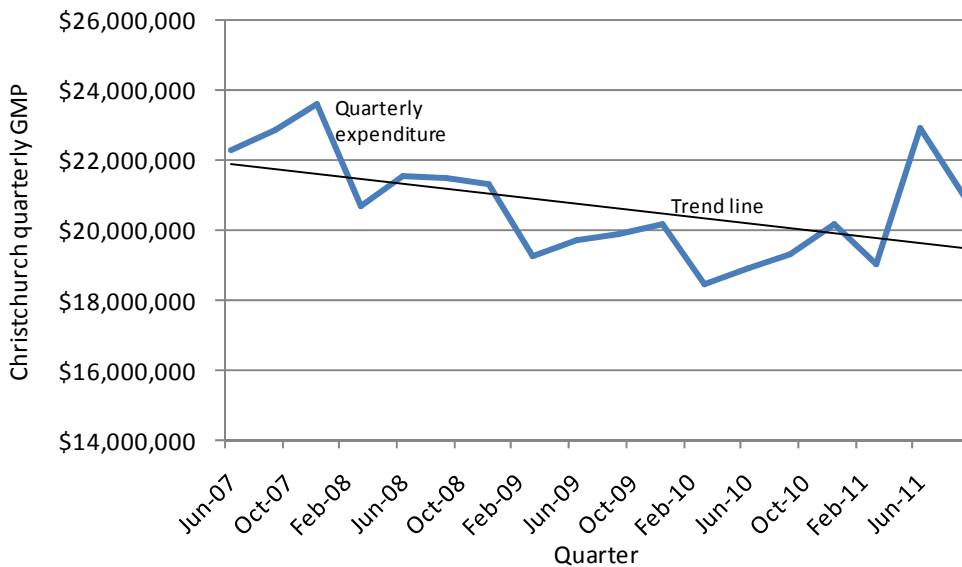
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Figure One: Gaming venue and machine numbers in Christchurch city



50. A number of venues operate fewer machines than they are licensed for. Consequently the number of machines in the City could increase without Territorial Authority consent. For example, as at 17 January 2012, there were 84 venues operating 1,334 machines. If these venues were to operate the total number of machines they are licensed for the number of machines would increase by an additional 31 machines.
51. Quarterly expenditure on gaming machines has been slowly declining along with the decline in number of venues and machines. However, the economic analysis considered the effect of a reduction in machines on player expenditure and found there appears to be no statistical relationship between expenditure and number of machines – fewer machines are likely to result in higher expenditure per machine and vice versa.³ Since the earthquakes occurred, expenditure has increased, as shown in Figure Two.

Figure Two: Class 4 quarterly gaming expenditure in Christchurch City



³ Covec. 2009. *The Economic Impacts of NCGMs on Christchurch City: Report Prepared for Christchurch City Council*

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52. Table One below compares Christchurch gambling statistics with those of other cities. Per capita gambling expenditure in Christchurch was the second highest as at September 2011.

Table One: Comparative data on gaming venues, machines and expenditure as at 30 September 2011

Area	Venues Sept-11	Machines Sept-11	Population June-11	Yearly expenditure (\$)	Venues per 1,000 residents	Machines per 1,000 residents	Expenditure per machine (\$)	Yearly expenditure per resident (\$)
Auckland	102	1,335	456,600	78,542,039	0.22	2.9	58,833	172
Christchurch	105	1,481	367,700	83,064,188	0.29	4.0	56,087	226
Dunedin	43	531	126,000	19,002,737	0.34	4.2	35,787	151
Hamilton	30	453	145,300	23,969,020	0.21	3.1	52,912	165
Manukau	66	958	383,000	71,197,519	0.17	2.5	74,319	186
North Shore	43	624	232,500	30,455,687	0.18	2.7	48,807	131
Waitakere	37	496	211,400	34,277,544	0.18	2.3	69,108	162
Wellington	47	715	200,100	39,121,987	0.23	3.6	54,716	196
Total NZ	1,409	18,167	4,405,200	862,364,701	0.32	4.12	47,469	196

53. The extent of problem gambling in Christchurch is difficult to determine because it relies on self-reporting, which can be influenced by factors such as increased public awareness and the availability of funding for treatment services. Table Two shows Ministry of Health data on the number of new contacts for problem gambling services, where available, from 1999 to 2007, which appears to show a decline in Christchurch city over time. It should be noted that these figures relate to problem gambling associated with all forms of gambling, not just non-casino gambling machines. More recent service user data on the Ministry of Health website suggests that the level of new calls to the Gambling Helpline has continued to decline since 2007 and that new contacts for other services increased around 2007/08 before declining again.⁴ The total number of clients receiving psychosocial support in Christchurch city has increased over time.

Table Two: New contacts for problem gambling services – Christchurch City⁵

	New Gambling Helpline contacts	New contacts for face- to-face services
1999	317	
2000	364	
2001	376	
2002	396	
2003	335	
2004	283	594
2005	166	390
2006	165	365
2007	170	337

Effects of the earthquakes

54. The earthquakes have been a serious disaster for Christchurch and have had, and will continue to have far-reaching effects. With regard to class 4 gambling, the earthquakes affected 36 venues, of which 21 remain closed and 5 surrendered their licences. The number of machines operating in the city declined from 1,767 at 30 June 2010 to 1,334 at 17 January 2012. While damaging for individual gaming trusts and venue operators, the earthquakes have had the effect of rapidly accelerating the attrition of venues and machines desired under current policy settings.

⁴ <http://www.health.govt.nz/our-work/preventative-health-wellness/problem-gambling/service-user-data>, retrieved 12 January 2012

⁵ Ministry of Health (2008) Problem Gambling Intervention Services in New Zealand: 2007 Service-user Statistics, Wellington: Ministry of Health

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55. Disaster literature studies have acknowledged that disasters place added challenges on individuals affected by substance use disorders, and these effects can be related to the effects on those who gamble, particularly problem gamblers.⁶ This is consistent that in spite of the reduction in the numbers of venues and machines, gaming expenditure increased.
56. There are numerous hypotheses explaining why higher rates of substance abuse are observed initially after disasters, including that substances are used as a coping mechanism.⁷ Some studies have indicated that increased substance use may not surface for nearly a year or more after the stressful event.⁸

Key policy issues

57. There are three key issues for the Council to consider in reviewing its gambling venues policy:
- (1) The desired policy objective;
 - (2) The most appropriate policy approach for achieving this objective; and
 - (3) Whether provision should be made in the policy for exceptional circumstances such as the effect of the Canterbury earthquakes.
58. Each of these issues is discussed in turn.

THE OBJECTIVES

59. The purpose of the Gambling Act 2003 is to:
- Control the growth of gambling
 - Prevent and minimise the harm caused by gambling, including problem gambling
 - Authorise some gambling and prohibit the rest
 - Facilitate responsible gambling
 - Ensure the integrity and fairness of games
 - Limit opportunities for crime or dishonesty associated with gambling
 - Ensure that money from gambling benefits the community and
 - Facilitate community involvement in decisions about the provision of gambling.
60. Many of these goals are addressed through legislative requirements and other measures that apply nationwide and which are the responsibility of central government. However, local authorities also contribute to the achievement of these goals, particularly the first two goals, through their responsibility to determine whether or not class 4 venues can be established in their districts and their ability to place controls on the location of venues and the number of machines.
61. As already noted, the Council's current policy aims to progressively reduce the opportunities for class 4 gambling by attrition. The underlying objective of the policy is to reduce the harm associated with gambling. The Council could opt for a different policy direction. However, given the purpose of the Gambling Act 2003 and what is known about the social and economic impacts of gambling, staff consider that this remains an appropriate policy objective. Staff recommend that this be reflected more explicitly in the Council's gambling venue policy through a statement that the objective is to minimise gambling harm.

⁶ The DSM-IV recognises gambling addiction as an impulse disorder rather than a substance abuse disorder. However, in the context of post-disaster behaviour and in the absence of post-disaster research that looks specifically at gambling, the issues of substance abuse and addiction are relevant. Fornilli, K. (2006). Disasters and Substance Use Disorders: Response and Responsibility. *Journal of Addictions Nursing*, 17, 71-76.

⁷ Ahern, J., Galea, S., Kilpatrick, D., Resnick, H., & Vlahov, D. (2004). Sustained Increased Consumption of Cigarettes, Alcohol, and Marijuana Among Manhattan Residents After September 11, 2001. *American Journal of Public Health*, 94:2, 253- 254.

⁸ Stewart, S. (2002). Effects of the Swissair Flight 111 disaster on affected communities and volunteers: Post-traumatic drinking? PowerPoint handouts from SAMHSA-sponsored Trauma and Substance Abuse Treatment Meeting, January 16-17, 2002, Bethesda, Maryland, USA; cited in Fornilli, K. (2006). Disasters and Substance Use Disorders: Response and Responsibility. *Journal of Addictions Nursing*, 17, 71-76.

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THE OPTIONS

Policy approach

62. All aspects of the gambling venue policy can be considered by the Council as part of this review. There are a range of approaches the Council could take to its gambling venue policy, from being very prescriptive about the location of gaming venues and the number of machines to taking a hands-off approach and removing regulatory controls on gambling venues altogether. Staff have considered the following options:
- (1) Maintain a sinking lid policy;
 - (2) Enable new venues to be established but place constraints on the number of machines per venue and their location;
 - (3) Enable new venues to be established but cap the total number of venues and/or machines in the district;
 - (4) Allow the market to decide on the appropriate number and location of machines.

Option One – Maintain sinking lid policy

63. Under the sinking lid policy, no new venues or machines are allowed anywhere within the district and so the number of venues and machines would remain the same or continue to decline over time by attrition. As noted earlier, research suggests reducing access to gaming venues and machines tends to reduce the prevalence of gambling and of problem gambling. This option is therefore likely to contribute to the desired policy objective of minimising gambling harm over time. Maintaining a sinking lid policy is the preferred option for providers of health services consulted during the course of the review, and other community members who chose to share their views.
64. As discussed earlier, the current sinking lid policy has been effective in reducing the number of gaming venues and machines, a situation accelerated by the effect of the earthquakes. However, while the research suggests that this should have a positive effect on gambling, staff have been unable to establish whether this has resulted in a reduction in problem gambling and gambling-related harm in practice.
65. A possible limitation of this option is that the policy does not allow societies to close uneconomic venues and shift their business to a more profitable location. In addition, it does not provide any flexibility to deal with exceptional circumstances such as the Canterbury earthquakes. However, the inability to relocate machines and the rapid decline in the number of gaming venues and machines as a result of the earthquakes may also be considered significant benefits given the policy objective. Should the Council wish to enable the relocation of venues and machines in specific situations, variations of this option are possible,. This issue is discussed separately in paragraphs 72 to 77 below.

Option Two – Place constraints on the number of machines and location of venues

66. This option would enable new venues to be established but would aim to minimise the harm associated with gambling by restricting the number of machines that may be operated at any one venue and placing controls on where new venues could be located. The Gambling Act 2003 already provides for a maximum of nine machines at a new venue but the Council could stipulate a lower maximum in its gambling venues policy (for example, seven). Additional controls on the location of venues could require that venues are not located near sensitive sites such as community facilities, schools and/or places of worship, or create other conditions on the location of venues.

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67. The advantage of this option is that it would provide greater flexibility for societies to close uneconomic venues and relocate, just as other business types are able to do. However, there is a risk that the overall number of venues and machines in the district would increase, potentially increasing access to gambling and the incidence of problem gambling and associated harm. Constraints on the number and location of machines may not be sufficient to reduce the risk of harm. It is not clear what the maximum number of machines would need to be to minimise gambling harm. Likewise, there is no clear evidence that controls on location would minimise harm.

Option Three – Cap the total number of venues and/or machines in the district

68. Under this option, new venues could be established but there would be a cap placed on the total number of venues and/or machines allowed in the district as a whole. This could be set either as an absolute number (for example, 1,500 machines) or on the basis of a per capita level that would adjust in response to changing population levels (for example, 5 machines per 1,000 people aged 15 and over). Alternatively, sub-district caps could be established at the ward or suburb level.
69. This approach would clearly indicate the level of machines and venues that the Council considers acceptable, either for the district as a whole or in varying areas of the district. As with Option Two, it would provide flexibility for societies to relocate venues in response to changing economic circumstances or unforeseen events like the Canterbury earthquakes. This is the option generally preferred by the Corporate societies and clubs, who would ideally like to see venue and machine numbers capped at pre-earthquake levels.
70. However, the major drawback of this option is that there is no clear basis for determining what the caps should be. As shown in Figure Two, Christchurch has relatively high numbers of venues and machines per capita compared to other New Zealand cities, although there are now several other cities with higher levels than Christchurch given declining venue and machine numbers as a result of earthquake damage. It is not clear what further reduction would be necessary for the Council to be confident that gambling harm is being minimised.

Option Four – Allow the market to decide

71. The fourth approach would be to abandon any attempt to control venue or machine numbers and allow the market to determine how many machines the community is willing to bear and where they should be located based on the profitability of venues. This is the simplest option to administer.
72. This approach does not really address the objective of minimising gambling harm and could undermine that objective if it resulted in a proliferation of gaming venues and machines in some communities. The Council could opt to address the objective of minimising harm in other ways (for example, through supporting organisations that aim to reduce problem gambling). However, there is a risk that the Council could be seen as being irresponsible and unconcerned about the harm to the community arising from gambling. This option was proposed in the 2006 review and received a strong adverse reaction from the Christchurch community during the consultation.

Provision for exceptional circumstances

73. If the Council opts to maintain a sinking lid policy, a further issue the Council needs to consider is whether provision should be made for businesses to relocate their machines following exceptional circumstances such as the Canterbury earthquakes. This issue does not arise under the other options because they would all enable new venues to be established.⁹

⁹ Even if the cap was already reached under Option Three, a new venue could be established because it should simply be replacing a venue that is no longer operating.

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74. A number of corporate societies and clubs have expressed concern with their inability to relocate machines from earthquake-damaged venues under current policy settings. They consider that the earthquakes were extraordinary and unforeseen events and that businesses should be allowed to relocate their machines to new premises. Health service providers, on the other hand, note that there are now fewer machines in low income areas and consider that these more vulnerable communities are better off without them. Members of the public who provided feedback on this issue have mixed views. Many respondents consider that the sinking lid policy should be retained without amendment. However, many of those who participated in focus groups, particularly those who are gamblers, consider that the earthquakes were a unique circumstance and allowance should be made for the damaged venues to relocate with some or all of their gaming machines.
75. While this issue has arisen because of the Canterbury earthquakes, there is a wider question about whether provision should be made to enable machines to be relocated following damage due to other unforeseen circumstances beyond the control of the property owner, such as fire or floods. There are therefore three sub-options for the Council to consider:
- (a) maintain the sinking lid policy without amendment;
 - (b) maintain the sinking lid policy but amend it to allow businesses at venues that have been damaged or destroyed by the Canterbury earthquakes and that are not able to reopen, to relocate their machines to a new venue (subject to conditions);
 - (c) maintain the sinking lid policy but amend it to allow businesses at venues that have been damaged or destroyed by circumstances beyond the control of the property owner (such as earthquakes, fire or floods) and that are not able to reopen, to relocate their machines to a new venue (subject to conditions).
76. Staff consider that, if the Council adopts either sub-option (b) or (c), relocation of machines should be subject to the condition that the new venue is located within a three kilometre radius of the old venue. This would avoid the risk of multiple venues being relocated to a new area of the city, which may already be host to one or more gaming venues. The community within the radius of the new venue is also used to that class 4 gambling venue being in their area. Venues should also be required to operate no more machines at the new venue than they operated at the old venue and, in any case, no more than nine machines (in line with the Gambling Act 2003).
77. Under the Gambling Act 2003, if a venue's licence is surrendered or cancelled, any corporate society is able to apply to the Department of Internal Affairs for that licence within six months of the cancellation or surrender date and territorial consent is not required. There is therefore a risk, during that six month period, that the number of venues and machines could increase. To avoid the risk of the old damaged venue being reinstated and the venue licence reactivated, additional conditions should be that the Council is satisfied that the previous venue has been damaged or destroyed in circumstances beyond the control of the property owner (such as earthquakes, fire or floods) and is not able to reopen, and the Council is satisfied that there is no risk of the damaged or destroyed venue being occupied as a class 4 gaming venue for six months following the surrender of its licence.

Relocation in other circumstances

78. Staff have considered the possibility of the policy including a more general allowance for relocation (not linked to exceptional circumstances). Some councils allow a corporate society to relocate its machines if it disestablishes the existing venue. However, given the risk of the venue licence being taken up by a different society within six months of the licence being surrendered, staff recommend against including such a provision in the Council's gambling venue policy.

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THE PREFERRED OPTION

79. Staff recommend Option One (c): maintain the sinking lid policy but amend it to allow businesses at venues that have been damaged or destroyed by circumstances beyond the control of the property owner (such as earthquakes, fire or floods) and that are not able to reopen, to relocate their machines to a new venue. As discussed in paragraphs 66 and 67, relocation should be subject to the conditions that:
- (i) the Council is satisfied that the previous venue has been damaged or destroyed in circumstances beyond the control of the property owner (such as earthquakes, fire or floods) and is not able to reopen;
 - (ii) the Council is satisfied that there is no risk of the damaged or destroyed venue being occupied as a class 4 gaming venue for six months following the surrender of its licence;
 - (iii) the new venue is located within a three kilometre radius of the old venue; and
 - (iv) the maximum number of machines at the new venue is the same or a lesser number that were operated at the old venue (and, in any case, is no more than 9 machines).
80. A sinking lid policy is preferred because it most clearly contributes to achieving the objective of minimising gambling harm through the reduction of gaming venues and machines over time. It also provides continuity from existing policy settings, appears to be well supported by the community and is relatively simple to administer.
81. Sub-option (c) is preferred because it acknowledges that some existing venues have been adversely affected due to unforeseen circumstances, beyond the control of the venue operators or property owners. Having regard to the uncontrolled nature of some type of effects, staff consider that there should be some provision to enable venues to relocate in these circumstances and that this should not be restricted to venues affected by the Canterbury earthquakes. Proposing this option through the special consultative procedure will best enable the community to express its view on how the Council's policy should respond to the issue of earthquake-damaged venues.

Next steps

82. The Council's gambling venue policy may only be amended by way of the special consultative procedure. A draft statement of proposal, with the Proposed Gambling Venue Policy 2012, and a summary of information are attached for this purpose (Attachment 1 and Attachment 4). If the Council agrees, public notice of the proposal will be given in The Press and the Christchurch Star and on the Council's website on 14 March 2012, with a submission period from 14 March 2012 to 19 April 2012. Staff recommend that the Council appoint a Hearings Panel to hear any submissions on the proposed policy and make final recommendations to the Council.

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ASSESSMENT OF OPTIONS (SUMMARY)

The Preferred Option – Option One (c)

Maintain a sinking lid policy, but amend it to allow venues that have been damaged or destroyed by circumstances beyond the control of the property owner (such as earthquakes, fire or floods) and that are not able to reopen, to relocate to a new venue

	Benefits (current and future)	Costs (current and future)
Social	<ul style="list-style-type: none"> Reduced accessibility of gaming machines likely to reduce problem gambling and associated harm over time 	<ul style="list-style-type: none"> Possible reduction in funds raised for approved purposes (e.g. grants to community organisations)
Cultural	<ul style="list-style-type: none"> Expected reduction in problem gambling likely to most benefit groups particularly vulnerable to problem gambling 	<ul style="list-style-type: none"> Reduction in opportunities for recreational gambling over time
Environmental	<ul style="list-style-type: none"> Nil 	<ul style="list-style-type: none"> Nil
Economic	<ul style="list-style-type: none"> Increased output, incomes and employment to Christchurch economy through likely reduction in problem gambling Would enable existing damaged venues to keep operating through relocation provisions 	<ul style="list-style-type: none"> Lack of opportunity for new operators
<p>Extent to which community outcomes are achieved:</p> <p>Maintaining a sinking lid policy would contribute to a safer, healthier city as reducing numbers of gaming venues and machines is expected to reduce the prevalence of problem gambling and associated harm.</p> <p>Impact on the Council's capacity and responsibilities:</p> <p>Some increase in administration costs is likely as operators of damaged venues apply to relocate to new venues.</p> <p>Effects on Māori:</p> <p>Māori are significantly affected by gambling related harm yet received very few of the perceived benefits from gambling. Maintaining the sinking lid policy could reduce the negative effects on Māori through reduced access to gambling opportunities over time. He Oranga Pounamu support maintaining a sinking lid policy, but would prefer it not be amended.</p> <p>Consistency with existing Council policies:</p> <p>Not applicable.</p> <p>Views and preferences of persons affected or likely to have an interest:</p> <p>Key stakeholders have been consulted and the wider community invited to share their views as part of the review process. Providers of health services and the general public support maintaining the sinking lid policy. Some community members consider that operators of venues affected by the Canterbury earthquakes should be able to relocate their machines to a new venue, but service providers and other community members would prefer the policy not be amended. Corporate societies and clubs generally prefer a cap on venue and machine numbers instead of a sinking lid policy.</p> <p>Other relevant matters:</p> <p>This would allow up to 26 venues with consents for up to 398 machines to potentially relocate.</p>		

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Maintain the Status Quo – Option One (a)

Maintain the existing sinking lid policy (unamended)

	Benefits (current and future)	Costs (current and future)
Social	<ul style="list-style-type: none"> Reduced accessibility of gaming machines likely to reduce problem gambling and associated harm over time 	<ul style="list-style-type: none"> Possible reduction in funds raised for approved purposes (e.g. grants to community organisations)
Cultural	<ul style="list-style-type: none"> Expected reduction in problem gambling likely to most benefit groups particularly vulnerable to problem gambling 	<ul style="list-style-type: none"> Reduction in opportunities for recreational gambling over time
Environmental	<ul style="list-style-type: none"> Nil 	<ul style="list-style-type: none"> Nil
Economic	<ul style="list-style-type: none"> Increased output, incomes and employment to Christchurch economy through likely reduction in problem gambling 	<ul style="list-style-type: none"> Lack of opportunity for new operators Individual operators affected by inability to relocate damaged venues

Extent to which community outcomes are achieved:

Maintaining a sinking lid policy would contribute to a safer, healthier city as reducing numbers of gaming venues and machines is expected to reduce the prevalence of problem gambling and associated harm.

Impact on the Council's capacity and responsibilities:

Limited impact as no new consents are issued under this policy.

Effects on Māori:

Māori are significantly affected by gambling related harm yet received very few of the perceived benefits from gambling. Maintaining the sinking lid policy could reduce the negative effects on Māori through reduced access to gambling opportunities over time. He Oranga Pounamu support maintaining the existing sinking lid policy.

Consistency with existing Council policies:

Not applicable.

Views and preferences of persons affected or likely to have an interest:

Providers of health services and the general public support maintaining the sinking lid policy. However, some community members consider that operators of venues affected by the Canterbury earthquakes should be able to relocate their machines to a new venue. Corporate societies and clubs generally prefer a cap on venue and machine numbers instead of a sinking lid policy.

Other relevant matters:

Nil.

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Option Two

Place constraints on the number of gaming machines and location of venues

	Benefits (current and future)	Costs (current and future)
Social	<ul style="list-style-type: none"> • Could increase level of community funding – although there is little evidence for this 	<ul style="list-style-type: none"> • Possible increase in social problems associated with problem gambling if venue and machine numbers increase
Cultural	<ul style="list-style-type: none"> • Ability for venues to relocate could improve opportunities for recreational gambling • Controls on location could help to mitigate risks to vulnerable communities 	<ul style="list-style-type: none"> • Any increase in problem gambling likely to disproportionately impact on some groups
Environmental	<ul style="list-style-type: none"> • Nil 	<ul style="list-style-type: none"> • Nil
Economic	<ul style="list-style-type: none"> • Would enable societies to close uneconomic venues and relocate to more profitable location 	<ul style="list-style-type: none"> • Any increase in gambling could reduce output, incomes and employment to Christchurch economy • Possible increased costs to individuals and families affected by problem gambling
<p>Extent to which community outcomes are achieved:</p> <p>This approach may make a small contribution to recreational opportunities but any increase in gaming venues and machines could undermine the city's desired health and safety outcomes.</p> <p>Impact on the Council's capacity and responsibilities:</p> <p>Some increase in administration costs is likely as new applications for consent would need to be processed.</p> <p>Effects on Māori:</p> <p>Māori are significantly affected by gambling related harm yet received very few of the perceived benefits from gambling. There is a risk that this option could lead to an increase in venue and machine numbers, increasing problem gambling and disproportionately impacting on Māori.</p> <p>Consistency with existing Council policies:</p> <p>Not applicable.</p> <p>Views and preferences of persons affected or likely to have an interest:</p> <p>None of the key stakeholders consulted or community members who chose to share their views expressed a preference for this option.</p> <p>Other relevant matters:</p> <p>Nil.</p>		

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Option Three

Cap the total number of gaming venues and/or machines in the district

	Benefits (current and future)	Costs (current and future)
Social	<ul style="list-style-type: none"> Possible reduction in number of venues and machines, and thus reduction in gambling harm, if cap set below existing levels 	<ul style="list-style-type: none"> Conversely, could increase problem gambling if cap set at higher level
Cultural	<ul style="list-style-type: none"> If cap set at higher level, could increase opportunities for recreational gambling 	<ul style="list-style-type: none"> Possible reduction in opportunities for recreational gambling, if cap set below existing levels Risk of concentration of venues in vulnerable areas if district-wide approach taken
Environmental	<ul style="list-style-type: none"> Nil 	<ul style="list-style-type: none"> Nil
Economic	<ul style="list-style-type: none"> Would enable societies to close uneconomic venues and relocate to more profitable location Possibility of increased output, incomes and employment to Christchurch economy through reduction in problem gambling, if cap set below existing levels 	<ul style="list-style-type: none"> Conversely, could increase negative effects on Christchurch economic if cap set at higher level
<p>Extent to which community outcomes are achieved:</p> <p>The effect on the achievement of community outcomes would depend on the level at which the cap(s) are set. If venue and machine numbers were allowed to increase, recreational opportunities might increase but the policy could have a detrimental effect on the city's health and safety outcomes. Conversely, if cap(s) were set below existing levels, this could have a positive effect on the city's health and safety.</p> <p>Impact on the Council's capacity and responsibilities:</p> <p>Some increase in administration costs is likely as new applications for consent would need to be processed.</p> <p>Effects on Māori:</p> <p>Māori are significantly affected by gambling related harm yet received very few of the perceived benefits from gambling. Maori could be disproportionately affected by this option in either a positive or negative way, depending on the level of the caps set.</p> <p>Consistency with existing Council policies:</p> <p>Not applicable.</p> <p>Views and preferences of persons affected or likely to have an interest:</p> <p>Corporate societies and clubs generally prefer this option and consider that venue and machine numbers should be capped at pre-earthquake levels. Providers of health services and the general public do not support this option and would prefer to maintain the sinking lid policy.</p> <p>Other relevant matters:</p> <p>There is no clear basis for determining what the caps should be; that is, what numbers of gaming venues and machines would strike an appropriate balance between providing for gambling opportunities while minimising the harm associated with problem gambling.</p> <p>This approach would clearly indicate the number of venues and/or machines at which the Council considers the harm created by class 4 gambling would be at an acceptable level.</p>		

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Option Four

Allow the market to decide – no regulation of gaming venue or machines

	Benefits (current and future)	Costs (current and future)
Social	<ul style="list-style-type: none"> • Could increase level of community funding – although there is little evidence for this 	<ul style="list-style-type: none"> • Possible increase in social problems associated with problem gambling if venue and machine numbers increase or are concentrated in vulnerable communities
Cultural	<ul style="list-style-type: none"> • Could increase opportunities for recreational gambling 	<ul style="list-style-type: none"> • Any increase in problem gambling likely to disproportionately impact on some groups
Environmental	<ul style="list-style-type: none"> • Nil 	<ul style="list-style-type: none"> • Nil
Economic	<ul style="list-style-type: none"> • Provides opportunity for venues to obtain further income from servicing machines • Provides a level playing field for competition 	<ul style="list-style-type: none"> • Possible reduction in output, incomes and employment to Christchurch economy if problem gambling increases • Possible increased costs to individuals and families affected by problem gambling
<p>Extent to which community outcomes are achieved:</p> <p>This approach would support Christchurch being a city for recreation, fun and creativity. However, any increase in gaming venues and machines could undermine the city's desired health and safety outcomes.</p> <p>Impact on the Council's capacity and responsibilities:</p> <p>This option would be simple to administer.</p> <p>Effects on Māori:</p> <p>Māori are significantly affected by gambling related harm yet received very few of the perceived benefits from gambling. Any increase in opportunities for gambling would increase the negative effects on Māori.</p> <p>Consistency with existing Council policies:</p> <p>Not applicable.</p> <p>Views and preferences of persons affected or likely to have an interest:</p> <p>This option is unlikely to be supported by the Christchurch community. None of the key stakeholders consulted or community members who chose to share their views expressed a preference for this option. In 2006, there was a strong adverse reaction to this approach.</p> <p>Other relevant matters:</p> <p>There is a high level of risk in this option as it is difficult to predict accurately how the market would react.</p>		

12. REVIEW OF TEMPORARY ALCOHOL BANS FOR PAPANUI AND MERIVALE AREAS

General Manager responsible:	General Manager Strategy and Planning, DDI 941-8281
Officer responsible:	Programme Manager Strong Communities
Author:	Ruth Littlewood

PURPOSE OF REPORT

1. This paper reports back on the operation of the temporary alcohol bans in Merivale and Papanui. This report recommends that the Council proceed with an investigation of permanent alcohol bans for these areas, and proposes that the Council extend the current temporary bans to cover the period of time required for processing any bylaw amendments.

EXECUTIVE SUMMARY

2. On 25 August 2011, the Council resolved to declare temporary alcohol bans in Merivale and Papanui which will cease to have effect from 8 March 2012. Police advice was that following the February 2011 earthquakes businesses and people drinking at licensed premises were displaced from the central city to new and overcrowded venues in the suburbs with a consequent increased level of anti-social behaviours in the Merivale and Papanui areas. The bans were introduced to address actual and anticipated problems identified by the Police; to protect and maintain public health and safety and to minimise the potential for offensive behaviour in public places.
3. As part of this review staff have assessed relevant information with respect to operation of the temporary alcohol bans; in particular updated Christchurch City Council Customer Services 'requests for services' data and provisional Police statistics to December 2011. In contrast to the police data provided in August 2011 (January–June 2011) which showed little evidence of an increase in alcohol related problems for Papanui and Merivale following the 22 February earthquakes¹, the updated provisional Police data to December 2011 shows significantly increased rates of alcohol related crime for both areas compared to previous years, with a generally upward trend in incidents from April/May 2011.
4. Consultation on the effect of the temporary bans was initiated in early December 2011 with support for continuation of the temporary bans from Police representatives, two residents groups and limited if positive feedback from the Fendalton/Waimairi and Shirley/Papanui community boards (the Boards). Staff will further consult the Police, the Boards and community in January and early February, and report back on the outcome to the 23 February 2012 Council meeting.
5. Council decisions are required as to the next steps to be taken to address these issues. Options include: allowing the bans to expire without replacement, for the bans to be further extended on a temporary basis, or for the bans to be made permanent through amendments to the Alcohol Restrictions in Public Places Bylaw 2009 (the Bylaw). If the latter option is preferred a Section 155 Local Government Act 2002 (the Act) investigation into amending the bylaw is required. Legal advice is that further extension of the current temporary bans would only be appropriate as an interim measure covering the period of the statutory process to amend the Bylaw.
6. Staff do not recommend that the current bans are simply allowed to expire as recent evidence shows a significant increase in alcohol related offending in Merivale and Papanui since the closure of the CBD licensed premises and there is police and community support for the continuation of the bans. The high level of patronage of venues and the spill-over effects associated with alcohol consumption in public places is no longer considered a short term or temporary phenomenon and permanent alcohol bans may be warranted. Approval is sought for staff to carry out an (LGA02 Section 155) investigation of the costs and benefits of amending the Bylaw and for the Council to approve 'interim' temporary bans to apply for the duration of the process to amend the Bylaw.

¹ Council Report, 25 August 2011, 'Temporary Alcohol bans, Papanui, Merivale and Akaroa'

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7. Staff have prepared a tentative timeline for amending the Bylaw. If the Section 155 investigation supports the creation of permanent alcohol bans for Papanui and Merivale, the investigation report will be provided, together with draft Statement of Proposal, Summary of Information and draft Bylaw amendments, for the Council's consideration at the 26 April 2012 Council meeting.
8. Subject to the Council's approval to proceed with the bylaw amendments, it is anticipated that the Special Consultative Procedure could be commenced in May with the hearing of submissions in early July and decisions made by the end of July. The Bylaw amendments would come into force in August or September.

FINANCIAL IMPLICATIONS

9. There are costs involved with initiating an amendment to the Bylaw including preparing and printing the Statement of Proposal, Summary of Information and the proposed Amendment of the Bylaw, placing public notices, sending copies to stakeholders, receiving submissions and holding hearings. If changes are adopted, there will be costs associated with signage, publicising the ban(s), advising stakeholders and submitters, and the general public. The costs for the process to amend the Bylaw by way of a Special Consultative Procedure (SCP) can be funded through budgetary provision in the City and Community Long-Term Policy and Planning activity in the 2009-19 LTCCP. Funding for the provision of signage, including costs of production, erection, and where necessary replacement has been provided for in the draft 2012/13 Annual Plan.
10. Expenditure on (extending the) temporary bans as an interim measure is largely limited to the cost of some replacement signage; no SCP is required and publicity for the temporary bans can be carried out in association with that required for the proposed bylaw changes.
11. The Police will be responsible for enforcing any additional alcohol bans and associated costs.

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

12. See above.

LEGAL CONSIDERATIONS

13. Under Section 145 of the Act, the Council may make bylaws for one or more of the following purposes:
 - (a) protecting the public from nuisance
 - (b) protecting, promoting and maintaining public health and safety
 - (c) minimising the potential for offensive behaviour in public places.
14. Any proposed amendment to the Bylaw would be made under the bylaw-making power in Section 147 of the Act. This allows a council to make a bylaw for "liquor control purposes"; Section 147 essentially allows a council to make a bylaw prohibiting or otherwise regulating or controlling the consumption, possession and carriage of alcohol in public places, including in vehicles in public places. "Public places" in section 147 is confined to land that is under the control of the Council and open to the public, and includes any road, even if it is not under the control of the Council. The bylaw-making power in section 147 also explicitly exempts the transport of unopened bottles or containers of alcohol to or from licensed premises or private residences in an area covered by a bylaw made for liquor control purposes.
15. The purpose of the Alcohol Restrictions in Public Places Bylaw is to control anticipated or potential negative alcohol-related behaviour in any defined areas. Under clause 6 of the Bylaw, in Permanent or Temporary Alcohol Ban Areas, no person may:
 - (a) consume alcohol in a public place; or
 - (b) consume alcohol in a vehicle in a public place; or

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- (c) bring alcohol into a public place, whether in a vehicle or not; or
 - (d) possess alcohol in a public place, whether in a vehicle or not.
16. The Bylaw currently provides for 11 areas of the city to be "Permanent Alcohol Ban Areas" as set out in the Schedule to the Bylaw. Changes to the Schedule would require the Special Consultation Process in accordance with section 156 of the Act.
17. The Bylaw also provides that the Council may declare a Temporary Alcohol Ban Area by resolution. Any such resolution under this provision must describe the specific area that is a Temporary Alcohol Ban Area and the times, days or dates on which the alcohol restrictions apply to any public places in the area. Generally a temporary alcohol ban should last no longer than 6 months and it is not open to the Council to simply 'roll over' a ban. However if the Council expressed an intention to introduce a Permanent Alcohol Ban Area, legal advice is that it would be appropriate for the Council to put in place a further temporary ban while consulting on proposals to put in place the permanent ban.
18. The Council's consideration of any (further) temporary ban for Papanui or Merivale must have regard to the relevant 'criteria' set out in Clause 5(2) of the Bylaw, below:
- (b) the nature and history of alcohol-related problems usually associated with the area, together with any anticipated alcohol-related problems; and
 - (c) whether the benefits to local residents and to the city would outweigh the restrictions the resolution would impose on local residents and other people, including those who may be attending any events, in the area covered by the resolution; and
 - (d) any information from the Police and other sources about the proposed dates, the event or the area to be covered by the resolution; and
 - (e) whether the Police support the proposed Temporary Alcohol Ban Area; and
 - (f) any other information the Council considers relevant.
19. The bans were assessed as appropriate in terms the above considerations prior to their introduction (Report to Council and Council resolutions of 25 August 2011 refer) and the latest information available in terms of Police data and the results of community consultation strengthens the evidence supporting (continuation of) temporary bans for the period of investigation of and consultation on permanent bans.
20. The process for making, amending or revoking bylaws under the Local Government Act 2002 is outlined in sections 83, 86, 155 and 156 of the Act. Section 155 of the Act 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.
21. Section 77 of the Act, which relates to decision-making requires local authorities to identify all practical options and to assess the options in relation to their costs and benefits, community outcomes, and the impact on the council's capacity. Options include: allowing the bans to expire, for the bans to be further extended on a temporary basis, and/or for the bans to be made permanent through amendments to the Alcohol Restrictions in Public Places Bylaw 2009 (the Bylaw). If the latter option is preferred a decision is required to authorise the preparation of a Section 155 report into amending the bylaw. The Act requires a review of any bylaw no longer than 5 years after it comes into force and the Section 155 report would address the appropriate review period for any proposed permanent ban.

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22. The option of allowing the current temporary alcohol bans to lapse without replacement is not recommended because police statistics show a significant increase in alcohol related offending in Merivale and Papanui, and because police and community representatives support the continuation of the bans. Staff recommend that the options to create permanent alcohol bans for these areas are further investigated.
23. With respect to the option for extending the current temporary bans, legal advice (see paragraph 17 above) is that this option may be appropriate as an interim measure. Given the relatively low costs and potential benefits of the alcohol bans staff recommend (extensions to the) temporary bans; the bans to be in force until either permanent bans are in place or until the Council decides not to proceed with bylaw amendments to create permanent bans.

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

24. As above. It should be noted that a Section 155 analysis would be required if an amendment to the Bylaw is sought for additional Permanent Alcohol Ban areas.

ALIGNMENT WITH LTP AND ACTIVITY MANAGEMENT PLANS

25. This report is broadly aligned to the City and Community Long-Term Planning Activity through the provision of advice 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?

26. See above.

ALIGNMENT WITH STRATEGIES

27. The Safer Christchurch Strategy aims to see rates of injury and crime decline, for people to feel safe at all times in Christchurch City and for Christchurch to have excellent safety networks, support people and services. The Bylaw supports the Strategy through the provision for Alcohol Bans which contribute to a reduced level of unacceptable behaviours and vandalism associated with excessive drinking in public places.

Do the recommendations align with the Council's strategies?

28. Yes – as above.

CONSULTATION FULFILMENT

29. Community consultation in December and early January, seeking feedback on (the effectiveness of) the temporary bans for this report elicited responses from the Police, Shirley/Papanui and Fendalton/Waimairi Community Boards (the Boards) and two residents' associations, St James Avenue Residents Association and Merivale Precinct Society. This initial response, reveals community and police support for the the alcohol bans to address alcohol related problems in the areas. Merivale Precinct Society seeks the continuation of an alcohol ban given the 'changed drinking culture' in Merivale, while members of the St James Avenue Residents Association want a permanent alcohol ban to apply for the area together with an extended 24 hours a day ban for St James Park. The Boards' responses referred to their previous expressions of support for the (introduction of the) bans.
30. The information obtained through consultation undertaken to-date has been limited by the availability of affected and interested parties over the December-January period and the necessarily short time frame for the review, commencing 3 months into the 6 month duration of the bans. Further consultation will be undertaken and the results reported to the 23 February Council meeting. Should the Council decide to proceed with amendments to the Bylaw, a full Special Consultative Procedure will be undertaken in accordance with the Local Government Act 2002.

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STAFF RECOMMENDATION

It is recommended that the Council:

- (a) Direct staff to undertake a Section 155 Local Government Act 2002 analysis of possible amendments to the Bylaw with respect to declaring new Permanent Alcohol Ban Areas for Merivale and Papanui, and report back by April 2012.
- (b) Having considered the matters in clause 5(2) of the Christchurch City Alcohol Restrictions in Public Places Bylaw 2009, declares Temporary Alcohol Ban Areas for Merivale and Papanui; being the areas shown on the attached maps (**Attachment 1** and **Attachment 2**), to apply from 9 March 2012; Wednesday Thursday, Friday and Saturday nights from 6.00pm to 6.00am.
- (c) Resolve that the temporary bans (provided for in (b) above) shall expire either on 9 September 2012 or if and when Council resolves that a permanent ban for that area will not be imposed.

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BACKGROUND

31. Following the 22 February 2011 earthquakes the Police approached the Council seeking the introduction of new alcohol bans for Merivale and for an area of Papanui not already covered by the permanent ban for "Northland Mall surrounds". The Police sought (permanent) alcohol bans as a tool to address problems associated with an significant influx of drinkers displaced from central city licensed premises into these suburbs. Staff advice (reports to June and August Council meetings) was that there was insufficient evidence of a problem to justify permanent bans but recommended (August 2011) the introduction of temporary bans for both Merivale and Papanui to address potential problems and to allay expressed community concerns having regard to the limited evidence of developing problems in these areas.
32. On 25 August 2011, the Council resolved to declare
 - (a) *...a Temporary Alcohol Ban Area in Papanui, (being the area shown on the attached map (Attachment 2)), applying for six months from 8 September 2011 to 8 March 2012 for Wednesday, Thursday, Friday and Saturday nights from 6.00pm to 6.00am.*
 - (b) *...a Temporary Alcohol Ban Area in Merivale, (being the area shown on the attached map (Attachment 3)), applying for six months from 8 September 2011 to 8 March 2012 for Wednesday, Thursday, Friday and Saturday nights from 6.00pm to 6.00am.*

Staff have undertaken a preliminary review of the effects of the temporary bans and investigated the need for permanent alcohol bans in Merivale, and Papanui. This has involved an assessment of the data available and discussions with identified key stakeholders as outlined in paragraph 29 above. Each area is discussed in turn.

Merivale

33. The current temporary liquor ban area runs from Papanui Road/St Albans Road intersection to Browns Road to Innes Road, back across Papanui Road to Heaton Street, down to Rossall Street, back up Rugby Street onto Papanui Road then back to the Papanui Road/St Albans Road intersection [**Attachment 1**]. The ban applies for Wednesday to Saturday nights 6pm-6am as specified in the resolution quoted above.
34. Provisional police 'Calls for Service' data have been provided for the Temporary Liquor Ban Area for 01 July–30 November 2011 and monthly data for 2009-2011 for the wider Merivale area. Some tentative conclusions can be drawn from the suburban data provided (see table below). In particular there appears to have been a significant increase in the number of alcohol related incidents from May-October 2011 compared with the same period in 2010 and 2009. The nature of the alcohol related issues and the effectiveness of the alcohol ban for the Merivale area was discussed (15 December 2011) with Inspector Dave Lawry, Area Commander Northern, New Zealand Police. His view was that from April/May drinkers progressively returned to licensed premises created overcrowding of the bars in the Merivale area and disorder in public places requiring police attention. Inspector Lawry's perspective appears generally consistent with the provisional police statistics.

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Provisional Police Statistics: Alcohol Related Offending -Merivale

		2009	2010	2011
MERIVALE	Jan	6	5	1
	Feb	1	2	8
	Mar	9	3	3
	Apr	4	4	4
	May	5	1	6
	Jun	3		9
	Jul	4		9
	Aug	7	9	3
	Sep	2	3	6
	Oct		6	11
	Nov	8	6	9
	Dec	7	3	3
MERIVALE	Sum:	56	42	72

35. Inspector Lawry considered that the ban had been effective, preventing drinking by people in public places 'pre-loading' before entering Merivale licensed premises, and allowing his officers 'to move intoxicated people on' before they became involved in more significant incidents such as scuffles or fights. It should be noted however that the police data above does not directly relate to the alcohol ban area and does not record the number of breaches of the ban or whether other offences declined within the ban area, following its introduction.
36. The President of the Merivale Precinct Society says that the Society supports a ban for as long as the post-earthquake change in clientele and 'drinking culture' prevails; venues in Merivale are overcrowded and there is increased drinking in public and drunkenness on the streets. The Society considers that the ban has been useful, in providing increased levels of security and has allowed police to remove alcohol from drunk people and to disrupt alcohol related anti-social activities.
37. As well as consideration of police data, the Council's own Requests for Service (RFS) data was viewed. No significant trends e.g. in the amount of broken bottle glass within the alcohol ban area were discernable in the RFS data for the alcohol ban area.
38. On balance staff consider there is sufficient information to proceed with the section 155 analysis on a permanent alcohol ban in Merivale having regard to the provisional police data and the preliminary consultation undertaken. For the section 155 investigation, a survey of businesses is proposed which together with more detailed analysis and interpretation of data should provide more information on the merits of any ban.
39. If the Council was to amend the Bylaw to introduce an alcohol ban in Merivale it would be doing so to protect the public from nuisance, to protect and maintain public health and safety and to minimise the potential for offensive behaviour in public places. The process of instituting a permanent ban through amendment to the Bylaw would enable full community consultation on a ban including whether a permanent ban should be in the same or different form, in the area, and times when the ban applies, as the current temporary ban.

12 Cont'd

Papanui

40. The temporary alcohol ban area for Papanui applies Wednesday- Saturday nights 6pm to 6am for the area shown on the attached map [**Attachment 2**]. The temporary ban extends the hours and area covered by the permanent ban provided for Thursday-Saturday night from 9pm to 6am for the 'Northlands Mall and surrounds' [**Attachment 3**]. As stated above any change or addition to the permanent ban in Papanui must be through an amendment to the Bylaw, requiring an analysis under section 155 of the Act and consultation under the Special Consultative Procedure.
41. Inspector Lawry advises that as with Merivale there has been a considerable increase in the number of people using, or attempting to use, licensed premises in the Papanui area and that additional licensed premises have opened outside the current permanent alcohol ban area to cater for the higher numbers of people working in and visiting the Papanui area. He assessed the temporary ban to have had positive effects in addressing some of the problems associated with Patrons 'preloading' before entering licensed premises in Papanui and in drinking in public places especially along the walkways beside the railway lines.
42. The president of the St James Avenue Residents Association confirmed that, following the influx of drinkers to Papanui, its members have observed a dramatic increase in the sort of alcohol related behaviours which the ban is designed to address e.g. drinking in public, broken bottles on the road, the stashing of liquor (behind street trees and in the adjoining park and properties) for 'pre and post- loading' by patrons, together with more serious alcohol related crimes such as destruction of property, intimidation and violence. The president noted that a press report (Star Advertiser 28/11/11) which publicised the ban and included a Police statement to the effect that alcohol related offending in the area would be targeted, seemed to have a significant effect in the short term; "the quietest weekend for months". Some Association members consider that the ban should be made permanent, extended to apply 24 hours a day in St James Park, publicised widely and more consistently enforced.
43. Provisional police data 'Calls for Service' data for the Papanui Temporary Liquor Ban Area for 01 July–30 November 2011 and monthly data for 2009-2011 for the wider Papanui area have been provided to Council - See table below. Some tentative conclusions can be drawn from the data provided. In particular there appears to have been a significant increase in the suburb's number of alcohol related incidents from April -December 2011 with a total of 188 for 2011 compared with 126 for the same period in 2010. It should be noted however that the police data below does not directly relate to the alcohol ban area and does not record the number of breaches of the ban or whether other offences declined within the ban area, following its introduction. As well as consideration of police data, Council's own Requests for Service (RFS) data was viewed. No significant trends e.g. in the amount of broken bottle glass within the alcohol ban area were discernable in the RFS data for the alcohol ban area.

Provisional Police Statistics: Alcohol Related Offending- Papanui

		2009	2010	2011
PAPANUI	Jan	17	4	16
	Feb	12	18	12
	Mar	15	20	15
	Apr	13	13	26
	May	19	11	22
	Jun	13	6	28
	Jul	16	14	26
	Aug	27	21	22
	Sep	16	16	18
	Oct	18	15	17
	Nov	6	16	17
	Dec	13	14	12
PAPANUI	Sum:	185	168	231

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44. In April/May 2011, as part of their supporting information for the introduction of a ban, the Police undertook a survey of business owners in the Papanui area to determine what issues have arisen since the 22 February earthquake.² Staff will undertake a further survey of these businesses which could contribute to the Section 155 analysis into the effects of the bans.
45. On balance staff believe there is sufficient evidence to commence the process of undertaking a section 155 analysis on a permanent alcohol ban in Papanui
46. If the Council was to amend the Bylaw to provide a wider permanent alcohol ban for the Papanui area it would be doing so to protect the public from nuisance, to protect and maintain public health and safety and to minimise the potential for offensive behaviour in public places. The process of instituting a permanent ban through amendment to the Bylaw would enable full community consultation on the ban including consideration of changes e.g. 24 hour ban for St James Park, to the current temporary ban.

Next Steps

47. If the Council agrees that there is sufficient evidence to warrant further consideration of permanent alcohol bans in these areas, staff will undertake a full section 155 analysis, and report back in April 2012. At that stage Council decisions will be required as to the next steps to be taken to address these issues. As outlined above, options include: allowing the bans to expire without replacement, for the bans to be further extended on a temporary basis, or for the bans to be made permanent through amendments to the Alcohol Restrictions in Public Places Bylaw 2009 (the Bylaw).
48. As discussed above, further temporary bans are considered appropriate as interim measures, addressing alcohol related problems in Merivale and Papanui during the procedure to amend the Bylaw. Legal advice is that any temporary ban should lapse as soon as a permanent ban comes into effect or immediately following a Council decision not to amend the Bylaw.
49. Should the Council decide in April to proceed further with the process to amend the Bylaw, a full Special Consultative Procedure will be undertaken. It is anticipated that consultation would occur in May to mid June with hearings in late June or early July. This would enable any amendments to take effect in August 2012 before the recommended temporary alcohol bans expire.

² Senior Constable R. Fraser, Liquor Ban Proposal Papanui/Merivale, 4 May 2011

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**13. REPORT OF A MEETING OF THE HOUSING AND COMMUNITY FACILITIES COMMITTEE:
MEETING OF 20 DECEMBER 2011**

Attached.

HOUSING & COMMUNITY FACILITIES COMMITTEE
20 December 2011

**A meeting of the Housing & Community Facilities Committee was held in
Committee Room 1, Civic Offices, 53 Hereford Street
on 20 December 2011 at 10am**

PRESENT: Councillor Glen Livingstone (Chair)
Councillors Ngaire Button (to 11.20 am), Yani Johanson and Aaron Keown

IN ATTENDANCE: Councillor Jimmy Chen

The Committee reports that:

PART B - REPORTS FOR INFORMATION

2. DEPUTATIONS BY APPOINTMENT

2.1 REGENERATION OF COUNCIL HOUSING

Simon Fenwick and Stewart Chadwick addressed the Committee commenting that the Council had a large housing stock needing to be replaced. They were proposing a way to replace the housing at no cost to the Council, through taking the housing land and improving the housing density on it and at the same time creating communities.

They followed with a presentation covering "The Principles of Good Housing" and they provided two examples of how this could be achieved, utilising two Council Housing complexes.

3. BRIEFINGS

3.1 CHRISTCHURCH CITY COUNCIL COMMUNITY FACILITIES – CONDITION UPDATE

The General Manager Community Services provided information on the current status of Council Community Facilities significantly damaged as a consequence of earthquake events.

Further information was sought on:

- The status of the voluntary libraries
- How the Council might work in with other Community Facility owners to rebuild these facilities
- The work being done to maintain the look of a site when its building had been demolished
- What transitional community facilities was the Council putting in place
- Could the Council make available its various vacant sites for other uses temporarily
- What calls were being made as to the allocation of funds to community facilities to ensure fairness.

It was seen that if progress is to be made:

- The Insurance Council needed to be involved
- Funding is required to strengthen heritage buildings and make them more resilient.

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14. 76 STYX MILL ROAD - SALE OF PART

General Manager responsible:	General Manager Corporate Services Group, DDI 941 8528
Officer responsible:	Unit Manager, Corporate Support Unit
Author:	Justin Sims, Property Consultant

PURPOSE OF REPORT

1. The purpose of this report is to present a recommendation from the Shirley/Papanui Community Board to the Council to seek the Council's approval to the sale of part of 76 Styx Mill Road shown as Lot 1 on the plan at **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 being located within the current transfer station site and shielded from the road by mature trees. It further benefits from being located on Council owned land and is endorsed by the Council's Water and Waste Unit as it does not impact on the current operations on the site.
4. The site to be sold will have a road frontage but this will not be used unless the remaining Council land is sold or access through the transfer station site is removed. An access agreement, utilising the current internal roading networks on the site, will therefore also be entered into to provide legal access to the site until this time.

FINANCIAL IMPLICATIONS

5. 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?

6. No.

LEGAL CONSIDERATIONS

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

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

8. Yes the Legal Services Unit has been consulted.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

9. 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?

10. No.

ALIGNMENT WITH STRATEGIES

11. Not applicable.

14 Cont'd

Do the recommendations align with the Council's strategies?

12. Not applicable.

CONSULTATION FULFILMENT

13. Not applicable.

STAFF RECOMMENDATION

That the Council adopts a resolution in the following form:

- (a) Declare that part of 76 Styx Mill Road, as shown as Sec 1 418 square metres of part Lot 1 DP 56295 on the plan in attachment 1, surplus and approve the unilateral sale of it to Enable Networks for the location of a building to support the ultra-fast broadband being provided to residents of Christchurch.
- (b) Delegate authority to the Corporate Support Unit Manager to manage, make decisions on and conclude the disposal process including any obligations under s.40 of the Public Works Act 1981.

BOARD CONSIDERATION

The Shirley/Papanui Community Board considered this report at its meeting on 15 February 2012.

BOARD RECOMMENDATION

That the staff recommendation be adopted.

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15. HEREFORD STREET – PROPOSED MOTORCYCLE PARK

General Manager responsible:	General Manager City Environment, DDI 941-8608
Officer responsible:	Unit Manager, Transport and Greenspace
Author:	Steve Hughes, Traffic Engineer

PURPOSE OF REPORT

1. The purpose of this report is to seek the Council's approval to install a 60 minute time restricted motorcycle parking area on the south side of Hereford Street.

EXECUTIVE SUMMARY

2. Staff have received a request from the motorcycling public that short term motorcycle parking be installed near the Christchurch City Council offices. (**Refer Attachment 1**).
3. There are a number of 'unrestricted' motorcycle parking stands within a short distance of the Council building where motorcycles can be parked all day. However there are no 'time limited' motorcycle parking areas where visitors can find dedicated short term motorcycle parking. Consequently motorcyclists are parking on the footpath outside the Council building obstructing pedestrian access. Therefore an area of medium term time limited motorcycle parking is desirable.
4. On the south side of Hereford Street, no stopping restrictions extend east from Montreal Street, across the Christchurch Police station vehicle entrance and for a further 8 metres to the start of existing vehicle parking. It has been identified that there is sufficient space to utilise 4 metres of this area as 60 minute motorcycle parking without reducing the number of car parking spaces or compromising the operation of the vehicle entrance or nearby intersection.
5. The Christchurch Police were consulted in regard to this proposal and have no objection to it. No other parties are affected.

FINANCIAL IMPLICATIONS

6. The estimated cost of the signs and markings for this proposed motorcycle parking area is approximately \$400.

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

7. The installation of road markings and signs is within the LTCCP Streets and Transport Operational Budgets.

LEGAL CONSIDERATIONS

8. Part 1, Clause 5 of the Christchurch City Council Traffic and Parking Bylaw 2008 provides the Council with the authority to install parking restrictions by resolution.
9. This location is within the area set out in the Register of Delegations for which the Council has retained authority to resolve parking restrictions and traffic control devices.
10. The installation of any parking restriction signs and/or markings must comply with the Land Transport Rule: Traffic Control Devices 2004.

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

11. As above.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

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

15 Cont'd

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

13. As above.

ALIGNMENT WITH STRATEGIES

14. The recommendations align with the Council Strategies including the current Parking Strategy.

Do the recommendations align with the Council's Strategies?

15. As above.

CONSULTATION FULFILMENT

16. The Christchurch Police were consulted about this matter. The Central Police Station is the only premises adjacent to the proposed changes. They have no objections to this proposal.

17. The Officer in Charge - Parking Enforcement agrees with this recommendation.

STAFF RECOMMENDATION

It is recommended that the Council revoke the following parking restriction:

(a) The existing no stopping restrictions on the south side of Hereford Street extending east from the intersection of Montreal Street for 37 metres.

It is recommended that the Council approve the following parking restrictions:

(b) The stopping of vehicles be prohibited at any time on the south side of Hereford Street commencing at the intersection with Montreal Street and extending in an easterly direction for a distance of 33 metres;

(c) A Motorcycle Park restricted to a maximum period of 60 minutes be installed on the south side of Hereford Street commencing at a point 33 metres east from its intersection with Montreal Street and extending in an easterly direction for a distance of 4 metres. This restriction is to apply at any time.

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16. PERFORMANCE REPORT FOR THE SIX MONTHS TO 31 DECEMBER 2011

General Manager responsible:	General Manager, Corporate Services
Officer responsible:	Corporate Performance Manager Corporate Finance Manager
Author:	Paul Anderson – General Manager, Corporate Services

PURPOSE OF REPORT

1. The purpose of this report is to update Council on service delivery, financial, and capital works programme performance results for the six months to 31 December 2011. The budgets and targets in this paper are based on those approved by Council in the 2009-19 LTCCP and/or 2011-12 Annual Plan.
2. The report includes an updated overview on the expected overall financial impact of the earthquake on the Council for the year ended 30 June 2012.

EXECUTIVE SUMMARY

3. Attached are appendices showing summaries of:
 - Levels of service graph as at 31 December 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**)
 - Financial performance as at 31 December 2011 (**Appendix 2**)
 - Significant capital projects (>\$250,000) as at 31 December 2011 (**Appendix 3**)
 - Housing development fund and Christchurch Earthquake Mayoral Relief fund as at 31 December 2011 (**Appendix 4**).
 - City Environment – financial commentary (**Appendix 5**).

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 Level of Service (LOS) 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 81.6 per cent of its levels of service to target at year end.
6. **Appendix 1a** lists those LOS 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.

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Financial Performance

7. 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			Forecast Carry Forward	
\$000's	Actual	Plan	Variance	Forecast	Plan	Variance	Carry Fwd	Result
Council Activities								
Operational Expenditure	187,954	200,955	13,001	380,136	381,762	1,626	1,500	126
Operational Funding	180,672	173,584	7,089	364,328	355,687	8,641		8,641
Ratepayer cash operating deficit	7,282	27,372	20,090	15,808	26,075	10,267	1,500	8,767
Earthquake Response								
Operational Expenditure	147,447	34,402	-113,045	218,566	58,361	-160,205		-160,205
Operational Funding / Recoveries	115,045	28,533	86,512	158,577	55,161	103,415		103,415
Earthquake response borrowing required	32,401	5,868	-26,533	59,990	3,200	-56,790		-56,790
Capital Works Programme								
Works Programme Funding	34,352	64,877	30,526	143,321	178,125	34,804	19,885	14,919
Works Programme Borrowing Requirement	27,974	31,311	-3,337	56,976	115,969	-58,994	55,000	-3,994
Works Programme Borrowing Requirement	6,377	33,566	27,189	86,345	62,155	-24,190	-35,115	10,926

8. The forecast ratepayer cash operating surplus, after including additional interest costs for borrowing for the earthquake response, is \$10.3 million (before operational carry forwards currently identified of \$1.5 million). This is a \$6.6 million improvement over the October report. Given the extent of earthquake emergency and response costs forecast to be incurred, staff will recommend that this surplus be applied to these costs in lieu of additional borrowing.
9. Council earthquake emergency and response costs for 2011/12 are expected to be higher than budgeted by \$56.8 million, an increase of \$7.2m since the October report. This is primarily due to additional costs incurred/forecast as a result of the 23 December aftershock. The key reasons for the increase in earthquake emergency and response costs compared with the Annual Plan are:
- Costs incurred as a result of the June and December aftershocks 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 and December emergency response costs are \$30.5 million, and are partially recoverable through Ministry Civil Defence Emergency Management subsidies (net cost to the Council of \$8.9 million). The aftershocks 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 a net \$31.2 million this year.
 - 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.
 - 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, \$13.1 million is forecast to be spent this year with a net cost to the Council of \$6.4 million.

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10. The Capital Works Programme is forecast to be \$34.8 million below budget before carry forwards. Forecast carry-forwards are \$19.9 million, the largest carry-forwards being Ferrymead Bridge, Main Rd three laning, and the wastewater and water supply extensions to Charteris Bay. After carry-forwards, the capital works programme is forecast to be \$14.9 million under budget at year-end.
11. 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 46.

\$ million	Actual 11/12 YTD Results				Forecast 11/12 Results					
	Cost	Govt Subsidy	Insur Cover	Net Cost	Cost	Govt Subsidy	Insur Cover	Net Cost	11/12 Plan	Variance
Emergency/Response	147.4	(91.5)	(23.6)	32.4	218.6	(126.6)	(31.1)	60.9	4.1	56.8
Rebuild Costs	155.7	(76.1)	(54.4)	25.2	345.8	(134.0)	(156.2)	55.6	55.6	-
Net Cost	303.1	(167.6)	(77.9)	57.6	564.3	(260.5)	(187.4)	116.4	59.6	56.8

Operational Expenditure

12. Operating costs for the Council activities are \$13.0 million below budget, but are forecast to decrease to \$1.6 million below budget at year-end. The year-to-date variance is largely due to continuing underspends 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. Insurance cost are also significantly below budget (\$4.7 million) across the organisation due to limited cover being available. Also below budget are grants costs, as the Arts Centre and Heritage Incentive grants have not been paid out as budgeted. 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).
13. The favourable forecast variance for Council Activities is mainly due to underspends on maintenance/operating costs in the Water Supply and Wastewater Collection and Treatment areas (\$5.2 million); staff/consultants costs relating to the Central City Plan (\$3.4 million); and Arts Centre and Heritage grants (\$1.5 million. These are unlikely to be paid out this financial year and will be requested to be carried forward). Partially offsetting this are forecast overspends on earthquake building consents and inspections (\$1.3 million) Royal Commission (\$0.9 million), demolition processing (\$0.4 million) and resource consents (\$0.4 million). Also debt servicing costs are forecast to be a net \$3.3 million higher than budget as a result of the Council being required to borrow funds in anticipation of government reimbursement of emergency and response costs. As at the end of December, the Council had advanced \$135 million to SCIRT for the commencement of the infrastructure rebuild programme. Government officials are considering a Council staff request to provide advance funding for the Crown's estimated share of these costs. No government funding has been received for the rebuild programme as at 31 December 2011, however \$184.8 million has been received from the Crown and NZTA towards emergency and response costs. It is our intention to recover all interest costs relating to funding the Crown's share of the recovery and rebuild costs and this will be recognised in the next Performance Report after we receive confirmation from the Crown that these funding costs will be reimbursed.

Operational Funding

14. Operational funding for Council activities is \$7.1 million higher than budget and forecast to be \$8.6 million higher at year-end. The year-to-date variance is largely due to additional revenue from trade waste charges and rates (including penalties). Partially offsetting this are revenue shortfalls in the parking, commercial property rentals, and building consent reviews and inspections areas. Revenue from trade waste charges and rates are also the main components of the forecast variance (forecast to be \$5.8 million and \$3.9 million higher than budget respectively).
15. Other variances not affecting the ratepayer cash surplus are forecast shortfalls in housing rentals and development contributions, and donations to the Earthquake Mayoral Relief Fund.

16 Cont'd

Capital Works Programme

16. The Capital Works Programme is \$30.5 million below budget year to date, with a number of projects having been delayed due to earthquake damage. Some of the key delays are the Western Interceptor Future Stages (\$5.2 million behind budget), CWTP Biosolids Drying Facility (\$3.1 million), WW Fendalton Duplication (\$2.3 million), along with a number of roading projects including carriageway sealing and surfacing (\$1.8 million), and road pavement replacement (\$1.3 million), with a further \$4.2 million relating to strategic land purchases.
17. The Capital Works Programme is forecast to be \$34.8 million below budget for the full year, with the largest underspend being forecast in Wastewater Collection and Treatment (\$14.6 million), the key projects being the Western Interceptor Future Stages (\$6.9 million), CWTP Biosolids Drying facility (\$2.8 million) and the wastewater extension to Charteris Bay (\$1.9 million). Streets and Transport are forecast to be underspent by \$6.6 million, with the largest underspends being the Ferrymead Bridge (\$4.1 million) and Main Road three laning (\$2.1 million). Other significant underspends include the Carrs Road pedestrian bridge (\$1.2 million), partially offset by \$1.1 million overspend on the Southern Motorway and Auxiliaries project. The water supply extension to Charteris Bay is forecast to be underspent by \$0.9 million.
18. Also contributing to the overall forecast underspend is an over recovery relating to strategic land purchases (\$4.2 million), as the amount of held land identified to be allocated to capital projects in the current year is forecast to be different than budgeted. This is a timing difference that will be addressed via the carry-forward process.
19. Proposed net carry-forwards of \$19.9 million have currently been identified at this stage, against a budgeted \$55 million.

Capital Funding

20. Development Contributions revenue is \$1.2 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 are forecast to be \$1.9 million below budget by year-end. NZTA capital subsidies on the Streets programme are forecast to be \$2.7 million below budget, partially offset by unbudgeted capital contributions from Ngai Tahu \$0.7 million (cost reimbursement for Awatea Basin) and NZTA \$0.3 million (Southern Motorway).

Operational Activities

22. The following commentary is supported by the second table in **Appendix 2**. This figures are combined results from Council activities and earthquake response costs. Depreciation is running ahead of plan in a number of Activities due to asset impairment information not being available to enable the write down of asset values and consequent depreciation reduction. This will be addressed by year end.
23. City & Community Long Term Policy & Planning – The year-to-date and forecast variances are largely due to an underspend on consultants fees, promotional and staff costs, mainly in the Central City Plan, UDS and Environmental Policy areas.
24. Heritage Protection – The year-to-date and forecast variances relate to the Arts Centre and Heritage Incentive grants which are now not expected to be paid out this financial year. A carry-forward of \$1.5 million will be requested.
25. Social Housing – This activity is \$1.1 million below budget, mainly due to a reduction in insurance costs due to limited cover being obtainable. This activity is forecast to be \$0.5 million favourable to budget, due to maintenance and operating costs forecast to be \$1.7 million below budget (\$1.1 million of which are insurance costs), partially offset by a forecast rental revenue shortfall of \$1.2 million.

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26. The Civil Defence Emergency Management activity is forecast to be \$1.9 million higher than budget due to costs associated with the Recovery Management Office, EOC and Welfare (largely staff time which is not recoverable). Some of this expenditure relates to costs incurred prior to 30 June but not accrued into last year's financial accounts.
27. Art Gallery and Museums – This activity is under budget and forecast to remain so due to the closure of the gallery and fewer exhibition projects provided.
28. Libraries – The year-to-date and forecast variances are due to insurance premium savings with limited cover in place, and as a result of staff working on other business units and earthquake related projects.
29. Neighbourhood Parks – The forecast overspend relates to earthquake costs (net of recoveries), with \$0.5 million relating to Parks and a further \$0.7 million specifically to Parks Trees work.
30. Waterways and Land Drainage – This activity is \$1.6 million higher than budget, driven by earthquake costs (\$2.5 million higher than budget) and depreciation costs (\$0.4 million higher), partially offset by an underspend on normal Council activities of \$1.3 million due to maintenance works put on hold. The activity is forecast to be \$8.6 million higher than budget at year-end, due to earthquake costs where no recoveries are available (such as river dredging). Depreciation costs are forecast to be \$0.4 million higher, although this is offset by an underspend on normal Council activities for the same amount.
31. Harbours and Marine Structures – The favourable forecast variance represents the current estimate of the additional revenue expected from cruise ship fees.
32. Parks & Open Spaces Capital Revenues – The year-to-date variance reflects higher earthquake capital revenues, due to recoveries on stormwater costs moved from operational to capital. Development contributions are \$1.0 million below budget (Parks development contributions \$0.8 million below and Waterways & Wetlands development contributions \$0.2 million below). Also included is an unbudgeted payment from Ngai Tahu of \$0.7 million (cost reimbursement for Awatea Basin). While earthquake capital revenues are forecast to be on budget, development contributions are forecast to deteriorate to be \$2.2 million below budget (Parks \$1.7 million and Waterways & Wetlands \$0.5 million below).
33. Refuse Minimisation & Disposal Capital Revenues – The current unfavourable variance of \$2.1 million is a reversal of 2010/11 recoveries relating to the set up of the Burwood Resource Recovery Park. Currently this is forecast to be recovered as staff are continuing to discuss recovery of these costs with central government.
34. Regulatory Approvals – This activity is \$5.6 million over budget, \$4.8 million of which are earthquake costs (net of recoveries), and are made up of geotech costs (\$3.8 million), earthquake building consents and inspections (\$0.6 million), and a further \$0.5 million of costs associated with Royal Commission. Net earthquake costs are forecast to increase to be \$8.4 million higher than budget (\$5.8 million geotech, \$1.4 million building consents & inspections, \$0.8 million Royal Commission, and \$0.4 million miscellaneous earthquake administration work), and is a further deterioration of \$0.6 million from last month. Normal Council activities are forecast to be \$2.3 million higher than budget, mainly due to lower revenue forecast in the Building Consents and Building Inspections areas.
35. Road Network – This activity is \$6.3 million over budget, represented by \$5.4 million of earthquake costs (net of recoveries) and depreciation costs (\$2.0 million) higher than budget, partially offset by an underspend on normal Council activities (\$1.1 million), mainly in the Streets Trees (\$0.5 million) and Bridges/Structures (\$0.4 million) areas. Net earthquake costs are forecast to increase to \$12.7 million higher than budget, and depreciation \$1.7 million higher, partially offset by an underspend on normal Council activities, forecast to be \$0.9 million lower (mainly in the carriageways and bridges/structures areas).

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36. Parking – This activity is forecast to be \$0.6 million unfavourable to budget at year-end, which relates to Off-Street parking (with On-Street parking forecast to be close to budget). This is due to unexpected delays in re-opening the Art Gallery car park, and the Hospital car park currently closed, with its immediate future uncertain.
37. Public Transport Infrastructure – This activity is \$1.6 million below budget, mainly due to lower depreciation costs relating to the Transport Interchange site.
38. Streets and Transport Capital Revenues are \$35.7 million below budget which relates to NZTA capital subsidies and insurance recoveries relating to the infrastructure rebuild. Costs incurred attracting subsidy are lower than budgeted 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 \$2.7 million lower than budget.
39. Wastewater Collection – This activity is \$14.9 million higher than budget, largely due to earthquake costs (net of recoveries), and depreciation costs higher than budget (\$15.5 million and \$1.2 million respectively), partially offset by an underspend on normal business operations (\$1.8 million), as resources continue to be diverted to earthquake repairs. However, earthquake costs are forecast to increase significantly by year-end, to be \$25.1 million higher than budget, while depreciation cost are forecast to be \$2.9 million higher. Partially offsetting this is a forecast underspend on normal Council activities, expected to be \$2.2 million below budget (mainly in pumping and reticulation maintenance costs).
40. Wastewater Treatment & Disposal – This activity is \$4.4 million below budget, mainly due to higher than budgeted revenue from Trade Waste charges (\$3.4 million) as a result of increased volumes of tankered waste being disposed at the CWTP. The balance is largely due to operating/maintenance cost savings due to the BioSolids plant not operating at full capacity, in addition to insurance savings. While a slight catch-up in maintenance costs is forecast, Trade Waste revenues are forecast to increase to be \$5.4 million higher than budget at year-end.
41. Wastewater Collection & Treatment Capital Revenues are \$40.7 million below budget, nearly all of which are earthquake capital revenues related to the infrastructure rebuild (\$36.6 million CWTP, \$2.5 million WW Reticulation and \$1.5 million Pump Stations). These are forecast to be on budget at year-end.
42. Water Supply – The year-to-date variance is due to net earthquake costs (\$3.1 million higher than budget) and depreciations costs (\$0.9 million higher) partially offset by an underspend on Council activities of \$1.9 million as resources continue to be diverted to earthquake repairs. Net earthquake costs are forecast to increase to \$4.3 million higher than budget, with depreciation and normal Council activities forecast to remain close to current levels.
43. Water Supply Capital Revenues are \$3.5 million higher than budget due to earthquake capital revenues related to the infrastructure rebuild (forecast to be on budget at year-end).
44. Corporate Revenues/Expenses are \$69.6 million higher than budget, \$67.7 million of which relates to earthquake capital recoveries. The remaining balance of \$1.9 million is largely represented by rates revenue which is \$5.8 million higher than budget (\$3.7 million rates income and \$2.1 million penalties), contributions made to the ChCh EQ Mayoral Relief Fund (\$1.5 million), and lower depreciation costs (\$0.3 million). Partially offsetting this are net interest costs & dividends \$3.2 million higher than budget and net corporate EQ costs \$1.3 million higher (largely rates remissions).

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

45. Emergency and earthquake response costs are forecast to be \$56.8 million higher than plan in 2011/12, largely as a result of the 13 June and 23 December aftershocks.
46. 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 CERA.

\$ million	Actual 11/12 Year To Date Results				Forecast 11/12 Results					
	Cost	Govt Subsidy	Insur Cover	Net Cost	Cost	Govt Subsidy	Insur Cover	Net Cost	11/12 Plan	Variance
Emergency & Response Costs										
Roading Emergency Work	26.7	(22.3)	(0.0)	4.4	35.7	(26.7)	(0.0)	9.0	-	9.0
Welfare and other Emergency Work	5.7	(5.5)	(0.0)	0.1	18.3	(11.2)	(0.3)	6.7	-	6.7
Other Response Costs	12.0	(0.3)	(10.9)	0.8	18.2	(1.7)	(11.2)	5.3	-	5.3
Temporary Maintenance Work	96.8	(60.0)	(11.9)	24.9	133.9	(80.1)	(18.6)	35.1	4.1	31.0
Demolition	(0.1)	0.1	-	(0.0)	0.1	(0.0)	-	0.1	-	0.1
Rockfall	7.5	(3.3)	-	4.2	13.1	(6.7)	(0.0)	6.4	-	6.4
Other	(1.3)	-	(0.7)	(2.0)	(0.7)	(0.1)	(1.0)	(1.8)	-	(1.8)
Total Emergency and Response Costs	147.4	(91.5)	(23.6)	32.4	218.6	(126.6)	(31.1)	60.9	4.1	56.8

\$ million	Actual 11/12 YTD Results				Forecast 11/12 Results					
	Cost	Govt Subsidy	Insur Cover	Net Cost	Cost	Govt Subsidy	Insur Cover	Net Cost	11/12 Plan	Variance
Infrastructure Rebuild										
Facilities	.5	1.2	.8	2.6	67.4	(.0)	(52.2)	15.2	4.8	10.4
Water	1.0	(1.5)	(1.1)	(1.6)	14.2	(8.5)	(5.7)	-	.0	(.0)
Sewer	25.1	(12.6)	(12.2)	.3	136.4	(43.4)	(91.4)	1.6	.7	.9
Stormwater	11.4	(5.9)	(2.8)	2.7	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	2.1	(.3)	(.8)	1.1	103.5	(77.3)	(2.4)	23.7	38.4	(14.7)
Contractor setup costs unallocated	115.5	(57.1)	(38.3)	20.1	.9	-	-	.9	.9	-
Total Rebuild	155.7	(76.1)	(54.4)	25.2	345.8	(134.0)	(156.2)	55.6	55.6	(.0)

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47. Staff have been in ongoing discussions with CERA and NZTA on cost sharing arrangements for the future. Government has not yet finalised its position but it is expected that an update will be ready to incorporate into a revised estimate for Council in March 2012. Council staff will continue to work with Government officials in the lead up to the 2013/22 Long-Term Plan to finalise the Crown / Council cost sharing arrangements.

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

48. Yes – there are none.

LEGAL CONSIDERATIONS

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

49. Yes – there are none.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

50. 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?

51. As above.

ALIGNMENT WITH STRATEGIES

52. Not applicable.

CONSULTATION FULFILMENT

53. Not applicable.

STAFF RECOMMENDATION

It is recommended that the Council receive the report.

17. NOTICES OF MOTION

Nil.

18. RESOLUTION TO EXCLUDE THE PUBLIC

Attached.

THURSDAY 23 FEBRUARY 2012

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 19 and 20.

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
19. Confirmation of Minutes - Council Meeting of 15.12.2011)	
20. Plan Change 58 - 98 Wrights Road - Addington Raceway - Recommended Decision) GOOD REASON TO) WITHHOLD EXISTS)) UNDER SECTION))	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
19.	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.
19.	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.
20.	To enable the Council to deliberate in private on a recommendation where a right of appeal to a Court against Council's decision exists.	48(1)(d) and 48(2)(a)(i)	To enable the Council to consider its Planning Officer's 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.

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.”